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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



Asset Management (Prosperity) Limited

ARA Asset Management (Prosperity) Limited

SUCCESSION ARRANGEMENT OF CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

The board of directors of ARA Asset Management (Prosperity) Limited (the "**Manager**"), announces that Mr. Lin Chung Sing, Charlie, chief executive officer, executive director and a responsible officer of the Manager, has tendered his resignation as the chief executive officer, an executive director and a responsible officer of the Manager due to personal health reasons, such resignation to take effect as from 1 July 2007. Mr. Yip Kam Thai, a responsible officer and the chief operating officer of the Manager, has been appointed to the Board with effect from 1 June 2007 who will also assume the role of acting chief executive officer of the Manager.

The board of directors (the "**Board**") of the Manager, as the manager of Prosperity Real Estate Investment Trust ("**Prosperity REIT**"), announces that Mr. Lin Chung Sing, Charlie has tendered his resignation as the chief executive officer, an executive director and a responsible officer of the Manager due to personal health reasons, such resignation to take effect as from 1 July 2007. Mr. Lin will also cease to be a member and the chairman of the Disclosures Committee following the above resignation. The Board is conducting a full search for appropriate candidates to succeed Mr. Lin. The Board will make a further announcement as soon as the recruitment process has been completed.

The Board further announces that Mr. Yip Kam Thai, a responsible officer and the chief operating officer of the Manager, has been appointed as an executive director of the Manager with effect from 1 June 2007. Mr. Yip will not relinquish his functions as the chief operating officer and will also assume the role of acting chief executive officer of the Manager. As acting chief executive officer, Mr. Yip will also become a member and the chairman of the Disclosures Committee in the interim period.

Mr. Lin has confirmed that his decision was entirely for personal health reasons and that there is no disagreement with the Board and no other matter regarding his resignation that needs to be brought to the attention of the unitholders of Prosperity REIT. The Board would like to express its gratitude to Mr. Lin for his contributions to the Manager and Prosperity REIT and offers its best wishes to him.

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

Hong Kong, 1 June 2007

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 Mr. Yip Kam Thai 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.

*“Please also refer to the published version of this announcement in **The Standard**.”*