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Prosperity Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code: 808)

Managed by

ESR Asset Management (Prosperity) Limited

PAYMENT OF BASE FEE AND VARIABLE FEE TO ESR ASSET MANAGEMENT (PROSPERITY) LIMITED BY WAY OF UNITS IN PROSPERITY REAL ESTATE INVESTMENT TRUST AND CASH

The board of directors (the "**Board**") of ESR Asset Management (Prosperity) Limited (the "**REIT Manager**") announces that the REIT Manager, as manager of Prosperity Real Estate Investment Trust ("**Prosperity REIT**"), has on 31 July 2025 received 7,549,428 units in Prosperity REIT (the "**Units**") at HK$1.3800 (being the Market Price) per Unit and HK$1,157,579, as payment of the Base Fee and Variable Fee for the period from 1 April 2025 to 30 June 2025.

Prior to the above mentioned issue of Units (collectively, the "**Issue**"), the REIT Manager held 100,622,837 Units, representing approximately 6.42% of the 1,566,447,199 Units in issue immediately prior to the Issue. With the Issue, the REIT Manager will hold 108,172,265 Units, representing approximately 6.87% of the 1,573,996,627 Units in issue immediately after the Issue.

Reference is made to the announcement of Prosperity REIT dated 28 November 2024 in which the Board announced that pursuant to the terms of the deed of trust constituting Prosperity REIT dated 29 November 2005, as amended, supplemented and/or restated from time to time (the "**Trust Deed**"), the REIT Manager had made the election to receive the Base Fee and Variable Fee for the real estate acquired by Prosperity REIT in respect of the initial public offering of Prosperity REIT (the "**Initial Properties**") and any real estate other than the Initial Properties (the "**Additional Properties**") by way of 10% in cash and 90% in Units for the year ending 31 December 2025.

The Board announces that the REIT Manager has on 31 July 2025 received 6,083,071 Units, issued at a price of HK$1.3800 (being the Market Price) per Unit, and HK$932,737 (payable in cash), as payment of the Base Fee in the amount of HK$9,327,375, and 1,466,357 Units, issued at a price of HK$1.3800 (being the Market Price) per Unit and HK$224,842 (payable in cash), as payment of the Variable Fee in the amount of HK$2,248,416, together, as payment in full of the Base Fee and the Variable Fee components of the REIT Manager's management fee for the period from 1 April 2025 to 30 June 2025. The basis of determination of 6,083,071 Units and HK$932,737 as payment of the Base Fee and 1,466,357 Units and HK$224,842 as payment of the Variable Fee is consistent with the relevant provisions in the Trust Deed.

The Base Fee is defined in the Trust Deed as 0.4% per annum of the Property Values (as defined in the Trust Deed) at the relevant time and the REIT Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the prevailing Market Price (as defined in the Trust Deed).

The Variable Fee is defined in the Trust Deed as 3.0% per annum of the net property income of each real estate owned by Prosperity REIT (before deduction therefrom of the Variable Fee) and the REIT Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Variable Fee at the prevailing Market Price (as defined in the Trust Deed).

Pursuant to the Trust Deed, the Market Price is determined based on the volume weighted average price for a Unit for all trades on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in the ordinary course of trading on the Stock Exchange for the period of 10 Trading Days (as defined in the Trust Deed) immediately preceding the date of issue of Units to the REIT Manager.

The payment of the Base Fee and the Variable Fee in Units is provided for in the Trust Deed and the Issue does not require specific prior approval of unitholders of Prosperity REIT pursuant to paragraph 12.6 of the Code on Real Estate Investment Trusts (the "**REIT Code**").

The issue of Units to the REIT Manager as payment of all or part of the Base Fee and Variable Fee for each financial year will be counted as part of the 20% of outstanding Units that the REIT Manager may issue in each financial year without unitholders' approval pursuant to paragraph 12.2 of the REIT Code. In addition, pursuant to paragraph 12.6 of the REIT Code, in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Base Fee and Variable Fee for that financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Prosperity REIT. After the Issue, the number of Units issued to the REIT Manager as payment in part of the Base Fee and Variable Fee components of the REIT Manager's management fee for the period from 1 January 2025 to 30 June 2025 represents approximately 1.08% of the total number of Units outstanding as at 31 December 2024. No Unit has been issued for the purposes of financing the consideration of any acquisition of real estate by Prosperity REIT for the period from 1 January 2025 to the date of this announcement.

Prior to the Issue, the REIT Manager held 100,622,837 Units, representing approximately 6.42% of the 1,566,447,199 Units in issue immediately prior to the Issue. With the Issue, the REIT Manager will hold 108,172,265 Units, representing approximately 6.87% of the 1,573,996,627 Units in issue immediately after the Issue.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

By order of the board of directors of
ESR Asset Management (Prosperity) Limited
(as manager of Prosperity Real Estate Investment Trust)
Wong Lai Hung
Executive Director and Chief Executive Officer

Hong Kong, 31 July 2025

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