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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Units in Champion REIT, you should at once hand this Circular, together with the relevant Election Form, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Circular, 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 Circular.

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### **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

***Directors of the REIT Manager:***

*Non-executive Directors*

Dr. Lo Ka Shui (*Chairman*)

Mr. Cheng Wai Chee, Christopher

Mr. Ho Shut Kan

Mr. Lo Kai Shui

***Registered Office of the REIT Manager:***

Suite 3008, 30th Floor,

Great Eagle Centre,

23 Harbour Road,

Wanchai,

Hong Kong

***Executive Director and Chief Executive Officer***

Mr. Lee Ching Ming, Adrian

***Independent Non-executive Directors***

Mr. Cha Mou Sing, Payson

Mr. David Gordon Eldon

Mr. Shek Lai Him, Abraham

10 September 2009

To: Unitholders of Champion REIT

Dear Sir/Madam,

### **DISTRIBUTION REINVESTMENT ARRANGEMENT OF CHAMPION REIT**

On 6 August 2009, the board of Directors of Eagle Asset Management (CP) Limited (the “**REIT Manager**”), as manager of Champion Real Estate Investment Trust (“**Champion REIT**”), announced, among other things, that a distribution reinvestment arrangement (“**Distribution Reinvestment**”

**Arrangement**”) will be available to Unitholders of Champion REIT (“**Unitholders**”) under which Unitholders are entitled to have a scrip distribution alternative in lieu of a cash distribution. On 4 September 2009, the REIT Manager announced that the interim distribution for the period from 1 January 2009 to 30 June 2009 shall be HK\$0.1304 per Unit (“**2009 Interim Distribution**”).

The register of Unitholders of Champion REIT was closed from 1 September 2009 to 4 September 2009 (both days inclusive). In order to qualify for the 2009 Interim Distribution, all Unit certificates with completed transfer forms had to be lodged with Champion REIT’s unit registrar (“**Unit Registrar**”) for registration not later than 4:30 p.m. on Monday, 31 August 2009. Unitholders whose names appeared on the register of Unitholders on 4 September 2009 (the “**Record Date**”) may elect to receive:

1. only cash distribution of HK\$0.1304 per Unit; or
2. only scrip distribution of new units of Champion REIT (the “**Scrip Units**”) at a market price of HK\$2.7569 per Unit, subject to any fractional entitlement being disregarded as mentioned below; or
3. a combination of partly in cash distribution and partly in scrip distribution.

Further details of the Distribution Reinvestment Arrangement are set out in the Appendix to this circular.

Scrip Units issued to a Unitholder pursuant to an election to receive some or all of their 2009 Interim Distribution in Scrip Units may be allocated in odd lots (of fewer than a board lot of 1,000 Units). No special dealing arrangements will be put in place by Champion REIT to facilitate the trading or disposal of Scrip Units issued in odd lots. Unitholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to elect to receive Scrip Units in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effect resulting therefrom, must be solely the responsibility of each Unitholder.

**If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other independent professional adviser.**

Yours faithfully,  
By Order of the Board  
**EAGLE ASSET MANAGEMENT (CP) LIMITED**  
(as manager of Champion Real Estate Investment Trust)  
**LO Ka Shui**  
*Chairman*

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## APPENDIX

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The purpose of this Appendix is to provide Unitholders with the further details in respect of the Distribution Reinvestment Arrangement.

### 1. MARKET PRICE

The market price of HK\$2.7569 per Unit (“**Market Price**”) is the average closing price of the Units of Champion REIT quoted on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the five consecutive trading days starting from, and including, 28 August 2009, being the first day the units are traded ex-distribution, less a 5% discount.

### 2. WHO IS ELIGIBLE

Subject to paragraph 6 below, Unitholders whose names appeared on the register of Unitholders on the Record Date (ie. 4 September 2009) may participate in the Distribution Reinvestment Arrangement and will be entitled to elect to receive Scrip Units in respect of all or part of their holdings of Units (see paragraph 3 below) as an alternative to receiving a distribution of HK\$0.1304 per Unit in cash in respect of the 2009 Interim Distribution.

The Champion REIT’s Units were quoted ex-distribution on 28 August 2009. This means that if you bought the Champion REIT’s Units on or after that date, you are not entitled to receive the 2009 Interim Distribution.

If you bought or sold Units in the Champion REIT before 28 August 2009, however, this has not been reflected in the number of Units shown in Box B on your Election Form (as defined hereafter), you should, without delay, consult the licensed securities dealer or other agent through whom the sale or transfer was effected for advice on the action you should take.

### 3. BASIS OF ALLOTMENT

Your entitlement to Scrip Units is based on:

- (a) the Market Price (i.e. HK\$2.7569 per Unit);
- (b) 2009 Interim Distribution (i.e. HK\$0.1304 per Unit); and
- (c) the number of Units held by you on the Record Date (i.e. 4 September 2009).

The formula used for calculating your entitlement is as follows:

Number of units held on the Record Date x 2009 Interim Distribution per Unit = Maximum distribution available for Unit election

$$\frac{\text{Maximum distribution available for Unit election}}{\text{Market Price}} = \text{Maximum number of Scrip Units to be issued (truncate (but not round off) to the nearest whole Unit)}$$

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The number of Scrip Units to be received by each Unitholder pursuant to his election will be truncated (but not round off) to the nearest whole Unit. Since fractions of Units cannot be issued, if you elect to receive the maximum number of Scrip Units in lieu of your cash distribution, a residual distribution entitlement may arise, representing the difference between the total cash equivalent of the Scrip Units based on the Market Price to be issued to you and the maximum distribution available in respect of your Unitholding. Fractional entitlements to Scrip Units will be disregarded and the benefit thereof will accrue to Champion REIT.

You may elect to receive Scrip Units in respect of all or part of your holding of Units. No fraction of a Unit will be issued. If you choose to take only part of your distribution as Scrip Units, you will receive the balance in cash.

The Scrip Units issued in respect of the 2009 Interim Distribution will, when they are issued, rank *pari passu* in all respects with the existing Units of Champion REIT in issued except that such Scrip Units themselves will not rank for the 2009 Interim Distribution.

#### 4. ACTION TO BE TAKEN

A form of election (“**Election Form**”) for Unitholders to elect the cash distribution and/or scrip distribution is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) **To receive only cash distribution**

If you wish to receive only cash for the 2009 Interim Distribution, you do not need to take any action.

(b) **To receive only scrip distribution**

If you wish to receive only Scrip Units for the 2009 Interim Distribution, please just SIGN, DATE and RETURN the Election Form.

(c) **To receive a combination of cash distribution and scrip distribution**

If you wish to receive your entitlement to the 2009 Interim Distribution partly in cash and partly in Scrip Units, please ENTER in Box C of the Election Form the number of Units which you held on the Record Date for which you require the 2009 Interim Distribution to be paid in Scrip Units. Then SIGN, DATE and RETURN the Election Form.

If you need to return an Election Form, you should return it to the Unit Registrar Computershare Hong Kong Investor Services Limited of Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on 28 September 2009.**

No acknowledgement of receipt of the Election Form will be issued.

**No elections in respect of the 2009 Interim Distribution may, after the relevant Election Forms are signed and returned to the Unit Registrar, be in any way withdrawn, revoked, superseded or altered.**

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**If you sign the Election Form but do not specify the number of Units in respect of which you wish to receive your distribution in Scrip Units or, if you elect to receive your distribution in Scrip Units in respect of a greater number of Units than your registered holding, then in either case you will be deemed to have exercised your election of Scrip Units in respect of all the Units registered in your name.**

### **5. CONDITIONS OF THE DISTRIBUTION REINVESTMENT ARRANGEMENT**

The Distribution Reinvestment Arrangement described in this circular is conditional upon the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the Scrip Units to be issued in respect of the 2009 Interim Distribution. If this condition is not satisfied, the Distribution Reinvestment Arrangement described in this circular will not become effective, the Election Forms will be void and the 2009 Interim Dividend will then be paid wholly in cash.

### **6. OVERSEAS UNITHOLDERS**

Shareholders resident outside Hong Kong should consult their professional advisers as to whether any government or other consents are required or other formalities need to be observed to permit them to participate in the Distribution Reinvestment Arrangement.

No Unitholder receiving in any territory outside Hong Kong a copy of this circular and/or an Election Form may treat the same as an invitation to elect for Units unless in the relevant territory such invitation could lawfully be made to such person without Champion REIT being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Unitholder resident outside Hong Kong who wishes to receive Scrip Units under the Distribution Reinvestment Arrangement to comply with the laws of the relevant jurisdiction(s), including procedures or any other similar formalities. It is also the responsibility of any person who receives Scrip Units in lieu of a cash distribution to comply with any restrictions on the resale of the units which apply outside Hong Kong.

### **7. LISTING AND CLEARING AND SETTLEMENT**

Application will be made to the Listing Committee of Hong Kong Stock Exchange for listing of, and permission to deal in, the Scrip Units to be issued pursuant to the Distribution Reinvestment Arrangement.

Subject to the granting of listing of, and permission to deal in, the Scrip Units issued pursuant to the Distribution Reinvestment Arrangement on the Hong Kong Stock Exchange, such Scrip Units will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”). Unitholders should seek the advice of their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the general rules of CCASS and CCASS Operational Procedures in effect from time to time.

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Units of Champion REIT are listed on the Hong Kong Stock Exchange. On no other stock exchanges is any part of the Units of Champion REIT listed or dealt in or on which listing or permission to deal is being or proposed to be sought.

### 8. GENERAL

If all Unitholders were to elect to take up their entitlements to Scrip Units under the Distribution Reinvestment Arrangement in respect of the 2009 Interim Distribution, a maximum of 220,733,589 Scrip Units would be issued, representing an increase of approximately 4.73 per cent of Units of Champion REIT issued and outstanding as at Record Date (ie. 4 September 2009).

### 9. TIMETABLE OF EVENTS

Set out below is a table summarizing the events in relation to the 2009 Interim Distribution of Champion REIT:

<b>Events</b>	<b>Date</b>
Champion REIT's Units quoted ex-distribution	28 August 2009
Closure of the register of Unitholders	1 September 2009 to 4 September 2009 (both days inclusive)
Record Date	4 September 2009
Final Date for receipt by Unit Registrar of Election Forms	28 September 2009, not later than 4:30 pm
Payment of 2009 Interim Distribution for cash distribution election	on or about 13 October 2009
Despatch of new Unit certificates for scrip distribution election	on or about 13 October 2009
Expected first day of dealings in Scrip Units (Subject to the granting of listing by the Hong Kong Stock Exchange)	13 October 2009

Further copies of this circular and replacement Election Forms may be obtained from the Unit Registrar.

**Address of Unit Registrar:**

Computershare Hong Kong Investor Services Limited  
Rooms 1806-1807, 18th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai, Hong Kong

Should you have any queries in relation the Distribution Reinvestment Arrangement, please call our enquiry hotline at (852) 2879 1288.