

**Eagle Asset Management (CP) Limited**

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

**Treasure Source Limited**

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

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17 August 2010

The Hongkong and Shanghai Banking Corporation Limited  
(as Bond Trustee)  
Level 30, HSBC Main Building  
1 Queen's Road Central,  
Hong Kong  
Attention: Corporate Trust and Loan Agency

and

The Hongkong and Shanghai Banking Corporation Limited  
Level 30, HSBC Main Building  
1 Queen's Road Central,  
Hong Kong  
Attention: Corporate Trust and Loan Agency

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
England  
Attention: The Manager, Bond Operations  
Corporate Trust and Loan Agency, - Europe

(together as Agents)

and

The Bondholders

Dear Sirs,

**HK\$765,000,000 2% Guaranteed Convertible Bonds due 2011 (the "Bonds") issued by Treasure Source Limited convertible into units (the "Unit(s)") of Champion Real Estate Investment Trust ("Champion REIT")**

Reference is made to the trust deed dated 22 December 2006 constituting the Bonds ("Trust Deed") and the paying and conversion agency agreement dated 22 December 2006 in relation to the Bonds ("Agency Agreement") (collectively, the "Bond Documents"). Unless otherwise defined, all capitalized terms used in this notice shall have the same meanings as defined in the Bond Documents.

Pursuant to Clause 8.4 of the Trust Deed and Clauses 7.7 and 17.2 of the Agency Agreement, we hereby give you (in your capacity as the Bond Trustee and the Agents) and the Bondholders notice that:-

- (a) a meeting of the board of directors of the REIT Manager (the "Board") was held on 16 August 2010 and the Board has announced the interim results for Champion REIT in respect of the

six months ended 30 June 2010, as more particularly set out in the attached announcement of Champion REIT dated 16 August 2010 (the "Announcement"); and

- (b) the Register of Unitholders of Champion REIT will be closed from Monday, 6 September 2010 to Thursday, 9 September 2010 (the record date), both days inclusive, during which period no transfer of Units will be effected for the purpose of identifying those Unitholders who will be qualified for the distribution in respect of the six months ended 30 June 2010.

If you require any further information, please do not hesitate to contact us.

Yours faithfully,  
For and on behalf of  
Eagle Asset Management (CP) Limited  
(as manager of Champion Real Estate  
Investment Trust)

Yours faithfully,  
For and on behalf of  
Treasure Source Limited

Lee Ching Ming, Adrian  
Executive Director and  
Chief Executive Officer

Lee Ching Ming, Adrian  
Director

*The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong 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**

## **2010 INTERIM RESULTS ANNOUNCEMENT**

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 the unaudited consolidated interim results of the Trust for the six months ended 30 June 2010 (“Period”).

 *Save the Planet. Don't print this unless it's really necessary.*

## FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2010

	1st Half FY2010	1st Half FY2009	% Change
<b>Key Financial Figures</b>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total Revenue	\$959	\$1,031	-7.0%
Property Operating Expenses	\$179	\$155	+15.5%
Net Property Income	\$780	\$877	-11.0%
Profit After Tax	\$858	\$2,691	-68.1%
Distributable Income	\$574	\$676	-15.1%
Distribution Amount	\$530	\$609	-13.0%
Gross Value of Portfolio	\$45,302	\$43,044	+5.2%

	1st Half FY2010	1st Half FY2009	% Change
<b>Ratios and Per Unit Figures</b>			
Distribution per Unit	HK\$0.1079	HK\$0.1304	-17.3%
Net Asset Value per Unit	HK\$5.72	HK\$5.69	+0.5%
Gearing Ratio	31.3%	33.3%	-2.0% <sup>1</sup>
Expense Ratio	18.7%	15.0%	+3.7% <sup>1</sup>

Notes

1. Absolute change used for figures stated in percentages

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Review

	1st Half FY2010	1st Half FY2009	% Change
<b>Citibank Plaza</b>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	593,985	675,984	-12.1%
Operating Expenses	99,729	85,156	+17.1%
Net Property Income	494,256	590,828	-16.3%
<b>Langham Place Office</b>			
Revenue	134,514	135,085	-0.4%
Operating Expenses	26,412	22,652	+16.6%
Net Property Income	108,102	112,433	-3.9%
<b>Langham Place Mall</b>			
Revenue	230,399	220,365	+4.6%
Operating Expenses	52,615	47,005	+11.9%
Net Property Income	177,784	173,360	+2.6%

Total Revenue for the first six months of 2010 was HK\$959 million. This was a decrease of 7% from HK\$1,031 million for the first six months of 2009. The decrease was a lagging reflection of the downturn in the Central office market during the global financial crisis in 2008 and 2009, which caused the occupancy level at Citibank Plaza to fall by 11 percentage points from 95% in June 2009. The Langham Place properties on the other hand were relatively unaffected by the crisis and served to mitigate the impact of decreasing Citibank Plaza revenue.

Net Property Income decreased 11% to HK\$780 million for the Period. In addition to the 7% fall in revenue, operating expenses also increased 15.5%. At Citibank Plaza there

were more leases in terms of floor area rolling over than last year, resulting in a corresponding increase in leasing service fees. The higher vacancies at Citibank Plaza also led to the absorption of more expenses such as government rates by the landlord. After taking into account these factors, the net income from Citibank Plaza decreased by 16.3%. At the Langham Place Office Tower there was also an increase in leasing service fees because of lease rollovers. However, as occupancy was maintained, net income from that property was reduced, but by only 4%. At the Langham Place Mall expenses increased, mainly because the 2009 number was depressed by a write-back of prior-year over-provisions. Nevertheless, as there was rental growth at the Mall, it was able to report a moderate increase in net income.

	Citibank Plaza	Langham Place	Sub-total
Valuation (June 30)	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Office	29,022.0	5,839.6	34,861.6
Retail	335.0	9,212.5	9,547.5
Car Park	268.0	187.5	455.5
Miscellaneous	298.6	138.4	437.0
<b>Total</b>	<b>29,923.6</b>	<b>15,378.0</b>	<b>45,301.6</b>

Champion REIT's property portfolio was revalued at HK\$45.3 billion as of 30 June 2010. This represented a HK\$1.1 billion increase over the previous appraised value of HK\$44.2 billion. Over the past six months, the appraised value of Citibank Plaza increased by 2.3% while the appraised value of Langham Place increased by 2.6%. Capitalization rates used in valuing the Trust's properties remain unchanged and the increase in property value was purely a reflection of the rising commercial rents during the first half of 2010.

As a result of the increase in property values, there has been an improvement in the Gearing Ratio and Net Asset Value ("NAV") per Unit of the Trust. The current Gearing

Ratio stands at 31.3% as compared to the last reported figure of 32.2%. NAV per Unit amounted to HK\$5.72, up from the HK\$5.67 reported at the end of 2009.

Following the drop in Net Property Income, Distribution Amount fell 13% from HK\$609 million in first half 2009 to HK\$530 million in first half 2010. In line with the previous year, the Interim Distribution Amount was determined as 90% of the Distributable Income. Distribution per Unit has fallen more than the Distribution Amount because of additional units issued in the past twelve months, primarily under the voluntary distribution reinvestment plan. As the Trust's capital position has strengthened considerably in the past 18 months, it will be discontinuing the distribution reinvestment plan for the time being. Proceeds received in 2010 through the Rental Stabilization Agreement of the three Citibank Plaza floors purchased in 2007 are being paid out as a discretionary distribution.

## **Property Portfolio**

### ***Citibank Plaza***

Citibank Plaza is one of the largest office complexes in Hong Kong's Central district with a lettable floor area of over 1.2 million sq. ft. It consists of two towers, which are intelligent buildings purpose built to satisfy the latest technical specifications of global financial institutions.

### **Average Monthly Passing Rents at Citibank Plaza**

*(HK\$ per sq. ft. of lettable area)*

<b>Dec 09</b>	<b>Jan 10</b>	<b>Feb 10</b>	<b>Mar 10</b>	<b>Apr 10</b>	<b>May 10</b>	<b>Jun 10</b>
90.07	89.64	89.04	88.30	88.22	88.01	84.81

As a result of returning demand for office space, Grade-A rental rates in the Central district recovered by about 10% in the first half of 2010. Notwithstanding its relatively high vacancies, spot rents (the rental rate applicable to new leases) at Citibank Plaza had recovered from the year end levels of HK\$75 per sq. ft., to approximately HK\$80 per sq.

ft by June 2010. During the Period, 10.7% of the leases in Citibank Plaza by floor area expired and a further 12.4% underwent rent review. The return of some floors by a major tenant upon the expiry of its lease in June 2010 has decreased the occupancy rate at Citibank Plaza to 83.5%. For comparison, occupancy was 87.6% at the beginning of this year and 94.9% twelve months ago. While spot rent rates have been strengthening from the lows of 2009, they have generally remained below the rent rates contracted up to three years ago. Thus, a lower average passing rent rate (the average rental rate of existing contracted tenancies) has resulted from leasing and rent review activities. The average passing rent rate was HK\$84.81 per sq. ft. in June 2010.

### ***Langham Place Office Tower***

The Langham Place Office Tower is a 700,000 gross sq. ft. 59-storey office tower located within the Langham Place mixed-use development. It is a Grade-A office property in Mongkok, a major transport hub in Kowloon and a busy shopping district. The building focuses on tenants involved in the services and lifestyle industries.

#### **Average Monthly Passing Rents at the Langham Place Office Tower**

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

Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
26.82	26.77	26.80	27.06	27.01	27.04	26.98

Leasing conditions for the offices at Langham Place have been stable. The Office Tower had an occupancy rate of 98.3% as of 30 June 2010, notwithstanding the expiry of 22.6% of leases by floor area during the Period and the strong price competition from new supply in the peripheral districts in Kowloon East. Langham Place's direct accessibility from the Mongkok MTR station and its reputation as a proven quality development have been important factors in retaining tenants and maintaining a high occupancy. The spot rents have been maintained at HK\$24-32 per sq. ft. The passing rent has also remained within a narrow range.



### ***Langham Place Mall***

Langham Place Mall is a 15-level, 600,000 gross sq. ft. ‘vertical’ mall focusing on mid-priced fashion, beauty products and food & beverage. It anchors the Langham Place development and offers a unique shopping experience through its distinct architectural features and its innovative promotion events. The Mall has built its reputation as a trendy social and retail destination for young and fashion-conscious shoppers.

#### **Average Monthly Passing Rent Rate at Langham Place Mall**

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

<b>Dec 09</b>	<b>Jan 10</b>	<b>Feb 10</b>	<b>Mar 10</b>	<b>Apr 10</b>	<b>May 10</b>	<b>Jun 10</b>
88.61	88.79	88.79	88.80	88.81	89.05	89.13

Despite the opening of new shopping malls in nearby Tsim Sha Tsui last year, the fortuitous location of the Langham Place Mall and its creative promotion events have ensured its leadership position in its own niche. The Mall enjoyed very high levels of foot traffic throughout the Period and remained virtually fully leased. With the recovering economy and the absence of last year’s H1N1 influenza scare, the sales performance of the tenants improved significantly during the Period. As a result, the demand for retail spaces in the Mall has been strong, giving the landlord considerable pricing power. The impact of this positive trend on the Mall’s income for the Period has however been constrained by the small amount of tenancy rollovers (approximately 1% by floor area). The Average Passing Rent Rate increased 0.6% from HK\$88.61 in December 2009 to HK\$89.13 for June 2010.

#### **Outlook**

In Central, the overall market vacancy has fallen to below 5% once again and the supply-demand dynamics are once again shifting in favour of the landlords. Financial institutions have reversed their downsizing trend as capital raising activities have returned with the rebound in the Hong Kong equity market. As they have largely backfilled their previously redundant spaces, their continuing hiring activities should create substantial incremental demand in the market. At the same time, a significant number of foreign fund

management firms are setting up offices in Hong Kong as their investment weighting to this part of the world increases. On the other hand, no significant Grade-A office developments are scheduled for completion in Central before 2015. While rent rates have been recovering, they are still some way below the early 2008 peak. The consensus view is that there is considerable room for rent rates to recover further.

Higher levels of demand however will not translate immediately into an increase in revenue at Citibank Plaza. We continue to resist the allure of near term occupancy tied to long leases at terms which will substantially curb the landlord's rental upside for the long term. The vacancy rate at Citibank Plaza is expected to climb above 20% during the second half of 2010 as one tenant representing 6% of the floor area will be vacating in the third quarter. While the level of leasing enquiries and offers received have been increasing significantly over the past 6 months, and pricing competition among Central landlords has eased off considerably, larger leasing transactions tend to have longer gestation periods. Therefore we are expecting the vacancy rate to begin reversing its upward trend no sooner than the second quarter of 2011. The medium-term prospects of Citibank Plaza however will be supported by a fundamental shortage of new office supply in the vicinity, as prognosticated by the trend of rising spot rents at Citibank Plaza and other prime office buildings in Central.

At Langham Place we expect continued high levels of occupancy for the Office Tower. In the peripheral Kowloon East district, the initial wave of new buildings launched in 2008 has been substantially absorbed, thereby posing a somewhat lower pricing threat. The dominant subway location of Langham Place should be able to sustain the Office Tower's competitiveness. Though the upside in rentals may be curtailed by upcoming new peripheral supplies, we can expect a stable income contribution from the Office Tower. In the longer term we will seek growth by gradually shifting the weighting of tenant-mix from cost-sensitive occupiers in the trading and procurement sectors towards location-sensitive users in lifestyle and services trades who are generally willing to pay higher rents.

Although we have seen only a modest revenue improvement at the Langham Place Mall in the Period, it remains the most promising part of the Trust's property portfolio for 2010. While only 1% of the Mall by floor area has expired in the first half of 2010, a further 43% of the leases in the Mall are scheduled to undergo rollover in the second half. Backed by the strong sales growth in the Mall over the past two to three years, we have completed the negotiation on almost all those rollovers with a weighted average increase in rents in excess of 15% over the expiring rents. While some of the income gain will show in the second half of 2010, the full impact will be seen in 2011.

Champion REIT's results in the second half of 2010 will continue to reflect the lagging impact of the downturn in the Central office market in 2009. An improved performance at the Langham Place Mall is expected to mitigate, but not offset, the contraction in income of Citibank Plaza. Looking further ahead, income and distributions are set to recover as rents are on the rise in Central and the incremental income from Langham Place Mall is realised.

## **FINANCIAL REVIEW**

### **Distributions**

#### ***Distribution Amount***

The Distribution Amount of Champion REIT for the six months ended 30 June 2010 was HK\$530,362,000, calculated as 90% of Champion REIT's total distributable income of HK\$573,803,000 for the Period plus additional amount of HK\$13,939,000 at the discretion of REIT Manager.

For the same period last year, the Distribution Amount of Champion REIT was HK\$608,608,000, calculated as 90% of Champion REIT's total distributable income of HK\$676,231,000 for such period.

#### ***Distribution per Unit***

The distribution per unit for the six months ended 30 June 2010 was HK\$0.1079. This represents an annualised distribution yield of 5.94% based on the closing price of HK\$3.63 as at 30 June 2010. 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 first half of year 2010 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 interim distribution per unit for the six months ended 30 June 2010.

#### ***Closure of Register of Unitholders***

The Register of Unitholders will be closed from Monday, 6 September 2010 to Thursday, 9 September 2010 ("Record Date"), both days inclusive, during which period no transfer of Units will be effected. The 2010 Interim Distribution will be payable on 4 October 2010 to Unitholders whose names appear on the Register of Unitholders on Record Date.

In order to qualify for the 2010 Interim Distribution, 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 Friday, 3 September 2010.

### Debt Profile

As at 30 June 2010, 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, maturing 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, maturing in June 2013

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

Borrowings as at 30 June 2010	Amount	% of Total
<i>Maturity</i>	<i>HK\$ million</i>	
Due in the first year	7,765	52.2
Due in the second year	-	-
Due in the third year	7,114	47.8
<b>Total</b>	<b>14,879</b>	<b>100.0</b>

The term loan and convertible bonds that are falling due in 2011 are secured by properties with a conservative loan to value ratio of 26%. Refinancing arrangements will be made shortly.

During the period under review, Champion REIT had interest rate swaps ("IRS") with a total notional amount of HK\$7,000 million for the purpose of swapping the Trust's floating rate interest payments under the HK\$7,000 million term loan into fixed rate interest payments. The fixed rate for these IRS is 2.8225% per annum and both the loan and IRS will mature in May 2011. The HK\$2,454 million term loan has an interest rate of

HIBOR plus 0.59% per annum. As at 30 June 2010, 84% of the Trust's debt (including the convertible bonds) had fixed interest rates.

As at 30 June 2010, the two outstanding convertible bonds issued by two controlled entities of the Trust have the following features:

Convertible Bonds	issued in 2006	issued in 2008
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\$3.69

As at 30 June 2010, total gross assets of the REIT were HK\$47,538.5 million. Therefore, the gearing ratio, or total borrowings as a percentage of gross assets was 31.3%. The gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets was 40.8%.

#### **Net Assets Attributable To Unitholders**

As at 30 June 2010, net assets attributable to unitholders was HK\$28,131 million or HK\$5.72 per unit, a 57.6% premium to the closing unit price of HK\$3.63 as at 30 June 2010.

#### **Cash Position**

As at 30 June 2010, Champion REIT had total undrawn bank loan facilities of HK\$700 million and cash balance of HK\$2,056.9 million. Through its voluntary distribution reinvestment plan for the final 2008 distribution period, interim 2009 distribution period and final 2009 distribution period, the Trust has managed to retain over HK\$911 million to strengthen its financial position.

Taking into consideration the financial resources available to the REIT, Champion has sufficient liquid assets to satisfy its working capital and operating requirements.

### **Pledge of Assets**

As at 30 June 2010, properties of Champion REIT with a fair value of HK\$45,301.6 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 issuers of the convertible bonds or pledged to secure banking facilities granted to the REIT.

### **Commitments**

As at 30 June 2010, the Trust did not have any significant commitments.

### **Rental Stabilisation Arrangement**

Pursuant to a sale and purchase agreement dated 11 December 2006 (“Agreement”) for the acquisition of 3 floors and certain car parking spaces in Citibank Plaza, the actual New Property Income (as defined in the Agreement) for the six-month period ended 30 June 2010 was equivalent to HK\$17,053,000. When compared to the stabilisation amount of each six-month period of HK\$30,992,000 under the rental stabilisation arrangement pursuant to the Agreement, variances of HK\$13,939,000 arose for the six-month period ended 30 June 2010. Accordingly, a sum of approximately HK\$13,939,000 was paid to the Trust on 30 June 2010.

### **NEW UNITS ISSUED**

As at 30 June 2010, the total number of issued Units of Champion REIT was 4,915,098,931. As compared with the position of 31 December 2009, a total of 91,564,142 new Units were issued during the Period in the following manner:

- On 9 March 2010, 27,830,682 new Units were issued to the REIT Manager at the price of HK\$3.59 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\$99,912,000 payable by Champion REIT for the six months ended 31 December 2009.

- On 25 May 2010, 63,733,460 new Units were issued at the price of HK\$3.4884 per Unit pursuant to the distribution reinvestment arrangement (the "Arrangement") in respect of the 2009 Final Distribution. Details of the Arrangement were set out in the announcement published by Champion REIT on 26 April 2010 and the circular to Unitholders dated 29 April 2010.

## **REAL ESTATE SALE AND PURCHASE**

Champion REIT did not enter into any real estate sale and purchase transactions during the Period.

## **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 30 June 2010:

Area of Operation	Locations		
	Citibank Plaza	Langham Place	Others
General management	-	-	13
Leasing	4	11	-
Marketing and promotion	-	9	-
Property management	54	133	-
Contractors/technical staff	130	280	-
<b>Total</b>	<b>188</b>	<b>433</b>	<b>13</b>



## **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.

Champion REIT is a collective investment scheme authorised by the Securities and Futures Commission (the “SFC”) under section 104 of the Securities and Futures Ordinance (“SFO”) and regulated by the SFC pursuant to the provisions of the SFO and the Code on Real Estate Investment Trusts issued by the SFC (the “REIT Code”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The REIT Manager also 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.

During the six months ended 30 June 2010, the REIT Manager and Champion REIT have complied with the provisions of the REIT Code, the Trust Deed of Champion REIT, the relevant provisions and requirements of the SFO and the Listing Rules applicable to Champion REIT.

The REIT Manager and Champion REIT have also 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 to the Listing Rules throughout the six months ended 30 June 2010.

The REIT Manager has adopted the Code Governing Dealings in Securities by the Management Persons (“Securities Dealings Code”) on terms no less exacting than the

required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. The Management Persons include directors, executive officers and the company secretary of the REIT Manager.

The REIT Manager has made specific enquiry of the Management Persons who have confirmed that they have complied with the required standard set out in the Securities Dealings Code during the Period.

### **PURCHASE, SALE OR REDEMPTION OF CHAMPION REIT'S UNITS**

A general mandate for repurchase of Units in the open market was given by Unitholders at the annual general meeting held on 26 April 2010. During the six months ended 30 June 2010, neither the Manager nor any of Champion REIT's special purpose vehicles had purchased, sold or redeemed any Units pursuant to this mandate.

### **PUBLIC FLOAT**

As far as the REIT Manager is aware, as at the date of this announcement, 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 INTERIM RESULTS**

The unaudited interim results for the six-month period ended 30 June 2010 have been reviewed by the Disclosures Committee and the Audit Committee of the REIT Manager, and by the Trust's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## **ISSUANCE OF INTERIM REPORT**

The Interim Report of Champion REIT for the six-month period ended 30 June 2010 will be despatched to Unitholders and published on the websites of the Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and Champion REIT ([www.ChampionReit.com](http://www.ChampionReit.com)) on or before 31 August 2010.

## **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, 16 August 2010

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

	<u>NOTES</u>	<u>2010</u> <b>HK\$'000</b> (unaudited)	<u>2009</u> HK\$'000 (unaudited)
Rental income	4	<b>872,824</b>	942,852
Building management fee income		<b>79,510</b>	83,839
Rental related income		<b>6,564</b>	4,743
<b>Total revenue</b>		<b>958,898</b>	1,031,434
Property operating expenses	5	<b>(178,756)</b>	(154,813)
<b>Net property income</b>		<b>780,142</b>	876,621
Interest income		<b>1,431</b>	1,314
Manager's fee	6	<b>(93,617)</b>	(105,194)
Trust and other expenses		<b>(7,014)</b>	(9,185)
Increase in fair value of investment properties		<b>947,450</b>	2,967,192
Change in fair value of derivative components of convertible bonds		<b>(195,503)</b>	(244,641)
Change in fair value of rental stabilisation arrangement		<b>233</b>	2,446
Gain on repurchase of own convertible bonds		<b>-</b>	2,062
Finance costs	7	<b>(374,352)</b>	(381,437)
<b>Profit before tax and distribution to unitholders</b>	8	<b>1,058,770</b>	3,109,178
Income taxes	9	<b>(200,376)</b>	(417,714)
<b>Profit for the period, before distribution to unitholders</b>		<b>858,394</b>	2,691,464
Distribution to unitholders		<b>(530,362)</b>	(608,608)
<b>Profit for the period, after distribution to unitholders</b>		<b>328,032</b>	2,082,856
<b>Basic earnings per unit</b>	12	<b>HK\$0.18</b>	HK\$0.60
<b>Diluted earnings per unit</b>	12	<b>HK\$0.18</b>	HK\$0.53

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

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	<u>2010</u> <b>HK\$'000</b> <b>(unaudited)</b>	<u>2009</u> HK\$'000 (unaudited)
Profit for the period, after distribution to unitholders	<u>328,032</u>	<u>2,082,856</u>
Cash flow hedge:		
Gains (losses) arising during the period	35,430	(36,878)
Less: Reclassification adjustments for gains included in the profit or loss	<u>85,629</u>	<u>98,253</u>
	<u>121,059</u>	<u>61,375</u>
<b>Total comprehensive income for the period</b>	<u><u>449,091</u></u>	<u><u>2,144,231</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	<u>NOTES</u>	At 30 June <u>2010</u> HK\$'000 (unaudited)	At 31 December <u>2009</u> HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties		45,301,600	44,240,800
Rental stabilisation arrangement		31,235	44,943
Loan receivables		-	52,737
Total non-current assets		<u>45,332,835</u>	<u>44,338,480</u>
<b>Current assets</b>			
Trade and other receivables	13	95,197	103,107
Loan receivables		53,644	-
Bank balances and cash		2,056,870	1,832,105
Total current assets		<u>2,205,711</u>	<u>1,935,212</u>
<b>Total assets</b>		<u>47,538,546</u>	<u>46,273,692</u>
<b>Current liabilities</b>			
Trade and other payables	14	1,152,660	1,050,000
Deposits received		332,407	331,380
Tax liabilities		58,327	48,224
Distribution payable		530,362	633,339
Secured term loans		6,993,854	-
Convertible bonds		840,368	-
Derivative financial instruments		114,530	-
Total current liabilities		<u>10,022,508</u>	<u>2,062,943</u>
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Secured term loans		2,444,523	9,433,278
Convertible bonds		5,761,315	6,261,830
Derivative financial instruments		-	149,960
Deferred tax liabilities		1,179,567	1,006,379
Total non-current liabilities, excluding net assets attributable to unitholders		<u>9,385,405</u>	<u>16,851,447</u>
<b>Total liabilities, excluding net assets attributable to unitholders</b>		<u>19,407,913</u>	<u>18,914,390</u>
<b>Net assets attributable to unitholders</b>		<u>28,130,633</u>	<u>27,359,302</u>
<b>Number of units in issue ('000)</b>	15	<u>4,915,099</u>	<u>4,823,535</u>
<b>Net asset value per unit</b>	16	<u>HK\$5.72</u>	<u>HK\$5.67</u>

**NOTE TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

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**1. GENERAL**

Champion Real Estate Investment Trust ("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 have been listed on The Stock Exchange of Hong Kong Limited. 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 Eagle Asset Management (CP) Limited (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 Code was amended on 25 June 2010 and accordingly the Trust Deed was amended on 23 July 2010 to comply with the recent revisions to the Code.

The principal activity of Champion REIT and its controlled entities (collectively referred to 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 condensed consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of Champion REIT.

**2. PRINCIPAL ACCOUNTING POLICIES**

**Basis of preparation**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules), Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* and the Code.

**Principal accounting policies**

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

The same accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

In the current interim period, the Group has applied for the first time, a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

## 2. PRINCIPAL ACCOUNTING POLICIES - continued

HKFRSs (Amendments)	Improvements to HKFRSs 2010 <sup>1</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>4</sup>
HKAS 32 (Amendment)	Classification of Rights Issues <sup>2</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>3</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HK (IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>4</sup>
HK (IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

<sup>2</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2013

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 new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

## 3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), management of the Manager, for the purpose of resource allocation and performance assessment is more specifically focused on the operating results of the two investment properties, namely Citibank Plaza and Langham Place.



### 3. SEGMENT INFORMATION - continued

#### Segment revenue and results

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

For the six months ended 30 June 2010

	<b>Citibank Plaza HK\$'000 (unaudited)</b>	<b>Langham Place HK\$'000 (unaudited)</b>	<b>Consolidated HK\$'000 (unaudited)</b>
<b>Segment Revenue</b>	593,985	364,913	958,898
<b>Segment results - Net property income</b>	494,256	285,886	780,142
Interest income			1,431
Manager's fee			(93,617)
Trust and other expenses			(7,014)
Increase in fair value of investment properties			947,450
Change in fair value of derivative components of convertible bonds			(195,503)
Change in fair value of rental stabilisation arrangement			233
Finance costs			(374,352)
<b>Profit before tax and distribution to unitholders</b>			1,058,770
Income taxes			(200,376)
<b>Profit for the period, before distribution to unitholders</b>			858,394
Distribution to unitholders			(530,362)
<b>Profit for the period, after distribution to unitholders</b>			328,032
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>			
Manager's fee	(59,311)	(34,306)	(93,617)
Increase in fair value of investment properties	551,850	395,600	947,450

### 3. SEGMENT INFORMATION - continued

#### Segment revenue and results - continued

For the six months ended 30 June 2009

	Citibank Plaza HK\$'000 (unaudited)	Langham Place HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Segment Revenue	<u>675,984</u>	<u>355,450</u>	<u>1,031,434</u>
Segment results - Net property income	<u>590,828</u>	<u>285,793</u>	876,621
Interest income			1,314
Manager's fee			(105,194)
Trust and other expenses			(9,185)
Increase in fair value of investment properties			2,967,192
Change in fair value of derivative components of convertible bonds			(244,641)
Change in fair value of rental stabilisation arrangement			2,446
Gain on repurchase of own convertible bonds			2,062
Finance costs			<u>(381,437)</u>
Profit before tax and distribution to unitholders			3,109,178
Income taxes			<u>(417,714)</u>
Profit for the period, before distribution to unitholders			2,691,464
Distribution to unitholders			<u>(608,608)</u>
Profit for the period, after distribution to unitholders			<u>2,082,856</u>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:			
Manager's fee	(70,899)	(34,295)	(105,194)
Increase in fair value of investment properties	<u>2,192,792</u>	<u>774,400</u>	<u>2,967,192</u>

#### Segment assets

For the purpose of performance assessment, the fair values of investment properties are reviewed by the CODM. As at 30 June 2010, the fair value of Citibank Plaza and Langham Place was HK\$29,923,600,000 (31.12.2009: HK\$29,258,400,000) and HK\$15,378,000,000 (31.12.2009: HK\$14,982,400,000), respectively.

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

#### 4. RENTAL INCOME

	<u>2010</u> HK\$'000 (unaudited)	<u>2009</u> HK\$'000 (unaudited)
Rental income	859,855	929,241
Car park income	<u>12,969</u>	<u>13,611</u>
	<u>872,824</u>	<u>942,852</u>

#### 5. PROPERTY OPERATING EXPENSES

	<u>2010</u> HK\$'000 (unaudited)	<u>2009</u> HK\$'000 (unaudited)
Building management fees	88,243	87,222
Car park operating expenses	3,392	2,977
Government rent and rates	29,492	25,675
Legal cost and stamp duty	2,521	273
Promotion expenses	7,734	4,845
Property and lease management service fee	26,193	28,464
Property miscellaneous expenses	1,623	1,745
Rental commission	18,889	2,584
Repairs and maintenance	<u>669</u>	<u>1,028</u>
	<u>178,756</u>	<u>154,813</u>

#### 6. MANAGER'S FEE

Pursuant to the Trust Deed, as the net property income of Champion REIT exceeds HK\$200 million for the six months ended 30 June 2010, the Manager is entitled to receive 12% of the net property income for the six months ended 30 June 2010 as remuneration.

In relation to certain properties of Citibank Plaza acquired upon listing, the fee payable to the Manager shall be paid in the form of units until 31 December 2010. For certain properties of Citibank Plaza acquired in January 2007 and Langham Place acquired in June 2008, the Manager has elected to receive 12% of its fee in the form of units and cash, respectively for the six months ended 30 June 2010. In prior interim period, the Manager's fee was settled by issue of units.

**7. FINANCE COSTS**

	<u>2010</u> <b>HK\$'000</b> <b>(unaudited)</b>	<u>2009</u> <b>HK\$'000</b> <b>(unaudited)</b>
Finance costs represent:		
Interest expense on bank borrowings wholly repayable within five years	<b>111,482</b>	126,123
Interest expense on convertible bonds wholly repayable within five years	<b>175,300</b>	167,112
Release of cumulative loss on hedging instrument	<b>86,549</b>	87,181
Other borrowing costs	<b>1,021</b>	1,021
	<u><b>374,352</b></u>	<u><b>381,437</b></u>

**8. PROFIT BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS**

	<u>2010</u> <b>HK\$'000</b> <b>(unaudited)</b>	<u>2009</u> <b>HK\$'000</b> <b>(unaudited)</b>
Profit before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	<b>1,350</b>	1,190
Trustee's fee	<b>3,985</b>	3,713
Principal valuer's fee	<b>100</b>	93
Other professional fee and charges	<b>1,492</b>	2,849
Roadshow and public relations expenses	<b>227</b>	-
Bank charges	<b>38</b>	34
	<u><b>38</b></u>	<u><b>34</b></u>

## 9. INCOME TAXES

	<u>2010</u> <b>HK\$'000</b> <b>(unaudited)</b>	<u>2009</u> <b>HK\$'000</b> <b>(unaudited)</b>
Hong Kong Profits Tax:		
Current tax		
- Current year	<b>27,188</b>	40,632
Deferred tax		
- Current year	<u><b>173,188</b></u>	<u>377,082</u>
	<u><b>200,376</b></u>	<u>417,714</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

## 10. TOTAL DISTRIBUTABLE INCOME

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

	<u>2010</u> <b>HK\$'000</b> <b>(unaudited)</b>	<u>2009</u> <b>HK\$'000</b> <b>(unaudited)</b>
Profit for the period, before distribution to unitholders	<b>858,394</b>	2,691,464
Adjustments:		
Manager's fees to be payable in units	<b>59,311</b>	105,194
Increase in fair value of investment properties	<b>(947,450)</b>	(2,967,192)
Change in fair value of derivative components of convertible bonds	<b>195,503</b>	244,641
Change in fair value of rental stabilisation arrangement	<b>(233)</b>	(2,446)
Non-cash gain	<b>(907)</b>	(876)
Non-cash finance costs	<b>235,997</b>	228,364
Deferred tax	<u><b>173,188</b></u>	<u>377,082</u>
<b>Total distributable income</b>	<u><b>573,803</b></u>	<u>676,231</u>

## 11. DISTRIBUTION STATEMENT

	<u>2010</u> <b>HK\$'000</b> (unaudited)	<u>2009</u> HK\$'000 (unaudited)
Total distributable income (Note 10)	<u>573,803</u>	<u>676,231</u>
As a percentage of total distributable income (note (i))	<u>90%</u>	<u>90%</u>
Total distributable income to be paid to the unitholders	<b>516,423</b>	608,608
Additional amount at the discretion of Manager (note (i))	<u>13,939</u>	<u>-</u>
<b>Total distributions to be paid to the unitholders</b>	<u><b>530,362</b></u>	<u>608,608</u>
<b>Distribution per unit to be paid to the unitholders (note (ii))</b>	<u><b>HK\$0.1079</b></u>	<u>HK\$0.1304</u>

Notes:

- (i) For the six months ended 30 June 2010, the Manager has determined that Champion REIT shall distribute 90% (1.1.2009 to 30.6.2009: 90%) of total distributable income as the distributable amount, plus an additional amount of HK\$13,939,000 out of the amount received according to the rental stabilisation arrangement (1.1.2009 to 30.6.2009: nil) at the discretion of Manager.
- (ii) The interim distribution per unit of HK\$0.1079 for the six months ended 30 June 2010 is calculated based on the interim distribution to be paid of HK\$530,362,000 for the period and 4,915,098,931 units in issue as at 30 June 2010. Such interim distribution will be subject to further adjustments upon the issuance of units on or before 9 September 2010, which is the record date set for such period. The interim distribution will be paid to unitholders on or around 4 October 2010.

The interim distribution per unit of HK\$0.1304 for the six months ended 30 June 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 interim distribution was paid to unitholders on 13 October 2009.

## 12. BASIC AND DILUTED EARNINGS PER UNIT

	<u>2010</u> HK\$'000 (unaudited)	<u>2009</u> HK\$'000 (unaudited)
<b>Earnings</b>		
Profit for the period, before distribution to unitholders for the purpose of basic earnings per unit	<b>858,394</b>	2,691,464
Effect of dilutive potential units:		
Interest in convertible bonds	-	167,112
Change in fair value of derivative components of convertible bonds	-	244,641
Gain on repurchase of own convertible bonds	-	(2,062)
Profit for the period, before distribution to unitholders for the purpose of diluted earnings per unit	<b>858,394</b>	3,101,155
	<u><b>2010</b></u> (unaudited)	<u><b>2009</b></u> (unaudited)
<b>Number of units</b>		
Weighted average number of units for the purpose of basic earnings per unit	<b>4,854,091,893</b>	4,487,731,193
Effect of dilutive potential units:		
Units to be issued in respect of Manager's fee	<b>4,051,186</b>	10,268,689
Convertible bonds	-	1,372,172,459
Weighted average number of units for the purpose of diluted earnings per unit	<b>4,858,143,079</b>	5,870,172,341
<b>Basic earnings per unit</b>	<b>HK\$0.18</b>	HK\$0.60
<b>Diluted earnings per unit</b>	<b>HK\$0.18</b>	HK\$0.53

For the six months ended 30 June 2010, the computation of diluted earnings per unit did not assume the units to be issued in respect of the conversion of outstanding convertible bonds since such conversion would result in an increase in earnings per unit.

### 13. TRADE AND OTHER RECEIVABLES

	At <b>30 June</b> <u><b>2010</b></u> <b>HK\$'000</b> <b>(unaudited)</b>	At 31 December <u>2009</u> HK\$'000 (audited)
Trade receivables	<b>4,367</b>	11,744
Deferred rent receivables	<b>39,701</b>	37,269
Deposits, prepayments and other receivables	<b>51,129</b>	54,094
	<u><b>95,197</b></u>	<u>103,107</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.

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

	At <b>30 June</b> <u><b>2010</b></u> <b>HK\$'000</b> <b>(unaudited)</b>	At 31 December <u>2009</u> HK\$'000 (audited)
0 - 3 months	<u><b>4,367</b></u>	<u>11,744</u>

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$4,367,000 (31.12.2009: HK\$11,744,000) which are past due within three 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.



#### 14. TRADE AND OTHER PAYABLES

	At <b>30 June</b> <b>2010</b> <b>HK\$'000</b> <b>(unaudited)</b>	At 31 December <b>2009</b> <b>HK\$'000</b> <b>(audited)</b>
Trade payables	52,186	37,904
Rental received in advance	5,805	29,887
Other payables	131,194	132,084
Accrued stamp duty	963,475	850,125
	<u>1,152,660</u>	<u>1,050,000</u>

The accrual of stamp duty is based on the current stamp duty rate of 4.25% (31.12.2009: 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 interests in Citibank Plaza upon listing. The increase in accrued stamp duty on such legal assignment, representing additional transaction cost directly attributable to the purchase of these investment properties, was added to the carrying amount of investment properties during the period.

Aging analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	At <b>30 June</b> <b>2010</b> <b>HK\$'000</b> <b>(unaudited)</b>	At 31 December <b>2009</b> <b>HK\$'000</b> <b>(audited)</b>
0 - 3 months	<u>52,186</u>	<u>37,904</u>

#### 15. NUMBER OF UNITS IN ISSUE

	<b><u>Number of units</u></b>	<b><u>HK\$'000</u></b> <b>(unaudited)</b>
At 1 January 2010	4,823,534,789	20,651,833
Units issued for settlement of Manager's fee	27,830,682	99,912
Units issued under distribution reinvestment scheme	63,733,460	222,328
<b>At 30 June 2010</b>	<u>4,915,098,931</u>	<u>20,974,073</u>

On 9 March 2010, 27,830,682 units at HK\$3.59 per unit were issued to the Manager as settlement of manager's fee for the period from 1 July 2009 to 31 December 2009.

On 25 May 2010, 63,733,460 units at HK\$3.4884 per unit were issued under distribution reinvestment scheme.

**16. NET ASSET VALUE PER UNIT**

The net asset value per unit is calculated by dividing the net asset attributable to unitholders as at 30 June 2010 of HK\$28,130,633,000 (31.12.2009: HK\$27,359,302,000) by the number of units in issue of 4,915,098,931 (31.12.2009: 4,823,534,789 units) as at 30 June 2010.

**17. NET CURRENT LIABILITIES**

At 30 June 2010, the Group's net current liabilities, defined as current liabilities less current assets, amounted to HK\$7,816,797,000 (31.12.2009: HK\$127,731,000).

**18. TOTAL ASSETS LESS CURRENT LIABILITIES**

At 30 June 2010, the Group's total assets less current liabilities amounted to HK\$37,516,038,000 (31.12.2009: HK\$44,210,749,000).

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