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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**

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

Pursuant to the terms of the deed of trust constituting Prosperity REIT dated 29 November 2005, as amended by a first supplemental deed dated 12 December 2005, a second supplemental deed dated 15 May 2007 and a third supplemental deed dated 14 May 2008 (collectively, the "**Trust Deed**"), ARA Asset Management (Prosperity) Limited (the "**REIT Manager**") is entitled to receive a Base Fee (as defined in the Trust Deed) and Variable Fees (as defined in the Trust Deed) in respect of any real estate of Prosperity REIT. In respect of any real estate acquired by Prosperity REIT after the initial public offering of Prosperity REIT (the "**Properties**"), the REIT Manager is also entitled to make an election for the payment of the Base Fee and Variable Fees to be made in the form of cash and/or units of Prosperity REIT ("**Units**") and the respective percentages of the Base Fee and Variable Fees to be paid in cash and/or in Units, on or before 15 January of each year, by way of notice in writing to the trustee of Prosperity REIT (the "**Trustee**") and an announcement to unitholders of Prosperity REIT.

The Board of the REIT Manager announces that pursuant to the terms of the Trust Deed, the REIT Manager, as the manager of Prosperity REIT, has on 12 January 2009 made the election (the "**Election**") for the Base Fee and Variable Fees in respect of the Properties to be paid to the REIT Manager by way of 20% in cash and 80% in Units.

Pursuant to the terms of the Trust Deed, the Election is irrevocable during the year. In the event that the REIT Manager fails to make an election in the following year for the payment of the Base Fee and Variable Fees in respect of the Properties, the Election (being the most recent valid election made by the REIT Manager in a prior year) shall apply.

The REIT Manager is entitled to receive the Base Fee and the Variable Fees on the last Business Day (as defined in the Trust Deed) of the month in which the invoice with the computation of the Base Fee and the Variable Fees for each quarter is submitted to the Trustee within 30 days of the end of that quarter.

The rate, the calculation basis of the number of Units to be issued to the REIT Manager for the payment of the Base Fee and Variable Fees in respect of the Properties, and the limitations applicable to such payments in Units, will be the same as those with regard to any real estate of Prosperity REIT acquired in respect of the initial public offering of Prosperity REIT.

This announcement is made pursuant to Clause 14.1 of the Trust Deed and paragraph 10.3 of the REIT Code.

By order of the board of directors of  
**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, 15 January 2009

*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; 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.*