

# Sustainable Performance Through **STABILITY**

Annual Report **2025**





THE  
METROPOLIS  
TOWER



TRENDY  
CENTRE



PROSPERITY  
MILLENNIA  
PLAZA



NEW  
TREASURE  
CENTRE  
PROPERTY  
(PORTION)



9 CHONG YIP  
STREET



PROSPERITY  
CENTER  
PROPERTY  
(PORTION)



PROSPERITY  
PLACE

**7** PROSPERITY  
REIT  
PORTFOLIO

TOTAL GROSS  
RENTABLE AREA OF  
ABOUT **1.28**  
MILLION SQ.FT.

## ABOUT PROSPERITY REIT

Prosperity Real Estate Investment Trust ("Prosperity REIT") is the first private sector real estate investment trust ("REIT") listed on The Stock Exchange of Hong Kong Limited on 16 December 2005. Prosperity REIT owns a diverse portfolio of seven high-quality office, commercial, industrial/office and industrial properties in the decentralized business districts of Hong Kong, with a total gross rentable area of about 1.28 million sq.ft..

Prosperity REIT is managed by ESR Asset Management (Prosperity) Limited (the "REIT Manager").

## ABOUT THE REIT MANAGER

ESR Asset Management (Prosperity) Limited, the REIT Manager of Prosperity REIT, is a wholly-owned subsidiary of ESR Group Limited ("ESR"). ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure that power the digital and supply chain for investors, customers, and communities. Through its fully integrated real asset fund management and development platform, ESR strives to create value and growth opportunities for its global portfolio of investors.

The REIT Manager is responsible for the management and administration of Prosperity REIT, as well as the implementation of Prosperity REIT's business strategies.

## OUR MISSION

The REIT Manager is staffed with experienced professionals who are dedicated to managing the assets of Prosperity REIT for the benefit of the unitholders through proactive asset management and multi-dimensional growth strategies.

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# Chairman's Statement



Dr. Chiu Kwok Hung, Justin | *Chairman*

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

Dear Unitholders,

On behalf of the Board of Directors (the “Board”) of ESR Asset Management (Prosperity) Limited, the manager of Prosperity Real Estate Investment Trust (“Prosperity REIT”), I would like to present the annual report of Prosperity REIT for the financial year ended 31 December 2025 (the “Reporting Year”).

## RESULTS AND DISTRIBUTION

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 distribution per unit (“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**

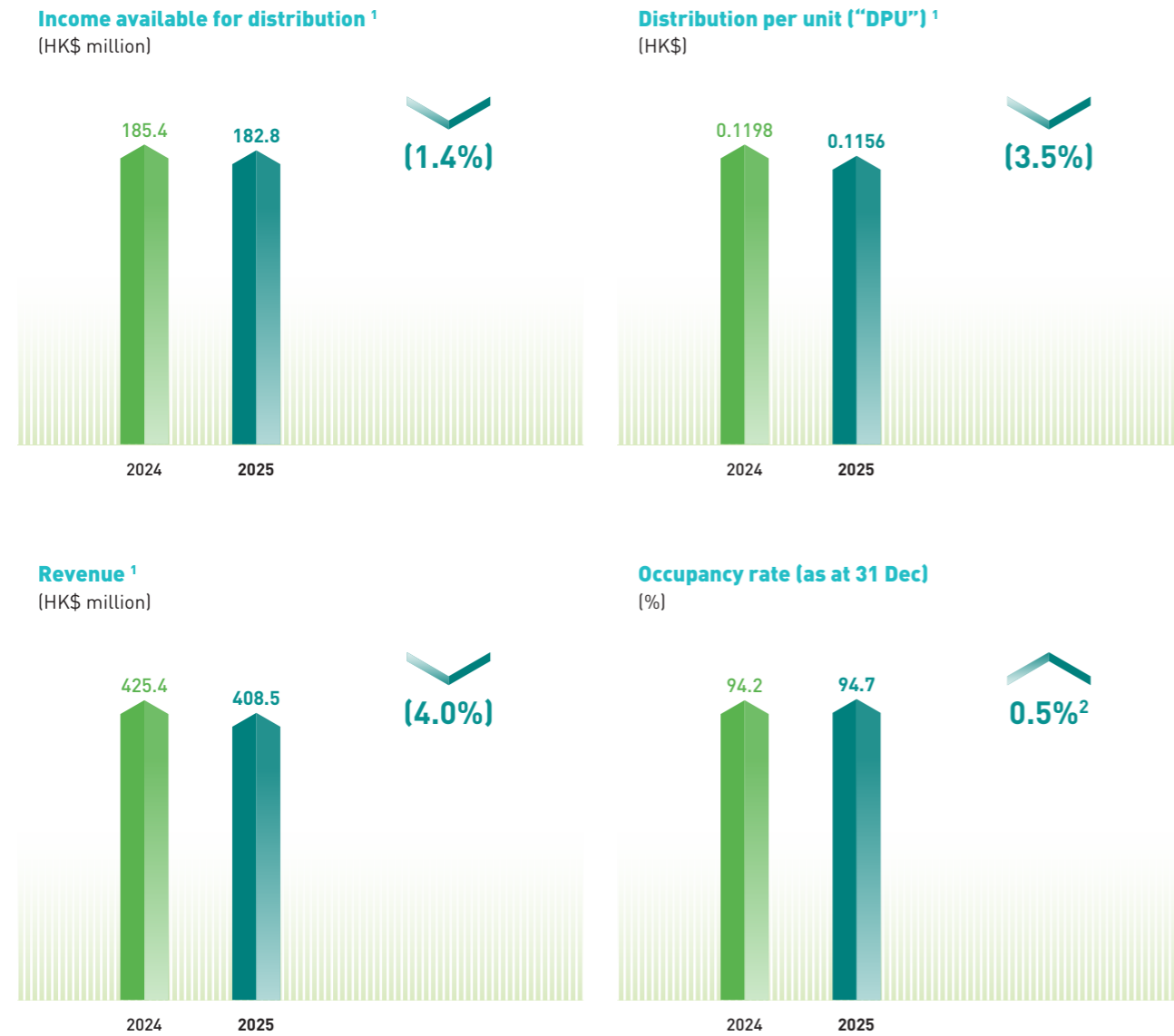
as manager of Prosperity REIT

Hong Kong, 24 March 2026

# Performance Highlights & Trust Review



## Performance Highlights in 2025



## Notes:

- For the year ended 31 December
- Absolute change

## Trust Review

### DIVERSIFIED PROPERTY PORTFOLIO

As at 31 December 2025, Prosperity REIT had a diversified portfolio comprising seven high-quality properties in the decentralized business districts of Hong Kong. The portfolio comprised all, or a portion of, three Grade A office buildings, one commercial building, two industrial/office buildings and one industrial building, with total gross rentable area of about 1.28 million sq. ft.. All properties in Prosperity REIT's portfolio are well served by multiple transportation networks.

These seven properties were completed during the period from 1995 to 2004. As at 31 December 2025, the appraised value of the portfolio was HK\$9,213 million. Grade A office buildings, commercial building, industrial/office buildings and industrial building accounted for 57.2%, 18.3%, 20.8% and 3.7% of the total appraised value respectively.

|                               | Valuation<br>HK\$ million as at<br>31 December 2025 | Valuation<br>HK\$ million as at<br>31 December 2024 | Percentage<br>change<br>Increase/(Decrease) |
|-------------------------------|---|---|---|
| <b>Grade A Office</b>         |   |   |   |
| The Metropolis Tower          | 2,534   | 2,622   | (3.4%)                                      |
| Prosperity Millennia Plaza    | 1,874   | 1,996   | (6.1%)                                      |
| 9 Chong Yip Street            | 860   | 917   | (6.2%)                                      |
| <b>Commercial</b>             |   |   |   |
| Prosperity Place              | 1,684   | 1,700   | (0.9%)                                      |
| <b>Industrial/Office</b>      |   |   |   |
| Trendy Centre                 | 1,079   | 1,105   | (2.4%)                                      |
| Prosperity Center (portion)   | 834   | 851   | (2.0%)                                      |
| <b>Industrial</b>             |   |   |   |
| New Treasure Centre (portion) | 348   | 356   | (2.2%)                                      |
| <b>Total</b>                  | <b>9,213</b>  | <b>9,547</b>  | <b>(3.5%)</b>                               |

### EFFECTIVE LEASE MANAGEMENT

As a result of proactive tenant recruitment efforts by the REIT Manager, the portfolio's occupancy rate was maintained stable at 94.7% as at 31 December 2025. The portfolio's average effective unit rent decreased by 4.5% year-on-year ("YoY") to HK\$20.78 per sq. ft., with a rental reversion rate of -9.3% for the leases renewed in 2025.

As at 31 December 2025, leases expiring on 31 December 2025 & 2026 accounted for 43.7% of the portfolio's gross rental income. Proactive leasing strategies will be continued in 2026 to deliver stable distribution to unitholders.

## Trust Review

### LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME (AS AT 31 DECEMBER 2025)

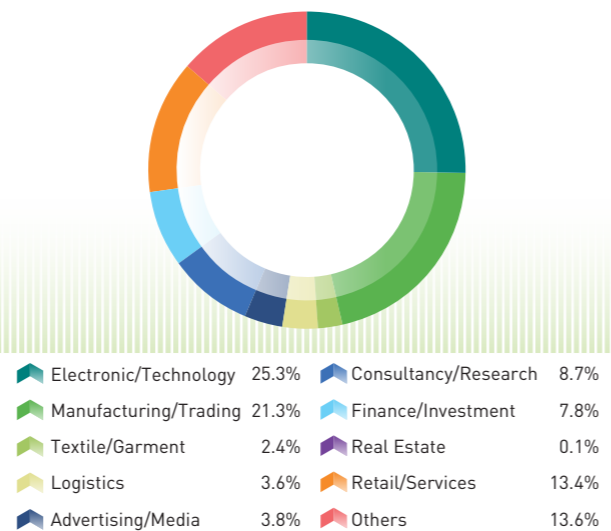
|                               | 31 December 2025 & 2026 | 2027  | 2028 and Beyond |
|-------------------------------|-------------------------|-------|-----------------|
| The Metropolis Tower          | 43.1%                   | 40.6% | 16.3%           |
| Prosperity Millennia Plaza    | 44.9%                   | 48.8% | 6.3%            |
| 9 Chong Yip Street            | 51.6%                   | 31.6% | 16.8%           |
| Prosperity Place              | 44.3%                   | 29.2% | 26.5%           |
| Trendy Centre                 | 36.2%                   | 46.0% | 17.8%           |
| Prosperity Center (portion)   | 39.9%                   | 47.6% | 12.5%           |
| New Treasure Centre (portion) | 53.3%                   | 40.9% | 5.8%            |
| Portfolio                     | 43.7%                   | 40.5% | 15.8%           |

### WELL-BALANCED TENANT MIX

As at 31 December 2025, Prosperity REIT had a total of 676 tenancies. Most of these tenants were from business sectors such as electronic, technology, manufacturing, trading, as well as services trade. Following the wholesale conversion approval for Prosperity Place in 2012, the REIT Manager continued to secure retail and services trade tenants during the Reporting Year.

Approximately 53.0% (in terms of gross rentable area) of our tenants are medium-to-large sized enterprises. It is the long-term goal of the REIT Manager to maintain a well-balanced mix with credible financial standing to ensure a stable stream of rental income.

### Trade Mix by Gross Rentable Area (as at 31 December 2025)



### Size of Tenant Premises on Gross Rentable Area (as at 31 December 2025)

|                              | Percentage  |
|------------------------------|-------------|
| Above 10,000 sq.ft.          | 8.2%        |
| 5,001 sq.ft. – 10,000 sq.ft. | 18.0%       |
| 2,001 sq.ft. – 5,000 sq.ft.  | 26.8%       |
| 1,001 sq.ft. – 2,000 sq.ft.  | 30.2%       |
| 1,000 sq.ft. and below       | 16.8%       |
| <b>Total</b>                 | <b>100%</b> |

## Trust Review

### CLOSE-TO-ZERO RENT DELINQUENCY RATE

During the Reporting Year, Prosperity REIT maintained a close-to-zero rent delinquency rate. This was attributed to its strong tenant base and effective lease management mechanism.

### 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.



### OUTLOOK

Since its listing on 16 December 2005 (the "Listing Date"), Prosperity REIT has met challenges posed by various economic uncertainties, and has achieved resilient results by managing its portfolio with professionalism. Supported by Goodwell-Prosperity Property Services Limited, which provides leasing and management services for properties under Prosperity REIT's portfolio, the REIT Manager will continue to work towards generating stable returns to the unitholders in 2026.

# Prosperity REIT Portfolio Map



## GRADE A OFFICE



1 The Metropolis Tower  
2 Prosperity Millennium Plaza  
3 9 Chong Yip Street

## COMMERCIAL



4 Prosperity Place

## INDUSTRIAL / OFFICE



5 Trendy Centre  
6 Prosperity Center Property (portion)

## INDUSTRIAL



7 New Treasure Centre Property (portion)

# Prosperity REIT Portfolio



# Prosperity REIT Portfolio

Location : 10 Metropolis Drive, Hung Hom, Kowloon

Year of Completion : 2001

Gross Rentable Area (sq. ft.) : 271,418

No. of Car Park Spaces : 98

Appraised Value (HK\$ million) : 2,534

Number of Tenancies : 116



## THE METROPOLIS TOWER

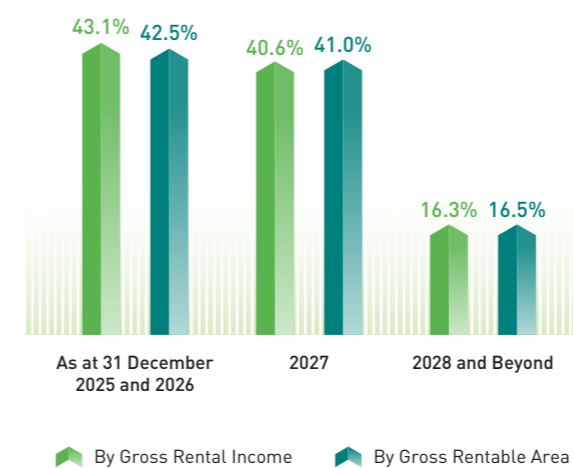
### TOP 5 TENANTS<sup>1</sup>

| Tenants                             | Trade                 | GRA* (sq. ft.) | % of GRA* | % of GRI** |
|-------------------------------------|-----------------------|----------------|-----------|------------|
| Sumitomo Mitsui Banking Corporation | Finance/Investment    | 18,161         | 6.7%      | 7.2%       |
| NEC Hong Kong Limited               | Electronic/Technology | 18,161         | 6.7%      | 6.9%       |
| Hutchison Whampoa (China) Limited   | Others                | 18,161         | 6.7%      | 6.8%       |
| Nintendo (Hong Kong) Limited        | Manufacturing/Trading | 8,352          | 3.1%      | 3.3%       |
| HG Innovation Limited               | Electronic/Technology | 8,424          | 3.1%      | 3.1%       |

\* Gross rentable area \*\* Gross rental income

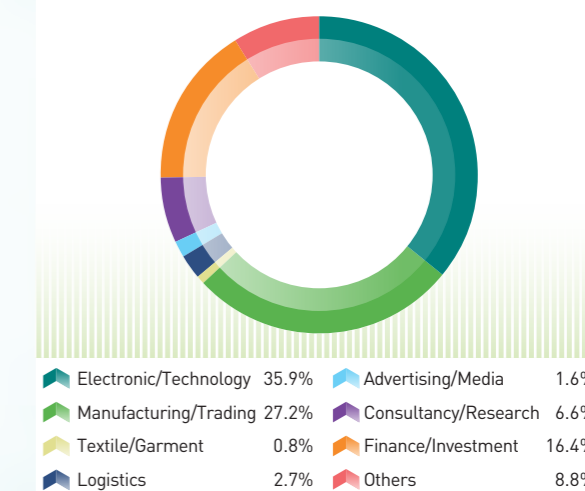
### Lease Expiry Profile

(as at 31 December 2025)



### Trade Mix by Gross Rentable Area

(as at 31 December 2025)



Occupying a prime location in the commercial hub of Hung Hom and featuring spectacular sea view of the Victoria Harbour, The Metropolis Tower enjoys convenient transportation access, with the Hung Hom MTR Station, bus terminals and taxi stations nearby. It is also close to the Cross Harbour Tunnel, the busiest undersea vehicular tunnel in Hong Kong. The Metropolis Tower has a competitive advantage from the full opening of Tuen Ma Line, as well as the cross-harbour section of East Rail Line from Hung Hom to Admiralty.

The Metropolis Tower is an established landmark in Hung Hom forming part of a 1.42 million sq. ft. development comprising of a Grade A office tower, a popular shopping mall, a hotel and serviced apartments. Surrounding public amenities include the Hong Kong Coliseum, The Hong Kong Polytechnic University and a cluster of renowned hotels and shopping malls.

The building main lobby enjoys a 180 degree wide glass frontage with heat insulation and auto lighting sensors.

To provide a human-centric and green environment, apart from the green wall in main lobby, a rooftop urban farm is set up. Solar panels and energy-efficient chiller plant are installed at The Metropolis Tower.

The Metropolis Tower has attained the highest level "Platinum" award under BEAM Plus Comprehensive Scheme.

As at 31 December 2025, the occupancy rate of the property was 97.6%.

<sup>1</sup> Top 5 tenants are measured based on tenant's contribution to the rental income of the property in December 2025

# Prosperity REIT Portfolio

Location : 663 King's Road, North Point, Hong Kong

Year of Completion : 1999

Gross Rentable Area (sq. ft.) : 217,955

No. of Car Park Spaces : 43

Appraised Value (HK\$ million) : 1,874

Number of Tenancies : 93



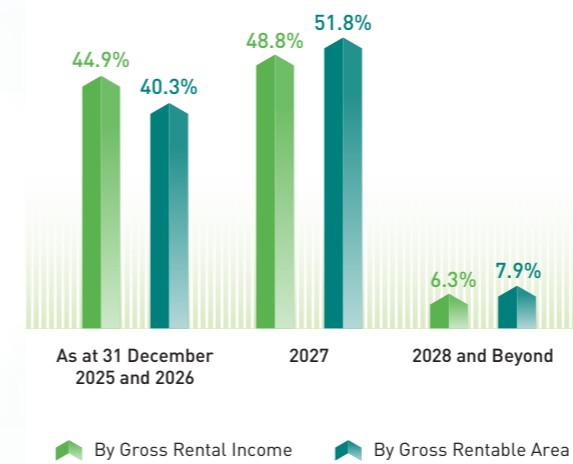
## PROSPERITY MILLENNIA PLAZA

### TOP 5 TENANTS

| Tenants                             | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|-------------------------------------|-----------------------|---------------|----------|----------|
| JDB Holdings Limited                | Consultancy/Research  | 8,867         | 4.1%     | 6.2%     |
| Openrice Limited                    | Electronic/Technology | 8,314         | 3.8%     | 4.8%     |
| Senco-Masslink Technology Limited   | Electronic/Technology | 8,314         | 3.8%     | 4.3%     |
| Uni-Asia Holdings Limited & Other   | Logistics             | 8,314         | 3.8%     | 4.3%     |
| PSC Insurance Holdings (HK) Limited | Finance/Investment    | 8,414         | 3.9%     | 4.2%     |

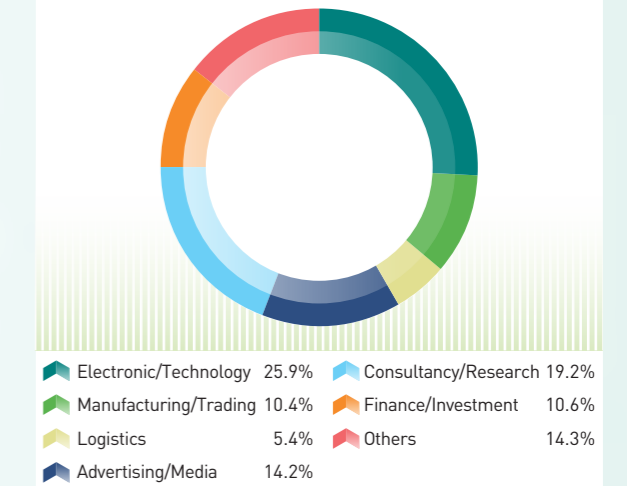
### Lease Expiry Profile

(as at 31 December 2025)



### Trade Mix by Gross Rentable Area

(as at 31 December 2025)



With panoramic sea view of the Victoria Harbour and strategically located in the Island East office district, Prosperity Millennium Plaza stands adjacent to the Harbour Plaza North Point Hotel and across from the North Point Government Offices. Served by a convenient transportation network, the building is a mere two minutes away from the Quarry Bay MTR Station by foot and two minutes from the Eastern Harbour Crossing Tunnel by car.

The entire Island East district being an upscale business district, features a blend of premium office properties and sophisticated retail outlets. There is an increasing number of international tenants who have moved into this district from Central and other traditional prime office areas. Accordingly, the Island East Grade A buildings have seen their tenant bases enriched with a solid high-end tenant profile.

Prosperity Millennium Plaza achieved the prestigious “Double Platinum” status under both the BEAM Plus Comprehensive Scheme by Hong Kong Green Building Council and WELL certification by the International WELL Building Institute.

These accreditations are testament to our sustainability efforts being recognized, including building management system for indoor air quality, thermal comfort, energy consumption, carbon emissions. The entire chiller system has been replaced with energy efficient model.

As at 31 December 2025, the occupancy rate of the property was 89.7%.

# Prosperity REIT Portfolio

|                                  |  |
|----------------------------------|--|
| Location :                       | 9 Chong Yip Street, Kwun Tong, Kowloon |
| Year of Completion :             | 2004                                   |
| Gross Rentable Area (sq. ft.) :  | 136,595                                |
| No. of Car Park Spaces :         | 68                                     |
| Appraised Value (HK\$ million) : | 860                                    |
| Number of Tenancies :            | 41                                     |



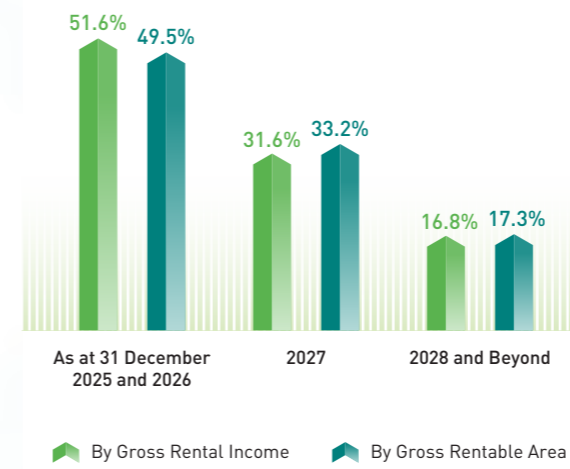
## 9 CHONG YIP STREET

### TOP 5 TENANTS

| Tenants                                     | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|---|-----------------------|---------------|----------|----------|
| Televoice Technology Asia Limited           | Electronic/Technology | 6,580         | 4.8%     | 6.1%     |
| Totes Isotoner Corporation (H.K.) Limited   | Manufacturing/Trading | 6,580         | 4.8%     | 5.5%     |
| Ensec Solutions Hong Kong Limited           | Electronic/Technology | 6,580         | 4.8%     | 5.0%     |
| Worldwide Partner Logistics Company Limited | Logistics             | 6,580         | 4.8%     | 5.0%     |
| The Financial Secretary Incorporated        | Others                | 6,580         | 4.8%     | 5.0%     |

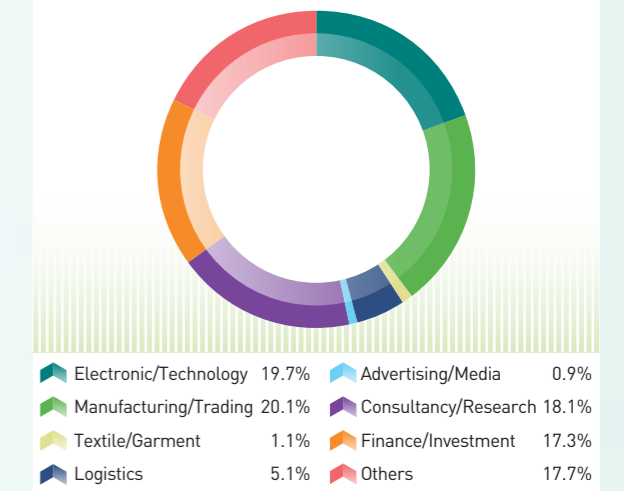
### Lease Expiry Profile

(as at 31 December 2025)



### Trade Mix by Gross Rentable Area

(as at 31 December 2025)



9 Chong Yip Street is located in the Kwun Tong district of Kowloon East, which is a maturing decentralized business district with many new high specifications office developments. The Hong Kong Government has implemented strategies to develop Kowloon East into another business district in Hong Kong. With the Kai Tak Development, Kwun Tong Town Centre Renewal Projects and transportation infrastructure being the Tuen Ma Line and Central Kowloon Bypass of Route 6, Kowloon East is poised to further leverage on and benefit from these developments.

9 Chong Yip Street is in close proximity to the Ngau Tau Kok MTR station and is easily accessible by private and public transportation such as taxis and franchised buses. Further, it is adjacent to one of Prosperity REIT's existing properties, namely Prosperity Center, and is only 10 minutes away from another Prosperity REIT's flagship property, being Prosperity Place.

As the community becomes more aware on environmental protections, green facilities have become one of the main features in commercial properties. In 9 Chong Yip Street, solar panels have been installed, providing tenants with a more sustainable working environment and environmentally friendly workplace. The building is equipped with 5G communication to get in-line with the latest design of office buildings in the vicinity.

As at 31 December 2025, the occupancy rate of the property was 94.8%.

# Prosperity REIT Portfolio

|                                  |  |
|----------------------------------|--|
| Location :                       | 6 Shing Yip Street, Kwun Tong, Kowloon |
| Year of Completion :             | 1996                                   |
| Gross Rentable Area (sq. ft.) :  | 240,000                                |
| No. of Car Park Spaces :         | 83                                     |
| Appraised Value (HK\$ million) : | 1,684                                  |
| Number of Tenancies :            | 129                                    |



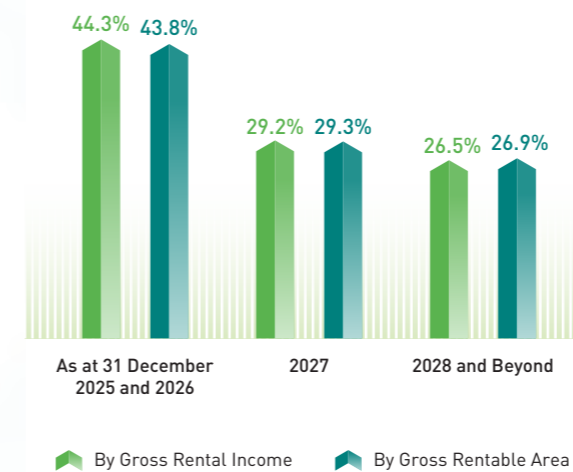
## PROSPERITY PLACE

### TOP 5 TENANTS

| Tenants                            | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|------------------------------------|-----------------------|---------------|----------|----------|
| Evlite Electronics Company Limited | Electronic/Technology | 11,996        | 5.0%     | 4.6%     |
| I Dance Enterprise Limited         | Retail/Services       | 10,000        | 4.2%     | 4.5%     |
| Boldyn Networks HK Limited         | Electronic/Technology | 8,179         | 3.4%     | 3.6%     |
| Far East Management Limited        | Retail/Services       | 5,402         | 2.3%     | 3.1%     |
| Fencing Sport Academy Limited      | Retail/Services       | 5,402         | 2.3%     | 2.5%     |

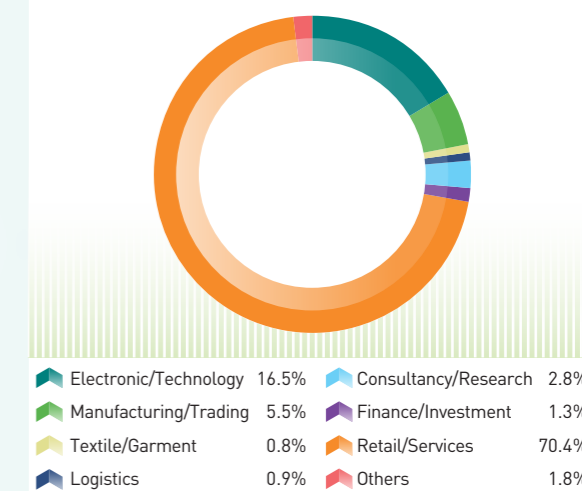
### Lease Expiry Profile

(as at 31 December 2025)



### Trade Mix by Gross Rentable Area

(as at 31 December 2025)



Prosperity Place is located in the Kwun Tong district of Kowloon East. The district has recently experienced tremendous growth as a new commercial hub. The building is close to the Eastern Cross Harbour Tunnel, and the Kwun Tong MTR Station is just a three-minute walk away.

New Grade A office buildings were newly developed in the district in the past few years. Kowloon East has seen significant urban improvements on a number of fronts, including prominent architecture and modern shopping malls, along with leisure and public spaces. With the Kai Tak Development and Kwun Tong Town Centre Renewal Projects, the district is undergoing significant transformation in parallel with an uplift of transport network such as Central Kowloon Bypass connecting Kowloon East and Western Kowloon. More public and private sectors' developments and amenities are scheduled to be completed in the coming years. Due to these attractive developments, prestigious tenants from the traditional core business districts have moved into the area.

Following the execution of the special waiver to convert Prosperity Place from industrial/office to commercial use at the end of 2012, we have fostered a commercial atmosphere, widened our tenant base and continuously recruited retail and service trade tenants to the property.

Recognizing the importance of sustainable development, we have installed solar panels and a rainwater collection system, and also set up an aesthetically pleasing green wall and a rooftop urban farm at Prosperity Place to groom an environmentally friendly ecosystem. The building is equipped with 5G communication to keep up with the high office standard in the vicinity.

Prosperity Place has attained the highest level "Platinum" award under BEAM Plus Comprehensive Scheme.

As at 31 December 2025, the occupancy rate of the property was 95.8%.

# Prosperity REIT Portfolio

|                                  |  |
|----------------------------------|--|
| Location :                       | 682 Castle Peak Road, Lai Chi Kok, Kowloon |
| Year of Completion :             | 1998                                       |
| Gross Rentable Area (sq. ft.) :  | 173,764                                    |
| No. of Car Park Spaces :         | 79   |
| Appraised Value (HK\$ million) : | 1,079                                      |
| Number of Tenancies :            | 170  |

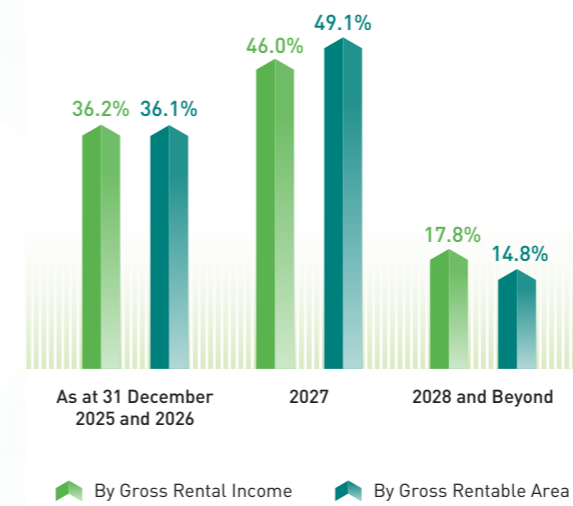


## TRENDY CENTRE

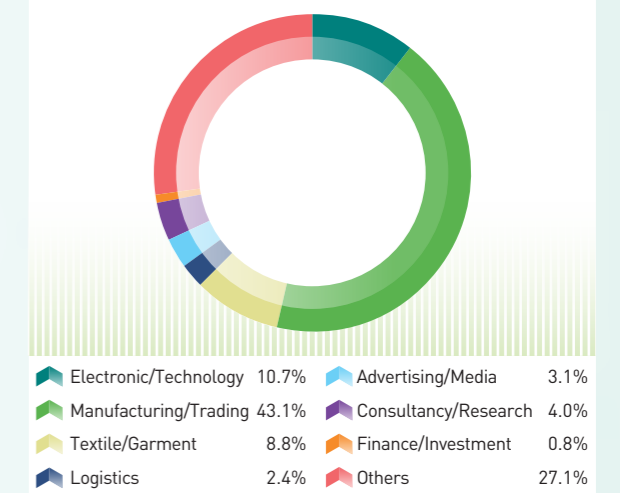
### TOP 5 TENANTS

| Tenants                              | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|--------------------------------------|-----------------------|---------------|----------|----------|
| The Financial Secretary Incorporated | Others                | 8,761         | 5.0%     | 5.0%     |
| Madrid Group Limited                 | Others                | 708           | 0.4%     | 3.1%     |
| Health Gene Limited and other        | Others                | 3,268         | 1.9%     | 2.3%     |
| Onco Medical Laboratory Limited      | Others                | 2,958         | 1.7%     | 1.9%     |
| Century Elite Technology Limited     | Manufacturing/Trading | 820           | 0.5%     | 1.9%     |

**Lease Expiry Profile**  
(as at 31 December 2025)



**Trade Mix by Gross Rentable Area**  
(as at 31 December 2025)



Located on Castle Peak Road, Trendy Centre is just a five-minute walk from the Lai Chi Kok MTR station, and sits at the heart of the bustling Kowloon West commercial hub. The building is conveniently close to major transportation routes, including the Route 3 expressway, which connects to Central and the Northern Metropolis, and the Route 8 expressway, which links to the Hong Kong-Zhuhai-Macao Bridge and Hong Kong International Airport. This provides seamless access to the vibrant Greater Bay Area and other key business districts in Hong Kong.

Trendy Centre features passenger and cargo lifts, ample parking spaces, and a variety of ground-floor food and beverage outlets. These amenities create a vibrant and efficient working environment, making it an ideal choice for enterprises seeking a dynamic and well-connected working space in Hong Kong. Additionally, the property is equipped with solar panels and a rainwater collection system to promote environmental sustainability.

As at 31 December 2025, the occupancy rate of the property was 93.3%.

# Prosperity REIT Portfolio

|                                  |   |
|----------------------------------|---|
| Location :                       | 25 Chong Yip Street, Kwun Tong, Kowloon |
| Year of Completion :             | 1999                                    |
| Gross Rentable Area (sq. ft.) :  | 149,253                                 |
| No. of Car Park Spaces :         | 105                                     |
| Appraised Value (HK\$ million) : | 834                                     |
| Number of Tenancies :            | 76                                      |



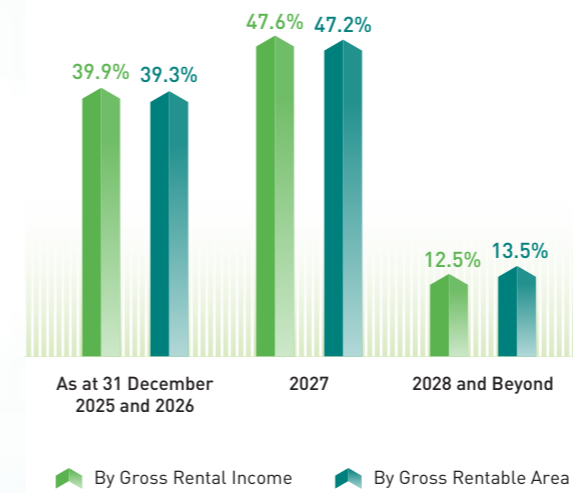
## PROSPERITY CENTER PROPERTY (Portion)

### TOP 5 TENANTS

| Tenants                                       | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|---|-----------------------|---------------|----------|----------|
| Senko Advanced Components (Hong Kong) Limited | Electronic/Technology | 14,475        | 9.7%     | 10.0%    |
| OpSec Delta (HK) Limited                      | Others                | 10,528        | 7.1%     | 7.8%     |
| Edvance Technology (Hong Kong) Limited        | Electronic/Technology | 10,528        | 7.1%     | 6.5%     |
| Barco Limited                                 | Electronic/Technology | 3,392         | 2.3%     | 2.6%     |
| Portever Shipping (Hongkong) Limited          | Logistics             | 3,392         | 2.3%     | 2.5%     |

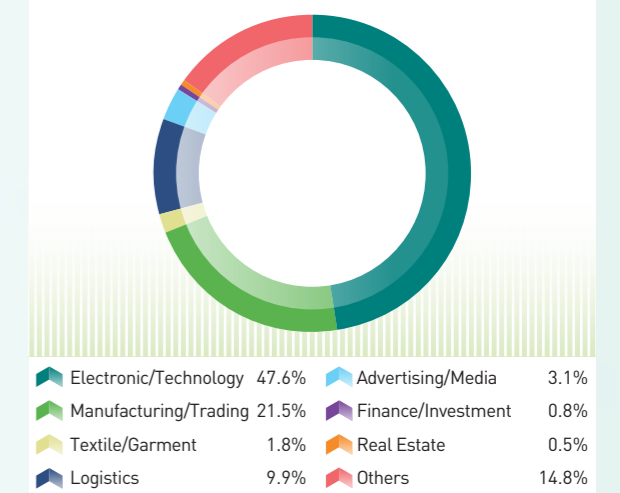
### Lease Expiry Profile

(as at 31 December 2025)



### Trade Mix by Gross Rentable Area

(as at 31 December 2025)



Prosperity Center Property is strategically located in the Kowloon East business district and is less than a three-minute walk from the Ngau Tau Kok MTR Station.

The Kowloon East area has evolved into a modern commercial hub. Prosperity Center Property has capitalized on the trend and gained new quality tenants. The industrial/office building features a modern curtain wall, 5 to 7.5 kPa floor loading, split-type air conditioning systems for all units, high ceilings, sub-divisible floor plates, cargo lifts, high-grade passenger lifts, ample loading/unloading bays, and related facilities. The building is equipped with 5G communication.

As at 31 December 2025, the occupancy rate of the property was 94.4%.

# Prosperity REIT Portfolio

Location : 10 Ng Fong Street,  
San Po Kong, Kowloon

Year of Completion : 1995

Gross Rentable Area (sq. ft.) : 86,168

No. of Car Park Spaces : 22

Appraised Value (HK\$ million) : 348

Number of Tenancies : 51



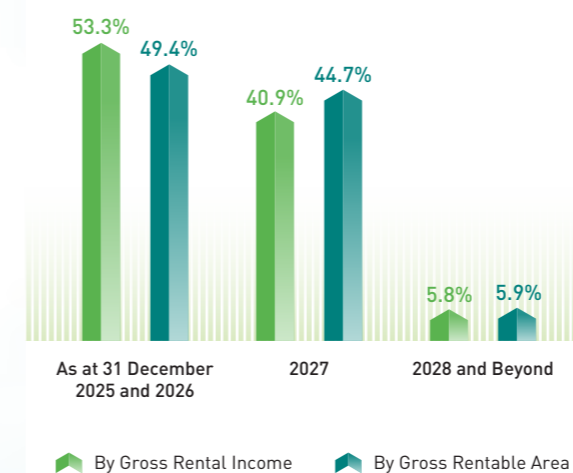
## TOP 5 TENANTS

| Tenants                               | Trade                 | GRA (sq. ft.) | % of GRA | % of GRI |
|---------------------------------------|-----------------------|---------------|----------|----------|
| Goodwell Property Management Limited* | Others                | 12,404        | 14.4%    | 13.4%    |
| Reich Pharm Limited                   | Others                | 6,522         | 7.6%     | 7.8%     |
| Protato Fitness Limited               | Consultancy/Research  | 3,496         | 4.1%     | 3.5%     |
| Esco Technologies (Hong Kong) Limited | Manufacturing/Trading | 2,496         | 2.9%     | 3.5%     |
| Menkin Industrial (China) Limited     | Manufacturing/Trading | 2,496         | 2.9%     | 3.2%     |

\* Goodwell Property Management Limited is a connected person of Prosperity REIT within the meaning of the REIT Code.

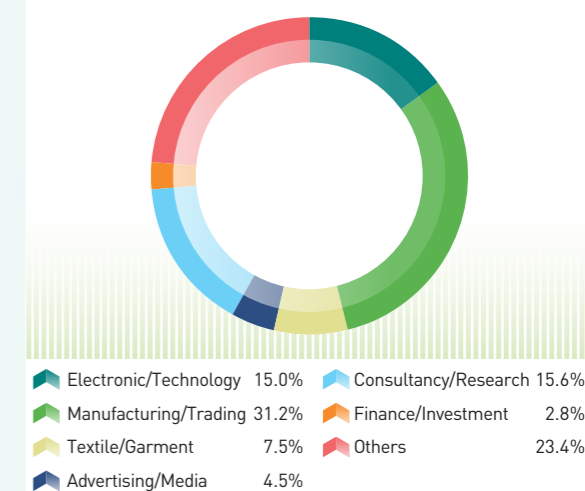
## Lease Expiry Profile

(as at 31 December 2025)



## Trade Mix by Gross Rentable Area

(as at 31 December 2025)



New Treasure Centre Property is located in San Po Kong, Kowloon, an established industrial area well served by extensive transportation links, the north-south Route 2 and west-east Route 7 expressways, MTR, buses and public light buses. The building is conveniently located within five minutes walking distance to the Diamond Hill MTR Station.

The building has solid industrial building features including 7.5 kPa floor loading, split-type air conditioning systems for every unit, sub-divisible floor plates, high load capacity cargo lifts, high-grade passenger lifts, ample loading/unloading bays, and related facilities. The multi-level lorry and car parking area is fastidiously maintained, with generous illumination.

As at 31 December 2025, the occupancy rate of the property was 98.5%.

## NEW TREASURE CENTRE PROPERTY (Portion)

# Management Discussion and Analysis



## Management Discussion and Analysis

### PERFORMANCE HIGHLIGHTS

Below is a summary of Prosperity REIT's performance for the Reporting Year:

|                                    | Year ended<br>31 December 2025 | Year ended<br>31 December 2024 | Percentage change<br>Increase/(Decrease) |
|------------------------------------|--------------------------------|--------------------------------|--|
| Income available for distribution  | HK\$182.8 million              | HK\$185.4 million              | (1.4%)                                   |
| Distribution per unit              | HK\$0.1156                     | HK\$0.1198                     | (3.5%)                                   |
| <b>Operation data</b>              |                                |                                |  |
|                                    | Year ended<br>31 December 2025 | Year ended<br>31 December 2024 | Percentage change<br>Increase/(Decrease) |
| 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 December) | 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>Key financial figures</b>       |                                |                                |  |
|                                    | As at<br>31 December 2025      | As at<br>31 December 2024      | Percentage change<br>Increase/(Decrease) |
| 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.

## 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:

|                          | Location                      | Gross<br>rentable area<br>sq. ft. | No. of car<br>park spaces | Valuation<br>HK\$ million | Occupancy<br>rate |              |
|--------------------------|-------------------------------|-----------------------------------|---------------------------|---------------------------|-------------------|--------------|
| <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%.

## Management Discussion and Analysis

### 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.

### FINANCIAL REVIEW

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

|                               | Turnover<br>HK\$'000 | Rental related<br>income<br>HK\$'000 | Revenue<br>HK\$'000 | Net property<br>income<br>HK\$'000 |
|-------------------------------|----------------------|--------------------------------------|---------------------|------------------------------------|
| <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>                     |

## Management Discussion and Analysis

### 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 constituting Prosperity REIT (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.

### 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.

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
- (iii) A HK\$60 million unsecured Green and Transition Loan (the "HK\$60 Million Green and Transition Loan"), which will mature in September 2029.

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%).

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

## Management Discussion and Analysis

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<br>2025<br>HK\$'000 | 31 December<br>2024<br>HK\$'000 |
|---|---------------------------------|---------------------------------|
| 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.

### 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).

## Management Discussion and Analysis

### MAJOR REAL ESTATE AGENTS AND CONTRACTORS

#### Top Five Real Estate Agents

The total commission paid to real estate agents to secure new tenants during the Reporting Year was HK\$4,436,000. The commission paid to the top five real estate agents, summarized as follows, was HK\$1,831,000 and accounted for 41.2% of the total commission paid:

| Real Estate Agents                              | Nature of Services | Commission<br>Paid<br>HK\$'000 | Percentage of<br>Total Commission<br>Paid |
|---|--------------------|--------------------------------|---|
| Centaline Property Agency Limited               | Leasing            | 472                            | 10.6%                                     |
| Midland Realty                                  | Leasing            | 461                            | 10.4%                                     |
| Flourish Property Agency (C.I.) Limited         | Leasing            | 316                            | 7.1%                                      |
| Leasing Hub Limited                             | Leasing            | 307                            | 6.9%                                      |
| Sweet House Real Estate Agency (C.I.S.) Limited | Leasing            | 275                            | 6.2%                                      |
|   |                    | <b>1,831</b>                   | <b>41.2%</b>                              |

#### Top Five Contractors

The total value of service contracts of contractors engaged by Prosperity REIT during the Reporting Year was HK\$73,608,000. The value of contracts of the top five contractors, summarized as follows, was HK\$66,134,000 and accounted for 89.8% of the total value of contracts:

| Contractors                                   | Nature of Services      | Value of<br>Contract<br>HK\$'000 | Percentage of<br>Total Value<br>of Contracts |
|---|-------------------------|----------------------------------|--|
| Goodwell Property Management Limited          | Building management     | 46,397                           | 63.0%  |
| Goodwell-Prosperity Property Services Limited | Property management     | 9,124                            | 12.4%  |
| Citybase Property Management Limited          | Building management     | 6,438                            | 8.7%   |
| E-Park Parking Management Limited             | Carpark management      | 3,210                            | 4.4%   |
| May Tik Decoration Company Limited            | Repairs and maintenance | 965                              | 1.3%   |
|   |                         | <b>66,134</b>                    | <b>89.8%</b>                                 |

# Sustainability Report Summary



# Sustainability Report Summary

## VISION AND MISSION

### VISION AND MISSION

“We Do the Right Thing”, “We Win as One Team” and “We Think Beyond the Present” are core values developed from the mission of ESR. These values serve as the cornerstone of sustainability vision and guide our business decisions.

#### VISION STATEMENT

Commit to be a responsible corporate citizen by building a sustainable environment and enhancing the well-being of the stakeholders through our core values.

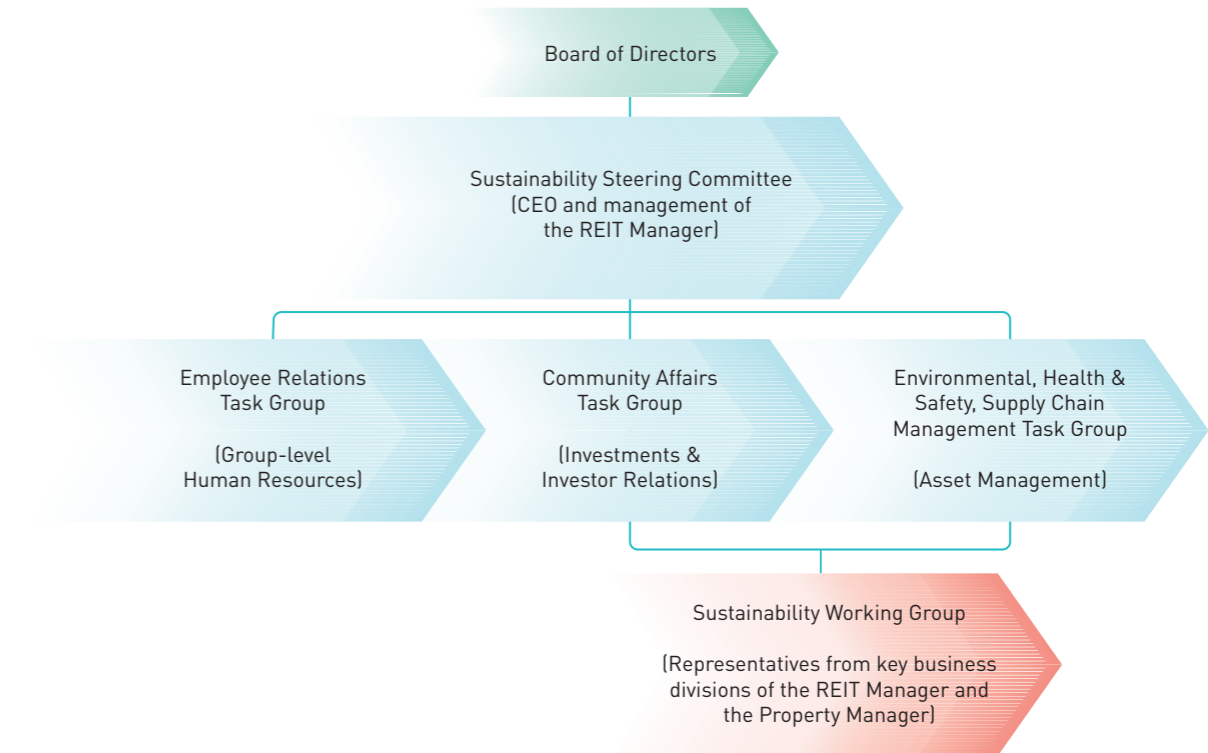
#### MISSION STATEMENT

Prosperity REIT will spare no effort to embed environmental and social friendly measures in our day-to-day operations through:

- Reducing the impact on environment and society
- Ensuring business operates and grows responsibly and sustainably
- Bringing value to the community

# Sustainability Report Summary

## SUSTAINABILITY GOVERNANCE STRUCTURE



The Board of the REIT Manager provides strategic guidance and identification on the overall sustainability and climate-related matters and risks annually. The Board is responsible for approving sustainability-related targets and embedding the strategies developed to meet these targets within the Prosperity REIT’s broader management vision and are reviewed annually. A Sustainability Steering Committee has been set up to help the Board in defining long-term targets and annual priorities in our sustainability performance. The Committee consists of senior executives from several departments and three taskforces that are specifically focused on overseeing the supply chain, community affairs, and employee relations. A Sustainability Working Group was also established by the key business divisions of the REIT Manager and the Property Manager. To ensure our sustainability visions are integrated into business operations, different sub-groups are in place to oversee various topics, within Prosperity REIT’s four key pillars – Building/Services, Nature, People, and Community.

## Sustainability Report Summary

### 2025 PERFORMANCE REVIEW

We continued to integrate sustainability across our operations while upholding high standards of service excellence. To ensure sustainability strategy remains aligned with stakeholder expectations and is effectively integrated into strategic decision-making, we conducted a materiality assessment during the Reporting Year, with a focus on financial materiality. This assessment enabled us to prioritise sustainability topics based on their significance to Prosperity REIT's cash flow, access to finance, and cost of capital. These priority topics now form the foundation of our sustainability strategy, guiding the REIT Manager in resource allocation and the implementation of initiatives to generate long-term value for stakeholders. As the first Hong Kong REIT with debt facilities fully linked to sustainability performance, we continued to leverage on green finance to combat climate change and support our net-zero pathway by embedding green practices in our operations.

Our strong and consistent sustainability performance has been widely recognised. For the fourth consecutive year, we achieved a 5-star performance rating, Green Star accreditation, and an A grade public disclosure score in GRESB. Additionally, we received the highest "Negligible Risk" rating from Sustainalytics for the second consecutive year. With 100% of our portfolio certified under green building standards, we reached a significant milestone as Prosperity Millennia Plaza became the first property in our portfolio to achieve "Double Platinum" status under both the BEAM Plus Comprehensive Scheme and WELL Certification, demonstrating excellence in environmental performance and tenant well-being.

Building on this momentum, we achieved the previously set 2025 energy consumption and GHG emissions reduction targets and have set more ambitious sustainability targets for the years ahead. Moreover, the near-term (2030) and long-term (2050) Scope 2 and Scope 3 GHG reduction targets have been validated by the Science-Based Targets initiative, further strengthening our pathway towards carbon neutrality.

We also remain deeply committed to fostering a caring and inclusive community. We were honoured with the "Caring Company 2024/25 – Leading Performance" award and recognised as a 15 Years+ Caring Company, demonstrating our long-standing commitment and outstanding performance in community service. During the Reporting Year, we partnered with our nomination organisation, Evangelical Lutheran Church Social Service of Hong Kong, to host a soft meal luncheon for elderly residents with swallowing difficulties, supporting their dietary needs and fostering greater social inclusion.

In recognition of our extensive community service efforts, we are honoured to receive the "Hong Kong Volunteer Award – Top 10 Highest Volunteer Hour". Through ongoing partnership with Feeding Hong Kong, we donated 579 kg of fresh produce from our rooftop urban farms throughout this year, as well as participated a "Mobile Food Pantry" event and the "Santa Sack" campaign to support vulnerable groups.

Employees are our most valuable asset, and we strive to nurture a workplace grounded in fairness, equality and respect for social and cultural diversity. During this Reporting Year, we delivered 383 hours of training and recorded a 90% employee satisfaction rate. We remain committed to maintaining female representation above 40% of our total workforce, while advancing diversity and inclusiveness.

For details of the sustainability performance and progress of Prosperity REIT in the Reporting Year, please refer to the Sustainability Report 2025.

## Directors and Senior Management Biographical Information

### DIRECTORS

**Dr. CHIU Kwok Hung, Justin**, aged 75, has been the Chairman and a Non-executive Director of the REIT Manager since 2005. He is a member of each of the Disclosures Committee and Nomination Committee. Dr. Chiu joined the CK Group in 1997 and is an Executive Director and an Executive Committee Member of CK Asset Holdings Limited (listed in Hong Kong), heading the real estate sales, marketing and property management teams. He is a Non-executive Director of ESR Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong) and an Independent Non-executive Director of Star Shine Holdings Group Limited (listed in Hong Kong). He was previously a Non-executive Director of ESR Group Limited (delisted from Hong Kong Stock Exchange on 3 July 2025), which indirectly owns 100% of the REIT Manager.

Dr. Chiu has more than 40 years of international experience in real estate in Hong Kong and overseas and is one of the most respected professionals in the property industry in Asia. He is a Fellow of The Royal Institution of Chartered Surveyors, a Member of the Advisory Board and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, the Vice-Chairman of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University's International Advisory Council in China, the Chairman of the Advisory Committee and an Adjunct Professor of the School of Business of Hong Kong Baptist University, a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom, an Adjunct Professor of Changzhou University and the Chairman of the School of Continuing Education – College of International Education Advisory Committee of Hong Kong Baptist University. Dr. Chiu was previously an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-Sen University and a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

Dr. Chiu holds a Bachelor of Arts degree in Sociology and Economics from Trent University, Canada and a degree of Doctor of Business Administration from Hong Kong Baptist University, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada.



**Chiu Kwok Hung, Justin**

Chairman and  
Non-executive Director

## Directors and Senior Management Biographical Information



**Wong Lai Hung, Mavis**

Executive Director  
and Chief Executive  
Officer

**Ms. Wong Lai Hung, Mavis**, aged 53, has been an Executive Director and the Chief Executive Officer of the REIT Manager since 2013. She is also a Responsible Officer, the Chairman of the Disclosures Committee and a member of the Designated (Finance) Committee of the REIT Manager. Ms. Wong has led and/or been a key member of the Investment and Asset Management Team of the REIT Manager since Prosperity REIT was listed in December 2005. Prior to her appointment as Acting Chief Executive Officer and subsequently Chief Executive Officer on 1 January 2013, she was the Director, Investment and Asset Management of the REIT Manager overseeing the business plans of Prosperity REIT's properties including leasing, property management and asset enhancement strategies, and was responsible for investment strategy and policy.

Ms. Wong has over 25 years of real estate industry experience. Prior to joining the REIT Manager, Ms. Wong worked in the leasing, marketing and asset/property management departments of various developers, management companies and corporations including Cheung Kong (Holdings) Limited, New World Development Company Limited, Jardine Matheson & Co., Limited, Goodwill Management Limited (a wholly-owned subsidiary of Henderson Land Development Company Limited) and Yaohan Department Store (HK) Limited. Ms. Wong is a Fellow of The Hong Kong Institute of Directors.

Ms. Wong holds a Bachelor of Arts degree from the Chinese University of Hong Kong, a Postgraduate Certification in HK Law from City University of Hong Kong and a Diploma in Property Development from SPACE, University of Hong Kong.

**Mr. MA Lai Chee, Gerald**, aged 58, has been a Non-executive Director of the REIT Manager since 2005. He is a member of the Designated (Finance) Committee. He is also a Non-executive Director of ESR Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong) and an Alternate Director to Mr. Lai Kai Ming, Dominic, Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited (listed in Hong Kong). Mr. Ma joined the CK Group in 1996 and is currently an Executive Committee Member and General Manager, Corporate Business Development Department of CK Asset Holdings Limited (listed in Hong Kong).

Mr. Ma has over 30 years of management experience in different industries. He is a member of the Faculty Advisory Board of the Sauder School of Business of the University of British Columbia, Canada. He holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management.



**Ma Lai Chee, Gerald**

Non-executive Director

## Directors and Senior Management Biographical Information



**Shen Jinchu**

Non-executive  
Director

**Mr. Shen Jinchu**, aged 53, has been appointed as a Non-executive Director of the REIT Manager from 28 May 2025. He is currently the Executive Director, Group Co-Founder and Co-Chief Executive Officer of ESR Group Limited ("ESR") (delisted from Hong Kong Stock Exchange on 3 July 2025).

In addition, Mr. Shen is a non-executive director of several other subsidiaries of ESR which manage publicly-listed real estate investment trusts including: (a) ESR-REIT Management (S) Limited being the manager of ESR-REIT which is listed in Singapore; and (b) ESR Asset Management (Fortune) Limited which is listed in Hong Kong. Mr. Shen is also a director of various other subsidiaries of ESR and was a non-executive director of ESR Trust Management (Suntec) Limited being the manager of Suntec Real Estate Investment Trust which is listed in Singapore.

Mr. Shen has over 25 years of industrial real estate experience in China. Prior to co-founding ESR in June 2011, Mr. Shen held a variety of roles, including Senior Vice President, at GLP Investment Management (China) Co., Ltd. (全球物流資產公司(中國)) from January 2004 to September 2010. Mr. Shen was the Deputy Director in DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003 and the Assistant General Manager of Marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd from July 1995 to November 2000.

Mr. Shen graduated from the Shanghai Jiaotong University in China in July 1995, where he obtained a bachelor's degree in technical economics. In July 2001, he obtained a master's degree in business administration from Donghua University in China.

**Dr. LAN Hong Tsung, David**, aged 85, has been an Independent Non-executive Director of the REIT Manager since 2005. He is the Chairman of the Audit Committee and a member of each of the Disclosures Committee, Designated (Finance) Committee and Nomination Committee. He is also an Independent Non-executive Director of CK Infrastructure Holdings Limited (listed in Hong Kong). Dr. Lan is currently an Independent Non-executive Director of Cinda Financial Holdings Co., Limited, and holds directorships with Nanyang Commercial Bank Ltd. and International Pro Bono Legal Services Association Limited. He acted as Supervisor of Nanyang Commercial Bank (China), Limited for 12 years and 9 months since December 2007 until his reappointment as Senior Consultant from October 2020 which ended on 5 January 2026. Dr. Lan is also a Chartered Secretary and a Fellow Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.



**Lan Hong Tsung, David**

Independent  
Non-executive  
Director

## Directors and Senior Management Biographical Information

Dr. Lan was the Secretary for Home Affairs of the Government of the Hong Kong Special Administrative Region until his retirement in July 2000. He had served as civil servant in various capacities for 39 years and was awarded the Imperial Service Order Award (ISO) in 1993 by Queen Elizabeth II at Buckingham Palace as well as the Gold Bauhinia Star Medal (GBS) on 1 July 2000. He was appointed as the 10th and 11th National Committee Member of the Chinese People's Political Consultative Conference of the People's Republic of China. Dr. Lan previously held directorship with certain Hong Kong-listed companies, including Independent Non-executive Director of SJM Holdings Limited (for 11 years), ESR Asset Management (Fortune) Limited as the manager of Fortune REIT and Hutchison Telecommunications Hong Kong Holdings Limited. He was a Senior Advisor of Mitsui & Company (Hong Kong) Limited for 19 years until March 2019 and also the President of the International Institute of Management for 7 years until his retirement in June 2019.

Dr. Lan received his Bachelor of Arts degree from the University of London and completed the Advanced Management Program (AMP) of the Harvard Business School, Boston. He was also a Fellow of Queen Elizabeth House (Oxford). Dr. Lan was conferred with Honorary Degree of Doctor of Business Administration by University of the West of England (UWE Bristol), Doctor of Humanities, honoris causa by Don Honorio Ventura Technological State University, and holder of Visiting Professorship Awards of Bulacan State University and Tarlac State University.

**Mrs. SNG Sow-Mei (alias Poon Sow Mei)**, aged 84, has been an Independent Non-executive Director of the REIT Manager since 2005. She is a member of each of the Audit Committee and Nomination Committee. She is also an Independent Non-executive Director of CK Asset Holdings Limited and CK Infrastructure Holdings Limited (both listed in Hong Kong).

Mrs. Sng was previously an Independent Non-executive Director of ESR Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong), an Independent Director of ESR Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore), and an Independent Non-executive Director and the Lead Independent Director of Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust (listed in Singapore). She was also previously a Director of INFA Systems Ltd. and Senior Consultant (International Business) of Singapore Technologies Electronics Limited. Prior to her appointment with Singapore Technologies Pte. Ltd. where she was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitaLand Hong Kong Ltd. for investment in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997.

Mrs. Sng, who holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management, as well as real estate industry. In 1996, Mrs. Sng was conferred the title of PPA (P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.



**Sng Sow-Mei (alias Poon Sow Mei)**

Independent  
Non-executive  
Director

## Directors and Senior Management Biographical Information



**Wong Kwai Lam**

Independent  
Non-executive  
Director

**Mr. WONG Kwai Lam**, aged 76, has been an Independent Non-executive Director of the REIT Manager since 2011. He is the Chairman of the Nomination Committee and a member of each of the Audit Committee and Designated (Finance) Committee. He is also an Independent Non-executive Director of CK Hutchison Holdings Limited (listed in Hong Kong), K. Wah International Holdings Limited (listed in Hong Kong), Langham Hospitality Investments Limited (a company which together with Langham Hospitality Investments listed in Hong Kong) and LHIL Manager Ltd. as the trustee-manager of Langham Hospitality Investments. Mr. Wong is currently the Chairman of Hong Kong Grand Opera Company Limited, Vice Chairman of the Board of Trustees and a member of the Investment Sub-committee of the Board of Trustees of New Asia College of the Chinese University of Hong Kong and a member of the Advisory Board of Continuing and Professional Studies of The Chinese University of Hong Kong. He was formerly a member of each of the Advisory Committee and Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a member of the China Committee of the Hong Kong Trade Development Council. He was an Independent Non-executive Director of China Merchants Bank Co., Ltd. (listed in Hong Kong and Shanghai) from 2011 to 2018 and of Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust (listed in Singapore) from 2015 to 2024, a Director of CUHK Medical Centre Ltd. from February 2016 to March 2026 and an Advisor to The Chamber of Hong Kong Listed Companies from September 2021 to March 2026.

Mr. Wong has over 30 years of experience in the commercial and investment banking industry. Mr. Wong worked with Merrill Lynch (Asia Pacific) Ltd. from May 1993 to August 2009 where he served as a Managing Director in the Asia investment banking division since January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch (Asia Pacific) Ltd. in September 2009 and served in that position for 1 year. Prior to joining Merrill Lynch (Asia Pacific) Ltd., Mr. Wong had been a Director in the investment banking division of CS First Boston (Hong Kong) Ltd. and a Director and the Head of Primary Market in Standard Chartered Asia Limited.

Mr. Wong holds a Bachelor of Arts degree from the Chinese University of Hong Kong and a PhD from Leicester University, England. He was conferred with honorary fellowship by the Chinese University of Hong Kong.

**Ms. NG Shieu Yeing, Christina**, aged 53, has been an Independent Non-executive Director of the REIT Manager since 2023. She is a member of the Audit Committee.

Ms. Ng has extensive experience in the investment banking and private equity industry. After spending over 21 years in the financial industry, Ms. Ng has devoted her time in sustainable development and is currently Managing Director of Hong Kong Battery Recycling Centre Limited ("HKBR") which recycles and processes waste lead acid batteries into reusable raw materials locally in Ecopark, Tuen Mun, Hong Kong.

Prior to joining HKBR in 2016, Ms. Ng worked with Carlyle Asia Buyout Fund ("Carlyle", or the "Fund") from 1998 to 2015 where she last served as a director. Her responsibilities at Carlyle included, among others, advising the Fund on leverage buyout and significant minority investment opportunities in Greater China in a variety of industries. She played a crucial role in the pre and post investment phases of the Fund's portfolio investments and held board positions at various investee companies.

Ms. Ng also previously held positions with Exor Asia and Merrill Lynch (Asia Pacific) Ltd.

Ms. Ng received her Bachelor of Science degree in Management Science from Massachusetts Institute of Technology in the United States.



**Ng Shieu Yeing, Christina**

Independent  
Non-executive  
Director

## Directors and Senior Management Biographical Information

### EXECUTIVE OFFICERS

**Ms. WONG Lai Hung, Mavis** is the Chief Executive Officer of the REIT Manager. Details of her working experience are set out in the sub-section "Directors".

Ms. Wong is responsible for working with the Board to determine the strategy for Prosperity REIT. She works with the other members of the REIT Manager's management team to ensure that Prosperity REIT is operated in accordance with the REIT Manager's stated investment strategy. Additionally, she is responsible for planning the strategic development of Prosperity REIT and the day-to-day operations of the REIT Manager. She supervises the REIT Manager's management team to ensure that Prosperity REIT operates in accordance with the stated strategy, policies and regulations.

**Mr. CHEUNG Kin Wah, Samuel** is the Chief Financial Officer of the REIT Manager. He is responsible for the financial management of Prosperity REIT. He has over 25 years of experience in audit and finance areas.

From 2000 to 2006, Mr. Cheung was the Chief Financial Controller and Company Secretary of Joynn Holdings Limited ("Joynn") (subsequently named as Chinasing Investment Holdings Limited), a company previously listed on the Main Board of SGX-ST (delisted from 5 December 2016). He was in charge of the accounting and finance functions of the group. He also performed company secretarial duties to ensure compliance with all legal and listing requirements and helped to ensure proper corporate governance. Mr. Cheung also helped to manage Joynn's initial public offering in Singapore and was responsible for helping with the spinning-off of one associate company on SEHK's Growth Enterprise Market.

Prior to joining Joynn, Mr. Cheung served as an auditor with Messrs. Ernst & Young (Hong Kong) from 1995 to 2000 and also with Messrs. Kwan, Wong, Tan & Fong (which has merged with Deloitte Touche Tohmatsu) from 1993 to 1994.

Mr. Cheung is a Certified Public Accountant in Hong Kong and a fellow of the Association of Chartered Certified Accountants. He is an associate of the Hong Kong Institute of Certified Public Accountants, and of the Taxation Institute of Hong Kong. He is also a Certified ESG Planner (CEP)<sup>®</sup>, and a Certified Tax Advisor (non-practising).

**Ms. LEE Lok Yi, Sonia** is the Director, Legal & Compliance of the REIT Manager. She is responsible for ensuring that Prosperity REIT and the REIT Manager comply with the Trust Deed, the REIT Code, the applicable Listing Rules, the Securities and Futures Ordinance, and other applicable laws, rules and regulations. She is also responsible for overseeing all legal issues arising from the operation of Prosperity REIT and the REIT Manager.

Ms. Lee was admitted as a solicitor of the Hong Kong Special Administrative Region. Prior to joining the REIT Manager in 2024, Ms. Lee had been an in-house lawyer for a securities firm and was responsible for overseeing the compliance issues arising from operation of the securities trading business.

**Mr. NG Chi Wah, Kevin** is the Assistant Director, Asset Management of the REIT Manager. He is responsible for strategic asset enhancement planning and asset management of Prosperity REIT. Prior to joining the REIT Manager, he was the Assistant Technical Manager for Goodwell Property Management Limited responsible for formulating project development strategies, policies and overseeing the renovation projects for various commercial mall, office building and service apartment in Hong Kong and China.

Mr. Ng is a Registered Professional Engineer, Chartered Engineer and BEAM Professional. He holds a Master of Science degree in Environmental Engineering from The Hong Kong Polytechnic University and a Bachelor of Engineering degree in Building Services Engineering from The Northumbria University in UK. He is also a member of The Hong Kong Institution of Engineers, The Chartered Institution of Building Services Engineers and The Institution of Engineering and Technology.

## Directors and Senior Management Biographical Information

**Mr. CHUNG Meng Him, Vicho** is the Manager, Investments and Investor Relations of the REIT Manager. He is responsible for conducting market research and feasibility studies, performing financial due diligence and analysis, and participating in financial models for potential acquisition target. In terms of asset management, he is responsible for performing financial analysis for asset enhancement projects, thereby providing financial analysis support for budgeting rental projection and leasing strategy. In terms of investor relations, he is responsible for communicating and liaising with unitholders and investors of Prosperity REIT.

Mr. Chung has about 8 years of experience in the account and audit field, covering the areas of general accounting, marketing, financial analysis and auditing. From 2004 to 2008, he worked with Ernst and Young as Senior Auditor – Global Financial Services. Mr. Chung holds a Bachelor degree in Commerce (Accounting and Information System) from Curtin University of Technology, Australia, and is a Certified ESG Planner (CEP)<sup>®</sup>.

**Mr. Siu Kit Fu, Jeff** is the Manager, Asset Management & Investments of the REIT Manager. He is responsible for overseeing and supervising the asset management and operating performance of the Prosperity REIT's portfolio including directing the leasing and marketing strategy, property management and carpark operation. He is also responsible for identifying and evaluating potential acquisition opportunities, performing financial analysis and modeling in feasibility studies of acquisition target and conducting market study and research.

Mr. Siu has over 10 years of real estate asset management experience including marketing, leasing and property management. Prior to joining the REIT Manager, Mr. Siu was the Leasing Manager and Assistant Leasing Manager of ATL Logistics Centre Hong Kong Limited and Henderson Sunlight Property Management Limited respectively. He also served as an asset management associate of Sniper Capital which was a fund manager of a real estate investment fund listed on London Stock Exchange and worked in Sino Group which is one of the major developers in Hong Kong. Mr. Siu is a CFA charterholder. He is also a professional member of the Royal Institution of Chartered Surveyors (MRICS), a Certified ESG Planner (CEP)<sup>®</sup> and holds Bachelor of Business Administration degree from The Chinese University of Hong Kong.

**Ms. Lee Pui Yan, Yan** is the Manager, Internal Audit of the REIT Manager. She is responsible for reviewing Prosperity REIT's implementation of corporate governance practices and internal control systems and measures. She formulates risk-based internal audit plan and independently assesses the effectiveness of the REIT Manager's internal control procedures, operational functions and key processes.

Prior to joining the REIT Manager, Ms. Lee worked for CK Asset Holdings Limited responsible for formulating and executing internal audit plan, performing risk-based internal audit reviews on operations and internal control systems for various business units of the CK Group. Prior to that, Ms. Lee served as an internal auditor with Goodwell Property Management Limited and Sino Land Company Limited. She holds a Master's degree in Business Administration from the University of Leicester, UK. She is also a fellow member of The Association of Chartered Certified Accountants and a Certified ESG Planner (CEP)<sup>®</sup>.

## Directors and Senior Management Biographical Information

### RESPONSIBLE OFFICERS

**Ms. WONG Lai Hung, Mavis** is the Responsible Officer of the REIT Manager. Details of her working experience are set out in the sub-section "Directors".

**Mr. NG Chi Wah, Kevin** is the Responsible Officer of the REIT Manager. Details of his working experience are set out in the sub-section "Executive Officers".

**Mr. CHUNG Meng Him, Vicho** is the Responsible Officer of the REIT Manager. Details of his working experience are set out in the sub-section "Executive Officers".

## Corporate Governance

The REIT Manager was established for the purpose of managing Prosperity REIT. 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\*). 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.

Embracing the core values of the ESR Group – "We do the right thing. We win as one team. We think beyond the present.", which form the basis for Prosperity REIT's business conduct and stakeholders engagement, the REIT Manager is committed to:

1. **We do the right thing.**
  - We are honest, ethical, transparent, and accountable.
  - We uphold trust and deliver excellence and value to our partners, colleagues, communities, and the environment.
  - We make decisions guided by our purpose and that stand the test of time.
2. **We win as one team.**
  - We collaborate across teams, countries, and disciplines to make a positive and lasting impact.
  - We are fully engaged, adaptable and proactive in supporting our team's needs and shared goals.
  - We learn, share, and elevate one another's success – every voice is heard, and everyone can thrive.
3. **We think beyond the present.**
  - We challenge the status quo and innovate with purpose.
  - We stay resilient through change and continuously raise the bar.
  - We think boldly, reimagine what's possible, and act for tomorrow.

It is the firm belief of the Board of Directors of the REIT Manager that good corporate governance practices and procedures with transparency, accountability, sound internal control policies and risk management systems are the essential elements for winning trust and support from retail and institutional investors. The Board keeps abreast of the latest industry trend and regulatory changes in order to maintain its competence in the dynamic market condition, and ultimately upholds the best corporate governance practices.

The REIT Manager abides by the group-level "Code of Conduct and Business Ethics Policy" and other compliance-related policies, such as "Anti-Bribery, Anti-Corruption and Handling of Gifts, Travel & Entertainment Policy" and "Whistleblowing Policy". All forms of misconduct including bribery, anti-competition, money laundering, fraud and corruption are strictly prohibited. During the Reporting Year, all employees of the REIT Manager are required to fully comply with the code of conduct which aligns with the core values of the Group. To minimize incidence of improprieties in relation to business ethics, all employees of the REIT Manager and external parties may raise concerns with reassurance that they will be protected from retaliations or victimization for whistleblowing in good faith and without malice.

## Corporate Governance

### AUTHORIZATION STRUCTURE

Prosperity REIT is a collective investment scheme authorized by the Securities and Futures Commission (the "SFC") under section 104 of the Securities and Futures Ordinance (Cap. 571) (the "SFO") and regulated by the provisions of the Code on Real Estate Investment Trusts (the "REIT Code"). The REIT Manager has been licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. Ms. Wong Lai Hung, Mavis, the Chief Executive Officer (the "CEO") and an Executive Director, Mr. Ng Chi Wah, Kevin and Mr. Chung Meng Him, Vicho are the Responsible Officers of the REIT Manager pursuant to the requirements of section 125 of the SFO and Chapter 5.4 of the REIT Code.

The Trustee, HSBC Institutional Trust Services (Asia) Limited, is registered as a trust company under section 77 of the Trustee Ordinance (Cap. 29). The Trustee is qualified to act as a trustee for collective investment schemes authorized under the SFO pursuant to the REIT Code.

### ROLES OF THE TRUSTEE AND THE REIT MANAGER

The Trustee and the REIT Manager are independent of each other. The Trustee is responsible under the Trust Deed for the safe custody of the assets of Prosperity REIT on behalf of the unitholders.

The REIT Manager has general power of management over the assets of Prosperity REIT and shall act in the best interests of the unitholders in accordance with the REIT Code. The REIT Manager's role under the Trust Deed is to manage Prosperity REIT in accordance with the Trust Deed and, in particular, to ensure that the financial and economic aspects of the assets of Prosperity REIT are professionally managed in the sole interests of the unitholders. Other main roles, functions and responsibilities of the REIT Manager include:

- (1) setting the strategic direction and risk management policies of Prosperity REIT on acquisition, divestment or enhancement of assets of Prosperity REIT in accordance with its stated investment strategy;
- (2) preparing various asset management plans on a regular basis to explain the performance of the assets of Prosperity REIT;
- (3) ensuring compliance with the applicable provisions of the REIT Code, the SFO and all other relevant legislation, the Listing Rules, the Trust Deed, all other relevant legislation and all relevant contracts; and
- (4) attending to all regular communications with unitholders.

## Corporate Governance

### BOARD OF DIRECTORS OF THE REIT MANAGER

The Board is responsible for the overall governance of the REIT Manager including establishing goals for management and monitoring the achievement of these goals. The Board has established a framework for the management of Prosperity REIT, including a system of internal control and risk management (including ESG risks) processes.

The Board is collectively responsible for the management of the business and affairs of the REIT Manager. The Board exercises its general powers within the limits defined by the articles of association of the REIT Manager, with a view to ensuring that the management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board also reviews major financial decisions and the performance of the REIT Manager. Subject to the matters specifically reserved to the Board as set out in the Compliance Manual, the Board delegates certain management and supervisory functions to relevant management teams and committees of the Board.

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of five Directors and a maximum of twenty Directors. For the purpose of enhancing board effectiveness and corporate governance, a number of factors to achieve board diversity, including but not limited to gender, age, ethnicity, cultural and educational background and professional experience, will be considered in designing Board composition.

The composition of the Board is determined using the following principles/objectives:

- (1) the Chairman of the Board shall be a Non-executive Director of the REIT Manager;
- (2) the CEO shall be a member of the Board; and
- (3) the Board shall comprise Directors with a broad range of educational background, commercial experience including expertise in funds management and the property industry, and diversified in terms of gender, age and cultural background appropriate to the business of Prosperity REIT and the REIT Manager.

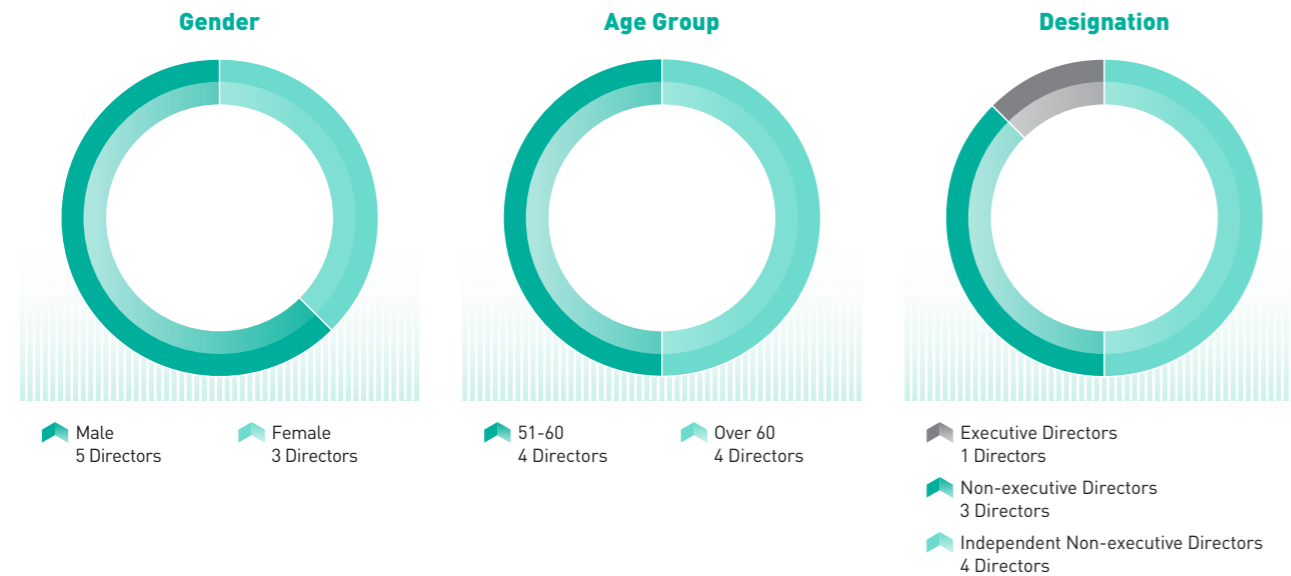
The Board presently comprises eight members with five male and three female (37.5% female Directors), and four of them are Independent Non-executive Directors ("INED(s)").

With effect from 28 May 2025, Mr. Lim Hwee Chiang resigned as a Non-executive Director and Mr. Shen Jinchu was appointed as a Non-executive Director. Save as disclosed, there is no change to the members of the Board during the Reporting Year.

Mr. Shen Jinchu attended a training session on 19 May 2025 which was provided by an external legal adviser and Mr. Shen obtained the legal advice on Hong Kong law and regulation as regards the requirements under the REIT Code and the Listing Rules. Mr. Shen has confirmed that he understood his obligations as a Non-executive Director of the REIT Manager.

## Corporate Governance

An analysis of the Board's current composition is set out below:



The composition is reviewed regularly through the Nomination Committee to ensure that the Board has a balance of skills, expertise, experience and diversity appropriate to the requirements of the business of Prosperity REIT and the REIT Manager. The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the principles/objectives set in the Board Composition and Diversity Policy. For information regarding diversity of the REIT Manager's workforce, please refer to the Sustainability Report for details.

According to the articles of association of the REIT Manager, all Directors of the REIT Manager (including INEDs) shall retire from office at every annual general meeting of the REIT Manager but shall be eligible for re-election. Further, if an INED has held office for more than nine years, his/her continuation of office shall be subject to the approval of unitholders at the next annual general meeting of unitholders and at every third annual general meeting of the unitholders thereafter.

The positions of Chairman of the Board and CEO are held by two different persons in order to maintain an effective segregation of duties. The Chairman of the Board is Dr. Chiu Kwok Hung, Justin who is a Non-executive Director. He is responsible for the overall leadership of the Board and the REIT Manager. The CEO is Ms. Wong Lai Hung, Mavis who is an Executive Director and a Responsible Officer of the REIT Manager. She has overall responsibility for the day-to-day operations of the REIT Manager and supervises the REIT Manager's management team to ensure that Prosperity REIT is operated in accordance with the stated strategy, policies and regulations.

During the Reporting Year, the Board reviewed and monitored Prosperity REIT's policies and practices on corporate governance and on compliance with the applicable legal and regulatory requirements, the compliance of the Compliance Manual, including the Board Composition and Diversity Policy as well as its implementation and effectiveness, and any other code of conduct applicable to Directors and employees of the REIT Manager, and Prosperity REIT's compliance with the applicable corporate governance practices and disclosure requirements under the REIT Code and the applicable Listing Rules.

## Corporate Governance

Four full Board meetings of the REIT Manager were held during the Reporting Year and the attendance record of the Board meetings is as follows:

| Members of the Board   | Attendance               |
|--|--------------------------|
| <i>Chairman and Non-executive Director</i><br>Dr. Chiu Kwok Hung, Justin   | 4/4                      |
| <i>CEO and Executive Director</i><br>Ms. Wong Lai Hung, Mavis  | 4/4                      |
| <i>Non-executive Directors</i><br>Mr. Lim Hwee Chiang <sup>(1)</sup><br>Mr. Ma Lai Chee, Gerald<br>Mr. Shen Jinchu <sup>(2)</sup>                                      | 1/2<br>4/4<br>2/2        |
| <i>Independent Non-executive Directors</i><br>Dr. Lan Hong Tsung, David<br>Mrs. Sng Sow-Mei (alias Poon Sow Mei)<br>Mr. Wong Kwai Lam<br>Ms. Ng Shieu Yeing, Christina | 4/4<br>4/4<br>4/4<br>4/4 |

(1) Mr. Lim Hwee Chiang resigned and ceased to be a Non-executive Director of the REIT Manager with effect from 28 May 2025.

(2) Mr. Shen Jinchu was appointed as a Non-executive Director of the REIT Manager with effect from 28 May 2025.

Apart from full Board meetings, the Chairman also held one meeting with the INEDs during the Reporting Year. An independent board committee meeting was held during the Reporting Year for discussion of the continuing connected party transactions for unitholders' approval. The REIT Manager believes that contributions from each Director go beyond his/her attendances at Board and Board committee meetings. All Directors (including INEDs) are entitled to independent professional advice for them to discharge their duties and responsibilities upon reasonable request, at the REIT Manager's expense. During the Reporting Year, all Directors (including INEDs) have been given the opportunity to consider and discuss in the Board meetings, in order to give impartial advice and exercise independent judgement.

Pursuant to the corporate governance policy adopted by the REIT Manager, the INEDs must fulfill the independence criteria set out in the Compliance Manual. The REIT Manager has received written annual confirmation from each INED of his/her independence pursuant to the "Criteria for Independence of INEDs" set out in the Compliance Manual. Such confirmations were tabled to the Nomination Committee and the Board for their respective review and consideration.

Notwithstanding the length of service for more than nine years of certain INEDs, the Nomination Committee is of the view, and the Board agrees, that such length of service will not diminish the independence of those INEDs as they actively participate in the deliberations in meetings of the Board and the Board committees of which they are serving as chairman/member, continually keep abreast of current trends and issues relevant to the listed company and REIT industry and refresh their skills and knowledge through ongoing training. They continue to place great importance on the REIT Manager observing high standards of corporate governance, and express in-depth knowledge and impartial views on the strategy, business, operations, performance and risk management of the REIT Manager and Prosperity REIT, as well as providing invaluable contribution to the Board. They demonstrate complete independence in character and judgment both as Board members and in their designated roles.

In view of the aforementioned factors, all Directors (including INEDs) contribute objective advice and independent guidance to the Board and the management team of the REIT Manager, and possess the required integrity, independence, experience and expertise.

## Corporate Governance

### APPOINTMENT AND REMOVAL OF DIRECTORS

The appointment and removal of Directors is a matter for the Board and the shareholders of the REIT Manager to determine in accordance with the Compliance Manual and the articles of association of the REIT Manager. As the REIT Manager is licensed by the SFC under Part V of the SFO, the appointment of an Executive Director who is or is to be appointed as a Responsible Officer requires the prior approval of the SFC.

In considering persons for appointment and re-appointment as Directors, the Nomination Committee and the Board will take into consideration a number of matters in assessing whether such persons are fit and proper to be a Director, with due regard to the Board Composition and Diversity Policy set out in the Compliance Manual.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are well aware of their responsibilities as a director of the REIT Manager and the conduct, business activities and development of Prosperity REIT. They are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. In-house briefings for Directors are arranged by the REIT Manager where appropriate. The management team of the REIT Manager is required to provide timely reports regarding the business operations and performance of Prosperity REIT, market research analysis and the relevant latest government policies to the Board. Directors are also encouraged to participate in appropriate continuous professional development programmes or the relevant training courses organized by professional institutions or conducted by qualified professionals or legal counsels to develop and refresh their knowledge and skills. In addition, they also enriched and updated their knowledge by reading materials relevant to directors' duties and responsibilities. Directors have provided the REIT Manager with their records of continuous professional development programmes during the Reporting Year.

During the Reporting Year, training session was given to Directors on the amendments to the Corporate Governance Code. Besides, the external auditor of Prosperity REIT has given briefings on updates of accounting standards and principles to the members of the Audit Committee.

Records of Directors' continuous professional development programmes during the Reporting Year are as follows:

| Members of the Board   | Trainings Attended <sup>(Note 1)</sup> |
|--|--|
| <i>Chairman and Non-executive Director</i><br>Dr. Chiu Kwok Hung, Justin   | ✓                                      |
| <i>CEO and Executive Director</i><br>Ms. Wong Lai Hung, Mavis  | ✓                                      |
| <i>Non-executive Directors</i><br>Mr. Lim Hwee Chiang <sup>(Note 2)</sup><br>Mr. Ma Lai Chee, Gerald<br>Mr. Shen Jinchu <sup>(Note 3)</sup>                            | ✓<br>✓<br>✓                            |
| <i>Independent Non-executive Directors</i><br>Dr. Lan Hong Tsung, David<br>Mrs. Sng Sow-Mei (alias Poon Sow Mei)<br>Mr. Wong Kwai Lam<br>Ms. Ng Shieu Yeing, Christina | ✓<br>✓<br>✓<br>✓                       |

Notes:

1. Trainings include, but not limited to, attending training sessions, briefings, seminars, conferences and workshops; and reading relevant news alerts, newspapers, journals, magazines and relevant publications.
2. Mr. Lim Hwee Chiang resigned and ceased to be a Non-executive Director of the REIT Manager with effect from 28 May 2025.
3. Mr. Shen Jinchu was appointed as a Non-executive Director of the REIT Manager with effect from 28 May 2025.

## Corporate Governance

### RISK MANAGEMENT AND INTERNAL CONTROLS

The REIT Manager acknowledges its responsibility for the risk management and internal control systems, which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The REIT Manager has an internal audit function in place to provide an independent assessment of the REIT Manager's risk management and internal control systems and operational functions, and review of their effectiveness. The Internal Auditor prepares an audit plan using a risk based methodology in consultation with, but independent of, the management for review by the Audit Committee. The audit review focuses on operational and compliance controls of Prosperity REIT and effective implementation of the risk management and internal control systems, and also compliance procedures. Besides, the REIT Manager had adopted the Information Disclosure Controls and Policy in the Compliance Manual which set out the controls and policies in handling and dissemination of inside information (as defined in the SFO).

The Board, through the Audit Committee, conducts reviews on half-yearly basis on the effectiveness of risk management and internal control systems of Prosperity REIT, which cover all material controls including financial, operational and compliance controls, risk management functions, the adequacy of resources, qualifications and experience, and training programmes of the REIT Managers' staff who carry out Prosperity REIT's accounting, internal audit and financial reporting functions, as well as those relating to the ESG performance and reporting.

The Board is of the view that effective risk management and internal control systems are in place.

### AUDIT COMMITTEE

The REIT Manager has established an Audit Committee to assist the Board in reviewing the completeness, accuracy, clarity and fairness of Prosperity REIT's financial statements, recommending for the appointment and reviewing the relationship with the external auditor of Prosperity REIT periodically, as well as reviewing the effectiveness of financial reporting system, risk management (including ESG risks) and internal control systems and the internal audit function.

The Audit Committee's responsibilities also include:

- (1) reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- (2) monitoring the procedures in place to ensure compliance with the applicable legislation, the REIT Code and the applicable Listing Rules;
- (3) reviewing all financial statements and all internal audit reports; and
- (4) monitoring the procedures established to regulate connected party transactions, including ensuring compliance with the provisions of the REIT Code relating to transactions between Prosperity REIT and a connected person (as defined in the REIT Code).

The Audit Committee is appointed by the Board and as at 31 December 2025, it comprised four INEDs, namely, Dr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei), Mr. Wong Kwai Lam and Ms. Ng Shieu Yeing, Christina. Dr. Lan Hong Tsung, David is the chairman of the Audit Committee.

## Corporate Governance

The Audit Committee meets on a half yearly basis and otherwise on an as-needed basis. The Audit Committee held two meetings during the Reporting Year for considering and reviewing, among others, the 2024 final results, 2025 interim results and other internal controls, risk management and compliance matters of Prosperity REIT. The attendance record of the Audit Committee meetings is as follows:

| Members of the Audit Committee        | Attendance |
|---------------------------------------|------------|
| Dr. Lan Hong Tsung, David             | 2/2        |
| Mrs. Sng Sow-Mei (alias Poon Sow Mei) | 2/2        |
| Mr. Wong Kwai Lam                     | 2/2        |
| Ms. Ng Shieu Yeing, Christina         | 2/2        |

The external auditor of Prosperity REIT attended both Audit Committee meetings to report any major audit issues and findings, and provide its opinion on the accounting issues to the Audit Committee. The Audit Committee also met with the external auditor without presence of the management team of the REIT Manager once during the Reporting Year.

Pursuant to the waiver from strict compliance with the requirement under Clause 9.13(b) of the REIT Code granted by the SFC, the Audit Committee confirms that the public relations-related expenses are incurred in accordance with the internal control procedures of the REIT Manager and the nature of the same are incurred solely for the purposes as set out in Clauses 4.5.6 and 4.5.13 of the Trust Deed.

### DISCLOSURES COMMITTEE

The REIT Manager has established a Disclosures Committee to assist the Board in reviewing matters relating to the disclosure of information to unitholders and public announcements. The Disclosures Committee also works with the management team of the REIT Manager to ensure the disclosure of information is accurate and complete.

The Disclosures Committee's responsibilities also include:

- (1) reviewing and recommending to the Board on matters of corporate disclosure issues and announcements regarding (without limitation) financial reporting, connected party transactions, and potential areas of conflicts of interest;
- (2) overseeing compliance with the applicable legal requirements and the continuity, accuracy, clarity, completeness and currency of information disseminated by or on behalf of Prosperity REIT to the public and the applicable regulatory agencies; and
- (3) reviewing and approving all material information of Prosperity REIT prior to such information being disseminated to the public or filed with the regulatory agencies, as applicable.

The Disclosures Committee is appointed by the Board and presently comprises three members, namely, Dr. Chiu Kwok Hung, Justin, Chairman and a Non-executive Director, Ms. Wong Lai Hung, Mavis, CEO and an Executive Director, and Dr. Lan Hong Tsung, David, an INED. Ms. Wong Lai Hung, Mavis is the chairman of the Disclosures Committee.

## Corporate Governance

The Disclosures Committee meets on a half yearly basis and otherwise on an as-needed basis. The Disclosures Committee held two meetings during the Reporting Year for considering and reviewing, among others, the 2024 final results announcement and 2025 interim results announcement, the 2024 annual report and 2025 interim report of Prosperity REIT, and other corporate disclosure issues of Prosperity REIT. The Disclosures Committee also reviewed all public announcements issued by Prosperity REIT throughout the Reporting Year. The attendance record of the Disclosures Committee meetings is as follows:

| Members of the Disclosures Committee | Attendance |
|--------------------------------------|------------|
| Dr. Chiu Kwok Hung, Justin           | 2/2        |
| Ms. Wong Lai Hung, Mavis             | 2/2        |
| Dr. Lan Hong Tsung, David            | 2/2        |

### DESIGNATED (FINANCE) COMMITTEE

The REIT Manager has established a Designated (Finance) Committee to assist the Board in reviewing matters relating to financing and re-financing arrangements, hedging strategies, transactions involving derivative instruments for hedging purposes, and capital management in the form of units buy-back.

The Designated (Finance) Committee is appointed by the Board and presently comprises four members, namely, Ms. Wong Lai Hung, Mavis, CEO and an Executive Director, Mr. Ma Lai Chee, Gerald, a Non-executive Director, Dr. Lan Hong Tsung, David and Mr. Wong Kwai Lam, INEDs. Ms. Wong Lai Hung, Mavis is the convener of the Designated (Finance) Committee.

The meetings of the Designated (Finance) Committee are convened as and when necessary. Although no physical meeting of the Designated (Finance) Committee was held during the Reporting Year, the Designated (Finance) Committee considered, set parameters and resolved the entering into interest rate swaps and hedging arrangements by way of circulating written resolutions.

### NOMINATION COMMITTEE

The REIT Manager has established a Nomination Committee to assist the Board in reviewing the Board structure, size and composition, and assessing the independence of INEDs, to make recommendations on any proposed changes to the Board, as well as the appointment and re-appointment of Directors and succession planning. The Nomination Committee's responsibilities also include reviewing, monitoring and making recommendation on the Board Composition and Diversity Policy.

The Nomination Committee is appointed by the Board and presently comprises four members, namely, Dr. Chiu Kwok Hung, Justin, Chairman and a Non-executive Director, Dr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Wong Kwai Lam, INEDs. Mr. Wong Kwai Lam is the chairman of the Nomination Committee.

## Corporate Governance

The Nomination Committee meets on an annual basis and otherwise on an as-needed basis. The Nomination Committee held one meeting during the Reporting Year and with circulating written resolutions, the Nomination Committee reviewed the Board structure and composition, reviewed the Board Composition and Diversity Policy, assessed the independence of INEDs, and considered and recommended for the re-appointment of Directors. The attendance record of the Nomination Committee meetings is as follows:

| Members of the Nomination Committee   | Attendance |
|---------------------------------------|------------|
| Dr. Chiu Kwok Hung, Justin            | 1/1        |
| Dr. Lan Hong Tsung, David             | 1/1        |
| Mrs. Sng Sow-Mei (alias Poon Sow Mei) | 1/1        |
| Mr. Wong Kwai Lam                     | 1/1        |

### MANAGEMENT OF BUSINESS RISK

The Board meets quarterly or more often if necessary and reviews the financial performance of Prosperity REIT against a previously approved budget. The Board also reviews any risks to the assets of Prosperity REIT, examines liability management and acts upon any comments from the auditor of Prosperity REIT.

The REIT Manager has appointed experienced and well-qualified management team to handle the day-to-day operations of the REIT Manager and Prosperity REIT. The management team provides the Board with monthly updates giving a balanced and understandable assessment of Prosperity REIT's performance and current financial position. In assessing business risk, the Board considers the economic environment and the property industry risk. It reviews management reports and feasibility studies on individual development project prior to approving any major transactions.

### CONFLICTS OF INTEREST

The REIT Manager has instituted the following procedures to deal with conflicts of interest issues:

- (1) The REIT Manager is a dedicated manager to Prosperity REIT and does not manage any other real estate investment trust or involve in any other real property business.
- (2) All connected party transactions are managed in accordance with the procedures set out in the Compliance Manual.
- (3) At least one-third of the Board shall comprise INEDs.

In addition, Directors are requested to give general notice to the REIT Manager stating his/her interests in transactions, arrangements or contracts of any description which may subsequently be made by the REIT Manager pursuant to sections 536 to 542 under Part 11 – Division 5 of the Companies Ordinance (Cap. 622) and the articles of association of the REIT Manager.

### REMUNERATION MATTERS

The remuneration of Directors and staff of the REIT Manager is paid by the REIT Manager, and not by Prosperity REIT. The REIT Manager adopts the remuneration policies and practices of its holding company, which has established a remuneration committee that determines the policy and structure for remuneration of the senior management of the REIT Manager. Since Prosperity REIT does not bear the remuneration of the REIT Manager's Board and staff, the REIT Manager does not consider it applicable to include the information about the remuneration of its Directors and its key executives in this report.

## Corporate Governance

### COMMUNICATION WITH UNITHOLDERS AND INVESTORS

The REIT Manager considers that effective communication with unitholders is essential for enhancing investor relations and investor understanding of Prosperity REIT's business performance and strategies. The REIT Manager also recognizes the importance of transparency and timely disclosure of corporate information, which will enable unitholders and investors to make the best investment decisions.

Prosperity REIT has put in place a Stakeholder Engagement Policy, which identifies the objectives in engaging different stakeholders (including unitholders) for better response to their concerns. Prosperity REIT engages with unitholders through the following channels:

- (1) Robust combination of face-to-face, written and broadcast communications, including general meetings and seminars, results briefings, corporate website, investor conferences/meetings, property tours
- (2) Regular unitholder reports (such as interim reports and annual reports) and sustainability reports
- (3) Newsletters

During the Reporting Year, the Stakeholder Engagement Policy and its implementation and effectiveness have been reviewed to ensure an effective communication with our stakeholders.

The general meetings of Prosperity REIT provide a forum for direct communication between the Board and the unitholders. Under the Trust Deed, the Trustee or the REIT Manager may respectively (and the REIT Manager shall at the request in writing of not less than two unitholders registered as together holding not less than 10% of the units for the time being in issue and outstanding) at any time convene a meeting of unitholders at such time and place in Hong Kong as the party convening the meeting may think fit and propose resolutions for consideration at such meeting.

The 2025 Annual General Meeting ("AGM") was held on 28 May 2025 and the notice of AGM was sent to unitholders at least 20 clear business days before the AGM. The attendance record of the AGM is as follows:

| Members of the Board   | Attendance               |
|--|--------------------------|
| <i>Chairman and Non-executive Director</i><br>Dr. Chiu Kwok Hung, Justin   | 1/1                      |
| <i>CEO and Executive Director</i><br>Ms. Wong Lai Hung, Mavis  | 1/1                      |
| <i>Non-executive Directors</i><br>Mr. Lim Hwee Chiang <sup>(1)</sup><br>Mr. Ma Lai Chee, Gerald  | 0/1<br>1/1               |
| <i>Independent Non-executive Directors</i><br>Dr. Lan Hong Tsung, David<br>Mrs. Sng Sow-Mei (alias Poon Sow Mei)<br>Mr. Wong Kwai Lam<br>Ms. Ng Shieu Yeing, Christina | 1/1<br>1/1<br>1/1<br>1/1 |

(1) Mr. Lim Hwee Chiang resigned and ceased to be a Non-executive Director of the REIT Manager with effect from 28 May 2025.

## Corporate Governance

The Chairman of the Board and chairmen of the respective Board committees, as well as the external auditor of Prosperity REIT had attended the AGM and were available to answer questions from unitholders.

Prosperity REIT maintains a website at [www.prosperityreit.com](http://www.prosperityreit.com) where updated information on Prosperity REIT's business operations and developments, financial information and other information are posted. The REIT Manager has been actively participating in regular press conferences and meetings with investors and analysts in order to update the interested parties on the performance of Prosperity REIT. The REIT Manager values suggestions from unitholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions are welcome and they can be sent to the REIT Manager by mail, phone or email according to the information set out in the Corporate Information section.

### REPORTING AND TRANSPARENCY

Prosperity REIT prepares its accounts in accordance with the generally accepted accounting principles in Hong Kong with a financial year-end of 31 December and a financial half-year of 30 June. In accordance with the REIT Code, the 2024 annual report and 2025 interim report of Prosperity REIT are published and sent to unitholders within four months of the end of the financial year and within three months of the end of the financial half-year respectively.

As required by the REIT Code, the REIT Manager will ensure that public announcements of material information and developments with respect to Prosperity REIT will be made on a timely basis in order to keep unitholders apprised of the position of Prosperity REIT. Announcements will be made by publishing them on the website of Hong Kong Exchanges and Clearing Limited (the "HKEx") and the website of Prosperity REIT.

### DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of a true and fair presentation of the financial statements for the year ended 31 December 2025. They are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the ability of Prosperity REIT to continue as a going concern.

The statement of the auditor of Prosperity REIT about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

### ISSUES OF FURTHER UNITS POST-LISTING

To minimize the possible material dilution of holdings of unitholders, any further issue of units will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of units be first offered on a pro rata pre-emptive basis to existing unitholders except that units may be issued: (i) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% of the number of units in issue at the end of the previous financial year; and (ii) free of pre-emption rights in other circumstances provided that the approval of unitholders by way of an ordinary resolution is obtained.

### CODE GOVERNING DEALINGS IN UNITS BY DIRECTORS OR THE REIT MANAGER AND INTERESTS OF THE SUBSTANTIAL UNITHOLDERS

The REIT Manager has adopted a code governing dealings in the securities of Prosperity REIT by the Directors or the REIT Manager (collectively, the "Management Persons") (the "Units Dealing Code"), on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules. The Units Dealing Code has been extended to apply to the executive officers of the REIT Manager.

## Corporate Governance

Pursuant to the Units Dealing Code, Management Persons wishing to deal in any securities of Prosperity REIT must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to market misconduct and insider dealing, as if the SFO applies to the securities of Prosperity REIT. In addition, Management Persons must not make any unauthorized disclosure of confidential information or make any use of such information for the advantage of himself, itself or others. Management Persons who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules or connected party transactions under the REIT Code or any inside information (as defined in the SFO) must refrain from dealing in the securities of Prosperity REIT as soon as they become aware of them or privy to them until the information has been announced. Management Persons who are privy to relevant negotiations or agreements or any inside information should caution those Management Persons who are not so privy that there may be inside information and that they must not deal in the securities of Prosperity REIT for a similar period.

Pursuant to the Units Dealing Code, Management Persons must not deal in any securities of Prosperity REIT on any day on which Prosperity REIT's financial results are published and:

- (1) during a period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (2) during a period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-yearly results or, if shorter, the period from the end of the relevant quarter or half-year period up to the publication date of the results;

unless the circumstances are exceptional, for example, the exceptional circumstances as described in the Compliance Manual. The Management Persons must comply with the procedures set out in the Units Dealing Code.

Specific enquiry has been made with the Management Persons and the executive officers of the REIT Manager, who confirmed that they have complied with the required standard set out in the Units Dealing Code.

The REIT Manager has also adopted procedures for monitoring disclosure of interests by the REIT Manager, the Directors and the chief executive of the REIT Manager. The provisions of Part XV of the SFO shall be deemed to apply to the REIT Manager, the Directors, the chief executive of the REIT Manager and each unitholder and all persons claiming through or under him/her.

The Trust Deed contains provisions to deem the application of Part XV of the SFO. Accordingly, unitholders with a holding of 5% or more of the units in issue have a notifiable interest and will be required to notify the HKEx and the REIT Manager of their holdings in Prosperity REIT. The REIT Manager shall then send copies of such notifications received by it to the Trustee. The REIT Manager keeps a register for the purposes of maintaining disclosure of interests in units of Prosperity REIT, which is available for inspection by the Trustee and any unitholder at any time during business hours upon reasonable notice to the REIT Manager.

## Corporate Governance

### MATTERS TO BE DECIDED BY UNITHOLDERS BY SPECIAL RESOLUTION

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of unitholders by way of special resolution. Such matters include: (i) change in the REIT Manager's investment policies for Prosperity REIT; (ii) disposal of any land or an interest, option or right over any of the land forming part of the assets of Prosperity REIT or shares in any special purpose vehicles holding such land, option or right over any of the land for Prosperity REIT within two years of acquisition of such land; (iii) any increase in the rate above the permitted limit or change in structure of the REIT Manager's management fees; (iv) any increase in the rate above the permitted limit or change in structure of the Trustee's fees; (v) certain modifications of the Trust Deed; (vi) termination of Prosperity REIT; and (vii) merger of Prosperity REIT. The unitholders may also, by way of special resolution (i) remove Prosperity REIT's auditor and appoint other auditor or (ii) remove the Trustee or the REIT Manager. The quorum for passing a special resolution is two or more unitholders present in person or by proxy registered as holding together not less than 25% of the units of Prosperity REIT in issue.

### CHANGE OF DIRECTOR'S INFORMATION

Subsequent to publication of the 2025 Interim Report of Prosperity REIT, the REIT Manager received notification regarding the following change of Director's information:

- (1) Dr. Chiu Kwok Hung, Justin was appointed as the Chairman of the School of Continuing Education – College of International Education Advisory Committee of Hong Kong Baptist University with effect from 1 September 2025 to 31 August 2027.
- (2) Mr. Shen Jinchu ceased to be a Non-executive Director of ESR Trust Management (Suntec) Limited with effect from 31 December 2025.
- (3) Dr. Lan Hong Tsung, David retired from Senior Consultant of Nanyang Commercial Bank (China) Limited with effect from 5 January 2026.

### REVIEW OF ANNUAL REPORT

The annual report of Prosperity REIT for the Reporting Year has been reviewed by the Audit Committee and the Disclosures Committee.

### PUBLIC FLOAT OF THE UNITS

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

## Connected Party Transactions

Set out below is the information in respect of the connected party transactions involving Prosperity REIT and its connected persons as defined in paragraph 8.1 of the REIT Code during the Reporting Year:

### CONNECTED PARTY TRANSACTIONS – INCOME

The following table sets forth information on all the connected party transactions from which Prosperity REIT derived its income during the Reporting Year:

| Name of Connected Person <sup>1</sup> | Relationship with Prosperity REIT               | Nature of the Connected Party Transaction           | Rental and charge out collection (excluding rental deposit, if applicable) for the year ended 31 December 2025<br>HK\$ | Rental deposit received as at 31 December 2025<br>HK\$ |
|---------------------------------------|---|---|--|--|
| E-Park Parking Management Limited     | Subsidiary of a substantial holder <sup>1</sup> | Tenancy of property of Prosperity REIT <sup>2</sup> | 578,227  | 162,317  |
| Goodwell Property Management Limited  | Subsidiary of a substantial holder <sup>1</sup> | Tenancy of property of Prosperity REIT <sup>3</sup> | 2,124,540  | 582,195  |
| <b>Total</b>                          |   |   | <b>2,702,767</b>   | <b>744,512</b>   |

Notes:

1. Substantial holder being CK Asset Holdings Limited ("CK Asset").
2. For Unit 2805, Prosperity Place.
3. For Whole of 2/F, Units 302-3 and 306-7, New Treasure Centre.

### CONNECTED PARTY TRANSACTIONS – BUILDING MANAGEMENT SERVICES

The following table sets forth information in relation to building management services provided by the connected persons for the properties of Prosperity REIT during the Reporting Year:

| Name of Connected Person                          | Relationship with Prosperity REIT               | Nature of the Connected Party Transaction | Payment received/receivable for the year ended 31 December 2025<br>HK\$ |
|---|---|---|---|
| Goodwell Property Management Limited <sup>1</sup> | Subsidiary of a substantial holder <sup>3</sup> | Remuneration of DMC Manager               | 701,086   |
| Goodwell Property Management Limited <sup>2</sup> | Subsidiary of a substantial holder <sup>3</sup> | Remuneration of Carpark Manager           | 63,699  |
| Citybase Property Management Limited <sup>2</sup> | Subsidiary of a substantial holder <sup>3</sup> | Remuneration of Carpark Manager           | 46,754  |
| <b>Total</b>                                      |   |   | <b>811,539</b>  |

Notes:

1. It is the manager appointed under the respective deeds of mutual covenant of the properties of Prosperity REIT (the "DMC Manager").
2. They are the carpark managers of certain properties of Prosperity REIT (the "Carpark Manager") as delegated by Goodwell-Prosperity Property Services Limited, the property manager of Prosperity REIT pursuant to a property management agreement dated 29 November 2005, as modified, amended and/or extended from time to time.
3. Substantial holder being CK Asset.

## Connected Party Transactions

### CONNECTED PARTY TRANSACTIONS – EXPENSES

The following table sets forth information on all the connected party transactions in which Prosperity REIT incurred its expenses (other than the building management fees and other charges of the building accounts mentioned above) during the Reporting Year:

| Name of Connected Person                      | Relationship with Prosperity REIT               | Nature of the Connected Party Transaction    | Expenses for the year ended 31 December 2025<br>HK\$ |
|---|---|--|--|
| Goodwell-Prosperity Property Services Limited | Subsidiary of a substantial holder <sup>2</sup> | Property management and lease management fee | 9,123,853  |
| Goodwell-Prosperity Property Services Limited | Subsidiary of a substantial holder <sup>2</sup> | Marketing service fee                        | 10,842,990   |
| E-Park Parking Management Limited             | Subsidiary of a substantial holder <sup>2</sup> | Carpark lease agency fee                     | 3,210,369  |
| CK Asset Companies <sup>1</sup>               | Subsidiary of a substantial holder <sup>2</sup> | Back-office support service fee              | 17,143   |
| <b>Total</b>                                  |   |  | <b>23,194,355</b>                                    |

Notes:

1. CK Asset Companies include Harbour Plaza Metropolis Limited and Hutchison Hotel Hong Kong Limited.
2. Substantial holder being CK Asset.

### CONNECTED PARTY TRANSACTION WITH HSBC GROUP\* FOR BANK DEPOSITS

Prosperity REIT has engaged The Hongkong and Shanghai Banking Corporation Limited, the holding company of the Trustee, to provide ordinary banking and financial services (namely, bank deposits and interest earned therefrom) within the Reporting Year.

\* HSBC Group means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries (being the subsidiaries of the Trustee but excluding those subsidiaries formed in its capacity as the trustee of Prosperity REIT).

### OTHER CONNECTED PARTY TRANSACTIONS

The following companies had provided carpark management services and property management services to Prosperity REIT during the Reporting Year and hence amounts due from Prosperity REIT as at 31 December 2025 were as follows:

| Name of Connected Person                      | Amount payable<br>HK\$ |
|---|------------------------|
| Goodwell-Prosperity Property Services Limited | 4,035,484              |
| Goodwell Property Management Limited          | 2,078,357              |
| E-Park Parking Management Limited             | 547,081                |
| Citybase Property Management Limited          | 183,156                |
| <b>Total</b>                                  | <b>6,844,078</b>       |

## Connected Party Transactions

### OTHER TRANSACTIONS

The following table sets forth information in relation to services provided by the REIT Manager, the Trustee to Prosperity REIT during the Reporting Year:

| Name of Connected Person                         | Relationship with Prosperity REIT | Nature of the Connected Party Transaction | Expenses for the year ended 31 December 2025<br>HK\$ |
|--|-----------------------------------|---|--|
| ESR Asset Management (Prosperity) Limited        | REIT Manager                      | Base fee and variable fees                | 46,619,652   |
| HSBC Institutional Trust Services (Asia) Limited | Trustee                           | Trustee fee                               | 2,826,410  |
| <b>Total</b>                                     |                                   |   | <b>49,446,062</b>                                    |

### CONFIRMATION BY THE INEDS

The INEDs confirm that they have reviewed the terms of all relevant connected party transactions including those connected party transactions with the HSBC Group and that they are satisfied that these transactions have been entered into:

- (a) in the ordinary and usual course of business of Prosperity REIT;
- (b) on normal commercial terms; and
- (c) in accordance with the relevant agreement on terms that are fair and reasonable and in the interests of Prosperity REIT and the unitholders of Prosperity REIT as a whole.

### CONFIRMATION BY THE AUDITOR OF PROSPERITY REIT

Messrs. Deloitte Touche Tohmatsu, auditor of Prosperity REIT, was engaged to report on Prosperity REIT and its subsidiaries' continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions on leasing/licensing transactions, property management arrangements, third party services and other operational transactions and transactions involving ordinary banking and financial services disclosed by Prosperity REIT and its subsidiaries from pages 67 to 69 of the Annual Report in accordance with Chapter 14A of the Listing Rules (modified as appropriate pursuant to paragraph 2.26 of the REIT Code). A copy of auditor's letter has been provided by Prosperity REIT to the SFC.

### CONFIRMATION BY THE REIT MANAGER AND THE TRUSTEE OF CORPORATE FINANCE TRANSACTION WITH THE HSBC GROUP

Both the REIT Manager and the Trustee confirm that there was no corporate finance transaction and other connected party transaction (save and except for those disclosed hereinabove) with the HSBC Group during the Reporting Year.

## Connected Party Transactions

### 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.

### HOLDING OF CONNECTED PERSONS IN THE UNITS OF PROSPERITY REIT

The following persons, being connected persons (as defined under the REIT Code) of Prosperity REIT, held units of Prosperity REIT:

| Name   | As at 31 December 2025 |   | As at<br>31 December 2024 |
|--|------------------------|---|---------------------------|
|  | Number of Units        | Percentage of Unitholdings <sup>6</sup> | Number of Units           |
| Total Win Group Limited <sup>1</sup>                   | 176,328,129            | 11.15%                                  | 176,328,129               |
| Wide Option Investments Limited <sup>1</sup>           | 98,883,559             | 6.25%                                   | 98,883,559                |
| HKSCC Nominees Limited <sup>2</sup>                    | 1,194,082,455          | 75.50%                                  | 1,156,699,898             |
| HSBC <sup>3</sup>                                      | 393,250                | 0.02%                                   | 859,250                   |
| ESR Asset Management (Prosperity) Limited <sup>4</sup> | 111,229,884            | 7.03%                                   | 81,780,022                |
| Lan Hong Tsung, David <sup>5</sup>                     | 1,250,000              | 0.08%                                   | 1,250,000                 |

Notes:

- Total Win Group Limited ("Total Win") was a connected person of Prosperity REIT as it was a substantial holder (as defined under the REIT Code) of Prosperity REIT as at 31 December 2025. Total Win was an indirect wholly-owned subsidiary of CK Asset, which was therefore deemed to hold 176,328,129 units held by Total Win as at 31 December 2025.  
  
Wide Option Investments Limited ("Wide Option") was a connected person of Prosperity REIT as it was an indirect wholly-owned subsidiary of CK Asset, which was therefore deemed to hold 98,883,559 units held by Wide Option as at 31 December 2025.  
  
Therefore, CK Asset was deemed to hold 275,211,688 units as at 31 December 2025, of which 176,328,129 units were held by Total Win and 98,883,559 units were held by Wide Option.
- HKSCC Nominees Limited was a connected person of Prosperity REIT as it was a substantial holder (as defined under the REIT Code) of Prosperity REIT as at 31 December 2025. So far as the REIT Manager is aware of, HKSCC Nominees Limited held such units as a nominee.
- HSBC Holdings plc. and other members of its group ("HSBC") were connected persons of Prosperity REIT as HSBC Institutional Trust Services (Asia) Limited, the Trustee, was an indirect subsidiary of HSBC Holdings plc. So far as the REIT Manager is aware of, the Trustee had no beneficial interest in any units as at 31 December 2025 and 31 December 2024. The Trustee's directors, chief executives and their associates had no beneficial interest in any units as at 31 December 2025 and 31 December 2024. The Trustee's associates (as defined in the REIT Code) were beneficially interested in 393,250 units as at 31 December 2025 and 859,250 units as at 31 December 2024.
- ESR Asset Management (Prosperity) Limited was a connected person of Prosperity REIT as it was the management company (as defined under the REIT Code) of Prosperity REIT as at 31 December 2025.
- Dr. Lan Hong Tsung, David was a connected person of Prosperity REIT as he was a director of the management company (as defined under the REIT Code) of Prosperity REIT as at 31 December 2025.
- The total number of issued units as at 31 December 2025 was 1,581,554,246.

Save as disclosed above, the REIT Manager is not aware of any connected persons (as defined under the REIT Code) of Prosperity REIT holding any units of Prosperity REIT as at 31 December 2025.

## Connected Party Transactions

### HOLDINGS OF THE REIT MANAGER, DIRECTORS AND CHIEF EXECUTIVE OF THE REIT MANAGER IN THE UNITS OF PROSPERITY REIT

As at 31 December 2025, the interests of the REIT Manager, Directors and chief executive of the REIT Manager in the units of Prosperity REIT as recorded in the Register of Interests maintained by the REIT Manager under clause 30.3 of the Trust Deed were as follows:

| Name                                      | Number of Units | Percentage of Unitholdings <sup>1</sup> |
|---|-----------------|---|
| ESR Asset Management (Prosperity) Limited | 111,229,884     | 7.03%                                   |
| Lan Hong Tsung, David                     | 1,250,000       | 0.08%                                   |

Note:

- The total number of issued units as at 31 December 2025 was 1,581,554,246.

Save as disclosed above, none of the Directors and chief executive of the REIT Manager had any interest in the units of Prosperity REIT as at 31 December 2025.

## Valuation Summary

A summary of the market value of each property, as at 31 December 2025, is as follows:

| Property                          | Gross Area (sq ft)<br>(approx.) | No of Car<br>Parking Spaces | Market value<br>as at<br>31 December 2025<br>(HK\$) |
|-----------------------------------|---------------------------------|-----------------------------|---|
| 1. The Metropolis Tower           | 271,418                         | 98                          | 2,534,000,000                                       |
| 2. Prosperity Millennia Plaza     | 217,955                         | 43                          | 1,874,000,000                                       |
| 3. 9 Chong Yip Street             | 136,595                         | 68                          | 860,000,000   |
| 4. Prosperity Place               | 240,000                         | 83                          | 1,684,000,000                                       |
| 5. Trendy Centre                  | 173,764                         | 79                          | 1,079,000,000                                       |
| 6. Portion of Prosperity Center   | 149,253                         | 105                         | 834,000,000   |
| 7. Portion of New Treasure Centre | 86,168                          | 22                          | 348,000,000   |
| <b>Total</b>                      | <b>1,275,153</b>                | <b>498</b>                  | <b>9,213,000,000</b>                                |

The adopted capitalisation rates in the valuation range from 3.7% to 4.3%.

The full valuation report is available for inspection at the registered office of Prosperity REIT subject to prior appointment.

## Valuation Summary

| Property   | Description and tenure  | Particulars of occupancy   | Market value in existing state as at 31 December 2025                                 |
|--|---|--|---|
| 1. The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong | The Metropolis Tower is a 15-storey office building comprising 11th to 28th Floors (13th, 14th and 24th floor numbers are omitted) built over a multi-storey retail/carparking podium on a site with a registered site area of approximately 50,058 sq m (538,824 sq ft). The building was completed in 2001.       | The office portion of the property was let under various tenancies for various terms with the latest lease due to expire in November 2028, yielding a total monthly rental income of approximately HK\$7,292,000, exclusive of Government Rates, Government Rent, management fees and utility charges.     | HK\$2,534,000,000<br>(Hong Kong Dollars Two Billion Five Hundred Thirty Four Million) |
| 24734/247769 shares of and in Kowloon Inland Lot No 11077                  | The Metropolis Tower is the office portion of the comprehensive mixed-use complex, called The Metropolis. The Metropolis comprises other components including a shopping centre (Fortune Metropolis), two 18-storey residential towers (The Metropolis Residence) and a 12-storey hotel (Harbour Plaza Metropolis). | The occupancy rate of the property (excluding the carparking spaces) was approximately 97.6% as at the Valuation Date.<br><br>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$337,000 during the period January 2025 to December 2025. | Estimated net property yield was approximately 3.6%.                                  |
|  | The Metropolis Tower comprises the entire office units from the 11th to 28th Floors with a total gross area of approximately 25,215 sq m (271,418 sq ft). The total saleable area is approximately 18,833 sq m (202,717 sq ft).   |  |   |
|  | The property also comprises 98 carparking spaces within the retail/carparking podium of the development.  |  |   |
|  | Kowloon Inland Lot No 11077 is held under Conditions of Grant No 12444 for a term from 14 February 1997 to 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.  |  |   |

## Valuation Summary

| Property   | Description and tenure  | Particulars of occupancy   | Market value in existing state as at 31 December 2025   |
|--|---|--|---|
| 2. Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong<br><br>3741/10000 shares of and in Inland Lot No 8885 | <p>Prosperity Millennia Plaza is a 32-storey office building (including 3 mechanical floors and a refuge floor) together with a 2-level basement carport. It is erected on portion of a site with a registered site area of approximately 3,404 sq m (36,641 sq ft). The building was completed in 1999.</p> <p>The 2-level basement of the property is for carparking and ancillary purposes. The 1st Floor (Ground Floor is omitted from floor numbering) is used for lobby and circulation purposes whereas the remaining upper floors from the 2nd to 32nd Floors (4th, 13th, 14th and 24th floor numbers are omitted) are for office uses.</p> <p>The property comprises the entire office units with a total gross area of approximately 20,249 sq m (217,955 sq ft). The total saleable area is approximately 14,551 sq m (156,630 sq ft).</p> <p>The property also consists of 43 carparking spaces within the 2-level basement.</p> <p>Inland Lot No 8885 is held under Conditions of Exchange No 12374 for a term from 24 January 1996 to 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The office portion of the property was let under various tenancies for various terms with the latest lease due to expire in October 2028, yielding a total monthly rental income of approximately HK\$4,674,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was approximately 89.7% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$278,000 during the period January 2025 to December 2025.</p> | <p>HK\$1,874,000,000<br/>(Hong Kong Dollars One Billion Eight Hundred Seventy Four Million)</p> <p>Estimated net property yield was approximately 3.2%.</p> |

## Valuation Summary

| Property   | Description and tenure   | Particulars of occupancy  | Market value in existing state as at 31 December 2025  |
|--|--|---|--|
| 3. 9 Chong Yip Street, Kwun Tong, Kowloon Hong Kong<br><br>Kwun Tong Inland Lot No 444 | <p>9 Chong Yip Street is a 25-storey Grade A office building with ancillary parking erected on a site with a registered site area of approximately 966 sq m (10,394 sq ft). The building was completed in 2004.</p> <p>Portion of the Ground Floor and 1st to 3rd Floors are for carparking and mechanical plant room whereas the remaining portion of the Ground Floor is used for a lobby. The upper floors from the 5th to 27th Floors (4th, 14th and 24th floor numbers are omitted) are designed for office purposes.</p> <p>The total gross area of the property (excluding parking lots) is approximately 12,690 sq m (136,595 sq ft). The total saleable area is approximately 9,230 sq m (99,349 sq ft).</p> <p>The property also consists of 64 carparking spaces, 4 loading/unloading spaces and 5 motorcycle parking spaces.</p> <p>Kwun Tong Inland Lot No 444 is held under a Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898. The lease has been extended to expire on 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The office portion of the property was let under various tenancies for various terms with the latest lease due to expire in November 2028, yielding a total monthly rental income of approximately HK\$2,286,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The property was also subject to various licenses yielding a total monthly license fee of approximately HK\$4,000.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was approximately 94.8% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$154,000 during the period January 2025 to December 2025.</p> | <p>HK\$860,000,000<br/>(Hong Kong Dollars Eight Hundred Sixty Million)</p> <p>Estimated net property yield was approximately 3.4%.</p> |

## Valuation Summary

| Property   | Description and tenure  | Particulars of occupancy   | Market value in existing state as at 31 December 2025  |
|--|---|--|--|
| 4. Prosperity Place, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong<br><br>Kwun Tong Inland Lot No 62 | <p>Prosperity Place is a 27-storey commercial building with ancillary parking and loading/unloading facilities erected on a site with a registered site area of approximately 1,858 sq m (20,000 sq ft). The building was completed in 1996.</p> <p>Prosperity Place has been granted a waiver letter in September 2012 with conversion from industrial/office uses to commercial uses under the revitalisation of industrial buildings policy by the Government.</p> <p>Ground Floor of the building is for entrance lobby, commercial and loading/unloading purposes; 1st and 2nd Floors of the building are for carparking and/or loading/unloading purposes; whereas the remaining upper floors from the 3rd to 29th Floors (4th, 14th and 24th floor numbers are omitted) are for commercial purposes.</p> <p>The property comprises the entire commercial units with a total gross area of approximately 22,297 sq m (240,000 sq ft). The total saleable area is approximately 14,754 sq m (158,813 sq ft).</p> <p>The property also comprises 83 carparking spaces.</p> <p>Kwun Tong Inland Lot No 62 is held under a Government Lease for a term of 21 years and renewable for another 21 years commencing from 1 July 1955. The lease has been extended to expire on 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The commercial portion of the property was let under various tenancies for various terms with the latest lease due to expire in January 2030, yielding a total monthly rental income of approximately HK\$4,600,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The property was also subject to various licenses yielding a total monthly license fee of approximately HK\$120,000.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was approximately 95.8% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$484,000 during the period January 2025 to December 2025.</p> | <p>HK\$1,684,000,000<br/>(Hong Kong Dollars One Billion Six Hundred Eighty Four Million)</p> <p>Estimated net property yield was approximately 3.7%.</p> |

## Valuation Summary

| Property  | Description and tenure  | Particulars of occupancy  | Market value in existing state as at 31 December 2025   |
|---|---|---|---|
| 5. Trendy Centre, 682 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong<br><br>New Kowloon Inland Lot No 6224 | <p>Trendy Centre is a 30-storey industrial/office building with ancillary parking and loading/unloading facilities erected on a site with a registered site area of approximately 1,394 sq m (15,000 sq ft). The building was completed in 1998.</p> <p>Portion of the Ground Floor and 1st to 3rd Floors are for carparking and/or loading/unloading purposes whereas the remaining portion of the Ground Floor is used for lobby and retail shops. The upper floors from the 5th to 33rd Floors (4th, 13th, 14th and 24th floor number is omitted) are designed for industrial/office purposes.</p> <p>The property comprises the entire units within the building with a total gross area of approximately 16,143 sq m (173,764 sq ft). The total saleable area is approximately 10,934 sq m (117,696 sq ft).</p> <p>The property also consists of 79 carparking spaces.</p> <p>New Kowloon Inland Lot No 6224 is held under Conditions of Exchange No 12399 for a term from 24 July 1996 to 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The industrial/office portion of the property was let under various tenancies for various terms with the latest lease due to expire in October 2028, yielding a total monthly rental income of approximately HK\$2,970,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The property was also subject to various licenses yielding a total monthly license fee of approximately HK\$4,000.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was approximately 93.3% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$397,000 during the period January 2025 to December 2025.</p> | <p>HK\$1,079,000,000<br/>(Hong Kong Dollars One Billion Seventy Nine Million)</p> <p>Estimated net property yield was approximately 3.7%.</p> |

## Valuation Summary

| Property  | Description and tenure   | Particulars of occupancy   | Market value in existing state as at 31 December 2025  |
|---|--|--|--|
| 6. Portion of Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong<br><br>12014/22510 shares of and in Kwun Tong Inland Lot No 729 | <p>The property comprises various office/workshop units and retained areas within Prosperity Center, which is a 26-storey industrial/office building with ancillary parking and loading/unloading facilities. It is erected on a site with a registered site area of approximately 1,889 sq m (20,333 sq ft). The building was completed in 1999.</p> <p>Portion of the Ground Floor, 2nd to 5th Floors of the building (1st and 4th floor numbers are omitted) are for carparking and/or loading/unloading purposes whereas the remaining portion of the Ground Floor and upper floors from the 6th to 30th Floors (13th, 14th and 24th floor numbers are omitted) are for office/workshop purposes.</p> <p>The property comprises portion of Prosperity Center with a total gross area of approximately 13,866 sq m (149,253 sq ft). The total saleable area is approximately 10,096 sq m (108,669 sq ft).</p> <p>The property also consists of 91 carparking spaces, 13 lorry parking spaces and 1 container parking space within the building.</p> <p>Kwun Tong Inland Lot No 729 is held under Conditions of Exchange No 12317 for a term from 6 August 1994 to 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The office/workshop portion of the property was let under various tenancies for various terms with the latest lease due to expire in November 2028, yielding a total monthly rental income of approximately HK\$2,306,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was approximately 94.4% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$398,000 during the period January 2025 to December 2025.</p> | <p>HK\$834,000,000<br/>(Hong Kong Dollars Eight Hundred and Thirty Four Million)</p> <p>Estimated net property yield was approximately 3.9%.</p> |

## Valuation Summary

| Property   | Description and tenure  | Particulars of occupancy  | Market value in existing state as at 31 December 2025  |
|--|---|---|--|
| 7. Portion of New Treasure Centre, 10 Ng Fong Street, San Po Kong, Kowloon, Hong Kong<br><br>11163/26198 shares of and in New Kowloon Inland Lot No 4864 | <p>The property comprises various factory units within New Treasure Centre, which is a 30-storey industrial building (including a Mezzanine Floor) with ancillary parking and loading/unloading facilities. It is erected on a site with a registered site area of approximately 1,304 sq m (14,040 sq ft). The building was completed in 1995.</p> <p>Portion of the Ground Floor and Mezzanine Floor of the building are for carparking and/or loading/unloading purposes whereas the remaining upper floors from the 1st to 31st Floors (4th, 14th and 24th floor numbers are omitted) are used for factory purposes.</p> <p>The property has a total gross area of approximately 8,005 sq m (86,168 sq ft). The total saleable area is approximately 5,948 sq m (64,021 sq ft).</p> <p>The property also consists of flat roof areas on the 1st Floor with a total area of approximately 402 sq m (4,327 sq ft) and 22 carparking spaces within the building.</p> <p>New Kowloon Inland Lot No 4864 is held under a Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898. The leases has been extended to expire on 30 June 2047. The Government rent payable is at 3% of the rateable value of the property.</p> | <p>The factory portion of the property was let under various tenancies for various terms with the latest lease due to expire in September 2028, yielding a total monthly rental income of approximately HK\$1,085,000, exclusive of Government Rates, Government Rent, management fees and utility charges.</p> <p>The occupancy rate of the property (excluding the carparking spaces) was 98.5% as at the Valuation Date.</p> <p>The carparking spaces were let on monthly and hourly basis, yielding an average monthly income of approximately HK\$194,000 during the period January 2025 to December 2025.</p> | <p>HK\$348,000,000<br/>(Hong Kong Dollars Three Hundred and Forty Eight Million)</p> <p>Estimated net property yield was approximately 4.4%.</p> |

## Report of the Trustee

We hereby confirm that, in our opinion, the manager of Prosperity Real Estate Investment Trust has, in all material respects, managed Prosperity Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 29 November 2005, as amended by the first supplemental deed dated 12 December 2005, the second supplemental deed dated 15 May 2007, the third supplemental deed dated 14 May 2008, the fourth supplemental deed dated 23 July 2010, the fifth supplemental deed dated 29 December 2011, the sixth supplemental deed dated 11 May 2018 and the first amending and restating deed dated 21 May 2021, for the financial year ended 31 December 2025.

### HSBC Institutional Trust Services (Asia) Limited

In its capacity as the trustee of Prosperity Real Estate Investment Trust  
Hong Kong

24 March 2026

## Independent Auditor's Report

### To the Unitholders of 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))*

### OPINION

We have audited the consolidated financial statements of Prosperity Real Estate Investment Trust ("Prosperity REIT") and its subsidiaries (collectively referred to as the "Group") set out on pages 85 to 124, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, distribution statement, consolidated statement of changes in net assets attributable to unitholders and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial disposition of the Group as at 31 December 2025, and of its consolidated financial transactions and consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report

### Key audit matter

### How our audit addressed the key audit matter

#### Valuation of investment properties

We identified the valuation of investment properties as a key audit matter as they represented 99% of total assets of the Group as at 31 December 2025 and significant judgement is required in determining their fair value.

As disclosed in note 11 to the consolidated financial statements, investment properties of the Group are office buildings, commercial buildings, industrial/office buildings and industrial building located in Hong Kong. The carrying amount of investment properties amounted to HK\$ 9,213 million as at 31 December 2025 and their change in fair value included in the loss for the year was HK\$349 million. In estimating the fair value of investment properties, ESR Asset Management (Prosperity) Limited (the "REIT Manager" of Prosperity REIT) engaged an independent qualified external valuer (the "Valuer") to perform the valuation and worked with the Valuer to establish inputs to the valuation.

As further disclosed in note 11 to the consolidated financial statements, the fair value was arrived at using income capitalisation method. The valuation involves the making of certain assumptions and the use of estimates in respect of the market rent and capitalisation rates.

#### OTHER INFORMATION

The REIT Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities and objectivity of the Valuer;
- Obtaining an understanding of the valuation process and significant assumptions and critical judgements to assess if the approaches are consistent with relevant accounting requirements and industry norms;
- Evaluating the appropriateness of the judgements made by the REIT Manager and the Valuer, in particular the valuation model and the capitalisation rates based on our knowledge of the property market in Hong Kong; and
- Assessing the reasonableness of other key parameters, including market rentals, in the valuation model by comparing them against market data and entity-specific information such as rental income, tenancy summary details and size of the properties on a sample basis.

## Independent Auditor's Report

### RESPONSIBILITIES OF REIT MANAGER AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The REIT Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the REIT Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the REIT Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In addition, the REIT Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the trust deed dated 29 November 2005 (as amended, supplemented and/or restated from time to time) (the "Trust Deed") and the relevant disclosure provisions of Appendix C of the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Hong Kong Securities and Futures Commission.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.

## Independent Auditor's Report

- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON MATTERS UNDER THE RELEVANT PROVISIONS OF THE TRUST DEED AND THE RELEVANT DISCLOSURE PROVISIONS OF APPENDIX C OF THE REIT CODE

In our opinion, the consolidated financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in the independent auditor's report is Tan, Wei Ming (practising certificate number: P05694).

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

24 March 2026

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

For the year ended 31 December 2025

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| Revenue  | 5     | 408,501          | 425,368          |
| Property management fees   |       | (9,124)          | (9,562)          |
| Property operating expenses  | 6     | (94,128)         | (92,499)         |
| Total property operating expenses  |       | (103,252)        | (102,061)        |
| <b>Net property income</b>   |       | <b>305,249</b>   | <b>323,307</b>   |
| Other income   |       | 2,077            | 286              |
| Manager's fee  |       | (46,620)         | (48,147)         |
| Trust and other expenses   | 7     | (7,503)          | (7,128)          |
| Change in fair value of investment properties  |       | (348,522)        | (177,858)        |
| Finance costs, net   | 8     | (129,509)        | (132,572)        |
| <b>Loss before taxation and transactions with unitholders</b>                        |       | <b>(224,828)</b> | <b>(42,112)</b>  |
| Taxation   | 9     | (26,739)         | (32,524)         |
| <b>Loss for the year, before transactions with unitholders</b>                       |       | <b>(251,567)</b> | <b>(74,636)</b>  |
| Distribution to unitholders  |       | (182,798)        | (185,415)        |
| <b>Loss for the year, after transactions with unitholders</b>                        |       | <b>(434,365)</b> | <b>(260,051)</b> |
| <b>Total comprehensive expense for the year, after transactions with unitholders</b> |       | <b>(434,365)</b> | <b>(260,051)</b> |
| <b>Income available for distribution to unitholders</b>                              |       | <b>182,798</b>   | <b>185,415</b>   |
| <b>Basic loss per unit (HK\$)</b>  | 10    | <b>(0.160)</b>   | <b>(0.049)</b>   |

## Distribution Statement

For the year ended 31 December 2025

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| <b>Loss for the year, before transactions with unitholders</b>                           | <b>(251,567)</b> | (74,636)         |
| <b>Adjustments:</b>  |                  |                  |
| 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           |
| <b>Income available for distribution (note (ii))</b>                                     | <b>182,798</b>   | 185,415          |
| Distributions to unitholders:  |                  |                  |
| 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           |
|  | <b>182,798</b>   | 185,415          |
| <b>Total distribution per unit (HK\$)</b>  | <b>0.1156</b>    | 0.1198           |

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 after tax of the Group 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\$46,620,000 (2024: HK\$48,147,000) out of the total manager's fee of HK\$41,958,000 (2024: HK\$47,151,000) (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 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: 1,557,205,901 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

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| <b>ASSETS AND LIABILITIES</b>  |                  |                  |
| <b>Non-current assets</b>  |                  |                  |
| Investment properties  | 9,213,000        | 9,547,000        |
| Derivative financial instruments   | -                | 7,725            |
| <b>Total non-current assets</b>  | <b>9,213,000</b> | 9,554,725        |
| <b>Current assets</b>  |                  |                  |
| Derivative financial instruments   | 4,838            | 12,245           |
| Trade and other receivables  | 12,178           | 11,488           |
| Tax recoverable  | 246              | 2,965            |
| Bank balances and cash   | 54,267           | 47,319           |
| <b>Total current assets</b>  | <b>71,529</b>    | 74,017           |
| <b>Total assets</b>  | <b>9,284,529</b> | 9,628,742        |
| <b>Non-current liabilities, excluding net assets attributable to unitholders</b>       |                  |                  |
| Derivative financial instruments   | 8,744            | 2,160            |
| Bank borrowings  | 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> | <b>1,866,305</b> | 1,717,543        |
| <b>Current liabilities</b>   |                  |                  |
| Derivative financial instruments   | 4,930            | 205              |
| Trade and other payables   | 162,456          | 175,282          |
| Amounts due to related companies   | 6,844            | 5,474            |
| Bank borrowings  | 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>   | <b>1,133,172</b> | 1,235,047        |
| <b>Total liabilities, excluding net assets attributable to unitholders</b>             | <b>2,999,477</b> | 2,952,590        |
| <b>Net assets attributable to unitholders</b>  | <b>6,285,052</b> | 6,676,152        |
| <b>Units in issue ('000)</b>   | <b>1,581,554</b> | 1,547,604        |
| <b>Net asset value per unit (HK\$) attributable to unitholders</b>                     | <b>3.97</b>      | 4.31             |

The consolidated financial statements on pages 85 to 124 were approved and authorised for issue by ESR Asset Management (Prosperity) Limited on 24 March 2026 and were signed on its behalf by:

Chiu Kwok Hung, Justin

Wong Lai Hung, Mavis

## Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 31 December 2025

|  | Issued<br>units<br>HK\$'000 | Unit issue<br>costs<br>HK\$'000 | Retained<br>profits<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------------|---------------------------------|---------------------------------|-------------------|
| Net assets attributable to unitholders<br>as at 1 January 2025                   | 3,296,319                   | (91,278)                        | 3,471,111                       | 6,676,152         |
| <b>OPERATIONS</b>  |                             |                                 |                                 |                   |
| Loss for the year, before transactions with<br>unitholders                       | -                           | -                               | (251,567)                       | (251,567)         |
| Distribution paid and payable  | -                           | -                               | (182,798)                       | (182,798)         |
| Total comprehensive expense for the year,<br>after transactions with unitholders | -                           | -                               | (434,365)                       | (434,365)         |
| <b>UNITHOLDERS' TRANSACTIONS<br/>OTHER THAN DISTRIBUTIONS</b>                    |                             |                                 |                                 |                   |
| Units issued to REIT Manager (note 19)   | 43,265                      | -                               | -                               | 43,265            |
| Net assets attributable to unitholders<br>as at 31 December 2025                 | 3,339,584                   | (91,278)                        | 3,036,746                       | 6,285,052         |

## Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 31 December 2024

|  | Issued<br>units<br>HK\$'000 | Unit issue<br>costs<br>HK\$'000 | Retained<br>profits<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------------|---------------------------------|---------------------------------|-------------------|
| Net assets attributable to unitholders<br>as at 1 January 2024                   | 3,248,822                   | (91,278)                        | 3,731,162                       | 6,888,706         |
| <b>OPERATIONS</b>  |                             |                                 |                                 |                   |
| Loss for the year, before transactions with<br>unitholders                       | -                           | -                               | (74,636)                        | (74,636)          |
| Distribution paid and payable  | -                           | -                               | (185,415)                       | (185,415)         |
| Total comprehensive expense for the year,<br>after transactions with unitholders | -                           | -                               | (260,051)                       | (260,051)         |
| <b>UNITHOLDERS' TRANSACTIONS<br/>OTHER THAN DISTRIBUTIONS</b>                    |                             |                                 |                                 |                   |
| Units issued to REIT Manager (note 19)   | 47,497                      | -                               | -                               | 47,497            |
| Net assets attributable to unitholders<br>as at 31 December 2024                 | 3,296,319                   | (91,278)                        | 3,471,111                       | 6,676,152         |

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| <b>Operating activities</b>  |                  |                  |
| Loss before taxation and transactions with unitholders                         | (224,828)        | (42,112)         |
| Adjustments for:   |                  |                  |
| Impairment losses recognised under expected credit loss model, net of reversal | 599              | (64)             |
| Manager's fees paid/payable in units   | 41,958           | 47,151           |
| Change in fair value of investment properties                                  | 348,522          | 177,858          |
| Interest income  | (30)             | (286)            |
| Finance costs, net   | 129,509          | 132,572          |
| Operating cashflow before working capital changes                              | 295,730          | 315,119          |
| (Increase)/decrease in trade and other receivables                             | (1,289)          | 140              |
| Increase/(decrease) in amounts due to related companies                        | 1,370            | (7,460)          |
| Decrease in trade and other payables   | (12,826)         | (4,014)          |
| Increase/(decrease) in Manager's fee payable                                   | 912              | (4)              |
| Cash generated from operations   | 283,897          | 303,781          |
| Income tax paid  | (13,940)         | (34,271)         |
| Net cash from operating activities   | 269,957          | 269,510          |
| <b>Investing activities</b>  |                  |                  |
| Interest received  | 30               | 286              |
| Additional expenditure to investment properties                                | (14,522)         | (21,858)         |
| Net cash used in investing activities  | (14,492)         | (21,572)         |
| <b>Financing activities</b>  |                  |                  |
| Interest payments of bank borrowings   | (92,805)         | (110,963)        |
| Drawdown of an unsecured term loan   | -                | 59,100           |
| Payment of bank facility origination fees                                      | (11,400)         | (700)            |
| Distributions to unitholders   | (179,312)        | (199,069)        |
| Drawdown of unsecured revolving loans  | 120,000          | 160,000          |
| Repayment of unsecured revolving loans   | (85,000)         | (170,000)        |
| Net cash used in financing activities  | (248,517)        | (261,632)        |
| Net increase/(decrease) in cash and cash equivalents                           | 6,948            | (13,694)         |
| Cash and cash equivalents at beginning of the year                             | 47,319           | 61,013           |
| <b>Cash and cash equivalents at end of year</b>                                | <b>54,267</b>    | <b>47,319</b>    |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 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 of Hong Kong Limited (the "HKSE") since 16 December 2005. Prosperity REIT is governed by the Trust Deed made between the REIT Manager and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"), and the REIT Code.

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.

The address of the registered office of the REIT Manager is Unit 901, Level 9, Fortune Metropolis, 6 The Metropolis Drive, Hunghom, Kowloon, Hong Kong.

The address of the registered office of the Trustee is 1 Queen's Road Central, Hong Kong.

The Group has entered into various service agreements in relation to the management of Prosperity REIT and its property operations. The fee structures of these services are as follows:

#### (a) Property management fees

Under the property management agreement dated 29 November 2005 between the REIT Manager and Goodwell-Prosperity Property Services Limited (the "Property Manager"), as supplemented and amended from time to time, the Property Manager will receive from each of the property holding subsidiaries a fee of 3% per annum of gross property revenue for the provision of property management services and lease management services.

Gross property revenue means the amount equivalent to the gross revenue less rental related income and car park income.

#### (b) Marketing services

For the marketing services, the property holding subsidiaries will pay the Property Manager the following commissions:

- one month's base rent for securing a tenancy of three years or more;
- one-half month's base rent for securing a tenancy of less than three years;
- one-half month's base rent for securing a renewal of tenancy irrespective of duration of the renewal term; and
- 10% of the total licence fee for securing a licence for duration of less than 12 months.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 1 GENERAL (continued)

#### (c) Trustee's fees

The Trustee is entitled to receive a trustee's fee not exceeding 0.05% per annum on the value of the real estate properties (subject to a minimum of HK\$50,000 per month), the fee is currently charged at 0.03% per annum.

#### (d) Manager's fees

Under the Trust Deed, the REIT Manager is entitled to receive the following remuneration for the provision of asset management services:

##### Base fee

The REIT Manager will receive a base fee from Prosperity REIT at 0.4% per annum on the value of the properties on a quarterly basis. The base fee will be paid quarterly in arrears and in the form of units in Prosperity REIT during the first five years after the units are listed on the HKSE. Thereafter, the REIT Manager may elect whether the base fee is to be paid in cash or in units.

##### Variable fee

The REIT Manager will receive from each of the property holding subsidiaries a variable fee of 3% of its net property income (before deduction therefrom the base fee and variable fee) on a quarterly basis. The variable fee will be paid in units during the first five years after the units are listed on the HKSE, and thereafter, may elect whether the variable fee is to be paid in cash or in units at the election of the REIT Manager.

### 2 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Basis of preparation of financial statements

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), 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.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by HK\$1,061,643,000. The REIT Manager is of the opinion that, taking into account the headroom of the fair value of investment properties of HK\$9,213,000,000, presently available bank facilities of HK\$375,000,000 and internal financial resources of the Group, the REIT Manager is of the opinion that the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

#### (b) 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (c) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

#### (d) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs (which include bank facility origination fees) that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

#### (ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

##### Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9 *Financial Instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

#### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### (ii) Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective to the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that more lagging default criterion is more appropriate.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default or past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

The Group recognises an impairment gain or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### Financial liabilities and equity

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Financial instruments (continued)

##### Financial liabilities and equity (continued)

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Debt issued by a group entity is classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

In accordance with the Trust Deed, Prosperity REIT has a limited life of 80 years less one day from the date of commencement of Prosperity REIT. The units contain a contractual obligation to its unitholders, upon the termination of Prosperity REIT to distribute a share of all net cash proceeds derived from the sale or realisation of the assets of Prosperity REIT less any liabilities, in accordance with their proportionate interests in Prosperity REIT at the date of its termination.

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. This provision in the Trust Deed provides the unitholders with a right to receive distribution which Prosperity REIT has a contractual obligation to pay or declare at least 90% of its distributable income.

Accordingly, the unitholders' funds are compound instruments in accordance with HKFRS 9. Unitholders' fund presented on the consolidated statement of financial position as net assets attributable to unitholders is classified as financial liabilities because the equity component is considered insignificant.

Other than the net assets attributable to unitholders of Prosperity REIT, non-derivative financial liabilities include trade payables, tenants' deposits, amounts due to related companies, unsecured bank borrowings, manager's fee payable and distribution payable. They are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (e) Unit issue costs

The transaction costs relating to the initial public offering and listing of units of Prosperity REIT are accounted for as a deduction from the proceeds raised to the extent they are incremental costs directly attributable to the transaction that otherwise would have been avoided. Other transaction costs are recognised as an expense.

#### (f) Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### The Group as lessor

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income deriving from the Group's ordinary course of business are presented as revenue.

##### Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

##### Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

#### (g) Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 5.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (h) Borrowing cost

All borrowing costs are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income in the year in which they are incurred.

#### (i) Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from (loss)/profit before taxation and transactions with unitholders as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax is recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4 KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 3, the management has considered the following key sources of estimation uncertainty at the end of the reporting period, that would have significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

#### Valuation of investment properties

As described in notes 3(c) and 11, investment properties are stated at fair value based on the valuation performed by an independent qualified external valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain assumptions of market conditions which are set out in note 11.

In relying on the valuation report, the REIT Manager has exercised its judgment and is satisfied that the method of valuation is reflective of the current market conditions. REIT Manager considers valuations of the Group's investment properties are the best estimates. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2025, the carrying amount of the Group's investment properties is HK\$9,213,000,000 (2024: HK\$9,547,000,000).

### 5 REVENUE

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

Notes:

(i) Car park income and rental related income (which mainly consists of management fee income and air conditioning income which are payable by the tenants) are recognised over time when the services and facilities are provided. The Group applied the practical expedient in HKFRS 15 by recognising revenue in the amount to which the Group has right to invoice an amount that corresponds directly with the value to customer of the Group's performance completed to date on a time basis. As permitted under HKFRS 15, the aggregate amount of the transaction price allocated to the unsatisfied contracts is not disclosed.

(ii) For contracts that includes both lease and non-lease components (properties management services), the Group applies HKFRS 15 to allocate the consideration to separate lease and non-lease components on a relative stand-alone selling price basis.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 6 PROPERTY OPERATING EXPENSES

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| Auditor's remuneration                            |                  |                  |
| Audit fee   | 870              | 890              |
| Non-audit fee (tax fee)                           | 161              | 166              |
| Non-audit fee (others)                            | 405              | 405              |
| Building management fees                          | 54,428           | 53,747           |
| Car park operating expenses                       | 8,834            | 8,940            |
| Government rent and rates                         | 1,480            | 1,395            |
| Impairment losses recognised                      |                  |                  |
| under expected credit loss model, net of reversal | 599              | (64)             |
| Lease commission                                  | 4,436            | 4,714            |
| Legal cost and stamp duty                         | 1,450            | 1,535            |
| Marketing service fee                             | 10,843           | 11,228           |
| Repairs and maintenance                           | 8,346            | 7,607            |
| Secretarial fee                                   | 751              | 760              |
| Valuation fees (paid to principal valuers)        | 136              | 133              |
| Others  | 1,389            | 1,043            |
|   | <b>94,128</b>    | <b>92,499</b>    |

### 7 TRUST AND OTHER EXPENSES

|                                       | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------|------------------|------------------|
| 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 and related expenses | 134              | 280              |
| Registrar fee                         | 600              | 600              |
| Trust administrative expenses         | 1,940            | 1,863            |
| Trustee's fee                         | 2,826            | 2,891            |
|                                       | <b>7,503</b>     | <b>7,128</b>     |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 8 FINANCE COSTS, NET

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| 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            |
|  | <b>103,068</b>   | 120,060          |
| Change in fair value of derivative financial instruments | 26,441           | 12,512           |
|  | <b>129,509</b>   | 132,572          |

### 9 TAXATION

|                               | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------|------------------|------------------|
| Current tax                   | 19,799           | 22,491           |
| Over-provision in prior years | (241)            | (3,400)          |
| Deferred tax (note 16)        | 7,181            | 13,433           |
|                               | <b>26,739</b>    | 32,524           |

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.

The taxation for the year can be reconciled to the loss before taxation and transactions with unitholders as per the consolidated statement of profit or loss and other comprehensive income as follows:

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Tax at income tax rate of 16.5%  | (37,097)         | (6,948)          |
| Over-provision in prior years  | (241)            | (3,400)          |
| Tax effect of non-taxable income   | (342)            | (735)            |
| Tax effect of non-deductible expenses  | 62,538           | 36,215           |
| Tax effect of tax losses not recognised                                      | 3,018            | 717              |
| Tax effect of deductible temporary differences not recognised                | 1,458            | -                |
| Tax effect of utilisation of deductible temporary differences not recognised | (2,595)          | (2,351)          |
| Others (note)  | -                | 9,026            |
| Taxation for the year  | <b>26,739</b>    | 32,524           |

Note: 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 10 BASIC LOSS PER UNIT

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.

### 11 INVESTMENT PROPERTIES

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| <b>FAIR VALUE</b>                             |                  |                  |
| At 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)        |
| At end of the year                            | <b>9,213,000</b> | 9,547,000        |

All of the Group's property interests in properties located in Hong Kong to earn rentals or for capital appreciation purposes. They are measured using the fair value model and are classified and accounted for as investment properties.

The Group leases out various office buildings, commercial buildings, industrial/office buildings and industrial building under operating leases with rental payable monthly. The leases typically run for an initial period of 1 to 4 years. All leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain lessee's option to purchase the property at the end of lease term.

In estimating the fair value of investment properties, it is the Group's policy to engage an independent qualified external valuer to perform the valuation. The REIT Manager works closely with the independent qualified external valuer to establish the appropriate valuation technique and inputs to the model.

On 31 December 2025 and 31 December 2024, an independent valuation on the investment properties was undertaken by Knight Frank Petty Limited. The firm is an independent qualified external valuers not connected to the Group and has appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation of the properties, falls under level 3 of the fair value hierarchy, was arrived at using the income capitalisation method. Income capitalisation method is based on the capitalisation of the current passing rental income and potential reversionary income over the remaining tenure of the portfolio from the date of valuation at appropriate capitalisation rates to arrive at the fair value of which vacant units are assumed to be let at their respective market rents as at the valuation date.

The adopted capitalisation rates in the valuation range from 3.7% to 4.3% (2024: 3.7% to 4.3%). The capitalisation rate is one of the key parameters in the income capitalisation method and they involve professional judgment in relation to the adjustments made by the independent qualified external valuer. A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

None of the Group's investment properties as at 31 December 2025 and 31 December 2024 was pledged to secure banking facilities granted to the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 12 DERIVATIVE FINANCIAL INSTRUMENTS

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Reflected on consolidated statement of financial position based on discounted cash flows as: |                  |                  |
| Non-current assets   | -                | 7,725            |
| Non-current liabilities  | (8,744)          | (2,160)          |
| Current assets   | 4,838            | 12,245           |
| Current liabilities  | (4,930)          | (205)            |
|  | <b>(8,836)</b>   | <b>17,605</b>    |

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of these borrowing from floating rates to fixed rates.

#### Derivatives:

Contracts with total notional amount of HK\$1,440,000,000 (31 December 2024: HK\$936,000,000) will mature from September 2026 to June 2029 (31 December 2024: September 2026 to June 2029). These contracts have fixed interest payments at weighted average interest rates of 2.76% (31 December 2024: 2.64%) per annum and have floating interest receipts at three months Hong Kong Interbank Offered Rate ("HIBOR") with HIBOR being repriced every three months for both years presented.

The decrease in fair value of the derivative financial instruments amounting to HK\$26,441,000 is recognised in profit or loss during the year ended 31 December 2025 (2024: HK\$12,512,000).

All derivatives are measured at fair value at the end of the reporting period. Their fair values are determined based on the discounted future cash flows using the applicable yield curve for the duration of the swaps.

The fair value of the derivative financial instruments falls under level 2 of the fair value hierarchy and is based on valuation of the instruments provided by the counterparty banks, which are determined using interest rates implied from observable market inputs such as market interest rates yield curves and contracted interest rates discounted at a rate that reflects the credit risk of various counterparties.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 13 TRADE AND OTHER RECEIVABLES

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

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:

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

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$5,522,000 (2024: HK\$6,084,000) which are past due as at the reporting date. Out of the past due balances, gross amount of HK\$4,504,000 (2024: HK\$4,673,000) has been past due 90 days or more and considered as in default, for which allowance for credit losses of HK\$2,582,000 (2024: HK\$3,441,000) has been made on the excess of relevant tenants' deposits.

In determining the recoverability of a trade receivable, the Group reviews the recoverable amount of each individual trade receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The exposure of credit risk is limited due to deposits received from tenants. Allowance for credit losses has been recognised on any individual balance that is in excess of the relevant tenant's deposits.

Details of impairment assessment of trade and other receivables are set out in note 22(b)(ii).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 14 BANK BALANCES AND CASH

|              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------|------------------|------------------|
| Cash at bank | 54,267           | 47,319           |

Cash at bank carries at the market interest rate, of which aggregate value of HK\$54,196,000 (2024: HK\$47,248,000) are placed with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), a related company of the Trustee.

### 15 BANK BORROWINGS

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

Details of the terms and conditions of the Group's facilities (including the unutilised facilities as stipulated in note (ii) below) as at 31 December 2025 are as follows:

- (i) A HK\$800 million 5-year unsecured sustainability-link 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.

As at 31 December 2025, loan facilities drawn was HK\$2,400 million (2024: HK\$2,400 million) and the revolving credit facilities drawn was HK\$55 million (2024: HK\$20 million). The unsecured term loans and unsecured revolving loan bear interest at 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 15 BANK BORROWINGS (continued)

Prosperity REIT has provided guarantees for all the facilities.

The bank facility origination fees consist of advisory fee and front-end fee with respect to the banking facilities and are included in measuring the borrowings at amortised cost. The bank facility origination fees are amortised over the respective loan periods and the movement is as follows:

|                                  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------|------------------|------------------|
| Balance at beginning of the year | 16,729           | 24,226           |
| Addition                         | 11,400           | 1,600            |
| Amortised during the year        | (10,263)         | (9,097)          |
| Balance at the end of the year   | 17,866           | 16,729           |

### 16 DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets arising from tax losses have been offset with the liabilities. The followings are the major component of deferred tax liabilities and assets recognised and movements thereon during the year:

|                                  | Accelerated tax<br>depreciation<br>HK\$'000 | Tax losses<br>HK\$'000 | Derivative<br>financial<br>instruments<br>HK\$'000 | Total<br>HK\$'000 |
|----------------------------------|---|------------------------|--|-------------------|
| As at 1 January 2024             | 261,252                                     | (13,091)               | 4,969  | 253,130           |
| Charge(credit) to profit or loss | 6,055                                       | 9,442                  | (2,064)  | 13,433            |
| As at 31 December 2024           | 267,307                                     | (3,649)                | 2,905  | 266,563           |
| Charge(credit) to profit or loss | 8,202                                       | 1,884                  | (2,905)  | 7,181             |
| As at 31 December 2025           | 275,509                                     | (1,765)                | -  | 273,744           |

At the end of the reporting period, tax losses amounting to approximately HK\$22,925,000 (31 December 2024: HK\$4,634,000) were not recognised.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$34,377,000 (2024: HK\$39,081,000) in respect of the investment properties measured at fair value. The carrying amount of such investment properties are presumed to be recovered entirely through sale. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not expected to be reversed upon disposal of the properties.

In addition, no deferred tax asset has been recognised in respect of deductible temporary difference of derivative liabilities as stated in note 12 arising from expected interest settlements of the interest rate swaps in coming financial periods as at 31 December 2025 while deferred tax liability of HK\$2,905,000 in relation to taxable temporary difference of derivative assets was recognised in 31 December 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 17 TRADE AND OTHER PAYABLES

|                             | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Trade payables              | 3,243            | 2,659            |
| Tenants' deposits           |                  |                  |
| – Outside parties           | 122,477          | 129,889          |
| – Related parties (note 27) | 744              | 744              |
| Rental received in advance  |                  |                  |
| – Outside parties           | 6,201            | 6,670            |
| Other payables              | 29,791           | 35,320           |
|                             | <b>162,456</b>   | <b>175,282</b>   |

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

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

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).

### 18 AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies arose from expenses of back-office support services, property management services and car park management services provided by related companies. The amounts are unsecured, interest-free and repayable on demand.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 19 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   | <b>1,547,604,384</b> | <b>3,296,319</b> |
| Payment of manager's base fee and variable fee through issuance of new units during the year | <b>33,949,862</b>    | <b>43,265</b>    |
| Balance as at 31 December 2025   | <b>1,581,554,246</b> | <b>3,339,584</b> |

Subsequent to the end of the reporting year, 7,104,879 units (2024: 9,601,517 units) at HK\$1.4681 (2024: HK\$1.2225) per unit were issued to the REIT Manager as partial settlement of base fee and variable fee in the last quarter of the relevant distribution year. The unitholders' fund per unit, based on the closing market price of Prosperity REIT as at 31 December 2025 was HK\$1.43 (31 December 2024: HK\$1.24).

### 20 NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

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).

### 21 MAJOR NON-CASH TRANSACTION

During the reporting period, the REIT Manager earned manager's fee of HK\$46,620,000 (2024: manager's fee of HK\$48,147,000) of which HK\$41,958,000 (2024: HK\$47,151,000) was paid or payable through the issuance of units to the REIT Manager. An amount of HK\$31,527,000 (2024: HK\$35,413,000) had been settled through the issuance of units to the REIT Manager at the end of reporting period while the balance of HK\$10,431,000 (2024: HK\$11,738,000) were paid in units subsequent to the year end.

During the reporting period, a bank borrowing of HK\$938,000,000 (2024: Nil) was settled by the HK\$1,200 Million Facility as described in note 15.

During the year ended 31 December 2024, certain bank facility origination fees, amounting HK\$900,000, was settled by the drawdown of the HK\$60 Million Green and Transition Loan as described in note 15.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| <b>Financial assets</b>                 |                  |                  |
| Trade and other receivables             | 3,352            | 2,757            |
| Bank balances and cash                  | 54,267           | 47,319           |
| At amortised cost                       | 57,619           | 50,076           |
| <b>Derivative financial instruments</b> |                  |                  |
| Interest rate swaps, net                | (8,836)          | 17,605           |
| <b>Financial liabilities</b>            |                  |                  |
| Trade payables                          | (3,243)          | (2,659)          |
| Tenants' deposits                       | (123,221)        | (130,633)        |
| Amounts due to related companies        | (6,844)          | (5,474)          |
| Bank borrowings                         | (2,437,134)      | (2,403,271)      |
| Manager's fee payable                   | (11,590)         | (11,985)         |
| Distribution payable                    | (90,723)         | (87,237)         |
| At amortised cost                       | (2,672,755)      | (2,641,259)      |
| Unitholders' funds                      | (6,285,052)      | (6,676,152)      |

Details of the financial instruments are disclosed in respective notes.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risks management objectives and policies

The risks associated with the Group's financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (i) Interest rate risk

The Group is primarily exposed to cash flow interest rate risk from the fluctuation of HIBOR in relation to variable-rate bank borrowings (see note 15 for details of these borrowings). The Group manages its exposure to interest rate movements on its bank borrowings by swapping a certain proportion of these borrowings from floating rates to fixed rates. In order to achieve this result, the Group entered into interest rate swaps in respect of its bank borrowings (see note 12 for details).

If the interest rates have been higher by 50 basis points and all other variables were held constant, the loss before tax for the year would increase (decrease) as follows:

|                              | Bank<br>borrowings<br>HK\$'000 | Derivative<br>financial<br>instruments<br>HK\$'000 |
|------------------------------|--------------------------------|--|
| <b>2025</b>                  |                                |  |
| Loss before tax for the year | 12,275                         | (7,737)  |
| <b>2024</b>                  |                                |  |
| Loss before tax for the year | 12,100                         | (11,411)   |

If the interest rates have been lower by 50 basis points and all other variables were held constant, there would be an equal and opposite impact on the loss before tax for the year.

The above sensitivity analysis has been determined based on the exposure to interest rates for variable rate term loans and derivative instruments at the end of the reporting period. For variable rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the effect from reasonably possible change in interest rates.

##### (ii) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, bank balances and derivative financial instruments. Except for trade receivables, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment are summarised as below:

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risks management objectives and policies (continued)

##### (ii) Credit risk and impairment assessment (continued)

###### Trade receivables

Trade receivables consists of rental revenue and rental related income receivables from tenants. The REIT Manager monitors their balances on an ongoing basis. Credit evaluations are performed by the property manager on behalf of the REIT Manager before lease agreements are entered into with tenants. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Credit risk from debtors is the potential financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the property companies, as and when they fall due. The Group has adopted a policy of obtaining tenants' deposits to mitigate the risk of financial loss from tenant's default.

To mitigate the risk of financial loss from default, most tenants of the rental properties are required to pay three months deposits upon entering the lease. The Group has the right to offset the deposits against the outstanding receivables in case of default. There is no credit period given to the tenants for the rental of properties. Rental is payable in advance and late payment interest is chargeable on overdue receivables. In addition, the REIT Manager has delegated the Property Manager for follow up action to recover the overdue debt. The REIT Manager also reviews the recoverable amount of each individual trade debtor regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group performs impairment assessment under ECL model on trade receivables individually.

The following table shows the movement of lifetime ECL that has been recognised for trade receivables under the simplified approach.

|                               | HK\$'000       |
|-------------------------------|----------------|
| As at 1 January 2024          | 3,731          |
| Amount written off            | (226)          |
| Reversal of impairment losses | (64)           |
| As at 31 December 2024        | <b>3,441</b>   |
| Amount written off            | <b>(1,458)</b> |
| Impairment losses recognised  | <b>599</b>     |
| As at 31 December 2025        | <b>2,582</b>   |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risks management objectives and policies (continued)

##### (ii) Credit risk and impairment assessment (continued)

###### Other receivables, bank balances and derivative financial instruments

The Group measures the loss allowance on other receivables, mainly represents interest receivables from fixed deposits, bank balances and derivative financial instruments equal to 12m ECL. The credit risk on interest receivables, bank balances and derivative financial instruments are limited because the counterparties are placed with reputable banks with external credit rating of at least A1 assigned by an international credit-rating agency. Based on the ECL assessment, the credit exposures for other receivables and bank balances are considered as low risk because the counterparties have a low risk of default and no loss allowance is provided.

Besides concentration of credit risk on bank balances which are deposited with HSBC with high credit ratings, the Group does not have any other significant concentration of credit risk.

##### (iii) Liquidity risk

The REIT Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the REIT Manager observes the REIT Code concerning limits on total borrowings and monitors the level of borrowing to be within the permitted limit.

As at 31 December 2025, the Group has four (2024: four) bank loan facilities of HK\$2,830,000,000 (2024: HK\$2,830,000,000), comprising term loans with total of HK\$2,400,000,000 (2024: HK\$2,400,000,000) and revolving credit facilities of HK\$430,000,000 (2024: HK\$430,000,000). HK\$2,400,000,000 (2024: HK\$2,400,000,000) of the term loans and HK\$55,000,000 (2024: HK\$20,000,000) of the revolving loan were drawn as at 31 December 2025. Details of the borrowing are set out in note 15.

As at 31 December 2025 and 31 December 2024, all bank loan facilities are unsecured. Prosperity REIT has provided guarantees for these bank loan facilities and none of the Group's investment properties was pledged to secure the banking credit facilities granted to the Group.

Taking into account the headroom of the fair value of investment properties of HK\$9,213,000,000, presently available bank facilities and internal financial resources of the Group, the REIT Manager is of the opinion that, taking into account presently available bank facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risks management objectives and policies (continued)

##### (iii) Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities except for the unitholders' funds which will be distributed to unitholders upon termination of Prosperity REIT in accordance with the Trust Deed. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. Undiscounted net cash flows are presented based on the expected interest payment. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

|   | Weighted<br>average<br>interest rate | Less than<br>1 month or<br>on demand<br>HK\$'000 | 1-3 months<br>HK\$'000 | 3 months<br>to 1 year<br>HK\$'000 | 1 to 5 years<br>HK\$'000 | Total<br>undiscounted<br>cash flow<br>HK\$'000 | Carrying<br>amount at<br>31/12/2025<br>HK\$'000 |
|---|--------------------------------------|--|------------------------|-----------------------------------|--------------------------|--|---|
| <b>2025</b>                                   |                                      |  |                        |                                   |                          |  |   |
| <b>Non-derivative</b>                         |                                      |  |                        |                                   |                          |  |   |
| Trade payables                                | -                                    | 490  | 821                    | 716                               | 1,216                    | 3,243  | 3,243   |
| Tenants' deposits                             | -                                    | 8,144  | 2,208                  | 39,638                            | 73,231                   | 123,221  | 123,221   |
| Amounts due to related<br>companies           | -                                    | 6,844  | -                      | -                                 | -                        | 6,844  | 6,844   |
| Bank borrowings                               | 4.53%                                | 63,652   | 16,182                 | 861,589                           | 1,698,222                | 2,639,645                                      | 2,437,134                                       |
| Manager's fee payable                         | -                                    | 11,590   | -                      | -                                 | -                        | 11,590   | 11,590  |
| Distribution payable                          | -                                    | -  | -                      | 90,723                            | -                        | 90,723   | 90,723  |
| Cash outflow                                  |                                      | 90,720   | 19,211                 | 992,666                           | 1,772,669                | 2,875,266                                      | 2,672,755                                       |
| <b>Derivatives — net settlement</b>           |                                      |  |                        |                                   |                          |  |   |
| Interest rate swaps, cash<br>(inflow) outflow | -                                    | -  | (76)                   | 2,061                             | 8,912                    | 10,897   | 8,836   |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22 FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risks management objectives and policies (continued)

##### (iii) Liquidity risk (continued)

|                                     | Weighted<br>average<br>interest rate | Less than<br>1 month or<br>on demand<br>HK\$'000 | 1-3 months<br>HK\$'000 | 3 months<br>to 1 year<br>HK\$'000 | 1 to 5 years<br>HK\$'000 | Total<br>undiscounted<br>cash flow<br>HK\$'000 | Carrying<br>amount at<br>31/12/2024<br>HK\$'000 |
|-------------------------------------|--------------------------------------|--|------------------------|-----------------------------------|--------------------------|--|---|
| <b>2024</b>                         |                                      |  |                        |                                   |                          |  |   |
| <b>Non-derivative</b>               |                                      |  |                        |                                   |                          |  |   |
| Trade payables                      | -                                    | 1,027  | 425                    | 1,207                             | -                        | 2,659  | 2,659   |
| Tenants' deposits                   | -                                    | 9,341  | 4,622                  | 41,706                            | 74,964                   | 130,633  | 130,633   |
| Amounts due to related<br>companies | -                                    | 5,474  | -                      | -                                 | -                        | 5,474  | 5,474   |
| Bank borrowings                     | 5.79%                                | 31,693   | 22,077                 | 1,036,423                         | 1,569,053                | 2,659,246                                      | 2,403,271                                       |
| Manager's fee payable               | -                                    | 11,985   | -                      | -                                 | -                        | 11,985   | 11,985  |
| Distribution payable                | -                                    | -  | -                      | 87,237                            | -                        | 87,237   | 87,237  |
| Cash outflow                        |                                      | 59,520   | 27,124                 | 1,166,573                         | 1,644,017                | 2,897,234                                      | 2,641,259                                       |
| <b>Derivatives — net settlement</b> |                                      |  |                        |                                   |                          |  |   |
| Interest rate swaps, cash inflow    | -                                    | -  | (2,292)                | (7,568)                           | (6,141)                  | (16,001)                                       | (17,605)  |

#### (c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input;
- the fair value of derivative instruments is determined based on the discounted future cash flows using the applicable yield curve are for the duration of the swaps;

The REIT Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

### 23 NET CURRENT LIABILITIES

At the end of the reporting period, 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).

### 24 TOTAL ASSETS LESS CURRENT LIABILITIES

At the end of the reporting period, the Group's total assets less current liabilities amounted to HK\$8,151,357,000 (2024: HK\$8,393,695,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 25 SEGMENTAL REPORTING

During the 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.

#### Segment revenue and results

For the year ended 31 December 2025

|  | The Metropolis Tower<br>HK\$'000 | Prosperity Millennia Plaza<br>HK\$'000 | 9 Chong Yip street<br>HK\$'000 | Prosperity Place<br>HK\$'000 | Trendy Centre<br>HK\$'000 | Prosperity Center (portion)<br>HK\$'000 | New Treasure Centre (portion)<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|----------------------------------|--|--------------------------------|------------------------------|---------------------------|---|---|--------------------------|
| 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 Hong Kong                           | 120,881                          | 73,829                                 | 36,337                         | 73,193                       | 48,246                    | 38,015                                  | 18,000                                    | 408,501                  |
| 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<br>HK\$'000 | Prosperity Millennia Plaza<br>HK\$'000 | 9 Chong Yip street<br>HK\$'000 | Prosperity Place<br>HK\$'000 | Trendy Centre<br>HK\$'000 | Prosperity Center (portion)<br>HK\$'000 | New Treasure Centre (portion)<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|----------------------------------|--|--------------------------------|------------------------------|---------------------------|---|---|--------------------------|
| 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 Hong Kong                           | 121,507                          | 81,076                                 | 38,502                         | 74,661                       | 51,820                    | 39,361                                  | 18,441                                    | 425,368                  |
| 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)                 |

The accounting policies of the operating segments are the same as Prosperity REIT's accounting policies described in note 3. Segment profit represents the net property income which is the measure reported to the REIT Manager.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 25 SEGMENTAL REPORTING (continued)

#### Segment assets

The following is an analysis of Prosperity REIT's assets by operating segment:

|                                | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------------------|------------------|------------------|
| The Metropolis Tower           | 2,534,000        | 2,622,000        |
| Prosperity Millennia Plaza     | 1,874,000        | 1,996,000        |
| 9 Chong Yip Street             | 860,000          | 917,000          |
| Prosperity Place               | 1,684,000        | 1,700,000        |
| Trendy Centre                  | 1,079,000        | 1,105,000        |
| Portion of Prosperity Center   | 834,000          | 851,000          |
| Portion of New Treasure Centre | 348,000          | 356,000          |
| Total segment assets           | 9,213,000        | 9,547,000        |
| Other assets                   | 71,529           | 81,742           |
| Consolidated assets            | 9,284,529        | 9,628,742        |

For the purposes of monitoring segment performances and allocating resources, all investment properties are allocated to operating segments. Other assets, including bank balances and cash and trade and other receivables, and all liabilities, are unallocated.

### 26 OPERATING LEASE ARRANGEMENTS

The Group rents out its investment properties in Hong Kong. Leases are negotiated for term ranging from one to four years with monthly fixed rental.

Undiscounted lease payments receivable on leases are as follows:

|                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------|------------------|------------------|
| Within one year    | 240,823          | 243,202          |
| In the second year | 110,380          | 122,881          |
| In the third year  | 23,982           | 30,437           |
| In the fourth year | 1,071            | 128              |
|                    | 376,256          | 396,648          |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 27 CONNECTED AND RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with connected and related parties:

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| Rent and rental related income from  |       |                  |                  |
| E-Park Parking Management Limited  | (a)   | 578              | 608              |
| Goodwell Property Management Limited                                       | (a)   | 2,125            | 2,060            |
| Carpark lease agency fee for the operations of the Group's carpark         |       |                  |                  |
| E-Park Parking Management Limited  | (a)   | 3,210            | 3,440            |
| Property management fee  |       |                  |                  |
| Goodwell-Prosperity Property Services Limited                              | (a)   | 9,124            | 9,562            |
| Marketing service fee  |       |                  |                  |
| Goodwell-Prosperity Property Services Limited                              | (a)   | 10,843           | 11,228           |
| Back-office support service fee  |       |                  |                  |
| CK Asset Companies   | (a)   | 17               | 5                |
| Trustee's fee  |       |                  |                  |
| HSBC Institutional Trust Services (Asia) Limited                           | (b)   | 2,826            | 2,891            |
| Manager's fee  |       |                  |                  |
| ESR Asset Management (Prosperity) Limited                                  | (c)   | 46,620           | 48,147           |
| Building manager's remuneration  |       |                  |                  |
| Goodwell Property Management Limited                                       | (a)   | 701              | 682              |
| Carpark manager's remuneration   |       |                  |                  |
| Goodwell Property Management Limited                                       | (a)   | 64               | 62               |
| Citybase Property Management Limited                                       | (a)   | 47               | 46               |
| Balances as at year end with connected and related parties are as follows: |       |                  |                  |
| Amounts due to   |       |                  |                  |
| Citybase Property Management Limited                                       | (a)   | 183              | 428              |
| E-Park Parking Management Limited  | (a)   | 547              | 272              |
| Goodwell-Prosperity Property Services Limited                              | (a)   | 4,036            | 2,352            |
| Goodwell Property Management Limited                                       | (a)   | 2,078            | 2,422            |
| Deposits placed with the Group for the lease of the Group's properties     |       |                  |                  |
| E-Park Parking Management Limited  | (a)   | 162              | 162              |
| Goodwell Property Management Limited                                       | (a)   | 582              | 582              |

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 27 CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Notes:

- (a) These companies are the subsidiaries of CK Asset Holdings Limited ("CK Asset"), a substantial holder (defined in the REIT Code as a holder of 10% or more of the outstanding units) of Prosperity REIT.
- (b) HSBC Institutional Trust Services (Asia) Limited is the trustee of Prosperity REIT.
- (c) ESR Asset Management (Prosperity) Limited is the manager of Prosperity REIT.

Under the REIT Code, the deed of mutual covenant which binds the REIT Manager and all the owners of a development and their successors-in-title which include members of CK Asset group technically constitutes a contract between the Group and CK Asset group. Remuneration to the building managers, wholly-owned subsidiaries of CK Asset, for the building management services provided constitutes a connected party transaction. During the year, remuneration paid from the funds of the buildings, attributable to the properties owned by the Group, to the building managers amounted to HK\$812,000 (2024: HK\$790,000).

### 28 CAPITAL COMMITMENTS

As at 31 December 2025, the Group had HK\$707,000 capital commitments which were contracted but not provided for (2024: HK\$Nil).

### 29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows used in financing activities.

|  | Bank borrowings<br>(note 15)<br>HK\$'000 | Distribution payable<br>HK\$'000 | Total<br>HK\$'000 |
|--|--|----------------------------------|-------------------|
| At 1 January 2024                      | 2,345,774                                | 100,891                          | 2,446,665         |
| Financing cash flows                   | (110,963)                                | (199,069)                        | (310,032)         |
| Finance costs from bank borrowings     | 120,060                                  | -                                | 120,060           |
| Drawdown of an unsecured term loan     | 59,100                                   | -                                | 59,100            |
| Bank facility origination fees paid    | (700)                                    | -                                | (700)             |
| Drawdown of unsecured revolving loans  | 160,000                                  | -                                | 160,000           |
| Repayment of unsecured revolving loans | (170,000)                                | -                                | (170,000)         |
| Distribution to unitholders            | -  | 185,415                          | 185,415           |
| At 1 January 2025                      | 2,403,271                                | 87,237                           | 2,490,508         |
| Financing cash flows                   | (92,805)                                 | (179,312)                        | (272,117)         |
| Finance costs from bank borrowings     | 103,068                                  | -                                | 103,068           |
| Bank facility origination fees paid    | (11,400)                                 | -                                | (11,400)          |
| Drawdown of unsecured revolving loans  | 120,000                                  | -                                | 120,000           |
| Repayment of unsecured revolving loans | (85,000)                                 | -                                | (85,000)          |
| Distribution to unitholders            | -  | 182,798                          | 182,798           |
| At 31 December 2025                    | 2,437,134                                | 90,723                           | 2,527,857         |

## List of Subsidiaries

| Name of companies                 | Place of incorporation | Effective equity interest held by Prosperity REIT |              |                        |              | Share capital | Principal activities in Hong Kong |
|-----------------------------------|------------------------|---|--------------|------------------------|--------------|---------------|-----------------------------------|
|                                   |                        | As at 31 December 2025                            |              | As at 31 December 2024 |              |               |                                   |
|                                   |                        | Directly %  | Indirectly % | Directly %             | Indirectly % |               |                                   |
| Bandick Limited                   | Hong Kong              | 100   | -            | 100                    | -            | HK\$2         | Property investment               |
| Clifton Properties Limited        | Hong Kong              | -   | 100          | -                      | 100          | HK\$10,000    | Property investment               |
| Conestoga Limited                 | Hong Kong              | -   | 100          | -                      | 100          | HK\$10,000    | Property investment               |
| Haskins Investments Limited       | Hong Kong              | 100   | -            | 100                    | -            | HK\$2         | Property investment               |
| Jade Arch Investment Limited      | British Virgin Islands | 100   | -            | 100                    | -            | HK\$15,053    | Investment holding                |
| Prodes Company Limited            | Hong Kong              | -   | 100          | -                      | 100          | HK\$10        | Property owner                    |
| Progain Group Limited             | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Financing                         |
| Top Easy Profits Limited          | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Unicenter Limited                 | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Investment holding                |
| Unique Champ Investments Limited  | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Investment holding                |
| Vital Vision Enterprises Limited  | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Financing                         |
| Winrise Champion Limited          | British Virgin Islands | -   | 100          | -                      | 100          | US\$1         | Property investment               |
| Wisdom Champion Limited           | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (12) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (15) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (16) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (17) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (18) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (19) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (20) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (21) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (22) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (23) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (25) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (26) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (27) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Wisdom Champion (28) Limited      | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Property investment               |
| Diamond Champ Enterprises Limited | British Virgin Islands | 100   | -            | 100                    | -            | US\$1         | Dormant                           |

None of the subsidiaries had issued debt securities at the end of the year.

## Performance Table

### RESULTS ANALYSIS FOR THE YEAR ENDED 31 DECEMBER

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Gross rental from investment properties                          | 329,442          | 347,446          | 361,224          | 363,996          | 381,667          |
| Net property income  | 305,249          | 323,307          | 336,382          | 337,905          | 352,086          |
| (Loss)/profit for the year, before transactions with unitholders | (251,567)        | (74,636)         | (5,673)          | 74,891           | 57,020           |
| Distribution to unitholders                                      | 182,798          | 185,415          | 214,662          | 244,985          | 267,619          |
| Basis (loss)/earnings per unit (HK\$)                            | (0.160)          | (0.049)          | (0.004)          | 0.050            | 0.037            |
| Distribution per unit (HK\$)                                     | 0.1156           | 0.1198           | 0.1409           | 0.1625           | 0.1763           |

### MAJOR ASSETS AND LIABILITIES OF PROSPERITY REIT AS AT 31 DECEMBER

|   | 2025<br>HK\$'000    | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
|---|---------------------|------------------|------------------|------------------|------------------|
| Investment properties   | 9,213,000           | 9,547,000        | 9,703,000        | 9,801,000        | 9,967,000        |
| Borrowings, excluding bank facility origination fees            | (2,455,000)         | (2,420,000)      | (2,370,000)      | (2,340,000)      | (2,340,000)      |
| Net asset value   | 6,285,052           | 6,676,152        | 6,888,706        | 7,098,489        | 7,262,603        |
| Net asset value per unit (HK\$) <sup>(1)</sup>                  | 3.97                | 4.31             | 4.56             | 4.71             | 4.83             |
| <b>Other Information</b>  |                     |                  |                  |                  |                  |
| The highest traded price during the year (HK\$)                 | 1.50                | 1.47             | 2.39             | 3.11             | 3.19             |
| The discount of the highest traded price to net asset value     | (62.2%)             | (65.9%)          | (47.6%)          | (34.0%)          | (34.0%)          |
| The lowest traded price during the year (HK\$)                  | 1.12                | 1.11             | 1.32             | 1.60             | 2.38             |
| The discount of the lowest traded price to net asset value      | (71.8%)             | (74.2%)          | (71.1%)          | (66.0%)          | (50.7%)          |
| The net yield per unit based on market price at the end of year | 8.1% <sup>(2)</sup> | 9.7%             | 10.1%            | 8.2%             | 5.7%             |

1 The net asset value per unit is calculated based on the net assets attributable to unitholders and the total number of units in issue as at year ended dates;

2 Based on the distribution per unit of HK\$0.1156 for the year ended 31 December 2025 and the closing market price of HK\$1.43 as at 31 December 2025.

## Investment Properties Portfolio

As at 31 December 2025

| Property                         | Type | Lease term        | Lease expiry date | Location  | Valuation<br>2025<br>HK\$ Million |
|----------------------------------|------|-------------------|-------------------|---|-----------------------------------|
| The Metropolis Tower             | O    | Medium-term lease | 30 June 2047      | 10<br>Metropolis Drive<br>Hung Hom<br>Kowloon Hong Kong     | 2,534                             |
| Prosperity Millennia Plaza       | O    | Medium-term lease | 30 June 2047      | 663<br>King's Road<br>North Point<br>Hong Kong              | 1,874                             |
| 9 Chong Yip Street               | O    | Medium-term lease | 30 June 2047      | 9<br>Chong Yip Street<br>Kwun Tong<br>Kowloon Hong Kong     | 860                               |
| Prosperity Place                 | C    | Medium-term lease | 30 June 2047      | 6<br>Shing Yip Street<br>Kwun Tong<br>Kowloon Hong Kong     | 1,684                             |
| Trendy Centre                    | I/O  | Medium-term lease | 30 June 2047      | 682<br>Castle Peak Road<br>Lai Chi Kok<br>Kowloon Hong Kong | 1,079                             |
| Prosperity Center (portion)      | I/O  | Medium-term lease | 30 June 2047      | 25<br>Chong Yip Street<br>Kwun Tong<br>Kowloon Hong Kong    | 834                               |
| New Treasure Centre<br>(portion) | I    | Medium-term lease | 30 June 2047      | 10<br>Ng Fong Street<br>San Po Kong<br>Kowloon Hong Kong    | 348                               |
| <b>Total</b>                     |      |                   |                   |   | <b>9,213</b>                      |

Note: Type of properties: O-Office, C-Commercial, I/O-Industrial/Office, I-Industrial

## Summary Financial Information

Following is a summary of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position of Prosperity REIT for the past financial years prepared on a basis as consistent to the financial year ended 31 December 2025:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|   | Year ended<br>31 Dec 2025<br>HK\$'000 | Year ended<br>31 Dec 2024<br>HK\$'000 | Year ended<br>31 Dec 2023<br>HK\$'000 | Year ended<br>31 Dec 2022<br>HK\$'000 | Year ended<br>31 Dec 2021<br>HK\$'000 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Revenue   | 408,501                               | 425,368                               | 437,314                               | 434,007                               | 444,981                               |
| (Loss)/profit before taxation and transactions with unitholders   | (224,828)                             | (42,112)                              | 21,482                                | 121,142                               | 98,289                                |
| Taxation  | (26,739)                              | (32,524)                              | (27,155)                              | (46,251)                              | (41,269)                              |
| (Loss)/profit for the years, before transactions with unitholders | (251,567)                             | (74,636)                              | (5,673)                               | 74,891                                | 57,020                                |
| Distribution to unitholders                                       | 182,798                               | 185,415                               | 214,662                               | 244,985                               | 267,619                               |
| Distribution per unit (HK\$)                                      | 0.1156                                | 0.1198                                | 0.1409                                | 0.1625                                | 0.1763                                |

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Non-current assets                     | 9,213,000        | 9,554,725        | 9,715,653        | 9,833,185        | 9,967,000        |
| Current assets                         | 71,529           | 74,017           | 92,736           | 149,316          | 218,623          |
| Current liabilities                    | 1,133,172        | 1,235,047        | 348,098          | 326,449          | 1,898,934        |
| Net assets attributable to unitholders | 6,285,052        | 6,676,152        | 6,888,706        | 7,098,489        | 7,262,603        |

## Corporate Information

### BOARD OF DIRECTORS OF THE REIT MANAGER

CHIU Kwok Hung, Justin  
*Chairman and Non-executive Director*

WONG Lai Hung, Mavis  
*Executive Director and Chief Executive Officer*

MA Lai Chee, Gerald  
*Non-executive Director*

SHEN Jinchu (appointed on 28 May 2025)  
*Non-executive Director*

LIM Hwee Chiang (resigned on 28 May 2025)  
*Non-executive Director*

LAN Hong Tsung, David  
*Independent Non-executive Director*

SNG Sow-Mei (alias POON Sow Mei)  
*Independent Non-executive Director*

WONG Kwai Lam  
*Independent Non-executive Director*

NG Shieu Yeing, Christina  
*Independent Non-executive Director*

### COMPANY SECRETARY OF THE REIT MANAGER

Tricor Corporate Secretary Limited

### TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

### AUDITOR OF PROSPERITY REIT

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*

### PRINCIPAL VALUER

Knight Frank Petty Limited

### PRINCIPAL BANKERS

DBS Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Oversea-Chinese Banking Corporation Limited

### LEGAL ADVISER

Baker & McKenzie

### REGISTERED OFFICE

Unit 901, Level 9, Fortune Metropolis  
6 The Metropolis Drive, Hunghom, Kowloon  
Hong Kong

### UNIT REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Rooms 1712–16, 17/F, Hopewell Centre  
183 Queen's Road East, Wan Chai  
Hong Kong

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 808

### INVESTOR RELATIONS

Tel: +852 2169 0928  
Fax: +852 2169 0968  
Email: prosperityenquiry@esr.com

### WEBSITE

www.prosperityreit.com

### KEY DATES

|   |   |
|---|---|
| Annual Results Announcement                                   | 24 March 2026                                   |
| Closure of Register of Unitholders for Final Distribution     | 13 April to 14 April 2026 (both days inclusive) |
| Payment of Final Distribution                                 | 23 April 2026                                   |
| Closure of Register of Unitholders for Annual General Meeting | 21 May to 27 May 2026 (both days inclusive)     |
| Annual General Meeting  | 27 May 2026                                     |



Stock Code: 808

Prosperity REIT is managed by  
ESR Asset Management (Prosperity) Limited,  
a subsidiary of ESR Group Limited



[www.prosperityreit.com](http://www.prosperityreit.com)

