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PROSPERITY REAL ESTATE INVESTMENT TRUST
(a 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

**(1) COMPLETION OF MAJOR ACQUISITION AND CONNECTED PARTY
TRANSACTIONS RELATING TO THE PROPOSED ACQUISITION OF THE
CHONG YIP PROPERTY**

**(2) PAYMENT OF ACQUISITION FEE TO ARA ASSET MANAGEMENT
(PROSPERITY) LIMITED BY WAY OF UNITS IN PROSPERITY REAL ESTATE
INVESTMENT TRUST**

(3) DRAWDOWN UNDER THE NEW FACILITIES

The Board is pleased to announce that the Acquisition was completed on 22 January 2014.

The Board also announces that on 22 January 2014, the REIT Manager received 4,431,768 Acquisition Fee Units listed on the Hong Kong Stock Exchange, as payment to the REIT Manager of the Acquisition Fee in the amount of HK\$10.1 million. The Acquisition Fee Units were issued at a price of HK\$2.279 (being the Issue Price) per Unit.

The payment of the Acquisition Fee entirely in the form of the Acquisition Fee Units is in accordance with the terms of the Trust Deed and was approved by the Independent Unitholders by an Ordinary Resolution at the EGM held on 15 January 2014.

The REIT Manager held 5,360,975 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the REIT Manager holds 9,792,743 Units, representing approximately 0.70% of the 1,400,609,965 Units in issue (after the issue of the Acquisition Fee Units).

The Board also announces that on 22 January 2014, the aggregate of HK\$784 million was drawn down under the New Facilities to finance part of the Consideration of the Acquisition, being HK\$1,010 million, and the remaining part of the Consideration was financed by drawing down on the Existing Revolving Credit Facility on 16 January 2014. There are no material changes to the terms of the New Facilities as disclosed in the Circular.

Reference is made to: (i) the announcement made by Prosperity REIT dated 15 December 2013; (ii) the circular of Prosperity REIT dated 16 December 2013 (the “**Circular**”); and (iii) the announcement made by Prosperity REIT dated 15 January 2014. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

Completion of the Acquisition

The Board is pleased to announce that as all the Conditions to Completion have been satisfied, the Acquisition was completed on 22 January 2014. Details of the nominees nominated by the Purchaser to: (i) acquire the Target Company Shares; and (ii) accept assignment of the Existing Borrowings respectively are described below:

	Name of Entity	Place of Incorporation
Nominee nominated to acquire the Target Company Shares	Unique Champ Investments Limited	British Virgin Islands
Nominee nominated to accept assignment of the Existing Borrowings	Vital Vision Enterprises Limited	British Virgin Islands

As mentioned in the Circular, the purchase consideration under the Share Purchase Agreement is subject to a customary adjustment (the “**Current Adjustment**”) for the current assets and current liabilities of the Target Company as at Completion but excluding the Existing Borrowings and any deferred tax liabilities and deferred tax assets of the Target Company. The Current Adjustment is set out in a pro forma completion balance sheet and will be audited within 90 days after Completion with a view to making any final adjustments to reflect the final adjusted asset value of the Target Company (and such adjustments may be applicable either in favour of the Purchaser or the Vendor). The final adjusted purchase consideration for the Chong Yip Property shall be announced by the REIT Manager as soon as practicable following the completion of the audit of the accounts of the Target Company and the determination of such adjustments, together with the quantum of the adjustment amounts.

Issuance of Acquisition Fee Units

The Board also announces that on 22 January 2014, the REIT Manager received 4,431,768 Acquisition Fee Units, as payment to the REIT Manager of the Acquisition Fee in the amount of HK\$10.1 million. The Acquisition Fee Units were issued at the price of HK\$2.279 (the “**Issue Price**”) per Unit, being the average closing price of Units in the 10 trading days of the Hong Kong Stock Exchange immediately prior to the entry into of the Share Purchase Agreement. The Issue Price and the number of Acquisition Fee Units issued were determined

on a basis which is consistent with the relevant provisions of the Trust Deed. The Acquisition Fee will not be subject to the Current Adjustment.

The payment of the Acquisition Fee entirely in the form of the Acquisition Fee Units is in accordance with the terms of the Trust Deed and was approved by the Independent Unitholders by an Ordinary Resolution at the EGM held on 15 January 2014.

The REIT Manager held 5,360,975 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the REIT Manager holds 9,792,743 Units, representing approximately 0.70% of the 1,400,609,965 Units in issue (after the issue of the Acquisition Fee Units).

Drawdown under the New Facilities and the Existing Revolving Credit Facility

On 22 January 2014, the aggregate of HK\$784 million was drawn down under the New Facilities to finance part of the Consideration of the Acquisition, being HK\$1,010 million, and the remaining part of the Consideration was financed by drawing down on the Existing Revolving Credit Facility on 16 January 2014. There are no material changes to the terms of the New Facilities as disclosed in the Circular.

General

This announcement is made pursuant to paragraphs 10.4(d) and 10.4(k) of the REIT Code.

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, 22 January 2014

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.