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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 THE EXISTING BANK LOANS**

The board of directors of the REIT Manager is pleased to announce that Champion REIT, through CP Finance Limited and CP Success Limited, both being special purpose vehicles, has arranged a 3-year HK\$3,700 million term loan and a 5-year HK\$3,800 million term loan respectively. These loans will be used for the purpose of refinancing existing loans of HK\$7,000 million and HK\$500 million maturing on 26 May 2014 and 18 September 2015 respectively.

This is a voluntary announcement.

### **New Bank Loans**

On 16 May 2014, Champion REIT, through CP Finance Limited, being its special purpose vehicle, entered into a loan agreement with Lenders in relation to a 3-Year HK\$3,700 million term loan. This loan will bear an interest of HIBOR plus 1.20% per annum. The final repayment date of the loan will be 36 months after the drawdown date.

On the same date, Champion REIT, through CP Success Limited, being its special purpose vehicle, also entered into a second loan agreement with the Lenders in relation to a 5-Year HK\$3,800 million term loan. This loan will bear an interest of HIBOR plus 1.36% per annum. The final repayment date of the loan will be 60 months after the drawdown date.

The new loans will be used to refinance in full existing bank loans totaling HK\$7,500 million that are maturing on 26 May 2014 and 18 September 2015.

The intended drawdown date of both loans is 26 May 2014. Both loans will be guaranteed by the Trustee. The guarantee is limited to the aggregate amount of the assets held by the Trustee for Champion REIT. In addition, each of the new loans is subject to the granting of security by Champion REIT under a legal charge on different portions of the property located in Inland Lot No. 8888 and known as No.3 Garden Road, Hong Kong which are identical to those granted under the maturing loans, an earnings assignment (incorporating a charge over accounts), an insurance assignment, a property management agreement assignment and a deed of subordination and assignment and if required in the future, a swap assignment.

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 bank loans.

### **Connected Party Transactions**

The 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 agreements and the related security documents are connected party transactions for Champion REIT under Chapter 8 of the REIT Code.

The REIT Manager has obtained a waiver from the Securities and Futures Commission of Hong Kong from strict compliance with the announcement and unitholders' approval requirements under 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 loans extended by The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited fall within the definition of "ordinary banking and financial services". Accordingly, the entering into of the new loan agreements and other related security documents are exempt from the above requirements under the REIT Code. However, certain information about these transactions will be disclosed in the annual report of Champion REIT in accordance with the waiver granted.

The Board confirms that the terms under the loan agreements and the related 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 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;

**"HIBOR"** means Hong Kong Inter-Bank Offered Rate;

- “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);
- “Lenders”** means Citibank, N.A., Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Bank of China (Hong Kong) Limited, Sumitomo Mitsui Banking Corporation, United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited, Hong Kong Branch;
- “REIT Code”** means the Code on Real Estate Investment Trusts published from time to time by the Securities and Futures Commission of Hong Kong;
- “REIT Manager”** means Eagle Asset Management (CP) Limited, in its capacity as the manager of Champion REIT; 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, 16 May 2014

As at the date of this announcement, the Board comprises:

*Non-executive Directors:*

Dr. Lo Ka Shui (*Chairman*), 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. Cheng Wai Chee, Christopher, Mr. Ip Yuk Keung, Albert and Mr. Shek Lai Him, Abraham