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Unless defined herein, terms in this announcement shall have the same meaning as those defined in the offering circular of Prosperity Real Estate Investment Trust ("Prosperity REIT") dated 5 December 2005 (the "Offering Circular").



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

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Board of ARA Asset Management (Prosperity) Limited announces that the stabilisation period in connection with the Offering ended on 7 January 2006.

The only stabilising actions undertaken during the stabilisation period were: (i) the over-allocation of 87,567,356 Units under the International Offering; and (ii) the exercise in full by the Joint Lead Underwriters of the Over-allotment Option on 17 December 2005 in respect of an aggregate of 87,567,356 Units (representing approximately 9.86% of the Units initially available under the Offering). The Units purchased pursuant to the Over-allotment Option were used for the purpose of returning to Total Win Group Limited (an indirect wholly-owned subsidiary of Cheung Kong) and Wide Option Investments Limited (an indirect wholly-owned subsidiary of HWL) the 56,104,404 Units and 31,462,952 Units respectively borrowed from them by Merrill Lynch Far East limited, as Stabilising Manager, to cover the over-allocation of Units under the International Offering.

END OF STABILISATION PERIOD

The Board of ARA Asset Management (Prosperity) Limited announces that the stabilisation period in connection with the Offering ended on 7 January 2006. The only stabilising actions undertaken during the stabilisation period were: (i) the over-allocation of 87,567,356 Units under the International Offering; and (ii) the exercise of the Over-allotment Option in full by the Joint Lead Underwriters on 17 December 2005 in respect of an aggregate of 87,567,356 Units (representing approximately 9.86% of the total number of Units initially available under the Offering) purchased pursuant to the Over-allotment Option at HK\$2.16 per Unit, which was the Offer Price per Unit under the International Offering and the Hong Kong Public Offering (the "Over-allotment Units"). The over-allocation of Units under the International Offering were initially covered by the 56,104,404 Units and 31,462,952 Units borrowed by Merrill Lynch Far East Limited, as Stabilising Manager, from Total Win Group Limited (an indirect wholly-owned subsidiary of Cheung Kong) and Wide Option Investments Limited (an indirect wholly-owned subsidiary of HWL), respectively, on 16 December 2005 pursuant to the unit borrowing arrangements as described in the "Structure of the Offering – Over-allotment Option and Stabilisation" section of the Offering Circular, which were subsequently returned by Merrill Lynch Far East Limited to Total Win Group Limited and Wide Option Investments Limited on 21 December 2005 by using the Over-allotment Units. Details of the exercise of the Over-allotment Option are more particularly described in the announcement of 19 December 2005 published by ARA Asset Management (Prosperity) Limited, as manager of Prosperity REIT. Apart from the over-allocation of Units under the International Offering and the exercise in full of the Over-allotment Option, no other stabilising action has been taken during the stabilisation period.

By order of the Board
ARA Asset Management (Prosperity) Limited
as manager of Prosperity Real Estate Investment Trust
Chiu Kwok Hung, Justin
Chairman of the Manager

Hong Kong, 9 January 2006

The Directors of the 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. Lin Chung Sing, Charlie and Ms. Soon Yan Seen as Executive Directors; Mr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (Phoon Sui Moy, alias Poon Sow Mei) and Mr. Robert Douglas Pope as Independent Non-executive Directors.