ESR Asset Management (Fortune) Limited
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Press Release

Fortune REIT Reports 2026 Interim Results

Six-Year High Occupancy of 96.4% Supported by Healthy Leasing Momentum
Early Signs of Rental Stabilization Emerged Amid Gradual Retail Recovery

4 August 2026 - 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 2026 ("**1H2026**" or the "**Reporting Period**").

Cost discipline and interest savings cushioned revenue headwinds. Revenue for 1H2026 stood at HK$820.8 million, representing a 3.9% year-on-year ("**YoY**") decline. While prior-year rental adjustments continued to weigh on top-line performance, negative rental reversion narrowed compared with the previous period, reflecting improving leasing dynamics. Disciplined cost management and lower finance costs partially offset the impact of the decline in revenue, resulting in net property income and income available for distribution of HK$584.3 million and HK$361.8 million, respectively. Maintaining a 100% payout ratio, the interim Distribution Per Unit ("**DPU**") was 17.50 Hong Kong cents, representing an annualised distribution yield of 8.0%.

Occupancy hit six-year peak on healthy tenant retention. While Hong Kong's retail market maintained its gradual recovery, ongoing structural shifts continued to reshape the retail landscape. Against this backdrop, Fortune REIT remained focused on preserving portfolio resilience and income stability through proactive asset management and flexible leasing strategies. During 1H2026, leases totalling 375,000 sq.ft., representing 12.4% of the total portfolio area were concluded, while tenant retention remained healthy at 82%. Consequently, portfolio occupancy improved to 96.4% as of 30 June 2026. The sustained improvement in occupancy, together with less severe rental adjustments on leases concluded during the Reporting Period, suggests early signs of rental stabilisation across the portfolio.

Trade mix refinement strengthened everyday relevance and portfolio resilience. Fortune Malls continued to refine its trade mix in response to evolving consumer preferences while preserving its community-focused and non-discretionary foundation. The portfolio has progressively rebalanced towards more resilient, service-led and lifestyle-oriented trades that are less vulnerable to e-commerce impact, with the combined rental contribution from F&B, services & education, and wellness & entertainment rising to 60% of portfolio rental income, compared with 50% a few years ago. While F&B continued to be a major contributor to portfolio income and mall traffic, services & education remained a key pillar of portfolio resilience. Wellness & entertainment gained further momentum as an emerging growth segment. During the Reporting Period, tenant additions - including Xiao Noodles (遇見小麵), Luckin Coffee (瑞幸咖啡), Snap Fitness and Jumpin Gym (冒險樂園) - focused on dining, wellness and experiential offerings, further strengthening the appeal and everyday relevance of Fortune Malls.

Targeted marketing supported traffic growth and customer engagement. Through seasonal campaigns, family-oriented activities and targeted incentives, we reinforced Fortune Malls as vibrant community hubs while supporting higher mall traffic and broader customer engagement. During 1H2026, portfolio footfall and hourly carpark traffic increased by 1.4% and 3.6% YoY respectively, while active Fortune+ APP members rose by 9% and registered spending grew by 16% YoY, underscoring sustained shopper participation in the loyalty programme.

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Ms. Justina Chiu, Chief Executive Officer of the Manager, said, "While Hong Kong's retail sector continues to navigate structural shifts, Fortune REIT recorded steady operational progress in the first half of 2026. Healthy tenant retention supported portfolio occupancy growth to a six-year high, while rental pressures continued to moderate alongside a gradually broadening retail recovery. These results reflect the effectiveness of our proactive asset management, flexible leasing strategies, and ongoing trade mix optimisation.

Looking ahead, we remain focused on strengthening portfolio resilience, enhancing operational efficiency and maintaining a strong balance sheet through prudent capital management. These core strengths will support Fortune REIT in delivering sustainable long-term value for Unitholders."

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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 2026 Interim Results Press Conference.

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 the ESR Group (the “ESR”). ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate and data centres 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.

Disclaimer

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for Units or related financial instruments in Fortune REIT in Hong Kong or any other jurisdiction.

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