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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

- (1) EXTENSION OF CONTINUING CONNECTED PARTY TRANSACTION WAIVER
AND PROPOSED NEW ANNUAL CAPS
FOR CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS;**
**(2) CONTINUAL SERVICE OF RELEVANT
INDEPENDENT NON-EXECUTIVE DIRECTORS;**
(3) PROPOSED GRANT OF GENERAL MANDATE TO BUY BACK UNITS;
AND
(4) NOTICE OF EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

**Independent Financial Adviser to the Independent Board Committee of
the REIT Manager, the Independent Unitholders and the Trustee**



The Board wishes to announce that the REIT Manager proposes to: (i) seek an extension of the 2015 Modified Waiver beyond 31 December 2016 and propose New Annual Caps for the New CPT Waiver Period; (ii) effect the continual service of the relevant INEDs who have served on the Board for more than nine years; and (iii) establish a general mandate to the REIT Manager on behalf of Prosperity REIT to buy back Units on the Hong Kong Stock Exchange.

The Circular containing among other things: (1) a letter from the Board to the Unitholders containing details of, among other things, the 2016 Waiver Extension and the New Annual Caps, the Relevant INEDs Continual Service, and the Buy-back Mandate; (2) a letter from the Independent Board Committee; (3) a letter from the Independent Financial Advisor; and (4) the EGM Notice, will be sent to the Unitholders on or around 5 April 2016. The EGM will be held at 2:45 p.m. on 6 May 2016 (or immediately after the conclusion of the AGM which is scheduled to be held on the same day at 2:30 p.m.), at Exhibition Venue A on Level 7, Fortune Metropolis, 6 Metropolis Drive, Hung Hom, Kowloon, Hong Kong, for the purpose of considering and, if thought fit, passing with or without amendments, the EGM Resolutions set out in the Circular.

The register of Unitholders will be closed from 30 April 2016 to 6 May 2016 (both days inclusive), during which no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the EGM.

This announcement is made pursuant to 10.3 and 10.4 of the REIT Code.

The Board wishes to announce that the REIT Manager proposes to: (i) seek an extension of the 2015 Modified Waiver and propose New Annual Caps for the New CPT Waiver Period; (ii) effect the continual service of the relevant INEDs; and (iii) establish the Buy-back Mandate.

A. 2016 WAIVER EXTENSION AND NEW ANNUAL CAPS

1. Existing waivers in relation to certain continuing connected party transactions under Chapter 8 of the REIT Code

As disclosed in the Offering Circular, the REIT Manager applied for the Initial Waiver, and the SFC granted the Initial Waiver from strict compliance with the requirements of Chapter 8 of the REIT Code in respect of certain connected party transactions of Prosperity REIT on 30 November 2005. As disclosed in subsequent circulars and announcements, this waiver was subsequently modified and extended on 19 November 2008, 21 June 2011 and 15 January 2014, following which, the 2014 Extended Waiver covered the categories of continuing connected party transactions set out in section 9.4 of the 2013 Circular (the "**Continuing Connected Party Transactions**") and will expire on 31 December 2016.

The REIT Manager applied for a modification to the 2014 Extended Waiver, and the SFC further granted a modification to the 2014 Extended Waiver on 3 June 2015, so as to ensure that from a technical perspective, the Continuing Connected Party Transactions continue to be covered under the waiver following the restructuring of the entities now under CK Hutchison Holdings Limited. As a result, the 2015 Modified Waiver applies in respect of Continuing Connected Party Transactions entered into between the Prosperity REIT Group and: (i) the CK Property Connected Persons Group; and/or (ii) the Manager Group, whereby:

- (a) "**CK Property Connected Persons Group**" means CK Property, and any person who is connected to CK Property (as described in 8.1(e), (f) or (g) of the REIT Code), and these persons include: (a) any director, senior executive or officer of CK Property; (b) any associate (as defined in the REIT Code) of CK Property or of any director, senior executive or officer of CK Property; and (c) any controlling entity, holding company, subsidiary or associated company (as defined in the REIT Code) of CK Property (except in respect of the period prior to 3 June 2015, in which case the "CK Property Connected Persons Group" shall

have the same meaning as the definition of "Cheung Kong Connected Person Group" in the 2013 Circular); and

- (b) "**Manager Group**" means the REIT Manager and any person who is connected to the REIT Manager (as described in 8.1(e), (f) or (g) of the REIT Code), and these persons include: (a) any director, senior executive or officer of the Manager; (b) any associate (as defined in the REIT Code) of the Manager or of any director, senior executive or officer of the Manager; and (c) any controlling entity, holding company, subsidiary or associated company (as defined in the REIT Code) of the Manager.

2. **Expiration of the 2015 Modified Waiver**

The 2015 Modified Waiver will expire on 31 December 2016. In accordance with the terms of the 2015 Modified Waiver, the 2015 Modified Waiver may be extended beyond 31 December 2016, and/or the terms and the conditions of the 2015 Modified Waiver may be modified from time to time, provided that:

- (a) the due approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the 2015 Modified Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Prosperity REIT after the date on which the approval in paragraph (a) above is obtained.

3. **Extension of the 2015 Modified Waiver**

The REIT Manager expects that Continuing Connected Party Transactions will continue to be conducted between the Prosperity REIT Group, and the CK Property Connected Persons Group and/or the Manager Group, beyond the expiry of the 2015 Modified Waiver.

Given the regular, ordinary and ongoing nature of the Continuing Connected Party Transactions, the REIT Manager is of the view that it will be unduly burdensome and not in the interests of the Unitholders for Prosperity REIT to be subject to strict compliance with the requirements under Chapter 8 of the REIT Code with respect to the Continuing Connected Party Transactions on each and every occasion they arise, and accordingly, the REIT Manager has applied to the SFC for an extension of the 2015 Modified Waiver (the "**2016 Waiver Extension**") so that the resulting extended waiver (the "**2016 Extended Waiver**") applies for the three financial years ending 31 December 2019 (the "**New CPT Waiver Period**"). The 2016 Extended Waiver shall cover the New CPT Waiver Period, and as part of its submission, the REIT Manager has also proposed New Annual Caps for the New CPT Waiver Period. Details of the 2016 Waiver Extension and the New CPT Waiver Period are set out in the Circular.

The categories of continuing connected party transactions (including scope and nature) with respect to which the 2016 Extended Waiver is sought are the same as the continuing connected party transactions in respect of which the 2015 Modified Waiver was granted. The categories of continuing connected party transactions are:

- (a) Leasing or licensing transactions entered into by the Prosperity REIT Group with members of the CK Property Connected Persons Group (the "**CK Property Connected Persons Group Leases/Licences**");
- (b) Leasing or licensing transactions entered into by the Prosperity REIT Group with members of the Manager Group (the "**Manager Group Leases/Licences**"); and
- (c) Property management arrangements, third party services and other operational transactions in respect of Prosperity REIT and its assets and operations entered into by the Prosperity REIT Group and members of the CK Property Connected Persons Group (the "**Property Management Transactions**").

Please refer to the 2013 Circular for details of the CK Property Connected Persons Group Leases/Licences, the Manager Group Leases/Licences and the Property Management Transactions.

An independent committee has been established by the Board (the "**Independent Board Committee**") to advise the Independent Unitholders on the 2016 Waiver Extension and the New Annual Caps. GF Capital (Hong Kong) Limited has been appointed as an independent financial adviser (the "**Independent Financial Adviser**") to provide its opinion on these matters to the Independent Board Committee, the Independent Unitholders and HSBC Institutional Trust Services (Asia) Limited, as trustee of Prosperity REIT (the "**Trustee**"). A letter from the Independent Board Committee, which contains the Independent Board Committee's recommendation to the Independent Unitholders; and a letter from the Independent Financial Adviser, which contains among other things: (1) the Independent Financial Adviser's advice to the Independent Board Committee, the Independent Unitholders and the Trustee; and (2) the principal factors taken into consideration by the Independent Financial Adviser, and assumptions and qualifications adopted by the Independent Financial Adviser in arriving at such opinion, will be set out in the Circular.

B. CONTINUAL SERVICE OF RELEVANT INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board notes that both Dr. Lan Hong Tsung, David (currently an INED and the chairman of the Audit Committee and a member of the Disclosures Committee and the Designated (Finance) Committee) and Mrs. Sng Sow-Mei alias Poon Sow Mei (currently an INED and a member of the Audit Committee) have served on the Board for more than nine years. In the interests of good corporate governance, separate Ordinary Resolutions will be proposed for Unitholders to consider, and if thought fit, approve the continual service of Dr. Lan and Mrs. Sng until the third annual general meeting of Unitholders following the forthcoming EGM.

Dr. Lan and Mrs. Sng have always contributed objectively in advising and giving independent guidance to the Board in their capacity as INEDs and as members of different Board committees. Both directors place great importance on the REIT Manager observing high standards of corporate governance, and expressed impartial views with their relevant expertise and experience in financial investment, business development and macroeconomics. The REIT Manager has also received annual confirmations from Dr.

Lan and Mrs. Sng regarding their independence in accordance with Rule 3.13 of the Listing Rules (as if they were applicable to Prosperity REIT) and the Compliance Manual, and the Board is of the view that both directors will continue to meet the Director's independence requirements stated therein.

Taking into consideration the above, the Board is of the view that the lengths of service of each of Dr. Lan and Mrs. Sng has not, in any way, diminished their independence, and that each of Dr. Lan and Mrs. Sng is independent notwithstanding the fact that each of them has served on the Board for more than nine years as at the date of this announcement. Accordingly, the Board believes that each of Dr. Lan and Mrs. Sng possesses the required character, integrity and experience to continue fulfilling their respective roles as INEDs, and their continued tenures will continue to bring valuable insights and expertise to the Board. As such, the Board believes that each of Dr. Lan and Mrs. Sng should continue to serve as INEDs beyond the forthcoming EGM, and that the Relevant INEDs Continual Service is in the best interests of Prosperity REIT and the Unitholders as a whole.

Subject to the passing of the abovementioned Ordinary Resolutions, the continual service of Dr. Lan and Mrs. Sng shall be subject to the annual retirement and re-election requirements under the Articles of Association applicable to all Directors.

Biographical details and other relevant information of each of Dr. Lan and Mrs. Sng are set out in the Circular.

Save as disclosed in the Circular, there is no other matter in connection with the continual service as an INED of Dr. Lan and Mrs. Sng, that needs to be brought to the attention of the Unitholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, as if they were applicable to Prosperity REIT.

C. PROPOSED GRANT OF GENERAL MANDATE TO BUY BACK UNITS

Under the Trust Deed, the REIT Manager shall not repurchase any Units until permitted to do so under the guidelines issued by the SFC from time to time. Pursuant to a circular dated 31 January 2008 issued by the SFC (the "**SFC Circular**"), an SFC-authorized REIT may purchase its own units on the Hong Kong Stock Exchange provided that the REIT has followed the requirements as set out in the SFC Circular, including, *inter alia*, the despatch of an explanatory statement of the repurchase mandate to the unitholders and a specific approval or a general mandate to make such repurchase(s) has been obtained from the unitholders of the REIT.

Having regard to the above, an Ordinary Resolution will be proposed for Unitholders to consider, and if thought fit, grant a general mandate to the REIT Manager on behalf of Prosperity REIT to buy back Units on the Hong Kong Stock Exchange. The Units which may be bought back pursuant to the Buy-back Mandate are up to 10% of the total Units in issue on the date of passing the relevant EGM Resolution approving the Buy-back Mandate. The Units bought back by Prosperity REIT pursuant to the Buy-back Mandate shall be automatically cancelled upon such buy back. The REIT Manager will ensure that the documents of title of the Units bought back are cancelled and destroyed as soon as reasonably practicable following settlement of any such buy-back.

The Buy-back Mandate, if approved by Unitholders, will be in force for the period commencing from the date of the EGM and expiring on the earliest of the following dates: (a) the conclusion of the next annual general meeting of the Unitholders following the passing of the EGM Resolution approving the Buy-back Mandate; (b) the expiration of the period within which the next annual general meeting of the Unitholders as referred to in (a) above is required to be held by the Trust Deed, the REIT Code or any applicable laws; or (c) the revocation or variation of the authority given under the EGM Resolution approving the Buy-back Mandate by the passing of an Ordinary Resolution.

Prosperity REIT shall also comply with the other restrictions and notification requirements applicable to listed companies purchasing their own shares on a stock exchange under Rule 10.06 of the Listing Rules, with necessary changes being made, as if the provisions therein were applicable to REITs. These include, but are not limited to, the dealing restrictions, the restrictions on subsequent issues, the reporting requirements and status of purchased shares.

An explanatory statement in connection to the Buy-back Mandate is set out in the Circular.

D. RECOMMENDATIONS

1. Directors

Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to the Matters Requiring Approval as described in the Circular, the Board (including all the INEDs) considers that:

- (1) the 2016 Extended Waiver and the basis for the 2016 Extended Waiver (including the New Annual Caps and the basis for arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (2) each of the Continuing Connected Party Transactions subsisting as at the Latest Practicable Date has been entered into: (i) in the ordinary and usual course of business of Prosperity REIT and is consistent with the investment objectives and strategy of Prosperity REIT; (ii) on terms which are normal commercial terms at arm's length and are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (3) each of the Continuing Connected Party Transactions to be entered into after the Latest Practicable Date for the three financial years ending 31 December 2017, 31 December 2018 and 31 December 2019: (i) shall be entered into in the ordinary and usual course of business of Prosperity REIT and shall be consistent with the investment objectives and strategy of Prosperity REIT; (ii) shall be entered into on terms which are normal commercial terms at arm's length and be fair and reasonable as far as the Independent Unitholders are concerned and shall be in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole,

and accordingly, the Board recommends Independent Unitholders to vote in favour of the EGM Resolution in respect of the 2016 Waiver Extension and the New Annual Caps.

Further, the Board considers that (i) the continual service of each of Dr. Lan and Mrs. Sng as an INED until the third annual general meeting of Unitholders following the forthcoming EGM is in the interests of Prosperity REIT and the Unitholders as a whole; and (ii) the granting of the Buy-back Mandate is in the interests of Prosperity REIT and the Unitholders as a whole, and accordingly, recommends all Unitholders to vote in favour of the EGM Resolutions in respect of the Relevant INEDs Continual Service and the Buy-back Mandate.

2. Independent Board Committee

The Independent Board Committee (which comprises all three of the current INEDs) has been established by the Board to advise the Independent Unitholders on the 2016 Extended Waiver and the basis for the 2016 Extended Waiver (including the New Annual Caps and the basis for arriving at the same). The Independent Financial Adviser has been appointed to advise the Independent Board Committee, the Independent Unitholders and the Trustee as to whether (among other things) the 2016 Extended Waiver and the New Annual Caps are fair and reasonable.

The Independent Board Committee, having taken into account the opinion of the Independent Financial Adviser and the principal factors considered by it, considers that:

- (1) the 2016 Extended Waiver and the basis for the 2016 Extended Waiver (including the New Annual Caps and the basis for arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (2) each of the Continuing Connected Party Transactions subsisting as at the Latest Practicable Date has been entered into: (i) in the ordinary and usual course of business of Prosperity REIT and is consistent with the investment objectives and strategy of Prosperity REIT; and (ii) on terms which are normal commercial terms at arm's length and are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole,

and accordingly, the Independent Board Committee recommends Independent Unitholders to vote in favour of the EGM Resolution in respect of the 2016 Waiver Extension and the New Annual Caps.

3. Independent Financial Adviser

The Independent Financial Adviser considers that:

- (1) the 2016 Extended Waiver and the basis for the 2016 Extended Waiver (including the New Annual Caps and the basis for arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (2) each of the Continuing Connected Party Transactions subsisting as at the Latest Practicable Date has been entered into: (i) in the ordinary and usual course of business of Prosperity REIT and is consistent with the investment objectives and strategy of Prosperity REIT; and (ii) on terms which are normal commercial terms at arm's length and are fair and reasonable as far as the Independent Unitholders

are concerned and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole,

and accordingly, the Independent Financial Adviser recommends Independent Unitholders to vote in favour of the EGM Resolution in respect of the 2016 Waiver Extension and the New Annual Caps.

4. Trustee

Based on and in sole reliance upon: (1) the opinion of the Board in this letter and the information and assurances provided by the REIT Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the 2016 Extended Waiver and New Annual Caps are fair and reasonable and in the interests of Prosperity REIT, the Independent Unitholders, as well as the Unitholders as a whole. This view is being furnished for the sole purpose of complying with paragraph 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the 2016 Extended Waiver and the New Annual Caps.

Further, the Trustee has confirmed that the Buy-back Mandate complies with the requirements in the Trust Deed and, subject to Unitholders' approval, the Trustee does not have any objection to the buy-back of Units pursuant to the Buy-back Mandate. The Trustee's confirmation is being furnished for the sole purpose of complying with the SFC Circular, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Buy-back Mandate or of any statements or information made or disclosed in the Circular.

The Trustee has not made any assessment of the merits or impact of the 2016 Extended Waiver, the New Annual Caps or the Buy-back Mandate, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the 2016 Extended Waiver, the New Annual Caps or the Buy-back Mandate, to seek their own financial or other professional advice.

E. GENERAL

The Circular containing, among other things: (1) a letter from the Board to the Unitholders containing details of, among other things, the 2016 Waiver Extension and the New Annual Caps, the Relevant INEDs Continual Service, and the Buy-back Mandate; (2) a letter from the Independent Board Committee; (3) a letter from the Independent Financial Advisor; and (4) the EGM Notice, will be sent to the Unitholders on or around 5 April 2016.

F. EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

The EGM will be held at 2:45 p.m. on 6 May 2016 (or immediately after the conclusion of the AGM which is scheduled to be held on the same day at 2:30 p.m.), at Exhibition Venue A on Level 7, Fortune Metropolis, 6 Metropolis Drive, Hung Hom, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, each of the Ordinary Resolutions set out in the EGM Notice in the Circular.

The Register of Unitholders will be closed from 30 April 2016 to 6 May 2016 (both days inclusive), during which no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the EGM. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all duly completed transfers of Units accompanied by the relevant Unit certificates must be lodged with the Unit Registrar of Prosperity REIT, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on 29 April 2016.

G. DEFINITIONS

In this announcement, the following definitions apply throughout unless otherwise stated:

2008 Extended Waiver	The resulting modified and extended Initial Waiver granted by the SFC on 19 November 2008 as more fully described in the circular dated 28 October 2008 issued by the REIT Manager to the Unitholders.
2011 Extended Waiver	The resulting modified and extended 2008 Extended Waiver granted by the SFC on 21 June 2011 as more fully described in the circular dated 21 April 2011 issued by the REIT Manager to the Unitholders.
2013 Circular	The circular dated 16 December 2013 issued by the REIT Manager to the Unitholders.
2014 Extended Waiver	The resulting modified and extended 2011 Extended Waiver granted by the SFC on 15 January 2014 as more fully described in the 2013 Circular.
2015 Modified Waiver	The resulting modified 2014 Extended Waiver granted by the SFC on 3 June 2015 as more fully described in the announcement dated 3 June 2015 issued by the REIT Manager to the Unitholders.
2016 Extended Waiver	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
2016 Waiver Extension	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
AGM	The annual general meeting of Unitholders to be convened on Friday, 6 May 2016 at 2:30 p.m., at Exhibition Venue A on Level 7, Fortune Metropolis, 6 Metropolis Drive, Hung Hom, Kowloon, Hong Kong.

ARA	ARA Asset Management Limited.
Articles of Association	The articles of association of the REIT Manager.
Audit Committee	The audit committee of the REIT Manager.
Board	The board of directors of the REIT Manager.
Buy-back Mandate	The general mandate authorising the buy-back by Prosperity REIT of up to 10% of the Units in issue at the date of passing the relevant EGM Resolution on the Hong Kong Stock Exchange, the text of which is set out in Appendix III to the Circular.
CCASS	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
Circular	The circular to Unitholders dated 5 April 2016 in connection with, among other things:(1) further information in respect of, among other things, the 2016 Waiver Extension and the New Annual Caps, the Relevant INEDs Continual Service and the Buy-back Mandate; (2) the recommendation of the Independent Board Committee in relation to the 2016 Waiver Extension and the New Annual Caps; (3) the recommendation of the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2016 Waiver Extension and the New Annual Caps; and (4) notice of the EGM.
CK Hutchison Holdings Limited	A company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0001).
CK Property	Cheung Kong Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1113).
CK Property Connected Persons Group	Has the meaning ascribed to it in section A.1 of this announcement headed "Existing waivers in relation to certain connected party transactions under Chapter 8 of the REIT Code".
CK Property Connected Persons Group Leases/Licences	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
Compliance Manual	The compliance manual of the REIT Manager.
Connected Person	Has the meaning ascribed to it in the REIT Code.

Continuing Connected Party Transactions	Has the meaning ascribed to it in section A.1 of this announcement headed "Existing waivers in relation to certain continuing connected party transactions under Chapter 8 of the REIT Code".
Designated (Finance) Committee	The Designated (Finance) Committee of the REIT Manager.
Directors	The directors of the REIT Manager.
Disclosures Committee	The disclosures committee of the REIT Manager.
EGM	The extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice.
EGM Notice	The notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the EGM Resolutions.
EGM Resolutions	The Ordinary Resolutions to be passed at the EGM, as set out in the EGM Notice and explained in the Circular.
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited.
Independent Board Committee	The independent committee of the Board established to advise the Independent Unitholders on the 2016 Waiver Extension and the New Annual Caps, comprising Dr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Wong Kwai Lam, being all three of the INEDs.
Independent Financial Adviser	GF Capital (Hong Kong) Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO and in its capacity as the independent financial adviser for the purpose of paragraph 10.10(p) of the REIT Code.
Independent Unitholders	Unitholders other than those who have a material interest in the relevant resolutions and who are entitled to vote at the EGM.
INED	Independent Non-executive Director of the REIT Manager.
Initial Waiver	The waiver from strict compliance with the requirements of Chapter 8 of the REIT Code granted by the SFC on 30 November 2005 in respect of certain connected party transactions of Prosperity REIT as more fully described in the Offering Circular.

Listing Rules	The Rules Governing the Listing of Securities on Hong Kong Stock Exchange.
Manager Group	Has the meaning ascribed to it in section A.1 of this announcement headed "Existing waivers in relation to certain continuing connected party transactions under Chapter 8 of the REIT Code".
Manager Group Leases/Licences	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
New Annual Caps	The proposed annual monetary limits for Continuing Connected Party Transactions falling within the New CPT Waiver Period.
New CPT Waiver Period	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
Offering Circular	The offering circular dated 5 December 2005 of Prosperity REIT in connection with the placing and public offering of Units on the Hong Kong Stock Exchange.
Ordinary Resolution	A resolution proposed and passed as such by a simple majority at a meeting of Unitholders duly convened under the provisions of the Trust Deed.
Property Management Transactions	Has the meaning ascribed to it in section A.3 of this announcement headed "Extension of the 2015 Modified Waiver".
Prosperity REIT	Prosperity Real Estate Investment Trust.
Prosperity REIT Group	Prosperity REIT and companies or entities held or controlled by it.
REIT	Real Estate Investment Trust.
REIT Code	The Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being.
REIT Manager	ARA Asset Management (Prosperity) Limited, a wholly-owned subsidiary of ARA, in its capacity as manager of Prosperity REIT.
Relevant INEDs Continual Service	The proposed continual service of each of Dr. Lan Hong Tsung, David and Mrs. Sng Sow-Mei (alias Poon Sow Mei) as an INED until the third annual general meeting of Unitholders following the forthcoming EGM.
SFC	The Securities and Futures Commission of Hong Kong.

SFC Circular	Has the meaning ascribed to it in section C of this announcement headed "Proposed Grant of General Mandate to Buy Back Units".
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
Trust Deed	The trust deed entered into between the Trustee and the REIT Manager constituting Prosperity REIT, dated 29 November 2005 and as amended, varied and supplemented from time to time.
Trustee	HSBC Institutional Trust Services (Asia) Limited, a company incorporated in Hong Kong, in its capacity as the trustee of Prosperity REIT. All references to the Trustee in this announcement are, as the context may require, to the Trustee acting on behalf of Prosperity REIT and on the instructions of the REIT Manager.
Unit	One undivided unit in Prosperity REIT.
Unit Registrar	Computershare Hong Kong Investor Services Limited, in its capacity as the unit registrar of Prosperity REIT.
Unitholder	Any person registered as holding a Unit and any person holding Units through CCASS.

By Order of the Board
ARA ASSET MANAGEMENT (PROSPERITY) LIMITED
(as manager of Prosperity Real Estate Investment Trust)
Wong Lai Hung
Executive Director and Chief Executive Officer

Hong Kong, 5 April 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.