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## **New Century Real Estate Investment Trust** **開元產業投資信託基金**

*(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: 1275)**

**Managed by**  
**NEW CENTURY ASSET MANAGEMENT LIMITED**

### **ANNOUNCEMENT** **PROFIT WARNING**

This announcement is made by New Century Asset Management Limited (the “**REIT Manager**”), as manager of New Century Real Estate Investment Trust (“**New Century REIT**”, together with its subsidiaries, “**New Century REIT Group**”) pursuant to 10.3 of the Code on Real Estate Investment Trusts.

Reference is also made to the announcements of New Century REIT dated 13 and 20 March 2020 respectively in relation to the outbreak of novel coronavirus and also New Century REIT’s announcement dated 28 July 2020 in relation to profit warning for the six months ended 30 June 2020.

The board of directors (the “**Board**”) of the REIT Manager wishes to inform unitholders and potential investors of New Century REIT that based on the preliminary assessment of the unaudited management accounts of New Century REIT Group, it is expected that New Century REIT Group will incur a consolidated net loss attributable to unitholders for the year ended 31 December 2020 in the range of approximately RMB535 million to RMB565 million (as compared to a consolidated net loss attributable to unitholders of approximately RMB38 million for the year ended 31 December 2019).

The Board considered that the consolidated net loss attributable to unitholders for the year ended 31 December 2020 is mainly attributable to the worldwide outbreak of the COVID-19 pandemic (the “**Epidemic**”) in 2020, resulting in: (a) the expected drop in valuation of New Century REIT Group’s investment properties (net of the deferred tax recognised) by approximately RMB475 million; and (b) the expected drop in revenue by no more than RMB45 million mainly caused by the downward adjustment of the annual base rent for its hotel properties in the People’s Republic of China as a result of the Epidemic and the disposal of Holiday Inn Eindhoven in the Netherlands in 2019.

Pursuant to the Trust Deed, after adjusting the material non-cash items, for the purpose of calculating New Century REIT's distributable income, it is also expected that New Century REIT Group will record an adjusted loss for the year ended 31 December 2020 in the range of approximately RMB185 million to RMB215 million (as compared to the distributable income of approximately RMB69 million for the year ended 31 December 2019) mainly due to: (i) the expected decline in revenue for the year ended 31 December 2020 as mentioned above; and (ii) the accumulated realised foreign exchange losses of approximately RMB195 million during the year ended 31 December 2020 on settlement of certain bank borrowings. As such, the REIT Manager does not currently expect that New Century REIT will record any distributable income or to declare any final distribution for the year ended 31 December 2020.

The Board expects that the announcement of the results of New Century REIT Group for the year ended 31 December 2020 would be published in March 2021. As New Century REIT is still in the process of finalizing the consolidated results of New Century REIT Group for the year ended 31 December 2020, the information in this announcement is solely based on the preliminary assessment made by the Board with reference to the information currently available to the Board. There may be changes or adjustments following further audit and review of the unaudited consolidated management accounts by the auditor of New Century REIT and the Board. The information in this announcement has not been reviewed by the auditor of New Century REIT or the audit committee of the Board.

**Unitholders and potential investors are advised to exercise caution when dealing in the Units of New Century REIT.**

By order of the Board  
**New Century Asset Management Limited**  
**as manager of New Century Real Estate Investment Trust**  
**Mr. Jin Wenjie**  
*Chairman of the REIT Manager*

Hong Kong, 20 January 2021

*As at the date of this announcement, the executive Director of the REIT Manager is Ms. Ho Wai Chu, the non-executive Directors of the REIT Manager are Mr. Jin Wenjie and Mr. Zhang Guanming, and the independent non-executive Directors of the REIT Manager are Mr. Angelini Giovanni, Mr. Yu Hon To David and Professor He Jianmin.*