



## 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**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an **EXTRAORDINARY GENERAL MEETING** of the unitholders (the “Unitholders”) of Prosperity Real Estate Investment Trust (“**Prosperity REIT**”) will be held at Exhibition Venue A on Level 7, The Metropolis Mall, 6 Metropolis Drive, Hung Hom, Kowloon, Hong Kong on 14 May 2008 at 3:00 p.m. (or immediately after the conclusion of the annual general meeting which is scheduled to be held on the same day) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

#### **SPECIAL RESOLUTIONS**

1. “**That:**

- (a) pursuant to Clause 10.2.4 of the trust deed constituting Prosperity REIT dated 29 November 2005 (as supplemented by a first supplemental deed dated 12 December 2005 and a second supplemental deed dated 15 May 2007) (the “**Trust Deed**”) entered into between ARA Asset Management (Prosperity) Limited, as the manager (the “**Manager**”) of Prosperity REIT, and HSBC Institutional Trust Services (Asia) Limited, as trustee of Prosperity REIT (the “**Trustee**”), approval be and is hereby given for the investment strategy of Prosperity REIT to be amended so as to expand the asset class scope to include office, commercial and retail properties, and not to contain any geographical restrictions; and
- (b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

2. **“That:**

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

- (i) the amendment of Clause 5.1.6(iii) of the Trust Deed by deleting the words “For the purposes of this Clause 5.1.6, and Clauses 5.2.2 and 5.2.4:” and replacing the same by “For the purposes of Clauses 5.1.6, 5.1.7, 5.2.2, and 5.2.4:”;
- (ii) Clause 5.1.7 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“5.1.7 Any issue, grant or offer of Units or Convertible Instruments to a Connected Person will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1, unless such issue, grant or offer is made under the following circumstances (where, for the avoidance of doubt, no Holders’ approval will be required):

- (i) the Connected Person receives a pro rata entitlement to Units and/or Convertible Instruments in its capacity as a Holder;
- (ii) Units are issued to a Connected Person under Clauses 14.1.1 and 14.1.2 in or towards the satisfaction of the Base Fee and Variable Fees; or
- (iii) Units and/or Convertible Instruments are issued to a Connected Person within 14 days after such Connected Person has executed an agreement to reduce its holding in the same class of Units and/or Convertible Instruments by placing such Units or Convertible Instruments to or with any person(s) who is/are not its associate(s) (other than any Excluded Associate), provided always that (a) the new Units and/or Convertible Instruments must be issued at a price not less than the placing price (which may be adjusted for the expenses of placing); and (b) the number of Units and/or Convertible Instruments issued to the Connected Person must not exceed the number of Units and/or Convertible Instruments placed by it.”;

(b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 1.1 of the Trust Deed by inserting the following definition immediately after the definition of “Duties and Charges”:

“**“Excluded Associate”** means any person or entity who/which is an associate of the relevant Connected Person solely by virtue of the operation of paragraphs (b), (c), and/or (k) (other than a related corporation covered under paragraph (a) of the definition of “related corporation” in Schedule 1 of the SFO) of the definition of “associate” in Schedule 1 of the SFO;”; and

(c) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the matters resolved upon in sub-paragraphs (a) and (b) of this resolution.”

3. **“That:**

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 5.2.2 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“5.2.2 After the Listing Date, and for so long as the Units are admitted for trading on the SEHK:

(a) the Manager may, subject to Clauses 5.1.5 and 5.1.6, effect or agree to effect the issue of Units on behalf of the Trust (whether directly, or pursuant to any Convertible Instruments issued by the Trust) on any Business Day at an Issue Price per Unit that is:

(i) equal to the Market Price;

(ii) in its discretion, at a discount to the Market Price not exceeding the relevant level of discount set forth in Clause 5.2.3 or at a premium to the Market Price; or

(iii) where approval by way of an Ordinary Resolution is obtained pursuant to Clause 5.2.2(b), on the pricing basis as authorised in such Ordinary Resolution.

For the avoidance of doubt, the Issue Price shall in the case of any Convertible Instruments, mean the initial price per Unit at which Units are to be issued pursuant to the exercise of any conversion, exchange or subscription or similar rights under such Convertible Instruments, before any adjustments which may apply thereunder (the “**Initial Issue Price**”); and

(b) an issue of, or agreement (whether conditional or unconditional) to issue, new Units at an Issue Price or Initial Issue Price (as the case may be) that is otherwise than in accordance with the pricing basis and/or discount allowed in Clauses 5.2.2(a)(i) and 5.2.2(a)(ii) above, will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1, and such approval may be subject to such conditions as the Holders may approve, including without limitation stating the basis of pricing, or authorising the Manager to determine the pricing basis on such terms as are authorised under that Ordinary Resolution.”; and

(b) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

4. **“That:**

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the definition of “special purpose vehicle” in Clause 1.1 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“**“Special Purpose Vehicle”** shall mean a special purpose vehicle that is owned and controlled by the Trust in accordance with the Code.”;

(b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 1 of the Trust Deed by inserting the following text after Clause 1.8, as new Clause 1.9:

**“1.9 Special Purpose Vehicles**

Having regard to the fact that Special Purpose Vehicles may include non-corporate entities, when used in this Deed in relation to a Special Purpose Vehicle:

1.9.1 references to “**incorporation**” (or similar or derivative words) shall, *mutatis mutandis*, be deemed to include references to all relevant methods of establishment of the Special Purpose Vehicle;

1.9.2 references to “**shares**” and “**shareholders**” (or similar or derivative words) shall, *mutatis mutandis*, be deemed to include references to all relevant types of ownership interests in or in respect of the Special Purpose Vehicle, and holders of such ownership interests, respectively; and

1.9.3 references to “**board of directors**” and “**director**” (or similar or derivative words) shall, *mutatis mutandis*, be deemed to include references to the equivalent or comparable governing body of the Special Purpose Vehicle, and a member of such governing body, respectively.”;

(c) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 10.2.1 of the Trust Deed by replacing the words “by way of shareholding in” with the word “through” and deleting the words “which are unlisted corporations”;

- (d) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 10.5.1 to be deleted in its entirety and replaced with the text below:

“10.5.1 The Trust may legally and beneficially acquire and own any Special Purpose Vehicles in accordance with the Code if the Manager considers it necessary or desirable for the Trust to do so, in which event the Manager shall instruct the Trustee to, and the Trustee shall, accordingly establish, subscribe, or acquire by transfer, or otherwise invest in on behalf of the Trust a Special Purpose Vehicle provided that (i) the Special Purpose Vehicle is wholly-owned by the Trust, or (ii) the Trust has majority ownership and control of such Special Purpose Vehicle and there are sufficient and proper safeguards in relation to the Special Purpose Vehicle to address the risks arising from the non-wholly owned structure, and such investment is not in conflict with this Deed, the Code and other applicable law.”; and

- (e) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Prosperity REIT to give effect to the matters resolved upon in sub-paragraphs (a), (b) (c) and (d) of this resolution.”

By Order of the Board  
**ARA ASSET MANAGEMENT (PROSPERITY) LIMITED**  
**(as manager of Prosperity Real Estate Investment Trust)**  
**Yip Kam Thai**  
*Executive Director and Acting Chief Executive Officer*

Hong Kong, 18 April 2008

*Registered Office of the Manager:*  
Units 5508–5509, 55/F The Center  
99 Queen’s Road Central  
Hong Kong

*Notes:*

- (a) A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote on poll in his/her stead. The person appointed to act as proxy need not be a Unitholder.
- (b) In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, if any, must be deposited at the Unit Registrar of Prosperity REIT, Computershare Hong Kong Investor Services Limited at Rooms 1806–07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not

preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.

- (c) Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders in respect of such Unit shall alone be entitled to vote in respect thereof.
- (d) The Register of Unitholders will be closed from 8 May 2008 to 14 May 2008, both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the Extraordinary General Meeting, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Prosperity REIT's Unit Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 May 2008.

*The directors of ARA Asset Management (Prosperity) Limited as at the date of this notice are Mr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang and Mr. Ma Lai Chee, Gerald as Non-executive Directors; Mr. Yip Kam Thai 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.*