

【For Immediate Release】

ChampionREIT

冠君產業信託

Champion REIT Announces 2022 Annual Results

- Overall operating environment continued to be impacted by the sluggish global economy and the severe fifth wave of COVID-19 in the first quarter
- Langham Place Mall's sales outperformed overall Hong Kong retail market
- Three Garden Road achieved BEAM Plus Platinum with Hong Kong's highest score

Hong Kong, 24 February 2023 – **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 2022.

Summary of financial results

	FY 2022	FY 2021	Change
Total Rental Income (HK\$ million)	2,359	2,495	-5.5%
Net Property Income (HK\$ million)	2,031	2,197	-7.6%
Distributable Income (HK\$ million)	1,298	1,503	-13.6%
Distribution per unit (HK\$)	0.1956	0.2275	-14.0%

	31 Dec 2022	31 Dec 2021	Change
Gross Value of Portfolio (HK\$ million)	63,555	65,296	-2.7%
Net Asset Value per unit (HK\$)	7.91	8.25	-4.1%
Gearing Ratio	22.5%	22.9%	-0.4pp

Overview

The local market sentiment gradually improved as COVID-19 moderated throughout the year. Nevertheless, the global economy in 2022 was marked by rising interest rates and inflation which dampened consumer sentiment and raised borrowing costs. The severe fifth wave of COVID-19 in the first quarter caused considerable interruptions for our tenants as well as the overall leasing

momentum of our properties. Champion REIT recorded a drop in distributable income by 13.6% to HK\$1,298 million and distribution per unit (“DPU”) declined 14.0% to HK\$0.1956.

Three Garden Road

Three Garden Road recorded a shrink of the rental income by 7.8% to HK\$1,346 million in 2022 (2021: HK\$1,460 million). Occupancy of Three Garden Road was 82.7% as at 31 December 2022 due to downsizing and relocation of tenants in the financial industry.

Langham Place Office Tower

Total rental income of the property was relatively stable at HK\$363 million (2021: HK\$365 million). Occupancy of the property was 93.3% as at 31 December 2022. Lifestyle tenants remained a mainstay among the new occupiers, accounting for 71% as at 31 December 2022.

Langham Place Mall

Full year tenants’ sales went up 8%, outperforming the overall Hong Kong retail sales which dropped by 0.9% in 2022. The beauty segment recorded an encouraging growth, contributing to a 210.4% increase in turnover rent portion to HK\$117 million. The total rental income of the property went down 3.1% to HK\$650 million (2021: HK\$670 million). The mall remained fully occupied as at 31 December 2022.

Distribution

Distributable income of the Trust dropped 13.6% to HK\$1,298 million (2021: HK\$1,503 million) and DPU dropped 14.0% to HK\$0.1956 (2021: HK\$0.2275). Based on the closing unit price of HK\$3.08 recorded as at 30 December 2022, the total DPU represented a distribution yield of 6.4%.

Asset Value

The appraised value of the Trust’s property portfolio was HK\$63.6 billion as at 31 December 2022, declining 2.7% from HK\$65.3 billion as at 31 December 2021.

Sustainability

While making a stable progress in our 2030 Environmental, Social and Governance (“ESG”) targets, the establishment of the 2045 Net Zero roadmap further reinforces our decarbonisation commitments. Besides the first existing building in Hong Kong to achieve the WELL Building Platinum Standard, our ongoing decarbonisation advancement and green innovation enable Three Garden Road to attain its “Double Platinum” honour along with the Platinum certification of BEAM Plus Existing Building with Hong Kong’s highest score. We also launched a series of activities circled on the “Love · Play · Farm” project to achieve both green and social sustainable impacts.

Outlook

The gradual relaxation of COVID-19 measures for residents and visitors in Hong Kong, as well as the border reopening with mainland China should benefit the local economy. Overall, 2023 remains a challenging year for the Trust in view of potential global economy recession despite

the fact that mainland China's reopening is expected to reinvigorate the retail and potentially office markets.

Looking forward, we will continue to take a prudent approach on liability management and treasury management to identify yield enhancing opportunities. For potential acquisitions, we will continue to take an opportunistic and conservative approach. We will continue to monitor the market conditions, and capture business opportunities to enhance the performance of the Trust, and collaborate closely with tenants and stakeholders on our sustainability journey.

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

Roy Ng Tel: 2114 4950

Email: roy.ng@sprg.com.hk

Website: www.sprg.com.hk