

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 announcement, 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 announcement.



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

2009 FINAL RESULTS ANNOUNCEMENT

Champion Real Estate Investment Trust is a trust formed to own and invest in income-producing office and retail properties and is one of Asia's 10 largest REITs by market capitalization. The Trust's focus is on Grade-A commercial properties in prime locations. It currently offers investors direct exposure to 2.85 million sq ft. of prime office and retail floor area by way of two landmark properties in Hong Kong, Citibank Plaza and Langham Place, one on each side of the Victoria Harbour.

FINAL RESULTS

The board of directors (“Board”) of Eagle Asset Management (CP) Limited (“REIT Manager”) as manager of Champion Real Estate Investment Trust (“Champion REIT” or “Trust”) is pleased to announce its financial results of the Trust for the year ended 31 December 2009.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2009

A portion of the 2009 financial figures are not directly comparable to 2008 as the major acquisition of Langham Place was made in June 2008. Nevertheless, the 2008 figures are shown as a reference. For more insight into the trend of change, refer to the Management Discussion And Analysis section where revenue by half years is presented.

	FY2009	FY2008	% Change
Key Financial Figures	HK\$'000	HK\$'000	
Total Revenue	2,035,028	1,613,836	+ 26.1%
Property Operating Expenses	(325,806)	(279,646)	+ 16.5%
Net Property Income	1,709,222	1,334,190	+ 28.1%
Profit (Loss) After Tax	3,744,553	(2,876,500)	n / a
Total Distributable Income	1,312,318	1,037,283	+ 26.5%
Total Distribution	1,241,947	1,408,220 ¹	- 11.8%
Gross Value of Portfolio	44,240,800	40,049,000	+ 10.5%

1 includes HK\$371 million from the unwinding of financial engineering

Net Property Income increased by 28.1% to HK\$1,709.2 million in 2009 as a result of rental gains at Citibank Plaza in the first half and the full-year accounting of income from Langham Place. Accounting gains from the revaluation of assets were also a predominant reason for the profit after tax of HK\$3,744.6 million for 2009. These revaluation profits however are non-cash in nature and therefore did not affect the cashflow or the Total Distributable Income for the year, which amounted to HK\$1,312.3 million. This was a 26.5% increase over the Total Distributable Income for 2008, which was HK\$1,037 million. The Total Distribution for 2009 is HK\$1,241.9 million as compared to HK\$1,408 million (this includes proceeds of HK\$371 million from the unwinding of financial engineering) for 2008.

	FY2009	FY2008	% Change
Ratios and Per Unit Figures			
Distribution per Unit	HK\$0.2617	HK\$0.3182	- 17.8%
Distribution per Unit (underlying) ²	HK\$0.2768	HK\$0.2172	+27.4%
Net Asset Value per Unit	HK\$5.67	HK\$5.37	+ 5.6%
Gearing ratio	32.2%	36.0%	- 3.8% ³
Expense Ratio	16.0%	17.3%	- 1.3% ³

2 adjusted for cashflow from financial engineering in 2008 and using a 100% payout ratio throughout

3 absolute change used for figures stated in percentages

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Revenue	FY 2009	FY 2008	% Change
Citibank Plaza	HK\$'000	HK\$'000	
First Half	675,984	561,432	+ 20.4%
Second Half	638,478	644,551	- 0.9%
Entire year	1,314,462	1,205,983	+ 9.0%

Gross Revenue	FY 2009	FY 2008	% Change
Langham Place Office	HK\$'000	HK\$'000	
First Half	135,085	20,800 ¹	n /a
Second Half	134,465	134,242	+ 0.2%
Entire year	269,550	155,042 ¹	n /a

Gross Revenue	FY 2009	FY 2008	% Change
Langham Place Mall	HK\$'000	HK\$'000	
First Half	220,365	31,600 ¹	n /a
Second Half	230,651	221,211	+ 4.3%
Entire year	451,016	252,811 ¹	n /a

1 incomplete periods

Overview

2009 was operationally a challenging year, which saw the brunt of the impact from the banking and financial crisis coinciding with concerns of a full-blown H1N1 influenza epidemic. However, there was little in the way of tenant defaults and thus the income momentum built up from 2008 continued to support revenue growth for Champion REIT in 2009. In 2009, gross revenue at Citibank Plaza increased by 9.0% to HK\$1.31 billion. As the Trust only acquired Langham Place in June 2008, it would be more appropriate to discern the recent relative performance of the properties by comparing second-half 2009 to the second-half 2008. On that basis, revenue at Citibank Plaza fell by 0.9%, revenue at the Langham Place Office Tower increased by 0.2% while revenue at the Langham Place Mall increased by 4.3%

	Citibank Plaza	Langham Place	Sub-total
Dec 09 Valuation	HK\$ mil	HK\$ mil	HK\$ mil
Office	28,363	5,640	34,003
Retail	327	8,979	9,306
Car Park	270	187	457
Miscellaneous	299	176	475
Total	29,259	14,982	44,241

Champion REIT's property portfolio was re-valued by an independent appraiser at HK\$44.24 billion as of 31 December 2009. That was an increase of HK\$4.19 billion from the December 2008 valuation of HK\$40.05 billion. Specifically, the appraised value of Citibank Plaza increased by 10.5% while that of Langham Place increased by 10.4%. Capitalization rates used in valuing the properties were 4.0% for Citibank Plaza and 4.2% for Langham Place, down from 5.25% and 5.0% respectively for the 2008 valuation, as a reflection of the strong recovery in transaction prices of commercial properties in 2009.

Distribution per Unit (DPU) for the year was HK\$0.2617, comprising HK\$0.1304 already paid out as an interim distribution, and HK\$0.1313 to be paid out as the final distribution. The headline DPU figure was lower than in 2008, but only because of the reduction in payout ratio from 100% to 94.6% this year, and because of the additional cashflow from financial

engineering and its unwinding in 2008. Netting out the impact of these distortions, Underlying DPU growth was actually strong at 27.4%. Full details on the component DPU sources for both 2008 and 2009 and the derivation of the 94.6% payout ratio can be found in the Financial Review section.

Mainly as a result of the increase in property value and an accumulation of cash reserves of over HK\$759 million from the reduction in payout ratio and the Trust's distribution reinvestment plan, gearing as of 31 December 2009 improved to 32.2%, from 36% a year ago. Net Asset Value correspondingly increased to HK\$5.67 per Unit, from HK\$5.37 a year ago.

Operational Review

Citibank Plaza

Average Monthly Passing Rents at Citibank Plaza (HK\$ per sq. ft. of lettable area)

Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
87.46	89.59	90.24	90.24	90.24	90.57	90.49	90.96	90.66	89.90	90.05	90.00	90.07

As financial institutions downsized in 2009, there was intense competition for office tenants in Central. Spot rental rates achieved at Citibank Plaza retreated from their peak of HK\$120 per sq. ft. to near HK\$75 per sq. ft. at the end of the year. The occupancy rate at Citibank Plaza weakened to 87.6%, as compared to 97.9% a year earlier, mainly as a result of relocation decisions made by some cost-sensitive tenants early in 2009 at the height of the financial turmoil.

Passing rental rates (the average rental rate of existing contracted tenancies) at Citibank Plaza continued to see an improvement in the first half of 2009, as the rent rates achieved on leases rolled over in 2009 were on the average higher than the passing rents of expired leases that were signed in 2006. A peak in passing rents was reached in July when negative rental reversions began to have a greater effect. The progressively lower spot rental rates in the following months resulted in a passing rent of HK\$90.07 per sq. ft. in December 2009.

Langham Place Office Tower

Average Monthly Office Passing Rents at Langham Place

(HK\$ per sq. ft. of gross floor area)

Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
26.79	26.77	26.77	26.77	26.77	26.77	26.77	26.76	26.82	26.82	26.82	26.82	26.82

In contrast to the phenomenon of tenant downsizing in Central, the office rental market on the Kowloon Peninsula was more affected by an overhang of new space launched in the Kowloon East sub-region. Langham Place's reputation as a proven quality development and its attractive subway location allowed the Office Tower to maintain its occupancy at a high level throughout 2009. As of 31st December 2009, the occupancy stood at 98.5%. The office rental rates on the Kowloon Peninsula were however constrained by an overhang of new supply in the Kowloon East districts. The spot rent rates for office space at Langham Place at year-end 2009 ranged from HK\$23 to HK\$32 per sq. ft., depending on the floor level and the users' location sensitivity, as compared to HK\$32 to HK\$40 per sq. ft. as of December 2008. The passing rent rate was maintained at roughly the same levels throughout 2009 despite the fall in spot rents, as the new rental rates were in line with the existing passing rental rate, and also because only a relatively small proportion (approximately 6% by floor area) of the leases were rolled over in 2009.

Langham Place Mall

Average Monthly Retail Passing Rents at Langham Place

(HK\$ per sq. ft. of lettable area, excluding turnover rent)

Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
87.93	87.95	88.05	87.31	87.32	87.28	87.28	87.33	87.48	87.61	88.10	88.57	88.61

Langham Place Mall performed admirably in 2009, reinforcing its status as one of the most popular shopping malls in Kowloon. After a momentary slowdown in tenant sales from the H1N1 influenza scare in the second quarter, the sales momentum of the Mall bounced back quickly in the second half. The Mall remained virtually fully let throughout 2009 and ended the year with an occupancy rate of close to 100%. Footfall, or the number of visitors, for 2009 was maintained at the high levels of 2008. The resilience of Langham Place Mall was largely the result of its ever-improving mix of quality retailers, which has enhanced its

popularity among local shoppers and tourists alike. The Mall's creative promotion and events, including two highly successful mall-wide sale events in April and October 2009 - the first of its kind among shopping centres in Hong Kong, have also generated a considerable amount of goodwill with the retailers. As a result, the majority of leases that fell due during the year were rolled over with increases in their rental. Average passing rent rate of the mall managed to increase to HK\$88.61 per lettable sq. ft. by the end of the year.

Outlook

The financial crisis that deeply affected all facets of the Hong Kong economy in 2009, including the office rental market, was fortunately briefer and shallower than earlier feared. At the beginning of 2010, the Central Grade-A market appears to be bottoming out in terms of both occupancy and rent rates. The present vacancy rate at Citibank Plaza is higher than the general market. However, the level of enquiries received at Citibank Plaza has evidently picked up in early 2010 though it may take time to translate the enquiries into actual occupancy. With an additional 18.2% of the leases in Citibank Plaza by floor area falling due in 2010, it may be possible for vacancies to go further up from the present level before they come down again. That will have a negative impact on the income of Citibank Plaza in 2010. Nevertheless, with the economy recovering, and the shortage of new supply in Central for a long time to come, Citibank Plaza should be well positioned to return to high occupancy in the ensuing up cycle.

On the Kowloon side, a continuing overhang of new office supply in the peripheral Kowloon East area will continue to be a factor, but the continued high occupancy of the Langham Place Office Tower in 2009 has proven its ability to retain tenants in spite of its substantial rental premium. Over 35% of the Office Tower was originally due for expiry in 2010. To date, many early rollovers have been successfully negotiated, and the remaining 2010 expiries now cover only 20% of floor space, thereby limiting the downside in terms of 2010 occupancy. However there should be a modest amount of negative rental reversion in cases where the tenants are in trades that are less location sensitive.

The prospects are much better for the Langham Place Mall, which has proved to be a good balance countering the higher income volatility of the Central office market. The positive rental reversion on leases done during 2009 (representing approximately 18% of the floor

area) will translate into higher income for the Mall in 2010. Because of its consistently strong shopper traffic, Langham Place has become the location of choice for many cosmetics brands and mid-priced apparel retailers. As a result it has not been uncommon to see multiple bids for some of the shops that have become available. 44% of the leases by floor area are expiring in 2010 and based on the cases that have either been completed or are at an advanced stage of negotiation, a generally satisfactory pick up in rents is expected. 2010 therefore looks set to be a strong year for the Mall. A number of new mid-sized shopping centres are being launched in Tsimshatsui, Kowloon in 2010. While we are confident that Langham Place will be able to compete effectively in view of its unique market positioning and strong location, we will nonetheless intensify marketing and promotions to keep up the sales momentum in 2010.

While the Champion REIT's top line revenue numbers have held up well so far, a lagged impact from the 2009 rental downturn is inherent in the nature of multi-year leases. In 2010 the full impact of higher vacancies and leases signed at Citibank Plaza in the second half of last year will begin to weigh upon the Trust's revenue. Langham Place Mall will play its role as stabilizer, to a degree mitigating an anticipated contraction of income from the office properties. On balance, it would be realistic to expect a lower Distributable Income for 2010. We will continue to prudently and pragmatically manage our leasing activity to maximize long-term return for our unitholders.

FINANCIAL REVIEW

Distributions

Distribution Amount

Champion REIT's total distributable income for the year was HK\$1,312,318,000. The total distribution of Champion REIT for the year ended 31 December 2009, calculated as 90% of Champion REIT's total available distributable income for each of the first and second halves of the year, was HK\$1,241,947,000. Because of the compulsory inclusion of retained distributions from the first half of the year into the distributable income of the second half (as required under the Trust Deed), the effective payout ratio for the full year was 94.6%.

Calculation of the effective payout ratio for the year ended 31 December 2009

		HK\$'000
Total distributable income for the first half of 2009		676,231
Payout ratio		90%
Distribution amount for first half of 2009 paid	(a)	608,608
Total distributable income for the year	(b)	1,312,318
Less: distribution amount for first half of 2009 paid	Per (a)	(608,608)
Total available distributable income for second half of 2009		703,710
Payout ratio		90%
Distribution amount for second half of 2009 to be paid	(c)	633,339
Total distribution amount for the year	(d)=(a)+(c)	1,241,947
Effective payout ratio	(e)=(d)/(b)	94.6%

Last year, the total distribution of Champion REIT was HK\$1,408,220,000, calculated as 100% of Champion REIT's total distributable income of HK\$1,037,283,000 for such period plus additional amounts of HK\$370,937,000 at the discretion of REIT Manager.

Distribution per Unit

The distribution per unit for the six months ended 31 December 2009 was HK\$0.1313. Such distribution per unit, however, is subject to adjustment upon issuance of units to the REIT Manager for the settlement of manager's fee in respect of the second half of year 2009 and upon receipt of conversion notice, if any, in respect of the two convertible bonds before the record date. Further announcement will be made to inform unitholders of the final distribution per unit for the six months ended 31 December 2009.

With an interim distribution per unit of HK\$0.1304 and a final distribution per unit of HK\$0.1313, total distribution per unit for the year amounted to HK\$0.2617 (2008: HK\$0.3182). The distribution per unit of HK\$0.2617 represents a distribution yield of 7.93% based on the closing price of HK\$3.30 as at 31 December 2009.

	FY 2009	FY 2008	% Change
Source of Distributions	HK\$ / Unit	HK\$ / Unit	
Interest savings from interest swap	-	0.0151	n/a
Impact of Distribution Waivers	-	0.0023	n/a
Unwinding of financial engineering	-	0.0836	n/a
Rental and other income	0.2768	0.2172	+ 27.4%
Discretionary adjustment to distribution	(0.0151)	-	n/a
Distribution per Unit	0.2617	0.3182	- 17.8%

Distribution Reinvestment Arrangement

A semi-annual distribution reinvestment arrangement is available to Unitholders under which Unitholders are entitled to have a scrip distribution alternative in lieu of a cash distribution. Unitholders can elect to receive their distribution in the form of cash, or in the form of new Units of Champion REIT, or a combination of both.

An announcement providing further information on the distribution reinvestment scheme will be published on or about 26 April 2010 and a circular containing the relevant details together with the relevant election form will be sent to all qualified Unitholders on or about 29 April 2010.

Closure of Register of Unitholders

The register of Unitholders will be closed from Wednesday, 21 April 2010 to Monday, 26 April 2010 (“Record Date”), both days inclusive, during which period no transfer of Units will be effected. The final distribution will be payable on or about 25 May 2010 to Unitholders whose names appear on the Register of Unitholders on the Record Date.

In order to qualify for the 2009 Final Distribution and be entitled to attend and vote at the annual general meeting, all properly completed transfer forms (accompanied by the relevant Unit certificates) 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, not later than 4:30 p.m. on Tuesday, 20 April 2010.

Debt Profile

As at 31 December 2009, total outstanding borrowings of the Trust amounted to HK\$14,879 million. The total borrowings comprised of:

- HK\$7,000 million term loan which is repayable in full in May 2011
- HK\$765 million of convertible bonds in principal amount which will mature in May 2011
- HK\$2,454 million term loan which is repayable in full in June 2013
- HK\$4,660 million convertible bonds in principal amount which will mature in June 2013

The maturity profile of the Trust's borrowings is as follows:

	31 December 2009	
Due in the ...	HK\$ million	% of total
first year	-	-
second year	7,765	52.2
third year	-	-
fourth year	7,114	47.8
Total	14,879	100

During the year, Champion REIT has interest rate swaps ("IRS") with a total notional amount of HK\$7,000 million in order to swap the Trust's floating rate interest payments under the HK\$7,000 million term loan into fixed rate interest payments. In October 2009, the IRS was amended from quarterly payments to monthly payments for interest payment starting from 24 November 2009 until maturity in May 2011. As a result of such amendment, the fixed rate for these IRS was changed from 2.865% per annum to 2.8225% per annum. The HK\$2,454 million term loan has an interest rate of HIBOR plus 0.59% per annum. As at 31 December 2009, 84% of the Trust's debt (including the convertible bonds) had fixed interest rates.

As at 31 December 2009, the two outstanding convertible bonds issued by two controlled entities of the Trust have the following features:

	Issued in 2006	Issued in 2008
Convertible Bond Features		
Principal amount:	HK\$765 million	HK\$4,660 million
Yield to maturity:	4.15%	5.25%
Coupon rate:	2% per annum	1% per annum
Maturity date:	23 May 2011	3 June 2013
Redemption price:	110.328%	123.94%
Latest adjusted conversion price:	HK\$4.26	HK\$3.83

During the year, the Trust repurchased HK\$20 million of the convertible bonds issued in year 2008 at a price range of 90 to 93 per cent of their principal amounts. The repurchased convertible bonds were cancelled on 24 June 2009.

As at 31 December 2009, total gross assets of the REIT were HK\$46,273.7 million. Therefore, the gearing ratio, or total borrowings as a percentage of gross assets was 32.2%. The gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 40.9%.

Net Assets Attributable To Unitholders

As at 31 December 2009, net assets attributable to unitholders was HK\$27,359.3 million or HK\$5.67 per unit, a 71.8% premium to the closing unit price of HK\$3.30 as at 31 December 2009.

Cash Position

As at 31 December 2009, Champion REIT had total undrawn bank loan facilities of HK\$700 million and cash balance of HK\$1,832.1 million. Through its voluntary distribution reinvestment plan for the final 2008 distribution period and interim 2009 distribution period, the Trust has managed to retain over HK\$688.7 million during the year to strengthen the financial position of the Trust. Taking into consideration the financial resources available to the REIT, Champion has sufficient liquid assets to satisfy its working capital and operating requirements.

Pledge Assets

As at 31 December 2009, properties of Champion REIT with a fair value of HK\$44,240.8 million, together with assignments of sales proceeds, insurance proceeds, rental income, revenues and all other income generated from the properties, were mortgaged to the bond trustees to secure the obligations of the issuer of the convertible bonds or pledged to secure the banking facilities granted to the REIT.

Commitments

As at 31 December 2009, the Trust did not have any significant commitments.

NEW UNITS ISSUED

As at 31 December 2009, the total number of Units of Champion REIT was 4,823,534,789. As compared with the position of 31 December 2008, a total of 388,936,970 new Units were issued during the year in the following manner:

- On 13 October 2009, 156,813,683 new Units were issued at the price of HK\$2.7569 per Unit pursuant to the distribution reinvestment arrangement (the “Arrangement”) in respect of the 2009 Interim Distribution. Details of the Arrangement were set out in the announcement published by Champion REIT on 4 September 2009 and the circular to Unitholders dated 10 September 2009 respectively.
- On 21 August 2009, 36,199,068 new Units were issued to the REIT Manager at the price of HK\$2.906 per Unit (being the Market Price ascribed in the trust deed constituting Champion REIT) as payment in full of the manager’s fee of approximately HK\$105,194,000 payable by Champion REIT for the six months ended 30 June 2009.
- On 27 May 2009, 144,816,938 new Units were issued at the price of HK\$1.7708 per Unit pursuant to the distribution reinvestment arrangement (the “Arrangement”) in respect of the 2008 Final Distribution. Details of the Arrangement were set out in the announcement published by Champion REIT on 27 April 2009 and the circular to Unitholders dated 30 April 2009 respectively.

- On 3 April 2009, 51,107,281 new Units were issued to the REIT Manager at the price of HK\$1.92 per Unit (being the Market Price ascribed in the trust deed constituting Champion REIT) as payment in full of the manager’s fee of approximately HK\$98,126,000 payable by Champion REIT for the six months ended 31 December 2008.

REAL ESTATE SALE AND PURCHASE

No real estate sales and purchases were entered into during the year ended 31 December 2009.

MANAGERS AND EMPLOYEES

Champion REIT is managed by the REIT Manager and does not directly employ any staff itself. The properties of the Trust are managed by various operating entities, including the REIT Manager, the Property Manager, and the DMC/Estate Managers etc. The following table summarizes the personnel establishment of the respective operating entities in connection with the operations of the properties of the Trust as of 31 December 2009:

Area of Operation	Locations		
	Citibank Plaza	Langham Place	Others
General management	-	-	13
Leasing	3	11	-
Marketing and promotion	-	9	-
Property management	54	133	-
Contractors/technical staff	130	280	-
Total	187	433	13

CORPORATE GOVERNANCE

Champion REIT is committed to attaining global best practices and standards for all activities and transactions conducted in relation to the Trust and any matters arising out of its listing or trading on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The current corporate governance framework adopted by the REIT Manager emphasizes accountability to all Unitholders, resolution of conflict of interest issues, transparency in reporting, compliance with relevant regulations and sound operating and investing procedures.

The REIT Manager has in place a comprehensive set of compliance procedures and guidelines which set out the key processes, systems and measures used to implement this corporate governance framework.

Code on Corporate Governance Practices

Various amendments made to the Listing Rules became effective during the first half of 2009 (the “Revised Listing Rules”). To the extent appropriate and practicable, the REIT Manager has complied with the enhanced corporate governance practices and disclosure requirements under the Revised Listing Rules, with necessary changes, as if they were applicable to the Trust.

Throughout the year ended 31 December 2009, both the Champion REIT and REIT Manager have complied with the provisions of the Compliance Manual and all code provisions, where applicable, as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

Code Governing Dealing in Securities of Champion REIT

The REIT Manager has updated the Code Governing Dealings in Securities of Champion REIT (“Securities Dealings Code”) by the Directors, the REIT Manager and the executive officers of the REIT Manager (collectively “Management Persons”) on terms no less exacting than the required standard as set out in the Model Code contained in Appendix 10 of the Listing Rules in accordance with the new Listing Rules requirements.

The REIT Manager has made specific enquiry of the Management Persons who have confirmed that they have complied with the required standards set out in the Securities Dealings Code during the year ended 31 December 2009.

REPURCHASE, SALE OR REDEMPTION OF UNITS

The REIT Manager is permitted to repurchase or redeem any Units so long as any repurchase or redemption of Units by the REIT Manager is effected in accordance with the relevant codes and guidelines issued by the Securities and Futures Commission of Hong Kong from time to time. In May 2009, Champion REIT repurchased HK\$20 million of the convertible bonds issued in year 2008 (the “2008 Convertible Bonds”) at a price range of

90 to 93 per cent of their principal amounts. The 2008 Convertible Bonds are listed on The Stock Exchange of Hong Kong Limited. The repurchased convertible bonds were cancelled on 24 June 2009.

Save as disclosed above, there was no repurchase, sale or redemption of the securities by Champion REIT or its wholly owned and controlled entities during the year ended 31 December 2009.

PUBLIC FLOAT

As far as the REIT Manager is aware, as at 31 December 2009 the Trust has maintained a sufficient public float with more than 25% of the issued and outstanding Units of Champion REIT being held by the public.

REVIEW OF ANNUAL RESULTS

The final results of Champion REIT for the year ended 31 December 2009 have been reviewed by the Audit Committee and Disclosures Committee of the REIT Manager respectively.

ANNUAL GENERAL MEETING

It is proposed that the 2010 Annual General Meeting (“2010 AGM”) of Champion REIT will be held on Monday, 26 April 2010 and the notice of 2010 AGM will be published and issued to the Unitholders in due course.

ISSUANCE OF ANNUAL REPORT

The Annual Report 2009 of Champion REIT will be despatched to Unitholders on or about 22 March 2010.

SCOPE OF WORK OF MESSRS. DELOTTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the Preliminary Announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche

Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises four Non-executive Directors, namely Dr. Lo Ka Shui (*Chairman*), Mr. Cheng Wai Chee, Christopher, Mr. Ho Shut Kan and Mr. Lo Kai Shui; one Executive Director, Mr. Lee Ching Ming, Adrian (*Chief Executive Officer*) and three Independent Non-executive Directors, namely Mr. Cha Mou Sing, Payson, Mr. David Gordon Eldon and Mr. Shek Lai Him, Abraham.

By Order of the Board

Eagle Asset Management (CP) Limited

(as manager of Champion Real Estate Investment Trust)

Lo Ka Shui

Chairman

Hong Kong, 22 February 2010

INDICATIVE TIMETABLE OF EVENTS

Events	Date
Champion REIT's Units quoted ex-distribution	19 April 2010
Latest time to lodge transfers	20 April 2010
Closure of the register of Unitholders	21 April 2010 to 26 April 2010 (both days inclusive)
Record Date	26 April 2010
2010 Annual General Meeting	26 April 2010
Despatch of Circular to Unitholders regarding the Distribution Reinvestment Arrangement	on or about 29 April 2010
Final Date for receipt by Unit Registrar of Election Forms	on or about 14 May 2010, not later than 4:30 pm
Payment of 2009 Final Distribution for cash distribution election	on or about 25 May 2010
Despatch of new Unit certificates for scrip distribution election	on or about 25 May 2010
Expected first day of dealings in Scrip Units	on or about 25 May 2010

Further announcement will be made by the REIT Manager in relation those events which are scheduled to take place after the 2010 Annual General Meeting as and when appropriate in accordance with applicable regulatory requirements.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>NOTES</u>	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Rental income	5	1,856,480	1,468,527
Building management fee income		165,614	136,350
Rental related income	6	12,934	8,959
Total revenue		2,035,028	1,613,836
Property operating expenses	7	(325,806)	(279,646)
Net property income		1,709,222	1,334,190
Interest income		2,532	16,965
Manager's fee	8	(205,107)	(160,103)
Trust and other expenses		(15,762)	(16,602)
Increase (decrease) in fair value of investment properties		4,156,335	(3,877,336)
Change in fair value of derivative components of convertible bonds		(597,242)	221,011
Change in fair value of rental stabilisation arrangement		2,810	2,021
Fair value loss upon amendment of interest rate swaps		-	(23,962)
Gain on repurchase of own convertible bonds		2,062	-
Finance costs	9	(754,766)	(643,974)
Profit (loss) before tax and distribution to unitholders	10	4,300,084	(3,147,790)
Income taxes	11	(555,531)	271,290
Profit (loss) for the year, before distribution to unitholders		3,744,553	(2,876,500)
Distribution to unitholders		(1,241,947)	(1,327,320)
Profit (loss) for the year, after distribution to unitholders		2,502,606	(4,203,820)
Basic earnings (loss) per unit	12	HK\$0.81	HK\$(0.77)
Diluted earnings (loss) per unit	12	HK\$0.78	HK\$(0.77)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Profit (loss) for the year, after distribution to unitholders	<u>2,502,606</u>	<u>(4,203,820)</u>
Cash flow hedge:		
Losses arising during the year	(42,821)	(373,099)
Less: Reclassification adjustments for amounts recognised in profit or loss	<u>173,696</u>	<u>167,597</u>
	<u>130,875</u>	<u>(205,502)</u>
Total comprehensive income for the year	<u><u>2,633,481</u></u>	<u><u>(4,409,322)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	<u>NOTES</u>	<u>2009</u> <u>HK\$'000</u>	<u>2008</u> <u>HK\$'000</u>
Non-current assets			
Investment properties		44,240,800	40,049,000
Rental stabilisation arrangement		44,943	53,843
Loan receivables		52,737	50,969
Total non-current assets		<u>44,338,480</u>	<u>40,153,812</u>
Current assets			
Trade and other receivables	14	103,107	115,883
Bank balances and cash		1,832,105	1,115,408
Total current assets		<u>1,935,212</u>	<u>1,231,291</u>
Total assets		<u>46,273,692</u>	<u>41,385,103</u>
Current liabilities			
Trade and other payables	15	1,050,000	1,066,079
Deposits received		331,380	347,400
Tax liabilities		48,224	43,616
Distribution payable		633,339	620,940
Total current liabilities		<u>2,062,943</u>	<u>2,078,035</u>
Non-current liabilities, excluding net assets attributable to unitholders			
Secured term loans		9,433,278	9,423,079
Convertible bonds		6,261,830	5,409,019
Derivative financial instruments		149,960	107,139
Deferred tax liabilities		1,006,379	539,377
Total non-current liabilities, excluding net assets attributable to unitholders		<u>16,851,447</u>	<u>15,478,614</u>
Total liabilities, excluding net assets attributable to unitholders		<u>18,914,390</u>	<u>17,556,649</u>
Net assets attributable to unitholders		<u>27,359,302</u>	<u>23,828,454</u>
Number of units in issue ('000)	16	<u>4,823,535</u>	<u>4,434,598</u>
Net asset value per unit	17	<u>HK\$5.67</u>	<u>HK\$5.37</u>

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>NOTE</u>	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Interim Distribution Period			
Total distributable income		676,231	416,343
Percentage of distributable income for distribution (note (i))		90%	100%
Distributable income for Interim Distribution Period		608,608	416,343
Additional amounts (note (i))		-	370,937
Total distribution amount paid		608,608	787,280
Final Distribution Period			
Total distributable income	13	1,312,318	1,037,283
Less: distributable income paid in Interim Distribution Period		(608,608)	(416,343)
Distributable income available for Final Distribution Period		703,710	620,940
Percentage of distributable income for distribution (note (i))		90%	100%
Distributable income for Final Distribution Period		633,339	620,940
Additional amounts		-	-
Total distribution amount to be paid		633,339	620,940
Total distribution amounts for the year		1,241,947	1,408,220
Analysis of total distribution amounts for the year			
- From the results of the year		1,241,947	1,327,320
- From reserves		-	80,900
		1,241,947	1,408,220
Distributions per unit to unitholders			
Interim distribution per unit paid (note (ii))		HK\$0.1304	HK\$0.1788
Final distribution per unit to be paid (note (iii))		HK\$0.1313	HK\$0.1394
		HK\$0.2617	HK\$0.3182

Notes:

- (i) The Manager has stated that it will distribute 90% (2008: 100%) of available distributable income as distributions for each of the six months period ended 30 June 2009 (the “Interim Distribution Period”) and 31 December 2009 (the “Final Distribution Period”) respectively.

For the interim distribution period in 2008, additional amounts of HK\$370,937,000 consisting of (a) amount entitled from amendment of interest rate swaps of HK\$290,037,000 and (b) amount received pursuant to the Deed of Amendment of Distribution Entitlement Waiver Deed dated 14 February 2008 (“Distribution Waiver Amendment Deed”) of HK\$80,900,000, were distributed at the discretion of the Manager.

- (ii) The interim distribution per unit of HK\$0.1304 for the Interim Distribution Period in 2009 was calculated based on the interim distribution paid of HK\$608,608,000 for the period and 4,666,721,106 units as of 4 September 2009, which was the record date for the period. The distribution was paid to unitholders on 13 October 2009.

The interim distribution per unit of HK\$0.1788 for the interim distribution period in 2008 was calculated based on the interim distribution paid of HK\$787,280,000 for the period and 4,402,798,833 units (as adjusted for the effect of Distribution Waiver Deed) (see note (iv) below) as of 8 September 2008, which was the record date for the period.

- (iii) The final distribution per unit of HK\$0.1313 for the Final Distribution Period in 2009 is calculated based on the final distribution to be paid of HK\$633,339,000 for the period and 4,823,534,789 units. Such final distribution will be subject to further adjustments upon the issuance of units on or before 26 April 2010, which is the record date set for such period. The final distribution will be paid to unitholders on or about 25 May 2010.

The final distribution per unit of HK\$0.1394 for the final distribution period in 2008 was calculated based on the final distribution paid of HK\$620,940,000 for the period and 4,453,906,114 units (as adjusted for the effect of Distribution Waiver Deed (note (iv) below) as of 27 April 2009, which was the record date for the period.

Further announcement will be made to inform unitholders of the final distribution per unit for the Final Distribution Period in 2009.

- (iv) Pursuant to the Distribution Waiver Amendment Deed and the Distribution Entitlement Waiver Deed dated 26 April 2006 (the “Distribution Waiver Deed”), Fortune Mega Investments Limited and Wing Tai Corporation Limited agreed to waive their entitlements of distributions in respect of their 22,959,230 units and 8,839,756 units, respectively, for the distribution periods in 2008. Without such waivers on distribution entitlement for these units, the distributions per unit for the interim distribution period in 2008 and final distribution period in 2008 would be HK\$0.1593 and HK\$0.1384 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. GENERAL

Champion REIT is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units are listed on The Stock Exchange of Hong Kong Limited (the "HKSE"). Champion REIT is governed by the deed of trust dated 26 April 2006, as amended from time to time (the "Trust Deed"), entered into between the Manager and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"), and the Code on Real Estate Investment Trusts (the "Code") issued by the Securities and Futures Commission of Hong Kong.

The principal activity of Champion REIT and its controlled entities (the "Group") is to own and invest in income-producing commercial properties in Hong Kong with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit. The address of the registered office of the Manager and the Trustee, is Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Hong Kong, and 1 Queen's Road Central, Hong Kong, respectively.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of Champion REIT.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39(Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

Except as described below, the adoption of the new HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

HKAS 1 (revised 2007) Presentation of Financial Statements

HKAS 1 (revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14, Segment Reporting, require the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, as all of the Group's operations are located and carried out in Hong Kong, and the sole principal activity of the Group is investing in commercial properties, no segment information by business and geographical segment was presented under HKAS 14 in prior years. In the current year, Champion REIT adopted HKFRS 8 and the segment information is set out in note 4.

Amendments to HKAS 32 Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation

HKAS 32 (Amendments) require that if an entity has instruments, or components of instruments, that impose on the entity an obligation to deliver to the holders a pro-rata share of the net assets of the entity only on liquidation, such instruments, or components, should be presented as equity if certain specific criteria are met. The Manager has considered the amendments and has determined that HKAS 32 (Amendments) has no material impact to the accounting treatment for the units issued to unitholders as the components of the units that would be classified as equity is insignificant. Accordingly, the units continue to be classified as financial liabilities, representing the obligation of Champion REIT to distribute no less than 90% of Champion REIT's distributable income to the unitholders.

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of the Improvements to HKFRSs in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs in 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification to Rights Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁵
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁷
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁵
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁶
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

¹Effective for annual periods beginning on or after 1 July 2009

²Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³Effective for annual periods beginning on or after 1 January 2011

⁴Effective for annual periods beginning on or after 1 February 2010

⁵Effective for annual periods beginning on or after 1 January 2010

⁶Effective for annual periods beginning on or after 1 January 2013

⁷Effective for annual periods beginning on or after 1 July 2010

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The Manager anticipates that the application of other standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include the relevant provisions of the Trust Deed, the Code and the Rules Governing the Listing of Securities on the HKSE.

4. SEGMENT INFORMATION

As described in note 2, the Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), in order to allocate resources to segments and to assess their performance. Information reported to the management of the Manager, CODM of the Group, for that purpose is more specifically focused on the operating results of the two investment properties, namely Citibank Plaza and Langham Place.

Segment revenue and results

The following is an analysis of the Group's revenue and results by the two investment properties.

For the year ended 31 December 2009

	<u>Citibank Plaza</u> HK\$'000	<u>Langham Place</u> HK\$'000	<u>Consolidated</u> HK\$'000
Revenue	<u>1,314,462</u>	<u>720,566</u>	<u>2,035,028</u>
Segment results - Net property income	<u>1,143,056</u>	<u>566,166</u>	1,709,222
Interest income			2,532
Manager's fee			(205,107)
Trust and other expenses			(15,762)
Increase in fair value of investment properties			4,156,335
Change in fair value of derivative components of convertible bonds			(597,242)
Change in fair value of rental stabilisation arrangement			2,810
Gain on repurchase of own convertible bonds			2,062
Finance costs			<u>(754,766)</u>
Profit before tax and distribution to unitholders			4,300,084
Income taxes			<u>(555,531)</u>
Profit after tax and distribution to unitholders			3,744,553
Distribution to unitholders			<u>(1,241,947)</u>
Profit for the year, after distribution to unitholders			<u>2,502,606</u>

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:

Increase in fair value of investment properties	<u>2,743,935</u>	<u>1,412,400</u>	<u>4,156,335</u>
---	------------------	------------------	------------------

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

For the year ended 31 December 2008

	Citibank Plaza HK\$'000	Langham Place HK\$'000	<u>Consolidated</u> HK\$'000
Revenue	1,205,983	407,853	1,613,836
Segment results - Net property income	<u>1,020,822</u>	<u>313,368</u>	1,334,190
Interest income			16,965
Manager's fee			(160,103)
Trust and other expenses			(16,602)
Decrease in fair value of investment properties			(3,877,336)
Change in fair value of derivative component of convertible bonds			221,011
Change in fair value of rental stabilisation arrangement			2,021
Fair value loss upon amendment of interest rate swaps			(23,962)
Finance costs			<u>(643,974)</u>
Loss before tax and distribution to unitholders			(3,147,790)
Income taxes			<u>271,290</u>
Loss after tax and distribution to unitholders			(2,876,500)
Distribution to unitholders			<u>(1,327,320)</u>
Loss for the year, after distribution to unitholders			<u>(4,203,820)</u>

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:

Decrease in fair value of investment properties	<u>(1,866,577)</u>	<u>(2,010,759)</u>	<u>(3,877,336)</u>
---	--------------------	--------------------	--------------------

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Other segment information

For the year ended 31 December 2009

Additions to non-current assets	<u>35,465</u>	<u>-</u>	<u>35,465</u>
---------------------------------	---------------	----------	---------------

For the year ended 31 December 2008

Acquisition of investment properties	-	15,390,000	15,390,000
Other additions to non-current assets	<u>2,577</u>	<u>190,759</u>	<u>193,336</u>

4. SEGMENT INFORMATION - continued

Segment assets and liabilities

For the purpose of performance assessment, fair values of investment properties are reviewed by the CODM. As at 31 December 2009, the fair value of Citibank Plaza and Langham Place was HK\$29,258,400,000 (2008: HK\$26,479,000,000) and HK\$14,982,400,000 (2008: HK\$13,570,000,000) respectively.

Save as abovementioned, no other assets and liabilities are included in the measures of the Group's segment reporting.

Geographical information

The Group's activities are all carried out in Hong Kong.

The Group's revenue from external customers and information about its non-current assets are all located in Hong Kong.

5. RENTAL INCOME

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Rental income	1,829,181	1,445,653
Car park income	<u>27,299</u>	<u>22,874</u>
	<u><u>1,856,480</u></u>	<u><u>1,468,527</u></u>

6. RENTAL RELATED INCOME

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Interest income from tenants	671	300
Promotional levy income	7,171	4,106
Surplus on forbearance fee	59	3,061
Sundry income	<u>5,033</u>	<u>1,492</u>
	<u><u>12,934</u></u>	<u><u>8,959</u></u>

7. PROPERTY OPERATING EXPENSES

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Building management fees	180,468	142,604
Car park operating expenses	6,234	4,237
Government rent and rates	53,454	40,363
Legal cost and stamp duty	1,073	3,315
Promotion expenses	14,658	11,313
Property and lease management service fee	55,967	43,604
Property miscellaneous expenses	3,992	3,171
Rental commission	8,222	26,907
Repairs and maintenance	1,738	4,132
	<u>325,806</u>	<u>279,646</u>

8. MANAGER'S FEE

Pursuant to the Trust Deed, the Manager is entitled to receive 12% of the net property income of Champion REIT as remuneration, provided that the net property income in each semi-annual period commencing from 1 January 2007 equals or exceeds HK\$200 million.

In relation to the properties acquired upon listing, the fee payable to the Manager shall be paid in the form of units until 31 December 2010. For properties acquired after listing, the Manager has elected to receive 100% of its fee in the form of units for the years ended 31 December 2009 and 2008.

9. FINANCE COSTS

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Finance costs represent:		
Interest expense on bank borrowings wholly repayable within five years	242,108	290,352
Interest expense on convertible bonds wholly repayable within five years	338,009	206,951
Release of cumulative loss on hedging instrument	173,099	145,434
Other borrowing costs	1,550	1,237
	<u>754,766</u>	<u>643,974</u>

10. PROFIT (LOSS) BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Profit (loss) before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	2,700	2,400
Trustee's remuneration	7,668	6,885
Principal valuer's fee	328	388
Other professional fees and charges	5,198	2,900
Roadshow and public relations expenses	24	2,808
Bank charges	62	59
	<u> </u>	<u> </u>

11. INCOME TAXES

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Hong Kong Profits Tax:		
Current tax		
- Current year	88,694	36,435
- (Over)underprovision in prior year	(165)	1,583
	<u>88,529</u>	<u>38,018</u>
Deferred tax		
- Current year	467,002	(260,812)
- Attributable to a change in tax rate	-	(48,496)
	<u>467,002</u>	<u>(309,308)</u>
	<u>555,531</u>	<u>(271,290)</u>

12. BASIC AND DILUTED EARNINGS (LOSS) PER UNIT

The calculation of the basic and diluted earnings (loss) per unit before distribution to unitholders is based on the following data:

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
<u>Earnings</u>		
Profit (loss) for the year, before distribution to unitholders for the purpose of basic earnings (loss) per unit	3,744,553	(2,876,500)
Effect of dilutive potential units:		
Interest on convertible bonds	338,009	-
Change in fair value of derivative components of convertible bonds	597,242	-
Gain on repurchase of own convertible bonds	(2,062)	-
	<hr/>	<hr/>
Profit (loss) for the year, before distribution to unitholders for the purpose of diluted earnings (loss) per unit	<u>4,677,742</u>	<u>(2,876,500)</u>
	 <u>2009</u>	 <u>2008</u>
<u>Number of units</u>		
Weighted average number of units for the purpose of basic earnings (loss) per unit	4,607,273,895	3,746,109,818
Effect of dilutive potential units:		
Units to be issued in respect of Manager's fee	7,631,314	-
Convertible bonds	1,398,226,201	-
	<hr/>	<hr/>
Weighted average number of units for the purpose of diluted earnings (loss) per unit	<u>6,013,131,410</u>	<u>3,746,109,818</u>
Basic earnings (loss) per unit before distribution to unitholders	<u>HK\$0.81</u>	<u>HK\$(0.77)</u>
Diluted earnings (loss) per unit before distribution to unitholders	<u>HK\$0.78</u>	<u>HK\$(0.77)</u>

In the prior year, the computation of diluted loss per unit did not assume the units to be issued in respect of Manager's fee and the conversion of outstanding convertible bonds since both the issue and the exercise would result in a decrease in loss per unit.

13. TOTAL DISTRIBUTABLE INCOME

The total distributable income is the profit (loss) for the year, before distribution to unitholders as adjusted to eliminate the effects of Adjustments (as set out in the Trust Deed) which have been recorded in the consolidated income statement for the relevant period. The Adjustments to arrive at total distributable income for the year are set out below:

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Profit (loss) for the year, before distribution to unitholders	3,744,553	(2,876,500)
Adjustments:		
Manager's fee paid and payable in units	205,107	160,103
(Increase) decrease in fair value of investment properties	(4,156,335)	3,877,336
Change in fair value of derivative components of convertible bonds	597,242	(221,011)
Change in fair value of rental stabilisation arrangement	(2,810)	(2,021)
Fair value loss upon amendment of interest rate swaps	-	23,962
Non-cash gain	(1,768)	(1,223)
Non-cash finance costs	459,327	385,945
Deferred tax	467,002	(309,308)
Total distributable income	<u>1,312,318</u>	<u>1,037,283</u>

14. TRADE AND OTHER RECEIVABLES

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Trade receivables	11,744	14,916
Deferred rent receivables	37,269	41,071
Deposits, prepayments and other receivables	54,094	59,896
	<u>103,107</u>	<u>115,883</u>

Rental receivables from tenants are payable on presentation of invoices. The collection is closely monitored to minimise any credit risk associated with these receivables.

14. TRADE AND OTHER RECEIVABLES – continued

Ageing analysis of the Group's trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
0 - 3 months	<u>11,744</u>	<u>14,916</u>

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$11,744,000 (2008: HK\$14,916,000) which are past due within 3 months at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

15. TRADE AND OTHER PAYABLES

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Trade payables	37,904	54,206
Rental received in advance	29,887	7,709
Other payables	132,084	154,039
Accrued stamp duty	<u>850,125</u>	<u>850,125</u>
	<u>1,050,000</u>	<u>1,066,079</u>

The accrual for stamp duty is based on the current stamp duty rate of 3.75% and the stated consideration of HK\$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the Property Interest in Citibank Plaza upon listing.

Ageing analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period is as follows:

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
0 - 3 months	<u>37,904</u>	<u>54,206</u>

16. ISSUED UNITS

	<u>Number of units</u>	<u>HK\$'000</u>
Balance at 1 January 2008	2,801,436,491	14,012,990
Payment of Manager's fee through issuance of new units during the year (note (i))	28,607,328	112,247
Units issued as part of consideration for the acquisition of property interests (note (ii))	781,221,000	2,812,395
Units issued for financing the acquisition of property interests (note (ii))	823,333,000	2,963,999
Unit issue costs	-	(141,880)
Balance at 31 December 2008	4,434,597,819	19,759,751
Payment of Manager's fee through issuance of new units during the year (note (i))	87,306,349	203,320
Units issued under distribution reinvestment scheme (note (iii))	301,630,621	688,762
Balance at 31 December 2009	<u>4,823,534,789</u>	<u>20,651,833</u>

Notes:

(i) Details of units issued during the year as payment of the Manager's fee are as follows:

Issue date	Payment of the Manager's fees for the period	Average issue price per unit determined based on the Trust Deed HK\$	Aggregate issue price HK\$'000	Number of units issued
In 2008				
25 March 2008	1.7.2007 to 31.12.2007	3.992	50,270	12,592,639
27 August 2008	1.1.2008 to 30.6.2008	3.870	61,977	16,014,689
				<u>28,607,328</u>
In 2009				
3 April 2009	1.7.2008 to 31.12.2008	1.920	98,126	51,107,281
21 August 2009	1.1.2009 to 30.6.2009	2.906	105,194	36,199,068
				<u>87,306,349</u>

(ii) On 3 June 2008, a total of 1,604,554,000 units at HK\$3.60 per unit were issued for financing the acquisition of property interests from the vendors, each of which are indirectly wholly-owned subsidiaries of Great Eagle Holdings Limited ("Great Eagle"), out of which 781,221,000 units were issued as partial settlement of the total consideration payable to Great Eagle (equivalent to HK\$2,812,395,000). The remaining 823,333,000 units were issued to independent third parties.

(iii) Details of units issued during the current year under distribution reinvestment scheme (i.e. unitholders electing to receive scrip units in lieu of cash distribution) are as follows:

Issue date	Distribution period	Scrip price HK\$	Number of units issued
In 2009			
27 May 2009	1.7.2008 to 31.12.2008	1.7708	144,816,938
13 October 2009	1.1.2009 to 30.6.2009	2.7569	156,813,683
			<u>301,630,621</u>

17. NET ASSET VALUE PER UNIT

The net asset value per unit is calculated by dividing the net assets attributable to unitholders as at 31 December 2009 of HK\$27,359,302,000 (2008: HK\$23,828,454,000) by the number of units in issue of 4,823,534,789 (2008: 4,434,597,819) as at 31 December 2009.

18. NET CURRENT LIABILITIES

At 31 December 2009, the Group's net current liabilities, defined as current liabilities less current assets, amounted to HK\$127,731,000 (2008: HK\$846,744,000).

19. TOTAL ASSETS LESS CURRENT LIABILITIES

At 31 December 2009, the Group's total assets less current liabilities amounted to HK\$44,210,749,000 (2008: HK\$39,307,068,000).