



ChampionREIT

冠君產業信託

2023 Annual Results

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# Results Summary

## Satisfactory Rebound in Retail Rental Income

Total Rental Income	Net Property Income	Distributable Income	Distribution per Unit
HK\$mm	HK\$mm	HK\$mm	HK\$
<b>2,312</b>	<b>1,946</b>	<b>1,122</b>	<b>0.1683</b>
↓ 2.0% Y/Y	↓ 4.2% Y/Y	↓ 13.6% Y/Y	↓ 13.9% Y/Y

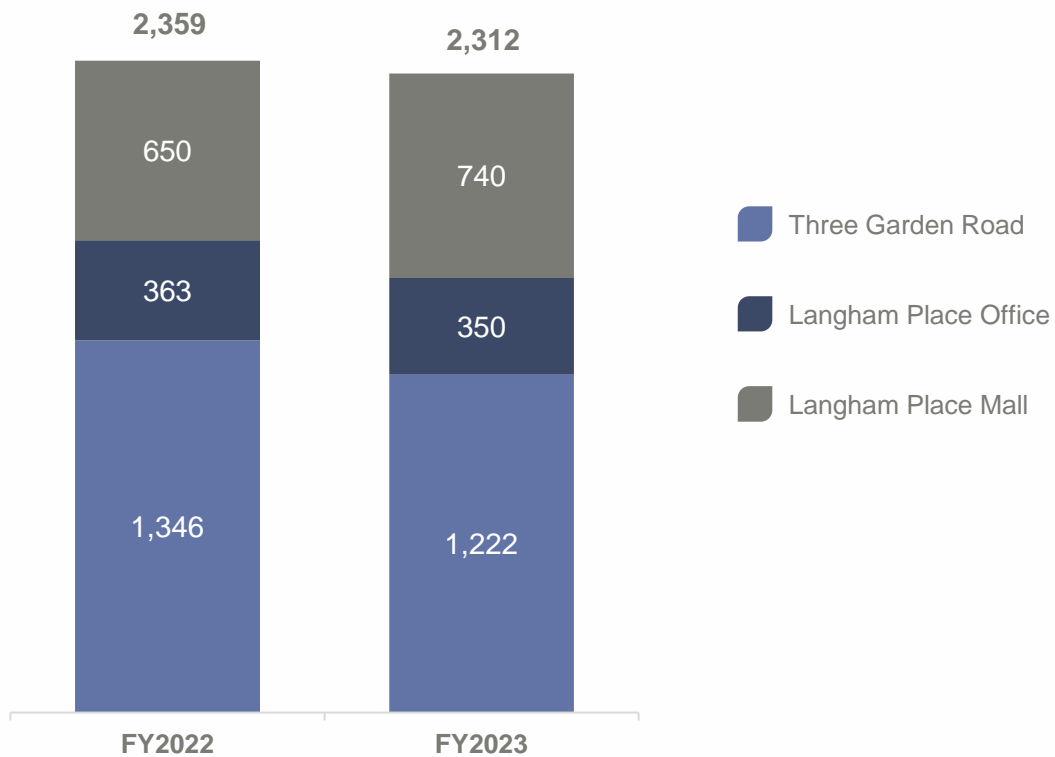
### Performance highlights

- ✦ Satisfactory growth in retail rental income; Sales of Langham Place Mall outperforming market
- ✦ Office leasing market remained challenging
- ✦ High interest rate environment drove up interest expenses

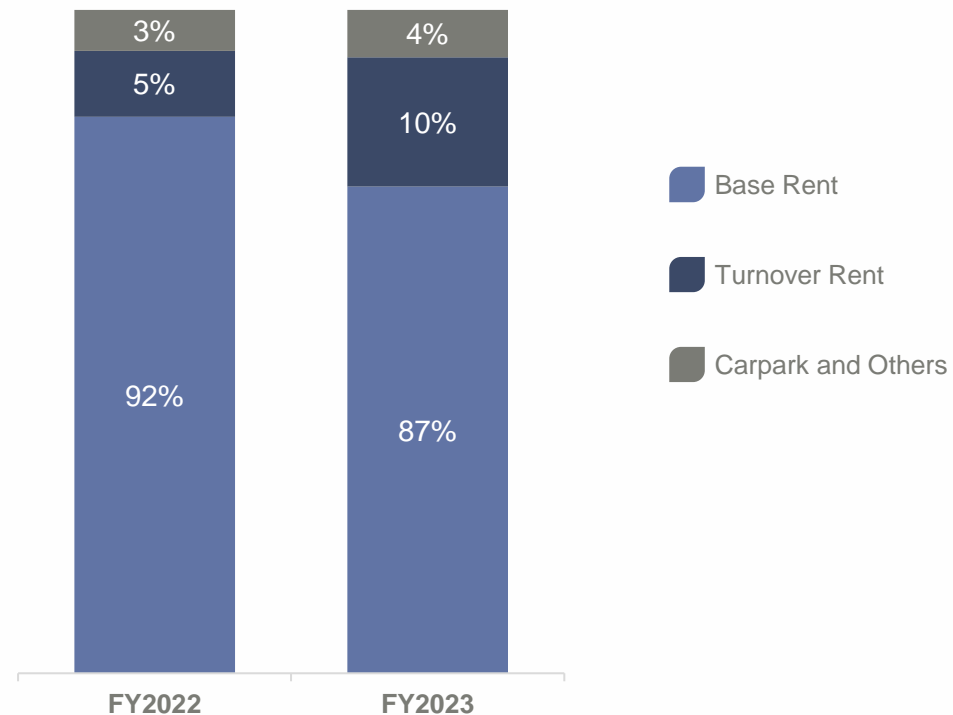
# Rental Income Breakdown

## Retail Recovery Boosting Up Turnover Rent

Rental Income by Property (HK\$mm)



Rental Income by Income Type



## Lower Rental Rate Assumptions; Unchanged Cap Rates

Property Valuation: HK\$62.9bn



Grade A office complex with GFA 1.6 million sq. ft.

Three Garden Road:  
HK\$38.1bn

HK\$ bn  
Office: 36.7

HK\$/sqft  
23,259

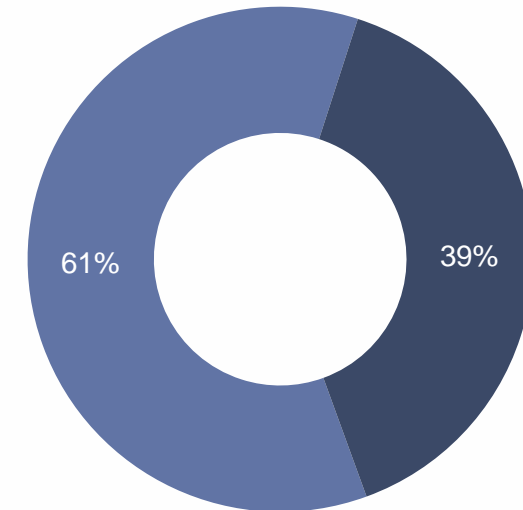
Cap Rate  
3.7%



Grade A office and mall with GFA 1.2 million sq. ft.

Langham Place:  
HK\$24.8bn

	Office	Retail
HK\$ bn	8.7	15.6
HK\$/sqft	12,404	26,375
Cap Rate	4.1%	4.0%

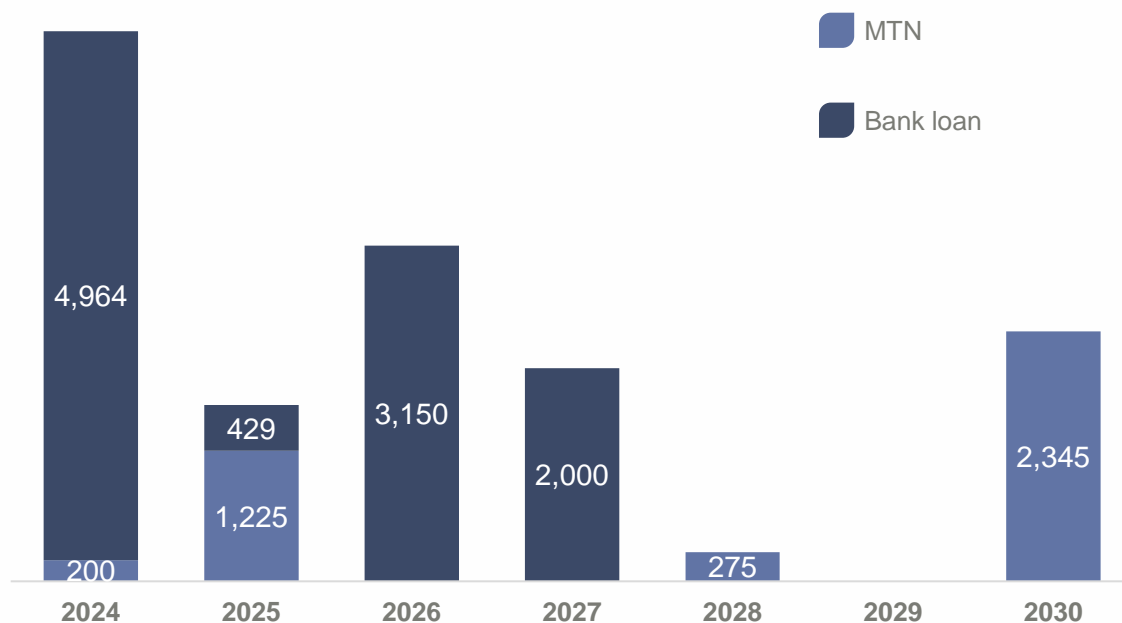


Three Garden Road  
Langham Place

## Prudent Financial Management

### Debt Maturity Profile (HK\$mm)

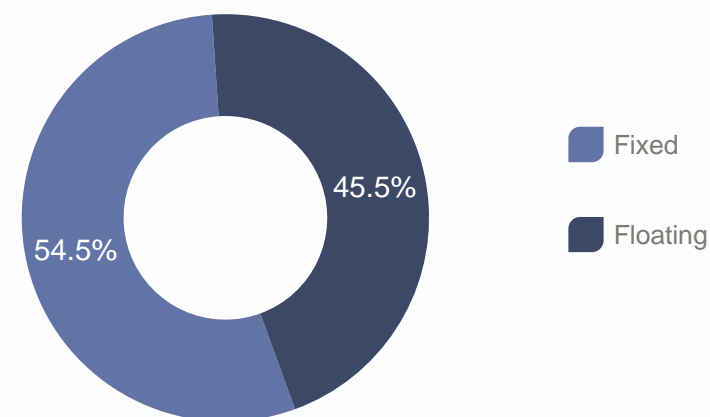
as at 31 Dec 2023



- ✦ Average debt maturity: 2.3 years (31 Dec 2022: 2.5 years)
- ✦ Average interest rate: 4.0% (FY2022: 2.8%)
- ✦ Gearing ratio: 22.8% (31 Dec 2022: 22.5%)

As at 31 Dec 2023	HK\$mm
Available Committed Facilities	14,400
Drawn Committed Facilities	(10,543)
<b>Undrawn Committed Facilities</b>	<b>3,857</b>
Cash and Bank Deposits	981
<b>Total Cash and Undrawn Committed Facilities</b>	<b>4,838</b>

### Debt by Fixed / Floating Rates



# Properties Performance Review



# Three Garden Road

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THREE  
GARDEN  
ROAD  
CENTRAL



PLATINUM  
鉑金級  
HKGBC  
BEAM Plus  
綠建環評

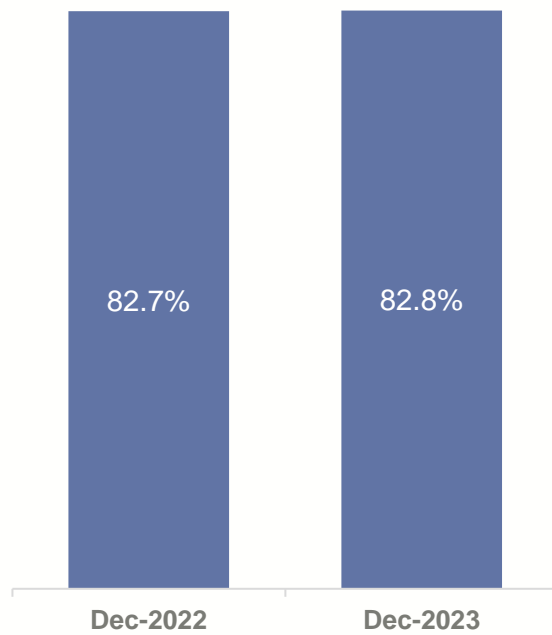


# Three Garden Road Office

## Stable Occupancy Despite Challenging Market

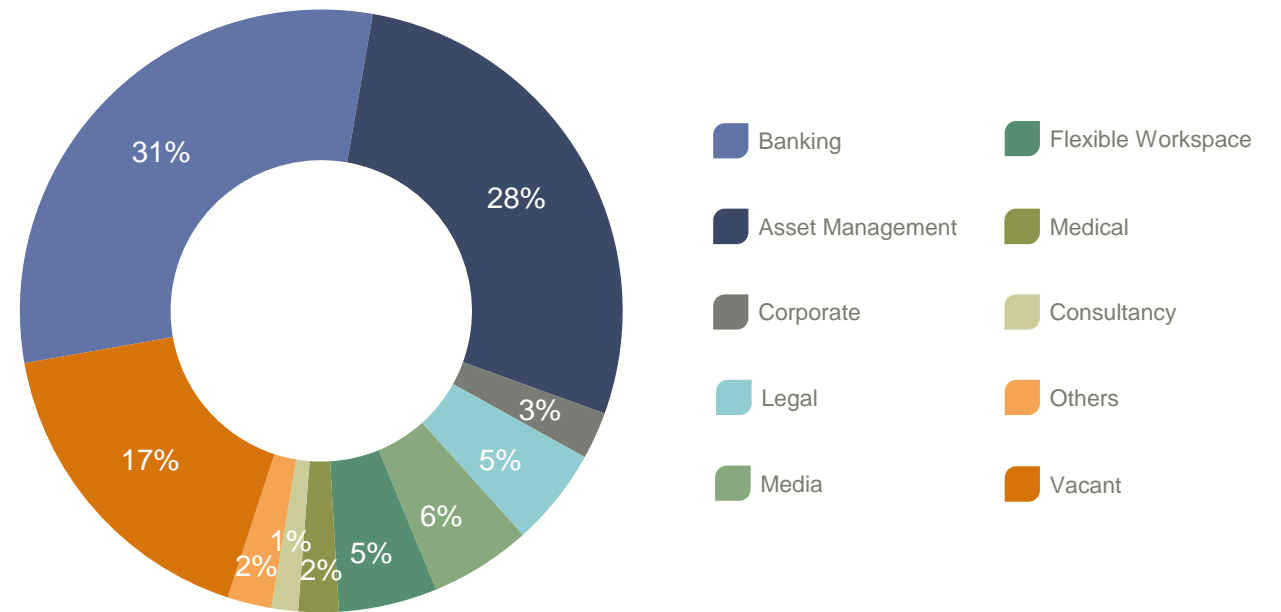
### Occupancy

as at 31 Dec 2023



### Tenant Profile

as at 31 Dec 2023

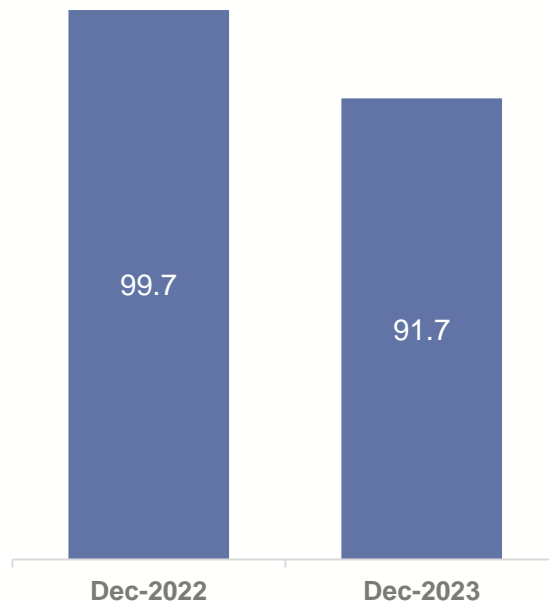


# Three Garden Road Office

## Rental Market Under Pressure

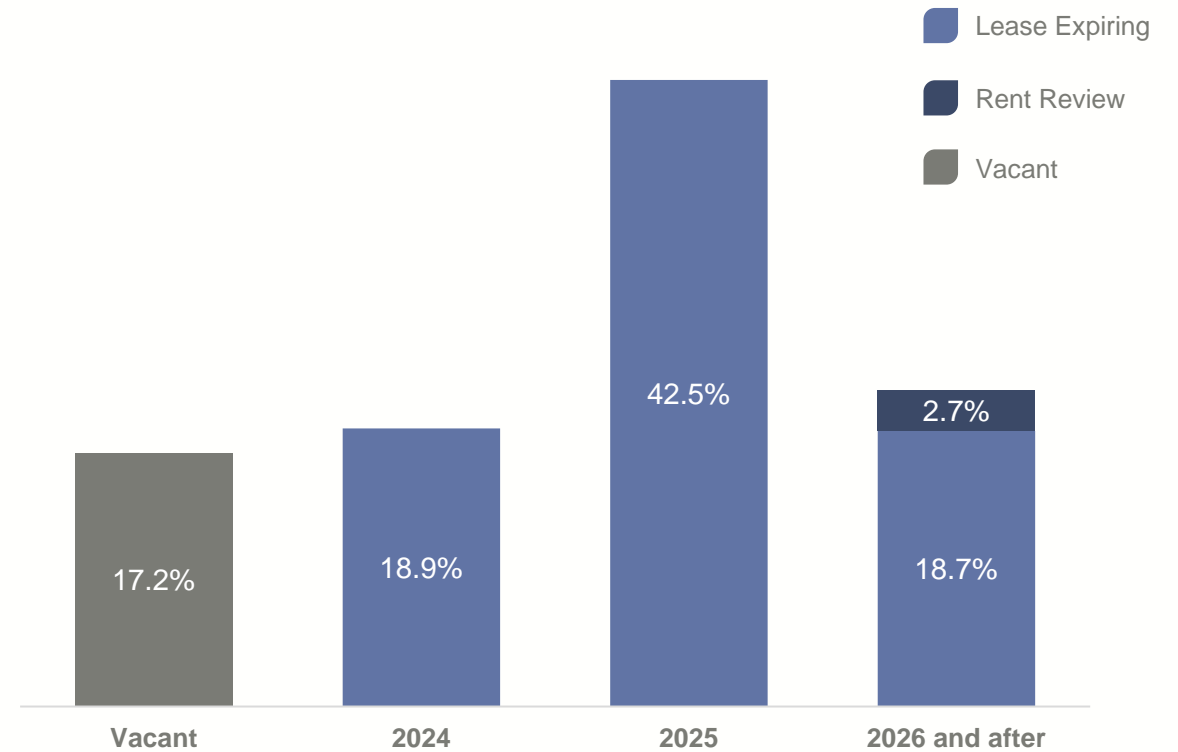
### Passing Rent per sq. ft. (HK\$)

as at 31 Dec 2023



### Lease Expiry

as at 31 Dec 2023



✦ WAULT at 1.7 years

## Asset Enhancement Initiatives to Maintain Competitive Edge

### Lift and Turnstile Modernization



### Washroom Renovation



### New EV Charging Zone



# Langham Place Office Tower

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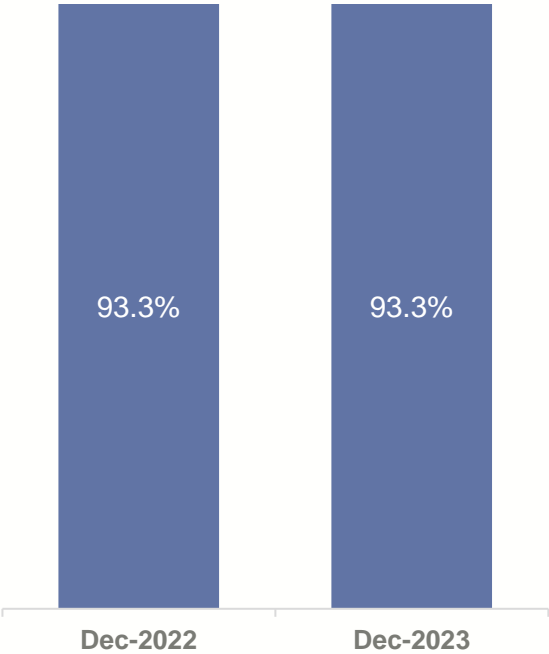


PLATINUM  
鉑金級  
HKGBC  
BEAM Plus  
綠建環評

## Lifestyle Tenants Continued to be Major Occupiers

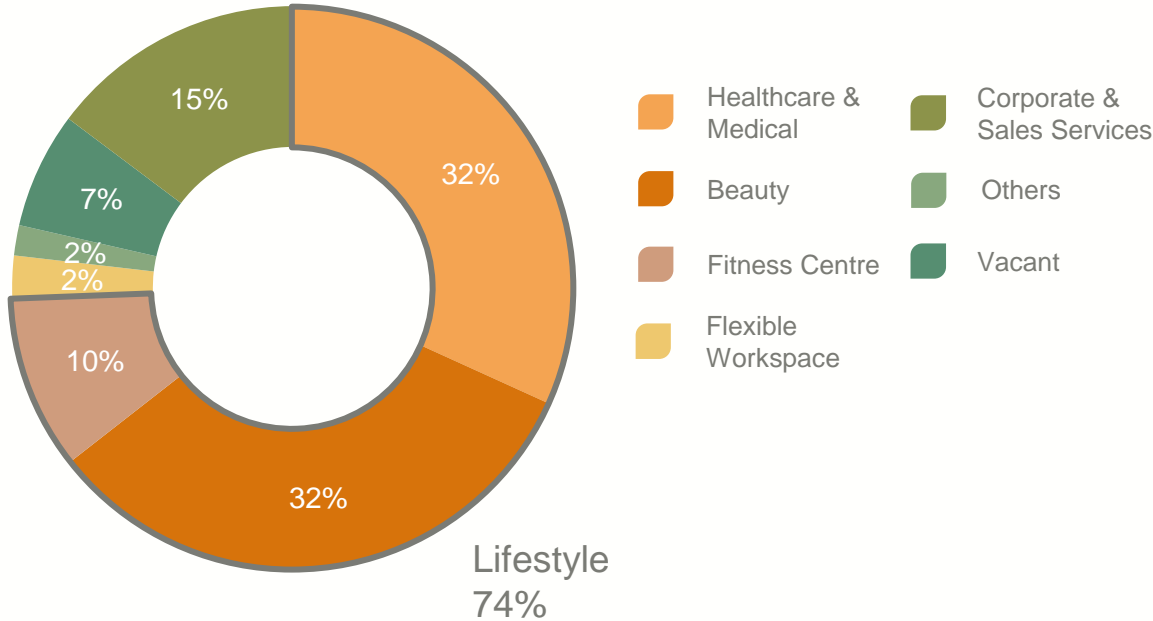
### Occupancy

as at 31 Dec 2023



### Tenant Profile

as at 31 Dec 2023

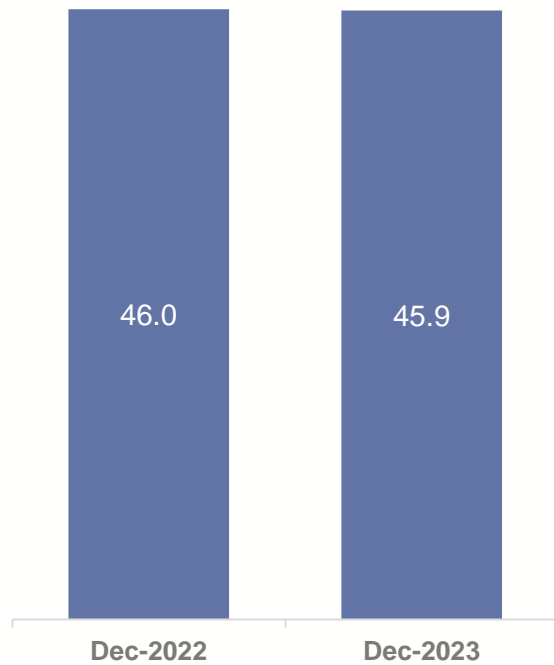


# Langham Place Office Tower

## Stable Passing Rent

### Passing Rent per sq. ft. (HK\$)

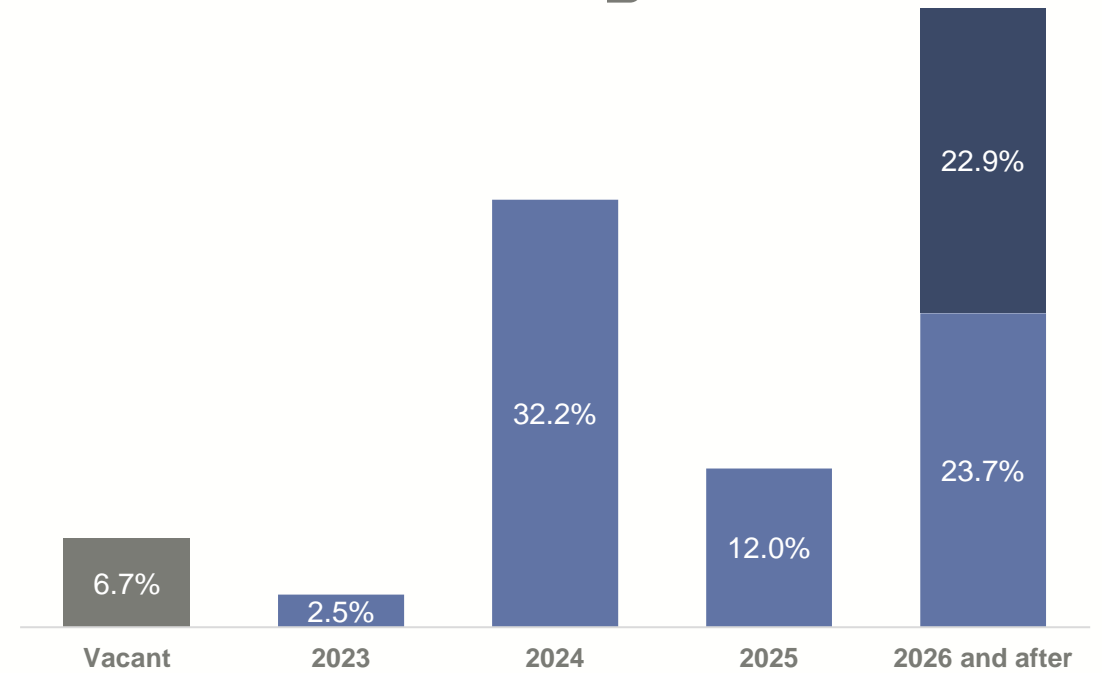
as at 31 Dec 2023



### Lease Expiry

as at 31 Dec 2023

- Lease Expiring
- Rent Review
- Vacant



✦ WAULT at 2.1 years

# Langham Place Mall

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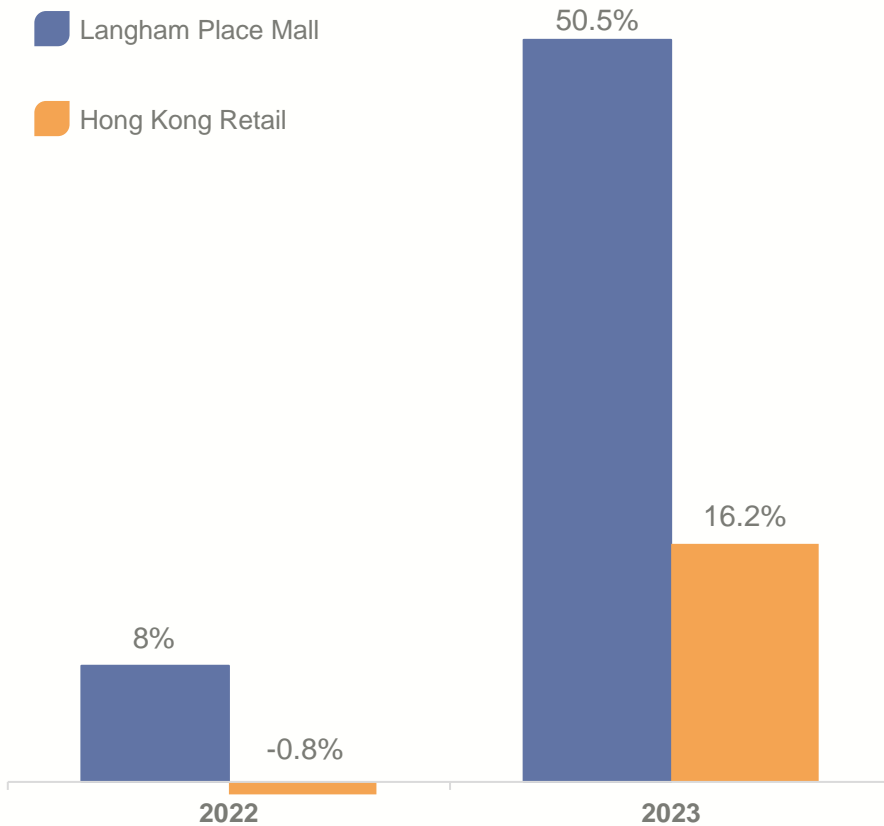
PLATINUM  
鉑金級  
HKGBC  
BEAM Plus  
綠建環評

Excellence in Design  
For Greater Efficiency  
**Edge**

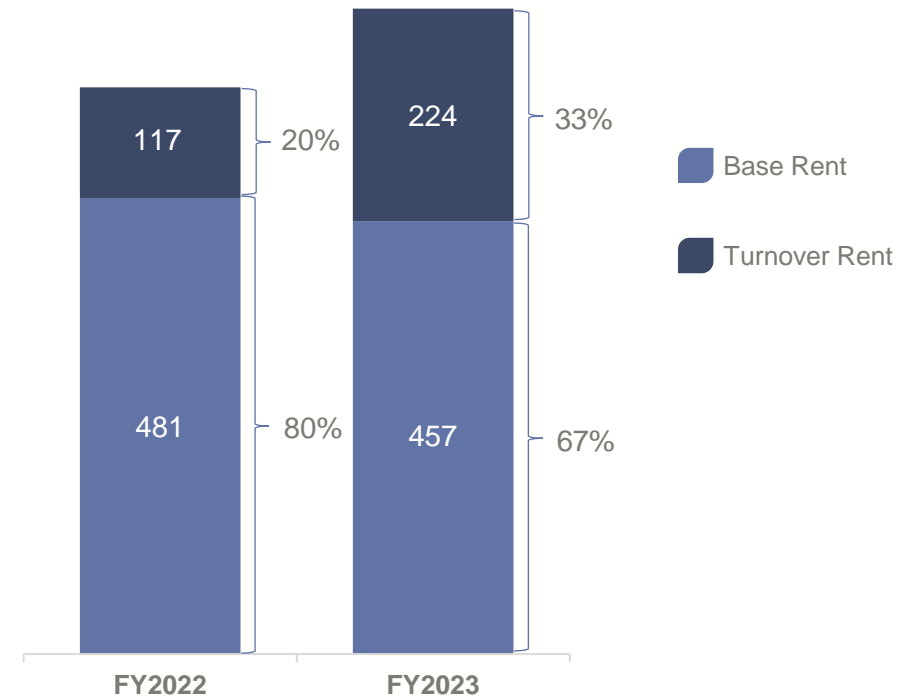


## Tenants' Sales Surpassed Market Average

### Retail Sales Y/Y Growth



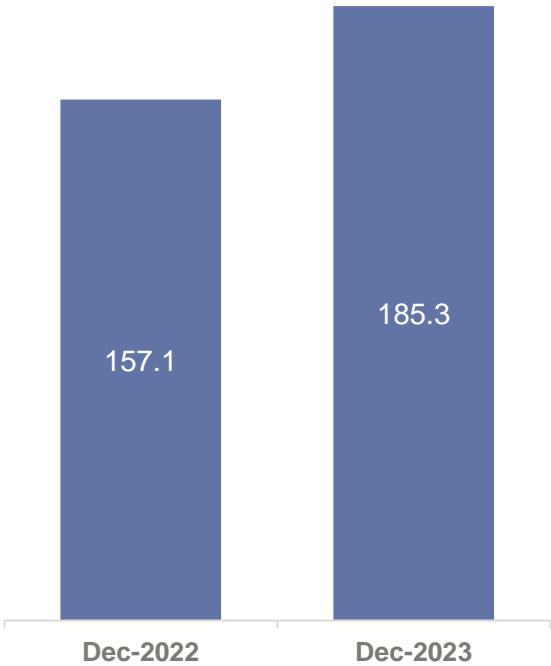
### Breakdown of Base Rent and Turnover Rent (HK\$m)



## Beauty Segment Driving Solid Rental Growth

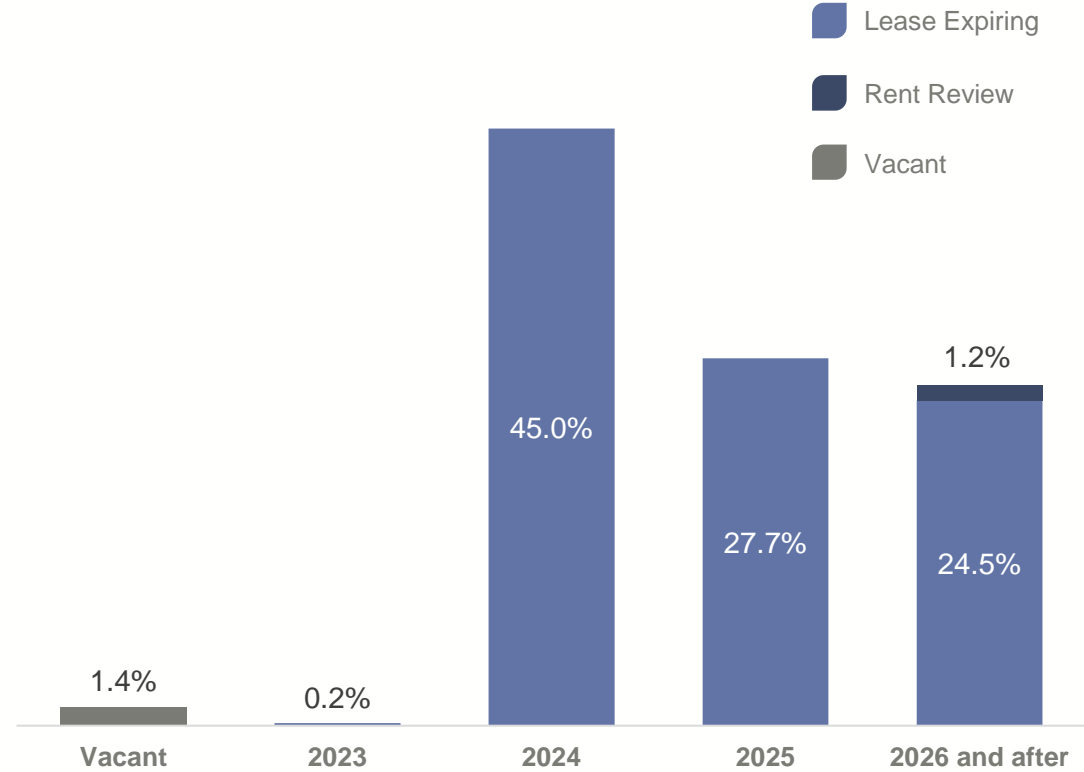
### Passing Rent per sq. ft. (HK\$)

as at 31 Dec 2023



### Lease Expiry

as at 31 Dec 2023



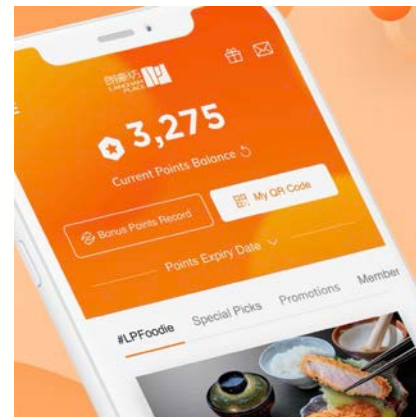
✦ WAULT at 1.3 years

## More New Members Joining Loyalty Programme

### Loyalty Programme LP Club

Total Active Members

Over 200K



Members' Spending

↑ 82.4% Y/Y

New Members recruited in FY2023

↑ Over 20%

### Members-oriented Events

#### “CATCH YOUR LUCK” Online Game



#### Shop & Dine Rewards



#### “Fortune Box Set” Redemption



## Promotion Events Throughout the Year

### Festive Chinese New Year Decoration and Exhibition



- ✦ Pop-up stores with limited editions of the character, and interactive setups to engage shoppers

### Christmas Charity Sale Engaging with Tenant, NGO and Community



- ✦ Sales proceeds of selected teddy bears were donated to help children whose families are affected by cancer

### Night Economy Promotions



- ✦ Live music shows, free drinks, and lucky draw to create an enticing atmosphere at the Mall

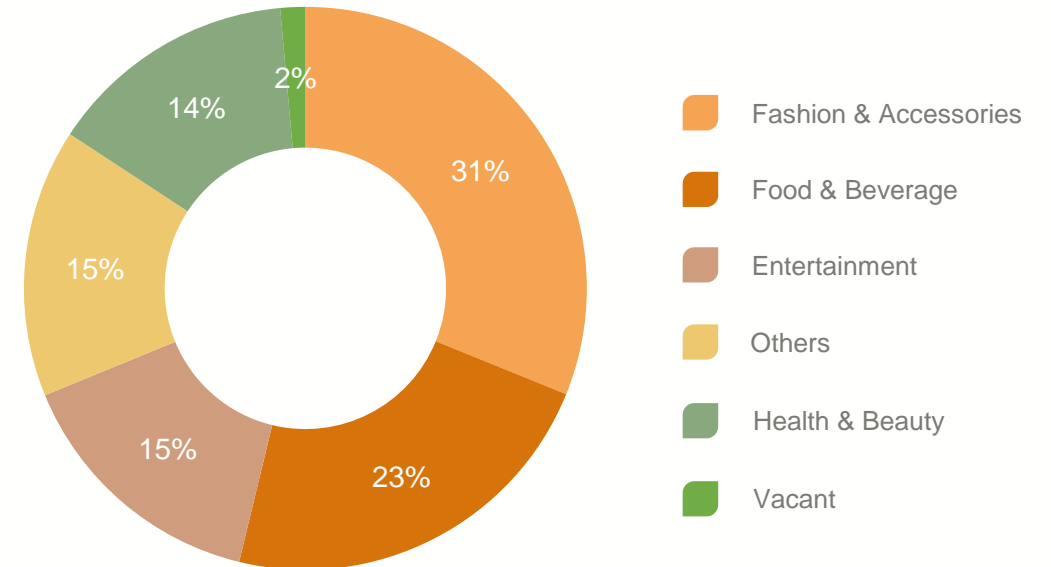
## Tenants Mix Enriched through Bringing in New Tenants

Over 30 New Shops Opened in FY23



Tenant Profile

as at 31 Dec 2023



# Sustainability

## Champion Collective Partnership

### Champion REIT ESG Forum and Green Champion Challenge

- ◆ Engaged tenants and business partners for a low carbon transition and greater climate resilience
- ◆ Green Champion Challenge to promote energy and waste reduction among office tenants
- ◆ Steady progress towards our 2030 ESG Targets and 2045 Net Zero Commitment



### Christmas “Sharelebration” at Three Garden Road

- ◆ First-ever large-scale social enterprise pop-up market
- ◆ Over 200 underprivileged children and families joined the carnival
- ◆ Shaped the development of social enterprises and underprivileged youth’s musical talents





## Champion Tenant Engagement

### Building a green and wellness environment for tenants



#### EV Charging Stations

- ✦ Established new EV charging stations at our properties to facilitate our decarbonisation journey



#### Wellness Workshops

- ✦ Various wellness workshops promoted green awareness and social inclusion among tenants



#### Musica del Cuore

- ✦ Fostered a relaxing ambience for our tenants and the community
- ✦ Nurtured local musical talents

## Champion Shared Values

### Sustainability Awards and Recognitions



- ◆ Grand Award
- ◆ Distinction Award
- ◆ Excellence in Economic and Environmental Sustainability Initiative



- ◆ Five-star Recognition
- ◆ Grade A Rating on Public Disclosure



- ◆ Langham Place Office received BEAM Plus Platinum (highest rating)
- ◆ 100% properties attained green building certifications

# Outlook

## Optimizing Performance Under Challenging Market

### Portfolio Outlook



- ✦ Pressure on office rental to remain
- ✦ Retail income growth trajectory to continue
- ✦ 20<sup>th</sup> anniversary celebrations of Langham Place Mall

### Liabilities Management



- ✦ Uncertainty in the pace and timing of rate cuts
- ✦ Refinancing in progress
- ✦ Target to maintain a balanced fixed-and-floating debt position

### Merge and Acquisition



- ✦ Maintain prudent approach to explore accretive investment opportunities

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