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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

**VOLUNTARY ANNOUNCEMENT
REFINANCING OF EXISTING FACILITIES**

The Board is pleased to announce that Champion REIT, through the Borrower, being a special purpose vehicle, entered into the Loan Agreement in respect of the New Term Loan of HK\$7,000 million for the purpose of refinancing the Existing Facilities.

This is a voluntary announcement made by the Board.

Existing Facilities

On 26 April 2006, Champion REIT, through the Borrower, being a special purpose vehicle, entered into a loan agreement in relation to the Existing Facilities comprising term loan and revolving credit facilities in an aggregate principal amount of up to HK\$7,200 million. The Existing Facilities were granted to Champion REIT by a syndicate of banks with Hang Seng Bank Limited as agent. The Existing Facilities bear an interest at a floating rate of HIBOR plus 0.53% per annum. The Existing Facilities will mature on 24 May 2011.

New Term Loan

On 19 May 2011, Champion REIT, through the Borrower, entered into the Loan Agreement with the New Lenders in relation to the New Term Loan. The New Term Loan will bear an interest at a floating rate of HIBOR plus 0.93% per annum. The final repayment date of the New Term Loan will be 36 months after the drawdown date and the drawdown date is intended to be 24 May 2011.

The New Term Loan will be guaranteed on a joint and several basis by the Trustee and the owners of the properties which form part of the security for the New Term Loan. The Trustee's guarantee is subject to the proviso that its obligations as a guarantor will be limited to the aggregate amount of the assets held by it for Champion REIT.

In addition, the New Term Loan is subject to the granting of security by Champion REIT (and where appropriate, the Trustee and the REIT Manager) under a legal charge and debenture, an earnings assignment (incorporating a charge over accounts), a borrower floating charge, an insurance assignment, a property management agreement assignment and a deed of subordination and assignment. The Borrower will enter into a swap assignment, and the Borrower, the Trustee and the other security providers under the New Term Loan will enter into an inter-creditor agreement regarding interest rate swap and the sharing of security between the New Lenders and interest rate swap provider(s) if the Borrower enters into interest rate swap arrangements in respect of the New Term Loan in the future. The interest rate swap arrangement under the Existing Facilities will expire on 24 May 2011 and will not be renewed.

The REIT Manager will monitor interest rate movements and may, depending on market conditions, consider putting in place interest rate swap arrangements in respect of the New Term Loan.

Use of Proceeds

The Existing Facilities comprise a term loan facility of HK\$7,000 million and a revolving credit facility of up to HK\$200 million. The New Term Loan will be used to refinance in full the outstanding principal under the Existing Facilities. The Existing Facility was used to finance the acquisition of certain properties in 2006 by Champion REIT. The revolving credit facility under the Existing Facilities will expire on 24 May 2011 and will not be renewed.

Release of Certain Security

After completion of the refinancing as aforesaid, some of the security (including legal charge on portions of the property located in Inland Lot No. 8888 and known as No.3 Garden Road, Hong Kong) granted in respect of the Existing Facilities will be released and discharged. As at 31 December 2010, the aggregate notional breakdown market values of the registered owners of the properties being so released and discharged and those which will form part of the security of the New Term Loan were approximately HK\$3.8 billion and HK\$28.4 billion respectively.

Connected Transactions

The New Lenders include The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited which are both connected persons of the Trustee. Therefore, the entering into of the Loan Agreement and the other security documents by the Borrower and other companies owned and controlled by Champion REIT constitutes connected party transactions for Champion REIT under Chapter 8 of the REIT Code.

The REIT Manager has obtained a waiver from the SFC from strict compliance with the announcement and unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the provision of "ordinary banking and financial services" by the HSBC Group to Champion REIT and the companies directly or indirectly owned and controlled by Champion REIT, subject to the certain conditions. The New Term Loan extended by The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited (together with the other New Lenders) falls within the definition of "ordinary banking and financial services". Accordingly, the entering into of the Loan Agreement and the other security documents are exempt from announcement and unitholders' approval requirements under the REIT Code. However, certain information about this transaction will be disclosed in the annual report of Champion REIT in accordance with the waiver granted by the SFC. The Board confirms that the terms under the Loan Agreement and the other security documents were arrived at after arm's length negotiations between the parties and were based on normal commercial terms and the current market conditions.

Other than The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited, the New Lenders are independent third parties and are not connected persons (as defined under the REIT Code) of Champion REIT.

DEFINITIONS

- "Board"** means the board of directors of the REIT Manager;
- "Borrower"** means CP Finance Limited, a company owned and controlled by Champion REIT;
- "Champion REIT"** means Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorized under section 104 of the Securities and Futures Ordinance subject to applicable conditions from time to time or Champion Real Estate Investment Trust and the companies which are, from time to time, directly or indirectly owned and controlled by the Trustee;
- "Existing Facilities"** means the term loan and revolving facilities in an aggregate principal amount of up to HK\$7,200 million made available to the Borrower by a loan agreement dated 26 April 2006;
- "HSBC Group"** means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries (being the subsidiaries of the Trustee but excluding those subsidiaries formed in its capacity as the trustee of Champion REIT);
- "Loan Agreement"** means the loan agreement dated 19 May 2011 entered into amongst the Borrower, the Mandated Coordinating Arrangers, the New Lenders and Hang Seng Bank Limited as agent in respect of the granting of the New Term Loan;

“Mandated Coordinating Arrangers”	means Bank of China (Hong Kong) Limited, Citigroup Global Markets Asia Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Sumitomo Mitsui Banking Corporation, United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited, Hong Kong Branch;
“New Lenders”	means Bank of China (Hong Kong) Limited, Citibank, N.A., Hong Kong Branch, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Sumitomo Mitsui Banking Corporation, United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited, Hong Kong Branch;
“New Term Loan”	means a term loan facility of a principal amount of HK\$7,000 million;
“REIT Code”	means the Code on Real Estate Investment Trusts published from time to time by the SFC;
“REIT Manager”	means Eagle Asset Management (CP) Limited, in its capacity as the manager of Champion REIT;
“SFC”	means the Securities and Futures Commission of Hong Kong; and
“Trustee”	means HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee 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, 19 May 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, Mr. Shek Lai Him, Abraham and Mr. Ip Yuk Keung, Albert