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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**



**ARA Asset Management (Prosperity) Limited**

### **IMPACT OF COVID-19 AND VALUATION UPDATE**

This announcement is made by ARA Asset Management (Prosperity) Limited (the "**REIT Manager**") as the manager of Prosperity Real Estate Investment Trust ("**Prosperity REIT**") pursuant to 10.3 of the Code on Real Estate Investment Trusts.

Due to the pandemic outbreak of COVID-19 and its impact on the global and local economy, the appraised value of the investment properties of Prosperity REIT as at 30 June 2020, which are carried at fair values with changes in fair value taken to its profit and loss account, is expected to be approximately HK\$0.56 billion lower than their appraised value of HK\$11.13 billion as at 31 December 2019. As a result, the REIT Manager expects Prosperity REIT to record a net loss for the six months ended 30 June 2020, as compared to a profit for the corresponding period in 2019.

Notwithstanding the above, as Prosperity REIT's properties are held as long-term investments for stable and recurring income and the above fair value loss is non-cash in nature, there will be no effect on the operating cash flow and the income available for distribution to unitholders. Finally, the overall financial position of Prosperity REIT remains stable.

The information in this announcement only represents a preliminary assessment based on the information available to the board of directors of the REIT Manager as at the date hereof, and such information has not been reviewed or audited by the auditors of Prosperity REIT. Prosperity REIT's unaudited consolidated results for the six months ended 30 June 2020 are expected to be published in August 2020.

**Unitholders and potential investors are advised to exercise caution when dealing in the units of Prosperity REIT.**

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

Hong Kong, 21 July 2020

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