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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

ANNOUNCEMENT

RENTAL SUPPORT PAYMENT UNDER THE DEED OF RENTAL SUPPORT

The Board wishes to notify the Unitholders that the Rental Income for the financial year ended 31 December 2015 (as reflected in the Target Company's audited financial statements for the financial year ended 31 December 2015 and as notified by the Target Company to the Vendor in writing) in respect of the Chong Yip Property is HK\$34,275,245.81, which is greater than the agreed Rental Income support for that financial year of HK\$32.32 million by HK\$1,955,245.81.

Pursuant to the Deed of Rental Support, if the Rental Income (as reflected in the Target Company's audited financial statements for the financial year ending 31 December of each financial year and as notified by the Target Company to the Vendor in writing) is equal to or greater than the agreed Rental Income support for that financial year, the Vendor is not required to make any payments to Prosperity REIT. Therefore, no rental support payment is payable by the Vendor to Prosperity REIT for the financial year ended 31 December 2015.

Reference is made to the circular of Prosperity Real Estate Investment Trust ("**Prosperity REIT**") dated 16 December 2013 in relation to, among others, Prosperity REIT's acquisition of the Chong Yip Property (the "**Circular**"), the announcement of Prosperity REIT dated 3 June 2015 in relation to, among others, the novation of the Share Purchase Agreement, Deed of Tax Covenant and Deed of Rental Support, and the announcement of Prosperity REIT dated 13 August 2015 in relation to the fact that no rental support payment is required to be paid by the Vendor to Prosperity REIT for the six months ended 30 June 2015. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board wishes to notify the Unitholders that the Rental Income for the financial year ended 31 December 2015 (as reflected in the Target Company's audited financial statements for the financial year ended 31 December 2015 and as notified by the Target Company to the Vendor in writing) in respect of the Chong Yip Property is HK\$34,275,245.81, which is greater than the agreed Rental Income support for that financial year of HK\$32.32 million by HK\$1,955,245.81.

Pursuant to the Deed of Rental Support, if the Rental Income (as reflected in the Target Company's audited financial statements for the financial year ending 31 December of each financial year and as notified by the Target Company to the Vendor in writing) is equal to or greater than the agreed Rental Income support for that financial year, the Vendor is not required to make any payments to Prosperity REIT.

The Board (including the Independent Non-executive Directors) has reviewed and confirmed that no rental support payment is required to be paid by the Vendor to Prosperity REIT for the financial year ended 31 December 2015, and such fact will be disclosed in Prosperity REIT's annual report for the financial year ended 31 December 2015.

Rental support payments are payable under the Deed of Rental Support for the period from Completion Date to two years after such date until 22 January 2016 (the "**Payment Period**"). Each rental support payment made by the Vendor to Prosperity REIT for each relevant payment period under the Deed of Rental Support, as well as the aggregate of such payments in respect of any one financial year during the Payment Period, shall not exceed the Maximum Annual Rental Support Payment of HK\$5 million per annum. As at the date of this announcement, no rental support payment has been paid under the Deed of Rental Support for the financial year ended 31 December 2015, therefore no part of the Maximum Annual Rental Support Payment for this financial year has been utilised.

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, 3 March 2016

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.