

Press Release

Fortune REIT Reports 1.0% Growth in Interim DPU

50% Loan on Floating HIBOR Favors Bottom Line As Interest Rates Fall Solid Occupancy and High Retention Ensure a Continual Income Stream

5 August 2025 - ESR Asset Management (Fortune) Limited (the “**Manager**”), the Manager of Fortune Real Estate Investment Trust (“**Fortune REIT**”; SEHK: 778), announces the interim financial results of Fortune REIT for the six months ended 30 June 2025 (“**1H2025**” or the “**Reporting Period**”).

Interim DPU grew 1.0% on significant interest savings. Fortune REIT reported revenue and net property income of HK\$854.5 million and HK\$612.6 million, respectively for 1H2025. Benefiting from a substantial decline in short-term HIBOR during the second quarter of 2025, finance costs fell by 12.6% year-on-year as 50% of our loan priced on floating HIBOR. The interest savings offset the lower net property income, leading to a 2.1% increase in income available for distribution to HK\$377.1 million. With a 100% payout ratio, the interim Distribution Per Unit (“**DPU**”) rose 1.0% to 18.41 Hong Kong cents, representing an annualized distribution yield of 7.7%.

Solid occupancy and high retention ensure a continual income stream. As Hong Kong’s retail market navigated challenges in transition towards a new economy, tenants have been cautious about commitments. To minimize rental downtime and maintain a steady income stream, we focused to maintain occupancy and retain quality tenants. Although portfolio rental reversion was negative during the Reporting Period, our adaptive leasing approach achieved an 82% tenant retention. In the first half of 2025, we concluded leases of 643,000 sq.ft., representing 21% of our portfolio. As at 30 June 2025, portfolio occupancy stood solid at 95.0%, registering an average increase of 0.9% compared to the first half of last year.

Proactive trade mix enhancements to meet evolving market needs. In response to shifting consumer preferences favouring experiential spending, Fortune Malls continued to expand its health and entertainment offerings while refreshing the F&B selections. Notably, we have signed two new fitness centres, introducing one at Centre de Laguna and another at +WOO, where a former kindergarten space has been repurposed. Meanwhile, two large-scale amusement centres - Topsy and Bulu Bula featuring popular claw machines with delightful prizes - were introduced to +WOO and Fortune Metropolis. These new attractions aim to bring in regular crowds, encourage longer stays and appeal to young customers. Additionally, our dining portfolio also grew with additions such as Nabego (shabu-shabu for one), Bashi Ramen (一橋拉麵) and the popular local eatery Fook Kitchen (尋福記).

Targeted marketing to sustain traffic and deepen customer engagement. A series of targeted marketing campaigns and promotional initiatives were rolled out to drive traffic and stimulate spending, particularly during holiday periods when outbound travel was more prevalent. These collective efforts helped to support business across our malls. Traffic at Fortune Malls during the Reporting Period remained largely stable, with only a modest dip of 1.5%. Customer engagement also strengthened in 1H2025, as Fortune Malls APP membership surged by 49% and points redemption increased by 28%.

Waldorf Avenue Refurbished and Laguna Plaza On-Track for AElS completion. Asset enhancements continue to unlock the long-term value of our malls. The five-month upgrade of Waldorf Avenue was substantially completed in July 2025, elevating the overall customer experience through a re-designed entrance, enhanced lighting and upgraded shop signage. Meanwhile, the reconfiguration of the basement supermarket at Laguna Plaza is on track for completion in the fourth quarter of 2025, positioning the mall for an optimized tenant profile.

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Ms. Justina Chiu, Chief Executive Officer of the Manager, said, "The fast-evolving macroeconomic environment and retail landscape require us to remain agile and forward-thinking. Our adaptive leasing strategy and continuous optimization of our malls have enabled us to navigate market challenges and maintain stability amid a subdued retail market. We are beginning to see early signs of stabilization as supportive government policies take effect, and interest rates gradually decline – developments that may help restore market momentum and lift consumer confidence over time. With proactive portfolio management, disciplined cost management and sound financials, Fortune REIT is well positioned to weather market cycles and capture new opportunities as they emerge."

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Photo: Ms. Justina Chiu, Chief Executive Officer (left), and Ms. Jenny Hung, Deputy Chief Executive Officer (right) of ESR Asset Management (Fortune) Limited, attended the 2025 Interim Results Press Conference.

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About Fortune REIT

Established in 2003, Fortune REIT is a real estate investment trust constituted by a trust deed (as amended, supplemented or otherwise modified from time to time). It is the first REIT to hold assets in Hong Kong and is currently listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Fortune REIT currently holds a portfolio of 17 retail properties, with 16 private housing estate retail properties in Hong Kong and 1 neighbourhood mall in Singapore, comprising approximately 3 million sq. ft. of retail space and 2,793 car parking spaces. The retail properties are Fortune City One, +WOO, Ma On Shan Plaza, Metro Town, Belvedere Square, Laguna Plaza, Fortune Metropolis, Waldorf Avenue, Caribbean Square, Jubilee Square, Tsing Yi Square, Smartland, Stars of Kovan Property, Hampton Loft, Centre de Laguna, Lido Avenue and Rhine Avenue. They house tenants from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers. Visit www.fortunereit.com for more information.

About ESR Asset Management (Fortune) Limited, the Manager

Fortune REIT is managed by ESR Asset Management (Fortune) Limited, a part of ESR. ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure that power the digital economy and supply chain for investors, customers, and communities. Through its fully integrated real asset fund management and development platform, ESR strives to create value and growth opportunities for its global portfolio of investors. ESR offers its customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities it serves to thrive for generations to come. Visit www.esr.com for more information.

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