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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

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF AUDIT COMMITTEE

The Board is pleased to announce the appointment of Mr. Wong Kwai Lam as an independent non-executive director and a member of the Audit Committee of the REIT Manager with effect from 6 July 2011.

Reference is made to the announcements of Prosperity Real Estate Investment Trust ("Prosperity REIT") dated 11 March 2011 and 1 June 2011.

The board of directors (the "Board") of ARA Asset Management (Prosperity) Limited (the "REIT Manager"), as the manager of Prosperity REIT, is pleased to announce the appointment of Mr. Wong Kwai Lam ("Mr. Wong") as an independent non-executive director and a member of the Audit Committee of the REIT Manager with effect from 6 July 2011.

Mr. Wong, aged 62, has over 32 years of experience in the commercial and investment banking industry. Mr. Wong worked with Merrill Lynch (Asia Pacific) Ltd. from May 1993 to August 2009 where he served as a managing director in the Asia investment banking division since January 1995. He was appointed as a senior client advisor to Merrill Lynch (Asia Pacific) Ltd. in September 2009 and served in that position for one year. In his 17 years of experience in various senior positions with Merrill Lynch (Asia Pacific) Ltd., Mr. Wong's responsibilities included, among others, managing the overall business of its Asia investment banking division from March 2003 to May 2005. Prior to joining Merrill Lynch (Asia Pacific) Ltd., Mr. Wong had been a director in the investment banking division of CS First Boston (Hong Kong) Ltd. and a director and the head of primary market in Standard Chartered Asia Limited.

Mr. Wong is currently the chairman of IncitAdv Consultants Ltd., a director of Opera Hong Kong Limited and a member of the Board of Trustee of New Asia College of the Chinese University of Hong Kong. He was formerly a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong, a member of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a member of the China Committee to the Hong Kong Trade Development Council.

Mr. Wong obtained a degree of Bachelor of Arts from the Chinese University of Hong Kong in 1972 and a Ph. D in Leicester University, England in 1977.

Mr. Wong was proposed to be appointed as an independent non-executive director of China Merchants Bank Co., Ltd., the shares of which are listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange. Such appointment shall become effective from the date of approval of his qualification for the office by the China Banking Regulatory Commission. Save for the proposed appointment as an independent non-executive director of China Merchants Bank Co., Ltd. and the appointment as an independent non-executive director of the REIT Manager, Mr. Wong has not held any other directorships in the three years preceding the date of this announcement in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wong has not entered into any service contract with the REIT Manager and Mr. Wong's tenure as an independent non-executive director of the REIT Manager is subject to retirement by rotation and re-election at annual general meetings of the REIT Manager in accordance with the articles of association of the REIT Manager. All remuneration payable to Mr. Wong will be paid and borne by the REIT Manager out of its own resources.

As at the date of this announcement, Mr. Wong is not interested in any units of Prosperity REIT within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and is not related to any directors, senior management, substantial or controlling shareholders of the REIT Manager. Mr. Wong has confirmed to the Board that he has met the independence criteria contained in the REIT Manager's compliance manual.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Wong that needs to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as if they were applicable to real estate investment trusts, and the Board considers that there is no other matter that needs to be brought to the attention of the unitholders of Prosperity REIT in connection with Mr. Wong's appointment.

The Board confirms that the compositions of the Board and the Audit Committee of the REIT Manager comply with its corporate governance policy.

The Board would like to take this opportunity to welcome Mr. Wong to join the Board.

This announcement is made pursuant to paragraph 10.3 of the Code of Real Estate Investment Trusts.

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 Acting Chief Executive Officer

Hong Kong, 6 July 2011

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; Ms. Wong Lai Hung as Executive Director; Mr. Lan Hong Tsung, David, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Wong Kwai Lam as Independent Non-executive Directors.