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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

ANNOUNCEMENT

(1) PROPOSED INCREASE IN THE PROPERTY DEVELOPMENT CAP AND AMENDMENT TO THE TRUST DEED (2) NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF UNITHOLDERS

The Board wishes to announce that the Manager proposes to seek Unitholders' approval at the EGM to increase the Property Development Cap on investments in property development and related activities from the current 10% to 25% of the gross asset value of Champion REIT and to amend the Trust Deed to reflect such increase.

Details of the abovementioned amendments are set out in the EGM Circular which is expected to be despatched together with the EGM Notice and the form of proxy for the EGM to the Unitholders on Friday, 23 April 2021. The EGM will be held immediately after the conclusion or adjournment of the AGM to be held on the same day and at the same venue (the AGM will be held at 4:00pm on Thursday, 20 May 2021, at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the purpose of considering and, if thought fit, passing with or without modification, the Special Resolution as set out in the EGM Notice. In order to determine the entitlement of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021, both days inclusive, during which period no transfer of Units will be effected.

1. PROPOSED INCREASE IN THE PROPERTY DEVELOPMENT CAP AND AMENDMENT TO THE TRUST DEED

Reference is made to the announcement dated 21 April 2021.

On 4 December 2020, the REIT Code was amended to, *inter alia*, relax the Property Development Cap to up to 25% of the REIT's gross asset value, subject to the restrictions in the REIT Code.

Under the current provisions of the Trust Deed, Champion REIT is allowed to invest in property development projects up to 10% of its gross asset value. The Manager is of the view that, following the REIT Code Amendments, allowing Champion REIT to make investments in property development and related activities in excess of the existing limit of 10% of Champion REIT's gross asset value to not more than 25% of Champion REIT's gross asset value, being the proposed increase in the Property Development Cap, is beneficial to Champion REIT and the Unitholders as a whole. In particular, the enhanced flexibility can provide Champion REIT with more options in selecting acquisition targets and will enable the Manager to pursue further investment opportunities for Champion REIT as and when they arise.

Pursuant to 7.2AA and 9.6 of the REIT Code and clause 31.1 of the Trust Deed, the proposed increase in the Property Development Cap and the Property Development Cap Amendments are subject to Unitholders' approval by way of Special Resolution.

Having taken into account the duties of the Manager under the Trust Deed and the REIT Code, the Board considers that:

- (a) the Property Development Cap Amendment is being made in compliance with the modification provisions of the Trust Deed and the REIT Code; and
- (b) the proposed increase in the Property Development Cap and the Property Development Cap Amendment are in line with the relaxations under the REIT Code Amendments and are in the interests of Champion REIT and the Unitholders as a whole.

Having taken into account the duties of the Trustee under the Trust Deed and the REIT Code, and based on the information contained in the Circular, the Trustee is of the view that the Property Development Cap Amendment is being made in compliance with the modification provisions of the Trust Deed and the REIT Code.

Accordingly, subject to Unitholders' approval being obtained, and to the requisite amendments being made to the Trust Deed, pursuant to note (2) to 10.5 of the REIT Code, the Trustee has no objection to the Property Development Cap Amendment, and, in compliance with 7.2AA(c) of the REIT Code, the Trustee has agreed to provide its no objection view in respect of the proposed increase in the Property Development Cap.

The Trustee's views and confirmations above are not to be taken as a recommendation or representation by the Trustee of the merits of the Property Development Cap Amendment or any statements or information made or disclosed in the EGM Circular. The Trustee has not made any assessment of the impact or merits of the Property Development Cap Amendment other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the impact or merits of the

Property Development Cap Amendment, to seek their own financial or other professional advice.

Please refer to the EGM Circular for details of the proposed increase in the Property Development Cap and the Property Development Cap Amendment and the EGM Notice for the Special Resolution to approve the proposed increase in the Property Development Cap and the Property Development Cap Amendment.

2. EGM

The EGM Circular is expected to be despatched together with the EGM Notice and the form of proxy for the EGM to the Unitholders on Friday, 23 April 2021.

The EGM will be held immediately after the conclusion or adjournment of the AGM to be held on the same day (the AGM will be held at 4:00pm on Thursday, 20 May 2021, at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the purpose of considering and, if thought fit, passing with or without modification, the Special Resolution as set out in the EGM Notice.

In order to determine the entitlement of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021, both days inclusive, during which period no transfer 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 transfers of Units accompanied by the relevant Unit certificates and the duly completed transfer forms must be lodged with the Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30pm on Thursday, 13 May 2021.

3. INSPECTION OF DOCUMENTS

Pursuant to the REIT Code, a copy of the Trust Deed and a draft copy of the Eighth Supplemental Deed are available for inspection by the public by prior appointment during normal office hours at the Manager's place of business, being Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

4. DEFINITIONS

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

AGM	the annual general meeting of Unitholders to be convened on Thursday, 20 May 2021 at 4:00pm
Board	the board of directors of the Manager.
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, or Champion Real Estate Investment Trust and the entities controlled by it, as the context requires.

EGM	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice.
EGM Circular	the circular to Unitholders which provides further information on the proposed increase in the Property Development Cap and the Property Development Cap Amendment.
EGM Notice	the notice of the EGM included in the EGM Circular which sets out details of the Special Resolution to approve the proposed increase in the Property Development Cap and the Property Development Cap Amendment.
Eighth Supplemental Deed	the eighth supplemental deed to be entered into between the Manager and the Trustee to incorporate the Property Development Cap Amendment in the Trust Deed.
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China.
Manager	Eagle Asset Management (CP) Limited, in its capacity as manager of Champion REIT.
Property Development Cap	bears the meaning as defined in the REIT Code.
Property Development Cap Amendment	the proposed amendment to the Trust Deed relating to the proposed increase in the Property Development Cap, details of which are set out in the EGM Circular.
REIT	real estate investment trust.
REIT Code	the Code on Real Estate Investment Trusts published by the SFC.
REIT Code Amendments	the amendments to the REIT Code which took effect on 4 December 2020.
SFC	the Securities and Futures Commission of Hong Kong.
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
Special Resolution	a resolution passed at a meeting of Unitholders carried by 75% or more of the votes of those Unitholders present and entitled to vote in person or by proxy where the votes shall be taken by way of poll.

Trust Deed	the trust deed dated 26 April 2006 between the Trustee and the Manager constituting Champion REIT (as amended, supplemented and/or restated by seven supplemental deeds and one amending and restating deed).
Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Champion REIT.
Unit(s)	unit(s) of Champion REIT.
Unitholder(s)	the person for the time being entered in the register of holders of Units as the holder of a Unit and (where the context so admits) persons jointly so entered.
%	per cent.

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

Hong Kong, 22 April 2021

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

Non-executive Directors:

Dr Lo Ka Shui (*Chairman*), Mr Ip Yuk Keung, Albert and Ms Wong Mei Ling, Marina

Executive Director:

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

Independent Non-executive Directors:

Mr Cheng Wai Chee, Christopher, Mr Ho Shut Kan and Mr Shek Lai Him, Abraham