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# ChampionREIT

## 冠君產業信託

### **Champion 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: 2778)**

Managed by

**Eagle Asset Management**  
Eagle Asset Management (CP) Limited

## **(1) PROPOSED AMENDMENTS TO THE TRUST DEED**

**AND**

## **(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Board of Eagle Asset Management (CP) Limited as the REIT Manager of Champion Real Estate Investment Trust, announces that the REIT Manager proposes to adopt the Trust Deed Amendments.

The Circular containing among other things: (1) a letter from the Board to the Unitholders containing details of the Trust Deed Amendments; and (2) the notice of the EGM, has been issued on the date hereof and will be despatched to Unitholders as soon as practicable. The EGM will be held at 5th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong on Tuesday, 23 May 2017 at 3:30 p.m. (immediately after the conclusion or adjournment of the 2017 annual general meeting of Champion REIT to be held on the same day) for the purposes of considering and, if thought fit, passing with or without modifications, each of the Special Resolutions set out in the EGM Notice and reproduced in the body of this announcement.

For the purpose of ascertaining Unitholders' right to attend and vote at the EGM, the register of Unitholders will be closed from Thursday, 18 May 2017 to Tuesday, 23 May 2017, both days inclusive, during which period no transfers of Units will be effected.

This announcement is being made pursuant to 10.3 of the REIT Code.

The Board wishes to announce that the REIT Manager is proposing to adopt the Trust Deed Amendments as summarised in this announcement. The proposed amendments to the Trust Deed are intended to update the Trust Deed so that it reflects the latest developments in the Hong Kong REIT market, or in other cases, to mirror updates to the REIT Code or as the case may be, the Listing Rules (as if they were applicable to REITs). The following summary should be read together with the full text of the Trust Deed Amendments set out in the Appendix to the Circular.

## **A. OVERVIEW OF THE TRUST DEED AMENDMENTS**

### *Trust Deed Amendments*

#### **(i) Clarificatory Changes regarding Joint Ownership in Properties via Special Purpose Vehicles**

##### *Relevant Background*

The REIT Code allows a REIT to own properties pursuant to a joint ownership arrangement, through a special purpose vehicle, provided that the REIT has “majority ownership and control” of that special purpose vehicle and the underlying properties. In line with the guidance published by the SFC, the manager of a SFC-authorized REIT is required to manage and enhance the value of the properties of the REIT and it is considered important that the REIT has “majority ownership and control” in its properties at all times to enable the manager to exercise control over the management and strategic development of the properties. Such requirement applies irrespective of the manner in which the properties are held.

Generally, according to the guidance published by the SFC, a REIT will be considered to satisfy the “majority ownership and control” criteria if it has over 50% interest in the building/complex. Depending on the specific circumstances, the majority (over 50%) rule may be applied with reference to floor area, undivided shares or other relevant factors as appropriate. As an illustration, where the building/complex is of composite use, if a REIT owns over 50% of the relevant portion of the building/complex and the manager has either acquired majority control over the estate management issues of the relevant portion through means such as a sub-deed of mutual covenant or separate owners’ committees for that relevant portion of the building/complex (in the case of Hong Kong properties), then the REIT will also be considered to have “majority ownership and control” in that building/complex. The SFC have also published guidance stating that, in order to provide a certain degree of flexibility to cater for practical situations, a REIT may own less than a “majority ownership and control” in a property, although investments in such properties should in aggregate not exceed 10% of the gross asset value of the REIT. Further, the manager shall demonstrate to the satisfaction of the SFC that investment in such properties is in line with the REIT’s investment strategy and objectives and in the best interests of the unitholders of that REIT.

The REIT Manager will adhere to all regulatory requirements and guidance of the SFC to ensure that it has the requisite level of “majority ownership and control” of any special purpose vehicles established through joint ventures. This is subject to the REIT Manager's compliance with any applicable waiver or exemption given by the SFC in respect thereof.

#### *Proposed Clarificatory Changes*

In light of the above, amendments have been proposed to the definition of “Special Purpose Vehicle” and Clause 15.5.1 of the Trust Deed, to clarify that references to “control” and “majority ownership and control” in such clauses shall be defined by reference to the REIT Code and/or other published guidelines, policies, practice statements or other guidance issued by the SFC.

To facilitate any holding of properties via a joint ownership arrangement, and for clarity and enhanced transparency in the Trust Deed, the REIT Manager also proposes to amend the definitions of “Total Property Revenue” and “Total Property Expenses” in the Trust Deed, to clarify that the Net Property Income attributable to a property held through a joint venture (for the purposes of calculating the Manager’s Fee due to the REIT Manager<sup>1</sup>) shall be pro-rated to the proportion of Champion REIT’s interest in the underlying property.

For similar reasons stated above, and for consistency in the Trust Deed, the REIT Manager also proposes to amend Clause 11.4.6(i) of the Trust Deed to clarify that the aggregate amount of Trustee's Additional Fees that may be charged by the Trustee in relation to an acquisition or divestment of property held through a joint venture shall be pro-rated to the proportion of Champion REIT’s interest in the underlying property.

This approach aligns with the treatment of the Acquisition Fee or Divestment Fee due to the REIT Manager in a joint venture scenario under the Trust Deed and extends to any interests held by Champion REIT in a Special Purpose Vehicle.

For the same reasons set out above, the REIT Manager proposes to make consequential amendments to the Trust Deed formula for determining the amounts distributable to the Unitholders, so as to pro-rata those Adjustments in respect of properties held through joint ventures.

#### **(ii) Changes regarding Acquisition Fee and Trustee's Additional Fees for Development Projects**

##### *Relevant Background*

The Trust Deed presently allows the REIT Manager to engage and participate in Property Development and Related Activities in limited circumstances. The Aggregate Development Costs of such activities is limited to the GAV Cap.

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<sup>1</sup> Clause 11.1 of the Trust Deed stipulates that in respect of each semi-annual period of each Financial Year, the REIT Manager shall be entitled to a Manager’s Fee of 12% of the Net Property Income provided that the Net Property Income for that semi-annual period is equal to or more than HK\$200 million and subject to further terms and conditions set out therein. At present and without taking into account the amendment proposed in Section B(ii), “Net Property Income” is defined in the Trust Deed to mean in relation to any period, the Total Property Revenue for that period less the Total Property Expenses for that period.

Clause 11.2.1(i) of the Trust Deed states that the REIT Manager is entitled to receive an Acquisition Fee not exceeding the rate of 1.0% of the “acquisition price” of any Real Estate in the form of land acquired directly or indirectly by Champion REIT (pro-rated if applicable to the proportion of Champion REIT’s interest in the Real Estate acquired). Under Clause 11.4.6 of the Trust Deed, if the Trustee finds it expedient or necessary or is requested by the REIT Manager to undertake duties that are of an exceptional nature or otherwise outside the scope of the Trustee’s normal duties in the ordinary course of normal day-to-day business operation of Champion REIT, including but not limited to any services in relation to acquisition by Champion REIT, the Trustee is entitled to charge the Trustee's Additional Fees on a time-cost basis in certain limited circumstances, provided that the aggregate amount that may be charged by the Trustee in relation to an acquisition of Real Estate to be entered into by Champion REIT shall not exceed 0.05% of the “acquisition price” of that Real Estate acquired directly or indirectly by Champion REIT. In both contexts, “acquisition price” is neither defined nor makes any specific reference to whether or not it includes any development, construction or other costs associated with Property Development and Related Activities.

### *Proposed Changes*

As a reflection of the costs of acquisition and development undertaken in tandem with such acquisition, the REIT Manager proposes to amend the Trust Deed such that where a development project is to be undertaken in tandem with an acquisition of Real Estate by Champion REIT, the “acquisition price” used to calculate the Acquisition Fee and Trustee’s Additional Fees shall be the Property Development Costs borne in respect of the development project (which include, where applicable, the costs for the acquisition of land, development or construction costs, financing costs, stamp duty and professional fees), and the Acquisition Fee and Trustee's Additional Fees shall be payable periodically as the costs are incurred.

The Trust Deed will be revised to state that the Acquisition Fee and Trustee's Additional Fees shall be determined and payable as follows:

- (a) within 14 Business Days after completion of the acquisition, based on the actual costs borne by Champion REIT for acquiring the Real Estate to be developed (“**Costs upon Acquisition**”);
- (b) within 14 Business Days after the publication of the audited annual accounts of Champion REIT for the Financial Year in which the Real Estate for development was acquired, based on the Property Development Costs for such development project actually incurred by Champion REIT during that Financial Year (as shown in the aforesaid accounts) other than the Costs upon Acquisition; and
- (c) within 14 Business Days after the publication of the audited annual accounts of Champion REIT for each subsequent Financial Year until and including the Financial Year within which the development project is completed, based on the Property Development Costs for such development project actually incurred by Champion REIT during that Financial Year (as shown in the aforesaid accounts).

The REIT Manager is of the view that the “acquisition price” used to calculate the Acquisition Fee and the Trustee’s Additional Fees in the abovementioned context should be the Property Development Costs. This is because the acquisition of land is for the purpose of development and construction of property. Accordingly, the REIT Manager is of the view that the “acquisition price” in respect of development projects (where undertaken in tandem with acquisitions of Real Estate) would necessarily be the Costs upon Acquisition and other Property Development Costs. This is also consistent with the Trust Deed taking a holistic view regarding the costs of Property Development and Related Activities (for example, the GAV Cap is based on the Aggregate Development Costs, which is inclusive of the Costs upon Acquisition and other Property Development Costs).

Moreover, the REIT Manager considers that such proposed amendments to the Trust Deed will, among other things, incentivise the REIT Manager to enhance the performance of Champion REIT by exploring a diversified array of investment opportunities including any development projects proposed to be undertaken in tandem with an acquisition of Real Estate by Champion REIT. Further details (including detailed reasons, benefits and risks) on the undertaking of Property Development and Related Activities by Champion REIT have been set out in Section C of the unitholder circular dated 26 November 2014.

For clarity and enhanced transparency in the Trust Deed, the REIT Manager also proposes to amend the Trust Deed to make clear that the calculation of Net Property Income shall only take into account the Total Property Revenue and Total Property Expenses for operating properties in respect of which development has been completed.

### **(iii) Offer of Units pursuant to Rights Issue to Existing Unitholders**

At present, Clause 7.1.6(i) of the Trust Deed allows Units to be issued, other than on a pro rata basis to all existing Unitholders, without the approval of the Unitholders, in certain limited circumstances, including, without limitation, where such issuance does not increase the number of Units that were outstanding at the end of the previous Financial Year by more than 20% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC). In line with market practice, the REIT Manager proposes to amend the Trust Deed so as to clarify that the 20% threshold in terms of number of Units that may be issued in the foregoing scenario shall be proportionally adjusted in the event of, and to give effect to, a consolidation, sub-division or re-designation of Units.

### **(iv) Voting by Show of Hands**

Paragraph 3.3 of Schedule 1 to the Trust Deed currently provides that a resolution put to a meeting of Unitholders shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting. Specific references to voting by way of poll as a method of voting are also made in Clause 24.5 of the Trust Deed.

To provide the chairman of a meeting of Unitholders with flexibility to cater for any exceptional circumstances that may arise during a meeting of Unitholders, the REIT Manager proposes to amend paragraph 3.3 of Schedule 1 to the Trust Deed such that the chairman of a meeting of Unitholders may, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be decided by way of a show of hands. For such purposes, “procedural or administrative matters” are those that: (i) are not on the agenda of the meeting or in any supplementary circular to Unitholders; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Unitholders a reasonable opportunity to express their views. This is in line with the provisions of the Listing Rules in relation to voting by a show of hands by listed companies in Hong Kong.

Consequential amendments are also proposed to be made to Clause 24.5 of the Trust Deed to provide for where a resolution may be decided by way of a show of hands in the limited circumstances set out above.

The REIT Manager has applied to the SFC for a waiver from strict compliance with paragraphs 2.16, 2.23 and 9.9(h) of the REIT Code so as to allow, where the chairman of a meeting of Unitholders can, when he considers it to be in good faith, decide to allow a resolution which relates purely to the above-mentioned procedural or administrative matters to be decided by a show of hands. Such waiver is expected to be conditional upon: (a) due approval by Unitholders of Special Resolution No. 4 (as set out in the EGM Notice) at the EGM; (b) the resolutions to be determined by a show of hands are only in respect of the “procedural or administrative matters” referred to in (i) and (ii) in the preceding paragraph.

**(v) Timing of Despatch of Circular**

As set out in the Trust Deed, the REIT Manager is required to serve on the Unitholders a circular convening an extraordinary general meeting within 21 Business Days of the announcement in relation to the termination or the merger of Champion REIT. The REIT Manager proposes to amend Clauses 29.2.2 and 30.1.2 of the Trust Deed so that the circular will be served within 21 days (instead of 21 Business Days) of the announcement which is not inconsistent with paragraph 11.4 of the REIT Code.

**(vi) Maximum Number of Proxies**

Currently, the Trust Deed does not set out the maximum number of proxies which may be appointed by a Unitholder. For meeting administrative reasons, the REIT Manager proposes to insert a new paragraph 3.8A into Schedule 1 of the Trust Deed such that a Unitholder may have the right to appoint separate proxies to represent respectively such number of the Units held by him as may be specified in his instrument(s) of proxy, provided that for all Unitholders (other than a Unitholder which is a recognised clearing house within the meaning of the SFO), the number of proxies so appointed to attend on the same occasion shall not exceed two.

### ***Approval Required***

Clause 31.1 of the Trust Deed provides that, save for certain limited exceptions requiring certification by the Trustee in writing, the REIT Manager and the Trustee are only entitled to modify, alter or add to the provisions of the Trust Deed by a supplemental deed with the approval of the Unitholders by way of a Special Resolution and, if so required, the prior approval of the SFC. Clauses 11.1.1(v), 11.2.1(i) and 11.4.3 of the Trust Deed additionally provide that any change in the structure of the Manager's Fees, Acquisition Fee and the Trustee's Additional Fees respectively shall be subject to the approval of the Unitholders by way of a Special Resolution.

Accordingly, the REIT Manager proposes to seek Unitholders' approval of each of the proposed Special Resolution Nos. 1, 2, 3, 4, 5 and 6 as set out in the EGM Notice approving, respectively, each of the Trust Deed Amendments. Such Special Resolutions will be decided on a poll at the EGM pursuant to the Trust Deed.

### ***Recommendation***

The Board considers that each of the Trust Deed Amendments are in the interests of Champion REIT and the Unitholders as a whole and accordingly recommends Unitholders to vote in favour of each of Special Resolution Nos. 1, 2, 3, 4, 5 and 6 to be proposed at the EGM.

The Trustee has no objection to the Trust Deed Amendments proposed by the REIT Manager, and subject to prior approval of the Unitholders and the SFC, a supplemental deed will be entered into between the REIT Manager and the Trustee to effect the Trust Deed Amendments.

## **B. GENERAL**

The Circular containing, among other things: (1) a letter from the Board to the Unitholders containing details of the Trust Deed Amendments; and (2) the notice of the EGM, has been issued on the date hereof and will be despatched to Unitholders as soon as practicable. The EGM will be held at 5th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong on Tuesday, 23 May 2017 at 3:30 p.m. (immediately after the conclusion or adjournment of the 2017 annual general meeting of Champion REIT to be held on the same day) for the purposes of considering and, if thought fit, passing with or without modifications, each of the Special Resolutions set out in the EGM Notice and reproduced in the body of this announcement.

In order to determine which Unitholders will qualify to attend and vote at the EGM, the Register of Unitholders will be closed from Thursday, 18 May 2017 to Tuesday, 23 May 2017 (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 EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of Champion REIT, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 May 2017.

The substantive text of the EGM Notice is reproduced below:

**“NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of unitholders (the “**Unitholders**”) of Champion Real Estate Investment Trust (“**Champion REIT**”) will be held at 5th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong on Tuesday, 23 May 2017 at 3:30 p.m.(immediately after the conclusion or adjournment of the 2017 annual general meeting of Champion REIT to be held on the same day) for the purposes of considering and, if thought fit, passing with or without modifications, each of the following resolutions as a Special Resolution.

Words and expressions that are not expressly defined in this notice of EGM shall bear the same meaning as that defined in the unitholder circular dated 28 April 2017 (the “**Circular**”).

### **SPECIAL RESOLUTIONS**

1. **“THAT:**

- (A) pursuant to Clauses 11.1.1(v), 11.4.3 and Clause 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to joint ownership in properties via Special Purpose Vehicles of Champion REIT, as specifically set out in Part 1 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 1.”

2. **“THAT:**

- (A) pursuant to Clauses 11.1.1(v), 11.2.1(i), 11.4.3 and 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to the calculation of Net Property Income, as well as the Acquisition Fee and the Trustee's Additional Fees for properties acquired in connection with Property Development and Related Activities of Champion REIT, as specifically set out in Part 2 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 2.”



3. **“THAT:**

- (A) pursuant to Clause 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to Champion REIT’s offer of units pursuant to rights issue to existing Unitholders, as specifically set out in Part 3 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 3.”

4. **“THAT:**

- (A) pursuant to Clause 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to voting by show of hands, as specifically set out in Part 4 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 4.”

5. **“THAT:**

- (A) pursuant to Clause 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to the timing of despatch of certain circulars by Champion REIT, as specifically set out in Part 5 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 5.”

6. **“THAT:**

- (A) pursuant to Clause 31.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to the maximum number of proxies, as specifically set out in Part 6 of the Appendix to the Circular; and
- (B) the REIT Manager, any director of the REIT 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 without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Champion REIT to give effect to the matters resolved upon in sub-paragraph (A) of this special resolution no. 6.”

Hong Kong, 28 April 2017

*Registered Office of the REIT Manager:*

Suite 3008, 30th Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

- (a) A Unitholder entitled to attend and vote at the EGM 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 registered office of the REIT Manager of Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Unitholders from attending and voting in person should they so wish. In the event that Unitholders attend the EGM 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) In the case of joint holders of a Unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Unitholders.
- (d) The Register of Unitholders will be closed from Thursday, 18 May 2017 to Tuesday, 23 May 2017, 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 EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with Champion REIT’s Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 17 May 2017.
- (e) In compliance with the Trust Deed and the REIT Code, each member of the Manager Group and the Trustee Group will abstain from voting on Special Resolution No. 2 to approve the Trust Deed amendments to the calculation of the Acquisition Fee and the Trustee’s Additional Fees for properties acquired in connection with Property Development and Related Activities of Champion REIT, except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting is given.
- (f) A form of proxy for use at the EGM is sent to the Unitholders together with the Circular on Friday, 28 April 2017. The form of proxy is published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and can also be downloaded from Champion REIT’s website at [www.ChampionReit.com](http://www.ChampionReit.com).”

## C. RESPONSIBILITY STATEMENT

The REIT Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this announcement misleading.

## D. MISCELLANEOUS

A copy of the Trust Deed is available for inspection at the registered office of the REIT Manager at all times from 9:00 a.m. to 5:00 p.m. on Business Days in accordance with the provisions of the Trust Deed. A copy of the proposed draft form of the supplemental deed to effect the Trust Deed Amendments will be available for inspection at the registered office of the REIT Manager from 9:00 a.m. to 5:00 p.m. on Business Days from the date of the Circular up to and including the date of the EGM.

## E. DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

<b>Acquisition Fee</b>	has the meaning ascribed to it under the Trust Deed
<b>Adjustments</b>	has the meaning ascribed to it under the Trust Deed
<b>Aggregate Development Costs</b>	the total of the Property Development Costs in respect of all subsisting development projects and the aggregate contract value relating to any acquisition of uncompleted units by Champion REIT
<b>Authorised Investments</b>	has the meaning ascribed to it under the Trust Deed
<b>Board</b>	the board of Directors
<b>Business Day</b>	has the meaning ascribed to it under the Trust Deed
<b>Cash Equivalent Items</b>	includes without limitation, deposits, short term investment accounts and money market instruments and instruments and other investments of such high liquidity and safety that they are as good as cash
<b>Champion REIT</b>	Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time, or Champion Real Estate Investment Trust and the entities controlled by it, as the context requires

<b>Circular</b>	the circular to the Unitholders dated 28 April 2017 which, among other things, provides the EGM Notice and further information on the Trust Deed Amendments
<b>Connected Person</b>	has meaning ascribed to it under the Trust Deed
<b>Costs upon Acquisition</b>	the actual costs borne by Champion REIT for acquiring any Real Estate to be developed
<b>Deposited Property</b>	all the assets of Champion REIT, including all its Authorised Investments for the time being held or deemed to be held upon the trusts of the Trust Deed and any interest arising on subscription monies from the issuance of Units
<b>Directors</b>	the directors of the REIT Manager
<b>Divestment Fee</b>	has the meaning ascribed to it under the Trust Deed
<b>EGM</b>	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
<b>EGM Notice</b>	the notice included in the Circular in respect of the extraordinary general meeting of Unitholders to consider and, if thought fit, approve the Trust Deed Amendments
<b>Financial Year</b>	has the meaning ascribed to it under the Trust Deed
<b>GAV Cap</b>	10% of the Gross Asset Value of the Deposited Property, being the threshold limit of the Aggregate Development Costs
<b>Gross Asset Value of the Deposited Property</b>	for the purpose of calculating the denominator to be used for the purpose of the GAV Cap, the total gross asset value of the Deposited Property calculated: (i) by reference to the latest published accounts of Champion REIT as adjusted for any distribution declared and any published valuation; and (ii) in a manner similar to determination of the total assets figure in the context of notifiable transactions under the Listing Rules, with necessary changes, but excluding, for the purpose of calculating the GAV Cap, the value of any investments in properties under development (which for the avoidance of doubt, shall not include the value of properties undergoing redevelopment)
<b>Hong Kong</b>	Hong Kong Special Administrative Region of the People's Republic of China

<b>Independent Unitholders</b>	Unitholders other than those who have a material interest in the relevant transactions, within the meaning of paragraph 8.11 of the REIT Code
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>Manager’s Fee</b>	has the meaning ascribed to it under the Trust Deed
<b>Manager Group</b>	the REIT Manager and any person who is a connected person of Champion REIT by virtue of its relationship (including but not limited to a director, holding company, subsidiary or associate company) with the REIT Manager
<b>Net Property Income</b>	has the meaning ascribed to it under the Trust Deed
<b>Property Development and Related Activities</b>	(i) property development (including both new development projects and the redevelopment (but not refurbishments, retrofittings and renovations)) of existing real estate; and (ii) the acquisition of an interest in uncompleted units in a building
<b>Property Development Costs</b>	the total project costs borne and to be borne by Champion REIT in respect of Property Development and Related Activities
<b>Real Estate</b>	has the meaning ascribed to it under the Trust Deed, this being any land, and any interest, option or other right in or over any land and for purposes of this definition, “land” includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein
<b>REIT Code</b>	the Code on Real Estate Investment Trusts published by the SFC as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>REIT Manager</b>	Eagle Asset Management (CP) Limited, as manager of Champion REIT
<b>REIT(s)</b>	real estate investment trust(s)

<b>SFC</b>	The Securities and Futures Commission of Hong Kong
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>Special Purpose Vehicle</b>	a special purpose vehicle that is owned and controlled by Champion REIT in accordance with the REIT Code, which is defined in the Trust Deed
<b>Special Resolution</b>	a resolution of Unitholders passed by a majority consisting of 75% or more of the votes of those present and entitled to vote, whether in person or by proxy, at a general meeting of Unitholders, but with a quorum of two or more Unitholders holding not less than 25% of the Units in issue
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Trust Deed</b>	the deed of trust constituting Champion REIT dated 26 April 2006 entered into between the Trustee and the REIT Manager, as amended by a first supplemental deed dated 5 December 2006, a second supplemental deed dated 4 February 2008, a third supplemental deed dated 9 March 2009, a fourth supplemental deed dated 23 July 2010, a fifth supplemental deed dated 13 March 2012 and a sixth supplemental deed dated 23 January 2015 as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>Trust Deed Amendments</b>	the proposed amendments to the Trust Deed, the details of which are set out in the Appendix to the Circular, which are to be considered, and if thought fit, approved by Unitholders by the proposed Special Resolution Nos. 1, 2, 3, 4, 5 and 6 set out in the EGM Notice
<b>Trustee</b>	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Champion REIT
<b>Trustee Group</b>	the Trustee and any person who is a connected person of Champion REIT by virtue of its relationship (including but not limited to a director, holding company, subsidiary or associate company) with the Trustee
<b>Trustee's Additional Fees</b>	has the meaning ascribed to it under the Trust Deed

<b>Unit</b>	one undivided unit in Champion REIT
<b>Unit Registrar</b>	Computershare Hong Kong Investor Services Limited
<b>Unitholder</b>	any person registered as holding a Unit
<b>%</b>	per centum or percentage

By Order of the Board  
**Eagle Asset Management (CP) Limited**  
 (as manager of **Champion Real Estate Investment Trust**)  
**Lo Ka Shui**  
*Chairman*

Hong Kong, 28 April 2017

As at the date of this announcement, the Board comprises:

*Non-executive Directors:*

Dr. Lo Ka Shui (*Chairman*), Mr. Ip Yuk Keung, Albert and Mr. Lo Kai Shui

*Executive Director:*

Ms. Wong Ka Ki, Ada (*Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Cha Mou Sing, Payson, Mr. Cheng Wai Chee, Christopher, Mr. Ho Shut Kan and Mr. Shek Lai Him, Abraham