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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

2026 INTERIM RESULTS ANNOUNCEMENT

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

The REIT Manager would like to announce the unaudited interim results of Prosperity REIT and its subsidiaries for the six months ended 30 June 2026 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2025 as follows:

Performance Highlights

<u>Distribution</u>	<u>Six months ended 30 Jun 2026 (unaudited)</u>	<u>Six months ended 30 Jun 2025 (unaudited)</u>	<u>Percentage change Increase/(Decrease)</u>
Income available for distribution	HK\$90.2 million	HK\$92.1 million	(2.0%)
Distribution per unit (“DPU”)	HK\$0.0563	HK\$0.0585	(3.8%)

<u>Operation data</u>	<u>Six months ended 30 Jun 2026 (unaudited)</u>	<u>Six months ended 30 Jun 2025 (unaudited)</u>	<u>Percentage change Increase/(Decrease)</u>
Revenue	HK\$200.3 million	HK\$205.8 million	(2.7%)
Net property income	HK\$151.2 million	HK\$153.1 million	(1.2%)
Occupancy rate (as at 30 June)	94.2%	94.7%	(0.5%) ²
Tenant retention rate	70.2%	67.7%	2.5% ²
Cost-to-revenue ratio	24.5%	25.6%	(1.1%) ²

<u>Key financial figures</u>	<u>As at 30 Jun 2026 (unaudited)</u>	<u>As at 31 Dec 2025 (audited)</u>	<u>Percentage change Increase/(Decrease)</u>
Net asset value per unit	HK\$3.94	HK\$3.97	(0.8%)
Property valuation	HK\$9,213 million	HK\$9,213 million	0.0%
Gearing ratio ¹	26.5%	26.4%	0.1% ²

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 2026, 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 2026, 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 2026, was as follows:

	Location	Gross rentable area <i>sq. ft.</i>	No. of car park spaces	Valuation <i>HK\$ million</i>	Occupancy rate
Grade A Office					
The Metropolis Tower	Hung Hom	271,418	98	2,568	99.1%
Prosperity Millennia Plaza	North Point	217,955	43	1,874	90.1%
9 Chong Yip Street	Kwun Tong	136,595	68	860	94.0%
Commercial					
Prosperity Place	Kwun Tong	240,000	83	1,662	91.5%
Industrial/Office					
Trendy Centre	Lai Chi Kok	173,764	79	1,073	92.6%
Prosperity Center (portion)	Kwun Tong	149,253	105	830	95.9%
Industrial					
New Treasure Centre (portion)	San Po Kong	86,168	22	346	97.1%
Total		1,275,153	498	9,213	94.2%

During the Reporting Period, global economies recorded moderate growth despite geopolitical and trade tensions, as well as elevated energy prices. In US, GDP growth was 2.1% YoY in 2Q 2026. The Fed kept interest rates unchanged in the range of 3.50% - 3.75% in the first half of 2026. Economic growth in the Mainland was 4.3% in 2Q 2026, weighed down by weak consumption sentiment and property market downturn.

The Hong Kong economy grew 4.3% in 2Q 2026, supported by robust exports and a rebound in domestic demand, amid the uncertainty in the external environment. The local office market sustained positive net absorption since 2Q 2025, and demand has picked up in Central and Tsim Sha Tsui. Although leasing activity has turned more active, it would take time for the recovery to broaden out to other districts due to abundant vacant space and intense competition.

Under these challenging market conditions, Prosperity REIT recorded a slight drop in revenue and net property income during the Reporting Period to HK\$200.3 million and HK\$151.2 million, respectively. Cost-to-revenue ratio improved to 24.5% due to effective cost control. Rental reversion continued to be negative. Yet, the extent of negative reversion rate lessened in certain properties. Through proactive leasing and tenant retention initiatives, our portfolio maintained a solid occupancy rate of 94.2%, with occupancy across all properties staying above 90%. The Metropolis Tower, our flagship asset, achieved high occupancy, benefitting from the full refurbishment and uplift in ambience in common areas, as well as its close proximity to Hung Hom MTR which connects to Hong Kong's CBD. As at 30 June 2026, Prosperity REIT's gearing ratio was stable at 26.5%. We completed the refinancing of a HK\$800 million term loan due in 2026 with debt maturity profile evenly spread.

Sustainability

All debt facilities continued to be sustainability-linked with ESG KPIs infused into business and building operations. The entire property portfolio is green-certified, while electricity consumption reduction targets are established to support the achievement of SBTi-aligned GHG emissions reduction targets.

Outlook

The International Monetary Fund ("IMF") projects global economic growth to slow to 3.0% in 2026 under prevailing geopolitical and trade tensions. Interest rate movements are uncertain under inflation pressure. Despite these headwinds, Hong Kong's economy is poised to sustain growth with increased momentum in tourist arrivals and exports.

Prosperity REIT's balanced portfolio of office, commercial and industrial assets provides income stability and risk diversification. Our properties are strategically located with convenient transportation access and are equipped with green and smart building facilities. We will adopt flexible leasing strategies and strive for operational efficiency under different market conditions.

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 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, asset enhancement work was underway at Prosperity Millennia Plaza.

Prosperity Millennia Plaza

In light of the intense competition for prospective tenants 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 facelifting has brought the environment of the common areas aligned with the G/F lobby contemporary design and stay competitive with the high standard office buildings in close vicinity.

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 <i>HK\$ '000</i>	Rental related income <i>HK\$ '000</i>	Revenue <i>HK\$ '000</i>	Net property income <i>HK\$ '000</i>
Grade A Office				
The Metropolis Tower	44,850	14,851	59,701	46,532
Prosperity Millennia Plaza	29,186	8,560	37,746	29,136
9 Chong Yip Street	14,469	2,875	17,344	13,114
Commercial				
Prosperity Place	29,261	4,816	34,077	25,269
Industrial/Office				
Trendy Centre	20,436	3,902	24,338	17,749
Prosperity Center (portion)	16,052	2,176	18,228	13,133
Industrial				
New Treasure Centre (portion)	7,523	1,337	8,860	6,268
Total	161,777	38,517	200,294	151,201

Revenue

During the Reporting Period, revenue decreased to HK\$200.3 million, being HK\$5.5 million or 2.7% lower than the last corresponding half year. The decline in revenue was mainly due to continuing pressure from vacant stock and rent levels in office market in decentralized districts. Prosperity REIT Portfolio's performance was stable, attributable to the flexible leasing strategies with enhanced landlord provisions offered to the prospective tenants which speed up relocation decisions.

Net Property Income

For the Reporting Period, the net property income was HK\$151.2 million, being HK\$1.9 million or 1.2% lower than the last corresponding half year, mainly as a result of the decrease in revenue. The cost-to-revenue ratio improved to 24.5% due to effective cost control.

Distributable Income

For the Reporting Period, the unaudited distributable income of Prosperity REIT to unitholders of Prosperity REIT was HK\$90.2 million, representing a DPU of HK\$0.0563. This represents an annualized distribution yield of 7.8%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) including a finance cost (differences between cash and accounting finance costs) of HK\$5.2 million (equivalent to HK\$0.0032 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.

Liquidity and Financing

As at 30 June 2026, Prosperity REIT had facilities in aggregate of HK\$2,830 million, comprising:

- (i) 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**”);
- (ii) 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**”);
- (iii) A HK\$800 million 3-year unsecured sustainability-link term loan, which will mature in May 2029 (the “**HK\$800 Million Facility**”); and
- (iv) 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 30 June 2026, total facilities drawn was HK\$2,400 million (31 December 2025: HK\$2,400 million) and the revolving credit facilities drawn was HK\$65 million (31 December 2025: HK\$55 million). The total facilities bear interest at Hong Kong Interbank Offered Rate (“**HIBOR**”) plus a margin ranging from 1.00% to 1.35% (31 December 2025: HIBOR plus a margin ranging from 1.00% 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 predetermined key performance indicators being met.

³Based on Prosperity REIT's closing unit price of HK\$1.44 as at 30 June 2026.

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 2026, the interest costs for approximately 60% (31 December 2025: 60%) 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 26.5% as at 30 June 2026 (31 December 2025: 26.4%), whereas the total liabilities of Prosperity REIT as a percentage of Prosperity REIT's total assets was 32.4% as at 30 June 2026 (31 December 2025: 32.3%).

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.

Investment Properties and Property Valuation

For the Reporting Period, Prosperity REIT's portfolio recorded an investment property revaluation loss of HK\$7.4 million, based on a professional valuation performed by an independent qualified external valuer, Knight Frank Petty Limited (31 December 2025: Knight Frank Petty Limited). The movements of fair values are tabulated below:

	<i>30 Jun 2026 HK\$'000 (unaudited)</i>	<i>31 Dec 2025 HK\$'000 (audited)</i>
Fair value at the beginning of the period/year	9,213,000	9,547,000
Additional expenditure	7,406	14,522
Change in fair value of investment properties	(7,406)	(348,522)
Fair value at the end of the period/year	<u>9,213,000</u>	<u>9,213,000</u>

Charges on Assets

As at 30 June 2026, 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\$770 Million Facility, the HK\$1,200 Million Facility, HK\$800 Million Facility and the HK\$60 Million Green and Transition Loan.

EMPLOYEES

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

REPURCHASE, SALE OR REDEMPTION OF UNITS

During the Reporting Period, other than the disposal of 6,000,000 units of Prosperity REIT by the REIT Manager which the REIT Manager had received as payment of its management fee, there was no repurchase, sale or redemption of the units by Prosperity REIT or its subsidiaries.

CORPORATE GOVERNANCE

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

“We do the right thing. We win as one team. We think beyond the present.”, being the core values of the ESR Group, form the basis for Prosperity REIT’s business conduct and stakeholders engagement.

CLOSURE OF REGISTER OF UNITHOLDERS

For the purpose of determining the distribution entitlement for the interim distribution, the record date will be on 7 September 2026 (Monday). The register of unitholders will be closed from 4 September 2026 (Friday) to 7 September 2026 (Monday), 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 3 September 2026 (Thursday). The payment date of interim distribution will be on 18 September 2026 (Friday).

REVIEW OF INTERIM RESULTS

The interim results of Prosperity REIT for the Reporting Period have been reviewed by the Audit Committee and the Disclosures Committee of the REIT Manager and 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 (the “**HKICPA**”).

PUBLIC FLOAT

As far as the REIT Manager is aware, more than 25% of the issued units of Prosperity REIT were held in public hands as at 30 June 2026.

ISSUANCE OF INTERIM REPORT

The Interim Report of Prosperity REIT for the Reporting Period will be published on the websites of the Stock Exchange and Prosperity REIT and be dispatched or sent to unitholders on or before 30 September 2026 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited)
Revenue	3	200,294	205,763
Property management fees		(4,438)	(4,616)
Property operating expenses		(44,655)	(48,072)
Total property operating expenses		(49,093)	(52,688)
Net property income		151,201	153,075
Other income		2	2,066
Manager's fee		(22,811)	(23,336)
Trust and other expenses	5	(3,681)	(3,652)
Change in fair value of investment properties		(7,406)	(198,934)
Finance costs, net	6	(38,280)	(83,287)
Profit / (Loss) before taxation and transactions with unitholders		79,025	(154,068)
Taxation	7	(13,389)	(13,368)
Profit / (Loss) for the period, before transactions with unitholders		65,636	(167,436)
Distribution to unitholders		(90,192)	(92,075)
Loss for the period, after transactions with unitholders		(24,556)	(259,511)
Total comprehensive expense for the period, after transactions with unitholders		(24,556)	(259,511)
Income available for distribution to unitholders		90,192	92,075
Basic earnings / (loss) per unit (HK\$)	8	0.04	(0.11)

DISTRIBUTION STATEMENT

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit / (Loss) for the period, before transactions with unitholders	65,636	(167,436)
Adjustments:		
Manager's fee	19,622	21,002
Change in fair value of investment properties	7,406	198,934
Change in fair value of derivative financial instruments	(11,314)	31,535
Non-cash finance costs	5,223	4,614
Deferred tax	3,619	3,426
Income available for distribution (note (i))	<u>90,192</u>	<u>92,075</u>
Distributions to unitholders:		
For the six months ended 30 June	<u>90,192</u>	<u>92,075</u>
Distribution per unit (HK\$) (note (ii))	<u>0.0563</u>	<u>0.0585</u>

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 stated policy of ESR 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 / (loss) 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\$19,622,000 (six months ended 30 June 2025: HK\$21,002,000) out of the total manager's fee of HK\$22,811,000 (six months ended 30 June 2025: HK\$23,336,000) while the difference of HK\$3,189,000 (six months ended 30 June 2025: HK\$2,334,000) is paid in cash;
- (b) decrease in fair value of investment properties of HK\$7,406,000 (six months ended 30 June 2025: HK\$198,934,000) and increase in fair value of derivative financial instruments of HK\$11,314,000 (six months ended 30 June 2025: decrease of HK\$31,535,000);

- (c) non-cash finance costs of HK\$5,223,000 (six months ended 30 June 2025: HK\$4,614,000), are derived from the finance costs of HK\$38,280,000 (six months ended 30 June 2025: HK\$83,287,000), add increase in fair value of derivative financial instruments of HK\$11,314,000 (six months ended 30 June 2025: less decrease of HK\$31,535,000) and less the cash finance costs of HK\$44,371,000 (six months ended 30 June 2025: HK\$47,138,000); and
- (d) deferred tax provision of HK\$3,619,000 (six months ended 30 June 2025: HK\$3,426,000).
- (ii) The DPU of HK\$0.0563 (six months ended 30 June 2025: HK\$0.0585) is calculated based on Prosperity REIT's income available for distribution of HK\$90,192,000 (six months ended 30 June 2025: HK\$92,075,000) over 1,602,071,140 units (30 June 2025: 1,573,996,627 units), representing units in issue as at the end of the Reporting Period 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. The distribution will be paid to unitholders on 18 September 2026.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 Jun 2026 HK\$'000 (unaudited)	31 Dec 2025 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	13	9,213,000	9,213,000
Derivative financial instruments		3,079	-
Total non-current assets		<u>9,216,079</u>	<u>9,213,000</u>
Current assets			
Derivative financial instruments		3,233	4,838
Trade and other receivables	9	11,211	12,178
Tax recoverable		-	246
Bank balances and cash		59,612	54,267
Total current assets		<u>74,056</u>	<u>71,529</u>
Total assets		<u>9,290,135</u>	<u>9,284,529</u>
Non-current liabilities, excluding net assets attributable to unitholders			
Derivative financial instruments		1,782	8,744
Bank borrowings	11	2,379,607	1,583,817
Deferred tax liabilities		277,363	273,744
Total non-current liabilities, excluding net assets attributable to unitholders		<u>2,658,752</u>	<u>1,866,305</u>
Current liabilities			
Derivative financial instruments		2,052	4,930
Trade and other payables	10	166,464	162,456
Amounts due to related companies		8,250	6,844
Bank borrowings	11	65,000	853,317
Provision for taxation		7,289	3,312
Manager's fee payable		11,415	11,590
Distribution payable		90,192	90,723
Total current liabilities		<u>350,662</u>	<u>1,133,172</u>
Total liabilities, excluding net assets attributable to unitholders		<u>3,009,414</u>	<u>2,999,477</u>
Net assets attributable to unitholders		<u>6,280,721</u>	<u>6,285,052</u>
Units in issue ('000)	12	<u>1,595,536</u>	<u>1,581,554</u>
Net asset value per unit (HK\$) attributable to unitholders	14	<u>3.94</u>	<u>3.97</u>

Notes

(1) 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.

Other than the additional accounting policies resulting from application of amendments to HKFRS Accounting Standards as issued by the HKICPA, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature - dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11

The application of the amendments to HKFRS Accounting Standard 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.

(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 "Interim Financial Reporting" (HKAS 34) as issued by the HKICPA as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and the relevant disclosure requirements set out in Appendix C to the REIT Code issued by the Securities and Futures Commission of Hong Kong.

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 and internal financial resources, the Group has sufficient working capital for its present requirements within one year from the end of the Reporting Period. Thus the Group continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

(3) Revenue

	<i>Six months ended 30 June</i>	
	<i>2026</i>	<i>2025</i>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Rental income	146,766	151,677
Car park income	15,011	14,478
	161,777	166,155
Rental related income	38,517	39,608
	200,294	205,763

(4) Segment information

As at 30 June 2026, Prosperity REIT owns seven (31 December 2025: 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.

Six months ended 30 June 2026 (unaudited)

	The Metropolis Tower <i>HK\$'000</i>	Prosperity Millennia Plaza <i>HK\$'000</i>	9 Chong Yip Street <i>HK\$'000</i>	Prosperity Place <i>HK\$'000</i>	Trendy Centre <i>HK\$'000</i>	Prosperity Center (portion) <i>HK\$'000</i>	New Treasure Centre (portion) <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Rental income	44,850	29,186	14,469	29,261	20,436	16,052	7,523	161,777
Rental related income	14,851	8,560	2,875	4,816	3,902	2,176	1,337	38,517
Segment revenue in								
Hong Kong	59,701	37,746	17,344	34,077	24,338	18,228	8,860	200,294
Segment profit	46,532	29,136	13,114	25,269	17,749	13,133	6,268	151,201
Other income								2
Manager's fee								(22,811)
Trust and other expenses								(3,681)
Change in fair value of investment properties								(7,406)
Finance costs, net								(38,280)
Profit before taxation and transactions with unitholders								79,025

Six months ended 30 June 2025 (unaudited)

	The Metropolis Tower <i>HK\$'000</i>	Prosperity Millennia Plaza <i>HK\$'000</i>	9 Chong Yip Street <i>HK\$'000</i>	Prosperity Place <i>HK\$'000</i>	Trendy Centre <i>HK\$'000</i>	Prosperity Center (portion) <i>HK\$'000</i>	New Treasure Centre (portion) <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Rental income	45,771	28,524	15,598	31,466	19,939	17,037	7,820	166,155
Rental related income	14,846	9,099	3,023	5,104	4,030	2,219	1,287	39,608
Segment revenue in								
Hong Kong	60,617	37,623	18,621	36,570	23,969	19,256	9,107	205,763
Segment profit	46,710	28,259	13,780	27,541	15,896	14,226	6,663	153,075
Other income								2,066
Manager's fee								(23,336)
Trust and other expenses								(3,652)
Change in fair value of investment properties								(198,934)
Finance costs, net								(83,287)
Loss before taxation and transactions with unitholders								(154,068)

(5) Trust and other expenses

	<i>Six months ended 30 June</i>	
	<i>2026</i>	<i>2025</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Auditor's remuneration	91	96
Back-office support service fee	3	17
Bank charges	663	634
Legal and professional fees	241	136
Public relations and related expenses	46	81
Registrar fee	300	300
Trust administrative expenses	966	973
Trustee's fee	1,371	1,415
	3,681	3,652

(6) Finance costs, net

	<i>Six months ended 30 June</i>	
	<i>2026</i>	<i>2025</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest expense on term loans	48,482	57,654
Interest rate swaps expenses / (income) realised	215	(6,239)
Interest expense on unsecured revolving loans	897	337
	49,594	51,752
Change in fair value of derivative financial instruments	(11,314)	31,535
	38,280	83,287

(7) Taxation

	<i>Six months ended 30 June</i>	
	<i>2026</i>	<i>2025</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Current tax	9,770	9,942
Deferred tax	3,619	3,426
	13,389	13,368

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, tax losses and derivative financial instruments using the estimated tax rate.

(8) Basic earnings / (loss) per unit

The basic earnings / (loss) per unit is calculated by dividing the profit for the period, before transactions with unitholders of HK\$65,636,000 (six months ended 30 June 2025: loss of HK\$167,436,000) by the weighted average of 1,595,448,960 (six months ended 30 June 2025: 1,566,017,221) units in issue during the period, taking into account the units issuable as manager's fee for its service in the second quarter of the relevant distribution period.

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

(9) Trade and other receivables

	<i>30 Jun 2026</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>31 Dec 2025</i> <i>HK\$'000</i> <i>(audited)</i>
Trade receivables	5,607	5,522
Less: allowance for credit losses	(3,340)	(2,582)
	2,267	2,940
Deposits, prepayments and other receivables	8,944	9,238
	11,211	12,178

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

	<i>30 Jun 2026</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>31 Dec 2025</i> <i>HK\$'000</i> <i>(audited)</i>
Current – 1 month	101	98
2 – 3 months	716	920
Over 3 months	1,450	1,922
	2,267	2,940

(10) Trade and other payables

	<i>30 Jun 2026</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>31 Dec 2025</i> <i>HK\$'000</i> <i>(audited)</i>
Trade payables	2,895	3,243
Tenants' deposits		
- Outside parties	122,937	122,477
- Related parties	744	744
Rental received in advance		
- Outside parties	7,351	6,201
Other payables	32,537	29,791
	<u>166,464</u>	<u>162,456</u>

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

	<i>30 Jun 2026</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>31 Dec 2025</i> <i>HK\$'000</i> <i>(audited)</i>
Current – 1 month	930	490
2 – 3 months	753	821
Over 3 months	1,212	1,932
	<u>2,895</u>	<u>3,243</u>

Tenants' deposits represent the deposits refundable to tenants upon termination or cancellation of operating lease arrangements. The tenants' deposits are refundable to tenants within 45 days upon the termination of the tenancy agreement. The tenants' deposits to be settled after twelve months from the end of the Reporting Period based on the lease terms amounted to HK\$67,090,000 as at 30 June 2026 (31 December 2025: HK\$73,231,000).

(11) Bank borrowings

	<i>30 Jun 2026</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>31 Dec 2025</i> <i>HK\$'000</i> <i>(audited)</i>
Unsecured term loans	2,400,000	2,400,000
Bank facility origination fees	(20,393)	(17,866)
	2,379,607	2,382,134
Unsecured revolving loan	65,000	55,000
	2,444,607	2,437,134
Carrying amount repayable:		
Within one year	65,000	853,317
Within a period of more than one year but not exceeding five years	2,379,607	1,583,817
	2,444,607	2,437,134

(12) Units in issue

	Number of units	HK\$'000
Balance as at 1 January 2025	1,547,604,384	3,296,319
Payment of Manager's base fee and variable fee through issuance of new units during the year	33,949,862	43,265
Balance as at 31 December 2025	1,581,554,246	3,339,584
Payment of Manager's base fee and variable fee through issuance of new units during the period	13,981,367	20,225
Balance as at 30 June 2026	1,595,535,613	3,359,809

(13) Investment properties

	30 Jun 2026 HK\$'000 (unaudited)	31 Dec 2025 HK\$'000 (audited)
Fair value at the beginning of the period/year	9,213,000	9,547,000
Additional expenditure	7,406	14,522
Change in fair value of investment properties	(7,406)	(348,522)
Fair value at the end of the period/year	9,213,000	9,213,000

(14) The net asset value per unit is calculated based on the net assets attributable to unitholders and the total number of 1,595,535,613 units in issue as at 30 June 2026 (31 December 2025: 1,581,554,246 units).

(15) At the end of the Reporting Period, the Group's net current liabilities, defined as current assets less current liabilities, amounted to HK\$276,606,000 (31 December 2025: HK\$1,061,643,000) and the Group's total assets less current liabilities amounted to HK\$8,939,473,000 (31 December 2025: HK\$8,151,357,000).

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

Hong Kong, 18 August 2026

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.