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# ChampionREIT

## 冠君產業信託

### 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 18 DECEMBER 2019**

Reference is made to the circular dated 28 November 2019 (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 18 December 2019 at 3:30 p.m. (the “**EGM**”). Unless otherwise defined, all capitalised 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 2019 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 5,872,789,311. Pursuant to the REIT Code and the Trust Deed, by virtue of Great Eagle’s material interest or deemed material interest in the 2019 Waiver Extension, the Waiver Connected Persons shall abstain from voting on the Resolution.

Great Eagle abstained, and procured that each of the GE Entities abstained, from voting at the EGM on the Resolution to approve the 2019 Waiver Extension and the New Annual Caps, except pursuant to a proxy given by Independent Unitholders where a specific direction as to voting was given. So far as the REIT Manager is aware, the Relevant Company 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, the REIT Manager takes the view that, save as disclosed above, 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 3,909,048,355. Accordingly, the total number of Units entitling the Independent Unitholders to vote for or against the Resolution was 1,963,740,956 (representing approximately 33.44% of the 5,872,789,311 Units in issue).

The poll at the EGM was scrutinised by the Unit Registrar of Champion REIT, Computershare Hong Kong Investor Services Limited. As more than 50% of the votes were cast in favour of the Resolution, the Resolution was duly passed based on the voting details set out below:

Ordinary Resolution	Number of Votes (%)	
	For	Against
To approve the 2019 Waiver Extension and the New Annual Caps for the Connected Party Transactions for the years ending 31 December 2020, 31 December 2021 and 31 December 2022, respectively, as more particularly set out in the Circular and authorise 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.	680,521,258 (99.984425%)	106,007 (0.015575%)

#### **Extension of the 2016 Extended and Modified Waiver and New Annual Caps**

In connection with the Resolution, the REIT Manager made a submission to the SFC to seek an extension of the 2016 Extended and Modified Waiver so that it applies for the three financial years ending 31 December 2022. As part of its submission, the REIT Manager has also proposed New Annual Caps for the extended period. On 18 December 2019, the SFC granted the 2019 Extended Waiver, subject to the following conditions:

(a) Approval by Independent Unitholders

Due approval by Independent Unitholders of Champion REIT and adoption of the Ordinary Resolution set out in the EGM Notice, without any material amendment thereto.

(b) Extensions or modifications

The 2019 Extended Waiver is for a period to expire on 31 December 2022 and may be extended beyond 31 December 2022, and/or the terms and conditions of the 2019 Extended 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;
- (B) disclosure of details of the proposed extension and/or modification (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

- (C) any extension of the period of the 2019 Extended Waiver shall, on each occasion of such extension, 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 in paragraph (b)(A) above is obtained.

For the avoidance of doubt, any material change to the transactions covered by the 2019 Waiver Extension (including without limitation on the scope or nature of such transactions) as set out in the Circular and the announcement based on which the waiver is sought and granted must be approved by Independent Unitholders pursuant to the paragraph (b)(A) condition above, and details of the proposed changes shall be disclosed in the manner as referred to in the paragraph (b)(B) condition above.

(c) Annual monetary limits

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

	<b>For the year ending 31 December 2020</b> <i>(Rounded to nearest HK\$'000)</i>	<b>For the year ending 31 December 2021</b> <i>(Rounded to nearest HK\$'000)</i>	<b>For the year ending 31 December 2022</b> <i>(Rounded to nearest HK\$'000)</i>
<b>Rental income</b>	151,943	144,117	154,419
<b>Building management fee</b>	17,083	17,333	19,066
<b>TOTAL</b>	169,026	161,450	173,485
	<b>For the year ending 31 December 2020</b> <i>(Rounded to nearest HK\$'000)</i>	<b>For the year ending 31 December 2021</b> <i>(Rounded to nearest HK\$'000)</i>	<b>For the year ending 31 December 2022</b> <i>(Rounded to nearest HK\$'000)</i>
<b>Estate management transactions</b>	226,167	260,093	299,106
<b>Potential PMA Transactions</b>	47,879	55,060	63,319
<b>TOTAL</b>	274,046	315,153	362,425

Provided that there is no variation to the terms and conditions governing the Specified PMA Transactions, whether during the term of the Specified Property Management Agreement or upon any renewal thereof or during the term of any such renewed agreement(s):

(A) the fees payable to any member of the Great Eagle Connected Persons Group under the Specified Property Management Agreement will not be subject to the annual monetary limits referred to above in this paragraph for the purpose of the 2019 Extended Waiver; and

(B) any entry into by Champion REIT of a renewed Specified 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 semi-annual and annual reports

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.

(e) Auditors' review procedures

The REIT Manager shall engage and agree with the auditors of Champion REIT to perform certain review procedures on all of the Connected Party Transactions in respect of each relevant financial year. 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:

(A) have received the approval of the Directors of the REIT Manager (including the independent non-executive Directors);

(B) are in accordance with the pricing policies of Champion REIT;

(C) have been entered into in accordance with the terms of the agreements governing the transactions; and

(D) the total value in respect of which has not exceeded the respective annual monetary limits (where applicable) as set out above.

(f) Review by the independent non-executive Directors of the REIT Manager

The independent non-executive Directors of the REIT Manager 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:

(A) in the ordinary and usual course of business of Champion REIT;

(B) on normal commercial terms (to the extent that there are comparable transactions) or, where there are insufficient 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

(C) in accordance with the relevant agreement 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 of the REIT Manager will not be able to confirm the matters set out in paragraphs (e) and (f) above.

(i) Independent valuation for tenancy agreements and licence agreements

An independent valuation shall be conducted for each of the relevant tenancy agreements with members of the Great Eagle Connected Persons Group and licence agreements with members of the Great Eagle Connected Persons Group, except where they are conducted on standard or published rates. In the case of such tenancy agreements or licence agreements with no fixed terms (for example, tenancies with monthly rollover), an independent valuation shall be conducted no less than once every 24 months.

(j) Subsequent increases in annual caps 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 New Annual Caps, provided that:

(A) the approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;

(B) 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

(C) the requirements referred to in paragraphs (c) to (i) above shall continue to apply to the relevant transactions, save that the increased annual monetary 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 the semi-annual and annual report of Champion REIT as required under paragraph 8.14 of the REIT Code. The independent non-executive Directors of the REIT Manager shall review the 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.

(l) Limitations on Potential PMA Transactions

The REIT Manager shall ensure that the terms of any Potential Property Management Agreement shall only cover the same PMA Transactions as the existing Specified PMA Transactions and adopt the same terms as the Specified Property Management Agreement, unless inconsistent with the common market requirements applicable to the subject property having regard to its asset class, quality, stage of development and location, which therefore would necessitate a deviation from the terms of the existing Specified Property Management Agreement. The terms of the Potential Property Management Agreement shall be: (i) normal commercial terms carried out on arm's length basis, which are no less favourable to Champion REIT than terms available from independent third parties; (ii) carried out in the ordinary and usual course of business for Champion REIT; and (iii) fair and reasonable and in the best interests of Unitholders. In addition, an independent expert will opine on whether the scope of services and the fee scale under the Potential Property Management Agreement are reasonable and at market levels. Where the terms of the Potential Property Management Agreement do not comply with the limitations set out in (i), (ii) and (iii) above, or the independent expert cannot give the requisite opinion, the REIT Manager shall comply with Chapter 8 of the REIT Code and, if required thereunder, seek Independent Unitholders' approval for the Potential Property Management Agreement.

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

Hong Kong, 18 December 2019

As at the date of this announcement, the Board of Directors of the REIT Manager comprises:

*Non-executive Directors:*

Dr. Lo Ka Shui (*Chairman*) and Mr. Ip. Yuk Keung, Albert

*Executive Director:*

Ms. Wong Ka Ki, Ada (*Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Cha Mou Sing, Payson, Mr. Cheng Wai Chee, Christopher, Mr. Ho Shut Kan and Mr. Shek Lai Him, Abraham