

## Press Release

# Fortune REIT Reports Stable Distributable Income for 2025

## *Interest Savings And Cost Control Support Bottom Line Improved Occupancy and Retention Underscore Enduring Strength of Fortune Malls*

10 March 2026. - ESR Asset Management (Fortune) Limited (the “**Manager**”), the Manager of Fortune Real Estate Investment Trust (“**Fortune REIT**”; SEHK: 778), announces the financial results of Fortune REIT for the year ended 31 December 2025 (“**FY2025**” or the “**Reporting Year**”).

**Stable distributable income driven by lower interest cost and effective cost management.** Fortune REIT reported revenue of HK\$1,682.4 million and net property income of HK\$1,188.1 million in FY2025. A sharp decline in short-term HIBORs during the second and third quarters, together with multiple rate cuts throughout the year, benefited half of the debt held at floating rates and reduced finance cost by 14.4%. Although operating expenses rose marginally for the year, better cost management led to a 0.2% saving in the second half. These factors eased the impact of rental pressures on revenue, keeping income available for distribution steady at HK\$722.9 million. With a 100% payout ratio, full year distribution per unit was 35.22 Hong Kong cents, representing a distribution yield of 7.2%.

**Occupancy and Tenant Retention Remain Strong Amid Market Challenges.** In 2025, Hong Kong’s macro environment strengthened, and total retail sales saw eight consecutive months of growth from May. Despite this, retail rents remained subdued as tenants stayed cautious amid ongoing structural changes in the sector. Consequently, we prioritized maintaining occupancy and retaining quality tenants by adjusting rents as necessary, which resulted in negative rental reversion. However, our adaptive approach ensured a stable tenant base and strong loyalty, achieving an 83% tenant retention. Leasing activity also remained robust, with 1.3 million sq.ft. of leases signed during the Reporting Year, accounting for 41.7% of the portfolio. Overall occupancy rose to 95.8% as at 31 December 2025, up from 95.0% a year ago.

**Tenant Mix Revamp Drives F&B, Wellness, and Experiential Growth.** We continued to refine our tenant mix to keep our malls relevant and appealing to evolving consumer preferences, with a focus on strengthening food and beverage (“**F&B**”), wellness, and entertaining choices. From quick bites to specialty dining, we welcomed a curated mix of local favorites and popular chains - including Dough Bros, Sukiya (食其家), NabeGo, White Curry Company (白咖喱公司), Yuen Kee Dumplings (袁記雲餃), Yun Chuan Rice Noodles (雲川米綫), Fook Kitchen (尋福記), Luckin Coffe (瑞幸咖啡), Wanbo Teashop (萬波島嶼紅茶) and Kung Fu Tea (手作功夫茶) – broadening our dining appeal across the portfolio. Our experiential offerings also expanded by 26%, anchored by fitness leaders like 24/7 Fitness and Anytime Fitness, alongside crowd-pleasures including claw-machine stores and pachinko arcades. These additions enhanced mall vibrancy and supported consistent repeat visitation.

**Targeted marketing to sustain traffic and deepen customer engagement.** Targeted marketing and promotions played a key role in driving footfall and stimulating spending throughout the year. These efforts effectively mitigated the impact of 13% increase in outbound travel by residents during the year, resulting in only a modest 1.8% dip in annual footfall. Digital initiatives further strengthened customer engagement, with Fortune Malls APP membership surging by 40% and e-voucher redemption rising 14%, reflecting deeper customer participation and stronger loyalty.

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**AEIs accelerated leasing momentum across key malls.** Our asset enhancement initiatives (“AEIs”) continued to unlock value and strengthened the appeal of our malls. After completing its AEIs a year ago, **+WOO** saw occupancy climb to 98.7% - its highest level in over a decade. **Waldorf Avenue** completed its AEIs in mid-2025, introducing a refreshed entrance, enhanced lighting and upgraded signage, which substantially elevated the shopping environment and achieved full occupancy by year-end. **Laguna Plaza** completed its AEIs in December 2025, reconfiguring and downsizing a supermarket on basement to diversify tenant mix. The addition of a lifestyle store, an F&B outlet and a beauty salon, together with several new offerings on the upper floors, lifted occupancy to 96.0%. All three malls attracted strong leasing demand following renovations, underscoring the effectiveness of our AEIs.

**Ms. Justina Chiu, Chief Executive Officer of the Manager**, said, “Hong Kong’s retail sector is set to navigate structural transformation, yet the operating environment has become more supportive with a stabilized macro backdrop. Lower interest rates, population growth, a revival in tourism and renewed activity in stock and property markets are supporting positive shifts and reinforcing local consumption. With proactive asset management, disciplined cost and balance sheet management, and deeper digital adoption, Fortune REIT is well-positioned to deliver sustainable long-term performance.”



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 Annual 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](http://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](http://www.esr.com) for more information.

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