

ChampionREIT  
冠君產業信託

# 2021

INTERIM RESULTS



# Challenging Environment to Continue amid Gradual Recovery

## 1H 21 Financial Highlights

### Total Rental Income

HK\$mm

**1,260**

↓ 6.2% Y/Y

### Net Property Income

HK\$mm

**1,137**

↓ 4.8% Y/Y

- Rental income dropped for both office and retail portfolio
- Negative rental reversion recorded across all properties
- Retail sales bottomed from a low base

### Distributable Income

HK\$mm

**790**

↓ 1.8% Y/Y

### Distribution per Unit

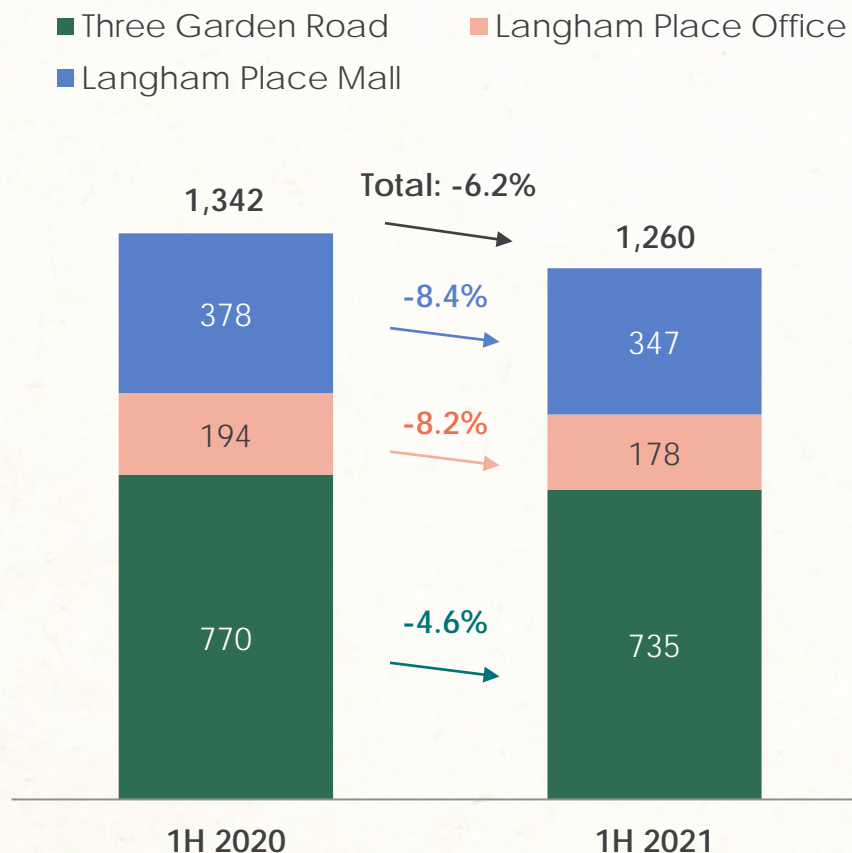
HK\$

**0.1200**

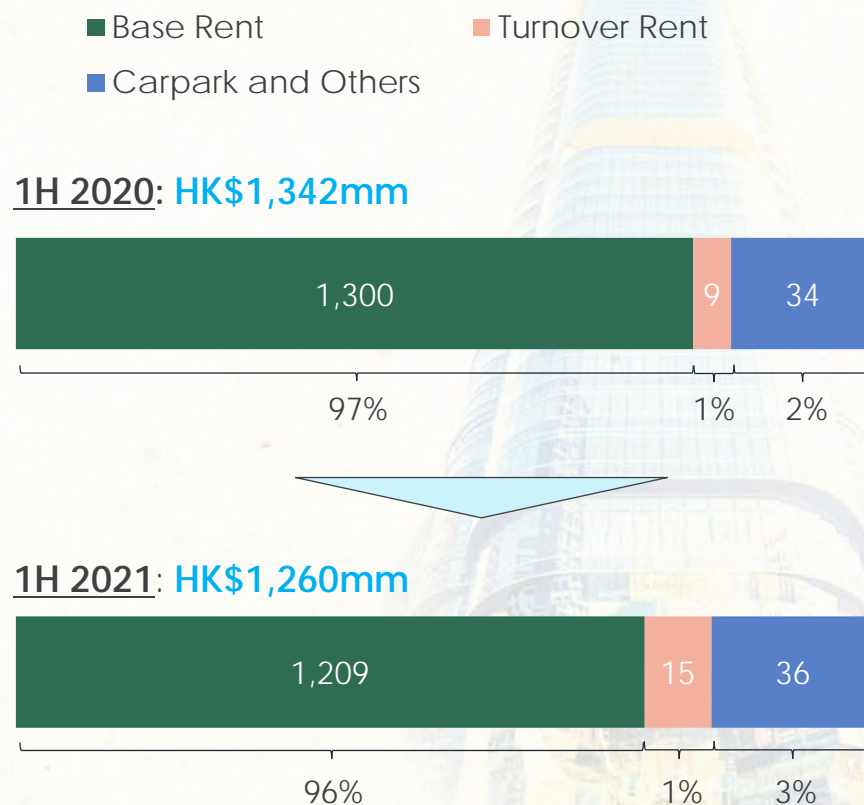
↓ 2.0% Y/Y

# Rental Income Breakdown

## Rental Income by Property (HK\$mm)



## Rental Income by Income Type (HK\$mm)





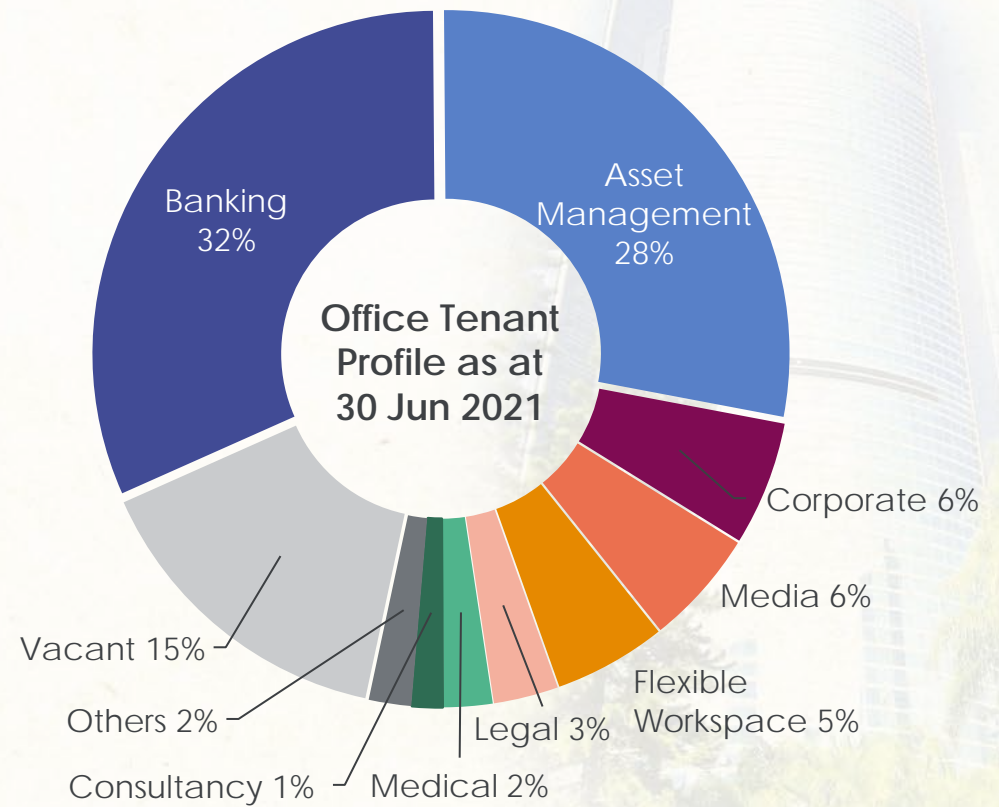
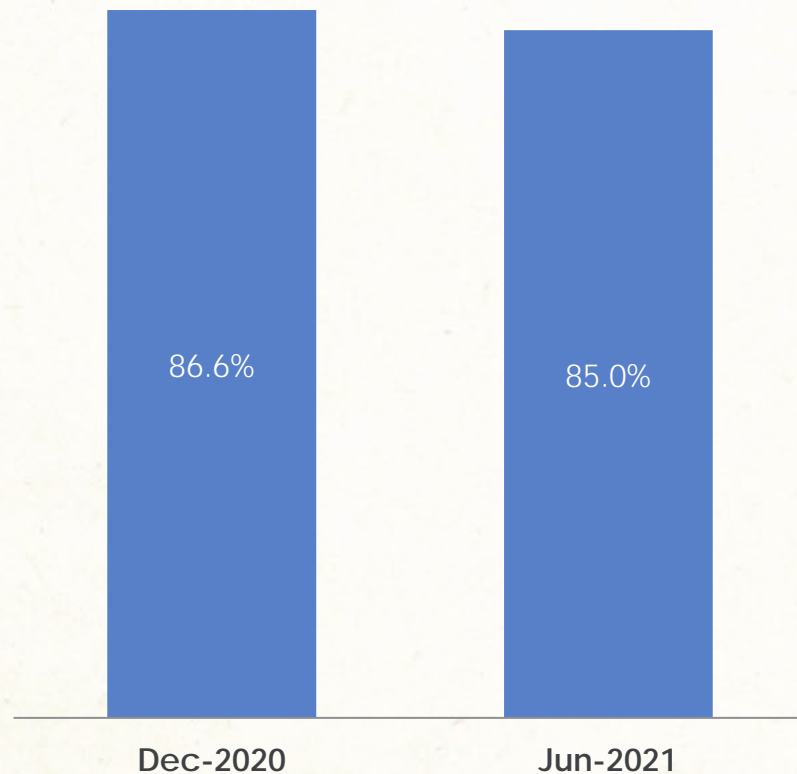
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# Three Garden Road



# Three Garden Road Office Occupancy Edged Lower as Leasing Momentum Remained Slow

Occupancy Rate as at 30 Jun 2021

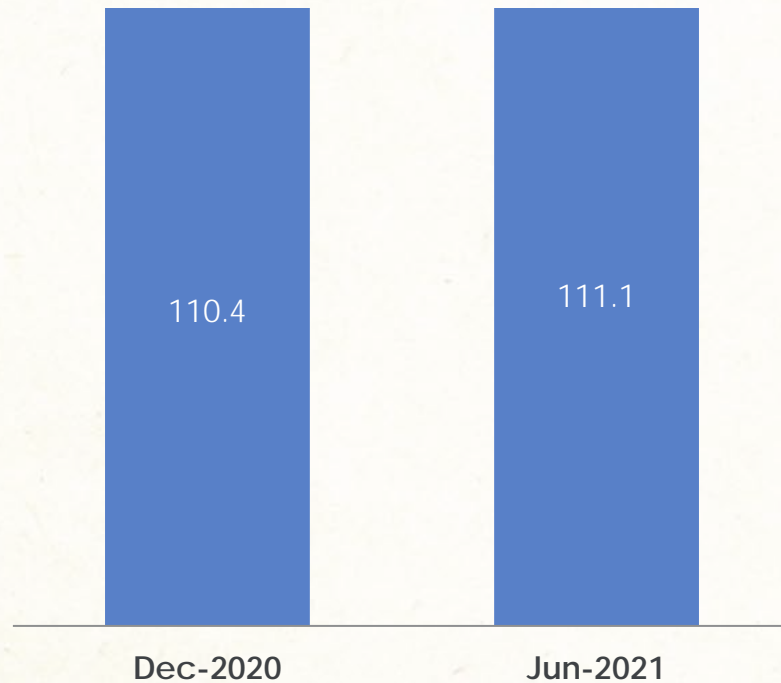


# Three Garden Road Office

## No Major Lease Expiry in 2H 2021 & 2022

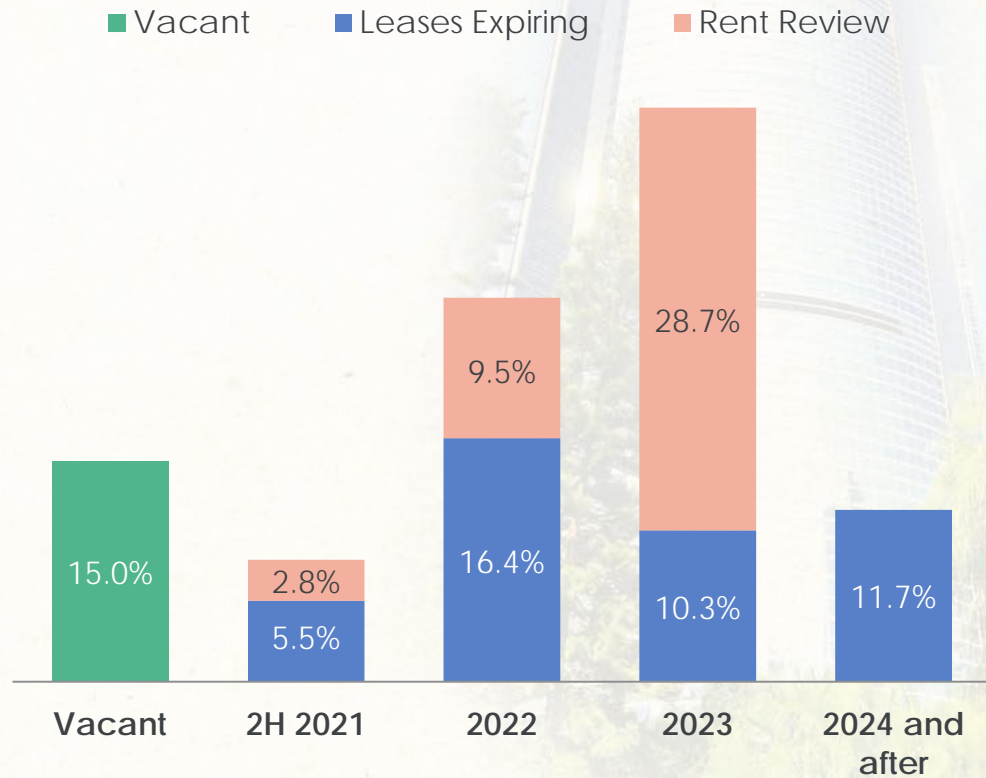
### Passing Rent as at 30 Jun 2021

Effective Rent per sq. ft. (Lettable) (HK\$)



### Lease Expiry as at 30 Jun 2021

- WAULT of 2.9 years





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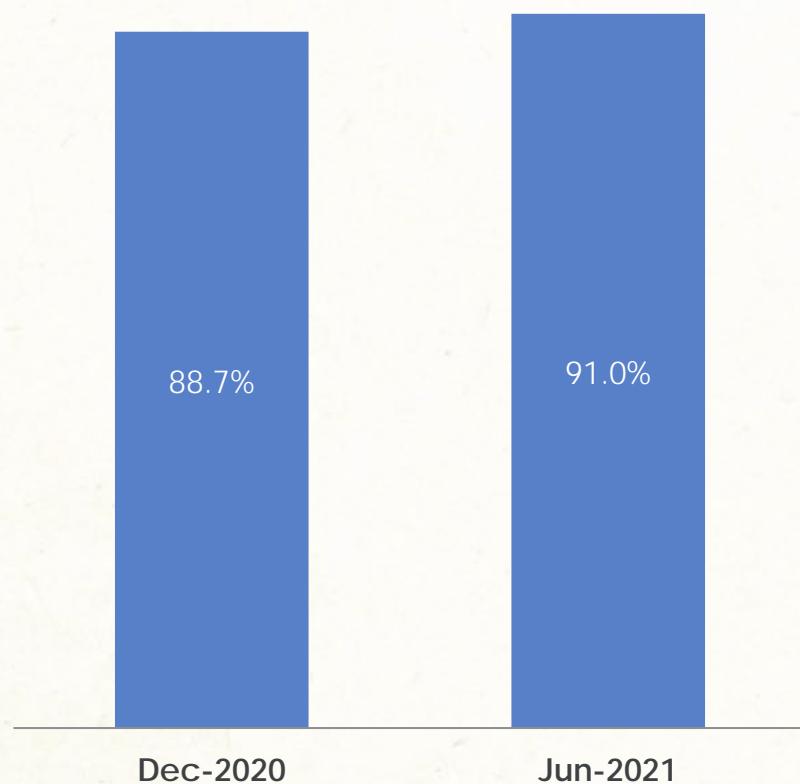


# Langham Place Office Tower

# Langham Place Office

## Occupancy Recovered on Improving Demand

Occupancy Rate as at 30 Jun 2021

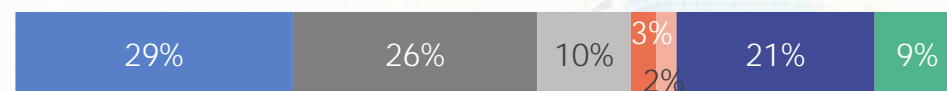


Office Tenant Profile

Dec 2020



Jun 2021



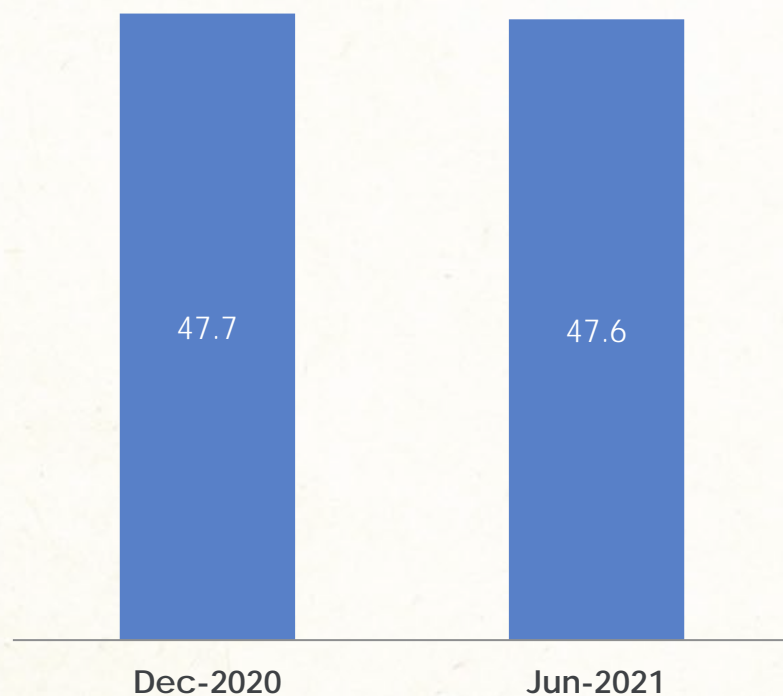
- Healthcare & Medical
  - Beauty
  - Fitness Centre
  - Flexible Workspace
  - Others
  - Corporate & Sales Services
  - Vacant
- Pick-up in beauty center demands pushed up occupancy
  - Lifestyle-related tenants expanded from 62% to 65%



# Langham Place Office

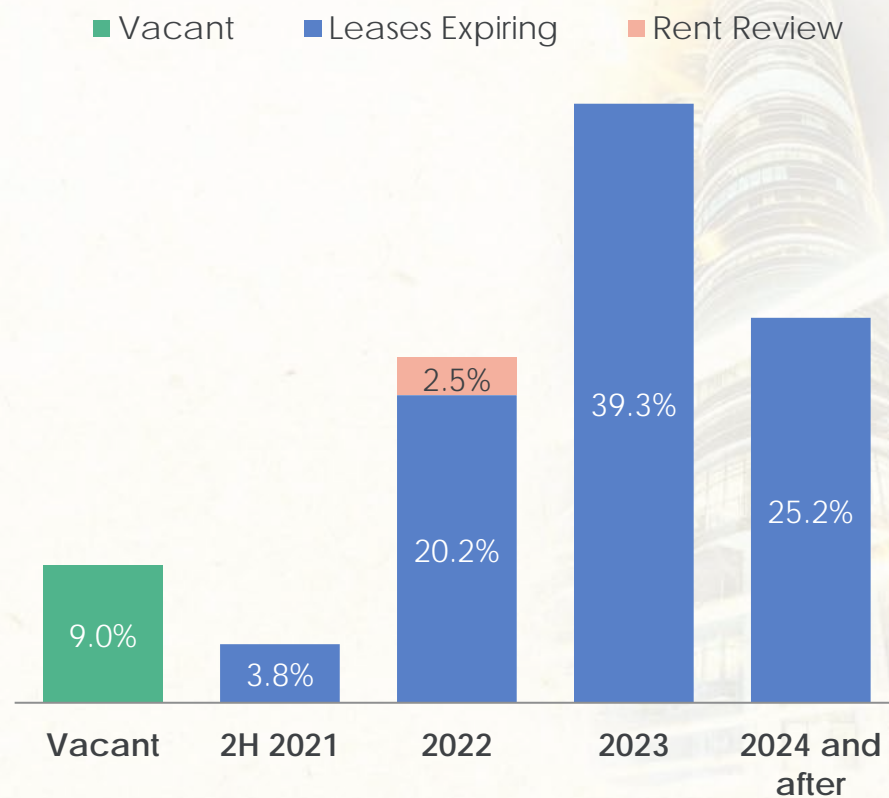
## Flattish Passing Rent with Well-staggered Lease Profile

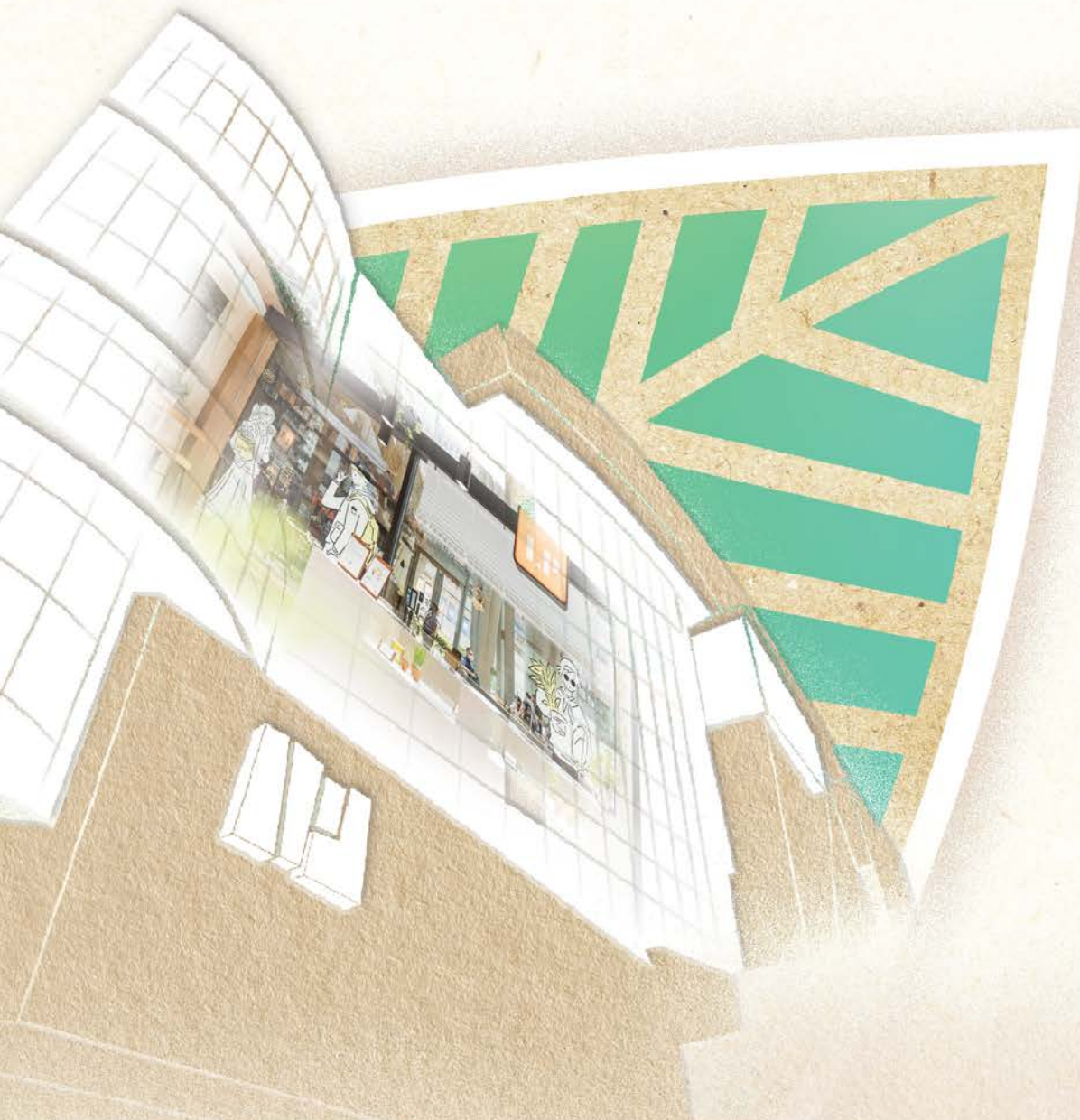
Passing Rent as at 30 Jun 2021  
Effective Rent per sq. ft. (Gross) (HK\$)



Lease Expiry as at 30 Jun 2021

- WAULT of 2.0 years



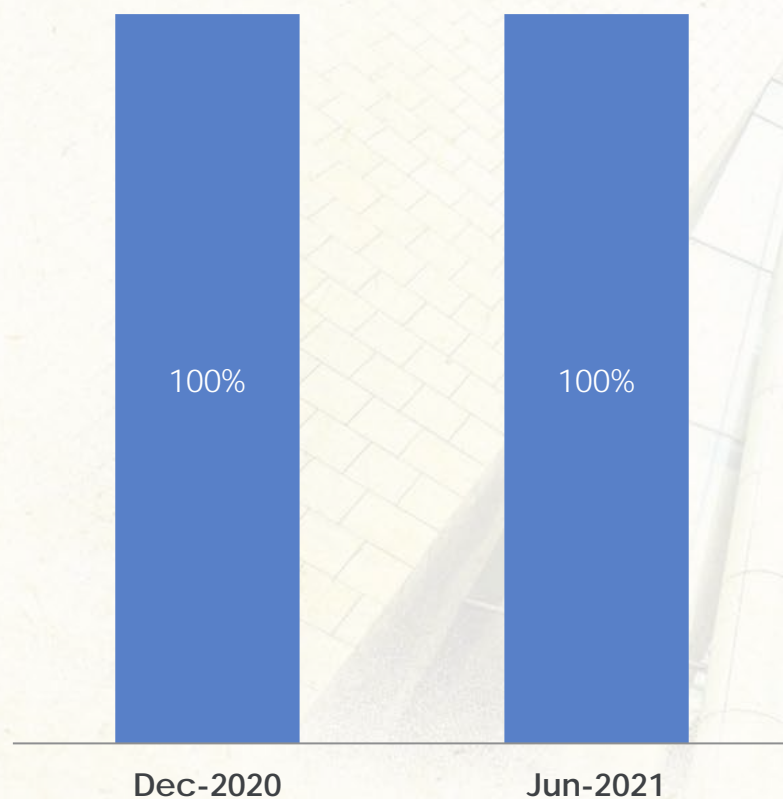


# Langham Place Mall

# Langham Place Mall

## Maintained Full Occupancy

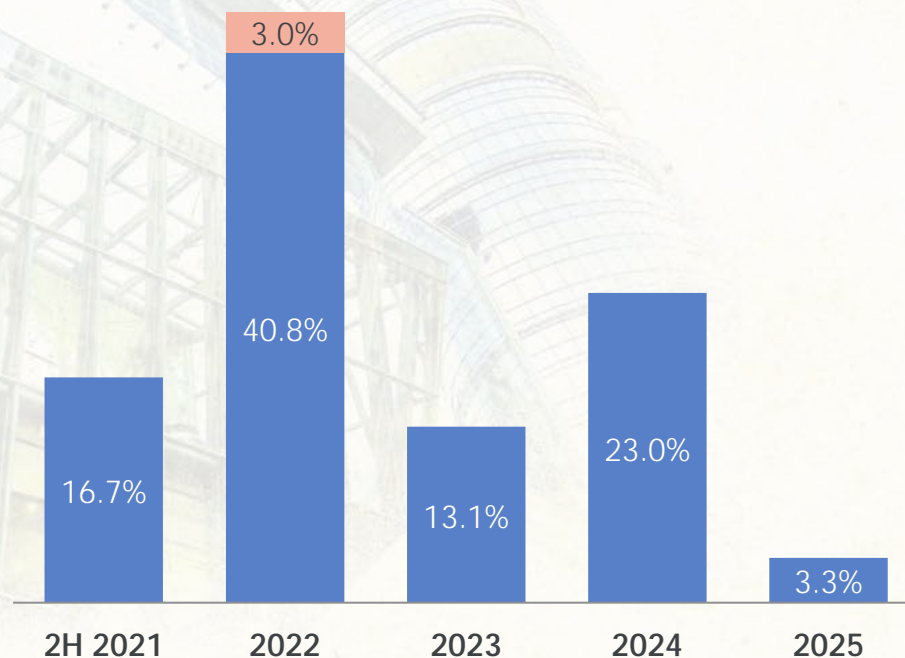
Occupancy Rate as at 30 Jun 2021



Lease Expiry as at 30 Jun 2021

- Area with turnover rent only stayed at around 14%

■ Leases Expiring ■ Rent Review

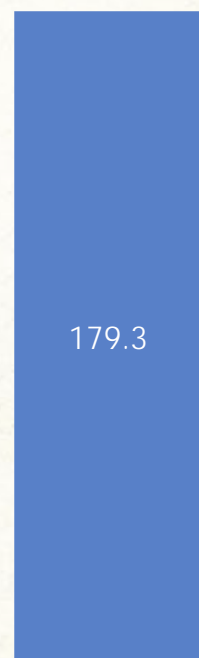




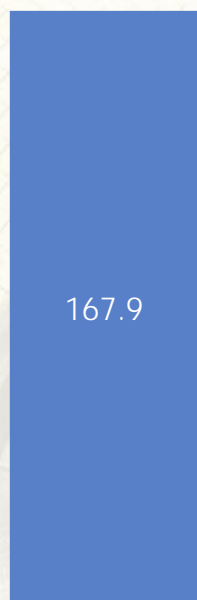
# Langham Place Mall

## Lower Passing Rent due to Negative Reversion

**Passing Rent as at 31 Dec 2020**  
Total Rent per sq. ft. (Lettable) (HK\$)

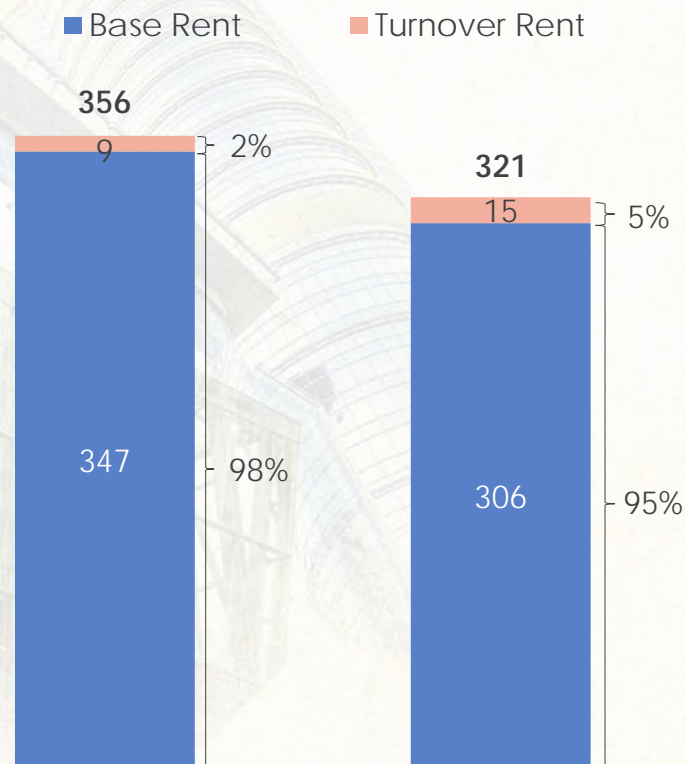


Dec-2020



Jun-2021

**Breakdown of Base Rent and Turnover Rent**  
(HK\$mm)



1H 2020

1H 2021

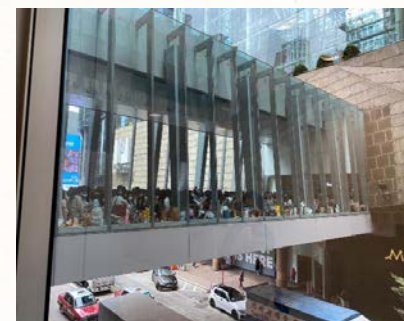
# Langham Place Mall

## Pop-up Events and New Tenants Attracted Footfall

### L12 kkplus extension + exhibition at L4 Atrium



### Fans Gathered for Popular Local Idol



### New Tenant: L11 GRANDMAMA STORE



### New Tenant: B2 Cocolo Tokyo Cake Factory



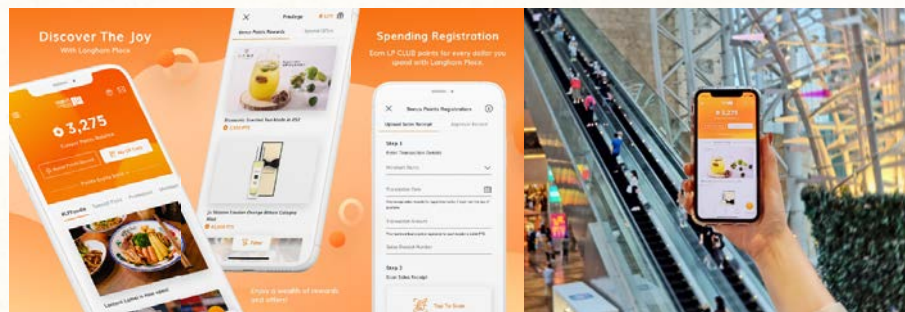


# Langham Place Mall

## Continuous Efforts to Retain Shoppers and Boost Mall Sales

### New Mobile APP & New Website

- New feature 'Bonus Point Self-registration' well received by LP CLUB members
- Average spending of LP Club members recorded growth with new mobile APP & website launched in April



### Incentives for Spending Government's Consumption Vouchers in the Mall

- Lucky draw program organized from Aug to Oct to encourage citizens to spend their HK\$5,000 Government consumption vouchers in our mall





# Completed the First Overseas Acquisition



	66 Shoe Lane, London
Net internal area	157,658 sqft (97% office and 3% ground-floor retail)
Land tenure	Long leasehold at peppercorn rent
Ownership Stake	27%
Share of NPI in 1H21	~HK\$6.3mm
WAULT	Around 14 years till 2035
Tenancy	Office portion – Fully single-let to Deloitte
Agreed Property Value	£255mm (implied gross income yield above 4%)
Completion Date	April 2021



# Prudent Financial Position

Property Valuation: HK\$65.5bn

Three Garden Road: HK\$40.0bn

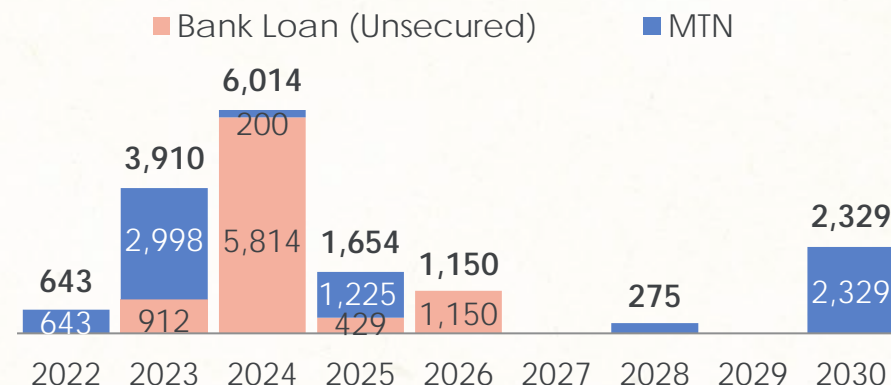
HK\$ bn	HK\$ / sqft	Cap Rate
- Office: 38.4	24,308	3.70%

Langham Place: HK\$25.5bn

HK\$ bn	HK\$ / sqft	Cap Rate
- Office: 9.0	12,738	4.10%
- Retail: 16.1	27,212	4.00%

- No change in cap rate compared to Dec 2020
- NAV per unit: HK\$8.32

Debt Maturity Profile as at 30 Jun 2021<sup>(1)</sup>  
(HK\$m)



- Refinanced the 2021 loan with our first 5-year unsecured sustainability-linked loan facility
- Current undrawn committed facilities: HK\$3.1bn
- 100% unsecured debt after refinancing
- Average interest rate for 1H 2021: 2.5%
- Fixed-rate debt portion: 62.1%
- Gearing ratio at 23.2% as at 30 Jun 2021

(1) FX USD/HKD: 7.76; GBP/HKD: 10.78

# Sustainability

## 5-year HK\$3.0 billion Unsecured Sustainability-linked Loan

Interest savings each year when achieving 3 KPIs:

### Environment

Reduction of carbon intensity (2-3% from 2018)



### Social

Maintain WELL Building Platinum Standard



### Governance

Retain listing on the Hang Seng Sustainability Index



## 2030 ESG targets on track

- Installed 42 solar panels at TGR for renewable energy
- Organised a series of green and wellness events for tenants, customers and staff





# Guidance



## Portfolio Outlook

- Office – Negative rental reversion to remain
- Retail – Downside risk in rental income despite short-term rebound in retail sentiment
- Lower DPU trajectory being unavoidable



## Liabilities Management

- No imminent refinancing needs until 2022
- Continue to monitor market movements and aim to improve credit profile holistically



## Look at Global Investment Opportunities Very Prudently

- REIT Code amendments providing flexibility in minority-owned properties investment
- Cautiously explore accretive investments under an uncertain macro environment

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