

FORTUNE 置富產業信託 REIT

Stock Code 股份代號 : 778



FORWARD FOCUSED
專注前行 穩步邁進

Interim Report
中期報告
2025

➤ ABOUT FORTUNE REIT

Established in 2003, Fortune Real Estate Investment Trust ("**Fortune REIT**") is a real estate investment trust constituted by a trust deed (the "**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 (the "**SEHK**").

Fortune REIT 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 square feet ("**Sq.ft.**") of retail space and 2,793 car parking spaces.

➤ ABOUT THE MANAGER

Fortune REIT is managed by ESR Asset Management (Fortune) Limited (the "**Manager**"), a part of the ESR Group Limited (the "**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 our fully integrated real asset fund management and development platform, we strive to create value and growth opportunities for our 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.

➤ OUR MISSION

The Manager's key objective is to deliver regular and stable returns to holders of Fortune REIT units ("**Unitholders**") through proactive management of Fortune REIT's portfolio of assets and acquiring properties that generate long term benefits to Unitholders.



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Financial Highlights



Revenue

HK\$854.5M

Six months ended
30 June 2025



Net Property Income

HK\$612.6M

Six months ended
30 June 2025

	Six months ended 30 June 2025	Six months ended 30 June 2024	% change
Revenue (HK\$ million)	854.5	871.8	-2.0%
Net property income (HK\$ million)	612.6	633.1	-3.2%
Income available for distribution (HK\$ million)	377.1	369.5	+2.1%
Distribution per unit ("DPU") (HK cents)	18.41	18.23	+1.0%
Cost-to-revenue ratio	26.1%	25.1%	+1.0%



Net Asset Value Per Unit

HK\$12.67

As at
30 June 2025



Property Valuation

HK\$37,277M

Six months ended
30 June 2025

	As at 30 June 2025	As at 31 December 2024	% change
Property valuation (HK\$ million)	37,277	38,056	-2.0%
Net asset value per unit (HK\$)	12.67	13.21	-4.1%
Gearing ratio ⁽¹⁾	26.2%	25.6%	+0.6%

Note:

- Gearing ratio is defined as total borrowings as a percentage of gross assets.

Three GROWTH STRATEGIES



1

PROACTIVE LEASING MANAGEMENT

Fortune REIT's proactive asset management has sustained high and stable occupancy while retaining a strong base of quality tenants. We continue to refine our tenant mix to align with shifting consumer preferences, achieving 82% tenant retention for the first half of 2025 and 95% portfolio occupancy as of 30 June 2025.



2

ASSET ENHANCEMENT INITIATIVES

Fortune REIT continues to unlock the long-term value of our malls. In July 2025, we completed a five-month upgrade of Waldorf Avenue in Tuen Mun to elevate the customer experience. Meanwhile, the reconfiguration of the basement floor at Laguna Plaza remains on track. These initiatives strengthen our malls' positioning and optimize the tenant mix.



3

YIELD-ACCRETIVE ACQUISITIONS

Since its establishment in 2003, Fortune REIT has successfully grown its portfolio by over 10 times to HK\$37.3 billion through a combination of organic growth and strategic acquisitions, while consistently delivering stable returns to our Unitholders. With a sound balance sheet, Fortune REIT is well positioned to weather market cycles and will continue to pursue acquisition opportunities that enhance long-term value for Unitholders.

Management Discussion and Analysis

FINANCIAL REVIEW

In the first half of 2025, global trade tensions and geopolitical uncertainties weighed on economic recovery, while evolving consumption patterns, demographics shifts, and increasing outbound travels further challenged the retail market in Hong Kong.

Against these headwinds, Fortune REIT reported a gross revenue of HK\$854.5 million, a decrease of 2.0% compared to the same period last year (first half 2024: HK\$871.8 million). The decline was attributable to negative rental reversion, mainly from supermarkets and real estate agents, albeit partially offset by increases in charge-out income and carpark income, as well as a higher average occupancy compared to the same period last year.

Total property operating expenses (excluding the Manager's performance fee) increased by 1.7% year-on-year to HK\$222.9 million (first half 2024: HK\$219.1 million). In particular, building management expenses were higher due to increased staff cost and more expensive service contracts. Advertising and promotion expense also increased as more sales-driven promotions were offered. Accordingly, net property income for the Reporting Period decreased by 3.2% year-on-year to HK\$612.6 million (first half of 2024: HK\$633.1 million) and the cost-to-revenue ratio was 26.1% (first half of 2024: 25.1%).

Finance costs for the Reporting Period (excluding changes in fair value of derivative financial instruments) fell by 12.6% year-on-year to HK\$173.3 million (first half of 2024: HK\$198.1 million). This reduction was primarily attributable to a substantial decline in short-term HIBOR during the second quarter, following an increased in Hong Kong dollar liquidity. The 1-month HIBOR fell sharply in May, reaching a 3-year low of 0.52% in June and staying below 1% throughout the remainder of June. Although additional costs were incurred from entering new interest rate swap ("**IRS**") contracts at higher fixed rates during the Reporting Period to maintain a 50% hedging ratio, the floating loan portion yielded significant interest cost savings as a result of the lower HIBOR observed in the second quarter. Consequently, the effective borrowing cost was reduced to 3.5% for the Reporting Period (first half of 2024: 4.1%).

Interest cost savings offset lower net property income, resulting in a 2.1% year-on-year rise in income available for distribution to HK\$377.1 million for the Reporting Period (first half of 2024: HK\$369.5 million). With a distribution payout ratio of 100% for the Reporting Period (first half of 2024: 100%), the interim DPU increased by 1.0% year-on-year to 18.41 HK cents (first half of 2024: 18.23 HK cents). Based on the closing unit price of HK\$4.82 as at 30 June 2025, the interim DPU implied an annualized distribution yield of 7.7%.

The interim DPU of 18.41 HK cents for the six months ended 30 June 2025 will be paid on 19 September 2025 to Unitholders whose names appear on the register of Unitholders of Fortune REIT as at 21 August 2025.

Capital Management

Fortune REIT's balance sheet remained sound. As at 30 June 2025, the gearing ratio stayed at a healthy level of 26.2% (31 December 2024: 25.6%), while gross liability as a percentage of gross assets was 30.9% (31 December 2024: 30.0%). Fixed rate portion of debt saw a slight decrease during the Reporting Period. Following the expiration of certain IRS contracts in early 2025, new contracts were secured, resulting in a 50% fixed rate debt ratio as at 30 June 2025 (31 December 2024: 55%).

Fortune REIT possesses sufficient financial resources to meet its financial commitments and working capital requirements. As at 30 June 2025, total loan facilities drawn down amounted to HK\$9,839.7 million (31 December 2024: HK\$9,849.7 million). Available liquidity amounted to HK\$756.6 million (31 December 2024: HK\$718.3 million), comprising committed but undrawn facilities of HK\$673.3 million (31 December 2024: HK\$621.7 million) and bank deposits of HK\$83.3 million (31 December 2024: HK\$96.6 million).

Net asset value per unit amounted to HK\$12.67 as at 30 June 2025 (31 December 2024: HK\$13.21).

Portfolio Valuation

As at 30 June 2025, the total value of Fortune REIT's investment properties was HK\$37,277 million (31 December 2024: HK\$38,056 million). The average capitalization rate of the Hong Kong assets remained unchanged at 4.3%.

Jones Lang LaSalle Limited, the principal valuer, has adopted the income capitalization approach to the valuation methodology, which is cross-referenced with a direct comparison approach.

BUSINESS REVIEW

Hong Kong's economy recorded modest growth in the first half of 2025, with gross domestic product rising by 3.1% year-on-year in the second quarter. Despite this, consumer confidence remained suppressed as macroeconomic uncertainties and geopolitical tension continued to weigh on recovery. While Hong Kong transitions toward a new economy, the retail and food and beverage ("**F&B**") sectors are adjusting to the challenges posed by increased outbound travel and online shopping. These structural changes have led to sector consolidations, the fall of several established brands, and more cautious tenant behaviour.

Management Discussion and Analysis

Nevertheless, indication of some gradual easing in the downturn emerged in the second quarter of 2025, as retail sales ended a 14-month slump — rising 2.4% year-on-year in May and 0.7% year-on-year in June. Despite overall retail sales value remained some 20% below pre-pandemic levels, most categories either performed better or experienced smaller declines compared to last year. On the other hand, the F&B sector saw a slight increase of 0.1% in total restaurant receipts for the first half, with fast food outlets outperforming Chinese restaurants.

Amid a soft retail market where tenants were generally conservative about expansions and rent negotiations, the Manager adopted an adaptive leasing strategy, resulting in stable occupancy and high tenant retention, despite some reduction in rental income. During the Reporting Period, leases covering 643,000 sq.ft., or 21% of the total portfolio area, were secured. The tenant retention rate was 82%, indicating steady leasing demand across Fortune Malls. During the first half of 2025, the portfolio's average occupancy improved modestly by 0.9% as compared to the same period of last year. As of 30 June 2025, occupancy rate stood solid at 95.0%. The portfolio recorded negative rental reversion during the Reporting Period, especially in supermarkets, which experienced further rent reductions and weak leasing demand due to ongoing competition and the sector's gloomy outlook. On the other hand, real estate agents saw less negative reversions amid a modest property market recovery. The Manager continued to monitor the impacts of northbound travel and online shopping on different sectors, with ongoing efforts to repurpose underutilised spaces and adjust offerings where appropriate.

Strategic Trade Mix Enhancement to Meet Evolving Market Needs

We regularly refine our tenant mix to align with market trends and consumer preferences. In the first half of 2025, in response to rising demand, we have signed two new fitness centres — one at Centre de Laguna and another at +WOO, where a former kindergarten space has been repurposed. Entertainment options were expanded by adding two large-scale amusement centres — Topsy at +WOO and BulaBula at Fortune Metropolis. Additionally, popular dining concepts, including Nabego (shabu-shabu for one), the authentic Japanese ramen chain Bashi Ramen (一橋拉麵), and the acclaimed local eatery Fook Kitchen (尋福記) were introduced to strengthen our F&B lineup.

Targeted Promotional Campaigns to Engage Customers and Drive Sales

Fortune Malls implemented a series of promotions aimed at boosting traffic and tenants' sales, especially during weekends and holidays impacted by outbound travels. In the first half of 2025, two festive campaigns were launched, including Mr. PA New Year Diary (Mr. PA 拜年日記) for Chinese New Year and Esther Bunny Blossom Spring Outing (Esther Bunny 春日 紛郊遊樂) for Easter. The campaigns featured beloved IP characters, creating memorable experiences and photo opportunities for visitors. Additionally, we collaborated with our education tenants to host the "Family Carnival (童樂置趣日)", weekend events aimed to engage families and kids. To further incentivize visits and spending, we implemented a range of targeted initiatives, including free parking offers, spending rewards, and F&B coupon redemptions, to enhance customer loyalty and satisfaction.

Vibrant environment, diverse offerings and interactive experiences at the malls, complemented by our active online presence through social platforms, have helped to support our business in a soft market. Although footfall saw a slight year-on-year dip of 1.5% in the first half of 2025, signs of improvements emerged in May and June. The Fortune Malls APP continues to engage our customers and build loyalty. In particular, APP membership grew notably by 49% year-on-year with 22% more active members and 28% more membership points redeemed for rewards.

Asset Enhancement at Waldorf Avenue and Laguna Plaza Well On-Track

In 2025, two asset enhancement initiatives (“**AEIs**”) have been identified and launched. They have been progressing well at Waldorf Avenue and Laguna Plaza during the Reporting Period.

Waldorf Avenue, one of Tuen Mun’s busiest retail hubs, continued to attract residents by offering a wide array of daily necessities and convenience services. To elevate the shopping environment, the HK\$9 million AEIs were commenced in February 2025 and were essentially completed in July 2025. The enhancements include an inviting entrance re-design, improved corridor lighting, and upgraded shop signage. The renovation was carefully phased to minimize disruption to tenants, allowing for continued business operations and an uninterrupted customer experience.

Laguna Plaza, serving over 12,000 households in Laguna City and Sceneway Garden, commenced the HK\$32 million AEIs in February 2025, aiming for completion in the fourth quarter of 2025. The renovation involves reconfiguring approximately 26,000 sq.ft. of basement retail space, downsizing the existing supermarket by 40% to 13,500 sq.ft., and introducing new F&B and retail outlets. This strategic enhancement aims to increase the F&B trade mix to 40%, thereby enriching the tenant profile while retaining a large-scale supermarket. This initiative exemplifies our commitment to create value for both tenants and shoppers during challenging times.

OUTLOOK

Looking ahead, Hong Kong’s economic recovery will depend on macroeconomic factors such as geopolitical developments, trade tariffs, and interest rates trend. Retail sector is adapting to structural changes and heightened competition with tentative improvements from the prolonged downturn. The government’s proactive efforts in strengthening Hong Kong as an international hub, attracting global talent and students, promoting tourism, and hosting mega events, are expected to bring new capital and energy to the city. Lower interest rates are contributing to a favourable business environment. Additionally, recent rebounds in the stock and property markets may also foster a wealth effect that could boost consumer confidence and spending.

The Manager will stay agile, focusing on sustainable long-term performance through active portfolio management, disciplined cost and capital management as well as capitalizing on growth opportunities.

Corporate Governance

With the objective of establishing and maintaining high standards of corporate governance, the Board has established a corporate governance framework with internal controls, systems, policies and procedures in place to promote the operation of Fortune REIT in an accountable and transparent manner and with built-in checks and balances to ensure compliance with relevant regulations.

REGULATORY FRAMEWORK AND CORPORATE GOVERNANCE

Fortune REIT is a real estate investment trust listed on the Main Board of SEHK. Fortune REIT and/or the Manager are subject to the applicable laws, rules and regulations in Hong Kong (the “**Applicable Rules**”), including the mandatory disclosure requirements and code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the SEHK (the “**Listing Rules**”). The Manager has adopted a compliance manual (the “**Compliance Manual**”) which sets out the key processes, systems, measures, and certain corporate governance policies and procedures applicable for governing the management and operation of Fortune REIT and for compliance with the Applicable Rules. For further details, please refer to the Corporate Governance Report in Annual Report 2024 of Fortune REIT.

COMPLIANCE CONFIRMATIONS

The Board confirms that Fortune REIT and the Manager have complied with the REIT Code, the SFO, Listing Rules, the Trust Deed as well in material respects complied with the provisions of the Compliance Manual. The Board also confirms that Fortune REIT and the Manager have adhered to the mandatory disclosure requirements and code provisions set out in the Corporate Governance Code which are applicable to Fortune REIT and/or the Manager throughout the Reporting Period and have provided explanations in cases of deviations (if any) in this report.

During the Reporting Period, there were no amendments to the Trust Deed. The Compliance Manual has been amended for the revised Corporate Governance Code including but not limited to the: i) disclosure of skills matrix of the Board (“**Board Skills Matrix**”); ii) Board Performance Review; iii) Directors’ Time Commitment; iv) Independent Non-Executive Directors Term Limit; and v) miscellaneous amendments.

BOARD OF DIRECTORS OF THE MANAGER

The Board is responsible for corporate governance and the overall management of the Manager including establishing goals for Management and monitoring the achievement of these goals. All Board members participate in matters relating to corporate governance, business operations and risks, environment, social and governance (“**ESG**”), financial performance and the appointment, reappointment and removal of the directors of the Manager (the “**Directors**”). The Board has established a corporate governance framework for the management of Fortune REIT and the Manager, including a system of internal controls and business risk management processes. The Board has set the vision, mission and values of Fortune REIT which are instilled within the culture of the Manager. Directors have shaped and promoted the culture of the Manager through leading by example, acting with integrity and providing supervision to ensure that the values of acting lawfully, ethnically and responsibly are echoed throughout Fortune REIT and the Manager’s operations.

The Board presently comprises nine members, eight of whom are Non-Executive Directors (“**NEDs**”). Four of the NEDs are Independent Non-Executive Directors (“**INEDs**”). The positions of Chairman and Chief Executive Officer are held by two different persons in order to maintain an effective segregation of duties. During the Reporting Period, Mr. Lim Hwee Chiang resigned as a Non-Executive Director of the Manager and Mr. Shen Jinchu was appointed as a Non-Executive Director of the Manager with effect from 24 May 2025. Mr. Shen Jinchu has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 19 May 2025 and he has confirmed he understood his obligations as a Director.

The Board meets to review the Manager’s key activities. Board meetings are held once every quarter (or more often if necessary) to discuss and review the objectives, strategies and policies of Fortune REIT, including any significant acquisitions and disposals, annual budget, financial performance of Fortune REIT and to approve the release of the financial results. The Board also reviews the risks to Fortune REIT’s assets, and acts upon any comments from the auditor of Fortune REIT (the “**Auditor**”). Ad-hoc Board meetings will be held, as and when necessary, to address significant transactions or issues that may arise in between scheduled meetings. In lieu of physical or virtual meetings, written resolutions may also be circulated for approval by the Board.

Corporate Governance

The Board is assisted by the Audit Committee, the Disclosures Committee, the Designated Committee and the Nomination Committee. Each of these Board Committees reports back to the Board and have their own terms of reference, which have been approved by the Board and reviewed from time-to-time. In addition to aid the Board with operational matters, working committees such as the Sustainability Committee and the Risk Management Committee have been established to assist the Board with sustainability efforts and risk management relating to Fortune REIT. The roles of each aforesaid Board Committees are:

- The role of the Audit Committee is to, among other things, safeguard the assets of the Manager and Fortune REIT, assist the Board with discharging its responsibility in maintaining adequate accounting records, develop, maintain and review the effectiveness of the financial reporting systems, internal controls and risk management systems and the internal audit function, ensure integrity of financial statements and provide arrangements whereby concerns on financial improprieties or other matters raised by “whistle-blowers” are investigated and appropriate follow-up actions are taken. The Audit Committee also, among other things, monitors the procedures established to regulate transactions with “connected person” (as defined in the REIT Code).
- The role of the Disclosures Committee is to assist the Board, among other things, in reviewing matters relating to the disclosure of information to the Unitholders and public announcements.
- The role of the Designated Committee is to assist the Board, among other things, in reviewing matters relating to hedging strategies, financing and refinancing arrangements and transactions involving derivative instruments for hedging purposes.
- The role of the Nomination Committee is to assist the Board, among other things, in maintaining a Board Skills Matrix and reviewing the structure, size and composition (including the perspectives, skills, diversity, knowledge and experience) of the Board, including appointment of Directors, assessing the independence of the INEDs, reviewing Board Diversity policy of the Manager, assessing each Director’s time commitment and contribution to the Board and supporting the regular evaluation of the performance of the Board.

COMPLIANCE WITH THE UNIT DEALING CODE

The Manager has adopted the Code Governing Dealings in Units by Directors or the Manager (the “**Units Dealing Code**”) governing dealings in the securities of Fortune REIT by the Directors, the Manager and senior executives, officers or other employees of the Manager (collectively, the “**Management Persons**”) on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made with the Management Persons, who confirmed that they have complied with the required standard set out in the Units Dealing Code during the Reporting Period.

CHANGES OF DIRECTORS' INFORMATION

Subsequent to publication of the Annual Report 2024 of Fortune REIT, the Manager received notifications regarding the following changes of Directors' Information during the Reporting Period:

- Mr. Shen Jinchu has been appointed as a non-executive director of ESR Asset Management (Prosperity) Limited, the manager of Prosperity Real Estate Investment Trust on 28 May 2025; and
- Ms. Cheng Ai Phing ceased to be a member of the NTUC Education and Training Fund Board of Trustees on 31 March 2025.

REVIEW OF INTERIM REPORT

The interim report of Fortune REIT for the Reporting Period has been reviewed by the Audit Committee and the Disclosures Committee, and approved by the Board. The interim financial statements have also been reviewed by the Auditor, in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by International Auditing and Assurance Standards Board.

Other Information

EMPLOYEES

Fortune REIT is managed by the Manager and does not employ any staff itself.

NEW UNITS ISSUED

As at 30 June 2025, the total number of issued units of Fortune REIT was 2,043,802,228. A total of 11,191,033 new units were issued during the Reporting Period in the following manner:

- On 10 January 2025, 5,738,085 new units were issued to the Manager at the price of HK\$4.012 per unit (being ascribed in the Trust Deed) as payment 80% of the Manager's base fee of approximately HK\$23.0 million payable by Fortune REIT for the period from 1 October 2024 to 31 December 2024.
- On 3 April 2025, 5,452,948 new units were issued to the Manager at the price of HK\$4.131 per unit (being ascribed in the Trust Deed) as payment 80% of the Manager's base fee of approximately HK\$22.5 million payable by Fortune REIT for the period from 1 January 2025 to 31 March 2025.

REPURCHASE, SALE OR REDEMPTION OF UNITS

There was no repurchase, sale or redemption of the units of Fortune REIT by Fortune REIT or its subsidiaries.

PUBLIC FLOAT

As far as the Manager is aware, more than 25% of the issued and outstanding units of Fortune REIT were held in public hands as at 30 June 2025.

Disclosure of Interests

UNIT CAPITAL

The total number of issued units as at 30 June 2025 is 2,043,802,228 units.

HOLDINGS OF SUBSTANTIAL UNITHOLDERS

As at 30 June 2025, each of the following persons was considered a “substantial holder”, and hence a “connected person” of Fortune REIT, for the purpose of the REIT Code:

Name	Direct interest		Deemed interest	
	Number of Units Held Long Position	Percentage of Unit Holdings	Number of Units Held Long Position	Percentage of Unit Holdings
Focus Eagle Investments Limited ("Focus Eagle") ¹	413,074,684	20.21%	—	—
CK Asset Holdings Limited ("CK Asset") ¹	—	—	525,630,684	25.72%

Note:

1. CK Asset was deemed to hold 525,630,684 units, of which: (i) 413,074,684 units were held by Focus Eagle; and (ii) 112,556,000 units were held by Ballston Profits Limited. Focus Eagle and Ballston Profits Limited were indirect wholly-owned subsidiaries of CK Asset.

INTERESTS OF THE MANAGER

As at 30 June 2025, the Manager held 66,996,298 units, or approximately 3.28% of the issued units of Fortune REIT.

Disclosure of Interests

INTERESTS OF THE DIRECTORS

As of 30 June 2025, none of the directors of the Manager held any beneficial interest in any unit of Fortune REIT.

HOLDINGS OF THE OTHER CONNECTED PERSONS

HSBC Group¹, being the Trustee Connected Persons of Fortune REIT, did not hold any beneficial interest in any unit of Fortune REIT as at 30 June 2025. Associates of the Trustee were beneficially interested in 961,972 units as at 30 June 2025.

Saved as disclosed above, the Manager is not aware of any connected persons (as defined under the REIT Code) of Fortune REIT holding any units of Fortune REIT as at 30 June 2025.

To the best knowledge of the Manager and save as disclosed, the following sets out changes in the beneficial interest of certain connected persons of Fortune REIT, in compliance with paragraph 8.2(a) of the REIT Code, by reference to comparison of their respective beneficial interests as at 30 June 2025 and 31 December 2024:

- (a) The Manager was beneficially interested in 66,996,298 units as at 30 June 2025 and 55,805,265 units as at 31 December 2024;
- (b) HSBC Group did not hold any beneficially interest in any units as at 30 June 2025 and 31 December 2024; and
- (c) Mr. Lim Hwee Chiang was deemed to be interested in the 2,100,000 units held by Citibank Nominees Singapore Pte. Ltd. (as nominee for JL Philanthropy Ltd) and Mr. Lim is the settlor of JL Family Trust which is the beneficiary of JL Philanthropy Ltd as at 31 December 2024. Mr. Lim has resigned as a Non-Executive Director of the Manager with effect from 24 May 2025.

1. HSBC Group means The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") and its subsidiaries and unless otherwise expressly stated herein, excludes Trustee and its proprietary subsidiaries (but excluding those subsidiaries formed in its capacity as the trustee of Fortune REIT). Specifically, HSBC Group includes Hang Seng Bank Limited and its subsidiaries.

Connected Party Transactions

Set out below is the information in respect of the connected party transactions involving Fortune REIT and its connected persons as defined in paragraph 8.1 of the REIT Code:

CONNECTED PARTY TRANSACTIONS — INCOME

Save as disclosed under the section headed “Connected Party Transactions with the Trustee Connected Persons”, the following tables sets forth information on all connected party transactions from which Fortune REIT derived its income during the Reporting Period:

Name of Connected Party	Relationship with Fortune REIT	Nature of the Connected Party Transaction	Income for the six months ended 30 June 2025 HK\$'000	Rental deposit received as at 30 June 2025 HK\$'000
Cheung Kong Property Development Limited	Associate of a substantial holder ¹	Leasing and licensing transactions	16,170	–
Citybase Property Management Limited	Associate of a substantial holder ¹	Leasing transactions	1,284	714
CK Asset Companies	Associate of a substantial holder ¹	Licensing transactions	401	143
ESR Asset Management (Fortune) Limited	Manager	Leasing and licensing transactions	2,810	1,558
Total			20,665	2,415

Note:

1. The substantial holder being Focus Eagle.

Connected Party Transactions

CONNECTED PARTY TRANSACTIONS – EXPENSES

The following table sets forth information in relation to property management arrangements, third party services and other operational transactions provided by the connected parties for the properties of Fortune REIT during the Reporting Period:

Name of Connected Party	Relationship with Fortune REIT	Nature of the Connected Party Transaction	Expenses for the six months ended 30 June 2025 HK\$'000
ESR Real Estate Services Management Pte. Ltd. ²	Associate of the Manager	Property and lease management fee and marketing service fee	223
Citybase Property Management Ltd	Associate of a substantial holder ¹	Property management and operations	581
E-Park Parking Management Limited	Associate of a substantial holder ¹	Carpark lease agency fee	5,340
Goodwell-Fortune Property Services Limited	Associate of a substantial holder ¹	Property and lease management fee and marketing service fee	30,061
Goodwell Property Management Limited	Associate of a substantial holder ¹	Property management and operations	110
Total			36,315

Notes:

1. The substantial holder being Focus Eagle.
2. ESR Real Estate Services Management Pte. Ltd. was formerly known as APM Property Management Pte. Ltd.

CONNECTED PARTY TRANSACTIONS — OTHERS

The following table sets forth information in relation to other services provided by the connected parties to Fortune REIT during the Reporting Period:

Name of Connected Party	Relationship with Fortune REIT	Nature of the Connected Party Transaction	Expenses for the six months ended 30 June 2025 HK\$'000
ESR Asset Management (Fortune) Limited	Manager	Manager's fees	74,992
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee	2,446
Total			77,438

Connected Party Transactions

CONNECTED PARTY TRANSACTIONS WITH THE TRUSTEE CONNECTED PERSONS

Leasing/licensing transactions

The following table sets forth information on the leasing/licensing transactions between Fortune REIT and the Trustee (and its directors, senior executives, officers, controlling entities, holding companies, subsidiaries and associated companies all within the meaning of the REIT Code) and the HSBC Group (collectively, the “**Trustee Connected Persons**”) during the Reporting Period:

Name of Connected Party	Relationship with Fortune REIT	Nature of the Connected Party Transaction	Income for the six months ended 30 June 2025 HK\$'000	Rental deposit received as at 30 June 2025 HK\$'000
Hang Seng Bank Limited	Trustee Connected Persons	Leasing and licensing transactions	6,088	3,383
HSBC	Trustee Connected Persons	Leasing and licensing transactions	4,996	2,103
Total			11,084	5,486

PROVISION OF ORDINARY BANKING AND FINANCIAL SERVICES

Fortune REIT has engaged HSBC Group to provide ordinary course of banking and financial services (namely, bank deposits and interest earned therefrom and loan facilities including interest and charges paid thereto) within the Reporting Period.

Corporate Information

MANAGER

ESR Asset Management (Fortune) Limited

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DIRECTORS OF THE MANAGER

CHUI Sing Loi (alias TSUI Sing Loi)
Chairman and Independent Non-Executive Director

CHIU Kwok Hung, Justin
Non-Executive Director

YEUNG, Eirene
Non-Executive Director

MA Lai Chee, Gerald
Non-Executive Director

SHEN Jinchu
Non-Executive Director

CHIU Yu, Justina
Chief Executive Officer and Executive Director

CHENG Ai Phing
Independent Non-Executive Director

YEO Annie (alias YEO May Ann)
Independent Non-Executive Director

KOH Poh Wah
Independent Non-Executive Director

COMPANY SECRETARY OF THE MANAGER

LOW Mei Mei, Maureen

TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

STOCK CODE

778

LEGAL ADVISER OF THE MANAGER

Baker McKenzie

UNIT REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

WEBSITE AND EMAIL

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FINANCIAL STATEMENTS

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Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF ESR ASSET MANAGEMENT (FORTUNE) LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fortune Real Estate Investment Trust (“**Fortune REIT**”) and its subsidiaries set out on pages 26 to 51, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders, statement of cash flows and distribution statement for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) as issued by the International Accounting Standards Board. ESR Asset Management (Fortune) Limited, as manager of Fortune REIT, is responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

5 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	5	854,465	871,778
Property operating expenses	6	(222,863)	(219,106)
Net property income before manager's performance fee		631,602	652,672
Manager's performance fee		(18,953)	(19,583)
Net property income		612,649	633,089
Manager's base fee		(56,039)	(58,119)
Interest income		179	79
Trust expenses		(3,355)	(3,755)
Change in fair value of investment properties	11	(829,747)	(322,872)
Finance costs	7	(325,798)	(210,359)
(Loss)/profit before taxation and transactions with unitholders	8	(602,111)	38,063
Income tax expense	9	(51,250)	(74,457)
Loss for the period, before transactions with unitholders		(653,361)	(36,394)
Distributions to unitholders		(377,056)	(369,516)
Loss for the period, after transactions with unitholders		(1,030,417)	(405,910)
Other comprehensive expense			
Item that may be reclassified to profit or loss:			
Exchange difference arising on translation of a foreign operation		(608)	(45)
Total comprehensive expense for the period		(1,031,025)	(405,955)
Basic loss per unit (HK cents)	10	(31.96)	(1.80)

Distribution Statement

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the period, before transactions with unitholders		(653,361)	(36,394)
Adjustments:			
Manager's base fee		44,831	46,495
Change in fair value of investment properties	11	829,747	322,872
Change in fair value of derivative financial instruments	7	152,530	12,211
Non-cash finance costs		17,273	14,180
Deferred tax	9	(13,964)	10,152
Income available for distribution (note (i))		377,056	369,516
Percentage of distribution to unitholders		100%	100%
Distribution to unitholders (note (ii))		377,056	369,516
Distribution per unit (HK cents) (note (iii) and (iv))		18.41	18.23

Distribution Statement

For the six months ended 30 June 2025

Notes:

- (i) The distribution policy of Fortune REIT is to distribute not less than 90% of consolidated net profit after tax (before transactions with unitholders) for the relevant financial period adjusted to eliminate the effects of certain adjustments in the trust deed dated on 4 July 2003 (as amended, supplemented, or otherwise modified from time to time) (the "**Trust Deed**").
- (ii) Distribution amount to unitholders of HK\$377.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$369.5 million), representing a payout ratio of 100% (six months ended 30 June 2024: 100%) of Fortune REIT's income available for distribution of HK\$377.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$369.5 million).
- (iii) The distribution per unit of 18.41 HK cents for the six months ended 30 June 2025 is calculated based on the interim distribution to unitholders amount of HK\$377.1 million over 2,048,404,068 units, representing issued units as at 30 June 2025 of 2,043,802,228 units plus the number of units issued after the distribution period to the Manager as settlement 80% of the Manager's base fee for its services in the second quarter of 2025 of 4,601,840 units. 2025 interim distribution will be paid on 19 September 2025.
- (iv) The distribution per unit of 18.23 HK cents for the six months ended 30 June 2024 is calculated based on the interim distribution to unitholders amount of HK\$369.5 million over 2,027,306,693 units, representing issued units as at 30 June 2024 of 2,021,226,559 units plus the number of units issued after the distribution period to the Manager as settlement 80% of the Manager's base fee for its services in the second quarter of 2024 of 6,080,134 units. 2024 interim distribution was paid on 17 September 2024.

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	37,277,331	38,055,878
Derivative financial instruments	12	64,083	204,635
Total non-current assets		37,341,414	38,260,513
Current assets			
Derivative financial instruments	12	25,839	6,946
Trade and other receivables	13	87,554	95,332
Cash and cash equivalents		83,269	96,646
Total current assets		196,662	198,924
Total assets		37,538,076	38,459,437
Non-current liabilities			
Derivative financial instruments	12	34,783	3,912
Borrowings	14	3,271,228	6,516,104
Deferred tax liabilities	15	683,819	697,783
Total non-current liabilities		3,989,830	7,217,799
Current liabilities			
Trade and other payables	16	647,527	650,860
Borrowings	14	6,540,453	3,295,941
Distribution payable		377,056	353,914
Provision for taxation		38,651	10,170
Total current liabilities		7,603,687	4,310,885
Total liabilities, excluding net assets attributable to unitholders		11,593,517	11,528,684
Net assets attributable to unitholders		25,944,559	26,930,753
Units in issue and to be issued ('000)	17	2,048,404	2,038,349
Net asset value per unit attributable to unitholders (HK\$)	18	12.67	13.21

Condensed Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the six months ended 30 June 2025

	Units in issue and to be issued HK\$'000	Unit issue costs HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Net assets attributable to unitholders as at 1 January 2025 (Audited)	8,810,190	(286,279)	592	18,406,250	26,930,753
OPERATIONS					
Loss for the period, before transactions with unitholders	–	–	–	(653,361)	(653,361)
Distribution paid and payable of 18.41 HK cents per unit for the six months ended 30 June 2025	–	–	–	(377,056)	(377,056)
Exchange difference arising on translation of a foreign operation	–	–	(608)	–	(608)
Total comprehensive expense for the period	–	–	(608)	(1,030,417)	(1,031,025)
UNITHOLDERS' TRANSACTIONS					
Creation of units – Manager's base fee paid/payable in units	44,831	–	–	–	44,831
Increase in net assets resulting from unitholders' transactions	44,831	–	–	–	44,831
Net assets attributable to unitholders as at 30 June 2025 (Unaudited)	8,855,021	(286,279)	(16)	17,375,833	25,944,559

	Units in issue and to be issued HK\$'000	Unit issue costs HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Net assets attributable to unitholders as at 1 January 2024 (Audited)	8,717,238	(286,279)	486	19,648,655	28,080,100
OPERATIONS					
Loss for the period, before transactions with unitholders	–	–	–	(36,394)	(36,394)
Distribution paid and payable of 18.23 HK cents per unit for the six months ended 30 June 2024	–	–	–	(369,516)	(369,516)
Exchange difference arising on translation of a foreign operation	–	–	(45)	–	(45)
Total comprehensive expense for the period	–	–	(45)	(405,910)	(405,955)
UNITHOLDERS' TRANSACTIONS					
Creation of units					
– Manager's base fee paid/payable in units	46,495	–	–	–	46,495
Increase in net assets resulting from unitholders' transactions	46,495	–	–	–	46,495
Net assets attributable to unitholders as at 30 June 2024 (Unaudited)	8,763,733	(286,279)	441	19,242,745	27,720,640

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash from operating activities:		
(Loss)/profit before taxation	(602,111)	38,063
Adjustments for:		
Change in fair value of investment properties	829,747	322,872
Change in fair value of derivative financial instruments	152,530	12,211
Other finance costs	173,268	198,148
Other operating activities	4,666	(10,356)
	558,100	560,938
Net cash used in investing activities:		
Upgrading of investment properties	(11,747)	(50,872)
Interest received	179	79
	(11,568)	(50,793)
Net cash used in financing activities:		
Drawdown of borrowings	300,000	314,614
Repayment of borrowings	(350,000)	(290,000)
Distribution paid	(353,914)	(362,960)
Interest paid	(155,995)	(183,968)
	(559,909)	(522,314)
Net decrease in cash and cash equivalents	(13,377)	(12,169)
Cash and cash equivalents at beginning of the period	96,646	106,718
Cash and cash equivalents at end of the period, represented by cash at bank	83,269	94,549

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1 GENERAL

Fortune Real Estate Investment Trust (“**Fortune REIT**”) is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). Fortune REIT is governed by the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Trust Deed made between ESR Asset Management (Fortune) Limited (the “**Manager**”) and HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”).

The principal activity of Fortune REIT is investment holding whereas its subsidiaries (together with Fortune REIT referred to as the “**Group**”) is to own and invest in a portfolio of retail shopping malls with the primary objective of producing stable distributions for unitholders and to achieve long term growth in the net asset value per unit.

2 BASIS OF PREPARATION

The condensed consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of Fortune REIT.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on SEHK and with International Accounting Standard 34 “Interim Financial Reporting” issued by International Accounting Standards Board (“**IASB**”) as well as the relevant disclosure requirements set out in Appendix C of the REIT Code issued by the SFC.

The Manager is of the opinion that, taking into account the headroom of the fair value of investment properties for obtaining additional banking facilities, internal financial resources of the Group and presently available undrawn banking facilities, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3 **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than the additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards which are pertinent to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

4 **SEGMENTAL REPORTING**

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which is the Manager, in order to allocate resources to segments and to assess their performance.

As at 30 June 2025, the Group owns 16 (31 December 2024: 16) and 1 (31 December 2024: 1) investment properties in Hong Kong and Singapore respectively. Revenue and net property income of each property (which constitutes an operating segment) are the measures reported to the Manager for the purposes of resource allocation and performance assessment. The Manager considers that all existing properties held by the Group, consisting of retail shopping malls, have similar economic characteristics and have similar nature in providing leasing service to similar type of retail tenants for rental income. In addition, the cost structure and the economic environment in which they operate are similar. Therefore, the Manager concluded that each of the properties or operating segments are aggregated into a single reportable segment and no further analysis for segment information is presented.

For the six months ended 30 June 2025, revenue of HK\$844.1 million (six months ended 30 June 2024: HK\$861.4 million) is attributable to tenants from the Hong Kong investment properties and HK\$10.4 million (six months ended 30 June 2024: HK\$10.4 million) is attributable to tenants from the Singapore investment property. As at 30 June 2025, investment properties of HK\$36,695.0 million (31 December 2024: HK\$37,513.0 million) are located in Hong Kong and HK\$582.3 million (31 December 2024: HK\$542.9 million) in Singapore.

5 REVENUE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue arising from operating lease: (note (i))		
Fixed	658,532	683,876
Variable	5,670	4,690
Charge-out collections (note (ii))	127,151	122,412
Car park revenue (note (ii))	61,643	60,062
Other income	1,469	738
	854,465	871,778

Notes:

- (i) Operating lease payments mainly include base rental, licence fees and contingent rentals. Leases are negotiated for terms ranging primary from two to four years with monthly fixed rental except for contingent rentals that are variable based on the percentage of sales.
- (ii) Charge-out collections and car park revenue are revenue from contracts with customers, which consist of payments in respect of the operation of the properties in Hong Kong and Singapore which are payable by the tenants, licensees and customers, are recognised over time as income when the services and facilities are provided. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice corresponding directly with the value to the customer of the Group's performance completed to date. As permitted under IFRS 15 Revenue from Contracts with Customers, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

6 PROPERTY OPERATING EXPENSES

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Advertising and promotion	9,301	8,646
Building management expenses	125,154	121,215
Car park operating expenses	17,243	17,456
Government rents and rates	7,758	7,225
Leasing commission and marketing services fee	11,312	11,641
Legal and other professional fees	5,302	5,609
Property management fee	19,895	20,545
Utilities	17,143	17,268
Others	9,755	9,501
	222,863	219,106

7 FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest expenses on bank borrowings	216,452	276,227
Amortisation of front-end fees	9,891	9,879
Commitment fee	852	879
Interest rate swaps income realised	(53,927)	(88,837)
	173,268	198,148
Change in fair value of derivative financial instruments	152,530	12,211
	325,798	210,359

8 (LOSS)/PROFIT BEFORE TAXATION AND TRANSACTIONS WITH UNITHOLDERS

(Loss)/profit before taxation and transactions with unitholders is arrived at after charging (crediting):

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Fees to external auditor	1,504	1,504
Fees to internal auditor	225	225
Trustee's fee	2,446	2,522
(Reversal of allowance) allowance for credit losses	(80)	480
Valuation fees (paid to principal valuer)	154	154

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax	65,214	64,305
Deferred taxation	(13,964)	10,152
	51,250	74,457

Fortune REIT's subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at 16.5% (six months ended 30 June 2024: 16.5%) for the period.

Fortune REIT's subsidiary in Singapore is subject to Singapore income tax at 17% (six months ended 30 June 2024: 17%) for the period.

10 LOSS PER UNIT

Basic loss per unit is calculated by dividing the loss for the six months ended 30 June 2025, before transactions with unitholders of HK\$653.4 million by the weighted average of 2,044,441,943 units outstanding during the period.

Basic loss per unit is calculated by dividing the loss for the six months ended 30 June 2024, before transactions with unitholders of HK\$36.4 million by the weighted average of 2,022,161,088 units outstanding during the period.

No diluted loss per unit is presented as there are no potential units in issue during the financial period nor outstanding at the end of the financial period.

11 INVESTMENT PROPERTIES

	Fair Value HK\$'000 (Unaudited)
As at 1 January 2025	38,055,878
During the period:	
Capital expenditure incurred in upgrading investment properties	11,747
Change in fair value of investment properties	(829,747)
Exchange adjustments	39,453
As at 30 June 2025	37,277,331

Notes:

- (i) In estimating the fair value of investment properties, it is the Group's policy to engage an independent qualified external valuer to perform the valuation. The Manager works closely with the valuer to establish appropriate inputs to the valuation model.

On 30 June 2025 and 31 December 2024, independent valuations were undertaken by Jones Lang LaSalle Limited ("**Jones Lang**") and Colliers International (Hong Kong) Limited ("**Colliers**") respectively. These firms are independent qualified external valuer not related to the Group and have appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. The fair value of investment properties falls under Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during the period. The valuation of the properties is principally arrived at using income capitalisation approach which is a method of valuation whereby the existing net rental incomes (i.e. exclusive of rates, government rent, management fees and air-conditioning charges) of all lettable units of each property are capitalised for the respective unexpired terms of contractual tenancies, and are assumed to be let at their respective market rents upon expiry of the existing tenancy contracts whilst vacant units are assumed to be let at their respective market rents as at the valuation date. In the valuation, the market rentals of all lettable units of the properties are assessed and capitalised at market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The market yield which is the capitalisation rate adopted is made by reference to the yields derived from similar properties in Hong Kong and adjusted to take account of the valuer's knowledge of the market expectation from property investors to reflect factors specific to the Group's investment properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The adopted capitalisation rates of Hong Kong properties in the valuation range from 4.0%–4.8% (31 December 2024: 4.0%–4.8%) and that of Singapore property in the valuation is 3.0% (31 December 2024: 3.0%). The capitalisation rate is one of the key parameters in the valuation method of income capitalisation and it involves the exercise of professional judgment in relation to the adjustments made by the valuer. A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

- (ii) None of the investment properties as at 30 June 2025 and 31 December 2024 was pledged to secure banking facilities granted to the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Derivative financial instruments are analysed as:		
Derivatives not under hedge accounting:		
Interest rate swaps	55,139	207,669
Reflected on condensed consolidated statement of financial position based on remaining contractual maturity as:		
Current assets	25,839	6,946
Non-current assets	64,083	204,635
Non-current liabilities	(34,783)	(3,912)
	55,139	207,669

The Group uses interest rate swaps as hedging instruments in order to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of these borrowings from floating rates to fixed rates.

Derivatives not under hedge accounting:

Contracts not under hedge accounting with total notional amount of HK\$4,900.0 million (31 December 2024: HK\$5,400.0 million) as at 30 June 2025 will mature from April 2026 to May 2030 (31 December 2024: February 2025 to June 2029). These contracts have fixed interest payments at rates ranging from 0.90% to 3.85% (31 December 2024: 0.90% to 3.85%) per annum and have floating interest receipts at three months Hong Kong Inter-bank Offered Rate ("HIBOR").

The change in fair value of the derivative financial instruments not under hedge accounting amounting to a loss of HK\$152.5 million (six months ended 30 June 2024: HK\$12.2 million), is recognised in the profit or loss for the six months ended 30 June 2025.

The derivative financial instruments are measured at fair value at the end of the reporting period. Their fair values are determined based on the discounted future cash flows using the applicable yield curve for the remaining duration of the instruments.

12 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Derivatives not under hedge accounting: (continued)

The fair value of derivative financial instruments falls under Level 2 of the fair value hierarchy and is based on valuation of the instruments provided by the counterparty banks, which are determined using interest rates implied from observable market inputs such as market interest rates yield curves and contracted interest rates discounted at a rate that reflects the credit risk of various counterparties. There were no transfers between Level 1 or 2 during the period.

13 TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	41,549	41,759
Less: Allowance for credit losses	(2,598)	(2,678)
	38,951	39,081
Other receivables and prepayments:		
– Security deposits	25,972	25,740
– Interest receivables	11,921	19,248
– Other receivables	1,064	1,042
– Prepayments	9,646	10,221
	48,603	56,251
	87,554	95,332

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

13 TRADE AND OTHER RECEIVABLES (continued)

The following is an analysis of trade receivables (net of allowance for credit losses) by age, presented based on the invoice date.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0 – 30 days	36,764	35,394
31 – 90 days	1,082	3,114
Over 90 days	1,105	573
	38,951	39,081

The following table shows the movement of lifetime expected credit loss that has been recognised for trade receivables under the simplified approach that are credit-impaired.

	HK\$'000 (Unaudited)
As at 1 January 2025	2,678
Decrease in allowance for credit losses recognised in profit or loss	(80)
As at 30 June 2025	2,598

There is no credit period given on billing for rental of properties. No interest is charged on the trade receivables for the first 10 days from the date of the invoice. The carrying amount of trade receivables include accrued rentals in respect of rent-free periods amounted to HK\$23.1 million (31 December 2024: HK\$25.5 million).

13 TRADE AND OTHER RECEIVABLES (continued)

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$15.9 million (31 December 2024: HK\$13.6 million) which are past due as at the reporting date. Out of the past due balances, an aggregate gross carrying amount of HK\$3.7 million (31 December 2024: HK\$3.3 million) has been past due 90 days or more and considered as default for which allowance of credit losses has been made on the excess of relevant tenants' deposits.

In determining the recoverability of a trade receivable, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The exposure of credit risk is limited due to deposits received from tenants. Allowance for credit losses has been recognised on any individual balance that is in excess of the relevant tenant's deposits.

14 BORROWINGS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Unsecured term loans	7,100,000	7,100,000
Unsecured revolving loans	2,739,687	2,749,735
	9,839,687	9,849,735
Less: unamortised front-end fees	(28,006)	(37,690)
	9,811,681	9,812,045
Carrying amount repayable:		
Within one year	6,540,453	3,295,941
More than one year, but not more than two years	1,196,000	3,288,212
More than two years, but not more than five years	2,075,228	3,227,892
	9,811,681	9,812,045
Less: Amount due within one year shown under current liabilities	(6,540,453)	(3,295,941)
	3,271,228	6,516,104

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14 BORROWINGS (continued)

Total committed loan facilities amounted to HK\$9,913.0 million as at 30 June 2025 (31 December 2024: HK\$9,871.4 million), out of which HK\$9,239.7 million (31 December 2024: HK\$9,249.7 million) were drawn and outstanding. Except for the bank borrowings of HK\$589.7 million (31 December 2024: HK\$549.7 million) denominated in S\$ which bear interest at a floating rate of Singapore Overnight Rate Average (“**SORA**”) plus a margin of 1.05% (31 December 2024: SORA plus a margin of 1.05%) per annum, all the remaining bank borrowings are denominated in HK\$ and bear interest at 1-month HIBOR plus a margin ranging from 1.03% to 1.25% (31 December 2024: HIBOR plus a margin ranging from 1.03% to 1.25%) per annum.

Total uncommitted revolving loan facilities amounted to HK\$600 million as at 30 June 2025 (31 December 2024: HK\$600.0 million), out of which HK\$600 million (31 December 2024: HK\$600.0 million) were drawn and outstanding.

The Trustee (in its capacity as Trustee of Fortune REIT) has provided guarantee for all the loan facilities as at 30 June 2025 and 31 December 2024.

15 DEFERRED TAX LIABILITIES

The measurement of deferred tax liabilities which arose mainly from the accelerated and tax depreciation of investment properties and derivative financial instruments reflects the tax consequences that would follow from the manner in which the Group expects to recover the fair value of the investment properties and derivative financial instruments, at the end of the reporting period.

The following is the major component of deferred tax liabilities recognised and movements therein during the period:

	Derivative financial instruments HK\$'000	Accelerated depreciation allowance HK\$'000	Total HK\$'000
As at 1 January 2024	51,562	635,726	687,288
(Credited)/charged to profit or loss for the year	(17,296)	27,791	10,495
As at 31 December 2024	34,266	663,517	697,783
(Credited)/charged to profit or loss for the period	(25,167)	11,203	(13,964)
As at 30 June 2025	9,099	674,720	683,819

16 TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables		
– Tenants' deposits	438,885	422,712
– Rental received in advance	48,599	49,071
	487,484	471,783
Accruals and other payables		
– Trustee's fee	787	802
– Manager's fees	14,963	12,181
– Operating expenses	140,731	162,165
– Interest payable	373	318
– Others	3,189	3,611
	160,043	179,077
	647,527	650,860

Trade and other payables comprise deposits refundable to tenants upon termination or cancellation of operating lease arrangements. The tenants' deposits are refundable to tenants within 30 days upon the termination of the tenancy agreement. Included in rental received in advance are contract liabilities amounting HK\$10.6 million (31 December 2024: HK\$9.9 million) related to the non-reserved carpark and charge-out collections.

The tenants' deposits to be settled after twelve months from the end of the reporting period based on lease term amounted to HK\$250.2 million (31 December 2024: HK\$243.0 million) as at 30 June 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17 UNITS IN ISSUE AND TO BE ISSUED

	Number of units '000	HK\$'000
Balance as at 1 January 2024	2,014,670	8,717,238
Issue of new units during the year:		
As payment of Manager's base fee for the period from 1 January to 30 September 2024	17,941	69,931
Balance in issue as at 31 December 2024	2,032,611	8,787,169
Issue of new units during the year:		
As payment of Manager's base fee for the period from 1 October to 31 December 2024 (note)	5,738	23,021
Balance as at 31 December 2024	2,038,349	8,810,190
Issue of new units during the period:		
As payment of Manager's base fee for the period from 1 January to 31 March 2025	5,453	22,526
Balance in issue as at 30 June 2025	2,043,802	8,832,716
New units to be issued:		
As payment of Manager's base fee for the period from 1 April to 30 June 2025 (note)	4,602	22,305
Balance as at 30 June 2025	2,048,404	8,855,021

Note:

Manager's base fee payable to the Manager is in the form of units. On 4 July 2025, Fortune REIT issued 4,601,840 units at an issue price of HK\$4.847 per unit to the Manager as base fee for the period from 1 April 2025 to 30 June 2025. On 10 January 2025, Fortune REIT issued 5,738,085 units at an issue price of HK\$4.012 per unit to the Manager as base fee for the period from 1 October 2024 to 31 December 2024.

18 NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

Net asset value per unit as at 30 June 2025 is calculated based on the net assets attributable to unitholders of the Group of HK\$25,944.6 million (31 December 2024: HK\$26,930.8 million) and the total number of 2,048,404,068 units (31 December 2024: 2,038,349,280 units) in issue and to be issued, including the new units to be issued as payment of Manager's base fee.

19 NET CURRENT LIABILITIES

As at 30 June 2025, the Group's net current liabilities, defined as current liabilities less current assets, amounted to HK\$7,407.0 million (31 December 2024: HK\$4,112.0 million).

20 TOTAL ASSETS LESS CURRENT LIABILITIES

As at 30 June 2025, the Group's total assets less current liabilities amounted to HK\$29,934.4 million (31 December 2024: HK\$34,148.6 million).

21 CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments for upgrading investment properties which were contracted but not provided for of HK\$117.6 million (31 December 2024: HK\$110.2 million).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22 CONNECTED AND RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with connected and related parties:

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Rent and rental related income from			
ESR Asset Management (Fortune) Limited	(a)	2,810	2,796
Cheung Kong Property Development Limited	(b)	16,170	15,616
Citybase Property Management Limited	(b)	1,284	1,277
Hang Seng Bank Limited	(c)	6,088	6,112
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	(c)	4,996	4,993
CK Asset Companies	(b)	401	36
Car park lease agency fee for the operations of the Group's car park			
E-Park Parking Management Limited	(b)	5,340	5,148

22 CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Property management fee and project management fee			
ESR Real Estate Services Management Pte. Ltd. (formerly known as APM Property Management Pte. Ltd.)	(e)	195	192
Citybase Property Management Limited	(b)	581	613
Goodwell-Fortune Property Services Limited	(b)	19,700	20,354
Goodwell Property Management Limited	(b)	110	110
Leasing commission and marketing services fee			
Goodwell-Fortune Property Services Limited	(b)	10,361	11,161
ESR Real Estate Services Management Pte. Ltd. (formerly known as APM Property Management Pte. Ltd.)	(e)	28	128
Trustee's fee			
HSBC Institutional Trust Services (Asia) Limited	(d)	2,446	2,522
Manager's base fee			
ESR Asset Management (Fortune) Limited	(a)	56,039	58,119
Manager's performance fee			
ESR Asset Management (Fortune) Limited	(a)	18,953	19,583

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22 CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Balance as at period end with connected and related parties:

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables:			
Cheung Kong Property Development Limited	(b)	2,694	1,280
Other payables:			
ESR Asset Management (Fortune) Limited	(a)	14,963	12,181
HSBC Institutional Trust Services (Asia) Limited	(d)	787	802
Citybase Property Management Limited	(b)	9,588	17,385
E-Park Parking Management Limited	(b)	880	1,843
Goodwell-Fortune Property Services Limited	(b)	6,275	12,389
Goodwell Property Management Limited	(b)	13,714	13,382
		30,457	44,999
		46,207	57,982
Deposits placed with the Group for the lease of the Group's properties:			
ESR Asset Management (Fortune) Limited	(a)	1,558	1,549
Citybase Property Management Limited	(b)	714	714
Hang Seng Bank Limited	(c)	3,383	3,384
HSBC	(c)	2,103	2,102
CK Asset Companies	(b)	143	20
		7,901	7,769

22 CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Notes:

- (a) This company is the Manager of Fortune REIT.
- (b) Substantial holder of Fortune REIT (as defined in the REIT Code) being Focus Eagle Investments Limited ("**Focus Eagle**"), which holds more than 10% of the units of Fortune REIT as at 30 June 2025. These companies are subsidiaries of CK Asset Holdings Limited ("**CK Asset**") and CK Asset is the holding company of Focus Eagle.
- (c) These companies are fellow subsidiaries of the Trustee.
- (d) This company is the Trustee of Fortune REIT.
- (e) This company is an associate of the Manager of Fortune REIT.

In addition, the Trustee (in its capacity as trustee of Fortune REIT) has provided guarantees for all loan facilities granted to the Group as at 30 June 2025 and 31 December 2024.

Performance Table

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Net assets attributable to unitholders (HK\$'000)	25,944,559	26,930,753
Net asset value per unit (HK\$)	12.67	13.21
The highest traded price during the period/year (HK\$)	4.95	5.00
The highest premium of the trade price to net asset value ¹	N.A.	N.A.
The lowest traded price during the period/year (HK\$)	3.78	3.33
The highest discount of the trade price to net asset value	70.2%	74.8%
The net yield per unit ²	7.7%	8.9%

Notes:

1. The highest traded price is lower than the net asset value per unit as at the end of the period. Accordingly, premium of the traded price to net asset value per unit had not been recorded.
2. The net yield per unit for the six months ended 30 June 2025 is an annualized yield based on the distribution per unit for the six months ended 30 June 2025 over the last trade price for the period.

The net yield per unit for the year ended 31 December 2024 is based on the distribution per unit for the year ended 31 December 2024 over the last trade price for the period.



PORTFOLIO MAP & SUMMARY

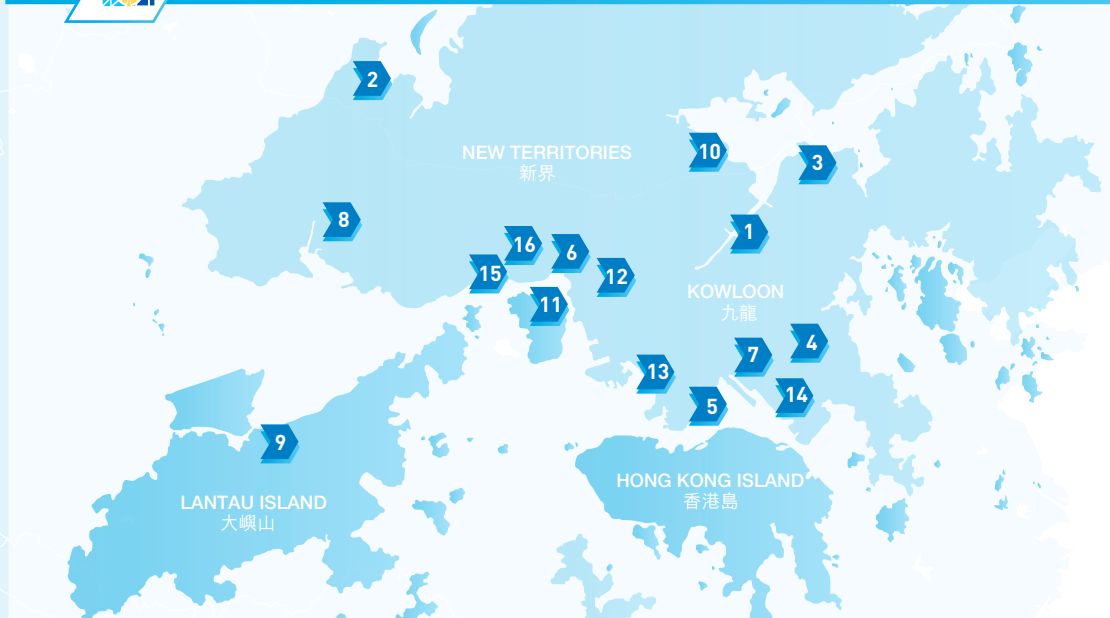
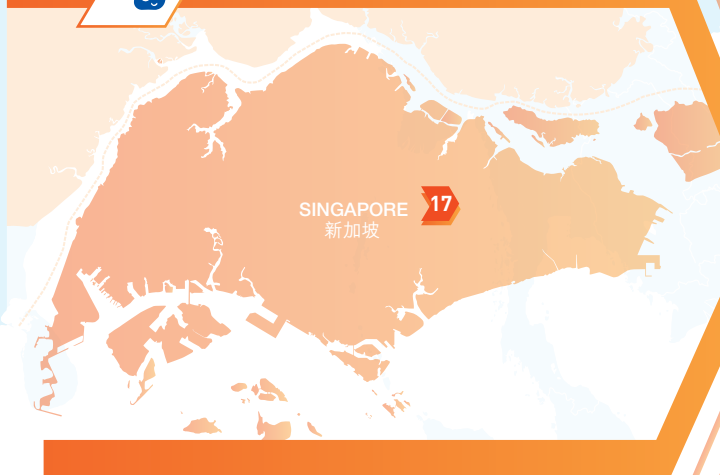
物業組合分佈及總覽

Portfolio Summary 物業組合總覽

As at 30 June 2025, Fortune REIT currently holds a portfolio of 16 private housing estate retail properties in Hong Kong and 1 neighbourhood mall in Singapore, comprising of 3.0 million sq.ft. of retail space and 2,793 car parking spaces.

於2025年6月30日，置富產業信託現時持有16個香港私人住宅屋苑零售物業及1個新加坡社區商場，物業組合包括300萬平方呎零售空間及2,793個車位。

Property	物業	Gross Rentable Area (Sq.ft.) 可出租總面積 (平方呎)	Valuation (HK\$ million) 估值 (百萬元)	Occupancy 出租率	No. of Car Parking Lots 車位數目
HONG KONG PORTFOLIO 香港物業組合					
1 Fortune City One	置富第一城	414,469	7,602	97.0%	653
2 +WOO	+WOO嘉湖	665,244	7,325	97.1%	622
3 Ma On Shan Plaza	馬鞍山廣場	310,084	5,274	98.7%	290
4 Metro Town	都會駅	180,822	3,393	98.0%	74
5 Fortune Metropolis	置富都會	332,168	2,333	84.6%	179
6 Belvedere Square	麗城薈	276,862	2,279	89.9%	329
7 Laguna Plaza	麗港城商場	163,203	2,212	92.2%	150
8 Waldorf Avenue	華都大道	80,842	1,709	99.5%	73
9 Caribbean Square	映灣薈	63,018	1,160	100%	117
10 Jubilee Square	銀禧薈	170,616	930	96.9%	97
11 Tsing Yi Square	青怡薈	78,836	775	96.4%	27
12 Smartland	荃薈	123,544	766	96.7%	67
13 Hampton Loft	凱帆薈	74,734	319	100%	35
14 Centre de Laguna	城中薈	43,000	292	80.6%	N.A. 不適用
15 Lido Avenue	麗都大道	9,836	198	100%	N.A. 不適用
16 Rhine Avenue	海韻大道	14,604	128	100%	N.A. 不適用
SINGAPORE PORTFOLIO 新加坡物業組合					
17 Stars of Kovan Property	高文之星物業	22,638	582	100%	80
Total/Overall Average	合計／總平均值	3,024,520	37,277	95.0%	2,793

**HONG KONG 香港****SINGAPORE 新加坡**

FORTUNE

置富產業信託

REIT



www.fortunemalls.com.hk
www.fortunereit.com

