

Prosperity REIT 2016 Interim Results

- **Positive rental reversion with stable occupancy rate attributable to an uplift in DPU at 4.0 % YoY**
- **Continued growth and satisfactory performance in Kowloon East Portfolio**
- **A defensive investment tool with stable distribution and unit price appreciation, proven in different economic cycles since listing.**

Hong Kong, 11 August 2016 – 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 2016 (the "Reporting Period").

Positive rental reversion with stable occupancy rate attributable to an uplift in DPU at 4.0 % YoY

During the Reporting Period, Prosperity REIT achieved a rental reversion rate of 9.6%, complemented with a stable occupancy rate of 96.7%. The average effective unit rent of Prosperity REIT's portfolio recorded a growth of 4.8% to HK\$23.47 per sq. ft.. Revenue and net property income increased 3.3% and 3.1% YoY to HK\$222.9 million and HK\$176.0 million respectively. The unaudited distributable income was HK\$131.4 million, representing a DPU of HK\$0.0906, uplift by 4.0% YoY and an annualised distribution yield of 5.7%¹.

Continued growth and satisfactory performance in Kowloon East Portfolio

Our Kowloon East portfolio contributed to 35.4% of total net property income. Prosperity Place, a commercial building in Kwun Tong, achieved 13.2% and 25.9% YoY growth in revenue and NPI respectively. In the 1st half, international banks and insurance companies expanded their presence in Kowloon East. These high quality tenants or end users will enrich the district with a higher consumption working population supporting the commercial activities.

¹ Based on Prosperity REIT's closing unit price of HK\$3.18 as at 30 June 2016

Press Release

A defensive investment tool with stable distribution and unit price appreciation, proven in different 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 long term player in Kowloon East, Prosperity REIT is well-positioned to gain further benefits from Kowloon East maturing to CBD2. Total return for the 1st half 2016 is 17.2%, including unit price appreciation of 14.0% and distribution of 1H2016.

Prospects

Looking ahead, Hong Kong will face multiple challenges. Leveraged on a stable China's GDP growth and a low interest rate environment, Hong Kong is anticipated to have mild economic growth. Kowloon East continues to be a relocation option with the high specifications office supply for corporations. Capital investment by multinational companies and investment funds, demonstrated their confidence in the district in the long run. Prosperity REIT's gearing ratio remained at a healthy level of 26.5%, providing us with a strong balance sheet to take advantage of future growth opportunities. Barring unforeseen circumstances, we are cautiously optimistic about our prospects in the future.

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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 eight high-quality properties in the decentralized business districts of Hong Kong, comprising all, or a portion of, three Grade A office buildings, two commercial buildings, two industrial/office buildings and one industrial building, with a total gross rentable area of about 1.35 million sq. ft..

www.prosperityreit.com

About ARA Asset Management (Prosperity) Limited

Prosperity REIT is managed by ARA Asset Management (Prosperity) Limited, a wholly-owned subsidiary of ARA Asset Management Limited (“ARA”), Asia’s premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007.

ARA currently manages real estate investment trusts (“REITs”) and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services.

Established in 2002, to date it has over 1,200 professionals in 18 cities managing total assets of close to S\$30 billion.

www.ara-asia.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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