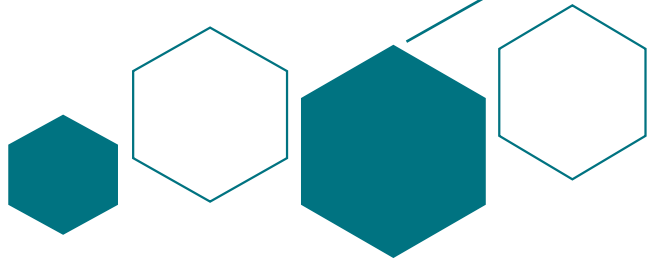


Building for the Future

精益求精 開拓未來

2022
Interim Report
中期報告





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 ARA Asset Management (Prosperity) Limited (the “**REIT Manager**”).

ABOUT THE REIT MANAGER

ARA Asset Management (Prosperity) Limited is a wholly-owned subsidiary of ARA Asset Management Limited which is part of the ESR Group, APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally.

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.

A honeycomb is one of the most dedicated structures in the world where an array of hollow cells is closely connected to form an orderly structure of strength. Demonstrating the craftsmanship of a honeycomb, Prosperity REIT tries its best to overcome difficulties and pursue excellence, creating unlimited possibilities and diversifying its businesses with meticulous and thoughtful strategies.



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Performance Highlights

DISTRIBUTION PER UNIT¹

 **2.9%**

1H2022 **HK\$0.0875**

1H2021 **HK\$0.0901**

PROPERTY VALUATION

 **0.7%**

As at 30 Jun 2022 **HK\$9,894 million**

As at 31 Dec 2021 **HK\$9,967 million**

GEARING RATIO

 **0.1%**²

As at 30 Jun 2022 **23.1%**

As at 31 Dec 2021 **23.0%**

OCCUPANCY RATE

0%²

As at 30 Jun 2022 **96.0%**

As at 30 Jun 2021 **96.0%**

Notes:

¹ For the six months ended 30 June.

² Absolute change.

Performance Highlights

Performance Highlights

Below is a summary of Prosperity REIT's performance for the six months ended 30 June 2022 (the "Reporting Period"):

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Percentage change Increase/ (Decrease)
Income available for distribution	HK\$131.4 million	HK\$138.1 million	(4.9%)
Distribution per unit ("DPU")	HK\$0.0875	HK\$0.0901	(2.9%)

Operation Data

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Percentage change Increase/ (Decrease)
Revenue	HK\$218.6 million	HK\$224.4 million	(2.6%)
Net property income	HK\$172.2 million	HK\$180.4 million	(4.5%)
Occupancy rate (as at 30 June)	96.0%	96.0%	0% ²
Cost-to-revenue ratio	21.2%	19.6%	1.6% ²

Key Financial Figures

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)	Percentage change Increase/ (Decrease)
Net asset value per unit	HK\$4.81	HK\$4.83	(0.4%)
Property valuation	HK\$9,894 million	HK\$9,967 million	(0.7%)
Gearing ratio ¹	23.1%	23.0%	0.1% ²

Notes:

1. This excludes the bank facility origination fees already paid in cash, and is calculated by dividing total borrowings over total assets.
2. Absolute change.

Management Discussion and Analysis

OPERATIONS REVIEW

As at 30 June 2022, 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 30 June 2022, 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 30 June 2022, was as follows:

	Location	Gross rentable area sq. ft.	No. of car park spaces	Valuation HK\$ million	Occupancy rate
Grade A Office					
The Metropolis Tower	Hung Hom	271,418	98	2,929	91.5%
Prosperity Millennia Plaza	North Point	217,955	43	2,122	95.0%
9 Chong Yip Street	Kwun Tong	136,595	68	1,003	97.6%
Commercial					
Prosperity Place	Kwun Tong	240,000	83	1,650	98.8%
Industrial/Office					
Trendy Centre	Lai Chi Kok	173,764	79	1,030	94.8%
Prosperity Center (portion)	Kwun Tong	149,253	105	826	99.2%
Industrial					
New Treasure Centre (portion)	San Po Kong	86,168	22	334	100.0%
Total		1,275,153	498	9,894	96.0%

During the Reporting Period, global economic recovery has been tempered by a chain of unprecedented headwinds including geopolitical fallouts, supply chain disruptions, intermittent COVID-19 resurgences, as well as inflation pressures.

Management Discussion and Analysis

In US, a high inflation rate of 9.1% year-on-year (“YoY”) has been recorded in June 2022. The Federal Reserve has moved expeditiously by hiking rates to a range of 2.25% to 2.50%, with further rate hikes anticipated in second half of this year. Additionally, the Federal Reserve began its quantitative tightening process by reducing its balance sheet since June 2022.

In Mainland China, GDP growth in 2Q 2022 slowed to 0.4% YoY, attributable to city lockdowns under pandemic outbreaks. Accommodative monetary and fiscal policies were generally maintained in Mainland China to reinvigorate economic growth.

In Hong Kong, stringent social distancing restrictions stemming from the Fifth Wave pandemic led to economic contraction of 3.9% and 1.4% YoY in 1Q and 2Q 2022 respectively. The leasing market remained subdued during the Reporting Period, but encouraging signs emerged recently with rents and occupancy rates bottoming out under relaxed social distancing measures. The key themes of cost-effective decentralization, downsizing and consolidation prevailed. Corporations would opt for value-for-money office spaces.

Navigating an uncertain business environment, Prosperity REIT focuses on retaining tenants for achieving stable occupancy and income stream. Rental relief measures were offered to tenants on a case-by-case basis.

During the Reporting Period, whilst occupancy rate remained stable at 96.0%, average effective unit rent of the portfolio dropped by 4.8% YoY to HK\$22.84 per sq. ft. and a negative rental reversion was registered. Our proactive yet nimble leasing strategies, premium quality properties, as well as attentive property management services have helped mitigate impacts arising from market adversity.

As at 30 June 2022, Prosperity REIT’s gearing ratio remained at a healthy level of 23.1% (31 December 2021: 23.0%), providing us with a strong balance sheet to withstand economic volatility and to take advantage of future growth opportunities.

Management Discussion and Analysis

OUTLOOK

Against the backdrop of downside risks including rising interest rate, inflation, geopolitical tensions, COVID-19 variant outbreaks and supply chain strains, the World Bank has downgraded the 2022 global GDP growth forecast from 4.1% to 2.9%. Likewise, Hong Kong GDP growth forecast is cut to 1.0% – 2.0% in 2022. Nonetheless, stimuli for Hong Kong economy's rebound include consumption voucher scheme, easing travelling restrictions, revival of IPO pipeline and containment of the pandemic.

Looking forward, we will strive to deploy flexible asset management strategies under the diligent and professional support of Goodwell-Prosperity Property Services Limited, the property manager of Prosperity REIT. We will capitalize on opportunities brought by Kowloon East as a new premier CBD2 of Hong Kong. We also seek to prosper from the strategic location of Hung Hom station, being the interchange station of Tuen Ma Line and East Rail Line, with our flagship property, The Metropolis Tower.

INVESTMENT REVIEW

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

ASSET ENHANCEMENT

Asset enhancement is a key growth driver for Prosperity REIT. Apart from keeping up with keen competition, upgrading our properties is another way to ensure sustainable growth in rental level and capital appreciation. During the Reporting Period, an asset enhancement work has been being carried out at The Metropolis Tower.

Concurrent with the opening of the Cross-Harbour Extension of East Rail Line, the facelifting of ground floor main lobby at The Metropolis Tower has been completed. The renovated lobby incorporates a contemporary design with a new 550 sq. ft. area green wall composed of over 2,000 plants, thus creating a warm and hospitable indoor environment. Moreover, for better energy efficiency, the indoor light intensity can be automatically adjusted by a smart lighting control system. A turnstiles system has also been installed in order to enhance the security standard and building image.

Management Discussion and Analysis

FINANCIAL REVIEW

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

	Turnover HK\$'000	Rental related income HK\$'000	Revenue HK\$'000	Net property income HK\$'000
Grade A Office				
The Metropolis Tower	49,846	12,262	62,108	49,292
Prosperity Millennia Plaza	37,217	8,520	45,737	37,901
9 Chong Yip Street	17,203	2,420	19,623	15,748
Commercial				
Prosperity Place	32,336	4,498	36,834	28,018
Industrial/Office				
Trendy Centre	22,165	3,728	25,893	19,528
Prosperity Center (portion)	17,890	1,943	19,833	15,456
Industrial				
New Treasure Centre (portion)	7,371	1,169	8,540	6,301
Total	184,028	34,540	218,568	172,244

Revenue

During the Reporting Period, revenue decreased to HK\$218.6 million, being HK\$5.8 million or 2.6% lower than the last corresponding half year. The decrease was mainly due to the negative rental reversion rates in The Metropolis Tower and Prosperity Millennia Plaza.

Management Discussion and Analysis

Net Property Income

For the Reporting Period, the net property income was HK\$172.2 million, being HK\$8.2 million or 4.5% lower than the last corresponding half year mainly as a result of the decrease in revenue and COVID-19 related relief measures. The cost-to-revenue ratio was 21.2%.

Distributable Income

For the Reporting Period, the unaudited distributable income of Prosperity REIT to unitholders of Prosperity REIT was HK\$131.4 million, representing a DPU of HK\$0.0875. This represents an annualized distribution yield of 7.3%³. The distributable income for the Reporting Period is calculated by the REIT Manager as representing the consolidated profit after tax of Prosperity REIT and its subsidiaries for the relevant financial period, 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 (differences between cash and accounting finance costs) of HK\$3.9 million (equivalent to HK\$0.0026 per unit), which have been recorded in the condensed consolidated statement of profit or loss and other comprehensive income for the Reporting Period.

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. 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.

Note:

3. Based on Prosperity REIT’s closing unit price of HK\$2.40 as at 30 June 2022.

Management Discussion and Analysis

Liquidity and Financing

As at 30 June 2022, Prosperity REIT had facilities in aggregate of HK\$2,770 million, comprising:

- (i) A term loan and revolving credit facility of up to an aggregate principal amount of HK\$1,970 million (the “**HK\$1,970 Million Facilities**”) comprising a HK\$1,540 million unsecured term loan facility and a HK\$430 million unsecured revolving credit facility, which bear interest at a margin of 0.82% per annum over Hong Kong Interbank Offered Rate (“**HIBOR**”). The term loan facility will mature and become repayable 5 years from 30 November 2017, and the revolving credit facility will be repaid on each maturity date and can be redrawn upon maturity; and
- (ii) A HK\$800 million unsecured sustainability-linked term loan which bears interest at a margin of 1.05% per annum over HIBOR, and will mature and become repayable 5 years from 31 August 2021 (the “**HK\$800 Million Facility**”). The interest margin is linked to the sustainability performance of Prosperity REIT, which may be reduced depending on the extent of pre-determined key performance indicators being met.

In relation to the HK\$1,970 Million Facilities, the term loan facility of HK\$1,540 million was fully drawn on 30 November 2017. None of the revolving credit facility was drawn as at 30 June 2022.

The HK\$800 Million Facility was fully drawn on 31 August 2021.

As all facilities bear interests at a variable rate, Prosperity REIT has entered into interest rate swap agreements to mitigate the impact of interest rate fluctuations. As at 30 June 2022, the interest costs for approximately 79% (31 December 2021: 70%) of Prosperity REIT’s outstanding term loans have been hedged through interest rate swaps.

The total borrowings of Prosperity REIT, excluding the bank facility origination fees, as a percentage of Prosperity REIT’s total assets was 23.1% as at 30 June 2022 (31 December 2021: 23.0%), whereas the total liabilities of Prosperity REIT as a percentage of Prosperity REIT’s total assets was 28.9% as at 30 June 2022 (31 December 2021: 28.7%).

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

Management Discussion and Analysis

Investment Properties and Property Valuation

For the Reporting Period, Prosperity REIT's portfolio recorded an investment property revaluation loss of HK\$82.3 million, based on a professional valuation performed by an independent qualified external valuer, Jones Lang LaSalle Limited. The movements of fair values are tabulated below:

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Fair value at the beginning of the period/year	9,967,000	10,147,000
Additional expenditure	9,312	6,518
Change in fair value of investment properties	(82,312)	(186,518)
Fair value at the end of the period/year	9,894,000	9,967,000

Charges on Assets

As at 30 June 2022, 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\$1,970 Million Facilities and HK\$800 Million Facility.

EMPLOYEES

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

Corporate Governance

The REIT Manager was established for the purpose of managing Prosperity REIT. The REIT Manager is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the REIT Manager emphasize a quality board of directors, sound internal control, transparency and accountability to all unitholders. The REIT Manager has adopted its compliance manual (the “**Compliance Manual**”) for use in relation to the management and operation of Prosperity REIT, which sets out the key processes, systems and measures, and certain corporate governance policies and procedures to be applied for compliance with the applicable regulations and legislation. During the Reporting Period, both the REIT Manager and Prosperity REIT have in material terms complied with the provisions of the Compliance Manual.

BOARD OF DIRECTORS OF THE REIT MANAGER

The Board of Directors of the REIT Manager (the “**Board**”) is responsible for the overall governance of the REIT Manager including establishing goals for the 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 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.

The Board presently comprises seven members with five male and two female, three of whom are Independent Non-executive Directors (“**INEDs**”). According to the articles of association of the REIT Manager, all Directors (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 the unitholders and at every third annual general meeting of the unitholders thereafter.

Corporate Governance

The positions of Chairman of the Board and Chief Executive Officer (“**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.

RISK MANAGEMENT AND INTERNAL CONTROLS

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 Securities and Futures Ordinance (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 Manager’s staff who carry out Prosperity REIT’s accounting, internal audit and financial reporting functions, as well as those relating to the Environmental, Social and Governance (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 and internal control systems and the internal audit function.

The Audit Committee is appointed by the Board and presently comprises three INEDs, namely, Dr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Wong Kwai Lam. Dr. Lan Hong Tsung, David is the chairman of the Audit Committee.

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 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.

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, among others, four Directors, 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.

Corporate Governance

NOMINATION COMMITTEE

The REIT Manager has established a Nomination Committee to assist the Board in reviewing the Board structure, size and composition, assessing the independence of independent non-executive directors and to make recommendations on the appointment and re-appointment of Director and succession planning.

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.

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 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Units Dealing Code has been extended to apply to executive officers and other employees of the REIT Manager.

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

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 Hong Kong Exchanges and Clearing Limited and the REIT Manager of their holdings in Prosperity REIT. The REIT Manager shall then send copies of such notifications received by it to HSBC Institutional Trust Services (Asia) Limited as the trustee of Prosperity REIT (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.

CHANGE OF DIRECTORS' INFORMATION

Subsequent to publication of the Annual Report 2021 of Prosperity REIT, there was change of Directors' information as follows:

1. Mrs. Sng Sow-Mei (alias Poon Sow Mei) was appointed as an Independent Non-executive Director of CK Asset Holdings Limited, a company listed in Hong Kong, with effect from 20 May 2022.

REVIEW OF INTERIM REPORT

The interim report of Prosperity REIT for the Reporting Period has been reviewed by the Audit Committee and the Disclosures Committee. The interim financial statements have also been reviewed by Prosperity REIT's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CLOSURE OF REGISTER OF UNITHOLDERS

The register of unitholders will be closed from Monday, 29 August 2022 to Tuesday, 30 August 2022, both days inclusive, during which period no transfer of units will be effected. In order to qualify for the interim 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 26 August 2022. The payment date of interim distribution will be on Thursday, 8 September 2022.

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 Period:

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 Period:

Name of Connected Person	Relationship with Prosperity REIT	Nature of the Connected Party Transaction	Rental and charge out collection (excluding rental deposit, if applicable) for the six months ended	Rental deposit received as at
			30 June 2022 HK\$	30 June 2022 HK\$
E-Park Parking Management Limited	Subsidiary of a substantial holder ¹	Tenancy of property of Prosperity REIT ²	334,722	176,961
Goodwell Property Management Limited	Subsidiary of a substantial holder ¹	Tenancy of property of Prosperity REIT ³	949,158	543,099
Total			1,283,880	720,060

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

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 Period:

Name of Connected Person	Relationship with Prosperity REIT	Nature of the Connected Party Transaction	Payment received/receivable for the six months ended 30 June 2022 HK\$
Goodwell Property Management Limited ¹	Subsidiary of a substantial holder ³	Remuneration of DMC Manager	303,252
Goodwell Property Management Limited ²	Subsidiary of a substantial holder ³	Remuneration of Carpark Manager	27,371
Citybase Property Management Limited ²	Subsidiary of a substantial holder ³	Remuneration of Carpark Manager	20,254
Total			350,877

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 Period:

Name of Connected Person	Relationship with Prosperity REIT	Nature of the Connected Party Transaction	Expenses for the six months ended 30 June 2022 HK\$
Goodwell-Prosperity Property Services Limited	Subsidiary of a substantial holder ¹	Property management and lease management fee	5,097,062
Goodwell-Prosperity Property Services Limited	Subsidiary of a substantial holder ¹	Marketing service fee	7,063,171
E-Park Parking Management Limited	Subsidiary of a substantial holder ¹	Carpark lease agency fee	1,630,647
Total			13,790,880

Note:

1. Substantial holder being CK Asset.

Connected Party Transactions

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 Period.

* 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 Period and hence amounts due from Prosperity REIT as at 30 June 2022 were as follows:

Name of Connected Person	Amount payable HK\$
Goodwell-Prosperity Property Services Limited	4,253,399
Goodwell Property Management Limited	1,881,471
E-Park Parking Management Limited	583,762
Citybase Property Management Limited	52,236
Total	6,770,868

Connected Party Transactions

OTHER TRANSACTIONS

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

Name of Connected Person	Relationship with Prosperity REIT	Nature of the Connected Party Transaction	Expenses for the six months ended 30 June 2022 HK\$
ARA Asset Management (Prosperity) Limited	REIT Manager	Base fee and variable fee	24,864,681
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee fee	1,489,094
Total			26,353,775

Connected Party Transactions

REPURCHASE, SALE OR REDEMPTION OF UNITS

Pursuant to the general mandate to buy back units granted by unitholders, the REIT Manager bought back a total of 14,894,000 units on behalf of Prosperity REIT on The Stock Exchange of Hong Kong Limited during the Reporting Period for an aggregate consideration of approximately HK\$42.8 million (excluding expenses). Details of units bought back are summarised as follows:

Month of bought back	Number of Units bought back	Purchase price per unit		Aggregate Consideration (excluding expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
2022				
January	3,728,000	3.10	3.03	11,483
February	311,000	3.07	3.05	953
March	3,408,000	2.99	2.77	9,812
April	5,943,000	2.92	2.69	16,504
May	1,504,000	2.75	2.65	4,092
	14,894,000			42,844

All units bought back (including those 639,000 units bought back with a consideration of approximately HK\$1,973,000, which have not been cancelled as at 31 December 2021) were cancelled prior to the Reporting Period end.

Save as disclosed above and other than the disposal 2,000,000 units of Prosperity REIT by the REIT Manager which the REIT Manager had received as payment of its management fee, there was no other repurchase, sale or redemption of units by Prosperity REIT or its subsidiaries during the Reporting Period.

Connected Party Transactions

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	As at	As at
	30 June 2022	30 June 2022	31 December 2021
	Number of Units	Percentage of Unitholdings ⁵	Number of Units
Total Win Group Limited ¹	176,328,129	11.78%	176,328,129
Wide Option Investments Limited ¹	98,883,559	6.61%	98,883,559
HKSCC Nominees Limited ²	1,102,787,781	73.68%	1,109,060,091
ARA Asset Management (Prosperity) Limited ³	12,836,818	0.86%	6,425,968
Lan Hong Tsung, David ⁴	350,000	0.02%	350,000

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 30 June 2022. 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 30 June 2022.

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 30 June 2022.

Therefore, CK Asset was deemed to hold 275,211,688 units as at 30 June 2022, of which 176,328,129 units were held by Total Win and 98,883,559 units were held by Wide Option.

Connected Party Transactions

2. 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 30 June 2022. So far as the REIT Manager is aware of, HKSCC Nominees Limited held such units as a nominee.
3. ARA 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 30 June 2022.
4. 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 30 June 2022.
5. The total number of issued units as at 30 June 2022 was 1,496,625,180.

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 30 June 2022.

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

As at 30 June 2022, 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 ¹
ARA Asset Management (Prosperity) Limited	12,836,818	0.86%
Lan Hong Tsung, David	350,000	0.02%

Note:

1. The total number of issued units as at 30 June 2022 was 1,496,625,180.

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 30 June 2022.

Report on Review of Condensed Consolidated Financial Statements

**TO THE BOARD OF DIRECTORS OF
ARA ASSET MANAGEMENT (PROSPERITY) LIMITED**

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Prosperity Real Estate Investment Trust and its subsidiaries set out on pages 26 to 50, which comprises the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, distribution statement, condensed consolidated statement of changes in net assets attributable to unitholders and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants. ARA Asset Management (Prosperity) Limited, as manager of Prosperity Real Estate Investment Trust, is responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

Report on Review of Condensed Consolidated Financial Statements

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11 August 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	218,568	224,389
Property management fees		(5,097)	(5,356)
Property operating expenses	6	(41,227)	(38,606)
Total property operating expenses		(46,324)	(43,962)
Net property income		172,244	180,427
Other income		511	510
Manager's fee		(24,865)	(25,347)
Trust and other expenses	7	(4,158)	(4,251)
Change in fair value of investment properties		(82,312)	(195,965)
Finance costs	8	36,988	(8,109)
Profit/(Loss) before taxation and transactions with unitholders		98,408	(52,735)
Taxation	9	(19,660)	(20,942)
Profit/(Loss) for the period, before transactions with unitholders		78,748	(73,677)
Distribution to unitholders		(131,395)	(138,110)
Loss for the period, after transactions with unitholders		(52,647)	(211,787)
Total comprehensive expense for the period, after transactions with unitholders		(52,647)	(211,787)
Income available for distribution to unitholders		131,395	138,110
Basic profit/(loss) per unit (HK\$)	10	0.05	(0.05)

Distribution Statement

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit/(Loss) for the period, before transactions with unitholders	78,748	(73,677)
Adjustments:		
Manager's fee	24,333	24,807
Change in fair value of investment properties	82,312	195,965
Change in fair value of derivative financial instruments	(63,483)	(18,480)
Finance costs	3,934	3,964
Deferred tax	5,551	5,531
Income available for distribution (note (i))	131,395	138,110
Distribution to unitholders:		
For the six months ended 30 June	131,395	138,110
Distribution per unit (HK\$) (note (ii))	0.0875	0.0901

Notes:

- (i) In accordance with the trust deed, constituting Prosperity Real Estate Investment Trust ("**Prosperity REIT**") (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 stated policy of ARA Asset Management (Prosperity) Limited (the "**REIT Manager**") 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 Prosperity REIT and its subsidiaries (the "**Group**") for the relevant financial period, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) which have been recorded in the condensed consolidated statement of profit or loss and other comprehensive income for the relevant financial period.

These adjustments for the half year comprise:

- (a) manager's fee paid and payable in units of HK\$24,333,000 (2021: HK\$24,807,000) out of the total manager's fee of HK\$24,865,000 (2021: HK\$25,347,000) (the difference of HK\$532,000 (2021: HK\$540,000) is paid in cash);
- (b) decrease in fair value of investment properties of HK\$82,312,000 (2021: HK\$195,965,000) and increase in fair value of derivative financial instruments of HK\$63,483,000 (2021: HK\$18,480,000);
- (c) adjustment in respect of the positive amount of finance costs of HK\$36,988,000 (2021: negative amount of HK\$8,109,000), adding back increase in fair value of derivative financial instruments of HK\$63,483,000 (2021: HK\$18,480,000) and less the cash finance costs of HK\$22,561,000 (2021: HK\$22,625,000); and
- (d) deferred tax provision of HK\$5,551,000 (2021: HK\$5,531,000).
- (ii) The distribution per unit of HK\$0.0875 (2021: HK\$0.0901) is calculated based on Prosperity REIT's income available for distribution of HK\$131,395,000 (2021: HK\$138,110,000) over 1,501,690,737 units (2021: 1,532,773,868 units), representing units in issue as at 30 June 2022 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 second quarter of the relevant distribution period, and less nil units (2021: 1,694,000 units) bought back and cancelled prior to the date of declaration of the distribution.

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	9,894,000	9,967,000
Derivative financial instruments	13	32,902	–
Total non-current assets		9,926,902	9,967,000
Current assets			
Derivative financial instruments	13	10,456	–
Trade and other receivables	12	14,147	12,663
Bank balances and cash		157,386	205,960
Total current assets		181,989	218,623
Total assets		10,108,891	10,185,623
Non-current liabilities, excluding net assets attributable to unitholders			
Derivative financial instruments	13	–	4,823
Borrowings	14	789,414	788,155
Deferred tax liabilities		236,659	231,108
Total non-current liabilities, excluding net assets attributable to unitholders		1,026,073	1,024,086
Current liabilities			
Derivative financial instruments	13	2,444	17,746
Trade and other payables	15	181,466	190,936
Amounts due to related companies	16	6,771	8,219
Borrowings	14	1,537,739	1,535,064
Provision for taxation		19,016	4,907
Manager's fee payable		12,417	12,553
Distribution payable		131,395	129,509
Total current liabilities		1,891,248	1,898,934
Total liabilities, excluding net assets attributable to unitholders		2,917,321	2,923,020
Net assets attributable to unitholders		7,191,570	7,262,603
Units in issue ('000)	17	1,496,625	1,503,747
Net asset value per unit (HK\$) attributable to unitholders	18	4.81	4.83

Condensed Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the six months ended 30 June 2022

	Issued units HK\$'000 (unaudited)	Other reserve HK\$'000 (unaudited)	Unit issue costs HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Net assets attributable to unitholders as at 1 January 2022 (audited)	3,234,263	(1,973)	(91,278)	4,121,591	7,262,603
OPERATIONS					
Profit for the period, before transactions with unitholders	–	–	–	78,748	78,748
Distribution paid and payable	–	–	–	(131,395)	(131,395)
Total comprehensive expense for the period, after transaction with unitholders	–	–	–	(52,647)	(52,647)
UNITHOLDERS' TRANSACTIONS OTHER THAN DISTRIBUTIONS					
Units issued to REIT Manager	24,469	–	–	–	24,469
Units bought back (note (i))	(44,828)	1,973	–	–	(42,855)
Net assets attributable to unitholders as at 30 June 2022	3,213,904	–	(91,278)	4,068,944	7,191,570

Note (i):

During the six months ended 30 June 2022, the REIT Manager bought back a total of 14,894,000 units of Prosperity REIT for an aggregate consideration of approximately HK\$42.8 million. These units bought back, together with 639,000 units bought back which were not cancelled as at 31 December 2021 (with a consideration of HK\$1,973,000), were cancelled prior to the reporting period end.

Condensed Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the six months ended 30 June 2021

	Issued units HK\$'000 (unaudited)	Other reserve HK\$'000 (unaudited)	Unit issue costs HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Net assets attributable to unitholders as at 1 January 2021 (audited)	3,301,594	–	(91,278)	4,332,190	7,542,506
OPERATIONS					
Loss for the period, before transactions with unitholders	–	–	–	(73,677)	(73,677)
Distribution paid and payable	–	–	–	(138,110)	(138,110)
Total comprehensive expense for the period, after transaction with unitholders	–	–	–	(211,787)	(211,787)
UNITHOLDERS' TRANSACTIONS OTHER THAN DISTRIBUTIONS					
Units issued to REIT Manager	25,077	–	–	–	25,077
Units bought back (note (i))	(10,765)	(5,081)	–	–	(15,846)
Net assets attributable to unitholders as at 30 June 2021	3,315,906	(5,081)	(91,278)	4,120,403	7,339,950

Note (i):

During the six months ended 30 June 2021, the REIT Manager bought back a total of 5,386,000 units of Prosperity REIT for an aggregate consideration of approximately HK\$15.8 million (excluding expenses). 3,692,000 units of which were cancelled prior to the reporting period end. The remaining 1,694,000 units bought back with a consideration of HK\$5,081,000, which were not cancelled as at 30 June 2021, was recognised as other reserve. These units were cancelled subsequent to the reporting period end on 14 July 2021.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cash generated from operations	155,530	175,451
Income tax paid	–	(7,363)
Net cash from operating activities	155,530	168,088
Investing activities:		
Interest received	133	510
Additional expenditure to investment properties	(9,312)	(1,965)
Net cash used in investing activities	(9,179)	(1,455)
Financing activities:		
Interest payments of term loans	(22,561)	(22,625)
Distribution to unitholders	(129,509)	(136,409)
Payments for units bought back	(42,855)	(10,765)
Cash used in financing activities	(194,925)	(169,799)
Net decrease in cash and cash equivalents	(48,574)	(3,166)
Cash and cash equivalents at beginning of the period	205,960	351,788
Cash and cash equivalents at end of period, represented by bank balances and cash	157,386	348,622

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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 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 Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong.

The principal activity of 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.

2 BASIS OF PREPARATION

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

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant disclosure requirements set out in Appendix C of the REIT Code.

The REIT Manager is, at the time of approving the condensed consolidated financial statements, negotiating with banks to obtain new bank facilities and/or contemplating to renew existing bank borrowing which will mature within one year from the end of the reporting period. Taking into account the headroom of the fair value of investment properties of HK\$9,894,000,000, presently available bank facilities 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 the Group continues to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4 REVENUE

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Rental income	169,220	178,111
Car park income	14,808	14,951
	184,028	193,062
Rental related income	34,540	31,327
	218,568	224,389

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 as income as time elapsed when the services and facilities are provided. The Group applied the practical expedient in HKFRS 15 Revenue from Contracts with Customers ("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 entity'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 Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5 SEGMENT INFORMATION

During the reporting period, Prosperity REIT invested in seven (2021: 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 Centre 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.

Six months ended 30 June 2022 (unaudited)

	The Metropolis Tower HK\$'000	Prosperity Millennia Plaza HK\$'000	9 Chong Yip Street HK\$'000	Prosperity Place HK\$'000	Trendy Centre HK\$'000	Prosperity Centre (portion) HK\$'000	New Treasure Centre (portion) HK\$'000	Consolidated HK\$'000
Rental income	49,846	37,217	17,203	32,336	22,165	17,890	7,371	184,028
Rental related income	12,262	8,520	2,420	4,498	3,728	1,943	1,169	34,540
Segment revenue in Hong Kong	62,108	45,737	19,623	36,834	25,893	19,833	8,540	218,568
Segment profit	49,292	37,901	15,748	28,018	19,528	15,456	6,301	172,244
Other income								511
Manager's fee								(24,865)
Trust and other expenses								(4,158)
Change in fair value of investment properties								(82,312)
Finance costs								36,988
Profit before taxation and transactions with unitholders								98,408

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5 SEGMENT INFORMATION (Continued)

Six months ended 30 June 2021 (unaudited)

	The Metropolis Tower HK\$'000	Prosperity Millennia Plaza HK\$'000	9 Chong Yip Street HK\$'000	Prosperity Place HK\$'000	Trendy Centre HK\$'000	Prosperity Center (portion) HK\$'000	New Treasure Centre (portion) HK\$'000	Consolidated HK\$'000
Rental income	54,609	39,991	17,705	33,625	22,584	16,970	7,578	193,062
Rental related income	11,474	7,570	2,261	3,455	3,552	1,797	1,218	31,327
Segment revenue in Hong Kong	66,083	47,561	19,966	37,080	26,136	18,767	8,796	224,389
Segment profit	54,884	39,338	16,209	29,636	20,222	13,543	6,595	180,427
Interest income								510
Manager's fee								(25,347)
Trust and other expenses								(4,251)
Change in fair value of investment properties								(195,965)
Finance costs								(8,109)
Loss before taxation and transactions with unitholders								(52,735)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

6 PROPERTY OPERATING EXPENSES

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Building management expenses	20,800	18,528
Utilities	2,409	2,571
Car park operating expenses	4,072	4,033
Marketing service fee	7,063	5,444
Lease commission	964	2,279
Repairs and maintenance	1,447	3,622
Valuation fees (paid to principal valuer)	93	96
Audit fee	644	644
Other charges	3,735	1,389
	41,227	38,606

7 TRUST AND OTHER EXPENSES

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Audit fee	96	96
Bank charges	648	710
Legal and professional fees	406	256
Public relations and related expenses	31	74
Registrar fee	300	300
Trust administrative expenses	1,188	1,310
Trustee's fee	1,489	1,505
	4,158	4,251

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

8 FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expense on bank borrowings	16,847	15,849
Interest rate swaps expenses realised	9,648	10,740
	26,495	26,589
Change in fair value of derivative financial instruments	(63,483)	(18,480)
	(36,988)	8,109

9 TAXATION

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax	14,109	15,411
Deferred tax	5,551	5,531
	19,660	20,942

The estimated tax rate used is 16.5% for the period under review. No provision for Hong Kong Profits Tax is required for certain subsidiaries as these subsidiaries did not have any assessable profits for the period or the assessable profit is wholly absorbed by tax losses brought forward.

Deferred tax is provided on temporary differences relating to accelerated tax depreciation and tax losses using the estimated tax rate.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

10 BASIC PROFIT/(LOSS) PER UNIT

The basic profit/(loss) per unit is calculated by dividing the profit for the period, before transactions with unitholders of HK\$78,748,000 (2021: loss of HK\$73,677,000) by the weighted average of 1,503,288,514 (2021: 1,533,427,608) units in issue during the period, taking into account the units issuable as manager's fee for its service in the last quarter of the relevant distribution period.

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

11 INVESTMENT PROPERTIES

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Fair value at the beginning of the period/year	9,967,000	10,147,000
Additional expenditure	9,312	6,518
Change in fair value of investment properties	(82,312)	(186,518)
Fair value at end of the period/year	9,894,000	9,967,000

- (i) All of the Group's property interests in properties are 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 offices, commercial, industrial/office and industrial buildings and carparks under operating leases with rentals 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

11 INVESTMENT PROPERTIES (Continued)

(i) (Continued)

On 30 June 2022 and 31 December 2021, an independent valuation on the investment properties was undertaken by Jones Lang LaSalle Limited. The firm is an independent qualified external valuer 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 investment properties from the date of valuation at appropriate investment yields to arrive at the fair value.

The adopted capitalisation rates in the valuation range from 3.7% to 4.3% (2021: 3.7% to 4.3%). The capitalisation rates 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 30 June 2022 and 31 December 2021 was pledged to secure banking facilities granted to the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

12 TRADE AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Trade receivables	7,246	5,254
Less: allowance for credit losses	(2,475)	(1,278)
	4,771	3,976
Deposits, prepayments and other receivables	9,376	8,687
	14,147	12,663

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 period is as follows:

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Current – 1 month	120	54
2 – 3 months	4,651	3,922
	4,771	3,976

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

13 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Reflected on condensed consolidated statement of financial position based on discounted cash flow as:		
Non-current assets	32,902	–
Non-current liabilities	–	(4,823)
Current assets	10,456	–
Current liabilities	(2,444)	(17,746)
	40,914	(22,569)

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\$1,837,000,000 (31 December 2021: HK\$1,640,000,000) as at 30 June 2022 will mature from September 2022 to September 2026 (31 December 2021: September 2022 to September 2026). These contracts have fixed interest payments at rates ranging from 1.254% to 2.720% (31 December 2021: 1.254% to 1.918%) per annum and have floating interest receipts at three months Hong Kong Inter-bank Offered Rate (“**HIBOR**”) with HIBOR being repriced every three months.

The total increase in fair value of the derivative financial instruments amounting to HK\$63,483,000 is recognised in the profit or loss for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$18,480,000).

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

13 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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.

14 BORROWINGS

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Unsecured term loans	2,340,000	2,340,000
Bank facility origination fees	(12,847)	(16,781)
	2,327,153	2,323,219
Carrying amount repayable:		
Within one year	1,537,739	1,535,064
Within a period of more than one year but not exceeding five years	789,414	788,155
	2,327,153	2,323,219
Less: Amount due within one year shown under current liabilities	(1,537,739)	(1,535,064)
	789,414	788,155

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

14 BORROWINGS (Continued)

Details of the terms and conditions of the Group's facilities (including the unutilised facilities as stipulated in paragraph (ii) below) as at 30 June 2022 and 31 December 2021 are as follows:

- (i) HK\$1,540,000,000 unsecured term loan bears interest at floating interest rate of HIBOR+0.82% per annum and is repayable in full on 30 November 2022;
- (ii) HK\$430,000,000 unsecured revolving loan bears interest at floating interest rate of HIBOR+0.82% per annum and is repayable on demand; and
- (iii) A HK\$800,000,000 unsecured sustainability-linked term loan which bears interest at a margin of 1.05% per annum over HIBOR, and repayable on 31 August 2026. The interest margin is linked to the sustainability performance of Prosperity REIT, which may be reduced depending on the extent of pre-determined key performance indicators being met. The term loan facility includes clauses referencing a replacement benchmark and specific events on which the replacement benchmark rate to be used.

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:

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Balance at beginning of the period/year	16,781	12,060
Addition	–	12,700
Amortised during the period/year	(3,934)	(7,979)
Balance at the end of the period/year	12,847	16,781

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

15 TRADE AND OTHER PAYABLES

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Trade payables	1,518	2,893
Tenants' deposits		
– Outside parties	134,697	139,284
– Related parties	720	727
Rental received in advance		
– Outside parties	5,287	4,913
Other payables	39,244	43,119
	181,466	190,936

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

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Current – 1 month	234	895
1 – 3 months	391	1,306
Over 3 months	893	692
	1,518	2,893

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 the reporting period based on the lease terms amounted to HK\$77,784,000 as at 30 June 2022 (31 December 2021: HK\$81,996,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16 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.

17 UNITS IN ISSUE

	Number of units	HK\$'000
Balance as at 1 January 2021	1,524,068,034	3,301,594
Payment of Manager's base fee and variable fee through issuance of new units during the year	18,183,296	49,819
Units bought back and cancelled	(38,504,000)	(117,150)
Balance as at 31 December 2021	1,503,747,330	3,234,263
Payment of Manager's base fee and variable fee through issuance of new units during the period	8,410,850	24,469
Units bought back and cancelled	(15,533,000)	(44,828)
Balance as at 30 June 2022	1,496,625,180	3,213,904

Subsequent to the end of the reporting period, 5,065,557 units (31 December 2021: 3,987,172 units) at HK\$2.3986 (31 December 2021: HK\$3.0815) 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 period. The unitholders' fund per unit, based on the closing market price of Prosperity REIT as at 30 June 2022 was HK\$2.40 (31 December 2021: HK\$3.08).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

17 UNITS IN ISSUE (Continued)

Details of the units bought back were as follows:

Month of bought back	Number of units bought back	Purchase price per unit		Aggregate consideration paid HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
2022				
January	3,728,000	3.10	3.03	11,483
February	311,000	3.07	3.05	953
March	3,408,000	2.99	2.77	9,812
April	5,943,000	2.92	2.69	16,504
May	1,504,000	2.75	2.65	4,092
	14,894,000			42,844
Net expenses				11
				42,855

Pursuant to the general mandate to buy back units granted by unitholders, the REIT Manager bought back a total of 14,894,000 units on behalf of Prosperity REIT on The Stock Exchange of Hong Kong Limited during the reporting period for an aggregate consideration of approximately HK\$42.8 million (excluding expenses). All units bought back (including those 639,000 units bought back with a consideration of approximately HK\$1,973,000, which were not cancelled as at 31 December 2021) were cancelled prior to the reporting period end.

18 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 1,496,625,180 units in issue as at 30 June 2022 (31 December 2021: 1,503,747,330 units).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

19 MAJOR NON-CASH TRANSACTION

During the period, the REIT Manager earned manager's fee of HK\$24,865,000 (2021: HK\$25,347,000) of which HK\$24,333,000 (2021: HK\$24,807,000) was paid or payable through the issuance of units to the REIT Manager. An amount of HK\$12,183,000 (2021: HK\$12,476,000) had been settled through the issuance of units to the REIT Manager while the balance of HK\$12,150,000 (31 December 2021: HK\$12,287,000) included in manager's fee payable would be paid in units subsequent to the period end.

20 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\$1,709,259,000 (31 December 2021: HK\$1,680,311,000).

21 TOTAL ASSETS LESS CURRENT LIABILITIES

At the end of the reporting period, the Group's total assets less current liabilities amounted to HK\$8,217,643,000 (31 December 2021: HK\$8,286,689,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

22 CONNECTED AND RELATED PARTY TRANSACTIONS

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

	Notes	Six months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Rent and rental related income from			
E-Park Parking Management Limited	(a)	335	332
Goodwell Property Management Limited	(a)	949	1,049
Carpark lease agency fee for the operations of the Group's carpark			
E-Park Parking Management Limited	(a)	1,631	1,645
Property management fee			
Goodwell-Prosperity Property Services Limited	(a)	5,097	5,356
Marketing service fee			
Goodwell-Prosperity Property Services Limited	(a)	7,063	5,444
Trustee's fee			
HSBC Institutional Trust Services (Asia) Limited	(b)	1,489	1,505
Manager's fee			
ARA Asset Management (Prosperity) Limited	(c)	24,865	25,347
Building manager's remuneration			
Goodwell Property Management Limited	(a)	303	300
Carpark manager's remuneration			
Goodwell Property Management Limited	(a)	28	27
Citybase Property Management Limited	(a)	20	20

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

22 CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

Balances with connected and related parties are as follows:

		30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Amounts due to			
Citybase Property Management Limited	(a)	52	759
E-Park Parking Management Limited	(a)	584	297
Goodwell-Prosperity Property Services Limited	(a)	4,253	2,517
Goodwell Property Management Limited	(a)	1,882	4,646
Deposits placed with the Group for the lease of the Group's properties			
E-Park Parking Management Limited	(a)	177	176
Goodwell Property Management Limited	(a)	543	551

Notes:

- (a) These companies are 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) ARA Asset Management (Prosperity) Limited is the management company 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 reporting period, remuneration paid from the funds of the buildings, attributable to the properties owned by the Group, to the building managers amounted to HK\$351,000 (2021: HK\$347,000).

Performance Table

RESULTS ANALYSIS

	Six months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	218,568	224,389
Net property income	172,244	180,427
Profit/(Loss) for the period, before transactions with unitholders	78,748	(73,677)
Income available for distribution	131,395	138,110
Basic profit/(loss) per unit (HK\$)	0.05	(0.05)
Distribution per unit (HK\$)	0.0875	0.0901

MAJOR ASSETS AND LIABILITIES

	30 June	31 December
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Investment properties	9,894,000	9,967,000
Borrowings, excluding bank facility origination fees	(2,340,000)	(2,340,000)
Net assets attributable to unitholders	7,191,570	7,262,603
Net asset value per unit (HK\$)	4.81	4.83

Performance Table

OTHER INFORMATION

	30 June 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
The highest traded price during the period/year (HK\$)	3.11	3.19
The discount of the highest traded price to net asset value	(35.3%)	(34.0%)
The lowest traded price during the period/year (HK\$)	2.35	2.38
The discount of the lowest traded price to net asset value	(51.1%)	(50.7%)
The net yield per unit based on market price at the end of period/year ¹	7.3%	5.7%

- 1 Annualised yield for the six months ended 30 June 2022 is based on the distribution per unit of HK\$0.0875 and the closing unit price of HK\$2.40 as at 30 June 2022. For the year ended 31 December 2021, the yield is based on the distribution per unit of HK\$0.1763 and the closing unit price of HK\$3.08 as at 31 December 2021.

Investment Properties Portfolio

As at 30 June 2022

Property	Type	Lease term	Lease expiry date	Location	Valuation
					30 June 2022 HK\$ Million
The Metropolis Tower	O	Medium-term lease	30 June 2047	10 Metropolis Drive Hung Hom Kowloon Hong Kong	2,929
Prosperity Millennia Plaza	O	Medium-term lease	30 June 2047	663 King's Road North Point Hong Kong	2,122
9 Chong Yip Street	O	Medium-term lease	30 June 2047	9 Chong Yip Street Kwun Tong Kowloon Hong Kong	1,003
Prosperity Place	C	Medium-term lease	30 June 2047	6 Shing Yip Street Kwun Tong Kowloon Hong Kong	1,650
Trendy Centre	I/O	Medium-term lease	30 June 2047	682 Castle Peak Road Lai Chi Kok Kowloon Hong Kong	1,030
Prosperity Center (portion)	I/O	Medium-term lease	30 June 2047	25 Chong Yip Street Kwun Tong Kowloon Hong Kong	826
New Treasure Centre (portion)	I	Medium-term lease	30 June 2047	10 Ng Fong Street San Po Kong Kowloon Hong Kong	334
Total					9,894

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

Corporate Information

BOARD OF DIRECTORS OF THE REITMANAGER

CHIU Kwok Hung, Justin
Chairman and Non-executive Director

LIM Hwee Chiang
Non-executive Director

WONG Lai Hung, Mavis
Executive Director and Chief Executive Officer

MA Lai Chee, Gerald
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

COMPANY SECRETARY OF THE REITMANAGER

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

Jones Lang LaSalle Limited

PRINCIPAL BANKERS

DBS Bank Limited
The Hongkong and Shanghai 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

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WEBSITE

www.prosperityreit.com

KEY DATES

Interim Results Announcement
11 August 2022

Closure of Register of Unitholders
for interim distribution
29 August 2022 to
30 August 2022 (both days inclusive)

Payment of interim distribution
8 September 2022

The interim report 2022 (in both English and Chinese versions) ("**Interim Report**") has been posted on Prosperity REIT's website at www.prosperityreit.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Unitholders who have chosen (or are deemed to have consented) to receive Prosperity REIT's Corporate Communication (including but not limited to annual report, interim report, notice of meeting, listing documents, circular and proxy form) by electronic means through Prosperity REIT's website and who for any reason have difficulty in receiving or gaining access to the Interim Report posted on Prosperity REIT's website may request a printed copy of the Interim Report free of charge.

Unitholders may at any time change the choice of means of receipt (i.e. in printed form or by electronic means through Prosperity REIT's website) and/or language of Prosperity REIT's Corporate Communication by reasonable prior notice in writing to Prosperity REIT's unit registrar, Computershare Hong Kong Investor Services Limited, either by post or by email to prosperityreit.com@computershare.com.hk

本二零二二年中期報告（「中期報告」）中英文版本均已於泓富產業信託網站 www.prosperityreit.com 及香港交易及結算有限公司網站 www.hkexnews.hk 登載。選擇（或被視為同意）透過泓富產業信託網站收取電子版本之企業通訊（包括但不限於年報、中期報告、會議通告、上市文件、通函及代表委任表格）之基金單位持有人，及因任何理由於收取或接收登載於泓富產業信託網站之中期報告時遇有困難之基金單位持有人，可要求免費索取中期報告之印刷本。

基金單位持有人可以郵寄方式向泓富產業信託之基金單位過戶登記處香港中央證券登記有限公司發出合理的事先書面通知或電郵至 prosperityreit.com@computershare.com.hk，隨時更改其對有關泓富產業信託企業通訊的收取方式（即印刷本或透過泓富產業信託網站收取電子版本）及／或語文版本之選擇。

Portfolio Map

物業分佈圖



GRADE A OFFICE 甲級寫字樓



1
The Metropolis Tower
都會大廈

2
Prosperity Millennia Plaza
泓富產業千禧廣場

3
9 Chong Yip Street
創業街 9 號

COMMERCIAL 商用物業



4
Prosperity Place
泓富廣場

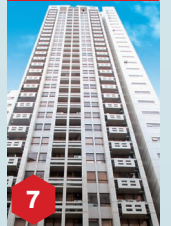
INDUSTRIAL / OFFICE 工商綜合物業



5
Trendy Centre
潮流工貿中心

6
Prosperity Center Property (portion)
創富中心 (部分)

INDUSTRIAL 工業物業



7
New Treasure Centre Property (portion)
新寶中心 (部分)



www.prosperityreit.com



Stock Code 股份代號 : 808

Manager 管理人



ARA Asset Management (Prosperity) Limited
泓富資產管理有限公司

Prosperity REIT is managed by
ARA Asset Management (Prosperity) Limited
泓富產業信託
由泓富資產管理有限公司管理

