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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

PAYMENT OF MANAGER'S FEE

AND

2022 INTERIM DISTRIBUTION

Reference is made to the announcement of Champion REIT dated 30 November 2012 in relation to the notification from the REIT Manager to the Trustee in writing that it elected to receive 50% of the Manager's Fee arising from the real estate owned by Champion REIT in the form of Units and the remaining 50% in cash. As the REIT Manager has not elected the payment method of Manager's Fee for the financial year 2022, the most recent valid election by the REIT Manager on 30 November 2012 shall apply to the financial year 2022 according to Clause 11.1.2 of the Trust Deed.

The Board announces that on 5 September 2022 the REIT Manager received 18,619,049 new Units (representing approximately 0.3117% of the 5,973,675,590 Units in issue immediately after such issue) issued by Champion REIT at the price of HK\$3.403 per Unit (being the Market Price) as payment of 50% of the Manager's Fee for the Period of HK\$63,360,625. The remaining 50% of the Manager's Fee in the amount of HK\$63,360,625 was received in cash.

The REIT Manager held 518,033,947 Units before the receipt of the new Units. With the new Units issued, the REIT Manager holds 536,652,996 Units (representing approximately 8.9836% of the 5,973,675,590 Units in issue immediately after such issue).

Based on the total number of issued Units as of the date of this announcement, the distribution per Unit for the Period shall be HK\$0.1061, which will be payable on 7 October 2022 to Unitholders whose names appear on the Register of Unitholders on the Record Date.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

Reference is made to the announcement of Champion REIT dated 30 November 2012 in relation to the notification from the REIT Manager to the Trustee in writing that it elected to receive 50% of the Manager's Fee arising from the real estate owned by Champion REIT in the form of Units and the remaining 50% in cash. As the REIT Manager has not elected the payment method of Manager's Fee for the financial year 2022, the most recent valid election by the REIT Manager on 30 November 2012 shall apply to the financial year 2022 according to Clause 11.1.2 of the Trust Deed.

The Board announces that on 5 September 2022 the REIT Manager received 18,619,049 new Units (representing approximately 0.3117% of the 5,973,675,590 Units in issue immediately after such issue) issued by Champion REIT at the price of HK\$3.403 per Unit (being the Market Price) as payment of 50% of the Manager's Fee for the Period of HK\$63,360,625. The remaining 50% of the Manager's Fee in the amount of HK\$63,360,625 was received in cash. The basis of determination of the 18,619,049 Units as payment of 50% of the Manager's Fee is consistent with the relevant provisions of the Trust Deed. The REIT Manager held 518,033,947 Units before the receipt of the new Units. With the new Units issued, the REIT Manager holds 536,652,996 Units (representing approximately 8.9836% of the 5,973,675,590 Units in issue immediately after such issue).

As at the date of this announcement, the total number of Units issued to the REIT Manager as payment of Manager's fee for the financial year ending 31 December 2022 did not exceed 3% of the total number of Units outstanding as at 31 December 2021 as required in the waiver condition (i) mentioned herein below.

The net property income of Champion REIT (including the property held by a joint venture) for the Period was approximately HK\$1,056,010,000. Since the net property income for the Period exceeded the required threshold of net property income of HK\$200 million, pursuant to the Trust Deed, the REIT Manager is entitled to receive the Manager's Fee for the Period.

The payment of the Manager's Fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the SFC. Principal provisions regarding the Manager's fee have been set out in details in the Offering Circular.

The waiver in respect of payment of the Manager's fee by way of Units was granted by the SFC subject to the following conditions:

- (i) in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager's fee for that financial year shall, in aggregate, be limited to such number of Units which represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purpose of financing any acquisition of real estate by Champion REIT;
- (ii) any issuance of Units to the REIT Manager as payment of all or part of the Manager's fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (iii) in the event that any payment of all or part of the Manager's fee in the form of Units to the REIT Manager exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and paragraph (i) above, and Unitholders' approval is not obtained for the issue of Units for such purpose, then payment of that excess part of the Manager's fee, as the case may be, will be made by Champion REIT to the REIT Manager in cash.

According to the Interim Results Announcement, an interim distribution of HK\$0.1064 per Unit will be paid to persons who are registered Unitholders as at the Record Date, subject to dilution upon issuance of Units to the REIT Manager for settlement of 50% of the Manager's Fee in respect of the first half of year 2022 and any other issuance of Units from 1 July 2022 up to the Record Date. Accordingly, based on the total number of issued Units as of the date of this announcement, the distribution per Unit for the Period shall be HK\$0.1061, which will be payable on 7 October 2022 to Unitholders whose names appear on the Register of Unitholders on the Record Date. Further announcement will be made if there is any change to the distribution per Unit subsequent to the publication of this announcement.

DEFINITIONS

“Board”	the board of directors of the REIT Manager
“Champion REIT”	Champion Real Estate Investment Trust
“Interim Results Announcement”	2022 Interim Results Announcement dated 19 August 2022 issued by the REIT Manager
“Manager’s Fee”	the fee of approximately HK\$126,721,000 payable by Champion REIT out of the real estate owned by Champion REIT to the REIT Manager calculated at 12% of the net property income of Champion REIT (including the property held by a joint venture) for the Period
“Market Price”	has the meaning ascribed to this term in the Trust Deed and in the case of issue of Units as payment for the Manager’s Fee, Market Price shall mean the price as determined by the REIT Manager as being the higher of: <ul style="list-style-type: none"> (1) the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the new Units are issued; and (2) the average closing price of the Units in the ten trading days immediately preceding the date on which the new Units are issued
“Offering Circular”	the offering circular dated 11 May 2006 issued by the REIT Manager in connection with the initial public offering of the Units
“Period”	the six-month period ended 30 June 2022
“Record Date”	23 September 2022
“REIT Code”	the Code on Real Estate Investment Trusts
“REIT Manager”	Eagle Asset Management (CP) Limited, as manager of Champion REIT

“SFC”	The Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, as trustee of Champion REIT
“Unitholders”	holders of the Units
“Units”	the units 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, 5 September 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