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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

PROPOSED REVISED ANNUAL CAP FOR CERTAIN CONNECTED PARTY TRANSACTIONS AND PROPOSED AMENDMENTS TO THE TRUST DEED

Reference is made to the announcement of Prosperity REIT dated 30 March 2007 in relation to the proposal by ARA Asset Management (Prosperity) Limited, as manager of Prosperity REIT (the "**Manager**") to (i) revise one of the annual monetary limits in respect of certain connected party transactions (the "**Property Management Transactions**") for the years ending 31 December 2007 and 31 December 2008 respectively in response to the inadvertent breach of the relevant annual cap amount as stipulated in the waiver in respect of the relevant connected party transactions; and (ii) make certain amendments to the deed of trust dated 29 November 2005 constituting Prosperity REIT, as amended by a first supplemental deed dated 12 December 2005, (the "**Trust Deed**") entered into between HSBC Institutional Trust Services (Asia) Limited, as trustee of Prosperity REIT, and the Manager.

Details of (i) the excess in the monetary value of the Property Management Transactions over the relevant annual cap amount, and the reasons for such excess; (ii) the proposed revision of the annual monetary limit of the Property Management Transactions; and (iii) the proposed amendments to the Trust Deed, are more particularly set out in a circular (the "**Circular**") to the unitholders of Prosperity REIT ("**Unitholders**") expected to be despatched on or around Friday, 13 April 2007, together with the notice (the "**EGM Notice**") of an extraordinary general meeting of the Unitholders (the "**EGM**") and the form of proxy for the EGM. The Circular contains the information necessary to enable Unitholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

Subject to special resolution numbers 1, 3, 7 and 8 set out in the EGM Notice being passed, the Manager may from time to time consider the possibility of Prosperity REIT issuing convertible instruments ("**Convertible Instruments**") as a means of raising capital for its business activities, including for the funding of acquisitions. However, no firm decision in relation to any such possible action has been made by the Manager. If a decision is made for Prosperity REIT to issue any Convertible Instruments and/or to acquire any real estate, Prosperity REIT will comply with the relevant requirements of the Code on Real Estate Investment Trusts and other applicable laws and regulations in connection therewith.

In connection with the EGM, the Register of Unitholders will be closed from Friday, 4 May 2007 to Wednesday, 9 May 2007, both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of Prosperity REIT, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 3 May 2007.

The substantive text of the EGM Notice is reproduced below:

“NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the unitholders (the “**Unitholders**”) of Prosperity Real Estate Investment Trust (“**Prosperity REIT**”) will be held at Exhibition Venue A, on Level 7, The Metropolis Mall, 6 Metropolis Drive, Hung Hom, Hong Kong on Wednesday, 9 May 2007 at 3:50 p.m. (or immediately after the conclusion of the annual general meeting which is scheduled to be held on the same day) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. “That:

- (a) the proposed revised annual monetary limits for the years ending 31 December 2007 and 31 December 2008 respectively in relation to the Property Management Transactions, as more particularly described in the section headed “Proposed Revised Annual Monetary Limits for Property Management Transactions” in the circular to Unitholders of Prosperity REIT dated 13 April 2007, be and is hereby approved; and
- (b) the Manager and any director of the Manager each be and is hereby severally authorised to complete and do or cause to be done all such acts and things as the Manager or any director of the Manager, as the case may be, may consider expedient or necessary or in the interest of Prosperity REIT to give effect to the above approval.”

SPECIAL RESOLUTIONS

1. “That:

- (a) subject to the passing of special resolution 7, pursuant to Clause 26 of the trust deed constituting Prosperity REIT dated 29 November 2005 (as amended and supplemented by a first supplemental deed dated 12 December 2005) (the “**Trust Deed**”) entered into between ARA Asset Management (Prosperity) Limited, as the manager of Prosperity REIT (the “**Manager**”), and HSBC Institutional Trust Services (Asia) Limited, as trustee of Prosperity REIT (the “**Trustee**”), approval be and is hereby given for Clauses 5.2.2 and 5.2.4 of the Trust Deed to be deleted in their entirety and replaced with the text below:

“5.2.2 After the Listing Date, and for so long as the Units are admitted for trading on the SEHK, the Manager may, subject to Clauses 5.1.5 and 5.2.1, effect or agree to effect the issue of Units on behalf of the Trust (whether directly, or pursuant to any Convertible Instruments (as defined in Clause 5.1.6) issued by the Trust) on any Business Day at an Issue Price per Unit that is equal to the Market Price or, in its discretion, at a premium to the Market Price or at a discount to the Market Price not exceeding the relevant level of discount set out in Clause 5.2.3 of the Trust Deed. For the avoidance of doubt, the Issue Price shall, in the case of any Convertible Instruments, mean the initial price per Unit at which Units are to be issued pursuant to the exercise of any conversion, exchange or subscription or similar rights under such Convertible Instruments, before any adjustments which may apply thereunder (the “**Initial Issue Price**”). An issue of new Units at an Issue Price that is at a discount of more than the relevant level of discount set out in Clause 5.2.3 of the Trust Deed to the Market Price will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1.”; and

“5.2.4 (i) For the purposes of this Deed and subject to Clause 5.2.4(ii), “**Market Price**” shall mean the price as determined by the Manager, being the higher of:

- (a) the closing price of the Units on the SEHK on the date of the relevant agreement or other instrument for (i) the proposed issue of Units, or (ii) the proposed issue of any Convertible Instruments; and
- (b) the volume weighted average price for a Unit for all trades in Units on the SEHK (“**Unit VWAP**”) for the period of ten Trading Days immediately preceding the earlier of:
 - (i) the date of announcement of (1) the proposed issue of Units, or (2) the proposed issue of any Convertible Instruments;
 - (ii) the date of the relevant agreement or other instrument for (1) the proposed issue of Units, or (2) the proposed issue of any Convertible Instruments; and
 - (iii) the date on which the Issue Price is fixed.”;

(ii) For the purposes of Clauses 14.1.1 and 14.1.2, “**Market Price**” shall mean the price as determined by the Manager as being the Unit VWAP for the period of ten Trading Days immediately preceding the date on which the relevant Units are issued to the Manager pursuant to Clauses 14.1.1 and/or 14.1.2;

- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 5.2.5 of the Trust Deed to be deleted in its entirety; and
- (c) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendments in relation to Clauses 5.2.2, 5.2.4 and 5.2.5 of the Trust Deed.”

2. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Schedule 1 to the Trust Deed to be amended by inserting the new paragraph below immediately after Paragraph 3.7 of Schedule 1 to the Trust Deed:

“3.7A The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power of attorney or authority shall be deposited at such place as the Manager or the Trustee may in the notice convening the meeting direct, or if no such place is appointed then at the registered office of the Registrar, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a Holder from attending and voting at the meeting and, in such event, the instrument appointing the proxy shall be deemed to be revoked. A person appointed to act as a proxy need not be a Holder.”; and

- (b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendment in relation to Paragraph 3.7 of Schedule 1 to the Trust Deed.”

3. “That:

- (a) subject to the passing of special resolution 1, pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 5.1.6 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“5.1.6 (i) Subject to Clause 5.1.7, Units may be issued, or agreed (conditionally or unconditionally) to be issued, in any Financial Year (whether directly or pursuant to any Convertible Instruments), otherwise than on a pro rata basis to all existing Holders, without the approval of Holders, if:-

- (a) the total number of new Units issued, or agreed (conditionally or unconditionally) to be issued, in that Financial Year pursuant to this Clause 5.1.6, without taking into account:

- (1) any new Units issued or issuable in that Financial Year pursuant to any Convertible Instruments issued (whether in that or any prior Financial Year) pursuant to and in compliance with this Clause 5.1.6, to the extent that such new Units are covered by the aggregate number of new Units contemplated under Clause 5.1.6(i)(b) at the Relevant Date applicable to the relevant Convertible Instruments;
- (2) such number of new Units issued or issuable pursuant to any such Convertible Instruments as a result of adjustments arising from the consolidation or sub-division or re-designation of Units;
- (3) any new Units issued in that Financial Year pursuant to any agreement for the issuance of Units, to the extent that such new Units were previously taken into account in the calculation made under this Clause 5.1.6(i)(a) (whether in that or any prior Financial Year) at the Relevant Date applicable to that agreement; and/or
- (4) any new Units issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Holders and in respect of which the specific prior approval of Holders in accordance with the relevant requirements hereunder and under applicable laws and regulations (including the Code) has been obtained;

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- (b) (1) the maximum number of new Units issuable at the Initial Issue Price (as defined in Clause 5.2.2) pursuant to any Convertible Instruments issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Holders and whose Relevant Date falls within that Financial Year; and
- (2) the maximum number of any other new Units which may be issuable pursuant to any such Convertible Instruments as at the Relevant Date thereof as estimated or determinable by the Manager in good faith and using its best endeavours and confirmed in writing to the Trustee and the SFC, having regard to the relevant terms and conditions of such Convertible Instruments (including any additional new Units issuable under any adjustment mechanism thereunder other than adjustments arising from the consolidation or sub-division or re-designation of Units),

does not increase the number of Units that were outstanding at the end of the previous Financial Year (or, in the case of an issue of, or an agreement (whether conditional or unconditional) to issue, Units or Convertible Instruments during the first Financial Year, the number of Units that were outstanding as at the Listing Date) by more than 20% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC).

(ii) Any issue of, or any agreement (whether conditional or unconditional) to issue, new Units exceeding the threshold in this Clause 5.1.6 will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1.

(iii) For the purposes of this Clause 5.1.6, and Clauses 5.2.2 and 5.2.4:

(a) “**Convertible Instruments**” means any securities convertible or exchangeable into Units, or any options or warrants or similar rights for the subscription or issue of Units (or securities convertible or exchangeable into Units), issued by the Trust or any Special Purpose Vehicle; and references to an issue of Units “**pursuant to any Convertible Instruments**” means an issue of Units pursuant to exercise of any conversion, exchange and/or subscription or similar rights (as the case may be) under the terms and conditions of such Convertible Instruments; and

(b) “**Relevant Date**” means, as the case may be, the date of the relevant agreement or other instrument for the issue or proposed issue of any Units or Convertible Instruments, or the date of the grant of any Convertible Instruments, whichever is the earlier.”; and

(b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendment in relation to Clause 5.1.6 of the Trust Deed.”

4. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 10.5.6(a) of the Trust Deed to be deleted in its entirety and replaced with the text below:

“10.5.6

(a) Notwithstanding any other provisions in this Deed, the Trustee shall, directly or indirectly, only upon written instruction by the Manager but subject in all cases to Clause 17.17.2 exercise any rights as shareholder to control such Special Purpose Vehicle (including, without limitation, the obligation to provide powers of attorneys or proxies as provided in Clause 13.1, the obligation to appoint directors of such Special Purpose Vehicle to the extent it is entitled to appoint such directors and to ensure that the auditor and accounting principles and policies of any Special Purpose Vehicle are identical to those of the Trust).”; and

(b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendment in relation to Clause 10.5.6(a) of the Trust Deed.”

5. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 14.1.1 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“14.1.1 Base Fee

The Manager shall be entitled to receive for its own account out of the Deposited Property in arrear the amount of the Base Fee accrued to it and remaining unpaid. The Manager shall at the end of each quarter of each Financial Year compute the Base Fee for the quarter, based on management accounts of the Trust (if that Real Estate is directly owned by the Trustee) or the relevant Special Purpose Vehicle (if the Real Estate is owned by a Special Purpose Vehicle), and submit an invoice with such computation of the Base Fee to the Trustee within 30 days of the end of that quarter. Any invoice submitted under this Clause shall be subject to the review and clearance by the Trustee within 14 days of its receipt of the Manager’s invoice, and the Base Fee shall be paid to the Manager (in the form of cash and/or Units, as the case may be) on the last Business Day of the month in which the invoice is submitted to the Trustee. The Manager shall be entitled to alter the rate of the Base Fee to some smaller percentage than that hereinafter provided by notice to the Trustee in writing PROVIDED THAT the Manager shall give written notice of any alteration of such rate to a higher percentage within the permitted limit to all Holders and the Trustee, not less than three months prior to the date of effect thereof. The Base Fee shall not exceed the rate of 0.4% per annum of the Property Values (for the purposes of this Clause, the “permitted limit”). Any increase in the rate of the Base Fee above the permitted limit or any change in the structure of the Base Fee shall be approved by a Special Resolution of a meeting of Holders, duly convened and held in accordance with the provisions of Schedule 1. The Base Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of that calendar quarter. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Property Values on the last day of the calendar quarter multiplied by the number of days in the relevant period and divided by 365. The “appropriate percentage” shall be the rate of Base Fee applicable on the relevant day. For an initial period of five years after the Listing Date, the Base Fee

referable only to the relevant Real Estate acquired by the Trust in respect of the Initial Public Offering shall be paid to the Manager in the form of Units. After the fifth anniversary of the Listing Date, the Base Fee referable to such Real Estate shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect). The Base Fee in respect of any Real Estate (other than those referable to the relevant Real Estate acquired in respect of the Initial Public Offering) shall be paid in the form of cash and/or Units (as the Manager may elect). The Manager shall make the aforesaid elections for the payment of the Base Fee in cash and/or Units, and (if applicable) the respective percentages of the Base Fee to be paid in cash and/or in Units, annually on or before 15 January of each Year by way of notice in writing to the Trustee and an announcement to the Holders, such election to be irrevocable during the Year in which it was made. In the event that the Manager fails to make such an election in any Year, the most recent valid election made by the Manager in a prior Year (if any) shall apply and, if there is no such prior Year election by the Manager, the Base Fee shall be paid in cash. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the prevailing Market Price at the time of the issue of such Units as determined under Clause 5.2.4. In the event payment is to be made in the form of Units and the relevant thresholds for the issuance of Units without Holders' approval (including the threshold of 20% (or such other percentage as permitted by the Code) of outstanding Units that the Manager may issue in each Financial Year without Holders' approval pursuant to the Code, and any other limit or threshold specified in any waiver from strict compliance with the Code granted by the SFC) are exceeded and Holders' approval is not obtained, then payment of that excess part of the Base Fee will be paid in the form of cash. The amount of the Base Fee payable to the Manager shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Hong Kong or elsewhere.”; and

- (b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendment in relation to Clause 14.1.1 of the Trust Deed.”

6. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 4.5.6 by adding the words “and all other fees, costs and expenses (including costs and expenses incurred in respect of roadshows, press conferences, luncheons, presentations, and other public relations-related fees, costs or expenses and fees for public relations consultants and Unit/Convertible Instrument issuance-related expenses) in connection with any offering or issue of Units or Convertible Instruments” after the words “under Clause 5”;
- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 4.5.13 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“4.5.13 “all fees, costs and expenses (including costs and expenses incurred in respect of roadshows, press conferences, luncheons, presentations and other public relations-related costs or expenses and fees for public relations consultants and Unit/Convertible Instrument issuance-related expenses) incurred in connection with convening and holding of meetings of Holders or meetings for purposes of investor or analyst briefings, and all fees, costs and expenses incurred in connection with any public relations-related activities in connection with the Trust other than the fees, costs and expenses already referred to above or in Clause 4.5.6” and

- (c) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendments in relation to Clauses 4.5.6 and 4.5.13 of the Trust Deed.”

7. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the definition of “Record Date” in Clause 1.1 of the Trust Deed to be deleted in its entirety and replaced with the text below:

““**Record Date**” means the date or dates in respect of each Distribution Period determined by the Manager for the purpose of determining the Distribution Entitlement to the Distribution Amount of the Holders;”;

- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 1.1 of the Trust Deed to be amended by inserting the following definition of “Trading Day” immediately after the definition of “Tax”:

““**Trading Day**” means any day on which the SEHK is open for the business of dealing in securities;”;

- (c) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendments in relation to Clause 1.1 of the Trust Deed.”

8. “That:

- (a) subject to the passing of special resolution 1, pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the definition of “Adjustments” in Clause 11.5.3 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“11.5.3 For the purposes of this Clause 11, “**Adjustments**” means significant adjustments which are charged or credited to the profit and loss account for the relevant Financial Year or the relevant Distribution Period (as the case may be), including: (i) unrealized property revaluation gains/losses, including impairment provisions and reversals of impairment provisions; (ii) impairment loss of goodwill/recognition of negative goodwill; (iii) differences between cash and accounting finance costs; (iv) realized gains on the disposal of properties; (v) deferred tax charges/credits in respect of property valuation movements, fair value changes on financial instruments and commercial building allowances/capital allowances claimed; (vi) the portion of the Management Fee that is paid in the form of Units; (vii) costs of any public or other offering of Units or Convertible Instruments that are expensed through the profit and loss statement but are funded by proceeds from the issuance of such Units or Convertible Instruments; and (viii) other material non-cash gains/losses.”;

- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 25.6 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“25.6 Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register. Any notice so served by post shall be deemed to have been served the day after posting and, for the purposes of paragraph 2 of Schedule 1, such notice shall be deemed to have been duly served on all Holders who were on the Register on the last Business Day before the notice under paragraph 2 of Schedule 1 was sent. In proving such service it shall be sufficient to prove that the letter or other document containing the notice was properly addressed, stamped and posted.”;

- (c) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Paragraph 2.2 of Schedule 1 to the Trust Deed to be deleted in its entirety and replaced with the text below:

“2.2 14 days’ notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in the manner provided in this Deed, except that 21 days’ notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of the meeting shall be given to the Holders where a Special Resolution is proposed for consideration at such meeting. The notice shall specify the place, day and hour of meeting and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent by post to the Trustee, unless the meeting is convened by the Trustee in which case a copy of the notice shall be sent by post to the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting. In this paragraph 2.2, “Holders” means the persons who were shown as Holders on the Register as at the close of business on the last Business Day before the notice under this paragraph 2 was sent. Where a meeting is adjourned, this paragraph applies as if the reference to the notice given under this paragraph 2.2 was a reference to the notice of the adjourned meeting given under paragraph 4.1 below.”; and

- (d) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendments in relation to Clauses 11.5.3 and 25.6 of the Trust Deed and Paragraph 2.2 of Schedule 1 to the Trust Deed.”

9. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 3.5 of the Trust Deed by adding “or by such other publication method as may be required or permitted by the Code or the SFC from time to time” after “Such notice may be given by way of public advertisement in at least one English language newspaper in Hong Kong and one Chinese language newspaper in Hong Kong”;

- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 25.3 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“25.3 **Announcements**

The Manager shall inform Holders by way of announcement as soon as reasonably practicable of any information concerning the Trust which:

- 25.3.1 is necessary to enable Holders to appraise the position of the Trust;
- 25.3.2 is necessary to avoid a false market in the Units;
- 25.3.3 might be reasonably expected to materially affect market activity in, and the price of, the Units; or
- 25.3.4 requires Holders' approval.

For the purposes of this Deed, in the case of any references to an announcement in relation to matters concerning the Trust, the method of publication of such announcement shall be such method as may be required or permitted by the Code or the SFC from time to time.”; and

- (c) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendments in relation to Clauses 3.5 and 25.3 of the Trust Deed.”

10. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 11.6.1 of the Trust Deed to be amended by deleting the sentence “The Manager shall also arrange for the Auditors to review and check its calculation under this Clause 11 of the Distribution Entitlement of each Holder in respect of each Distribution Period and to issue a confirmation letter to the Trustee” and replacing such sentence with “The Manager shall also arrange for the Auditors to review and check its calculation under this Clause 11 of the Distribution Entitlement of each Holder in respect of each Distribution Period and shall issue a confirmation letter to the Trustee”; and
- (b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager and the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the above amendment in relation to Clause 11.6.1 of the Trust Deed.”

Notes:

- (a) A Unitholder entitled to attend and vote at the Extraordinary General Meeting by the above notice is entitled to appoint one or more proxies to attend and vote on poll in his/her stead. The person appointed to act as proxy need not be a Unitholder.
- (b) In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, if any, must be deposited at the registered office of the Unit Registrar of Prosperity REIT, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
- (c) Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders in respect of such Unit shall alone be entitled to vote in respect thereof.
- (d) The Register of Unitholders will be closed from Friday, 4 May 2007 to Wednesday, 9 May 2007, both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the Extraordinary General Meeting convened by the above notice, all Unit certificates with duly completed transfer forms must be lodged with the Prosperity REIT's Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 3 May 2007.

By order of the board of directors of
ARA Asset Management (Prosperity) Limited
(as manager of Prosperity Real Estate Investment Trust)
Lin Chung Sing, Charlie
Executive Director and Chief Executive Officer

Hong Kong, 13 April 2007

The Directors of the Manager as at the date of this announcement are Mr. Chiu Kwok Hung, Justin (*Chairman*), Mr. Lim Hwee Chiang and Mr. Ma Lai Chee, Gerald as Non-executive Directors; Mr. Lin Chung Sing, Charlie as Executive Director; Mr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Robert Douglas Pope as Independent Non-executive Directors.

Please also refer to the published version of this announcement in The Standard.