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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

NEW BANKING FACILITIES

The board of directors of ARA Asset Management (Prosperity) Limited (the “**REIT Manager**”) is pleased to announce that Prosperity Real Estate Investment Trust (“**Prosperity REIT**”), has on 16 August 2010, through a special purpose vehicle, entered into syndicated facility agreements with respect to certain term loan and revolving credit facilities. The new facilities will be used for the purposes of refinancing Prosperity REIT’s existing facilities and funding the general corporate purposes of Prosperity REIT and its subsidiaries.

Introduction

On 29 November 2005, Prosperity REIT, through its wholly owned subsidiary, Progain Group Limited, entered into facility agreements with respect to certain term loan and revolving credit facilities in an aggregate principal amount of HK\$1,900 million (the “**Existing Facilities**”), comprising a HK\$1,770 million term loan facility and a HK\$130 million revolving credit facility. The Existing Facilities will mature and become payable on 16 December 2010.

New Banking Facilities

On 16 August 2010, Progain Group Limited entered into syndicated facility agreements (the “**Facilities Agreements**”) with respect to certain term loan and revolving credit facilities with Standard Chartered Bank (Hong Kong) Limited and Sumitomo Mitsui Banking Corporation as lenders. The Facilities Agreements relate to the provision of a Hong Kong Dollar 5-year term loan and revolving credit facilities of up to an aggregate principal amount of HK\$2,200 million (the “**New Facilities**”) comprising a HK\$1,770 million term loan facility and a HK\$430 million revolving credit facility. The New Facilities will bear interest at a floating interest rate of HIBOR plus 0.81% per annum and will mature and become payable on 16 August 2015.

The New Facilities will be secured by a mortgage over the properties (except certain portions of Prosperity Center) held by Prosperity REIT (the “**Secured Properties**”), an assignment of rents and leases, an assignment of insurance policies, an assignment of the property management agreements of the Secured Properties, share mortgages over the shares of the property holding companies (including their intermediate holding companies, if any) of Prosperity REIT (the “**Property Holding Companies**”) and Progain Group Limited, and a deed of subordination in respect of the indebtedness owing by the Property Holding Companies and Progain Group Limited to Prosperity REIT. Also, the Property Holding Companies and HSBC Institutional Trust Services (Asia) Limited (in its capacity as the trustee of Prosperity REIT) will, jointly and severally, provide an unconditional and irrevocable guarantee in favour of the lenders.

Use of Proceeds

The New Facilities will be used for the purposes of refinancing the Existing Facilities and funding the general corporate purposes of Prosperity REIT and its subsidiaries. It is expected that the New Facilities or a part thereof will be drawn on 16 December 2010 to refinance the Existing Facilities.

By order of the board of directors of
ARA Asset Management (Prosperity) Limited
(as manager of Prosperity Real Estate Investment Trust)
Stephen Henry Chu
Executive Director and Chief Executive Officer

Hong Kong, 16 August 2010

The Directors of the REIT Manager as at the date of this announcement are Mr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang and Mr. Ma Lai Chee, Gerald as Non-executive Directors; Mr. Stephen Henry Chu as Executive Director; Mr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Robert Douglas Pope as Independent Non-executive Directors.