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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

## **POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 15 DECEMBER 2010**

Reference is made to the circular dated 30 November 2010 (the “**Circular**”) issued to the unitholders (the “**Unitholders**”) of Champion Real Estate Investment Trust (“**Champion REIT**”) containing the notice of the Extraordinary General Meeting of Unitholders held on 15 December 2010 at 3:00 p.m. (the “**EGM**”). Unless otherwise defined, all capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

At the EGM, the ordinary resolution (the “**Resolution**”) in relation to the Waiver Extension and the New Annual Caps, was proposed and decided on a poll.

As at the date of the EGM, the number of Units in issue was 4,930,584,756. 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 were prohibited from voting on the Resolution.

The GE Entities abstained, and Great Eagle procured that each of its controlling entities, holding companies, subsidiaries and associated companies abstained, from voting at the EGM. SFK Connected Persons Group was not interested or deemed to be interested in any Units. To the best of the REIT Manager’s knowledge, information and belief, after having made reasonable enquiries, no other Unitholder was required to abstain from voting at the EGM, and the total number of Units ineligible to vote at the EGM was 2,536,014,605. Accordingly, the total number of Units entitling the independent Unitholders to vote for or against the Resolution was 2,394,570,151 (representing approximately 48.57% of the 4,930,584,756 Units in issue).

The poll at the EGM was scrutinised by the Unit Registrar of Champion REIT, Computershare Hong Kong Investor Services Limited. The Resolution was duly passed based on the voting details set out below:

Ordinary Resolution		Number of Votes (%)	
		For	Against
1.	To approve the Waiver Extension of the Connected Party Transactions and the proposed New Annual Caps as described in the Circular and authorize the REIT Manager and any of its directors to complete and do or cause to be done all such acts and things to give effect to such approval.	1,098,920,148 (99.994577 %)	59,600 (0.005423%)

In connection with the Resolution, the REIT Manager made a submission to the SFC to seek an extension of the 2008 CPT Waiver for three financial years ending 31 December 2013 (the “**Waiver Extension**”). On 15 December 2010, the SFC granted the Waiver Extension, subject to the following conditions:

- (a) Due approval by the Unitholders and adoption of the Resolution set out in the notice of the EGM without any material amendment thereto;
- (b) Extensions or amendments

The Waiver Extension has been granted for a period of three financial years to expire on 31 December 2013. The Waiver Extension may be extended beyond 31 December 2013, and/or the conditions of the Waiver Extension may be modified from time to time, provided that:

- (i) the approval of Unitholders other than those who have a material interest in the relevant transactions, within the meaning of paragraph 8.11 of the REIT Code (the “**Independent Unitholders**”) is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;
- (ii) disclosure of details of the proposed extension and/or amendment, as the case may be, shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (iii) any extension of the period of the Waiver Extension shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year end date of Champion REIT after the date on which the approval referred to in (i) above is obtained.

(c) Annual limits

The annual value of the Connected Party Transactions shall not exceed the respective annual limits set out in the following:

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

  

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

Provided that there is 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 or during the term of any such renewed agreement(s):

- (i) the fees payable to any member of the Great Eagle Connected Persons Group under the Property Management Agreement will not be subject to the annual limits referred to above in this paragraph for the purpose of the Waiver Extension; and
- (ii) any entry into by Champion REIT of a renewed Property Management Agreement during the waiver period (or any extension thereof pursuant to paragraph (b) above), will be exempt from all reporting, disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code.

(d) Disclosure in the semi-annual and annual reports

Details of the Connected Party Transactions shall be disclosed in Champion REIT's semi-annual and annual reports, as required under paragraph 8.14 of the REIT Code.

(e) Auditors' review procedures

In respect of each relevant financial period, the REIT Manager shall engage and agree with the auditors of Champion REIT to perform certain review procedures on the Connected Party Transactions. The auditors shall then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report will be provided to the SFC), confirming whether all the Connected Party Transactions:

- (i) have received the approval of the Directors (including the independent non-executive Directors);
  - (ii) are in accordance with the pricing policies of Champion REIT;
  - (iii) have been entered into in accordance with the terms of the agreements governing the transactions; and
  - (iv) the total value in respect of which has not exceeded the respective annual amounts (where applicable) as set out above.
- (f) Review by the independent non-executive Directors

The independent non-executive Directors shall review the relevant Connected Party Transactions annually and confirm in Champion REIT's annual report for the relevant financial period that such transactions have been entered into:

- (i) in the ordinary and usual course of business of Champion REIT;
  - (ii) based on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Champion REIT than terms available to or from (as appropriate) independent third parties; and
  - (iii) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them, if any, on terms that are fair and reasonable and in the interests of the Unitholders as a whole.
- (g) Auditors' access to books and records

The REIT Manager shall allow, and shall procure the counterparty to the relevant Connected Party Transactions to allow, the auditors of Champion REIT sufficient access to their records for the purpose of reporting on the transactions.

- (h) Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the independent non-executive Directors will not be able to confirm the matters set out in paragraphs (e) and (f) above.

(i) Independent valuation for LP Tenancy Agreements and LP Licence Agreements

An independent valuation shall be conducted for each of the relevant LP Tenancy Agreements and LP Licence Agreements (as described in the 2008 Circular) except where they are conducted on standard or published rates. In the case of LP Tenancy Agreements or LP Licence Agreements with no fixed term (e.g. tenancies with monthly rollover), an independent valuation shall be conducted no less than once every 24 months.

(j) Subsequent increases in annual limits with Independent Unitholders' approval

If necessary, for example, where there are further asset acquisitions by Champion REIT thereby increasing the scale of its operations generally, or where there are changes in market or operating conditions, the REIT Manager may, from time to time in the future, seek to increase one or more of the annual limits set out in paragraph (c) above, provided that:

- (i) the approval of Independent Unitholders is obtained by way of an ordinary resolution passed at a general meeting of Unitholders;
- (ii) disclosure of details of the proposal to increase the cap amounts shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (iii) the requirements referred to in paragraphs (c) to (i) above shall continue to apply to the relevant transactions, save that the increased annual limits shall apply.

(k) Paragraph 8.14 of the REIT Code

The REIT Manager shall comply with all requirements under paragraph 8.14 of the REIT Code where there is any material change to the terms of the relevant Connected Party Transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval.

Details of the Connected Party Transactions will be disclosed in Champion REIT's semi-annual and annual reports, as required under paragraph 8.14 of the REIT Code. The independent non-executive Directors shall review the relevant Connected Party Transactions annually and confirm whether such transactions are carried out in the ordinary and usual course of business of Champion REIT based on normal commercial terms and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Unitholders.

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

Hong Kong, 15 December 2010

As at the date of this announcement, the Board 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