

【For Immediate Release】

ChampionREIT

冠君產業信託

Champion REIT Announces 2021 Annual Results

- Overall operating environment continued to be impacted by the pandemic
- Adopted flexible leasing strategy to maintain high occupancy rate
- Secured the Trust's first sustainability-linked loan and swap

Hong Kong, 21 February 2022 – **Champion Real Estate Investment Trust (stock code: 2778)**, the owner of Three Garden Road and Langham Place, announces its financial results for year ended 31 December 2021.

Summary of financial results

	FY 2021	FY 2020	Change
Total Rental Income (HK\$ mil)	2,495	2,633	-5.2%
Net Property Income (HK\$ mil)	2,197	2,347	-6.4%
Distributable Income (HK\$ mil)	1,503	1,554	-3.3%
Distribution per unit (HK\$)	0.2279	0.2496	-8.7%

	31 Dec 2021	31 Dec 2020	Change
Gross Value of Portfolio (HK\$ mil)	65,296	67,318	-3.0%
Net Asset Value per unit (HK\$)	8.25	8.61	-4.2%
Gearing Ratio	22.9%	23.0%	-0.1pp

Overview

The persistent COVID-19 pandemic continued to pose challenges to the operating environment for our business in 2021. Amid the gloomy market conditions, Champion REIT recorded a drop in distributable income by 3.3% to HK\$1,503 million and distribution per unit (“DPU”) declined 8.7% to HK\$0.2279.

Three Garden Road

Three Garden Road recorded a shrink of the rental income by 3.8% to HK\$1,460 million in 2021 (2020: HK\$1,518 million). Average passing rent decreased to HK\$108.3 per sq. ft. (based on lettable area) as at 31 December 2021. Demand from new and existing tenants gradually materialised in the second half, boosting the occupancy of the property to 89.0% as at 31 December 2021.

Langham Place Office Tower

The impact of negative rental reversion drove down rental income of Langham Place Office Tower to HK\$365 million in 2021 (2020: HK\$378 million), and passing rents of the property declined to HK\$47.1 per sq. ft. (based on gross floor area) as at 31 December 2021. Occupancy of the property increased to 96.3% as at 31 December 2021, given the rebound in leasing momentum for beauty and healthcare tenants.

Langham Place Mall

Amid the challenging environment for retail leasing, the total rental income of the property went down 9.1% to HK\$670 million (2020: HK\$738 million). The average passing rents dropped to HK\$165.9 per sq. ft. (based on lettable area) as at 31 December 2021. The mall remained fully occupied as at 31 December 2021, attributed by the spearhead of the Langham Beauty concept at our premises which upgraded the tenant mix and strengthened the strategic positioning of the mall.

Distribution

Distributable income of the Trust dropped 3.3% to HK\$1,503 million (2020: HK\$1,554 million) and DPU dropped 8.7% to HK\$0.2279 (2020: HK\$0.2496). Based on the closing unit price of HK\$3.99 recorded on 31 December 2021, the total DPU represented a distribution yield of 5.7%.

Asset Value

The appraised value of the Trust's property portfolio was HK\$65.3 billion as at 31 December 2021, declining 3.0% from HK\$67.3 billion as at 31 December 2020.

Sustainability

We forged ahead to embrace change with resilience and agility to manage business continuity and put people at the heart of what we do. In addition to the BEAM Plus Existing Building Platinum certification, Langham Place Mall was awarded the international EDGE green building certification, making it the first shopping mall in Hong Kong to receive the recognition. The Trust also secured its first sustainability-linked loan and sustainability-linked swap, befitting our sustainability objectives.

Outlook

Amid the ongoing COVID-19 pandemic, the outlook of Hong Kong office and retail property market remains uncertain and difficult. The tightening of social distancing measures would continue to affect the business of our tenants. Relaxation of cross-border controls and quarantine requirements locally would be crucial for economic recovery.

Looking forward, we will continue to adopt a flexible leasing strategy to retain tenants and maintain high occupancy rates. Despite the unfavourable conditions, we strive to inject impetus to growth through asset enhancement and trade mix rebranding initiatives. We will take a prudent approach in balance sheet management in a rising rate environment. Equipped with a sufficient reserve, the Trust stands ready to pursue acquisition opportunities globally with a goal to generate long-term returns.

About Champion REIT (stock code 2778)

Champion Real Estate Investment Trust is a trust formed to own and invest in income producing office and retail properties. The Trust focuses on Grade A commercial properties in prime locations. It currently offers investors direct exposure to nearly 3 million sq. ft. of prime office and retail floor area. These include two Hong Kong landmark properties, Three Garden Road and Langham Place, as well as a joint venture stake in 66 Shoe Lane in Central London. Since 2015, the Trust has been included in the Constituent of Hang Seng Corporate Sustainability Benchmark Index of Hang Seng Indexes.

Website: www.championreit.com

For press enquiries:

Strategic Financial Relations Limited

Vicky Lee

Tel: 2864 4834

Email: vicky.lee@sprg.com.hk

Christina Cheuk

Tel: 2114 4979

Email: christina.cheuk@sprg.com.hk

Yvonne Lee

Tel: 2864 4847

Email: yvonne.lee@sprg.com.hk

Website: www.sprg.com.hk