

*The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Prosperity Real Estate Investment Trust**

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

**(Stock Code: 808)**

Managed by

**ESR Asset Management (Prosperity) Limited**

### **FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

Prosperity Real Estate Investment Trust (“**Prosperity REIT**”) is a real estate investment trust incorporated by a trust deed entered into on 29 November 2005, as amended, supplemented and/or restated from time to time (the “**Trust Deed**”) between ESR Asset Management (Prosperity) Limited, as the manager of Prosperity REIT (the “**REIT Manager**”), and HSBC Institutional Trust Services (Asia) Limited, as the trustee of Prosperity REIT (the “**Trustee**”). Prosperity REIT was the first private sector real estate investment trust (“**REIT**”) to list on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 December 2005. Prosperity REIT currently owns a diverse portfolio of seven high-quality commercial properties in Hong Kong.

The REIT Manager would like to announce the audited consolidated results of Prosperity REIT and its subsidiaries for the year ended 31 December 2025 (the “Reporting Year”) together with comparative figures for the corresponding year in 2024 as follows:

**Performance Highlights**

<b><u>Distribution</u></b>	<b><u>Year ended 31 Dec 2025</u></b>	<b><u>Year ended 31 Dec 2024</u></b>	<b><u>Percentage change Increase/(Decrease)</u></b>
Income available for distribution	HK\$182.8 million	HK\$185.4 million	(1.4%)
Distribution per unit (“DPU”)	HK\$0.1156	HK\$0.1198	(3.5%)

<b><u>Operation data</u></b>	<b><u>Year ended 31 Dec 2025</u></b>	<b><u>Year ended 31 Dec 2024</u></b>	<b><u>Percentage change Increase/(Decrease)</u></b>
Revenue	HK\$408.5 million	HK\$425.4 million	(4.0%)
Net property income	HK\$305.2 million	HK\$323.3 million	(5.6%)
Occupancy rate (as at 31 Dec)	94.7%	94.2%	0.5% <sup>2</sup>
Tenant retention rate	68.3%	71.8%	(3.5%) <sup>2</sup>
Cost-to-revenue ratio	25.3%	24.0%	1.3% <sup>2</sup>

<b><u>Key financial figures</u></b>	<b><u>As at 31 Dec 2025</u></b>	<b><u>As at 31 Dec 2024</u></b>	<b><u>Percentage change Increase/(Decrease)</u></b>
Net asset value per unit	HK\$3.97	HK\$4.31	(7.9%)
Property valuation	HK\$9,213 million	HK\$9,547 million	(3.5%)
Gearing ratio <sup>1</sup>	26.4%	25.1%	1.3% <sup>2</sup>

<sup>1</sup> This excludes the bank facility origination fees already paid in cash, and is calculated by dividing total borrowings over total assets.

<sup>2</sup> Absolute change.

## **Distribution**

It is the policy of the REIT Manager to distribute to unitholders of Prosperity REIT an amount equal to 100% of Prosperity REIT's annual distributable income for the financial year ended 31 December 2025. Pursuant to the Trust Deed, Prosperity REIT is required to ensure that the total amount distributed to unitholders shall be no less than 90% of Prosperity REIT's annual distributable income for each financial year.

## **Business Overview**

Navigating through the challenging business environment in Hong Kong, Prosperity REIT's revenue and net property income for the Reporting Year moderated to HK\$408.5 million and HK\$305.2 million, respectively. Distributable income amounted to HK\$182.8 million, attributable to savings in finance cost resulting from lower Hong Kong Interbank Offered Rate ("HIBOR") which partly offsetted the mild decline in rental income. Consistent with Hong Kong property market, property valuation adjusted downward slightly by 3.5% year-on-year ("YoY") to HK\$9,213 million.

Our Unitholders will receive a DPU of HK\$0.0571 for the second half of the year, representing a total DPU of HK\$0.1156 for the full year ended 31 December 2025.

## **Market Review**

Global economic activity demonstrated resilience in the face of US trade tariffs and geopolitical tensions. In US, GDP growth was 2.1% in 2025. The Fed cut interest rates by a cumulative 75 bps during the year to the range of 3.50% – 3.75% and ended its quantitative tightening program. The Mainland economy delivered an annual growth of 5.0%, with strong export performance counteracting the drag from property market downturn and weak domestic consumption.

Hong Kong's economy grew 3.5% annually, underpinned by resilient exports, upbeat financial markets, rise in tourist arrivals and decline in interest rates. However, the ongoing geopolitical and trade tensions, cross-border spending trend and subdued commercial property market continue to weigh on economic performance.

## **Operations Review**

The Hong Kong office market remained weak in the first quarter of 2025, but showed improvement in the following nine months, with positive take-up recorded. Leasing and sales transactions in Central gained momentum. Yet, the abundant supply of vacant office space would continue to exert pressure on rents and occupancy rates. Many corporate tenants continue to prioritize cost-saving measures and look for value for money as well as high quality relocation options.

To maintain competitiveness, we offered enhanced landlord provisions for new lettings premises to accelerate decision-making process by prospective tenants, given a lower capex incurred in their relocation. Our proactive leasing strategy has upkept the portfolio occupancy rate at a healthy level of 94.7%, outperforming the broader market. While Grade A office assets face headwinds, our portfolio's diversified property types, coupled with low tenant concentration, mitigate risk and foster stable performance.

### **Sustainability**

Prosperity REIT's near-term and net-zero greenhouse gas emissions reduction targets were approved by the Science Based Targets initiative ("SBTi"). As the first Hong Kong REIT with debt facilities fully sustainability-linked since 2022, we received the "Visionary Blueprint Towards Net-Zero" accolade at the HKQAA Hong Kong Green and Sustainable Finance Awards 2025. These accomplishments reaffirm our commitment to integrating financing strategy with measurable sustainability outcomes that drive long-term value for stakeholders.

In addition, we have attained the highest Five-Star rating and Green Star for the fourth consecutive year in the 2025 Global Real Estate Sustainability Benchmark ("GRESB") assessment. While 100% of our portfolio has attained green building certifications, we have taken a further step with Prosperity Millennia Plaza achieving the prestigious "Double Platinum" accreditation under both BEAM Plus Comprehensive Scheme and WELL certification.

### **Prospects**

Despite the potential volatilities from US trade tariffs and geopolitical tensions, the International Monetary Fund ("IMF") projects global economic growth to be steady at 3.3% in 2026. Meanwhile, Hong Kong's economy is forecast to expand by 2.5% to 3.5%. The local Grade A office market is showing a sign of gradual stabilization. Although interest rate has started to ease, a new US Fed Chair might cast uncertainty to the Fed policy.

Prosperity REIT is strategically positioned to benefit from close proximity to major transportation links and green and smart-building enhancements. The Metropolis Tower, our flagship property, leverages on its prime location adjacent to the Hung Hom MTR interchange station for the Tuen Ma and East Rail lines. Our portfolio's strong foothold in Kowloon East CBD2 capitalizes on the enhanced connectivity from the Central Kowloon Bypass and the synergies from the district's surrounding commercial, recreational and residential developments. We will continue to deploy flexible and proactive leasing strategies under different market conditions.

## **Acknowledgements**

This year marks the 20th anniversary of Prosperity REIT. I wish to convey my sincere thanks to our dedicated staff, tenants, service providers and business partners, whose vital contributions have been fundamental in bolstering our resilience and enabling us to navigate periods of uncertainty.

I am particularly grateful to my fellow Board members and the management team for their steadfast dedication and outstanding efforts.

Lastly, I extend my profound gratitude to all our Unitholders. Your enduring support and confidence in Prosperity REIT are invaluable.

**Dr. Chiu Kwok Hung, Justin**  
*Chairman*  
**ESR Asset Management (Prosperity) Limited**  
**as manager of Prosperity REIT**

Hong Kong, 24 March 2026

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations Review

As at 31 December 2025, Prosperity REIT owned a diverse portfolio of seven properties in the decentralized business districts of Hong Kong, comprising all, or a portion of, three Grade A office buildings, one commercial building, two industrial/office buildings and one industrial building. As at 31 December 2025, the total gross rentable area was 1,275,153 sq. ft., with a total of 498 car park spaces.

Information about the properties in the portfolio, as at 31 December 2025, was as follows:

	<b>Location</b>	<b>Gross rentable area</b> <i>sq. ft.</i>	<b>No. of car park spaces</b>	<b>Valuation</b> <i>HK\$ million</i>	<b>Occupancy rate</b>
<b>Grade A Office</b>					
The Metropolis Tower	Hung Hom	271,418	98	2,534	97.6%
Prosperity Millennia Plaza	North Point	217,955	43	1,874	89.7%
9 Chong Yip Street	Kwun Tong	136,595	68	860	94.8%
<b>Commercial</b>					
Prosperity Place	Kwun Tong	240,000	83	1,684	95.8%
<b>Industrial/Office</b>					
Trendy Centre	Lai Chi Kok	173,764	79	1,079	93.3%
Prosperity Center (portion)	Kwun Tong	149,253	105	834	94.4%
<b>Industrial</b>					
New Treasure Centre (portion)	San Po Kong	86,168	22	348	98.5%
<b>Total</b>		<b>1,275,153</b>	<b>498</b>	<b>9,213</b>	<b>94.7%</b>

With the REIT Manager's professional management expertise, Prosperity REIT was able to attain a stable occupancy rate of 94.7% as at 31 December 2025, reflecting the effectiveness of the leasing strategies deployed. With efficient streamlining of operations, the cost-to-revenue ratio was maintained at a steady level of 25.3%.

### **Investment Review**

The REIT Manager will continue to implement its investment strategy prudently. We shall assess every acquisition target in accordance with our established investment criteria, including the enhancement potential of asset value, organic growth prospects and synergies with existing properties in the portfolio.

### **Asset Enhancement**

Asset enhancement remains a key driver of growth for Prosperity REIT. Beyond staying competitive, upgrading our properties supports sustainable rental performance and long-term asset value. During the Reporting Period, enhancement works was carried out at Prosperity Millennia Plaza.

### **Prosperity Millennia Plaza**

In light of the large quantity of vacant stock and new supply in office market, competition for prospective tenants remained intense among landlords. The REIT Manager commenced the renovation and upgrade of passenger lift lobby and corridor on typical floors since 2023 and carried out by phase. The renovation work continued during the reporting year. This facelifting has brought the environment of the common areas in line with the G/F lobby design and kept us stay competitive with the high specification office buildings in close vicinity.

## **Financial Review**

The revenue and net property income of each property in Prosperity REIT's portfolio for the Reporting Year are summarized as follows:

	<b>Turnover</b>	<b>Rental related income</b>	<b>Revenue</b>	<b>Net property income</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Grade A Office</b>				
The Metropolis Tower	90,692	30,189	120,881	93,692
Prosperity Millennia Plaza	56,326	17,503	73,829	54,708
9 Chong Yip Street	30,208	6,129	36,337	27,076
<b>Commercial</b>				
Prosperity Place	62,926	10,267	73,193	56,131
<b>Industrial/Office</b>				
Trendy Centre	40,342	7,904	48,246	32,772
Prosperity Center (portion)	33,544	4,471	38,015	27,944
<b>Industrial</b>				
New Treasure Centre (portion)	15,404	2,596	18,000	12,926
<b>Total</b>	<b>329,442</b>	<b>79,059</b>	<b>408,501</b>	<b>305,249</b>

### **Revenue**

During the Reporting Year, revenue decreased to HK\$408.5 million, being HK\$16.9 million or 4.0% lower than that of 2024. The decrease was mainly due to the pressure from both vacancy and rental levels at Prosperity Millennia Plaza in Island East. Part of the negative impact was mitigated by the increase in rental related income, as well as improved occupancy rate in certain properties.

### **Net Property Income**

For the Reporting Year, net property income was HK\$305.2 million, being HK\$18.1 million or 5.6% lower than that of 2024 as a result of the decrease in revenue. The cost-to-revenue ratio was 25.3%.

### Distributable Income

The annual distributable income of Prosperity REIT to unitholders for the Reporting Year, amounted to HK\$182.8 million, representing a total DPU of HK\$0.1156. The distributable income for the Reporting Year is calculated by the REIT Manager representing the consolidated profit or loss after tax of Prosperity REIT and its subsidiaries for the relevant financial year, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) including a finance cost of HK\$10.3 million (equivalent to HK\$0.0065 per unit), which have been recorded in the consolidated statement of profit or loss and other comprehensive income for the Reporting Year.

The distributable income for the half year from 1 July 2025 to 31 December 2025 is HK\$90.7 million, equivalent to a DPU of HK\$0.0571. The interim DPU from 1 January 2025 to 30 June 2025 paid on 18 September 2025 was HK\$0.0585. The total DPU for the Reporting Year is HK\$0.1156, which represents a distribution yield of 8.1%<sup>3</sup>. The total DPU decreased by 3.5% year-on-year.

The distribution for the half year from 1 July 2025 to 31 December 2025 will be paid on 23 April 2026 (Thursday).

### Liquidity and Financing

As at 31 December 2025, Prosperity REIT had facilities in aggregate of HK\$2,830 million, comprising:

- (i) A HK\$800 million 5-year unsecured sustainability-linked term loan, which will mature in August 2026 (the “**HK\$800 Million Facility**”);
- (ii) A HK\$770 million 5-year unsecured sustainability-link term loan and revolving credit facility, which will mature in November 2027 (the “**HK\$770 Million Facility**”);
- (iii) A HK\$1,200 million 3-year unsecured sustainability-link term loan and revolving credit facility, which will mature in August 2028 (the “**HK\$1,200 Million Facility**”); and
- (iv) A HK\$60 million unsecured green and transition term loan (the “**HK\$60 Million Green and Transition Loan**”), which will mature in September 2029.

---

<sup>3</sup> Based on Prosperity REIT's closing unit price of HK\$1.43 as at 31 December 2025.

As at 31 December 2025, total facilities drawn was HK\$2,400 million and the revolving credit facilities of HK\$55 million were drawn. Total facilities bear interest at Hong Kong Interbank Offered Rate (“**HIBOR**”) plus a margin ranging from 1.00% to 1.35% (31 December 2024: HIBOR plus a margin ranging from 1.04% to 1.35%) per annum. Interest margins for (i), (ii) and (iii) above are linked to the sustainability performance of Prosperity REIT, which may be reduced depending on the extent of pre-determined key performance indicators being met.

As all facilities bear interests at a variable rate, Prosperity REIT has entered into interest rate swap to mitigate the impact of interest rate fluctuations. As at 31 December 2025, the interest costs for approximately 60% (31 December 2024: 39%) of Prosperity REIT’s outstanding term loans have been hedged through interest rate swaps.

The total borrowings of Prosperity REIT, excluding the bank facilities origination fees, as a percentage of Prosperity REIT’s total assets was 26.4% as at 31 December 2025 (31 December 2024: 25.1%), whereas the total liabilities of Prosperity REIT as a percentage of Prosperity REIT’s total assets was 32.3% as at 31 December 2025 (31 December 2024: 30.7%).

Taking into account the fair value of investment properties, presently available banking facilities and internal financial resources of Prosperity REIT, Prosperity REIT has sufficient financial resources to satisfy its commitments and working capital requirements.

#### Investment Properties and Property Valuation

For the Reporting Year, Prosperity REIT’s portfolio recorded an investment property revaluation loss of HK\$348.5 million, based on a professional valuation performed by an independent qualified external valuer, Knight Frank Petty Limited. The movements of fair values are tabulated below:

	31 December 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
Fair value at the beginning of the year	9,547,000	9,703,000
Additional expenditure	14,522	21,858
Change in fair value of investment properties	(348,522)	(177,858)
Fair value at the end of the year	9,213,000	9,547,000

### Charges on Assets

As at 31 December 2025, all bank loan facilities of Prosperity REIT are unsecured. None of the investment properties of Prosperity REIT were pledged to secure bank loan facilities of Prosperity REIT's finance companies.

Prosperity REIT has provided guarantees for the HK\$800 Million Facility, the HK\$770 Million Facility, the HK\$1,200 Million Facility and the HK\$60 Million Green and Transition Loan.

### **EMPLOYEES**

Prosperity REIT is externally managed by the REIT Manager and does not employ any staff.

### **REPURCHASE, SALE OR REDEMPTION OF UNITS**

During the Reporting Year, other than the disposal of 4,500,000 units of Prosperity REIT by the REIT Manager which the REIT Manager had received as payment of its management fee, there was no repurchase, sale or redemption of the units by Prosperity REIT or its subsidiaries.

### **CORPORATE GOVERNANCE**

The REIT Manager was established for the purpose of managing Prosperity REIT. The REIT Manager is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the REIT Manager emphasize a quality board of directors, sound internal control, transparency and accountability to all unitholders. The REIT Manager has adopted its compliance manual (the "**Compliance Manual**") for use in relation to the management and operation of Prosperity REIT, which sets out the key processes, systems and measures, and certain corporate governance policies and procedures to be applied for compliance with all applicable regulations and legislation (including the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as at 30 June 2025\*). A summary of the key components of the corporate governance policies that have been adopted and complied with by the REIT Manager and Prosperity REIT will be set out in the Annual Report of Prosperity REIT for the Reporting Year. During the Reporting Year, both the REIT Manager and Prosperity REIT have in material terms complied with the provisions of the Compliance Manual.

\* The amendments to the Corporate Governance Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of Prosperity REIT for financial years commencing on or after 1 July 2025.

### **CLOSURE OF REGISTER OF UNITHOLDERS**

For the purpose of determining the distribution entitlement for the final distribution, the record date will be on 14 April 2026 (Tuesday). The register of unitholders will be closed from 13 April 2026 (Monday) to 14 April 2026 (Tuesday), both days inclusive, during which period no transfer of units will be effected. In order to qualify for the distribution, all unit certificates with completed transfer forms must be lodged with Prosperity REIT's unit registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–16, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 10 April 2026 (Friday). The payment date of the final distribution will be on 23 April 2026 (Thursday).

### **REVIEW OF FINAL RESULTS**

The final results of Prosperity REIT for the Reporting Year have been reviewed by the Audit Committee and the Disclosures Committee of the REIT Manager.

### **PUBLIC FLOAT**

As far as the REIT Manager is aware, more than 25% of the issued units of Prosperity REIT were held in public hands as at 31 December 2025.

### **ISSUANCE OF ANNUAL REPORT**

The Annual Report of Prosperity REIT for the Reporting Year will be dispatched or sent to unitholders on or before 30 April 2026 (Thursday).

### **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of Prosperity REIT will be held on 27 May 2026 (Wednesday). Notice of the annual general meeting will be published and issued to unitholders in due course.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	408,501	425,368
Property management fees		(9,124)	(9,562)
Property operating expenses		(94,128)	(92,499)
Total property operating expenses		<u>(103,252)</u>	<u>(102,061)</u>
<b>Net property income</b>		305,249	323,307
Other income		2,077	286
Manager's fee		(46,620)	(48,147)
Trust and other expenses	5	(7,503)	(7,128)
Change in fair value of investment properties		(348,522)	(177,858)
Finance costs, net	6	<u>(129,509)</u>	<u>(132,572)</u>
<b>Loss before taxation and transactions with unitholders</b>		(224,828)	(42,112)
Taxation	7	<u>(26,739)</u>	<u>(32,524)</u>
<b>Loss for the year, before transactions with unitholders</b>		(251,567)	(74,636)
Distribution to unitholders		<u>(182,798)</u>	<u>(185,415)</u>
<b>Loss for the year, after transactions with unitholders</b>		<u>(434,365)</u>	<u>(260,051)</u>
<b>Total comprehensive expense for the year, after transactions with unitholders</b>		<u>(434,365)</u>	<u>(260,051)</u>
<b>Income available for distribution to unitholders</b>		<u>182,798</u>	<u>185,415</u>
<b>Basic loss per unit (HK\$)</b>	8	<u>(0.160)</u>	<u>(0.049)</u>

## Distribution Statement

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Loss for the year, before transactions with unitholders</b>	<b>(251,567)</b>	<b>(74,636)</b>
Adjustments:		
Manager's fee	41,958	47,151
Change in fair value of investment properties	348,522	177,858
Change in fair value of derivative financial instruments	26,441	12,512
Non-cash finance costs	10,263	9,097
Deferred tax	7,181	13,433
	<hr/>	<hr/>
<b>Income available for distribution (note (i))</b>	<b>182,798</b>	<b>185,415</b>
<b>Distributions to unitholders:</b>		
HK\$0.0585 (2024: HK\$0.0638) per unit for the six months ended 30 June (note (ii))	92,075	98,178
HK\$0.0571 (2024: HK\$0.0560) per unit for the six months ended 31 December (note (iii))	90,723	87,237
	<hr/>	<hr/>
	<b>182,798</b>	<b>185,415</b>
	<hr/>	<hr/>
<b>Total distribution per unit (HK\$)</b>	<b>0.1156</b>	<b>0.1198</b>
	<hr/>	<hr/>

Notes:

- (i) In accordance with the Trust Deed, Prosperity REIT is required to distribute to unitholders not less than 90% of its distributable income for each financial period and it is the REIT Manager's stated policy to distribute 100% of the distributable income. Pursuant to the Trust Deed, distributable income is defined as the amount calculated by the REIT Manager as representing the consolidated profit or loss after tax of Prosperity REIT and its subsidiaries for the relevant financial year, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) which have been recorded in the consolidated statement of profit or loss and other comprehensive income for the relevant financial year.

These adjustments for the current year comprise:

- (a) manager's fees paid and payable in units of HK\$41,958,000 (2024: HK\$47,151,000) out of the total manager's fee of HK\$46,620,000 (2024: HK\$48,147,000) (the differences of HK\$4,662,000 (2024: HK\$996,000) are paid in cash);
- (b) decrease in fair value of investment properties of HK\$348,522,000 (2024: HK\$177,858,000) and decrease in fair value of derivative financial instruments of HK\$26,441,000 (2024: HK\$12,512,000);

- (c) non-cash finance costs of HK\$10,263,000 (2024: HK\$9,097,000), are derived from the finance costs of HK\$129,509,000 (2024: HK\$132,572,000), less decrease in fair value of derivative financial instruments of HK\$26,441,000 (2024: HK\$12,512,000) and less the cash finance costs of HK\$92,805,000 (2024: HK\$110,963,000); and
- (d) deferred tax provision of HK\$7,181,000 (2024: HK\$13,433,000).
- (ii) The distribution per unit of HK\$0.0585 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.0638) is calculated based on Prosperity REIT's income available for distribution of HK\$92,075,000 (six months ended 30 June 2024: HK\$98,178,000) over 1,573,996,627 units (30 June 2024: 1,538,797,624 units), representing units in issue as at 30 June 2025 plus the number of units issued after the distribution period to the REIT Manager as payment of base fee and variable fee in the second quarter of the relevant distribution period. The distribution was paid to unitholders on 18 September 2025.
- (iii) The distribution per unit of HK\$0.0571 for the six months ended 31 December 2025 (six months ended 31 December 2024: HK\$0.0560) is calculated based on Prosperity REIT's income available for distribution of HK\$90,723,000 (six months ended 31 December 2024: HK\$87,237,000) over 1,588,659,125 units (31 December 2024: 1,557,205,091 units), representing units in issue as at 31 December 2025 plus the number of units to be issued after the distribution period to the REIT Manager as payment of base fee and variable fee in the last quarter of the relevant distribution year. The distribution will be paid to unitholders on 23 April 2026.

## Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties	9	9,213,000	9,547,000
Derivative financial instruments		-	7,725
<b>Total non-current assets</b>		<u>9,213,000</u>	<u>9,554,725</u>
<b>Current assets</b>			
Derivative financial instruments		4,838	12,245
Trade and other receivables	10	12,178	11,488
Tax recoverable		246	2,965
Bank balances and cash		54,267	47,319
<b>Total current assets</b>		<u>71,529</u>	<u>74,017</u>
<b>Total assets</b>		<u>9,284,529</u>	<u>9,628,742</u>
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Derivative financial instruments		8,744	2,160
Bank borrowings	11	1,583,817	1,448,820
Deferred tax liabilities		273,744	266,563
<b>Total non-current liabilities, excluding net assets attributable to unitholders</b>		<u>1,866,305</u>	<u>1,717,543</u>
<b>Current liabilities</b>			
Derivative financial instruments		4,930	205
Trade and other payables	12	162,456	175,282
Amounts due to related companies		6,844	5,474
Bank borrowings	11	853,317	954,451
Provision for taxation		3,312	413
Manager's fee payable		11,590	11,985
Distribution payable		90,723	87,237
<b>Total current liabilities</b>		<u>1,133,172</u>	<u>1,235,047</u>
<b>Total liabilities, excluding net assets attributable to unitholders</b>		<u>2,999,477</u>	<u>2,952,590</u>
<b>Net assets attributable to unitholders</b>		<u>6,285,052</u>	<u>6,676,152</u>
<b>Units in issue ('000)</b>	13	<u>1,581,554</u>	<u>1,547,604</u>
<b>Net asset value per unit (HK\$) attributable to unitholders</b>	14	<u>3.97</u>	<u>4.31</u>

## Notes

### (1) General:

Prosperity 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 its units have been listed on the Stock Exchange since 16 December 2005. Prosperity REIT is governed by the Trust Deed made between the REIT Manager and the Trustee, and the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong.

The principal activity of Prosperity REIT and its subsidiaries (the “**Group**”) is to own and invest in a portfolio of commercial properties, comprising office, commercial, industrial/office and industrial buildings located in Hong Kong with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit.

### Application of New and Amendments to HKFRS Accounting Standards

#### **Amendment to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendment to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendment to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and Amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> *Effective for annual periods beginning on or after a date to be determined.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2026.*

<sup>3</sup> *Effective for annual periods beginning on or after 1 January 2027.*

Except for the new HKFRS Accounting Standards mentioned below, the REIT Manager anticipates that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **HKFRS 18 Presentation and Disclosure in Financial Statements**

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

- (2) Basis of preparation of consolidated financial statements and material accounting policy information:

Basis of preparation of financial statements

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

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements are drawn up in accordance with the relevant provisions of the Trust Deed and include the relevant disclosure requirements set out in Appendix C of the REIT Code.

The REIT Manager is of the opinion that, taking into account the fair value of investment properties of HK\$9,213,000,000, presently available banking facilities of HK\$375,000,000 and internal financial resources, Prosperity REIT has sufficient working capital for its present requirements within one year from the end of the Reporting Year. Hence, the consolidated financial statements have been prepared on a going concern basis.

The material accounting policy information is set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Prosperity REIT and entities controlled by Prosperity REIT and its subsidiaries. Control is achieved when Prosperity REIT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- and
- has the ability to use its power to affect its returns.

Prosperity REIT reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when Prosperity REIT obtains control over the subsidiary and ceases when Prosperity REIT loses control of the subsidiary.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

All intra-group assets and liabilities, income, expenses and cashflow are eliminated in full on consolidation.

(3) Revenue:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	300,300	316,182
Car park income	29,142	31,264
	<u>329,442</u>	<u>347,446</u>
Rental related income	79,059	77,922
	<u><u>408,501</u></u>	<u><u>425,368</u></u>

(4) Segment information:

During the Reporting Year, Prosperity REIT invested in seven (2024: seven) office, commercial, industrial/office and industrial buildings located in Hong Kong, namely The Metropolis Tower, Prosperity Millennia Plaza, 9 Chong Yip Street, Prosperity Place, Trendy Centre, a portion of Prosperity Center and a portion of New Treasure Centre. These properties are the basis on which the REIT Manager, being the chief operating decision maker, reports Prosperity REIT's segment information for the purpose of resource allocation and performance assessment.

*For the year ended 31 December 2025*

	The Metropolis Tower	Prosperity Millennia Plaza	9 Chong Yip street	Prosperity Place	Trendy Centre	Prosperity Center (portion)	New Treasure Centre (portion)	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	90,692	56,326	30,208	62,926	40,342	33,544	15,404	329,442
Rental related income	30,189	17,503	6,129	10,267	7,904	4,471	2,596	79,059
Segment revenue in	120,881	73,829	36,337	73,193	48,246	38,015	18,000	408,501
Hong Kong								
Segment profit	93,692	54,708	27,076	56,131	32,772	27,944	12,926	305,249
Other income								2,077
Manager's fee								(46,620)
Trust and other expenses								(7,503)
Change in fair value of investment properties								(348,522)
Finance costs, net								(129,509)
Loss before taxation and transactions with unitholders								(224,828)

*For the year ended 31 December 2024*

	The Metropolis Tower	Prosperity Millennia Plaza	9 Chong Yip street	Prosperity Place	Trendy Centre	Prosperity Center (portion)	New Treasure Centre (portion)	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	91,276	63,956	33,007	64,484	43,955	34,931	15,837	347,446
Rental related income	30,231	17,120	5,495	10,177	7,865	4,430	2,604	77,922
Segment revenue in	121,507	81,076	38,502	74,661	51,820	39,361	18,441	425,368
Hong Kong								
Segment profit	94,387	61,793	29,256	56,713	38,081	29,507	13,570	323,307
Other income								286
Manager's fee								(48,147)
Trust and other expenses								(7,128)
Change in fair value of investment properties								(177,858)
Finance costs, net								(132,572)
Loss before taxation and transactions with unitholders								(42,112)

(5) Trust and other expenses:		
	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditor's remuneration		
Audit fee	55	55
Non-audit fee (Tax fee)	35	10
Non-audit fee (others)	116	116
Bank charges	1,300	1,241
Legal and professional fees	497	72
Public relations-related expenses	134	280
Registrar fee	600	600
Trust administrative expenses	1,940	1,863
Trustee's fee	2,826	2,891
	<u>7,503</u>	<u>7,128</u>
(6) Finance costs, net:		
	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expense on term loans	107,257	140,346
Interest rate swaps income realised	(5,366)	(22,080)
Interest expense on unsecured revolving loans	1,177	1,794
	<u>103,068</u>	<u>120,060</u>
Change in fair value of derivative financial instruments	26,441	12,512
	<u>129,509</u>	<u>132,572</u>
(7) Taxation:		
	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax	19,799	22,491
Over-provision in prior years	(241)	(3,400)
Deferred tax	7,181	13,433
	<u>26,739</u>	<u>32,524</u>

Prosperity REIT's subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at 16.5% (2024: 16.5%) for the year ended 31 December 2025.

No provision for Hong Kong Profits Tax are required for certain subsidiaries as these subsidiaries did not have any assessable profits or have tax losses brought forward to set off their assessable profits for the year. Deferred tax is provided on temporary differences using the current applicable rates.

In previous years, tax losses of approximately HK\$55.8 million pertaining to a property holding company was in discussion with the Inland Revenue Department (“**IRD**”). During the year ended 31 December 2024, the tax losses amount has been finalised and agreed with IRD. This resulted in an overprovision of taxation in prior years of approximately HK\$3.2 million and it has been included in distribution for the year ended 31 December 2024. Meanwhile, deferred tax assets arising from such tax losses of approximately HK\$9.2 million has been debited to profit or loss accordingly.

- (8) The basic loss per unit is calculated by dividing the loss for the year, before transactions with unitholders of HK\$251,567,000 (2024: HK\$74,636,000) by the weighted average of 1,573,797,162 (2024: 1,538,840,482) units in issue during the year, taking into account the units issuable as manager’s fee for its service in the last quarter of the relevant distribution year.

No diluted earnings per unit has been presented as there were no potential units in issue.

- (9) Investment properties:

	<i>31 Dec 2025</i>	<i>31 Dec 2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Fair value</b>		
At the beginning of the year	9,547,000	9,703,000
Additional expenditure	14,522	21,858
Change in fair value of investment properties	<u>(348,522)</u>	<u>(177,858)</u>
At the end of the year	<u><u>9,213,000</u></u>	<u><u>9,547,000</u></u>

(10) Trade and other receivables:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	5,522	6,084
Less: allowance for credit losses	<u>(2,582)</u>	<u>(3,441)</u>
	2,940	2,643
Deposit and prepayments and other receivables	<u>9,238</u>	<u>8,845</u>
	<u><u>12,178</u></u>	<u><u>11,488</u></u>

Ageing analysis of the Group's trade receivables presented based on the invoice date, net of allowance of credit losses, at the end of the Reporting Year is as follows:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – 1 month	98	82
2 – 3 months	920	1,329
Over 3 months	<u>1,922</u>	<u>1,232</u>
	<u><u>2,940</u></u>	<u><u>2,643</u></u>

(11) Bank borrowings:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unsecured term loans	2,400,000	2,400,000
Bank facility origination fees	<u>(17,866)</u>	<u>(16,729)</u>
	2,382,134	2,383,271
Unsecured revolving loan	<u>55,000</u>	<u>20,000</u>
	<u><u>2,437,134</u></u>	<u><u>2,403,271</u></u>
Carrying amount repayable:		
Within one year	853,317	954,451
Within a period of more than one year but not exceeding five years	<u>1,583,817</u>	<u>1,448,820</u>
	<u><u>2,437,134</u></u>	<u><u>2,403,271</u></u>

(12) Trade and other payables:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	3,243	2,659
Tenants' deposits		
- Outside parties	122,477	129,889
- Related parties	744	744
Rental received in advance		
- Outside parties	6,201	6,670
Other payables	29,791	35,320
	<u>162,456</u>	<u>175,282</u>

Ageing analysis of the Group's trade payables presented based on the invoice date at the end of the Reporting Year is as follows:

	<i>2025</i>	<i>2024</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – 1 month	490	1,027
2 – 3 months	821	425
Over 3 months	1,932	1,207
	<u>3,243</u>	<u>2,659</u>

Tenants' deposits represent the deposits refundable to tenants upon termination or cancellation of operating lease arrangements. The tenants' deposits are refundable to tenants within 45 days upon the termination of the tenancy agreement. The tenants' deposits to be settled after twelve months from the end of Reporting Year based on the lease terms amounted to HK\$73,231,000 (2024: HK\$74,964,000).

(13) Units in issue:	Number of units	HK\$'000
Balance as at 1 January 2024	1,510,529,223	3,248,822
Payment of manager's base fee and variable fee through issuance of new units during the year	37,075,161	47,497
Balance as at 31 December 2024	1,547,604,384	3,296,319
Payment of manager's base fee and variable fee through issuance of new units during the year	33,949,862	43,265
Balance as at 31 December 2025	1,581,554,246	3,339,584

(14) The net asset value per unit is calculated based on the net assets attributable to unitholders and the total number of 1,581,554,246 units in issue as at 31 December 2025 (1,547,604,384 units in issue as at 31 December 2024).

(15) At the end of the Reporting Year, the Group's net current liabilities, defined as current assets less current liabilities, amounted to HK\$1,061,643,000 (2024: HK\$1,161,030,000) and the Group's total assets less current liabilities amounted to HK\$8,151,357,000 (2024: HK\$8,393,695,000).

(16) The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA.

(17) The results have been reviewed by the Disclosures Committee and the Audit Committee of the REIT Manager.

*The directors of the REIT Manager as at the date of this announcement are Dr. Chiu Kwok Hung, Justin (Chairman), Mr. Ma Lai Chee, Gerald and Mr. Shen Jinchu as Non-executive Directors; Ms. Wong Lai Hung as Executive Director; Dr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei), Mr. Wong Kwai Lam and Ms. Ng Shieu Yeing, Christina as Independent Non-executive Directors.*