FORTUNE
置富產業信託 REIT

Fortune Real Estate Investment Trust

(a collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: 778)

Managed by
ESR Asset Management (Fortune) Limited

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND RECORD DATE FOR DISTRIBUTION ENTITLEMENT

Fortune Real Estate Investment Trust ("**Fortune REIT**") is a real estate investment trust constituted by a trust deed ("**Trust Deed**") entered into on 4 July 2003 (as amended, supplemented or otherwise modified from time to time). Fortune REIT is listed on The Stock Exchange of Hong Kong Limited ("**SEHK**").

Fortune REIT holds a portfolio of 17 retail properties, with 16 private housing estate retail properties in Hong Kong and 1 neighborhood mall in Singapore, comprising approximately 3.0 million square feet ("**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, Hampton Loft, Centre de Laguna, Lido Avenue, Rhine Avenue and Stars of Kovan Property. They house tenants from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers.

The board of directors of ESR Asset Management (Fortune) Limited, as the manager of Fortune REIT (the "**Manager**") is pleased to announce the unaudited results of Fortune REIT for the six months ended 30 June 2026 (the "**Reporting Period**") as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2026	Six months ended 30 June 2025	% change
Revenue (HK$ million)	**820.8**	854.5	-3.9%
Net property income (HK$ million)	**584.3**	612.6	-4.6%
Income available for distribution (HK$ million)	**361.8**	377.1	-4.1%
Distribution per unit ("**DPU**") (HK cents)	**17.50**	18.41	-4.9%
Cost-to-revenue ratio	**26.6%**	26.1%	+0.5%
	As at 30 June 2026	As at 31 December 2025	% change
Property valuation (HK$ million)	**36,667**	36,524	+0.4%
Net asset value per unit (HK$)	**12.21**	12.22	-0.1%
Gearing ratio [1]	**26.9%**	26.9%	-

Note:
1. Gearing ratio is defined as total borrowings as a percentage of gross assets.

DISTRIBUTION

Fortune REIT's distribution policy is to distribute no less than 90% of its audited annual net income after tax (before transactions with unitholders) for the relevant financial period adjusted to eliminate the effects of certain adjustments set out in the Trust Deed.

FINANCIAL REVIEW

Hong Kong's retail market continued its gradual recovery in the first half of 2026, supported by sustained growth in tourism-related spending and stable demand for daily necessities. However, the operating environment remained challenging amid structural shifts, including intensified e-commerce competition, evolving consumption habits, and continued outbound travel, prompting retailers to stay cautious and accelerate business transformation.

During the Reporting Period, Fortune REIT reported gross revenue of HK$820.8 million, down 3.9% year-on-year (first half 2025: HK$854.5 million). The decline mainly reflected the carry-forward impact of prior-year rental adjustments and continued negative rental reversions amid the evolving retail environment, although the pace of rental adjustment moderated compared with the previous period. At the same time, improved average occupancy reflected stronger leasing momentum and underlying portfolio resilience. The impact on base rental was further cushioned by higher charge-out income, turnover rent and atrium income.

Supported by disciplined cost management, total property operating expenses, excluding the Manager's performance fee, decreased by 2.0% year-on-year to HK$218.4 million (first half 2025: HK$222.9 million). The reduction was mainly driven by lower building management expenses, reflecting savings in staff costs and service contracts, together with lower leasing commission as leasing activity normalised following a peak in lease expiries and renewals last year. These savings more than offset a modest increase in utilities expenses as warmer weather during the Reporting Period led to higher energy consumption across the portfolio. As a result, net property income for the Reporting Period amounted to HK$584.3 million (first half of 2025: HK$612.6 million), down 4.6% year-on-year, while the cost-to-revenue ratio remained broadly stable at 26.6% (first half of 2025: 26.1%).

Finance costs for the Reporting Period (excluding changes in fair value of derivative financial instruments) fell by 2.9% year-on-year to HK$168.3 million (first half of 2025: HK$173.3 million), mainly reflecting lower short-term HIBOR during the Reporting Period. The interest savings were partly offset by expiry of interest rate swap ("**IRS**") contracts and the execution of replacement hedges at higher prevailing fixed rates. Consequently, the effective borrowing cost lowered slightly to 3.4% for the Reporting Period (first half of 2025: 3.5%).

Reflecting the lower net property income, income available for distribution declined 4.1% year-on-year to HK$361.8 million for the Reporting Period (first half of 2025: HK$377.1 million). Maintaining its commitment to a 100% distribution payout ratio (first half of 2025: 100%), the interim DPU was 17.50 HK cents (first half of 2025: 18.41 HK cents), representing a decrease of 4.9% year-on-year. Based on the closing unit price of HK$4.40 as at 30 June 2026, the interim DPU implied an annualised distribution yield of 8.0%.

The interim DPU of 17.50 HK cents for the six months ended 30 June 2026 will be paid on 18 September 2026 to Unitholders whose names appear on the register of Unitholders of Fortune REIT as at 21 August 2026.

Capital Management

Fortune REIT maintained a resilient balance sheet and managed its capital structure prudently, supported by moderate leverage and proactive interest rate risk management. As at 30 June 2026, the gearing ratio stayed at a healthy level of 26.9% (31 December 2025: 26.9%), while gross liability as a percentage of gross assets remained at 31.6% (31 December 2025: 31.6%).

During the Reporting Period, Fortune REIT successfully secured HK$3,800 million of sustainability-linked loans from eight leading banks to refinance debt maturing in June 2026. The proactive refinancing enhanced the overall loan maturity profile while reinforcing our commitment to sustainable financing. Following the transaction, all of Fortune REIT’s borrowings are now sustainability-linked, representing a significant milestone in fully integrating sustainability objectives into its capital structure.

In addition, certain IRS contracts expired during the first half of 2026. In view of the higher prevailing hedging cost, the Manager adopted a selective approach in entering replacement IRS contracts. As a result, the proportion of fixed-rate debt decreased to 46% as at 30 June 2026. (31 December 2025: 50%). This calibrated hedging position reflects a prudent balance between managing overall finance cost and mitigating interest rate risk amid an uncertain interest rate environment. As at 30 June 2026, total loan facilities drawn down amounted to HK$9,941.2 million (31 December 2025: HK$9,901.9 million).

Fortune REIT possesses sufficient financial resources to meet its financial commitments and working capital requirements. As at 30 June 2026, available liquidity amounted to HK$632.6 million (31 December 2025: HK$668.7 million), comprising committed but undrawn facilities of HK$523.0 million (31 December 2025: HK$603.0 million) and bank deposits of HK$109.6 million (31 December 2025: HK$65.7 million).

Net asset value per unit amounted to HK$12.21 as at 30 June 2026 (31 December 2025: HK$12.22).

Portfolio Valuation

As at 30 June 2026, the total value of Fortune REIT’s investment properties increased by 0.4% to HK$36,667 million (31 December 2025: HK$36,524 million). The average capitalisation rate of the Hong Kong assets remained unchanged at 4.3%.

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

PORTFOLIO HIGHLIGHTS

As at 30 June 2026, Fortune REIT owns a geographically diverse portfolio of 16 and 1 retail properties in Hong Kong and Singapore respectively, comprising of 3.0 million sq.ft. of retail space and 2,793 car parking lots.

Property	Gross Rentable Area ("GRA") (Sq.ft.)	Valuation (HK$ million)	Occupancy	No. of car parking lots
Hong Kong Portfolio				
Fortune City One	414,469	7,340	96.4%	653
+WOO	665,244	7,328	99.4%	622
Ma On Shan Plaza	310,084	5,148	98.7%	290
Metro Town	180,822	3,403	99.6%	74
Fortune Metropolis	332,168	2,351	84.6%	179
Belvedere Square	276,862	2,200	95.7%	329
Laguna Plaza	163,203	2,225	95.7%	150
Waldorf Avenue	80,842	1,669	100%	73
Caribbean Square	63,018	1,121	100%	117
Jubilee Square	170,616	917	100%	97
Tsing Yi Square	78,836	746	97.7%	27
Smartland	123,544	742	96.0%	67
Hampton Loft	74,734	311	100%	35
Centre de Laguna	43,000	285	80.0%	N.A
Lido Avenue	9,836	185	100%	N.A
Rhine Avenue	14,604	122	100%	N.A
Singapore Portfolio				
Stars of Kovan Property	22,638	574	100%	80
Total / Overall average	**3,024,520**	**36,667**	**96.4%**	**2,793**

BUSINESS REVIEW

Hong Kong's economy continued to recover during the first half of 2026, with gross domestic product rising by 5.9% and 4.3% year-on-year in the first and second quarters respectively, supported by strong external trade and improving domestic demand. The recovery momentum, however, was tempered by broader macro uncertainties. While the growth in northbound travel appeared to be moderating, outbound demand leakage and rising e-commerce penetration continued to weigh on the retail sector.

Hong Kong's total retail sales value rose for the 13 consecutive months in May 2026, bringing cumulative growth of 10.6% year-on-year for the first five months of 2026. Tourism-related sectors remained key growth drivers, while improvements across a wider range of consumption categories pointed to a gradual broadening of the retail recovery.

Amid this backdrop, the Manager remained focused on preserving portfolio resilience and revenue stability through proactive asset management and flexible leasing strategies. During the Reporting Period, leases covering 375,000 sq. ft., representing 12.4% of the total portfolio area, were secured, while the tenant retention rate remained healthy at 82%. Portfolio occupancy improved to 96.4% as at 30 June 2026, up from 95.0% a year ago. Notably, occupancy at +WOO further increased to 99.4%, reaching its highest level in over a decade, while Belvedere Square recorded a strong rebound following the introduction of a new anchor tenant.

Although portfolio rental reversion remained negative during the Reporting Period, the magnitude of decline moderated compared with the prior year, signalling early signs of rental stabilisation. By trade category, supermarkets and real estate agencies recorded narrower rental adjustments, supported by stabilising sales for supermarkets and improved market activity for real estate agencies. In contrast, Chinese restaurants and homeware retailers continued to face pressure from shifting consumption patterns, outbound spending leakage and e-commerce competition, while fast-food operators were constrained by weaker pricing power. Overall, rental adjustments during the Reporting Period reflected the Manager's flexible leasing approach, focused on tenant retention and maintaining portfolio income stability.

Refining Trade Mix to Strengthen Portfolio Resilience

Fortune Malls have long been anchored by non-discretionary and community-oriented trades serving the daily needs of local residents. At the same time, structural shifts in the retail market call for measured trade-mix refinement to capture emerging opportunities and strengthen income resilience. This is reflected in the growing importance of F&B, services & education, and wellness & entertainment, whose combined rental contribution increased to approximately 60.0%, from 50% a few years ago, with the three categories contributing 29.7%, 26.9% and 3.4%, respectively. Besides F&B, services & education remained a key pillar of the portfolio's strength, supported by recurring neighbourhood demand for learning, enrichment and essential services, while wellness & entertainment continued to expand as an emerging lifestyle segment. The evolving trade mix reflects a gradual rebalancing toward more resilient, service-led and lifestyle-oriented trades, while preserving the portfolio's non-discretionary foundation and supporting customer traffic, in-mall experience and rental sustainability across Fortune Malls.

Food and Beverage

As the largest rental income contributor among all trade categories, F&B plays an important role in sustaining everyday relevance across Fortune Malls. To capture evolving dining preferences, Fortune Malls introduced a curated selection of popular F&B concepts during the Reporting Period. These included well-known Mainland brands such as **Xiao Noodles (**遇見小麵**)** and **Luckin Coffee (**瑞幸咖啡**)**, the well-received beverage brand **Wanpo Teashop (**萬波島嶼紅茶**)** and established ramen chain **Ajisen Ramen (**味千拉麵**)**. At Fortune Metropolis, the culinary mix was further broadened with the Halal-certified **IS Burgers & Wraps** and **You Gan Mala Tang (**有間麻辣燙**)**, catering to diverse neighbourhood demographics and growing popularity for broader dining options.

Wellness and Experiential Lifestyle

Wellness & entertainment trades expanded their footprint by a further 11.4% in the first half of 2026, increasing their rental contribution to 3.4% and reinforcing their role as an emerging growth segment within the portfolio. Wellness options were strengthened with the addition of **Snap Fitness** and **SG Pilates**, while experiential entertainment offerings were enriched with a new **Jumpin Gym (**冒險樂園**)**, boutique claw machine shops, and pachinko arcades. At Laguna Plaza, **AEON Mono Mono** was introduced following the completion of its basement renovation, injecting fresh retail vibrancy to the mall and offering shoppers a broader selection of lifestyle merchandise.

Targeted Promotional Campaigns to Engage Customers and Support Sales

Fortune Malls continued to deploy a broad mix of seasonal campaigns, family-oriented activities, recreational offerings and tactical incentives to enhance customer engagement, drive footfall and support tenant sales.

IP-led Seasonal Campaigns
In the first half of 2026, two major seasonal campaigns anchored by high-profile IP collaborations were launched, namely **Fortune Malls X SHO-CHAN "Place Your Shine" Chinese New Year Celebration (置富 Malls x SHO-CHAN 置『燦』你迎新春)** and **Fortune Malls X Capybara PIMOO CAPY Captain "Chill in Charge" (置富 Malls x Capybara PIMOO CAPY 豚長 Chill in Charge)** during the Easter and spring seasons. Featuring immersive themed installations and photo-worthy setting, these campaigns helped create engaging and highly shareable experiences for shoppers and visitors.

Recreational and Incentives-led Engagement
To broaden customer appeal beyond seasonal promotions, Fortune Malls also collaborated with tenants to host family-oriented and sports-themed events, including the "**Fortune Fun Playground (置 Fun 遊樂園)**" and the **"+WOO Fun Fit (+WOO Fun Fit 狂賞活樂遊)**", strengthening engagement with families and young customers. Trend-driven recreational offerings were also introduced, including a new pickleball court at Fortune City One, and dedicated Beyblade battle zones across six malls, enriching leisure experience within the portfolio. These experiential initiatives were complemented by tactical customer incentives, including free parking promotions, spending rewards, and coupon redemptions – to encourage repeat visits and stimulate spending.

The Fortune Malls APP continued to serve as a vital tool for customer retention and loyalty building. During the Reporting Period, APP membership grew by 7% year-on-year, with a 9% increase in active members. Reflecting sustained customer stickiness, registered spending redemption also rose by 16%, validating the effectiveness of the Fortune+ loyalty programme in driving traffic and spending across the portfolio.

Driven by a diverse tenant mix and effective promotional initiatives, portfolio footfall recorded a year-on-year improvement of 1.4%, while hourly carpark traffic grew by 3.6% year-on-year in the first half of 2026.

OUTLOOK

Looking ahead, Hong Kong's retail market is expected to continue its gradual recovery, supported by improving consumer sentiment and tourism-related spending. However, the operating environment is likely to remain competitive as e-commerce penetration, outbound spending leakage and evolving consumer preferences continue to reshape retail demand. In this environment, the Manager will remain focused on maintaining high portfolio occupancy and refining the tenant mix towards more service-led and lifestyle-oriented offerings that align with neighbourhood needs.

The Manager will stay agile and disciplined in navigating market transformation. Digital innovation initiatives and automated property technologies will continue to be leveraged to enhance operational efficiency, optimise cost structures and support portfolio performance. Together with prudent cost control and disciplined capital allocation, these efforts are expected to safeguard Fortune REIT's portfolio resilience and support sustainable value creation for Unitholders.

EMPLOYEES

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

NEW UNITS ISSUED

As at 30 June 2026, the total number of issued units of Fortune REIT was 2,061,863,730. A total of 9,003,192 new units were issued during the Reporting Period in the following manner:

- On 9 January 2026, 4,518,257 new units were issued to the Manager at the price of HK$4.89 per unit (being ascribed in the Trust Deed) as payment of 80% of the Manager's base fee of approximately HK$22.1 million payable by Fortune REIT for the period from 1 October 2025 to 31 December 2025.

- On 2 April 2026, 4,484,935 new units were issued to the Manager at the price of HK$4.82 per unit (being ascribed in the Trust Deed) as payment of 80% of the Manager's base fee of approximately HK$21.6 million payable by Fortune REIT for the period from 1 January 2026 to 31 March 2026.

REPURCHASE, SALE OR REDEMPTION OF UNITS

During the Reporting Period, other than the disposal of 6,678,000 units by the Manager, there was no repurchase, sale or redemption of the units of Fortune REIT by Fortune REIT or its subsidiaries.

CORPORATE GOVERNANCE

With the objective of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of Fortune REIT in a transparent manner and with built-in checks and balances. 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 Hong Kong regulations and legislation.

Fortune REIT is a real estate investment trust listed on SEHK. Fortune REIT and/or the Manager are subject to the applicable laws, rules and regulations in Hong Kong, including the mandatory disclosure requirements and code provisions as 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 Manager confirms that Fortune REIT and the Manager have in material terms complied with the provisions of the Compliance Manual and have adhered to the principles and guidelines set out in the Corporate Governance Code which are applicable to Fortune REIT and/or the Manager throughout the Reporting Period.

RECORD DATE FOR DISTRIBUTION ENTITLEMENT

For the purpose of determining the distribution entitlement for the interim distribution, the record date will be on Friday, 21 August 2026. In order to qualify for the interim distribution, all unit certificates with completed transfer forms must be lodged with the unit registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 21 August 2026. The payment of interim distribution will be made to unitholders on Friday, 18 September 2026.

REVIEW OF INTERIM RESULTS

The unaudited interim results of Fortune REIT for the Reporting Period have been reviewed by the Audit Committee and the Disclosures Committee of the Manager, and approved by the board of directors of the Manager on 4 August 2026. The unaudited interim results have also been reviewed by Fortune REIT's auditors in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

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 2026.

ISSUANCE OF 2026 INTERIM REPORT

The 2026 Interim Report of Fortune REIT for the Reporting Period will be published on the websites of SEHK and Fortune REIT and (if requested) dispatched to unitholders on or before 30 September 2026.

By order of the board of directors of
ESR Asset Management (Fortune) Limited
(in its capacity as manager of Fortune Real Estate Investment Trust)
Chiu Yu, Justina
Chief Executive Officer

Hong Kong, 4 August 2026

The Directors of the Manager as at the date of this announcement are Mr. Chui Sing Loi (alias Tsui Sing Loi) as Chairman and Independent Non-executive Director; Dr. Chiu Kwok Hung, Justin, Ms. Yeung, Eirene, Mr. Ma Lai Chee, Gerald and Mr. Shen Jinchu as Non-executive Directors; Ms. Chiu Yu, Justina as Executive Director; Ms. Yeo Annie (alias Yeo May Ann), Ms. Koh Poh Wah and Mr. Edmund Ho as Independent Non-executive Directors.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	*Six months ended 30 June* 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	5	820,769	854,465
Property operating expenses	6	(218,427)	(222,863)
Net property income before manager's performance fee		**602,342**	**631,602**
Manager's performance fee		(18,071)	(18,953)
Net property income		**584,271**	**612,649**
Manager's base fee		(54,447)	(56,039)
Interest income		26	179
Trust expenses		(4,112)	(3,355)
Change in fair value of investment properties	11	119,081	(829,747)
Finance costs	7	(152,729)	(325,798)
Profit/ (loss) before taxation and transactions with unitholders	8	**492,090**	**(602,111)**
Income tax expense	9	(74,893)	(51,250)
Profit/ (loss) for the period, before transactions with unitholders		**417,197**	**(653,361)**
Distributions to unitholders		(361,750)	(377,056)
Profit/ (loss) for the period, after transactions with unitholders		**55,447**	**(1,030,417)**
Other comprehensive expense			
Item that may be reclassified to profit or loss:			
Exchange difference arising on translation of a foreign operation		(1)	(608)
Total comprehensive income/ (expense) for the period		**55,446**	**(1,031,025)**
Basic earnings/ (loss) per unit (HK cents)	10	**20.23**	**(31.96)**

Distribution Statement

For the six months ended 30 June 2026

	Notes	*Six months ended 30 June* *2026* *HK$'000* *(Unaudited)*	*2025* *HK$'000* *(Unaudited)*
Profit/ (loss) for the period, before transactions with unitholders		**417,197**	**(653,361)**
Adjustments:			
Manager's base fee		43,557	44,831
Change in fair value of investment properties		(119,081)	829,747
Change in fair value of derivative financial instruments		(15,526)	152,530
Non-cash finance costs		22,355	17,273
Deferred tax		13,248	(13,964)
Income available for distribution	(i)	**361,750**	**377,056**
Percentage of distribution to unitholders		100%	100%
Distribution to unitholders	(ii)	**361,750**	**377,056**
Distribution per unit (HK cents)	(iii)	**17.50**	**18.41**

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 accordance with the Trust Deed.

(ii) Distribution amount to unitholders of HK$361.8 million for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$377.1 million), representing a payout ratio of 100% (six months ended 30 June 2025:100%) of Fortune REIT's income available for distribution of HK$361.8 million for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$377.1 million).

(iii) The distribution per unit of 17.50 HK cents for the six months ended 30 June 2026 is calculated based on the interim distribution to unitholders amount of HK$361.8 million over 2,066,724,146 units, representing issued units as at 30 June 2026 of 2,061,863,730 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 2026 of 4,860,416 units. 2026 interim distribution will be paid on 18 September 2026.

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 was paid on 19 September 2025.

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	*30 June 2026* *HK$'000* (Unaudited)	*31 December 2025* *HK$'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	36,666,989	36,523,608
Derivative financial instruments		53,220	40,750
Total non-current assets		36,720,209	36,564,358
Current assets			
Derivative financial instruments		12,920	28,592
Trade and other receivables	12	69,747	86,994
Cash and cash equivalents		109,614	65,738
Total current assets		192,281	181,324
Total assets		36,912,490	36,745,682
Non-current liabilities			
Derivative financial instruments		7,656	26,384
Borrowings	13	8,129,375	5,744,990
Deferred tax liabilities		706,172	692,924
Total non-current liabilities		8,843,203	6,464,298
Current liabilities			
Trade and other payables	14	657,808	657,508
Borrowings	13	1,758,400	4,115,812
Distribution payable		361,750	345,860
Provision for taxation		52,695	22,573
Total current liabilities		2,830,653	5,141,753
Total liabilities, excluding net assets attributable to unitholders		11,673,856	11,606,051
Net assets attributable to unitholders		**25,238,634**	**25,139,631**
Units in issue and to be issued ('000)	15	**2,066,724**	**2,057,379**
Net asset value per unit attributable to unitholders (HK$)	16	**12.21**	**12.22**

Notes

(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 in Hong Kong and Singapore 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 ("**HK$**"), 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.

(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 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by IASB, for the first time, which are pertinent to the Group and are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(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 management of the Manager, in order to allocate resources to segments and to assess their performance.

As at 30 June 2026, The Group owns 16 (31 December 2025: 16) and 1 (31 December 2025:1) 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 is aggregated into a single reportable segment and no further analysis for segment information is presented.

For the six months ended 30 June 2026, revenue of HK$810.2 million (six months ended 30 June 2025: HK$844.1 million) is attributable to tenants from the Hong Kong investment properties and HK$10.6 million (six months ended 30 June 2025: HK$10.4 million) is attributable to tenants from the Singapore investment property. As at 30 June 2026, investment properties of HK$36,093.0 million (31 December 2025: HK$35,949.0 million) are located in Hong Kong and HK$574.0 million (31 December 2025: HK$574.6 million) in Singapore.

(5) Revenue

	Six months ended 30 June	
	2026	*2025*
	HK$'000 *(Unaudited)*	*HK$'000* *(Unaudited)*
Revenue arising from operating lease:		
Fixed	623,040	658,532
Variable	6,627	5,670
Charge-out collections	128,905	127,151
Car park revenue	61,458	61,643
Other income	739	1,469
	820,769	854,465

(6) Property operating expenses

	Six months ended 30 June	
	2026	*2025*
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Advertising and promotion	9,071	9,301
Building management expenses	122,697	125,154
Car park operating expenses	17,233	17,243
Government rents and rates	7,970	7,758
Leasing commission and marketing services fee	9,421	11,312
Legal and other professional fees	5,299	5,302
Property management fee	18,859	19,895
Utilities	17,695	17,143
Others	10,182	9,755
	218,427	222,863

(7) Finance costs

	Six months ended 30 June	
	2026	*2025*
	HK$'000 *(Unaudited)*	*HK$'000* *(Unaudited)*
Interest expenses on bank borrowings	175,149	216,452
Amortisation of front-end fees	10,406	9,891
Commitment fee	866	852
Interest rate swaps income realised	(18,166)	(53,927)
	168,255	173,268
Change in fair value of derivative financial instruments	(15,526)	152,530
	152,729	325,798

(8) Profit/ (loss) before taxation and transactions with unitholders

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

	Six months ended 30 June	
	2026	*2025*
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Fees to external auditor	1,504	1,504
Fees to internal auditor	225	225
Allowance (reversal of allowance) for credit losses	308	(80)
Valuation fees (paid to principal valuer)	154	154

(9) Income tax expense

	Six months ended 30 June	
	2026	*2025*
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Current tax	61,645	65,214
Deferred taxation	13,248	(13,964)
	74,893	51,250

Fortune REIT’s subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at 16.5% (six months ended 30 June 2025: 16.5%). Fortune REIT’s subsidiary in Singapore is subject to Singapore income tax at 17% (six months ended 30 June 2025: 17%) for the period.

Deferred tax is provided on temporary differences in relation to accelerated tax depreciation using the current applicable rates.

(10) Earnings/ (loss) per unit

Basic earnings per unit is calculated by dividing the profit for the six months ended 30 June 2026, before transactions with unitholders of HK$417.2 million by the weighted average of 2,062,750,385 units outstanding during the period.

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.

No diluted earnings/ (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 2026	36,523,608
During the period:	
Capital expenditure incurred in upgrading investment properties	24,919
Change in fair value of investment properties	119,081
Exchange adjustments	(619)
As at 30 June 2026	36,666,989

(12) Trade and other receivables

	30 June 2026	*31 December 2025*
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Trade receivables	35,588	40,863
Less: Allowance for credit losses	(2,214)	(2,076)
	33,374	38,787
Other receivables and prepayments		
Security deposits	25,907	25,972
Interest receivables	-	10,382
Other receivables	1,055	1,087
Prepayments	9,411	10,766
	36,373	48,207
	69,747	86,994

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

	30 June 2026	*31 December 2025*
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
0 - 30 days	31,541	37,338
31 - 90 days	792	1,018
Over 90 days	1,041	431
	33,374	38,787

(13) Borrowings

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Unsecured term loans	6,500,000	6,500,000
Unsecured revolving loans	3,441,239	3,401,866
	9,941,239	9,901,866
Less: unamortised front-end fees	(53,464)	(41,064)
	9,887,775	9,860,802
Carrying amount repayable:		
Within one year	1,758,400	4,115,812
More than one year, but not more than two years	579,729	1,197,200
More than two years, but not more than five years	7,549,646	4,547,790
	9,887,775	9,860,802
Less: Amount due within one year shown under current liabilities	(1,758,400)	(4,115,812)
	8,129,375	5,744,990

(14) Trade and other payables

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade payables		
Tenants' deposits	416,712	421,247
Rental received in advance	52,156	54,577
	468,868	475,824
Accruals and other payables		
Trustee's fee	764	770
Manager's fees	35,451	26,433
Operating expenses	147,596	150,114
Interest payable	1,943	377
Others	3,186	3,990
	188,940	181,684
	657,808	657,508

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.

The tenants' deposits to be settled after twelve months from the end of the reporting period based on lease term amounted to HK$241.7 million (31 December 2025: HK$257.8 million) as at 30 June 2026.

(15) Units in issue and to be issued

	Number of units '000	HK$'000
Balance as at 1 January 2025	2,038,349	8,810,190
Issue of new units during the year:		
As payment of Manager's base fee for the period from 1 January to 30 September 2025	14,512	67,377
Balance in issue as at 31 December 2025	2,052,861	8,877,567
Issue of new units during the year:		
As payment of Manager's base fee for the period from 1 October to 31 December 2025	4,518	22,094
Balance as at 31 December 2025	2,057,379	8,899,661
Issue of new units during the period:		
As payment of Manager's base fee for the period from 1 January to 31 March 2026	4,485	21,617
Balance in issue as at 30 June 2026	2,061,864	8,921,278
New units to be issued:		
As payment of Manager's base fee for the period from 1 April to 30 June 2026	4,860	21,940
Balance as at 30 June 2026	2,066,724	8,943,218

(16) Net asset value per unit attributable to unitholders

Net asset value per unit as at 30 June 2026 is calculated based on the net assets attributable to unitholders of the Group of HK$25,238.6 million (31 December 2025: HK$25,139.6 million) and the total number of 2,066,724,146 units (31 December 2025: 2,057,378,795 units) in issue and to be issued, including the new units to be issued as payment of Manager's base fee.

(17) Net current liabilities and total assets less current liabilities

As at 30 June 2026, the Group's net current liabilities, defined as current liabilities less current assets, amounted to HK$2,638.4 million (31 December 2025: HK$4,960.4 million).

As at 30 June 2026, the Group's total assets less current liabilities amounted to HK$34,081.8 million (31 December 2025: HK$31,603.9 million).