

Final Results

For the year ended 31 December 2024

March 2025

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Results Highlights

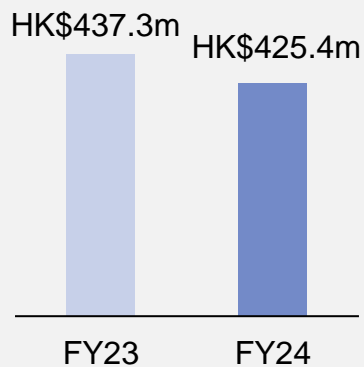
The Metropolis Tower



1. Financials

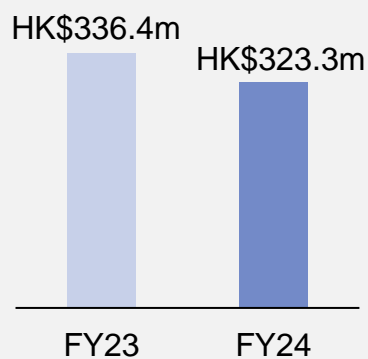
Revenue

▼ 2.7%



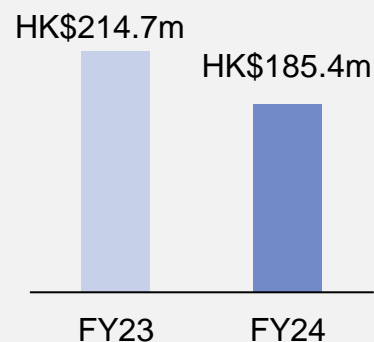
Net Property Income

▼ 3.9%



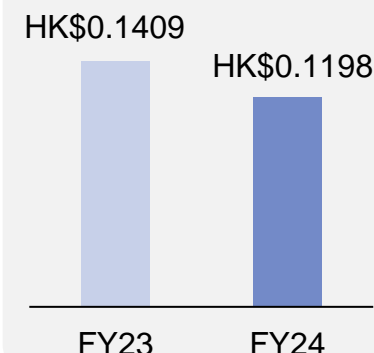
Distributable Income

▼ 13.6%



Distribution Per Unit

▼ 15.0%



Tenant Retention Rate

71.8%

Occupancy Rate (as at 31 Dec 2024)

94.2%

Cost-to-revenue Ratio

24.0%

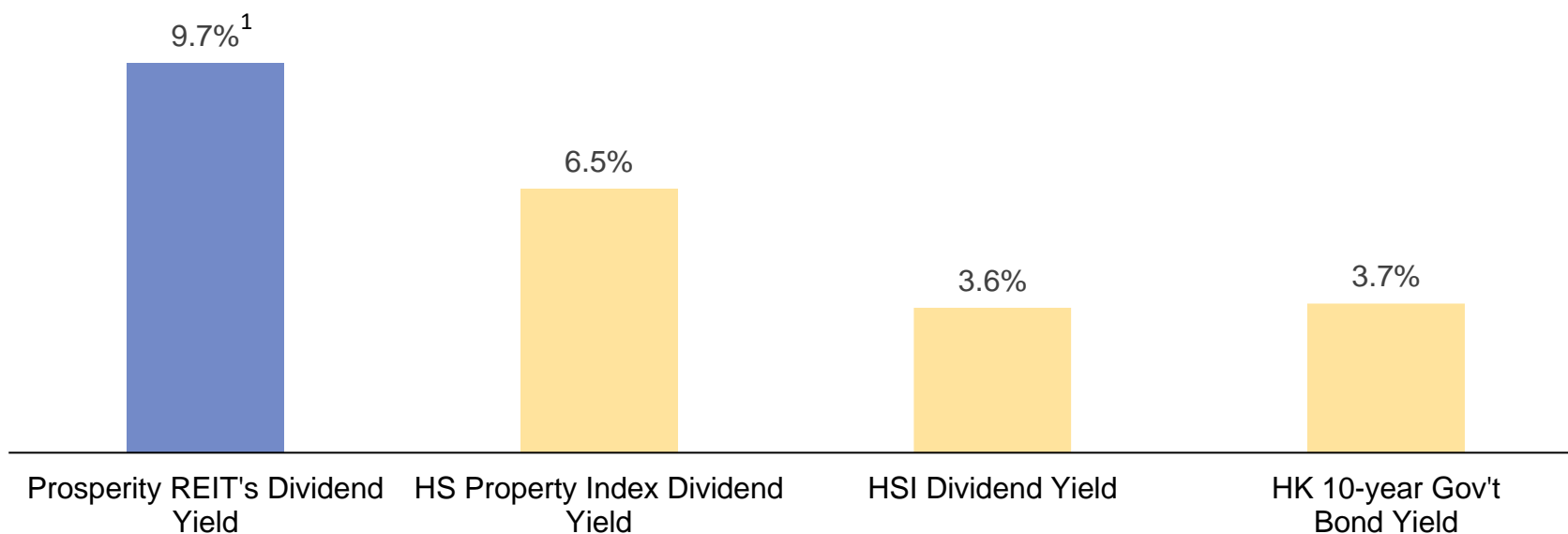
Average Effective Unit Rent

HK\$21.76
psf

2. Returns

- 100% payout ratio since listing.
- Resilient investment tool amid challenging markets.

Attractive yield



Note:

1. Based on FY24 DPU of HK\$0.1198 and closing unit price of HK\$1.24 as at 31 Dec 2024.

Source: Hang Seng Indexes Company Limited and Hong Kong Monetary Authority

Financial Review

Prosperity Millennia Plaza



1. Income Statement

(HK\$'000)

FY24

FY23

Revenue	425,368	437,314
Total property operating expenses	(102,061)	(100,932)
Net property income	323,307	336,382
Other income	286	1,059
Manager's fee	(48,147)	(49,000)
Trust and other expenses	(7,128)	(7,283)
Change in fair value of investment properties	(177,858)	(120,951)
Finance costs		
• Change in fair value of derivative financial instruments	(12,512)	(40,059)
• Interest expense	(120,060)	(98,666)
(Loss) / Profit before taxation	(42,112)	21,482
Taxation	(32,524)	(27,155)
Loss for the year	(74,636)	(5,673)
Distributable income¹	185,415	214,662
DPU (HK\$)	0.1198	0.1409

Revenue and NPI fell by 2.7% and 3.9% respectively mainly due to the pressure from the vacancy and rental levels at Prosperity Millennia Plaza and Trendy Centre. Part of the negative impact was mitigated by the improved occupancy rate in The Metropolis Tower, and positive rental reversion registered in certain properties.

Change in fair value of interest rate swaps.

Interest expense increased by 21.7% due to higher HIBOR traded and expiry of certain interest rate swaps.

Note:

1. After adjustments for (i) manager's fee paid/payable in units; (ii) change in fair value of investment properties and derivative financial instruments; (iii) non-cash finance costs; and (iv) deferred tax

2. Financial Position

	As at 31 Dec 2024	As at 31 Dec 2023	Change
Total assets (HK\$m)	9,628.7	9,808.4	-1.8%
Borrowings ¹ (HK\$m)	2,403.3	2,345.8	2.5%
Other liabilities (HK\$m)	549.2	573.9	-4.3%
Net assets (HK\$m)	6,676.2	6,888.7	-3.1%
NAV per unit (HK\$)	4.31	4.56	-5.5%
Gearing ratio ²	25.1%	24.2%	0.9% ³

All bank loan facilities are unsecured with no investment properties pledged.

Interest Cost⁴
Fixed : Floating
39% : 61%

Healthy balance sheet enable us to withstand market volatilities and allow for growth opportunities.

Notes:

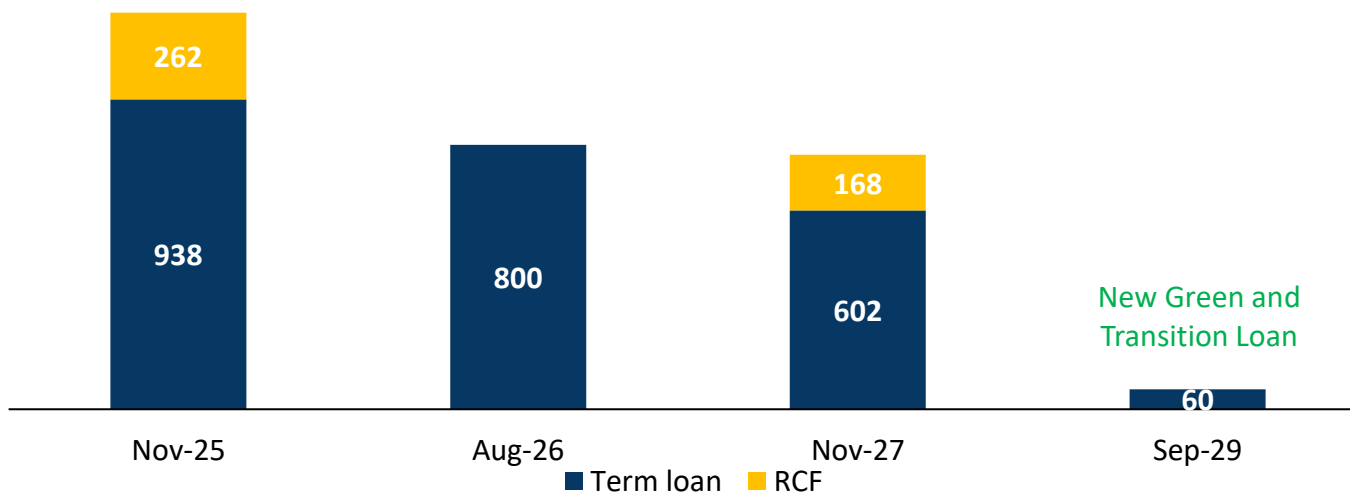
1. Including bank facility origination fees of HK\$16.7m (31 Dec 2023: HK\$24.2m), and RCF of HK\$20m (31 Dec 2023: HK\$30m)
2. Total borrowings excluding bank facility origination fees / total assets
3. Absolute change
4. Excluding RCF

3. Capital Management

- First Hong Kong REIT to achieve 100% sustainability-linked financing. Secured a new HK\$60M Green and Transition Loan in 5-year tenor.
- Debt maturity profile evenly spread. Debt facilities of HK\$1,200M expiring in Nov 2025 are under discussion with banks.
- Interest coverage ratio is 2.8 times.¹
- No interest rate swap expiry till 2026.

Debt Maturity Profile (HK\$'M)

Finance cost: HIBOR + Margin ranging from 1.04% to 1.35%



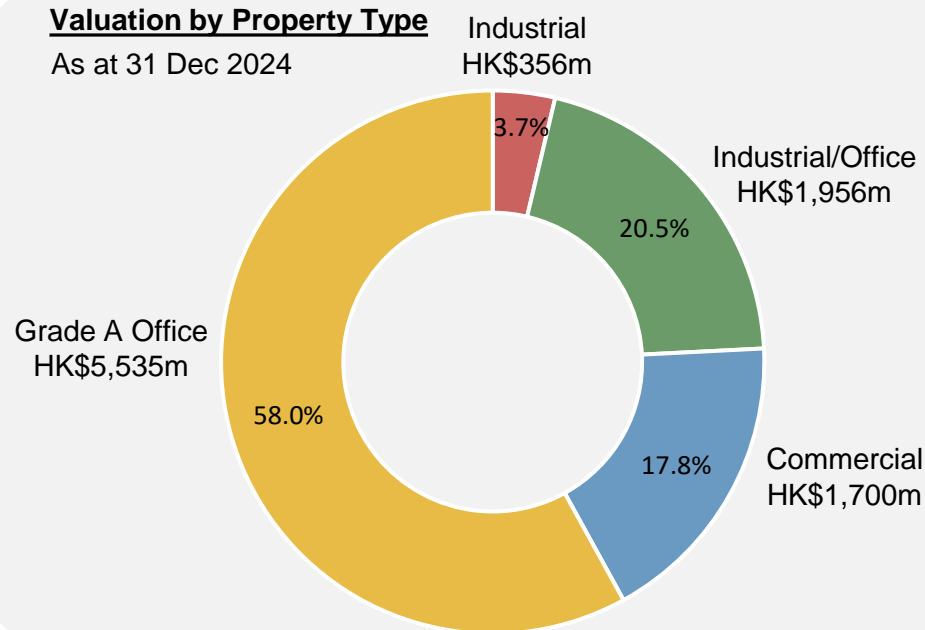
Note:

1. For the year ended 31 Dec 2024

4. Portfolio Valuation

Valuation by Property Type

As at 31 Dec 2024



- Balanced portfolio with Grade A office, commercial, industrial/office and industrial buildings all in Hong Kong.
- Portfolio valuation at HK\$9,547m, down 1.6% compared to 31 Dec 2023.
- Portfolio capitalization rate unchanged at 3.9%, range from 3.7% to 4.3%.

(HK\$m)	31 Dec 2024	31 Dec 2023	Change
The Metropolis Tower	2,622	2,701	-2.9%
Prosperity Millennia Plaza	1,996	2,055	-2.9%
9 Chong Yip Street	917	940	-2.4%
Prosperity Place	1,700	1,698	0.1%
Trendy Centre	1,105	1,106	-0.1%
Prosperity Center (portion)	851	850	0.1%
New Treasure Centre (portion)	356	353	0.8%
Portfolio	9,547	9,703	-1.6%

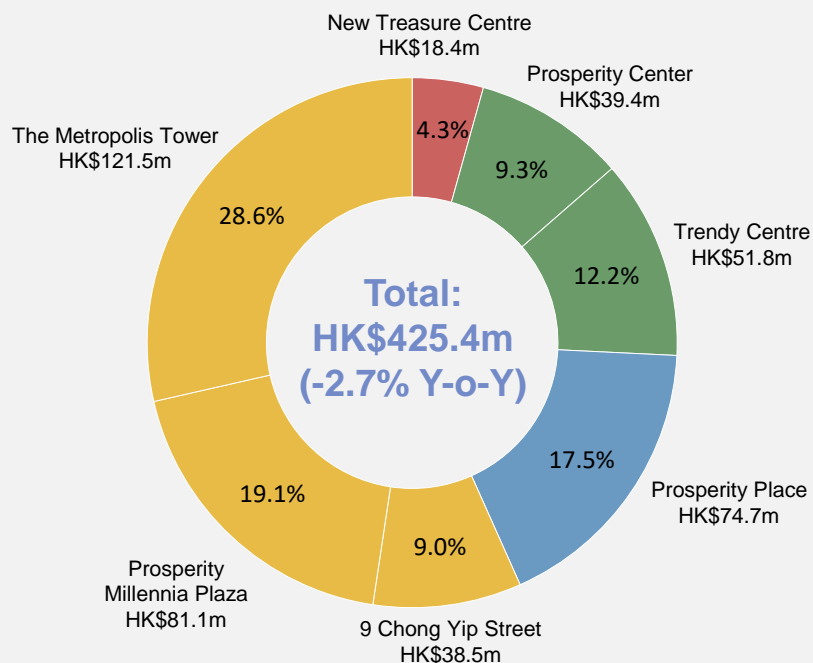
Operations Review

9 Chong Yip Street



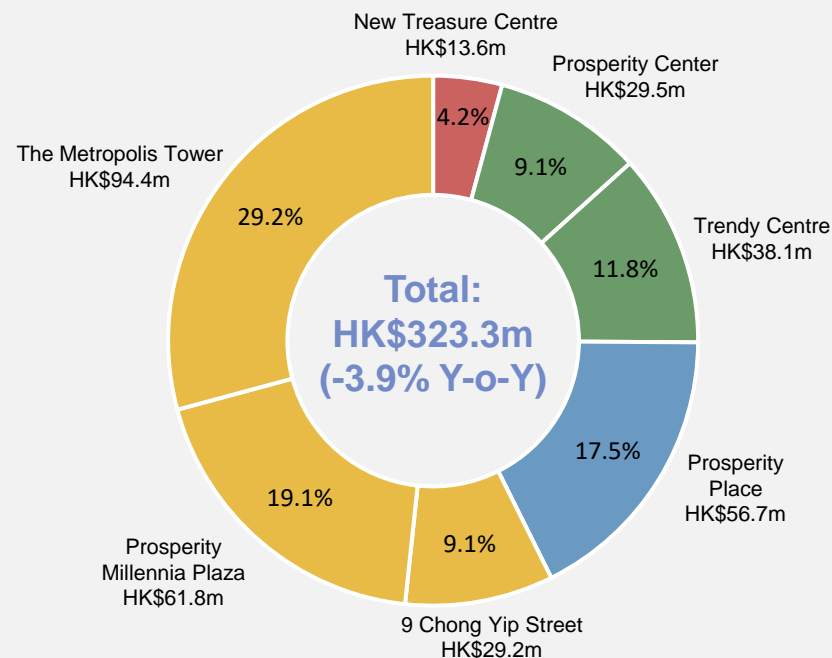
1. Property Income

Revenue



- -6.4% rental reversion rate across the portfolio.
- Portfolio average effective unit rent was HK\$21.76 psf (-2.0% Y-o-Y).

Net Property Income (NPI)



- Cost-to-revenue ratio was 24.0%.

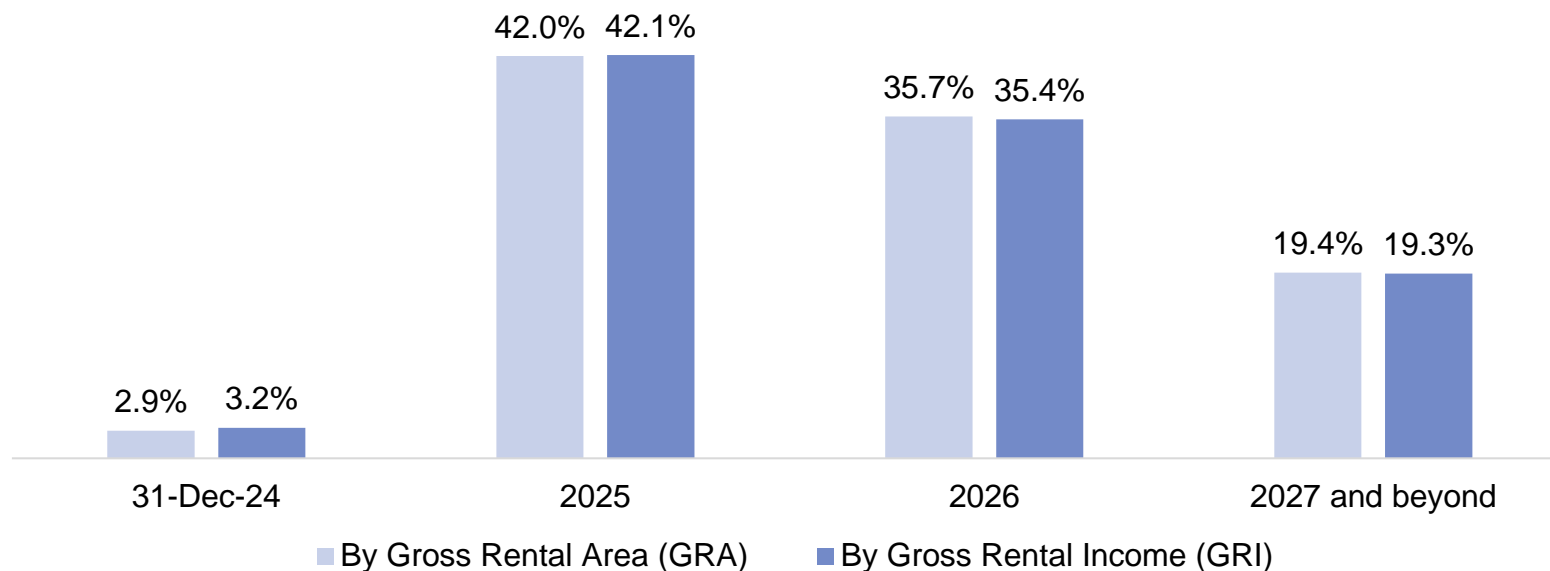
2. Occupancy Rates

(As at 31 Dec 2024)

The Metropolis Tower	99.3%
Prosperity Millennia Plaza	88.9%
9 Chong Yip Street	98.0%
Prosperity Place	92.7%
Trendy Centre	88.0%
Prosperity Center (portion)	96.6%
New Treasure Centre (portion)	98.5%
Portfolio	94.2%

3. Lease Expiry Profile

Portfolio Lease Expiry Profile as at 31 Dec 2024

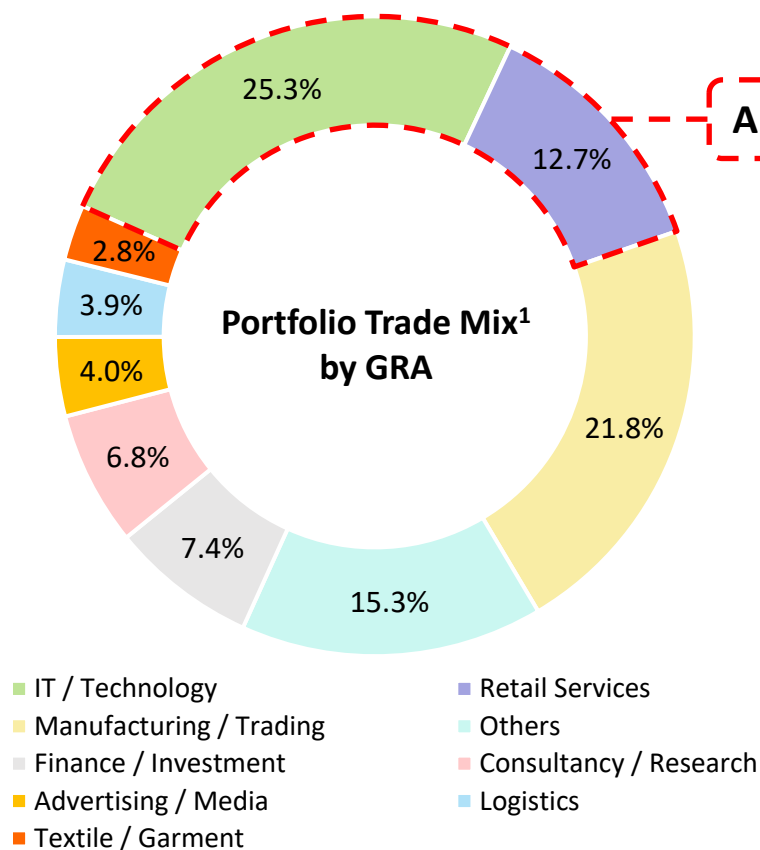


Expiry Profile as at 31 Dec 2024

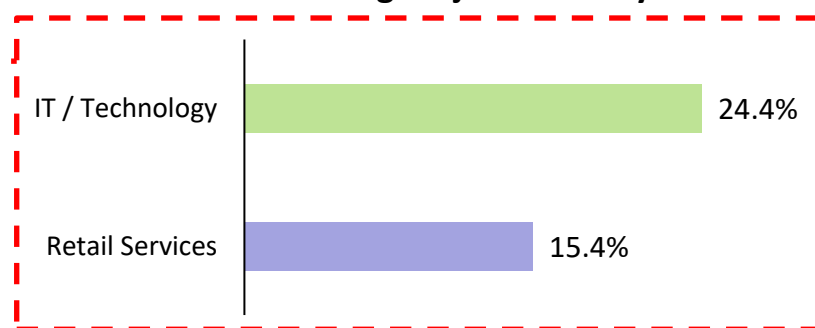
Period	By Gross Rental Area	By Gross Rental Income
	% of Total	% of Total
31 Dec 2024 & 2025	44.9%	45.3%
2026	35.7%	35.4%
2027 and beyond	19.4%	19.3%

4. Trade Mix

- A well-balanced tenant base spanning across multiple industries.
- Low tenant concentration risk with no individual tenant contributed more than 2% of portfolio GRA or GRI.
- In FY24, IT / Technology and retail services trades accounted for almost 40% of portfolio trade mix and new letting GRA respectively.



FY24 New Letting Major Trades by GRA²



Notes:

1. As at 31 Dec 2024

2. For the year from Jan to Dec 2024

Sustainability Roadmap 2030



Key Initiatives in 2024

- ❖ Completed strategic review on Sustainability Roadmap 2030.
- ❖ Committed SBTi emissions reduction KPI towards 2030 with a refreshed baseline year 2021.¹
- ❖ Secured the first Green and Transition Loan in Hong Kong's real estate industry.



Create Long-term Value for Stakeholders

- ❖ Upgrade air conditioning and building management systems to energy-efficient models.
- ❖ Adopt SBTi target to reduce GHG emissions vs. 2021 baseline:
 - Scope 2: ↓ 42%
 - Scope 3: ↓ 25%



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Note:

1. Validation from SBTi in progress

2024 ESG Achievements

Global Real Estate Sustainability Benchmark (GRESB) Achievements

For the third consecutive year

- ✓ Highest Five-Star Rating
- ✓ Green Star
- ✓ Highest “A” Ranking in Public Disclosure



Sustainalytics ESG Risk Rating upgraded to “Negligible Risk”



Highest Platinum rating under BEAM Plus (Comprehensive) — Prosperity Place



HKQAA Hong Kong Green and Sustainable Finance Awards 2024

- **Outstanding Award** for Green and Sustainable Loan Issuer (Real Estate Investment Trust)
- **Pioneering Award** for ESG Disclosure Contribution



Key Takeaways

Prosperity Place



Key Takeaways

1. Full year distribution per unit (DPU) decreased by 15.0% Y-o-Y

- Decline mainly due to the rise in finance costs, given that HIBOR stayed above 4% for most of the year.
- Distribution yield of 9.7%¹.
- Maintained 100% payout ratio since listing.

2. Revenue and NPI decreased by 2.7% and 3.9% Y-o-Y respectively

- Mainly due to the pressure from the vacancy and rental levels at Prosperity Millennia Plaza and Trendy Centre. Part of the negative impact was mitigated by the improved occupancy rate in The Metropolis Tower, and positive rental reversion registered in certain properties.
- A diversified portfolio with different property types and low single tenant concentration allows stable income stream.
- Cost-to-revenue ratio was 24.0% due to effective cost control.

3. Prudent capital management

- Gearing ratio at 25.1% and hedging ratio at 39.0%. No interest rate swap expiry till 2026.
- HK\$1.2B debt facilities expiring in Nov 2025 are under discussion with banks.

4. Sustainability initiatives

- First Hong Kong REIT to achieve 100% sustainability-linked financing.
- The whole portfolio is green-certified, with Prosperity Place attaining the highest “Platinum” rating under BEAM Plus Comprehensive Scheme.
- We completed a strategic review on our sustainability roadmap through 2030, secured the first Green and Transition Loan in Hong Kong's real estate industry, and committed to SBTi emissions reduction targets.

5. Outlook

- Although the Mainland's supportive measures will help Hong Kong's economy, the escalation of tariffs under the US government casts uncertainty.
- The relentless drive to upgrade our buildings with more green and energy-efficient facilities raises marketing competitiveness.
- We are well-positioned to capitalize on our unique portfolio strategically located along Tuen Ma Line, with our flagship asset, The Metropolis Tower, adjacent to Hung Hom interchange station.

Note:

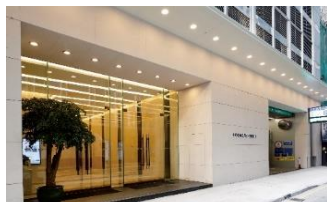
1. Based on FY24 DPU of HK\$0.1198 and closing unit price of HK\$1.24 as at 31 Dec 2024.

Appendix

Key Milestones since IPO



Listed on Hong Kong Stock Exchange with 7 properties



Acquired 9 Chong Yip Street for approx. HK\$1 billion, expanding our portfolio size by 11.2%



Disposed of Harbourfront Landmark Property for approx. HK\$0.88 billion, 49.1% premium over valuation



First Green and Transition Loan in Hong Kong real estate industry

2005 2006 2007 2012 2013 2014 2015 2016 2017 2021 2022 2023 2024

Acquired strata units and floors in Prosperity Center



Revitalized Prosperity Place from industrial/office use to commercial use under Government's Revitalization Scheme at nil waiver fee



Inclusion in FTSE EPRA Nareit Global Real Estate Developed Index



Maiden sustainability-linked interest rate swap with DBS



100% of financing sustainability-linked



GRA: 271,418 sq. ft.

GRA: 173,764 sq. ft.

GRA: 217,955 sq. ft.

GRA: 149,253 sq. ft.

GRA: 136,595 sq. ft.

GRA: 86,168 sq. ft.

GRA: 240,000 sq. ft.

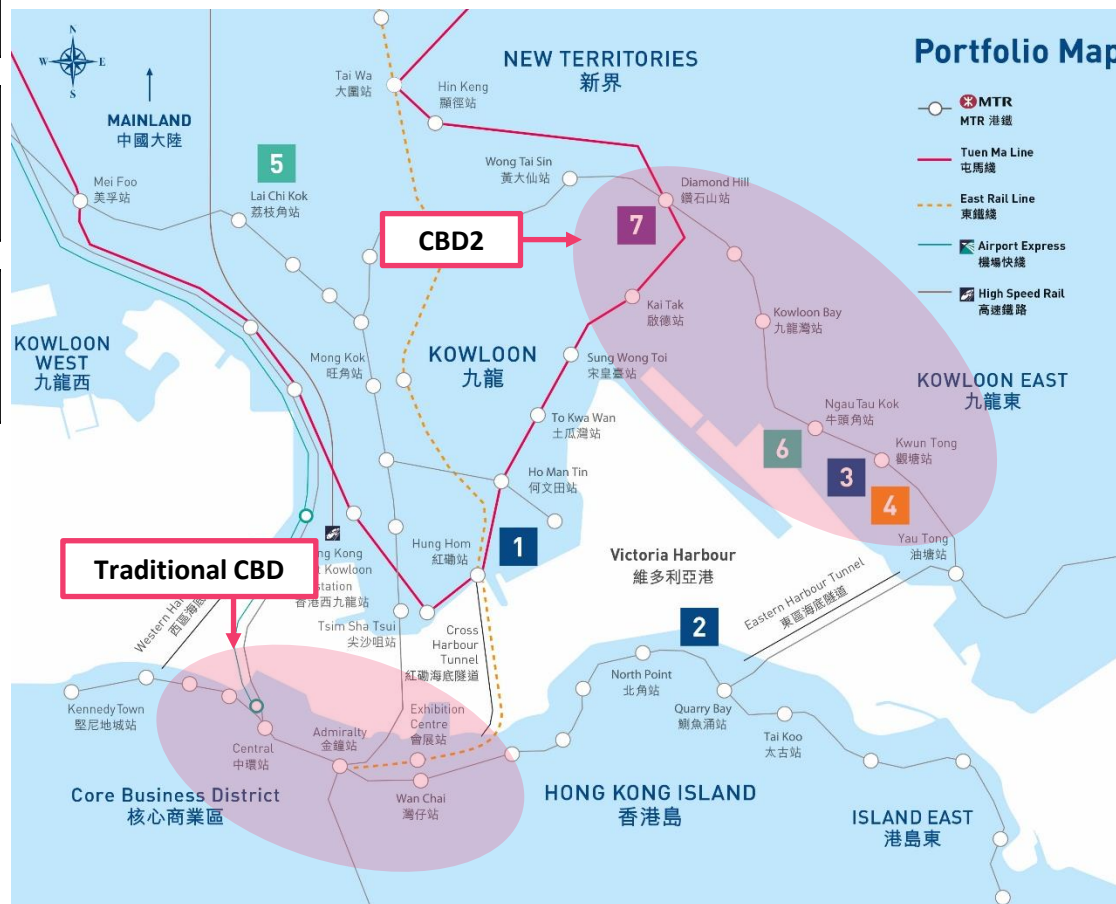
Grade A Office

Commercial

Industrial / Office

Industrial

Total Gross Rentable Area: 1.28m sq. ft.



Key Facts

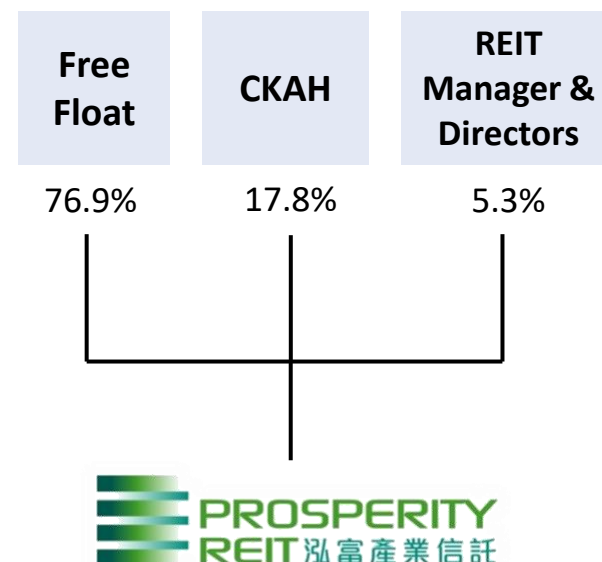
Key Facts as at 31 Dec 2024

IPO Date	16 Dec 2005
IPO Price	HK\$2.16
Indicative Yield	9.7% (based on FY24 DPU of HK\$0.1198 and closing unit price of HK\$1.24 as at 31 Dec 2024)
Number of Issued Units	1,547,604,384
Market Capitalization	HK\$1.9 billion (US\$247.0 million) ¹
Average Daily Trading Volume (FY24)	1.4 million units
Closing Price Range (FY24)	HK\$1.11 – HK\$1.47
Free Float ²	76.9%
Portfolio Size	1,275,153 sq. ft. (gross)
No. of Tenancies	649
No. of Carpark Spaces	498

Notes:

1. US\$1 = HK\$7.7686 as at 31 Dec 2024
2. Calculated as 100% minus the % of units held by CK Asset Holdings Limited, ESR Asset Management (Prosperity) Limited and Dr. Lan Hong Tsung, David.

Unitholder Structure



ESR Asset Management (Prosperity) Limited (as manager of Prosperity REIT)

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