

Prosperity REIT 2019 Interim Results

- **Steady growth in revenue and net property income supported by stable occupancy rate and positive rental reversion.**
- **DPU achieved positive growth amid economic uncertainties.**
- **Interest rate hedging in place to mitigate finance cost volatilities.**
- **A defensive investment tool proven in economic cycles since listing.**

Hong Kong, 2 August 2019 – ARA Asset Management (Prosperity) Limited (the "REIT Manager"), as manager of Prosperity Real Estate Investment Trust ("Prosperity REIT") [SEHK: 808], is pleased to announce the interim results of Prosperity REIT for the six months ended 30 June 2019 (the "Reporting Period").

Steady growth in revenue and net property income supported by stable occupancy rate and positive rental reversion.

During the Reporting Period, Prosperity REIT achieved a rental reversion rate of 8.8%, complemented with a stable occupancy rate of 97.4%. Both revenue and net property income recorded 4.1% growth respectively. The average effective unit rent of Prosperity REIT's portfolio recorded a year-on-year growth of 2.0% to HK\$25.06 per sq. ft..

DPU achieved positive growth amid economic uncertainties.

The interim DPU increased by 1.4% to HK\$ 0.0933, representing an annualized distribution yield of 5.5%¹ as at 30 June 2019. This is mainly attributable to our effective capital management measure and solid top line revenue, despite the Sino-US trade war and volatile financial market.

¹ Based on Prosperity REIT's closing unit price of HK\$3.41 as at 28 June 2019.

Press Release

Interest rate hedging in place to mitigate finance cost volatilities.

50% of our term loan interest rate is hedged under interest rate swap agreements to mitigate the impact of interest rate fluctuations. Our continuous prudent capital management strategy keeps our finance cost within a reasonable range.

A defensive investment tool proven in economic cycles since listing.

Prosperity REIT has demonstrated the ability to capture market opportunities and to effectively manage the operation throughout different economic cycles. Being a strong presence participant in Kowloon East district, Prosperity REIT is well-positioned to gain further benefits from Kowloon East maturing to CBD2.

Prospects

Hong Kong economy will continue to confront headwinds from the US-China trade tension, Brexit and local social movements. Yet, there are business opportunities on the back of China-Hong Kong infrastructure development. Prosperity REIT is well-positioned to gain further benefits from the Kowloon East transformation, together with the upcoming Shatin to Central Link.

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Press Release

About Prosperity REIT

Prosperity REIT [SEHK: 808] is a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Prosperity REIT owns a diverse portfolio of seven high-quality properties in the decentralized business districts of Hong Kong, comprising all, or a portion of, three Grade A office buildings, one commercial buildings, two industrial/office buildings and one industrial building, with a total gross rentable area of about 1.28 million sq. ft..

www.prosperityreit.com

Disclaimer

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Prosperity REIT in Hong Kong or any other jurisdiction.

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