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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**

### **POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 6 MAY 2016**

At the EGM held on 6 May 2016, the EGM Resolutions to approve: (1) the 2016 Waiver Extension and the New Annual Caps; (2) the continual service of Dr. Lan Hong Tsung, David as an INED until the third annual general meeting of Unitholders following the EGM; (3) the continual service of Mrs. Sng Sow-Mei (alias Poon Sow Mei) as an INED until the third annual general meeting of Unitholders following the EGM; and (4) the Buy-back Mandate, were duly passed by way of a poll.

Reference is made to the circular dated 5 April 2016 (the "**Circular**") issued by the REIT Manager to the Unitholders in relation to (1) the extension of continuing connected party transaction waiver and proposed new annual caps for certain continuing connected party transactions, (2) the continual service of the relevant independent non-executive directors, (3) the proposed grant of general mandate to buy back Units and (4) notice of EGM and closure of register of Unitholders. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

At the EGM, the resolutions (as set out in the EGM Notice) to approve: (a) the 2016 Waiver Extension and the New Annual Caps; (b) the continual service of Dr. Lan Hong Tsung, David as an INED until the third annual general meeting of Unitholders following the EGM; (c) the continual service of Mrs. Sng Sow-Mei (alias Poon Sow Mei) as an INED until the third annual general meeting of Unitholders following the EGM; and (d) the Buy-back Mandate were proposed as Ordinary Resolutions and decided on by way of poll.

As at the date of the EGM, the total number of Units in issue was 1,445,971,969. Pursuant to the REIT Code and the Trust Deed:

- (a) CK Property has abstained, and procured that each member of the CK Property Connected Persons Group abstained, from voting on the EGM Resolution to approve the 2016 Waiver Extension and the New Annual Caps;
- (b) ARA (being the ultimate holding company of the REIT Manager) has abstained, and procured that each member of the Manager Group abstained, from voting on the EGM Resolution to approve the 2016 Waiver Extension and the New Annual Caps; and
- (c) Dr. Lan abstained from voting on the EGM Resolution to approve his continual service as an INED until the third annual general meeting of Unitholders following the EGM;

except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting was given.

To the best of the REIT Manager's knowledge, information and belief, after having made reasonable enquiries, no other Unitholder was required to abstain from voting at the EGM in respect of any EGM Resolution.

Accordingly, the total number of Units entitling the Independent Unitholders to vote for or against the EGM Resolution to approve the 2016 Waiver Extension and the New Annual Caps was 1,166,483,008 (representing approximately 80.67% of the 1,445,971,969 Units in issue), and the total number of Units entitling the Independent Unitholders to vote for or against the EGM Resolution to approve Dr. Lan's continual service as an INED until the third annual general meeting of Unitholders following the EGM was 1,445,621,969 (representing approximately 99.98% of the 1,445,971,969 Units in issue).

The Unit Registrar of Prosperity REIT, Computershare Hong Kong Investor Services Limited, acted as scrutineer for the poll taken at the EGM.

## **POLL RESULTS OF THE EGM**

As more than 50% of the votes were cast in favour of each of the EGM Resolutions, the EGM Resolutions were duly passed as Ordinary Resolutions based on the voting details set out below:

No.	Ordinary Resolutions	Number of votes (% of the total Units present and voted at the EGM) (%)	
		For	Against
1.	To approve the 2016 Waiver Extension and the New Annual Caps.	183,129,314 (99.975406%)	45,050 (0.024594%)
2.	To approve the continual service of Dr. Lan Hong Tsung, David as an INED until the third annual general meeting of Unitholders following the EGM.	446,481,548 (96.500178%)	16,192,777 (3.499822%)

3.	To approve the continual service of Mrs. Sng Sow-Mei (alias Poon Sow Mei) as an INED until the third annual general meeting of Unitholders following the EGM.	459,759,756 (99.370275%)	2,913,569 (0.629725%)
4.	To approve the Buy-back Mandate.	461,528,244 (99.996739%)	15,050 (0.003261%)

**WAIVER IN RELATION TO EXTENSION OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS WITH THE CK PROPERTY CONNECTED PERSONS GROUP AND THE MANAGER GROUP**

In connection with the EGM Resolution to approve the 2016 Waiver Extension and the New Annual Caps, the REIT Manager has applied to the SFC for an extension of the 2015 Modified Waiver from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the Continuing Connected Party Transactions, and in making such application, proposed the New Annual Caps for the extended period. On 6 May 2016, the SFC granted the abovementioned extension so that the resulting extended waiver (being the 2016 Extended Waiver) applies for the three financial years ending 31 December 2019 subject to the New Annual Caps and the following waiver conditions:

**(a) *Due approval by Independent Unitholders***

The due approval by Independent Unitholders, and adoption of the EGM Resolution in respect of the 2016 Waiver Extension and the New Annual Caps as set out in the EGM Notice, without material amendments thereto.

**(b) *Modification or Extension***

The 2016 Extended Waiver may be extended beyond 31 December 2019, and/or the terms and conditions of the 2016 Extended Waiver may be modified from time to time, provided that:

- (i) Independent Unitholders' approval - the due approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (ii) Disclosure - 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
- (iii) Extension period - any extension of the period of the 2016 Extended 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 referred to in (i) above is obtained.

For the avoidance of doubt, any material change to the transactions covered under the 2016 Extended Waiver (including without limitation the scope or nature of the transactions) as set out in the Circular and the Announcement based on which the waiver is sought and granted must be approved by the Independent Unitholders as referred to in (i) above and details of the proposed changes shall be disclosed in the manner as referred to in (ii) above.

**(c) Annual caps**

The annual value of the Continuing Connected Party Transactions shall not exceed the respective annual monetary limits set out below:

		<b>New Annual Caps</b>		
<b>Categories of Continuing Connected Party Transactions</b>	<b>Connected Person</b>	<b>For the year ending 31 December 2017 (HK\$)</b>	<b>For the year ending 31 December 2018 (HK\$)</b>	<b>For the year ending 31 December 2019 (HK\$)</b>
<b>I. Revenue</b>				
Leasing/licensing transactions	CK Property Connected Persons Group	33,000,000	33,000,000	33,000,000
Leasing/licensing transactions	Manager Group	5,100,000	5,100,000	5,100,000
<b>II. Expenditure</b>				
Property management arrangements, third party services and other operational transactions	CK Property Connected Persons Group	37,400,000	39,300,000	41,300,000

In respect of leasing/licensing transactions, an independent valuation shall be conducted for each of such leasing/licensing transactions except where they are conducted on standard or published rates.

**(d) Disclosure in Interim and Annual Reports**

Details of the Continuing Connected Party Transactions shall be disclosed in Prosperity REIT's interim and annual reports, as required under 8.14 of the REIT Code.

**(e) *Auditors' Review Procedures***

In respect of each relevant financial year, the REIT Manager shall engage and agree with the auditors of Prosperity REIT to perform certain review procedures on the Continuing Connected Party Transactions. The auditors shall then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report shall be provided to the SFC), confirming whether all such Continuing Connected Party Transactions:

- (i) have received the approval of the board of directors of the REIT Manager (including its INEDs);
- (ii) are in accordance with the pricing policies of Prosperity REIT;
- (iii) have been entered into in accordance with the terms of the agreements governing the transactions; and
- (iv) the total value in respect of which has not exceeded the respective annual monetary limits (where applicable).

**(f) *Review by the INEDs***

The INEDs shall review the Continuing Connected Party Transactions annually and confirm in Prosperity REIT's annual report for the relevant financial year that such transactions have been entered into:

- (i) in the ordinary and usual course of business of Prosperity REIT;
- (ii) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Prosperity REIT than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreement and the REIT Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of Independent Unitholders, as well as the Unitholders as a whole.

**(g) *Auditors' Access to Books and Records***

The REIT Manager shall allow, and shall procure the counterparty to the relevant continuing connected party transactions to allow, the auditors of Prosperity REIT sufficient access to their records for the purpose of reporting on the transactions.

**(h) *Notification to the SFC***

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the INEDs will not be able to confirm the matters set out in paragraph (e) headed "Auditors' Review Procedures" and (f) headed "Review by the INEDs".

(i) ***Subsequent Increases in Annual Caps with Independent Unitholders' Approval***

If necessary, for example, where there are further asset acquisitions by Prosperity REIT thereby increasing the scale of its operations generally, or where there are changes in market or operating conditions, the REIT Manager may, from time to time in the future, seek to increase one or more of the annual limits set out in the above, provided that:

- (i) Independent Unitholders' approval - the approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (ii) Disclosure - disclosure of details of the proposal to increase the relevant annual cap amounts 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
- (iii) Other compliance requirements - all the waiver terms and conditions described above shall continue to apply to the relevant transactions, save that the relevant increased annual cap amounts shall apply.

(j) ***8.14 of the REIT Code***

The REIT Manager shall comply with all requirements under 8.14 of the REIT Code where there is any material change to the terms of the relevant connected party transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval.

Details of the Continuing Connected Party Transactions shall be disclosed in the interim and annual reports of Prosperity REIT in the relevant financial year as required under 8.14 of the REIT Code. The INEDs shall review the Continuing Connected Party Transactions annually and confirm whether such transactions are carried out in the ordinary and usual course of business of Prosperity REIT based on normal commercial terms and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Unitholders.

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, 6 May 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.*