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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

**PAYMENT OF MANAGER'S FEE TO  
EAGLE ASSET MANAGEMENT (CP) LIMITED  
BY WAY OF UNITS AND CASH**

Reference is made to the announcement of Champion REIT dated 12 January 2010 in relation to the notification from the REIT Manager to the Trustee in writing that it elected to receive for Manager's Fee arising Langham Place Properties for the financial year 2010 to be paid to the REIT Manager in the form of cash. The portion of Manager's Fee arising from Citibank Plaza Properties will be continued to be paid in the form of Units.

The Board announces that on 8 March 2011 the REIT Manager received 11,634,743 new Units (representing approximately 0.2354% of the 4,942,219,499 Units in issue immediately after such issue) issued at the price of HK\$4.62 per Unit (being the Market Price) as payment in full of the Manager's Fee of approximately HK\$53,752,000 payable by Champion REIT to the REIT Manager in respect of Citibank Plaza Properties for the six-month period ended 31 December 2010. The REIT Manager held 186,308,798 Units before the receipt of the new Units. With the new Units issued, the REIT Manager holds 197,943,541 Units (representing approximately 4.0052% of the 4,942,219,499 Units in issue immediately after such issue).

The REIT Manager also received approximately HK\$33,673,000 in cash as the payment in full of the Manager's Fee payable by Champion REIT to the REIT Manager in respect of Langham Place Properties for the six-month period ended 31 December 2010.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

Reference is made to the announcement of Champion REIT dated 12 January 2010 in relation to the notification from the REIT Manager to the Trustee in writing that it elected to receive for Manager's Fee arising from Langham Place Properties for the financial year 2010 to be paid to the REIT Manager in the form of cash. The portion of Manager's Fee arising from Citibank Plaza Properties will continue to be paid in the form of Units.

The Board announces that on 8 March 2011 the REIT Manager received 11,634,743 new Units (representing approximately 0.2354% of the 4,942,219,499 Units in issue immediately after such issue) issued at the price of HK\$4.62 per Unit (being the Market Price) as payment in full of the Manager's Fee of approximately HK\$53,752,000 payable by Champion REIT to the REIT Manager in respect of Citibank Plaza Properties and approximately HK\$33,673,000 in cash as the payment in full of the Manager's Fee payable by Champion REIT to the REIT Manager in respect of Langham Place Properties for the six-month period ended 31 December 2010. The basis of determination of the 11,634,743 Units as payment of the Manager's Fee is consistent with the relevant provisions of the Trust Deed. The REIT Manager held 186,308,798 Units before the receipt of the new Units. With the new Units issued, the REIT Manager holds 197,943,541 Units (representing approximately 4.0052% of the 4,942,219,499 Units in issue immediately after such issue).

So far as the REIT Manager is aware, the REIT Manager and Great Eagle Group held 2,536,014,605 Units representing approximately 51.43% of the Units immediately before such issue. With the new Units issued, the REIT Manager and Great Eagle Group held 2,547,649,348 Units representing approximately 51.55% of the Units immediately after such issue. Therefore, such issue does not give rise to an obligation to make a mandatory general offer under Rule 26 of the Code of Takeovers and Mergers. The total number of Units issued to the REIT Manager as payment of Manager's fee for the financial year ended on 31 December 2010 did not exceed 3% of the total number of Units outstanding as at 31 December 2009 as required in the waiver condition (ii) mentioned herein below.

The net property income of Champion REIT for the Period was approximately HK\$728,545,000 (i.e. the aggregate amount of HK\$447,938,000 arising from Citibank Plaza Properties and HK\$280,607,000 arising from Langham Place Properties). Since the net property income for the Period exceeded the required threshold of net property income of HK\$200 million, pursuant to the Trust Deed, the REIT Manager is entitled to receive the Manager's Fee for the Period.

The payment of the Manager's Fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the SFC. Principal provisions regarding the Manager's fee have been set out in details in the Offering Circular.

The waiver in respect of payment of the Manager's fee by way of Units was granted by the SFC subject to the following conditions:

- (i) the number of Units issued to the REIT Manager as payment of all or part of the Manager's fee for each financial year of Champion REIT will be counted as part of the 20% (or such lower percentage as permitted by the REIT Code from time to time) of outstanding Units that the REIT Manager may issue in each financial year without Unitholders' approval pursuant to paragraph 12.2 of the REIT Code;
- (ii) in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager's fee for that financial year shall, in aggregate, be limited to such number of Units which represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purpose of financing any acquisition of real estate by Champion REIT;
- (iii) any issuance of Units to the REIT Manager as payment of all or part of the Manager's fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (iv) in the event that any payment of all or part of the Manager's fee in the form of Units to the REIT Manager exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and paragraph (ii) above, and Unitholders' approval is not obtained for the issue of Units for such purpose, then payment of that excess part of the Manager's fee, as the case may be, will be made by Champion REIT to the REIT Manager in cash.

## **DEFINITIONS**

“Board”	the board of directors of the REIT Manager
“Champion REIT”	Champion Real Estate Investment Trust
“Citibank Plaza Properties”	Citibank Plaza located at 3 Garden Road, Central, Hong Kong owned by Champion REIT with the exception of the 3rd Floor (other than the circulation area) and the whole of the 4th, 5th and 6th Floors of Citibank Tower
“Great Eagle Group”	Great Eagle Holdings Limited and its subsidiaries
“Langham Place Properties”	Langham Place Office Tower (with the exception of levels 35, 36, 37 and 55 which are owned by independent third parties), the Langham Place Mall, the Langham Place Carpark and the Reserved Areas (as such terms are defined in the circular to Unitholders dated 16 February 2008), located at 8 Argyle Street and 555 Shanghai Street, Mongkok, Hong Kong

“Manager’s Fee”	the fee of approximately HK\$87,425,000 payable by Champion REIT out of Citibank Plaza Properties and Langham Place Properties to the REIT Manager, of 12% of the net property income of Champion REIT for the Period, and payable in arrears within 15 days after the publication of the audited annual accounts of Champion REIT for the financial year ended 31 December 2010
“Market Price”	has the meaning ascribed to this term in the Trust Deed and in the case of issue of Units as payment for the Manager’s Fee, Market Price shall mean the price as determined by the REIT Manager as being the higher of: <ul style="list-style-type: none"> <li>(1) the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the new Units are issued; and</li> <li>(2) the average closing price of the Units in the ten trading days immediately preceding the date on which the new Units are issued</li> </ul>
“Offering Circular”	the offering circular dated 11 May 2006 issued by the REIT Manager in connection with the initial public offering of the Units
“Period”	the six-month period ended 31 December 2010
“REIT Code”	the Code on Real Estate Investment Trusts
“REIT Manager”	Eagle Asset Management (CP) Limited (as manager of Champion REIT) and is a subsidiary of Great Eagle Holdings Limited
“SFC”	The Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the trust deed constituting Champion REIT dated 26 April 2006, as supplemented 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 respectively, entered into between the Trustee and the REIT Manager
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, as trustee of Champion REIT

“Unitholders” holders of the Units  
“Units” the units of Champion REIT

By Order of the Board  
**Eagle Asset Management (CP) Limited**  
**(as manager of Champion Real Estate Investment Trust)**  
**LO Ka Shui**  
*Chairman*

Hong Kong, 8 March 2011

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