

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

The Securities and Futures Commission of Hong Kong (the "SFC"), The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

PAYMENT OF BASE FEE AND VARIABLE FEE TO ARA ASSET MANAGEMENT (PROSPERITY) LIMITED BY WAY OF UNITS IN PROSPERITY REAL ESTATE INVESTMENT TRUST

The board of directors (the "**Board**") of ARA Asset Management (Prosperity) Limited (the "**Manager**") announces that the Manager, as manager of Prosperity Real Estate Investment Trust ("**Prosperity REIT**"), has on 28 April 2006 received 2,557,755 units in Prosperity REIT (the "**Units**") at HK\$2.1978 (being the Market Price) per Unit, as payment of the Base Fee and Variable Fee for the period from 1 January 2006 to 31 March 2006.

With the above-mentioned issue of Units (the "**Issue**"), the Manager holds 2,918,256 Units, representing approximately 0.23% of the 1,253,880,478 Units in issue immediately after the Issue.

The Board of the Manager announces that the Manager, as the manager of Prosperity REIT, has on 28 April 2006 received 2,557,755 Units, being 2,040,995 Units as payment of the Base Fee (HK\$4,485,700) and 516,760 Units as payment of the Variable Fee (HK\$1,135,736), issued at a price of HK\$2.1978 (being the Market Price) per Unit, as payment in full of the Base Fee and the Variable Fee components of the Manager's management fee for the period from 1 January 2006 to 31 March 2006. The basis of determination of the 2,557,755 Units is consistent with the relevant provisions in the deed of trust constituting Prosperity REIT dated 29 November 2005 (the "**Trust Deed**").

The Base Fee is defined in the Trust Deed as 0.4% per annum of the Property Values (as defined in the Trust Deed) at the relevant time and the Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the prevailing Market Price (as defined in the Trust Deed).

The Variable Fee is defined in the Trust Deed as 3.0% per annum of the net property income of each real estate owned by Prosperity REIT (before deduction therefrom of the Variable Fee) and the Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Variable Fee at the prevailing Market Price.

Pursuant to the Trust Deed, the Market Price was determined based on the volume weighted average price for a Unit for all trades on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in the ordinary course of trading on the Stock Exchange for the period of 10 business days immediately preceding the date of issue of Units to the Manager.

The payment of the Base Fee and the Variable Fee in Units is provided for in the Trust Deed and the Issue does not require specific prior approval of unitholders pursuant to a waiver granted by the SFC (the "**Waiver**").

Under the Waiver, the issue of Units to the Manager as payment of all or part of the Base Fee and Variable Fee for each financial year will be counted as part of the 20% of outstanding Units that the Manager may issue in each financial year without unitholders' approval pursuant to paragraph 12.2 of the Code on Real Estate Investment Trusts (the "**REIT Code**"). In addition, in respect of each financial year, the maximum number of Units that may be issued to the Manager as payment of all or part of the Base Fee and Variable Fee for that financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Prosperity REIT. The number of Units issued to the Manager as payment in full of the Base Fee and Variable Fee components of the Manager's management fee for the period from 1 January 2006 to 31 March 2006 represents less than 3% of the total number of Units outstanding as at 31 December 2005.

With the Issue, the Manager holds 2,918,256 Units representing approximately 0.23% of the 1,253,880,478 Units in issue immediately after the Issue.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

By order of the Board
ARA Asset Management (Prosperity) Limited
as manager of Prosperity Real Estate Investment Trust
Lin Chung Sing, Charlie
Chief Executive Officer

Hong Kong, 28 April 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 (alias Poon Sow Mei) and Mr. Robert Douglas Pope as Independent Non-executive Directors.