

**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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1 December 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"). Unless otherwise defined, all capitalized terms used in this notice shall have the same meanings as defined in the Trust Deed.

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 the Register of Unitholders of Champion REIT will be closed on Wednesday, 15 December 2010, on which date no transfers of Units will be effected, for the purpose of identifying those Unitholders who will be qualified to attend and vote at an extraordinary general meeting of Unitholders convened by a notice as set out in the attached circular despatched to the Unitholders on 30 November 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

Lo Ka Shui  
Chairman

Lo Ka Shui  
Director

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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

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**Champion Real Estate Investment Trust**

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(Stock Code: 2778)**

**Managed by**

**Eagle Asset Management**

**Eagle Asset Management (CP) Limited**

**CIRCULAR TO UNITHOLDERS IN RELATION TO**

**(1) EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION**

**WAIVER AND PROPOSED NEW ANNUAL LIMITS FOR**

**CERTAIN CONNECTED PARTY TRANSACTIONS**

**AND**

**(2) NOTICE OF EGM AND UNITHOLDER REGISTER CLOSURE**

**Independent Financial Adviser to the Independent Board Committee of  
the REIT Manager, the independent Unitholders and the Trustee**

**TANRICH**

**Tanrich Capital Limited**

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A letter from the Board is set out on pages 5 to 12 of this Circular.

A notice convening the EGM to be held at 3:00 p.m. on Wednesday, 15 December 2010 at the Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong is set out on pages N-1 to N-2 of this Circular. Whether or not you are able to attend and vote at the EGM in person, please complete and return the accompanying form of proxy to the registered office of the REIT Manager at Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

30 November 2010



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## CORPORATE INFORMATION

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<b>Champion REIT</b>	Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time
<b>REIT Manager</b>	Eagle Asset Management (CP) Limited Suite 3008, 30th Floor Great Eagle Centre 23 Harbour Road Wanchai Hong Kong
<b>Directors of the REIT Manager</b>	
<i>Non-executive Directors:</i>	Dr. Lo Ka Shui ( <i>Chairman</i> ) Mr. Cheng Wai Chee, Christopher Mr. Ho Shut Kan Mr. Lo Kai Shui
<i>Executive Director:</i>	Mr. Lee Ching Ming, Adrian ( <i>Chief Executive Officer</i> )
<i>Independent Non-executive Directors:</i>	Mr. Cha Mou Sing, Payson Mr. David Gordon Eldon Mr. Shek Lai Him, Abraham
<b>Trustee</b>	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
<b>Unit Registrar</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
<b>Legal Advisers to the REIT Manager</b>	Baker & McKenzie 23rd Floor, One Pacific Place 88 Queensway Hong Kong
<b>Independent Financial Adviser to the Independent Board Committee, the independent Unitholders and the Trustee</b>	Tanrich Capital Limited 16/F Central Plaza 18 Harbour Road Wanchai Hong Kong

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

<b>2008 Circular</b>	the circular dated 16 February 2008 issued by Champion REIT to the Unitholders
<b>2008 CPT Waiver</b>	the waiver from strict compliance with the requirements of Chapter 8 of the REIT Code granted by the SFC on 28 February 2008 in respect of certain connected party transactions of Champion REIT
<b>Board</b>	the board of Directors
<b>Champion REIT</b>	Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time
<b>Connected Party Transactions</b>	the continuing connected party transactions referred to in this Circular
<b>connected person</b>	has the meaning ascribed to this term in the REIT Code
<b>Directors</b>	the directors of the REIT Manager
<b>EGM</b>	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
<b>EGM Notice</b>	the notice included in this Circular in respect of the extraordinary general meeting of Unitholders to consider and, if thought fit, approve the Waiver Extension and the New Annual Caps
<b>GE Entities</b>	each of the subsidiaries (as defined under the SFO) of Great Eagle
<b>GE/SFK Connected Persons</b>	collectively, the Great Eagle Connected Persons Group and the SFK Connected Persons Group
<b>Great Eagle</b>	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 41)
<b>Great Eagle Connected Persons Group</b>	any person who is a connected person of Champion REIT as a result of its relationship with Top Domain and/or the REIT Manager

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## DEFINITIONS

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<b>Hong Kong</b>	The Hong Kong Special Administrative Region of the People's Republic of China
<b>Independent Financial Adviser</b>	Tanrich Capital Limited, a licensed corporation under the SFO to carry out types 1 and 6 regulated activities
<b>Latest Practicable Date</b>	24 November 2010 being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in this Circular
<b>New Annual Caps</b>	the proposed new annual limits for the Connected Party Transactions for the years ending 31 December 2011, 31 December 2012 and 31 December 2013 respectively, as set out in the section headed "Proposed New Annual Monetary Limits for the Connected Party Transactions" of this Circular
<b>Ordinary Resolution</b>	a resolution of Unitholders passed by a simple majority of the votes of those present, whether in person or by proxy, and entitled to vote, where the votes shall be taken by way of poll, but with a quorum of two or more Unitholders holding at least 10% of Units in issue
<b>PMA Transactions</b>	the property management transactions as more fully described in the 2008 Circular
<b>Property Management Agreement</b>	the property management agreement as more fully described in the 2008 Circular
<b>Record Date</b>	15 December 2010
<b>REIT Code</b>	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
<b>REIT Manager</b>	Eagle Asset Management (CP) Limited, as manager of Champion REIT
<b>SEHK</b>	The Stock Exchange of Hong Kong Limited
<b>SFC</b>	The Securities and Futures Commission of Hong Kong
<b>SFK</b>	SFK Construction Holdings Limited, a company incorporated in Bermuda with limited liability
<b>SFK Entities</b>	each of the subsidiaries (as defined under the SFO) of SFK

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## DEFINITIONS

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<b>SFK Connected Persons Group</b>	the related trust and companies of SFK, or any person who is a connected person of Champion REIT as a result of its relationship with SFK
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
<b>Top Domain</b>	Top Domain International Limited, a company incorporated in the British Virgin Islands and indirectly wholly-owned by Great Eagle
<b>Trust Deed</b>	the deed of trust constituting Champion REIT dated 26 April 2006 entered into between the Trustee and the REIT Manager, as amended by a first supplemental deed dated 5 December 2006, a second supplemental deed dated 4 February 2008, a third supplemental deed dated 9 March 2009, and a fourth supplemental deed dated 23 July 2010 as the same may be supplemented or amended from time to time
<b>Trustee</b>	HSBC Institutional Trust Services (Asia) Limited, as trustee of Champion REIT
<b>Unit</b>	one undivided unit in Champion REIT
<b>Unit Registrar</b>	Computershare Hong Kong Investor Services Limited
<b>Unitholder</b>	any person registered as holding a Unit
<b>Waiver Extension</b>	the proposed extension of the period of the 2008 CPT Waiver (which will expire on 31 December 2010) and the setting of the New Annual Caps for Connected Party Transactions as described in this Circular
<b>%</b>	per centum or percentage

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Hong Kong time unless otherwise stated.



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LETTER FROM THE BOARD

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**Champion Real Estate Investment Trust**

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(Stock Code: 2778)**

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

*Directors of the REIT Manager:*

*Non-executive Directors:*

Dr. Lo Ka Shui (*Chairman*)  
Mr. Cheng Wai Chee, Christopher  
Mr. Ho Shut Kan  
Mr. Lo Kai Shui

*Executive Director:*

Mr. Lee Ching Ming, Adrian (*Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Cha Mou Sing, Payson  
Mr. David Gordon Eldon  
Mr. Shek Lai Him, Abraham

*Registered Office of  
the REIT Manager:*

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

30 November 2010

*To: Unitholders of Champion REIT*

Dear Sir/Madam,

**CIRCULAR TO UNITHOLDERS IN RELATION TO  
(1) EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION  
WAIVER AND PROPOSED NEW ANNUAL LIMITS FOR CERTAIN  
CONNECTED PARTY TRANSACTIONS  
AND  
(2) NOTICE OF EGM AND UNITHOLDER REGISTER CLOSURE**

Reference is made to the announcement dated 30 November 2010 by the REIT Manager in relation to the proposed extension of the 2008 CPT Waiver in respect of the Connected Party Transactions and the proposed New Annual Caps. The purposes of this Circular are to (a) provide you with information on the proposed Waiver Extension and the

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## LETTER FROM THE BOARD

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New Annual Caps; (b) provide you with further information as is necessary to enable you to make an informed decision on whether to vote for or against the Ordinary Resolution to be proposed at the EGM relating to the Waiver Extension and the New Annual Caps; (c) set out the recommendation of the Independent Board Committee relating to the Waiver Extension and the New Annual Caps; (d) set out the recommendation of the Independent Financial Adviser to the Independent Board Committee, the independent Unitholders and the Trustee relating to the Waiver Extension and the New Annual Caps; and (e) serve notice of the EGM.

### **1. THE WAIVER EXTENSION**

#### **(i) Background to the 2008 CPT Waiver**

As disclosed in the 2008 Circular, the REIT Manager had obtained the 2008 CPT Waiver from strict compliance with the disclosure requirements and the requirements for approval of Unitholders, under Chapter 8 of the REIT Code, in respect of certain categories of connected party transactions between Champion REIT and (i) Great Eagle Connected Persons Group and/or (ii) the SFK Connected Persons Group.

Details of the Connected Party Transactions and the 2008 CPT Waiver are set out in the section headed “2008 Continuing Connected Transactions” in the 2008 Circular.

#### **(ii) Expiration of 2008 CPT Waiver**

The 2008 CPT Waiver will expire on 31 December 2010. In accordance with the terms of the 2008 CPT Waiver, the 2008 CPT Waiver may be extended beyond 31 December 2010, and/or the conditions of the 2008 CPT Waiver may be modified from time to time, provided that:

- (a) the approval of independent Unitholders (see the voting restrictions set out in paragraph 4 below) is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the REIT Manager of such proposal, and a circular and notice is issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver is, on each occasion of such extension, for a period which will expire not later than the third full financial year-end date of Champion REIT after the date on which the approval in (a) above is obtained.

#### **(iii) Extension of the 2008 CPT Waiver**

The REIT Manager has made a submission to the SFC to seek an extension of the 2008 CPT Waiver for three financial years ending 31 December 2013. The REIT Manager confirms that, save for the proposed revisions to the annual caps, the waiver conditions of the 2008 CPT Waiver will continue to apply to Champion REIT for the three financial years ending 31 December 2013 subject to the approval by the SFC.

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## LETTER FROM THE BOARD

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### 2. PROPOSED NEW ANNUAL MONETARY LIMITS FOR THE CONNECTED PARTY TRANSACTIONS

#### (i) New Annual Caps

##### *Revenue transactions*

The types of transactions that fall in the category of revenue transactions is described in the section headed “2008 Continuing Connected Party Transactions – Revenue Transactions” in the 2008 Circular. The REIT Manager confirms that the types of revenue transactions in respect of which the Waiver Extension is sought are the same as those described in the 2008 Circular.

It is proposed that the New Annual Caps for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 for the revenue transactions shall not exceed the respective annual limits set out in the following table:

	<b>For the year ending 31 December 2011 <i>(Rounded to nearest HK\$'000)</i></b>	<b>For the year ending 31 December 2012 <i>(Rounded to nearest HK\$'000)</i></b>	<b>For the year ending 31 December 2013 <i>(Rounded to nearest HK\$'000)</i></b>
Rental income	49,619	64,505	83,856
Building management fee	<u>8,436</u>	<u>9,280</u>	<u>10,208</u>
<b>TOTAL</b>	<b><u>58,055</u></b>	<b><u>73,785</u></b>	<b><u>94,064</u></b>

The above caps have been determined with general reference to the latest available data as at 30 September 2010, and are based on the anticipated aggregate value of such transactions during the relevant financial years, with an appropriate provision for contingencies such as changes in rental or other market conditions.

The proposed cap for the year ending 31 December 2011 has been determined by applying an increment (30% increment in relation to the rental income component and 10% increment in relation to the building management fee component) to the full year 2010 figures (i.e., annualised from the amount of actual revenue received for the relevant Connected Party Transactions for the nine months ended 30 September 2010), with an appropriate provision (25% provision in relation to the rental income component and 20% provision in relation to the building management fee component) for contingencies.

The proposed caps for each of the years ending 31 December 2012 and 31 December 2013 have been determined by applying an increment (30% in relation to the rental income component and 10% in relation to the building management fee component) to the figure for the immediately preceding calendar year, with some minor rounding up of figures.

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## LETTER FROM THE BOARD

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The REIT Manager believes that the use of an assumed annual growth rate of 30% for determining the proposed caps for rental income is based principally on the following factors: (a) general inflation; (b) additional leases that may be entered into during the period of the Waiver Extension; and (c) the high volatility of rentals of properties in Hong Kong. As for the building management fees, since no material growth of building management fee income is expected, the use of an estimated 10% growth rate is based mainly on the general inflation factor.

### *Expenditure transactions*

The types of transactions that fall in the category of expenditure transactions is described in the section headed “2008 Continuing Connected Party Transactions – Expenditure Transactions” in the 2008 Circular. The REIT Manager confirms that the types of expenditure transactions in respect of which the Waiver Extension is sought are the same as those described in the 2008 Circular, except that the insurance agency arrangement referred to in the section “2008 Continuing Connected Party Transactions” in the 2008 Circular will not continue as from 1 January 2011. Accordingly, no annual caps are proposed in respect of the insurance agency arrangement.

It is proposed that the New Annual Caps for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 for the estate management transactions shall not exceed the respective annual limits set out in the following table:

	<b>For the year ending 31 December 2011</b>	<b>For the year ending 31 December 2012</b>	<b>For the year ending 31 December 2013</b>
	<i>(Rounded to nearest HK\$'000)</i>	<i>(Rounded to nearest HK\$'000)</i>	<i>(Rounded to nearest HK\$'000)</i>
Estate management transactions	77,694	85,463	94,010

The above caps have been determined with general reference to the latest available data for the nine-month period ended 30 September 2010 and based on the anticipated aggregate value of such transactions during the relevant financial years, with an appropriate provision for contingencies such as changes in market conditions and possible occasional increase in expenses.

The proposed cap for the year ending 31 December 2011 has been determined by applying an increment of 10% to the full year 2010 figures (i.e., annualised from the figures for the nine-month period to 30 September 2010), with an appropriate buffer for contingencies. The REIT Manager believes that a buffer of 20% provides ample contingency to accommodate changes in market conditions and possible occasional increase in expenses.

The REIT Manager believes that the use of an incremental increase factor of 10% is based on expected inflationary increases in building management and tenancy works expenses.

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## LETTER FROM THE BOARD

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The incremental increase has also been applied in respect of the proposed caps for each of the years ending 31 December 2012 and 31 December 2013 to the figure for the immediately preceding calendar year, with some minor rounding up of figures.

### *PMA Transactions*

The REIT Manager confirms that there has been no variation to the terms and conditions governing the PMA Transactions, whether during the term of the Property Management Agreement or upon any renewal thereof. On this basis and pursuant to the 2008 CPT Waiver, the fees payable under the Property Management Agreement will not be subject to the annual limits referred to therein, and the renewal of the Property Management Agreement will be exempt from all reporting, disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code. Accordingly, the value of the fees payable under the Property Management Agreement has not been taken into account in calculating the proposed annual caps above.

### **3. DISCLOSURE AND INDEPENDENT UNITHOLDERS' APPROVAL REQUIREMENTS**

Pursuant to the 2008 CPT Waiver, the REIT Manager is required to issue an announcement and to issue a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code to seek independent Unitholders' approval to extend the 2008 CPT Waiver beyond 31 December 2010 and to increase one or more of the annual limits set out in the 2008 CPT Waiver. Accordingly, the REIT Manager intends to seek the independent Unitholders' approval for the Waiver Extension and the New Annual Caps at the EGM.

### **4. RESTRICTIONS ON VOTING**

Paragraph 8.11 of the REIT Code provides that where a Unitholder has a material interest in a connected party transaction tabled for approval at a general meeting, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting.

Further, under Paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the transaction tabled for approval at a general meeting of Champion REIT, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units at, or being counted in the quorum for, the general meeting.

Pursuant to the REIT Code and the Trust Deed, by virtue of Great Eagle's material interest or deemed material interest in the Waiver Extension, the GE/SFK Connected Persons shall abstain from voting on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps. Great Eagle has agreed that it will abstain, and will procure each of the GE Entities to abstain, from voting at the EGM on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

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## LETTER FROM THE BOARD

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So far as the REIT Manager is aware, as at the Latest Practicable Date: (a) Great Eagle was interested or deemed to be interested in 3,170,160,946 Units, of which 2,536,014,605 Units carried voting rights representing approximately 51.43% of the Units in issue (the remaining 634,146,341 Units are underlying Units in relation to certain convertible bonds due 2013 that Great Eagle is deemed to be interested in); and (b) SFK, a connected person of Champion REIT pursuant to the REIT Code, was not interested or deemed to be interested in any Units.

As at the Latest Practicable Date, to the best of the REIT Manager's knowledge, information and belief, after having made reasonable enquiries, the REIT Manager takes the view that, save as disclosed above, no other Unitholder is required to abstain from voting at the EGM in respect of the Waiver Extension and the New Annual Caps.

### **5. OPINION OF THE BOARD**

The Board (including all the independent non-executive Directors) confirms that:

1. in its opinion, the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of Champion REIT and the independent Unitholders as a whole;
2. in its opinion, each of the Connected Party Transactions subsisting as at the date of this Circular has been entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole; and
3. in its opinion, each of the Connected Party Transactions to be entered into after the date of this Circular will have been entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole.

### **6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Financial Adviser confirms that it is of the view that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of Champion REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole. Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Independent Financial Adviser" in this Circular.

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## LETTER FROM THE BOARD

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### 7. RECOMMENDATIONS

The Independent Board Committee has been established by the Board to advise the independent Unitholders on the Waiver Extension and the New Annual Caps. Tanrich Capital Limited has been appointed as Independent Financial Adviser to provide its opinion to the Independent Board Committee, the independent Unitholders and the Trustee on whether: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of Champion REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole.

Your attention is drawn to the "Letter from the Independent Board Committee" set out in this Circular, which contains the Independent Board Committee's recommendation to the independent Unitholders, and the "Letter from the Independent Financial Adviser" set out in this Circular, which contains among other things: (1) the Independent Financial Adviser's advice to the Independent Board Committee, the independent Unitholders and the Trustee; and (2) the principal factors taken into consideration by the Independent Financial Adviser, and assumptions and qualifications adopted by the Independent Financial Adviser in arriving at such opinion.

Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to, the Waiver Extension and the New Annual Caps, as described in this Circular, the Directors (including the independent non-executive Directors) and the Independent Board Committee consider that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of Champion REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole. The Independent Board Committee recommends that the independent Unitholders vote at the EGM in favour of the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

Based and in sole reliance on: (1) the information and assurances provided by the REIT Manager; (2) the opinion of the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the Waiver Extension and the New Annual Caps are fair and reasonable so far as the independent Unitholders are concerned and in the interests of Champion REIT and the independent Unitholders as a whole. This view is being furnished for the sole purpose of complying with Clause 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Waiver Extension and the New Annual Caps.

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## LETTER FROM THE BOARD

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The Trustee has not made any assessment of the merits or impact of the Waiver Extension and the New Annual Caps, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, Unitholders who are in any doubt as to the merits or impact of the Waiver Extension and the New Annual Caps should seek their own financial or other professional advice.

### 8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 3:00 p.m. on Wednesday, 15 December 2010 at the Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution set out in the EGM Notice, which is set out on pages N-1 to N-2 of this Circular.

The Register of Unitholders will be closed on Wednesday, 15 December 2010, in order to determine which Unitholders will qualify to attend and vote at the EGM, on such day no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of Champion REIT, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 14 December 2010.

You can vote at the EGM if you are a Unitholder on Wednesday, 15 December 2010 which is referred to in this Circular as the Record Date. You will find enclosed with this Circular the EGM Notice (see pages N-1 to N-2 of this Circular) and a form of proxy for use for the EGM.

Your vote is very important. Accordingly, please complete, sign and date the enclosed form of proxy, whether or not you plan to attend the EGM in person, in accordance with the instructions printed on the form of proxy, and return it to the registered office of the REIT Manager at Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The form of proxy should be completed and returned as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

### 9. MISCELLANEOUS

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

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



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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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**Champion Real Estate Investment Trust**

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(Stock Code: 2778)**

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

30 November 2010

*To: The independent Unitholders*

Dear Sirs/Madam,

**EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION  
WAIVER AND PROPOSED NEW ANNUAL LIMITS FOR CERTAIN  
CONNECTED PARTY TRANSACTIONS**

We have been appointed as members of the Independent Board Committee to advise you in connection with the Waiver Extension and the New Annual Caps, details of which are set out in the “Letter from the Board” in the circular dated 30 November 2010 (the “**Circular**”) from the REIT Manager to the Unitholders, of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Tanrich Capital Limited has been appointed by the REIT Manager to advise us, the independent Unitholders and the Trustee as to whether: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of Champion REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm’s length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole. Details of their opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the “Letter from the Independent Financial Adviser” the text of which is contained in the Circular.

Having taken into account the opinion of Tanrich Capital Limited and the principal factors and reasons considered by them, we consider that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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regarding to the interests of Champion REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole.

Accordingly, we recommend that the independent Unitholders vote in favour of the Ordinary Resolution which will be proposed at the EGM to approve the Waiver Extension and the New Annual Caps.

Yours faithfully,  
for and on behalf of  
the Independent Board Committee of  
**Eagle Asset Management (CP) Limited**

**Cha Mou Sing, Payson**  
*Independent Non-executive  
Director*

**David Gordon Eldon**  
*Independent Non-executive  
Director*

**Shek Lai Him, Abraham**  
*Independent Non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Tanrich Capital Limited, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee, independent Unitholders and the Trustee in connection with the Waiver Extension and the New Annual Caps.*

# TANRICH

Tanrich Capital Limited  
16/F Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

30 November 2010

*To: The Independent Board Committee, Independent Unitholders and the Trustee*

Dear Sirs,

### **EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION WAIVER AND PROPOSED NEW ANNUAL LIMITS FOR CERTAIN CONNECTED PARTY TRANSACTIONS**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee, independent Unitholders and the Trustee on the Waiver Extension and New Annual Caps, details of which are set out in the “Letter from the Board” contained in the circular to Unitholders dated 30 November 2010 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the 2008 Circular, the REIT Manager had obtained the 2008 CPT Waiver from strict compliance with the disclosure requirements and the requirements for approval of Unitholders, under Chapter 8 of the REIT Code, in respect of certain categories of connected party transactions between Champion REIT and (i) Great Eagle Connected Persons Group and/or (ii) the SFK Connected Persons Group.

The 2008 CPT Waiver will expire on 31 December 2010. In accordance with the terms of the 2008 CPT Waiver, the 2008 CPT Waiver may be extended beyond 31 December 2010, and/or the conditions of the 2008 CPT Waiver may be modified from time to time, provided that:

- (a) the approval of independent Unitholders is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the REIT Manager of such proposal, and a circular and notice is issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver is, on each occasion of such extension, for a period which will expire not later than the third full financial year-end date of Champion REIT after the date on which the approval in (a) above is obtained.

As the REIT Manager expects that the Connected Party Transactions will continue after the 2008 CPT Waiver period, the REIT Manager intends to seek the independent Unitholders' approval for the Waiver Extension and the New Annual Caps at the EGM. Pursuant to the REIT Code and the Trust Deed, by virtue of Great Eagle's material interest or deemed material interest in the Waiver Extension, the GE/SFK Connected Persons shall abstain from voting on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps. Great Eagle has agreed that it will abstain, and will procure each of the GE Entities to abstain, from voting at the EGM on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

The REIT Manager has made a submission to the SFC to seek an extension of the 2008 CPT Waiver for three financial years ending 31 December 2013 (the "**New Waiver Period**"). The REIT Manager confirms that, save for the proposed revisions to the annual caps, the waiver conditions of the 2008 CPT Waiver will continue to apply to Champion REIT, subject to the approval by the SFC, for the three financial years ending 31 December 2013.

We are independent from, and are not associated with (i) Champion REIT; (ii) the Trustee; (iii) the REIT Manager; (iv) Great Eagle, the significant Unitholder, and its subsidiaries (including GE Entities); and (v) the GE/SFK Connected Persons. Apart from normal professional fees payable to us in connection with this appointment and other similar engagements, no arrangement exists whereby we will receive any fees or benefits from the aforementioned parties.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cha Mou Sing, Payson, Mr. David Gordon Eldon and Mr. Shek Lai Him, Abraham, has been established by the Board to advise the independent Unitholders on the Waiver Extension and the New Annual Caps. We have been appointed to advise the Independent Board Committee, independent Unitholders and the Trustee in the same regard.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendations, we have relied on the statements, information, opinions, facts and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the REIT Manager. We have assumed that all information and representations that have been provided by the Directors and REIT Manager, for which they are solely and wholly responsible, are true and accurate in all material respects as at the date of the Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the REIT Manager in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Directors, its advisers and/or the REIT Manager, which have been provided to us.

The Directors and the REIT Manager have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee, the independent Unitholders and the Trustee in relation to the Waiver Extension and the New Annual Caps, we have taken the following principal factors and reasons into consideration:

#### **Terms of the Connected Party Transactions**

##### *Revenue Transactions*

The types of transactions that fall in the category of revenue transactions are described in the section headed “2008 Continuing Connected Party Transactions – Revenue Transactions” in the 2008 Circular. The REIT Manager has confirmed that the types of revenue transactions in respect of which the Waiver Extension is sought are the same as those described in the 2008 Circular.

The REIT Manager has furnished us with a comparison of the terms of: (i) all existing tenancy agreements and licensing agreements entered into with GE/SFK Connected Persons; and (ii) certain randomly selected existing tenancy agreements and licensing agreements entered into in 2008 to 2010 with third parties independent of Champion REIT and its connected persons (the “**Independent Third Parties**”).

The REIT Manager has also provided us with the independent valuation reports (prepared by the principal valuers) with regards to the existing tenancy agreements and licensing agreements entered into in 2008 to 2010 with the GE/SFK Connected Persons, as an independent valuation report has been conducted for each connected transaction except where they are conducted on standard or published rates. According to the REIT Manager, all renewals or future tenancy agreements or licensing agreement entered into with the GE/SFK Connected Persons will continue to be managed in the same way.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Expenditure Transactions*

The types of transactions that fall in the category of expenditure transactions are described in the section headed “2008 Continuing Connected Party Transactions – Expenditure Transactions” in the 2008 Circular. The REIT Manager has confirmed that the types of expenditure transactions in respect of which the Waiver Extension is sought are the same as those described in the 2008 Circular, except that the insurance agency arrangement referred to in the section “2008 Continuing Connected Party Transactions” in the 2008 Circular will not continue as from 1 January 2011.

To avoid any doubt and for consistence with the 2008 CPT Waiver, all payments to be made by Champion REIT to the Langham Place Mall Estate Manager and the CAF Estate Manager (both of which are GE/SFK Connected Persons) during the New Waiver Period to reimburse them for their costs and out of pocket expenses properly incurred in the course of performing the management functions under the Langham Place Mall Estate Management Agreement and CAF Management Agreement will be subject to the New Annual Caps for estate management transactions.

The REIT Manager has furnished us with randomly selected copies of: (i) the existing estate management services contracts entered into with the GE/SFK Connected Persons; and (ii) the existing estate management services contracts entered into in 2008 to 2010 with Independent Third Parties. Each services contract is very unique as it depends on the nature and the scope of services provided and no irregularities of the terms and conditions have been found from our review. We consider that there is no meaningful way to make direct comparison between the terms and fees charged by GE/SFK Connected Persons and Independent Third Parties.

### *Analysis*

We share the view of the REIT Manager that the Connected Party Transactions subsisting as at the date of this Circular have been entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm’s length and are fair and reasonable and in the interests of Champion REIT and independent Unitholders as a whole. After taking into account that:

- (i) the key terms of the existing tenancy agreements and licence agreements entered into with GE/SFK Connected and entered into with Independent Third Parties, such as rentals and building management fees, are generally similar and are comparable to each other;
- (ii) an independent valuation report is required for all the tenancy agreements and licensing agreements entered into with GE/SFK Connected Persons, except where they are conducted on standard or published rates, and that the independent valuation reports confirm that the rentals of the subject lettings were at or above market levels as of their respective tenancy agreement dates and other commercial terms in the tenancies such as tenure, rental deposits and break clauses are in normal terms; and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iii) the reimbursement payments made pursuant to the Langham Place Mall Management Agreement and CAF Management Agreement are comprised of actual costs and out-of-pocket expenses properly and actually incurred in the course of performing the management functions under the respective agreements,

we consider that the terms of the Connected Party Transactions are on normal commercial terms at arm's length, and are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole.

### New Annual Caps

#### *Revenue transactions*

It is proposed that the New Annual Caps for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 for the revenue transactions shall not exceed the respective annual limits set out in the following table:

Categories of connected party transactions	Annualised figures for the year ending 31 December 2010 <i>(Rounded to the nearest HK\$'000)</i>	Proposed Annual Limits		
		For the year ending 31 December 2011 <i>(Rounded to the nearest HK\$'000)</i>	For the year ending 31 December 2012 <i>(Rounded to the nearest HK\$'000)</i>	For the year ending 31 December 2013 <i>(Rounded to the nearest HK\$'000)</i>
<b>Revenue Transactions</b>				
Rental income	30,535	49,619	64,505	83,856
Building management fee	6,391	8,436	9,280	10,208
Total	36,926	58,055	73,785	94,064

Based on our discussion with the REIT Manager, we understand that the proposed cap for the year ending 31 December 2011 has been determined by applying an increment (30% increment in relation to the rental income component and 10% increment in relation to the building management fee component) to the full year 2010 figures (i.e., annualised from the amount of actual revenue received for the relevant Connected Party Transactions for the nine months ended 30 September 2010), with an appropriate provision (25% provision in relation to the rental income component and 20% provision in relation to the building management fee component) for contingencies. We also understand that the proposed caps for each of the years ending 31 December 2012 and 31 December 2013 have been determined by applying an increment (30% in relation to the rental income component and 10% in relation to the building management fee component) to the figure for the immediately preceding calendar year, with some minor rounding up of figures.

Regarding the use of recent (nine month) data to determine the proposed caps, we understand that the property market of Hong Kong is a very buoyant and fast-changing market. As we observed in statistics from some market reports, third quarter overall Grade A office market rental growth increased by approximately 10.5% over the second

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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quarter. Based on such observations, we concur with the REIT Manager's view that the historical data of rental income for a long time span becomes relatively irrelevant whereas the use of the recent growth pattern of rental income or expenditures trend for the nine months ended 30 September 2010 is more appropriate.

According to the REIT Manager, the use of an assumed annual growth rate of 30% for determining the proposed caps for rental income is based principally on the following factors: (a) general inflation; (b) additional leases that may be entered into during the period of the Waiver Extension; and (c) the high volatility of rentals of properties in Hong Kong. We consider that the assumed annual rental growth rate is justifiable having taken into account:

- (a) additional leases may be entered into with the GE/SFK Connected Persons during the New Waiver Period which will result in further income growth of Champion REIT; and
- (b) our observations and professional property market reports which suggest that rents can be expected to remain on the uptrend in 2011.

According to the REIT Manager, since no material growth of building management fee income is expected, the use of an estimated 10% growth rate for the building management fees is based mainly on the general inflation factor. We concur with their view and consider an annual growth rate of 10% is justifiable.

Further, in view of the high volatile nature of the Hong Kong property market, we consider that the 25% provision in relation to the rental income component and 20% provision in relation to the building management fee component, are reasonable to accommodate any unforeseen fluctuations in market conditions and rental prices.

### *Expenditure transactions*

It is proposed that the New Annual Caps for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 for the estate management transactions shall not exceed the respective annual limits set out in the following table:

Categories of connected party transactions	Annualised figures for the year ending 31 December 2010 <i>(Rounded to the nearest HK\$'000)</i>	<u>Proposed Annual Limits</u>		
		For the year ending 31 December 2011 <i>(Rounded to the nearest HK\$'000)</i>	For the year ending 31 December 2012 <i>(Rounded to the nearest HK\$'000)</i>	For the year ending 31 December 2013 <i>(Rounded to the nearest HK\$'000)</i>
<b>Expenditure Transactions</b>				
Estate Management Transactions	<u>58,859</u>	<u>77,694</u>	<u>85,463</u>	<u>94,010</u>



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The above caps have been determined with general reference to the latest available data for the nine-month period ended 30 September 2010 and based on the anticipated aggregate value of such transactions during the relevant financial years, with an appropriate provision for contingencies such as changes in market conditions and possible occasional increase in expenses.

The proposed cap for the year ending 31 December 2011 has been determined by applying an increment of 10% to the full year 2010 figures (i.e. annualised from the figures for the nine-month period to 30 September 2010), with a 20% buffer for contingencies. The incremental increase has also been applied in respect of the proposed caps for each of the years ending 31 December 2012 and 31 December 2013 to the figure for the immediately preceding calendar year, with some minor rounding up of figures.

As discussed with the REIT Manager, the expenses payable by Champion REIT to the GE/SFK Connected Persons pursuant to the expenditure transactions mainly refer to renovation works, repair, cleaning and maintenance works which are carried out from time to time. We are advised by the REIT Manager that (i) there is no seasonal pattern on such estate management services expenditures since most of the repair and renovation works will be required as and when needed on demand without a planned schedule; and (ii) the expenses payable to the Langham Place Mall Estate Manager and the CAF Estate Manager mainly comprise of the utilities expenses, salaries of guards and cleaning workers (after taken into consideration the minimum wage law which will take effect on 1 May 2011) and administration staffs and other routine maintenance works, fluctuations of which are generally driven by inflation. As such, the annual growth rate assumed in calculating the respective annual caps will mainly cover general inflation and allow any possible occasional increase in expenses. On this basis, we consider that the assumed growth rate of 10% is reasonable.

The REIT Manager has applied a buffer rate of 20% in respect of the proposed expenditure transaction annual caps, which we consider to be reasonable to accommodate changes in market conditions and possible occasional increase in expenses.

### *Property Management Transactions*

The REIT Manager confirms that there has been no variation to the terms and conditions governing the PMA Transactions, whether during the term of the Property Management Agreement or upon any renewal thereof. On this basis and pursuant to the 2008 CPT Waiver, the fees payable under the Property Management Agreement will not be subject to the annual limits referred to therein, and the renewal of the Property Management Agreement will be exempt from all reporting, disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code. Accordingly, the value of the fees payable under the Property Management Agreement has not been taken into account in calculating the proposed annual caps above.

We are of the view that the New Annual Caps are fair and reasonable and in the interests of Champion REIT and the independent Unitholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having taken into consideration the principal factors and reasons set out above, we consider that (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of the Champion REIT and independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of Champion REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of the Champion REIT and independent Unitholders as a whole. We therefore recommend the Independent Board Committee to advise the independent Unitholders, and we ourselves also recommend the independent Unitholders, to vote in favour of the Ordinary Resolution to approve the Waiver Extension and New Annual Caps at the EGM.

Yours faithfully,  
For and on behalf of  
**Tanrich Capital Limited**  
**Vincent Chung**  
*Director*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **Champion Real Estate Investment Trust**

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(Stock Code: 2778)**

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

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the unitholders (the “**Unitholders**”) of Champion Real Estate Investment Trust (“**Champion REIT**”) will be held at 3:00 p.m. on Wednesday, 15 December 2010 at the Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

#### **ORDINARY RESOLUTION**

“**That:**

- (a) the extension of the waiver in respect of certain connected party transactions (the “**Transactions**”), as more particularly described in the section headed “The Waiver Extension” in the circular to Unitholders dated 30 November 2010 for three financial years ending 31 December 2013, together with the proposed new annual monetary limits for the years ending 31 December 2011, 31 December 2012 and 31 December 2013, respectively, in relation to the Transactions, as more particularly described in the section headed “Proposed New Annual Monetary Limits for the Connected Party Transactions” in the circular to Unitholders dated 30 November 2010, be and are hereby approved; and
- (b) Eagle Asset Management (CP) Limited, as the Manager of Champion REIT (the “**REIT Manager**”), and any director of the REIT Manager each be and is hereby severally authorised to complete and do or cause to be done all such acts and things as the REIT Manager or any director of the REIT Manager, as the case may be, may consider expedient or necessary or in the interest of Champion REIT to give effect to the above approval.”

By Order of the Board  
**EAGLE ASSET MANAGEMENT (CP) LIMITED**  
(as manager of Champion Real Estate Investment Trust)

**LO Ka Shui**  
*Chairman*

Hong Kong, 30 November 2010

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered Office of the REIT Manager:*

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

*Notes:*

- (a) A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote on poll in his/her stead. The person appointed to act as proxy need not be a Unitholder.
- (b) In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, if any, must be deposited at the registered office of the REIT Manager of Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
- (c) In the case of joint holders of a unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Unitholders.
- (d) The Register of Unitholders will be closed on Wednesday, 15 December 2010, on such day no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the Extraordinary General Meeting, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Champion REIT's Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 14 December 2010.

As at the date of this notice, the Board of Directors of Eagle Asset Management (CP) Limited comprises:

*Non-executive Directors:*

Dr. Lo Ka Shui (*Chairman*), Mr. Cheng Wai Chee, Christopher, Mr. Ho Shut Kan and Mr. Lo Kai Shui

*Executive Director:*

Mr. Lee Ching Ming, Adrian (*Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Cha Mou Sing, Payson, Mr. David Gordon Eldon and Mr. Shek Lai Him, Abraham