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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

(1) CONTINUING CONNECTED PARTY TRANSACTIONS; AND

(2) DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

**Independent Financial Adviser to the
Independent Board Committee of the REIT Manager,
the Independent Unitholders and the Trustee**

BALLAS
C A P I T A L
A subsidiary of Crosby

CONTINUING CONNECTED PARTY TRANSACTIONS

In anticipation of expiry of the 2019 Extended Waiver on 31 December 2022, and having regard to the regular, ordinary and ongoing nature of the Revenue Transactions, on 7 November 2022, the Champion REIT (through the REIT Manager) entered into: (i) the Revenue Transactions Framework Agreement with Great Eagle, which sets out the principles on which the Revenue Transactions shall be entered into, renewed or extended during the period from 1 January 2023 to 31 December 2025; and (ii) the Expense Transactions Framework Agreement with Great Eagle, which sets out the principles on which the Expense Transactions shall be entered into, renewed or extended during the period from 1 January 2023 to 31 December 2025.

The Revenue Transactions Framework Agreement and the Expense Transactions Framework Agreement are conditional upon passing of Ordinary Resolutions No. 1 and 2 respectively as set out in the Circular.

The REIT Manager proposes to seek Independent Unitholders' approval by way of Ordinary Resolutions at the EGM to approve the Revenue Transactions Framework Agreement, the Revenue Transactions, the Revenue Transactions Annual Caps, the Expense Transactions Framework Agreement, the Expense Transactions and the Expense Transactions Annual Caps for the three years ending 31 December 2023, 2024 and 2025.

DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

Details of the above are more particularly set out in a circular (the "**Circular**") to the Unitholders, which is expected to be despatched on or before 8 November 2022 together with the EGM Notice and the form of proxy for the EGM. The EGM will be held at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Thursday, 24 November 2022 at 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the Ordinary Resolutions set out in the EGM Notice and set out in the body of the Circular.

In connection with the EGM, the Register of Unitholders will be closed from Tuesday, 22 November 2022 to Thursday, 24 November 2022, both days inclusive, during which period no transfers of Units will be effected, in order to determine which Unitholders will qualify to attend and vote at the EGM.

This announcement is made pursuant to paragraphs 10.3 and 10.5A of the REIT Code. The Board wishes to announce that the REIT Manager proposes to seek approval for the Continuing Connected Party Transactions.

1. CONTINUING CONNECTED PARTY TRANSACTIONS

(i) Background

As disclosed in the 2008 Circular, the REIT Manager had applied for, and the SFC had on 28 February 2008, granted a waiver from strict compliance with the requirements of Chapter 8 of the REIT Code in respect of certain continuing connected party transactions. As disclosed in subsequent announcements and circulars, the waiver was subsequently modified and extended on 15 December 2010, 10 December 2013, 13 December 2016 and 18 December 2019 ("**2019 Extended Waiver**").

On 4 December 2020, the REIT Code was revised to, inter alia, broadly align the requirements applicable to the connected party transactions (including continuing connected party transactions) of REITs with the requirements for companies listed on the Stock Exchange. Following the changes to the REIT Code, save as otherwise provided in the REIT Code or the guidelines issued by the SFC from time to time, all the connected party transactions (including continuing connected party transactions) of REITs will be regulated with reference to the requirements applicable to listed companies under Chapter 14A of the Listing Rules to the extent appropriate and practicable, including whether certain connected party transactions are continuing connected party transactions, available exemptions and the conditions thereof, and unitholders' approval, disclosure, reporting, annual review and other requirements. All pre-existing waivers shall continue to apply until expiry according to their terms or until otherwise modified or revoked.

Since the 2019 Extended Waiver is due to expire on 31 December 2022, the continuing connected party transactions of Champion REIT which are the subject of the 2019 Extended Waiver will, upon such expiry, be regulated with reference to Chapter 14A of the Listing Rules, in addition to Chapter 8 of the REIT Code.

The categories of continuing connected party transactions between Champion REIT Group and Great Eagle Group under the 2019 Extended Waiver are as follows:

- (a) tenancy and license agreements in respect of Champion REIT Group's properties (see the revenue transactions described in page 111 of the 2008 Circular);
- (b) contracts with third-party contractors for estate management services such as cleaning, repair and maintenance services and renovation work in respect of Champion REIT Group's properties, and reimbursement payments to estate manager and common area and facilities manager of Langham Place Mall (see the estate management transactions described in page 111 of the 2008 Circular); and
- (c) potential property and/or lease management and marketing services to be provided under new property management agreements in respect of properties to be acquired by Champion REIT Group in the future (see the Potential PMA Transactions described in pages 8 and 38 of the 2016 Circular).

(ii) Revenue Transactions

Champion REIT Group has been undertaking Revenue Transactions in the ordinary and usual course of its business under the terms of the 2019 Extended Waiver. In anticipation of expiry of the 2019 Extended Waiver on 31 December 2022, and having regard to the regular, ordinary and ongoing nature of the Revenue Transactions, on 7 November 2022, the REIT Manager has entered into the Revenue Transactions Framework Agreement with Great Eagle, which sets out the principles on which the Revenue Transactions shall be entered into, renewed or extended during the period from 1 January 2023 to 31 December 2025. The obligations of the parties under the Revenue Transactions Framework Agreement are conditional upon the passing of Ordinary Resolution No. 1.

The principal terms of the Revenue Transactions Framework Agreement are as follows:

Date:	7 November 2022
Parties:	(1) The REIT Manager (for and on behalf of Champion REIT) (2) Great Eagle
Term:	Three (3) years from 1 January 2023 up to 31 December 2025
Purpose and other terms:	To set out the principles on which the Revenue Transactions shall be entered into, renewed or extended during the terms of the Revenue Transactions Framework Agreement. The REIT Manager (for and on behalf of Champion REIT) and Great Eagle shall procure that members of Champion REIT Group and Great Eagle Group which are parties to any Revenue Transactions (including renewal of Revenue Transactions) shall enter into separate written agreements for a term not exceeding three (3) years unless REIT Manager (on behalf of Champion REIT) has complied with Rule 14A.52 of the Listing Rules or a valid waiver under the Listing Rules applies, except for the Pre-existing Revenue Transactions Agreements, and on arm's length basis and normal commercial terms which are no less favourable to Champion REIT Group than those that may be offered by

the relevant member of Champion REIT Group to Independent Third Parties. For the avoidance of doubt, if any Pre-existing Revenue Transactions Agreement is renewed on or after 1 January 2023, such renewal shall comply with Rule 14A.52 of the Listing Rules unless a valid waiver under the Listing Rules applies.

Pricing policy: The rent or license fee chargeable for such transactions shall be based on the then prevailing market rates for properties of comparable size and with similar attributes within the same building (or, if not available, within the vicinity) or published/standard rates available to Independent Third Parties. The basis of any management or service fees shall not deviate from that of such fees chargeable to Independent Third Parties who are tenants or licenses of the same building or property.

The REIT Manager will arrange for independent valuations in respect of the Revenue Transactions, as described in great detail in “1. Continuing Connected Party Transactions – (vi) Review and Reporting – Internal Control System”.

Historical Transaction Amounts and Revenue Transactions Annual Caps

The table below sets out, amongst other things, the amounts (including rental and management and service fees) received or receivable by members of Champion REIT Group from members of Great Eagle Group in respect of the Revenue Transactions for each of FY20 and FY21 and for FY22 that are recognized in the financial statements of the Champion REIT Group for the relevant period; and, for the purposes of the Revenue Transactions Framework Agreement and compliance with Chapter 14A of the Listing Rules, the maximum annual value of transactions (including rental and building management fees) between members of Champion REIT Group and members of Great Eagle Group in respect of the Revenue Transactions for each of FY23, FY24 and FY25 (i.e. the “**Revenue Transactions Annual Caps**”) that are to be recognized in the financial statements of the Champion REIT Group for the relevant period:

	For FY20 ⁽¹⁾	For FY21 ⁽²⁾	For FY22		For FY23	For FY24	For FY25
	(HK\$'000)	(HK\$'000)	(HK\$'000)		(HK\$'000)	(HK\$'000)	(HK\$'000)
Rental income	84,900	74,400	50,000 ⁽³⁾		58,500	58,100	53,100
Building management fees	8,800	7,900	6,300 ⁽³⁾		8,700	9,500	9,200
Total							
<i>Historical Annual caps⁽⁴⁾</i>	169,026	161,450	173,485	<i>Revenue Transactions Annual Caps</i>	67,200	67,600	62,300
<i>Annual cap year-on-year increment</i>	-	-4.5%	7.5%	<i>Annual cap year-on-year increment</i>	-61.3%	0.6%	-7.8%
<i>Amounts recognized</i>	93,700	82,300	56,300 ⁽³⁾				
<i>Annual cap utilisation⁽⁵⁾</i>	55.5%	50.9%	32.5%				

Notes:

- (1) *Based on the annual report of Champion REIT for FY20.*
- (2) *Based on the annual report of Champion REIT for FY21.*
- (3) *This annual amount is projected, based on the terms of existing leases and licenses as at 31 August 2022. For the eight months ended 31 August 2022, the actual amount of rental income and building management fees recognized were approximately HK\$42,000,000 and HK\$5,100,000 respectively.*
- (4) *Aggregate of the annual caps of rental income and building management fees as stated in the 2019 Circular. The annual caps of rental income are HK\$151,943,000 (for FY20), HK\$144,117,000 (for FY21) and HK\$154,419,000 (for FY22). The annual caps of building management fees are HK\$17,083,000 (for FY20), HK\$17,333,000 (for FY21) and HK\$19,066,000 (for FY22).*
- (5) *Utilisation for FY20 and FY21 are based on the actual historical amounts for FY20 and FY21 divided by the annual caps for FY20 and FY21, whilst the utilisation for FY22 is based on the projected annual amounts for FY22 divided by the annual cap for FY22.*

The Revenue Transactions Annual Caps for each financial year were previously subject to separate annual caps for rental income and building management fees as disclosed in the 2019 Circular and the table above. Given that rental income and building management fees often arise from a single underlying Revenue Transaction (for example, the lease or license of office premises would typically include an obligation to pay rent or license fee for the premises and building management fees payable in respect of those premises), the separate caps do not serve any meaningful purposes. Accordingly, the Revenue Transactions Annual Caps for FY23, FY24 and FY25 cover both rental income and building management fees.

The Revenue Transactions Annual Caps for FY23, FY24 and FY25 have been determined based on the following:

For rental income

- (a) Using as a base the actual amount of rental income receivable in accordance with the terms of the subsisting connected party leases for FY23, FY24 and FY25, on the assumption that: (i) if any such leases are due to expire within such period, such leases are assumed to be renewed upon expiry (except those leases which the parties do not expect to be renewed); and (ii) depending on when the relevant lease is due for expiry and assumed to be renewed, an annual rental growth rate of 10% (except for FY23 which assumed no growth) will be applied to determine the rental income payable under the renewed leases, arriving at the amounts of approximately HK\$24.8 million, HK\$24.4 million and HK\$19.4 million for FY23, FY24 and FY25 respectively.

The rents for Hong Kong's Grade A offices, which have generally been on a declining trend since 2020, will unlikely rebound in FY23 and thus it was assumed that there is no rental growth for FY23. The annual rental growth rate of 10% for

FY24 and FY 25 was determined based on the projection that rents for Hong Kong's Grade A offices could potentially rebound quite strongly in FY24 and FY25 and the historical annual rental growth rate of Hong Kong's Grade A offices.

- (b) Applying an increment of approximately HK\$27,000,000 to the amounts resulting from paragraph (a) above for each of FY23, FY24 and FY25, as a contingency buffer for new connected party leases to be entered into in respect of Champion REIT Group's existing portfolio.

The amount of the buffer assumes one additional floor of Three Garden Road and one additional floor of Langham Place Office Tower will be leased to Great Eagle Group during the relevant years at the prevailing market rent. Such assumption is supported by the fact that in the third quarter of 2022, a member of the Great Eagle Group had entered into a new lease with the Champion REIT Group for one additional floor in Langham Place Office Tower to cater for its business needs.

- (c) Applying a further increment of approximately HK\$6,700,000 to the relevant amounts resulting from paragraph (b) above, for each of FY23, FY24 and FY25, to take into account any increased rental income as a result of future acquisitions that Champion REIT Group may undertake.

This increment is based on an assumption that Champion REIT Group will acquire one or more properties in a single transaction from an Independent Third Party during FY23, FY24 and FY25 which has a purchase price equal to 5% of the gross asset value (adjusted for dividend payable) of Champion REIT and with gross rental income yield of approximately 5% per annum; and (ii) approximately 4% of the acquired property's gross rental income will be attributable to Great Eagle Group. Champion REIT has been and continues to proactively reviewing a number of potential acquisition opportunities. In 2021, Champion REIT has completed the acquisition of a minority stake in an office property in London. Recent market data indicates that there may be more acquisition opportunities on investment properties as more owners appear to be more willing to offer to sell.

The gross rental income yield of 5% is projected on the basis of the historical distribution per Unit of Champion REIT and the REIT Manager would typically consider acquiring properties that generate not less than 5% rental income yield. The assumption that 4% of the acquired property's gross rental income would be attributable to Great Eagle Group is by reference to the percentage of office space (in terms of gross rentable area) at Langham Place Office Tower and Three Garden Road that Great Eagle Group leased as at 31 August 2022.

For the avoidance of doubt, the above assumptions are solely for the purpose of calculating the proposed annual caps. There is no assurance that Champion REIT Group will acquire one or more properties during the term of the Revenue Transactions Framework Agreement, or that any properties to be acquired will have the abovementioned characteristics as to their size, development stage, gross rental income yield, rental profile or otherwise. Unitholders, as well as any prospective investors of Champion REIT, should be aware that the proposed annual caps are not indicative of Champion REIT's future acquisition strategy, and are therefore advised to exercise caution when dealing in the Units.

For building management fees

- (a) Using as a base the actual amount of building management fees receivable in accordance with the terms of the subsisting connected party leases for FY23, FY24 and FY25, on the assumption that: (i) if any such leases are due to expire within such period, such leases are assumed to be renewed upon expiry (except those leases which the parties do not expect to be renewed); and (ii) an annual building management fee growth rate of 10% will be applied to determine the building management fees for FY23, FY24 and FY25. The annual building management fee growth rate was determined after taking into account possible inflation as well as renovation and property enhancement works required by Champion REIT Group's existing portfolio that would result in the growth of building management fee income, arriving at the amounts of approximately HK\$3.9 million, HK\$4.3 million and HK\$3.4 million for FY23, FY24 and FY25 respectively.
- (b) Applying increments of approximately HK\$3,900,000 (for FY23), HK\$4,200,000 (for FY24) and HK\$4,700,000 (for FY25) to the amounts resulting from paragraph (a) above, as a contingency buffer for new connected party leases to be entered into in respect of Champion REIT Group's existing portfolio.

The amount of the buffer assumes one additional floor of Three Garden Road and one additional floor of Langham Place Office Tower will be leased to Great Eagle Group during the relevant years, assuming an annual building management fee growth rate of 10% will be applied to determine the building management fees in respect of such additional floors for FY23, FY24 and FY25.

- (c) Applying a further increment of approximately HK\$900,000 (for FY23), HK\$1,000,000 (for FY24) and HK\$1,100,000 (for FY25) to the amounts resulting from paragraph (b) above, to take into account any increased building management fee income as a result of future acquisitions that Champion REIT Group may undertake. Please refer to sub-paragraph (c) of "For rental income" above for details of the potential acquisition opportunities.

The above increments are based on an assumption that Champion REIT Group will acquire one or more properties in a single transaction from an Independent Third Party during FY23, FY24 and FY25 as described in the above sub-section headed "For rental income – (c)". The projected amount for FY23 is 13% (being the three-year average building management fee as a percentage of rental income from 2019 to 2021) of the rental income expected to be derived from the possible future acquisitions based on the 5% gross rental income yield assumption as described in the above sub-section headed "For rental income – (c)" above, with an annual growth rate of 10% for FY24 and FY25.

(iii) Expense Transactions

Champion REIT Group has been undertaking certain Expense Transactions in the ordinary and usual course of its business under the terms of the 2019 Extended Waiver: The Estate and Building Management Transactions are conducted mainly pursuant to contracts with contractors and suppliers for general tenancy works, the DMC Agreements, the Langham Place Mall Estate Management Agreement and the CAF Management Agreement. The Property Management Transactions are conducted mainly pursuant to the Specified Property Management Agreement. As disclosed in notes 4 and 5 to the table of "Historical Transaction Amounts and Expense Transactions Annual Caps", transaction amounts of the DMC Agreements and the Specified Property Management Agreement were not covered by any of the annual caps in the 2019 Circular.

In anticipation of expiry of the 2019 Extended Waiver on 31 December 2022, and having regard to the regular, ordinary and ongoing nature of the Expense Transactions, on 7 November 2022, the REIT Manager has entered into the Expense Transactions Framework Agreement with Great Eagle, which sets out the principles on which the Expense Transactions shall be entered into, renewed or extended during the period from 1 January 2023 to 31 December 2025. The Expense Transactions Framework Agreement is conditional upon the passing of Ordinary Resolution No. 2.

The principal terms of the Expense Transactions Framework Agreement are as follows:

Date:	7 November 2022
Parties:	(1) The REIT Manager (for and on behalf of Champion REIT) (2) Great Eagle
Term:	Three (3) years from 1 January 2023 up to 31 December 2025
Purpose and other terms:	<p>To set out the principles on which the Expense Transactions shall be entered into, renewed or extended during the terms of the Expense Transactions Framework Agreement.</p> <p>The REIT Manager (for and on behalf of Champion REIT) and Great Eagle shall procure that members of Champion REIT Group and Great Eagle Group which are parties to any Expense Transactions (including renewal of Expense Transactions) shall enter into separate written agreements for a term not exceeding three (3) years unless REIT Manager (on behalf of Champion REIT) has complied with Rule 14A.52 of the Listing Rules or a valid waiver under the Listing Rules applies, except for the Pre-existing Expense Transactions Agreements, and on arm's length basis and normal commercial terms which are no less favourable to Champion REIT Group than those that may be offered to or available from Independent Third Parties. For the avoidance of doubt, if any Pre-existing Expense Transactions Agreement is renewed on or after 1 January 2023, such renewal shall comply with Rule 14A.52 of the Listing Rules unless a valid waiver under the Listing Rules applies.</p>
Pricing policy:	<p>The fees chargeable for such transactions shall be based on the then prevailing market rates and on normal commercial terms for similar services provided by Independent Third Parties who are property managers and/or estate managers of properties of similar size and with similar attributes within the vicinity.</p> <p>The REIT Manager will arrange for quotations or independent assessment in respect of the Expense Transactions, as described in great detail in "1. Continuing Connected Party Transactions – (vi) Review and Reporting – Internal Control System".</p>

Historical Transaction Amounts and Expense Transactions Annual Caps

The table below sets out, amongst other things, the amounts paid or payable by members of Champion REIT Group to members of Great Eagle Group in respect of the Expense Transactions for each of FY20 and FY21 and for FY22 that are recognized in the financial statements of the Champion REIT Group for the relevant period; and, for the purposes of the Expense Transactions Framework Agreement and compliance with Chapter 14A of

the Listing Rules, the maximum annual value of transactions between members of Champion REIT Group and members of Great Eagle Group in respect of the Expense Transactions for each of FY23, FY24 and FY25 (i.e. the “**Expense Transactions Annual Caps**”) that are to be recognized in the financial statements of the Champion REIT Group for the relevant period:

	For FY20 ⁽¹⁾	For FY21 ⁽²⁾	For FY22		For FY23	For FY24	For FY25
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>		<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Estate and Building Management Transactions⁽⁴⁾	335,200	422,100	361,800 ⁽³⁾		541,900	623,200	716,600
Property Management Transactions⁽⁵⁾	105,900	104,500	93,600 ⁽³⁾		144,000	158,400	174,300
Total							
<i>Historical Annual cap⁽⁶⁾</i>	274,046	315,153	362,425	<i>Expense Transactions Annual Caps</i>	685,900	781,600	890,900
<i>Annual cap year-on-year increment</i>	-	15.0%	15.0%	<i>Annual cap year-on-year increment</i>	89.3%	14.0%	14.0%
<i>Amounts recognized⁽⁷⁾</i>	441,100	526,600	455,400 ⁽³⁾				
<i>Annual cap utilisation⁽⁸⁾</i>	40.0%	63.7%	38.9%				

Notes:

(1) Based on the annual report of Champion REIT for FY20.

(2) Based on the annual report of Champion REIT for FY21.

(3) This annual amount is projected based on actual transaction amounts of the Estate and Building Management Transactions and Property Management Transactions recognized for the eight months ended 31 August 2022 which were approximately HK\$245,900,000 and HK\$55,900,000 respectively.

(4) The historical transaction amounts for FY20 and FY21 and the projected annual amount for FY22 include the DMC Estate Management Transactions, amounted to HK\$225,700,000, HK\$221,400,000 and HK\$220,700,000 respectively, which are not covered by any of the annual caps in the 2019 Circular.

The DMC Estate Management Transactions are conducted pursuant to deed of mutual covenants under which members of Great Eagle Group are appointed as DMC managers of properties within Champion REIT Group's portfolio. The duration of services provided by each of such DMC managers is not fixed and will continue unless the DMC manager resigns or is removed pursuant to terms of the relevant DMCs or the Buildings Management Ordinance (Chapter 344 of the laws of Hong Kong).

- (5) The historical transaction amounts for FY20 and FY21 and the projected annual amount for FY22 include the Specified PMA Transactions, amounted to HK\$105,900,000, HK\$104,500,000 and HK\$93,600,000 respectively, which are not covered by any of the annual caps in the 2019 Circular.*
- (6) Aggregate of the annual caps of estate management transactions and Potential PMA Transactions as stated in the 2019 Circular which excluded the DMC Estate Management Transactions and Specified PMA Transactions as they are not covered by any of the annual caps in the 2019 Circular. The annual caps of estate management transactions are HK\$226,167,000 (for FY20), HK\$260,093,000 (for FY21) and HK\$299,106,000 (for FY22). The annual caps of Potential PMA Transactions are HK\$47,879,000 (for FY20), HK\$55,060,000 (for FY21) and HK\$63,319,000 (for FY22).*
- (7) The aggregate of the historical transaction amounts for FY20 and FY21 and the projected annual amount for FY22 including the transaction amounts for the DMC Estate Management Transactions and the Specified PMA Transactions.*
- (8) When calculating the annual cap utilisation rates, the transaction amounts for the DMC Estate Management Transactions and the Specified PMA Transactions are excluded.*

The Expense Transactions Annual Caps for each financial year were previously subject to separate annual caps for Estate and Building Management Transactions (excluding DMC Estate Management Transactions) and Potential PMA Transactions as disclosed in the 2019 Circular and the table above. Given that there is no substantive difference between the general nature of services that are rendered under Estate and Building Management Transactions and Property Management Transaction or any new agreements of the same nature that would form part of the annual caps for Potential PMA Transactions under the 2019 Extended Waivers, apart from those correlated to the scale of the property in question (for example, a shopping arcade or office block compared to units within the shopping arcade or office block), separate caps do not serve any meaningful purposes. Accordingly, the Expense Transactions Annual Caps for FY23, FY24 and FY 25 cover property management expenses for both Estate and Building Management Transactions and Property Management Transactions.

The Expense Transactions Annual Caps for FY23, FY24 and FY25 have been determined based on the following:

For Estate and Building Management Transactions

- (a) Using the projected amount of estate management transactions for FY22, being approximately HK\$361,800,000. This projected amount includes the amount of the DMC Estate Management Transactions which are not covered by the annual caps for FY22 as stated in the 2019 Circular.
- (b) Applying an increment of 25% to the amount resulting from paragraph (a) above, as a contingency buffer for FY23 only.

The use of a contingency buffer of 25% is to cater for (i) expenses for enhancement and/or repair works expected to be conducted for Three Garden Road and Langham Place Mall in FY23, (ii) unforeseeable market fluctuations, and (iii) possible expected upgrades, repair and renovation works of Three Garden Road, Langham Place Office Tower and Langham Place Mall to maintain required standards.

- (c) Applying an increment of 15% (for each of FY23, FY24 and FY25) to the amount resulting from paragraph (b) above, as assumed growth in the cost of estate management expenses over the years. The growth rate was determined after taking into account expected inflationary increases in the costs of estate and building management work and property management (such as staff costs and electricity fees).
- (d) Applying a further increment of approximately HK\$21,900,000 (for FY23), HK\$25,100,000 (for FY24) and HK\$28,900,000 (for FY25) to the amounts resulting from paragraph (c) above, to take into account the increase in building management fees as a result of future acquisitions that Champion REIT Group may undertake. Please refer to sub-paragraph (c) of “For rental income” above for details of the potential acquisition opportunities.

The above increments are based on an assumption that Champion REIT Group will acquire one or more properties in a single transaction from an Independent Third Party during FY23, FY24 and FY25 as described in the above sub-section headed “For rental income – (c)” and assumes a management fee of 13% (being the three-year average building management fee as a percentage of rental income from 2019 to 2021) of the rental income expected to be derived from the possible future acquisitions based on the 5% gross rental income yield assumption as described in the above sub-section headed “For rental income – (c)”, with an annual increment of 15% applied for FY24 and FY25 to cater for inflationary increases in building management and tenancy work.

For Property Management Transactions

- (a) Using the projected amount of property and lease management fees for FY22, being approximately HK\$82,000,000. This projected amount includes the amount of leasing service fee charged under the Specified Property Management Agreement which are not covered by the annual caps for FY22 as stated in the 2019 Circular.

- (b) Applying an increment of 10% (for FY24 and FY25) to the amount resulting from paragraph (a) above, as assumed growth in property management fees for FY24 and FY25 which mirrors the annual growth rate of rental income as described in the above sub-section headed “For rental income – (c)” given that the property management fees charged by Great Eagle Group are based on a certain percentage of Champion REIT Group’s gross rental income from the relevant properties.
- (c) Using the projected marketing service fees for FY22, being approximately HK\$11,600,000. This projected amount includes the amount of marketing service fees charged under the Specified Property Management Agreement which are not covered by the annual caps for FY22 as stated in the 2019 Circular.
- (d) Applying an increment of approximately of HK\$31,400,000 for FY23 to the amount resulting from paragraph (c) above, which was based on (i) the projected marketing service fees attributable to potential marketing services by the property manager for securing tenancy for the existing vacancies at Three Garden Road, Langham Place Office Tower and Langham Place Mall; and (ii) the projected marketing service fees attributable to potential marketing services by the property manager for securing new or renewal of tenancy for existing occupied areas at Three Garden Road, Langham Place Office Tower and Langham Place Mall which will expire in FY23. For FY24 and FY25, a 10% annual growth rate was applied for marketing service fees, being in line with the projected rental growth rate of 10% for FY24 and FY25 income as described in the above sub-section headed “For rental income – (c)”.
- (e) Applying a further increment of approximately HK\$19,000,000 (for FY23), HK\$21,000,000 (for FY24) and HK\$23,000,000 (for FY25) to the amounts resulting from paragraph (b) above. The increment for FY23 is determined with reference to (i) the rental income to be derived from the possible acquisitions based on the 5% gross rental income yield assumption as described in the above sub-section headed “For rental income – (c)”;
- (ii) an annual leasing service fee of 3% of such rental income; and (iii) an annual marketing service fee of 1 month base rent for securing tenancy. An increment of 10% is applied for FY24 and FY25, being in line with the expected rental growth rate of 10% for FY24 and FY25 as described in the above sub-section headed “For rental income – (c)”. Please refer to sub-paragraph (c) of “For rental income” above for details of the potential acquisition opportunities.

(iv) Reasons for and Benefits of the Continuing Connected Party Transactions

The REIT Manager is responsible under the Trust Deed and the REIT Code for ensuring the properties of Champion REIT Group are professionally managed and maintained under the overall management and supervision of the REIT Manager. Having considered the long term relationship between Champion REIT Group and Great Eagle Group and to ensure business efficiency and continuity, at the same time to accommodate the business needs of Champion REIT Group and leveraging on Great Eagle Group’s experience in property management, property leasing and property development and investment, the transactions under the Revenue Transactions Framework Agreement and the Expense Transactions Framework Agreement can help maintain Champion REIT Group’s competitiveness by generating stable income to and controlling operating costs of Champion REIT Group at the same time. Therefore, it would be commercially beneficial for Champion REIT Group to enter into the Framework Agreements.

(v) Regulatory Implications

Based on the latest Disclosure of Interest Form received by Champion REIT, as at 3 November 2022, Great Eagle (being a Substantial Unitholder holding 4,075,996,354 Units which represents 68.23% of the total Units then in issue) is a connected person of Champion REIT pursuant to Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules. Accordingly, the Revenue Transactions and the Expense Transactions constitute continuing connected party transactions of Champion REIT.

As the highest applicable percentage ratio calculated in respect of the highest annual cap among the New Annual Caps exceeds 5%, the Framework Agreements are subject to the Independent Unitholders' approval, announcement, reporting and annual review requirements under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules.

As Dr Lo Ka Shui, a non-executive Director, is the controlling shareholder, Chairman and Managing Director of Great Eagle, in order to avoid any actual or potential conflict of interest, Dr Lo had abstained from voting at the relevant Board resolutions approving the Framework Agreements and the New Annual Caps.

(vi) Review and Reporting

Pursuant to paragraph 8.7A of the REIT Code and rules 14A.55 to 14A.59, rule 14A.71 and rule 14A.72 of the Listing Rules, the Continuing Connected Party Transactions will be subject to the following review and reporting processes:

Annual Review by the Independent non-executive Directors

The INEDs shall review the Continuing Connected Party Transactions annually and confirm in Champion REIT's annual report for the relevant financial period that each of such transactions has been entered into (i) in the ordinary and usual course of business of Champion REIT Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement on terms that are fair and reasonable and in the interests of Champion REIT and Unitholders as a whole and in accordance with the REIT Manager's internal procedures governing such transaction.

Annual Review by the Auditors

The REIT Manager shall engage the Auditors to perform certain review procedures on the Continuing Connected Party Transactions annually. The Auditors shall report and provide a letter to the REIT Manager on the factual findings based on the work performed by them confirming whether anything has come to their attention that causes them to believe that any such transaction (i) has not been approved by the Board (including all of the INEDs); (ii) was not, in all material respects, in accordance with the pricing policies of Champion REIT; (iii) was not entered into, in all material respects, in accordance with its terms of agreement; or (iv) has exceeded the applicable annual cap.

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

The REIT Manager shall provide a copy of the Auditors' report to the SFC at least 10 business days before the bulk printing of the annual report of Champion REIT.

Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if the INEDs and/or the Auditors cannot confirm the matters set out above. The SFC may require the REIT Manager to re-comply with the announcement and Independent Unitholders' approval requirements and may impose additional conditions.

Annual Reports

A brief summary of the Continuing Connected Party Transactions containing the information specified in rules 14A.71 and 14A.72 of the Listing Rules shall be included in Champion REIT's annual reports.

Internal Control System

The REIT Manager has established an internal control system to ensure that connected party transactions (including continuing connected party transactions) between Champion REIT Group and its connected persons are monitored and that such transactions are undertaken on terms in compliance with the REIT Code and the Listing Rules. As required by the REIT Code and the Listing Rules, all connected party transactions (including continuing connected party transactions) must, among other things, be carried out at arm's length, on normal commercial terms and in the interests of Champion REIT and Unitholders as a whole.

The following internal control measures, among others, are in place to ensure that such transactions satisfy the foregoing criteria:

- (a) To ensure each Revenue Transaction is entered into based on the prevailing market rate and on normal commercial terms, the REIT Manager, where applicable, shall arrange for an independent valuation to be conducted by the then prevailing principal valuer of Champion REIT, or if the principal valuer is unavailable, an independent property consultancy firm which is able to satisfy the requisite criteria under Chapter 6 of the REIT Code, for each relevant tenancy agreement and licensing agreement before it is first entered into or if and when it is renewed, except where they are conducted on standard or published rates.
- (b) For Estate and Building Management Transactions, before entering into or renewing transactions for general tenancy works, three quotations (where practicable) shall be obtained from contractors or suppliers, including one from the relevant member of the Great Eagle Group and two from Independent Third Parties (where practicable), to conduct a comparison of the fees before the transaction is entered into, to ensure that such fees are at the then prevailing market rate.
- (c) For DMC Estate Management Transactions, the annual budget of DMC manager(s), which contains the projected annual expenses for the DMC manager(s) for different categories of building management expenses (such as cleaning, security and repair), is reviewed and agreed by Champion REIT. The internal auditor of the REIT Manager performs checking of the actual building management expenses incurred by the DMC manager(s) on a sampling and an ongoing basis, which includes checking whether expenses incurred by the DMC manager(s) were reasonable and in compliance with the relevant policies and procedures and statutory requirements. The internal auditor of the REIT Manager also reviews any budget variances to ensure that approval was sought accordingly with proper justifications.

- (d) For transactions contemplated under Langham Place Mall Estate Management Agreement and the CAF Management Agreement, the annual budget of the retail manager, which includes the projected annual expense of the retail manager for different categories of estate and building management services, is reviewed and agreed by Champion REIT. The internal auditor of the REIT Manager performs checking of the actual building management expenses incurred by the retail manager on a sampling and an ongoing basis, which includes checking whether expenses incurred by the retail manager were reasonable and in compliance with the relevant policies and procedures and statutory requirements. The internal auditor of the REIT Manager also reviews any budget variances to ensure that approval was sought accordingly with proper justifications.
- (e) For the Specified PMA Transactions, when the Specified Property Management Agreement is renewed, the REIT Manager shall arrange for an independent assessment from a property consultancy firm to be conducted on the property and lease management and marketing services fees charged for the property management services, to ensure that such fees are reasonable and at market level.
- (f) The REIT Manager maintains a register to record all connected party transactions (including continuing connected party transactions) which are entered into by members of Champion REIT Group and where applicable, the bases, including quotations from Independent Third Parties, expert opinions, and/or independent valuations obtained to support such bases, on which they are entered into. The REIT Manager will review the quotations to ensure reasonableness having regard to the scale, scope and quality of services required, and the reputation, experience and track record of performance of the service providers.
- (g) The register of connected party transactions (including continuing connected party transactions) is reviewed on a monthly basis to ensure the relevant annual caps are not exceeded and proper announcements (if required) and reporting in the financial statements will be made.
- (h) As a general rule, the REIT Manager will demonstrate to the Audit Committee that all connected party transactions (including continuing connected party transactions) are carried out at arm's length, on normal commercial terms and in the interests of Champion REIT and Unitholders as a whole, which may entail (where practicable) obtaining quotations from parties unrelated to the connected persons of Champion REIT, or obtaining one or more valuation letters from independent professional valuers. In particular, the Audit Committee is provided with a summary of the connected party transactions (including continuing connected party transactions) including their transaction amounts on a half-yearly basis for review. The review shall include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.
- (i) The REIT Manager will incorporate into its internal audit plan a review of all controls on all connected party transactions (including continuing connected party transactions) entered into by Champion REIT Group.

(vii) Information on the Parties

Champion REIT is a collective investment scheme constituted as a unit trust and authorised by the SFC under section 104 of the SFO, whose Units are listed on the Main Board of the Stock Exchange. The principal business activities of Champion REIT are to invest in and own income-producing office and retail properties with the objective of providing Unitholders with stable and sustainable distributions and to achieve long-term capital growth through proactive management of the properties in Champion REIT's portfolio and the selective acquisition of properties.

The REIT Manager is a wholly-owned subsidiary of Great Eagle. The REIT Manager has the general power of management over the assets of Champion REIT and the REIT Manager's main responsibility is to manage the assets of Champion REIT for the benefit of the Unitholders.

Great Eagle is a long-standing property company based in Hong Kong of which shares are listed on the Main Board of the Stock Exchange (stock code: 41). The principal activities of Great Eagle Group include investment holding, property development and investment, operations of hotel, restaurant and flexible workspace, asset management, project management, trading of building materials, securities investment, provision of property management, maintenance and property agency services, property leasing and asset management. Its hotel portfolio covers Asia, Australia, Europe, New Zealand and North America.

2. RECOMMENDATIONS

The Board

The Board (including all of the INEDs) considers that the Continuing Connected Party Transactions form an integral part of the normal operations of Champion REIT Group. In particular, Great Eagle Group has been an important delegate of the REIT Manager since the listing of Champion REIT in relation to the management of the properties within the portfolio of Champion REIT Group.

Having taken into account its duties under the REIT Code and Trust Deed, the Board (including all of the INEDs) considers that the terms of the Framework Agreements (including the New Annual Caps and the basis of arriving at the same) are, and the Continuing Connected Party Transactions will be:

- (a) in the ordinary and usual course of business of Champion REIT Group;
- (b) consistent with the investment objectives and strategy of Champion REIT and in compliance with the REIT Code and the Trust Deed; and
- (c) on normal commercial terms and arm's length terms which are fair and reasonable and in the interests of Champion REIT and Unitholders as a whole.

Accordingly, the Board (including all of the INEDs) recommends that the Independent Unitholders vote in favour of the Ordinary Resolutions.

Independent Financial Adviser

Pursuant to rule 14A.44 of the Listing Rules, the Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee, the Independent Unitholders and the Trustee on the Framework Agreements, the Continuing Connected Party Transactions and New Annual Caps.

The Independent Financial Adviser has confirmed that, having considered the principal factors and reasons set out in the Letter from the Independent Financial Adviser, it considers that:

- (a) the terms of each of the Revenue Transactions Framework Agreement and the Expense Transactions Framework Agreement, and the basis for the Revenue Transactions and the Expense Transactions (including the New Annual Caps and the basis of arriving at the same) are fair and reasonable and are in the interests of Champion REIT and the Unitholders as a whole; and
- (b) each of the Revenue Transactions and the Expense Transactions (i) is conducted in the ordinary and usual course of business of Champion REIT Group and consistent with the investment objectives and strategy of Champion REIT and in compliance with the REIT Code and the Trust Deed; (ii) will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) is fair and reasonable and in the interests of Champion REIT and the Unitholders as a whole.

Your attention is drawn to the Letter from the Independent Financial Adviser set out in Appendix II to the Circular which contains the Independent Financial Adviser's opinion and recommendation (including the reasons for its opinion, the key assumptions made and the factors that it has taken into consideration in forming the opinion).

The Independent Board Committee

Pursuant to rule 14A.40 of the Listing Rules, an independent board committee (the "**Independent Board Committee**") (comprising all of the INEDs) has been established to advise the Independent Unitholders on the Framework Agreements, the Continuing Connected Party Transactions and the New Annual Caps.

Having taken into account the opinion and recommendation of the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Framework Agreements (including the New Annual Caps and the basis of arriving at the same) are, and the Continuing Connected Party Transactions will be:

- (a) in the ordinary and usual course of business of Champion REIT Group;
- (b) consistent with the investment objectives and strategy of Champion REIT and in compliance with the REIT Code and the Trust Deed; and
- (c) on normal commercial and arm's length terms which are fair and reasonable and in the interests of Champion REIT and Unitholders as a whole.

Accordingly, the Independent Board Committee recommends that the Independent Unitholders vote in favour of the Ordinary Resolutions.

Your attention is drawn to the Letter from the Independent Board Committee set out in Appendix I to the Circular which contains the Independent Board Committee's opinion and recommendation.

Trustee

Based on and in sole reliance upon: (1) the opinion of the Board contained in this announcement (which will be included in the Letter to Unitholders set out in the Circular) and the information and assurances provided by the REIT Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties under the REIT Code and the Trust Deed, is of the view that the terms of the Framework Agreements (including the New Annual Caps and the basis of arriving at the same) are, and the Continuing Connected Party Transactions will be:

- (a) in the ordinary and usual course of business of Champion REIT Group;
- (b) consistent with the investment objectives and strategy of Champion REIT and in compliance with the REIT Code and the Trust Deed; and
- (c) on normal commercial terms and arm's length terms which are fair and reasonable and in the interests of Champion REIT and Unitholders as a whole.

Independent Unitholders' approval is required for the Framework Agreements, the Continuing Connected Party Transactions and the New Annual Caps applicable thereto.

The Trustee does not have any objection to the entry into of the Continuing Connected Party Transactions in accordance with the terms of the Framework Agreements (including the New Annual Caps applicable thereto).

The Trustee's view and confirmation above are not to be taken as a recommendation or representation by the Trustee of the merits of the Continuing Connected Party Transactions or of any statements or information made or disclosed in this announcement and the Circular. The Trustee has not made any assessment of the impact or merits of the above matters other than for the purpose of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code.

Accordingly, the Trustee urges all Unitholders, including those intending to vote at the EGM who are in any doubt as to the voting recommendations herein and/or the merits or impact of the terms of the Framework Agreements, the Continuing Connected Party Transactions and the New Annual Caps applicable thereto, to seek their own financial or other professional advice.

3. DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

The Circular containing (a) a Letter to Unitholders which contains details of the Continuing Connected Party Transactions; (b) a Letter from the Independent Board Committee; (c) a Letter from the Independent Financial Adviser; and (d) the EGM Notice, will be despatched to Unitholders on or before 8 November 2022.

The EGM will be held at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Thursday, 24 November 2022 at 4:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the EGM Notice.

In order to determine which Unitholders will qualify to attend and vote at the EGM, the Register of Unitholders will be closed from Tuesday, 22 November 2022 to Thursday, 24 November 2022 (both days inclusive) during which period no transfers of Units will be effected. For those Unitholders who are not already on the register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of Champion REIT, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 November 2022.

4. DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

2008 Circular	the circular dated 16 February 2008 issued by Champion REIT to Unitholders
2016 Circular	the circular dated 25 November 2016 issued by Champion REIT to Unitholders
2019 Circular	the circular dated 28 November 2019 issued by Champion REIT to Unitholders
2019 Extended Waiver	has the meaning ascribed to it in the section headed "1.Continuing Connected Party Transactions — Background"
associates	has the meaning ascribed to it in the REIT Code and the Listing Rules
Audit Committee	audit committee of the Board
Auditors	auditors of Champion REIT
Board	the board of Directors
CAF Management Agreement	has the meaning ascribed to it in the 2008 Circular
Champion REIT	Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time
Champion REIT Group	Champion REIT and its subsidiaries
Circular	has the meaning ascribed to it in the summary box of this announcement
connected person	has the meaning ascribed to it in the REIT Code and the Listing Rules

Continuing Connected Party Transactions	the Revenue Transactions and the Expense Transactions
controlling shareholder	has the meaning ascribed to it in the Listing Rules
DMCs	the deeds of mutual covenants in relation to properties held by Champion REIT Group
DMC Agreements	all agreements between Champion REIT Group and Great Eagle Group for Estate and Building Management Transactions pursuant to relevant DMCs subsisting as at the date of the Expense Transactions Framework Agreement
DMC Estate Management Transactions	certain transactions under the DMC Agreements, forming part of the Estate and Building Management Transactions
Directors	the directors of the REIT Manager
Eagle Property Management (CP) Limited	an indirectly wholly-owned subsidiary of Great Eagle, in its capacity as property manager of Champion REIT
EGM	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
EGM Notice	the notice to be included in the Circular in respect of the extraordinary general meeting of Unitholders to consider and, if thought fit, approve the Framework Agreements, the Continuing Connected Party Transactions and the New Annual Caps
Estate and Building Management Transactions	estate and building management services such as cleaning, repair and maintenance services and renovation work and facilities management in respect of the properties held by Champion REIT Group
Expense Transactions	the Estate and Building Management Transactions and the Property Management Transactions
Expense Transactions Annual Caps	has the meaning ascribed to it in the section headed “1. Continuing Connected Party Transactions — (iii) Expense Transactions – Historical Transaction Amounts and Expense Transactions Annual Caps”
Expense Transactions Framework Agreement	the expense transactions framework agreement dated 7 November 2022 entered into between Great Eagle and REIT Manager (for and on behalf of Champion REIT) in respect of the Expense Transactions

Framework Agreements	the Revenue Transactions Framework Agreement and the Expense Transactions Framework Agreement
FY11	the financial year ended on 31 December 2011
FY20	the financial year ended on 31 December 2020
FY21	the financial year ended on 31 December 2021
FY22	the financial year ending on 31 December 2022
FY23	the financial year ending on 31 December 2023
FY24	the financial year ending on 31 December 2024
FY25	the financial year ending on 31 December 2025
Great Eagle	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 41)
Great Eagle Group	Great Eagle and its subsidiaries and associates (excluding members of Champion REIT Group)
HK\$	the lawful currency of Hong Kong
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
Independent Board Committee	has the meaning ascribed to it in the section headed "2.Recommendation — the Independent Board Committee"
Independent Financial Adviser	Ballas Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Independent Third Party(ies)	person(s) or entity(ies) who is/are not connected persons of Champion REIT
Independent Unitholders	Unitholders other than those who have a material interest in the relevant transactions, within the meaning of paragraph 8.7F of the REIT Code
INEDs	the independent non-executive Directors of the REIT Manager
Langham Place	a commercial development erected on all that piece or parcel of ground registered in the Land Registry as Kowloon Inland Lot No.11099 and comprising, inter alia, an office tower, a shopping and commercial centre, a hotel and car-parking spaces
Langham Place Mall Estate Management Agreement	has the meaning ascribed to it in the 2008 Circular

Langham Place Office Tower	the office portion of Langham Place and being named as High Block under the Deed of Mutual Covenant and Management Agreement of Langham Place dated 27 June 2005
Listing Rules	the Rules Governing the Listing of Securities on Stock Exchange (modified as appropriate pursuant to paragraph 2.26 of the REIT Code)
New Annual Caps	the Revenue Transactions Annual Caps and the Expense Transactions Annual Caps
Ordinary Resolutions	Ordinary Resolution No. 1 and Ordinary Resolution No. 2
Ordinary Resolution No. 1	ordinary resolution no. 1 as set out in the EGM Notice
Ordinary Resolution No. 2	ordinary resolution no. 2 as set out in the EGM Notice
Potential PMA Transactions	at any time, new property management agreement(s) to be entered between Champion REIT Group and Great Eagle Group for the Property Management Transactions
Pre-existing Expense Transactions Agreements	all agreements between Champion REIT Group and Great Eagle Group for Expense Transactions entered into before and subsisting as at 1 January 2023, including but not limited to the CAF Management Agreement, the DMC Agreements, Langham Place Mall Estate Management Agreement and the Specified Property Management Agreement
Pre-existing Revenue Transactions Agreements	all agreements between Champion REIT Group and Great Eagle Group for Revenue Transactions entered into before and subsisting as at 1 January 2023
Property Management Transactions	property management services, which include property management (such as coordinating tenants' fitting out requirements, maintenance services and supervising the performance of service providers and contractors), lease management services (such as administration of rental collection, lease renewals and negotiation of terms), and marketing services (such as provision of marketing co-ordination services). Property Management Transactions include the Specified PMA Transactions and the Potential PMA Transactions both of which are no longer categorized as a separate type of transactions for the purpose of annual caps due to the reason disclosed in "Historical Transaction Amounts and Expense Transactions Annual Caps"
REITs	the real estate investment trusts of which units are listed on the Stock Exchange
REIT Code	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified from time to time

REIT Manager	Eagle Asset Management (CP) Limited, as manager of Champion REIT
rental income	rent, license fees and leasing-related income i.e. promotion levy
Revenue Transactions	the provision of real estate space (for use, including without limitation to the generality of the foregoing, as office, commercial outlets, shared working, vehicle parking and storeroom) through rental and/or license arrangements which generate rental income and building management fees to Champion REIT Group
Revenue Transactions Annual Caps	has the meaning ascribed to it in the section headed “1. Continuing Connected Party Transactions — (ii) Revenue Transactions — Historical Transaction Amounts and Revenue Transactions Annual Caps”
Revenue Transactions Framework Agreement	the revenue transactions framework agreement dated 7 November 2022 entered into between Great Eagle and REIT Manager (for and on behalf of Champion REIT) in respect of the Revenue Transactions
SFC	The Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Specified PMA Transactions	the transactions under the Specified Property Management Agreement
Specified Property Management Agreement	the property management agreement dated 26 April 2006 entered into between the REIT Manager and Eagle Property Management (CP) Limited
Stock Exchange	The Stock Exchange of Hong Kong Limited
Substantial Unitholder	has the meaning ascribed to it in paragraph 8.1 of the REIT Code
Three Garden Road	a commercial development erected on all that piece or parcel of ground registered in the Land Registry as Inland Lot No. 8888 and comprising, inter alia, two office towers, a podium, and car-parking spaces
Trust Deed	the trust deed constituting Champion REIT dated 26 April 2006, the first amending and restating deed dated 21 April 2021 and the eighth supplemental deed dated 24 May 2021 respectively, entered into between the Trustee and the REIT Manager

Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Champion REIT. All references to the Trustee in this announcement are, as the context may require, to the Trustee acting on behalf of Champion REIT and on the instruction of the REIT Manager
Unit	one undivided unit in Champion REIT
Unit Registrar	Computershare Hong Kong Investor Services Limited
Unitholder	any person registered as holding a Unit
%	per centum or percentage

Yours faithfully,

By Order of the Board

Eagle Asset Management (CP) Limited
(as manager of Champion Real Estate Investment Trust)

Lo Ka Shui
Chairman

Hong Kong, 7 November 2022

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

Non-executive Directors:

Dr Lo Ka Shui (*Chairman*) and Ms Wong Mei Ling, Marina

Executive Directors:

Ms Hau Shun, Christina (*Chief Executive Officer*) and Mr Kwong Chi Kwong

Independent Non-executive Directors:

Mr Cheng Wai Chee, Christopher, Mr Ho Shut Kan, Mr Ip Yuk Keung, Albert and Mr Shek Lai Him, Abraham