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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

2024 FINAL RESULTS ANNOUNCEMENT

Champion Real Estate Investment Trust is a trust formed to own and invest in income-producing office and retail properties. The Trust's focus is 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 joint venture stake in 66 Shoe Lane in Central London.

FINAL RESULTS

The board of directors (“Board”) of Eagle Asset Management (CP) Limited (“REIT Manager”) as manager of Champion Real Estate Investment Trust (“Champion REIT” or “Trust”) is pleased to announce financial results of the Trust for the year ended 31 December 2024 (“Year”).

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2024

	2024	2023	Change
For the entire year	HK\$ million	HK\$ million	
Total Rental Income ¹	2,185	2,312	- 5.5%
Net Property Operating Expenses ¹	365	366	- 0.4%
Net Property Income	1,820	1,946	- 6.5%
Distributable Income	958	1,122	- 14.6%
Distribution Amount	862	1,010	- 14.6%
Distribution per Unit (HK\$)	0.1422	0.1683	- 15.5%

	2024	2023	Change
As at 31 December	HK\$ million	HK\$ million	
Gross Value of Portfolio	60,104	62,950	- 4.5%
Net Asset Value per Unit (HK\$)	7.16	7.72	- 7.3%
Gearing Ratio	23.7%	22.8%	+ 0.9 pp
Net Expense Ratio (entire year)	16.7%	15.8%	+ 0.9 pp
Payout Ratio (entire year)	90.0%	90.0%	No change

¹ *Building Management Fee Income is directly offset against Building Management Fee Expenses instead of being classified as an income item.*

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The macro environment in 2024 was characterised by volatility. The pace of interest rate easing was slower than the market expected. The higher-for-longer interest rate environment remained unfavourable for the Trust. Amid the challenging commercial property market in Hong Kong, occupancy of the Trust's properties portfolio demonstrated resilience in the reporting period. While the strong local currency as well as outflow of domestic travellers affected the sales performance of local retail sector, tenants' sales of Langham Place Mall continued to outperform the market in 2024. However, office rental remained under pressure in view of the poor demand and supply situation. Distributable income of the Trust declined by 14.6% to HK\$958 million (2023: HK\$1,122 million) and distribution per unit ("DPU") decreased by 15.5% to HK\$0.1422 (2023: HK\$0.1683).

The office portfolio continued to face negative rental reversion and recorded a lower rental income. The softened retail sales at Langham Place Mall also slightly impacted retail rental income. As a result, total rental income of the Trust decreased by 5.5% to HK\$2,185 million (2023: HK\$2,312 million). Net property operating expenses declined slightly by 0.4% to HK\$365 million (2023: HK\$366 million) mainly due to reduction in lease management service fees, and repairs and maintenance expenses, offsetting the increase in other operating expenses and promotion expenses. Net property income dropped 6.5% to HK\$1,820 million (2023: HK\$1,946 million). Share of results of the minority-owned property 66 Shoe Lane in London, which is a joint venture amounted to HK\$25 million (2023: loss of HK\$69 million), the increase was mainly owing to mild increase in valuation of the property compared with revaluation loss in 2023.

During 2024, total amount of HK\$5.2 billion of debt due was successfully refinanced by new credit facilities and internal financial resources. As at 31 December 2024, total undrawn committed facilities amounted to HK\$3.7 billion, which is sufficient to fulfill the refinancing needs in 2025. Fixed rate debt portion was 40.4% as at 31 December 2024 (31 December 2023: 54.5%). Cash finance cost increased to HK\$644 million, (2023: HK\$590 million) mainly owing to the expiration of interest rate swap contracts in the middle of 2024 which were at a lower rate.

The appraised value of the Trust's properties decreased to HK\$60.1 billion as at 31 December 2024, compared with HK\$62.9 billion as at 31 December 2023. The drop was mainly due to lower rental rate assumptions. Net asset value per unit was HK\$7.16 as at 31 December 2024 (31 December 2023: HK\$7.72). Gearing ratio remained healthy at 23.7% as at 31 December 2024 (31 December 2023: 22.8%).

OPERATIONAL REVIEW

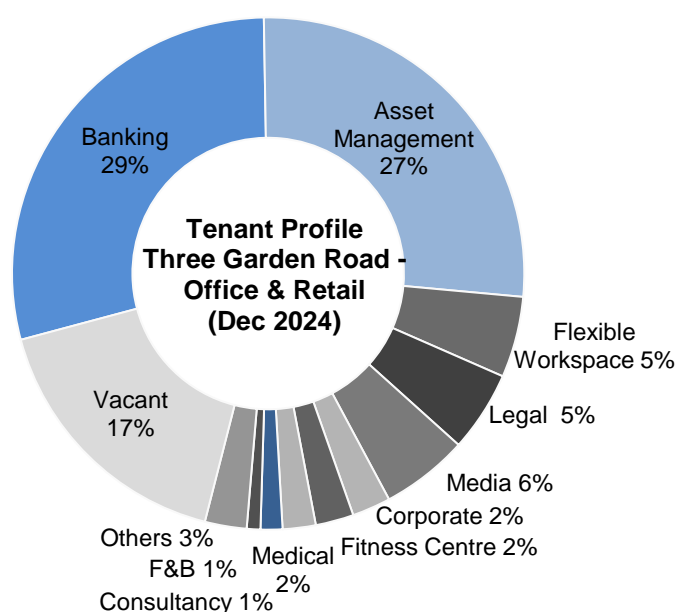
Three Garden Road

	2024	2023	Change
	HK\$'000	HK\$'000	
Rental Income	1,132,061	1,222,222	- 7.4%
Net Property Operating Expenses	138,969	139,920	- 0.7%
Net Property Income	993,092	1,082,302	- 8.2%

Despite the sluggish momentum of the overall Central Grade A office leasing in 2024, occupancy of Three Garden Road continued to demonstrate resilience. The competitive landscape remained intense due to abundant supply. Demand mainly came from relocation within Central, involving mostly small-sized occupiers. We also observed moderate demand for expansion from existing tenants in asset management because of business and consolidation needs. Office occupancy of the property was 82.6% as at 31 December 2024 (31 December 2023: 82.8%).

To maintain the occupancy level and stability of income stream, we continued to proactively negotiate with tenants on renewals for leases expiring in 2025. We also pushed forward discussions with tenants about early renewal commitments for 2026 expiries. So far, we had confirmed lease renewals for around 40% of 2025 expiries and nearly half of 2026 expiries. They included large-sized occupiers and anchor tenants.

Market rental of Central office continued to soften due to the ample stock and lackluster demand. Three Garden Road inevitably continued to face negative rental reversion in 2024. Passing rent dropped to HK\$87.0 per sq. ft. (based on lettable area) as at 31 December 2024 (31 December 2023: HK\$91.7 per sq. ft.). Rental income of the property fell 7.4% to HK\$1,132 million (2023: HK\$1,222 million).



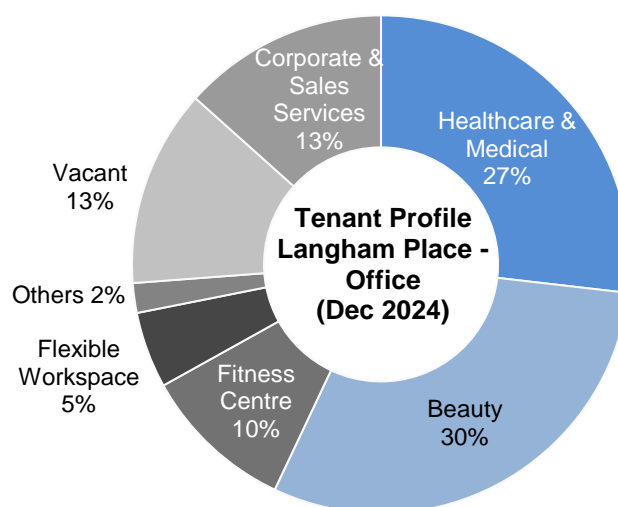
Net property operating expenses declined marginally by 0.7% to HK\$139 million (2023: HK\$140 million) mainly due to lower government rent and rates, lease management services fees, and repairs and maintenance expenses, which offset the increase in rental commission. Net property income decreased by 8.2% to HK\$993 million (2023: HK\$1,082 million).

We are committed to partnering with our tenants in sustainability and ongoing improvement on our properties. 2024 marked Three Garden Road becoming the first “Quadruple Platinum” grade-A office building under the existing building certification category in Hong Kong. The building attained Platinum certification of Leadership in Energy and Environmental Design (LEED) “v4.1 Operations and Maintenance: Existing Buildings” and the Platinum certification of WiredScore v3.1.

Langham Place Office Tower

	2024	2023	Change
	HK\$'000	HK\$'000	
Rental Income	324,114	349,760	- 7.3%
Net Property Operating Expenses	44,603	45,834	- 2.7%
Net Property Income	279,511	303,926	- 8.0%

The slower than expected recovery of mainland medical tourism in the post-pandemic era impacted the performance of Langham Place Office Tower. Some beauty and medical tenants had reduced their operations in the property. Although occupancy of 87.2% as at 31 December 2024 (31 December 2023: 93.3%) was lower than the end of previous year, it was similar to the level in June 2024. The property remains an enviable lifestyle and wellness hub with lifestyle tenants accounting for 67% of the area as at 31 December 2024.



The location of the property continues to be a preferred option for the healthcare and beauty operators seeking to make a foray into the market or a branch expansion. Harnessing our internal resources and ecosystem, we strive to create collaboration opportunities to connect tenants from different sectors. To this end, a medical tenant was invited to host a healthcare seminar for office occupants in Central. It was a mutually beneficial event as the medical operator was able to tap business opportunities and the tenants also had a chance to promote wellness among their employees.

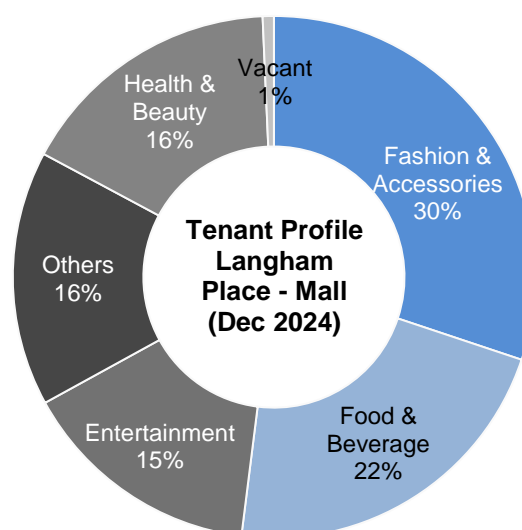
While occupancy remained stable in the second half of 2024, market rental of the property remained under pressure. Passing rent lowered slightly to HK\$44.0 per sq. ft. (based on gross floor area) (31 December 2023: HK\$45.9 per sq. ft.). Rental income declined by 7.3% to HK\$324 million (2023: HK\$350 million) as a result of lower average occupancy and negative rental reversion.

Net property operating expenses decreased by 2.7% to HK\$45 million (2023: HK\$46 million). The increase in net building management expenses caused by lower average occupancy was offset by lower rental commission due to lower leasing activities and reduced repairs and maintenance expenses. Net property income dropped by 8.0% to HK\$280 million (2023: HK\$304 million).

Langham Place Mall

	2024	2023	Change
	HK\$'000	HK\$'000	
Rental Income	728,334	740,007	- 1.6%
Net Property Operating Expenses	181,244	180,514	+ 0.4%
Net Property Income	547,090	559,493	- 2.2%

The Hong Kong retail market has been affected on multiple fronts, including changes in consumer behaviour and spending patterns of tourists, and a significant outflow of local travellers prompted by the strong local currency. Against the backdrop of the challenging operating environment, Langham Place Mall continued to outperform the market. But it was not entirely unscathed by the downward trends. Tenants' sales of the mall declined by 4.3% in 2024, compared with a 7.3% drop in Hong Kong retail sales.



Occupancy of the mall maintained a high level at 99.3% as at 31 December 2024 (31 December 2023: 98.6%). The base rent portion improved to HK\$475 million (2023: HK\$457 million) mainly attributable to pure turnover leases converted to base rent plus turnover leases as well as higher rent rates agreed upon by some new tenants. However, slowdown in sales of tenants caused a decline in turnover rent portion to HK\$196 million (2023: HK\$224 million). As such, the growth in base rent portion was not sufficient to compensate for the decrease. Overall, rental income of the mall dropped slightly by 1.6% to HK\$728 million (2023: HK\$740 million). Passing rent lowered to HK\$157.5 per sq. ft. (based on lettable area) as at 31 December 2024 (31 December 2023: HK\$185.3 per sq. ft.). This reflected the fluctuations in tenants' sales observed in December.

Net property operating expenses rose slightly by 0.4% to HK\$181 million (2023: HK\$181 million) mainly due to increase in other operating expenses and promotion expenses earmarked to boost sales under the competitive operating environment, offsetting decrease in rental commission. Net property income declined by 2.2% to HK\$547 million (2023: HK\$559 million).

During the Year, we went above and beyond to further raise the profile of Langham Place as a premier beauty hub. Apart from collaborating with beauty brands in launching marketing and promotion campaigns, we spearheaded a strategic partnership with SF Express, under which we offer complimentary delivery for products purchased at Langham Beauty to enhance the shopping experience for both tourists and locals.

To maintain the appeal of the mall, we continued our effort on asset enhancement and tenant composition rebranding. During 2024, the subdivision of stores on the street level was completed with additional seven beauty brands in the fourth quarter.

As a trendsetting leader, we continue to introduce sought-after brands while also tapping those yet to establish a presence in the Hong Kong market. To name a few, Korean brand emi opened its first pop-up shop in Hong Kong in the summer. Harry Potter x MINISO launched its first global pop-up store in October. Both new ventures attracted significant foot traffic and delivered notable sales records. Furthermore, popular lifestyle tenant Pop Mart established their footprint in the mall during the Year, with their limited-edition products receiving overwhelming responses from shoppers.

OUTLOOK

In the coming year, the macro economy outlook appears to be uncertain amid growing global geopolitical tensions. On one hand, further fiscal easing policies in the mainland could help stimulate China's economy and Hong Kong could be a beneficiary. On the other hand, inflation may remain elevated due to US-China trade tensions. The market has lowered the expectation for further interest rate cuts, which is a concerning factor for the Trust in 2025.

In the midst of a volatile market, the operating environment of the Trust is expected to stay challenging. The demand and supply situation for office spaces in Central remains challenging for landlords, and the downward trend of the rental market may take some time to improve. We will continue to adopt flexible leasing strategies and strengthen tenant relationships to maximise tenant retention and secure more renewals to ensure a sustainable income stream.

For Langham Place Office Tower, we will also stay flexible in leasing terms in new tenant recruitment to maintain the occupancy level. As the lifestyle cluster has already developed and the property is widely regarded as a preferred choice of medical, healthcare and wellness operators, we will continue to promote it as one-stop wellness hub. Marketing efforts will gear towards cultivating medical and wellness tenant prospects under Langham Place Office Tower's "Six Dimensions Wellness Hub" programme. Leveraging the esteemed position of the property, we will expand the flexible working space Eaton Club to capture location-sensitive demand and to further reinforce the ecosystem of our property portfolio.

The resumption of the multiple-entry Individual Visit Scheme for Shenzhen residents has brought more visitors since late 2024. Nevertheless, the spending patterns of tourists have changed. The growth in visitor arrivals should provide some support to the retail market, making up for the outflow of local travellers. Yet the overall Hong Kong retail market and rental level might still face headwinds.

As a retail pioneer, the mall will endeavour to provide a one-of-a-kind, novelty experience for our patrons by introducing globally coveted brands to the venue. We will also step up collaboration with tenants in sales promotion to boost sales and traffic. A series of initiatives will be curated to celebrate the 20th anniversary of the mall. The debut celebration programme is a partnership with GROCERY, a local fashion brand and tenant. Under which, we jointly unveil an inaugural product, a commemorative special edition portable bag. With the new dedicated beauty zone and revamped e-store platform, Langham Beauty is set to provide a seamless online-merge-offline shopping experience to shoppers.

Though total committed undrawn facilities are more than sufficient to service the refinancing needs of this year, we are in the process to arrange refinancing of the outstanding debt of HK\$1.7 billion due in 2025 to enhance financial flexibility and to mitigate market uncertainty. In view of the uncertainty of interest rate outlook, we will continue to closely monitor the market condition and look for market window to increase the fixed rate debt portion to manage interest rate risks.

The operating landscape of the office market remains challenging and may continue to influence market rental rates in 2025. While an anticipated influx of tourists from mega-events and the return of the multiple-entry Individual Visit Scheme is expected, the strong local currency might still impact local consumption. Given the macroeconomic uncertainties, rental income for the Trust is expected to experience ongoing downward pressure. We will remain agile while deepening our collaboration with our stakeholders in this challenging market environment.

SUSTAINABILITY

In an era where we place climate resilience and our well-being as pressing priorities, sustainability stands as a core value that guides our business strategies and operations. While pursuing sustainable business growth, we remain focused on delivering our 2030 ESG Targets and 2045 Net Zero Commitment by forging strategic partnerships to create lasting, positive impacts.

Thanks to our commitment to innovation and continuous improvement, we have achieved the highest five-star rating for two consecutive years as well as the prestigious title of “Global Listed Sector Leader” in the 2024 GRESB Real Estate Assessment. Three Garden Road has secured two Platinum certifications in Leadership in Energy and Environmental Design (LEED) and WiredScore, marking it the first “Quadruple Platinum” Grade A existing office building in Hong Kong.

Partnership is the key for us to advance sustainability. We launched our inaugural “Champion REIT ESG Week”, collaborating with more than 20 partners and organisations from various sectors. With a range of novel and engaging activities, the event received an overwhelmingly positive response.

Expanding upon the well-received Green Champion Challenge last year, we took a step forward by organising the EcoChampion Pledge. It is a landlord-tenant partnership aimed at driving change in energy saving, waste management and green procurement. We aspire to build stronger partnerships with our tenants by providing necessary resources to spur positive environmental transformation.

Our dedication to sustainability reaches beyond our tenants to encompass the broader community as well. In collaboration with social enterprise V Cycle and more than 40 beauty tenants, we launched the Langham Beauty’s Green Vitality Beauty Empties Recycling initiative at Langham Place Mall. The programme serves to empower our customers to embrace responsible consumption.

Central to our sustainability efforts is our belief in the power of art and music to cultivate a diverse, equitable and inclusive community. We co-hosted two impactful events with Fullness Social Enterprises Society, including Christmas “Sharelebration” Pop-up Market 2024 at Three Garden Road, and the first-ever Ethical Consumption Pop-up Store in Langham Place Mall. Our flagship “Musica del Cuore” music programme, along with other festive celebration initiatives over the years, further amplifies our efforts to foster community cohesion.

Looking ahead, we will remain steadfast in our role as a “super-connector” by persistently cultivating mutually beneficial relationships with our tenants to raise efficiency and resilience across our value chain.

VALUATION OF PROPERTIES

According to the Property Valuation Reports issued by Knight Frank Petty Limited on 11 February 2025, the valuation of the properties of Champion REIT, broken down by usage as at 31 December 2024 was:

	Three Garden Road	Langham Place	Sub-total
	HK\$ million	HK\$ million	HK\$ million
Office	34,340	8,645	42,985
Retail	589	15,162	15,751
Car Park	607	413	1,020
Miscellaneous	184	164	348
Total	35,720	24,384	60,104

As at 31 December 2024, the appraised value of the Trust’s property portfolio was HK\$60.1 billion, decreased by 4.5% from HK\$62.9 billion as at 31 December 2023. The decrease was primarily driven by lower rental assumptions. The capitalisation rates used to value Three Garden Road, Langham Place Office and Langham Place Mall remained unchanged at 3.7%, 4.1% and 4.0% respectively.

FINANCIAL REVIEW

DISTRIBUTIONS

Total distributable income of Champion REIT for the Year was HK\$958 million, reflecting a decline of 14.6% compared to HK\$1,122 million in 2023. With a payout ratio of 90% of Champion REIT's distributable income, the distribution amount for the Year stands at HK\$862 million.

Distribution per unit for the six months ended 31 December 2024 ("Final Distribution per Unit") was HK\$0.0613, calculated based on the total number of issued units as of 31 December 2024. The final distribution amount to be paid to Unitholders on 29 May 2025 will be based on the Final Distribution per Unit of HK\$0.0613, as well as the total number of issued units as of the record date, 13 March 2025.

With an interim distribution per unit for the six months ended 30 June 2024 of HK\$0.0809 and a Final Distribution per Unit of HK\$0.0613, the total distribution per unit for the Year amounted to HK\$0.1422 (2023: HK\$0.1683). Based on the closing unit price of HK\$1.73 recorded on 31 December 2024, the total distribution per unit for the Year represents a distribution yield of 8.2%.

CLOSURE OF REGISTER OF UNITHOLDERS

The Register of Unitholders will be closed during the following periods and during these periods, no transfer of units will be effected:

- (i) To qualify for the distribution for the six months ended 31 December 2024

For the purpose of ascertaining the Unitholders' entitlement to the distribution for the six months ended 31 December 2024, the Register of Unitholders will be closed from Tuesday, 11 March 2025 to Thursday, 13 March 2025, both days inclusive.

The payment of the distribution for the six months ended 31 December 2024 will be made on Thursday, 29 May 2025 to Unitholders whose names appear on the Register of Unitholders on Thursday, 13 March 2025. In order to qualify for the distribution for the six months ended 31 December 2024, all properly completed transfer forms accompanied by the relevant unit certificates must be lodged with Champion REIT's Unit Registrar, Computershare Hong Kong Investor Services Limited ("Unit Registrar") of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30pm on Monday, 10 March 2025.

- (ii) To attend and vote at the 2025 Annual General Meeting

For the purpose of ascertaining the Unitholders' entitlement to attend and vote at the 2025 Annual General Meeting to be held on Wednesday, 28 May 2025 ("2025 AGM"), the Registers of Unitholders will be closed from Friday, 23 May 2025 to Wednesday, 28 May 2025, both days inclusive.

In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant unit certificates must be lodged with the Unit Registrar for registration not later than 4:30pm on Thursday, 22 May 2025.

PROACTIVE LIABILITY MANAGEMENT

Outstanding Debt Facilities ⁽¹⁾

As at 31 December 2024

(HK\$ million)

	Fixed rate debts	Floating rate debts	Utilised facilities
Unsecured bank loans ⁽³⁾	2,000	8,614	10,614
Medium Term Notes ⁽⁴⁾	3,845	-	3,845
Total	5,845	8,614	14,459
	40.4%	59.6%	100%

(1) All amounts are stated at face value;

(2) All debt facilities were denominated in Hong Kong Dollars except (4) below;

(3) The Trust entered interest rate swaps contracts of notional amount of HK\$2,000 million to manage interest rate exposure;

(4) (i) The Trust entered into cross currency swaps contracts of notional amount of US\$300 million at an average rate of HK\$7.8176 to US\$1.00 to mitigate exposure to fluctuations in exchange rate and interest rate of US dollars; and

(ii) Equivalence of HK\$2,345 million (after accounting for cross currency swaps) were US dollars notes.

In June 2024, the Trust successfully refinanced its outstanding unsecured bank loan of HK\$5.0 billion with a new three-year unsecured loan facility of HK\$5.05 billion, carrying an interest margin of 88 basis points over HIBOR. In October 2024, the Trust utilised its internal resources to redeem its outstanding medium-term notes of HK\$200 million.

As of 31 December 2024, the Trust's total outstanding debt was reduced by HK\$129 million, from HK\$14,588 million to HK\$14,459 million, in a bid to maximise interest savings. With the new loan facilities secured during the reporting period, total committed undrawn facilities stood at HK\$3.7 billion at year end. Consequently, the Trust has secured sufficient debt facilities to refinance all outstanding debt in 2025.

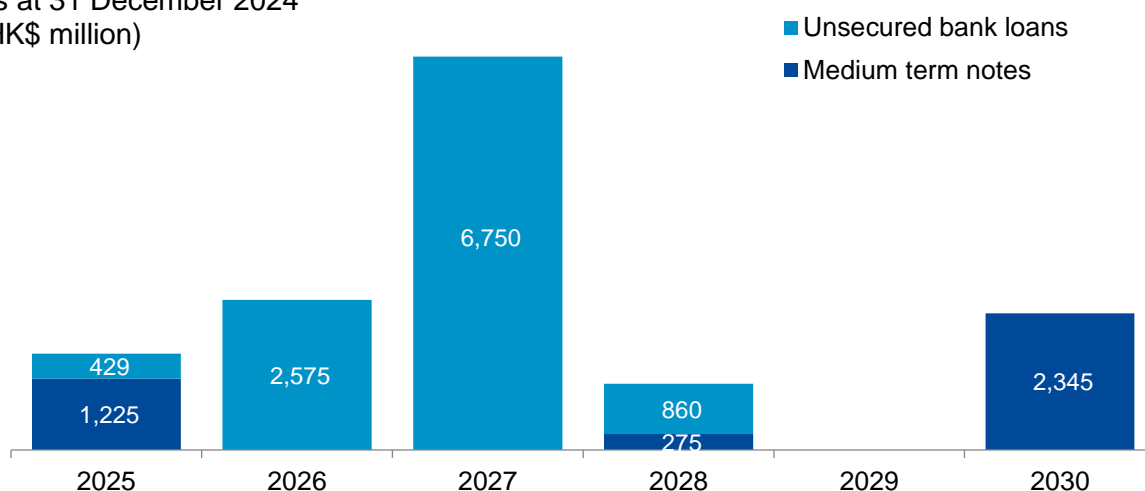
The Trust will continue to implement proactive measures and adopt a prudent financial management strategy to navigate the changing market conditions, while ensuring the maintenance of its solid financial standing and effective capital management.

During the reporting period, the Trust entered into new interest rate swap contracts totaling HK\$1,000 million, following the expiration of previous contracts amounting to HK\$2,900 million in June 2024. As at 31 December 2024, the Trust's fixed rate debt portion was 40.4%. The Trust will continue to closely monitor market conditions to identify potential risks and will engage in interest rate swap agreements as needed to mitigate the effects of interest rate fluctuations.

The average effective cash interest rate - after accounting for interest rate swaps and cross currency swaps increased to 4.4% when comparing to last corresponding period of 4.0%. The average life of the Trust's outstanding debt was 2.6 years as at 31 December 2024 (2023: 2.3 years).

Outstanding debt maturity profile⁽¹⁾

As at 31 December 2024
(HK\$ million)



The Trust's investment properties were appraised at a total value of HK\$60.1 billion as at 31 December 2024, representing a 4.5% decrease from HK\$62.9 billion as at 31 December 2023. The Trust's total borrowings as a percentage of its gross asset value (defined as total gross assets less distribution payable pursuant to the Trust Deed) was 23.7% (2023: 22.8%) as at 31 December 2024. The gross liabilities (excluding net assets attributable to Unitholders) as a percentage of gross assets were 29.0% (2023: 28.0%).

LIQUIDITY POSITION

As at 31 December 2024, the Trust held cash and deposits amounting to HK\$726 million. Additionally, the Trust had undrawn standby committed debt facilities of HK\$3,731 million, providing a prudent safety net to address upcoming refinancing needs in 2025.

The REIT Manager has demonstrated a commitment to ensuring financial stability by actively seeking financing opportunities. Other than loan financing, the REIT Manager can also leverage the medium-term note programme which provides an alternative avenue for raising funds for the Trust. The diverse financing sources enables the Trust to maintain sufficient liquid assets to support its working capital and operating requirements.

NET ASSETS VALUE PER UNIT

The Net Asset Value per Unit was HK\$7.16 (2023: HK\$7.72) as at 31 December 2024. It represented a 313.9% premium to the closing unit price of HK\$1.73 as at 31 December 2024.

COMMITMENTS

As at 31 December 2024, the Trust has authorised capital expenditure for improvement works of investment properties which was contracted for but not provided in the consolidated financial statements amounted to HK\$5 million.

Save as aforementioned, the Trust did not have any other significant commitments at the end of the reporting period.

NEW UNITS ISSUED

As at 31 December 2024, the total number of issued units of Champion REIT was 6,080,814,685. As compared with the position of 31 December 2023, a total of 67,080,154 new units were issued during the Year as follows:-

- On 3 September 2024, 31,340,317 new units were issued to the REIT Manager at the price of HK\$1.85 per unit (being the Market Price ascribed in the Trust Deed) as payment of 50% of the Manager's fee of approximately HK\$57,979,000 for the first half of 2024.
- On 7 March 2024, 35,739,837 new units were issued to the REIT Manager at the price of HK\$1.616 per unit (being the Market Price ascribed in the Trust Deed) as payment of 50% of the Manager's fee of approximately HK\$57,755,000 for the second half of 2023.

REAL ESTATE SALE AND PURCHASE

Champion REIT did not enter into any (i) real estate sales and purchases; and (ii) investments in Property Development and Related Activities (as defined in the REIT Code) during the Year.

RELEVANT INVESTMENTS AND INVESTMENTS IN PROPERTY DEVELOPMENT AND RELATED ACTIVITIES

As at 31 December 2024, the portfolio of Relevant Investments represented approximately 0.09% of the gross asset value of Champion REIT. The combined value of (i) all Relevant Investments; (ii) all Non-qualified Minority-owned Properties; (iii) other ancillary investments; and (iv) all of the Property Development Costs (as defined in 7.2C of the REIT Code) represented approximately 0.55% of the gross asset value of Champion REIT as at 31 December 2024, and therefore is within the Maximum Cap, being 25% of the gross asset value of Champion REIT.

The full investment portfolio of the Relevant Investments¹ of Champion REIT as at 31 January 2025⁴ is set out below:

As at 31 January 2025	Type	Primary Listing	Country of Issuer	Currency	Total Cost ² (HK\$ '000)	Mark-to-market Value ² (HK\$ '000)	Weighting of GAV ³	Credit Rating (S&P's/Moody's /Fitch's)
Bonds Investment								
CIFIHG 5.95 10/20/25	Bond	Hong Kong Exchange	Cayman Islands	USD	46,493	6,017	0.0097%	- / - / -
HKE 2 ½ 05/03/26	Bond	Hong Kong Exchange	British Virgin Islands	USD	7,758	7,613	0.0122%	A- / - / -
CKHH 1 ½ 04/15/26	Bond	Singapore Exchange	Cayman Islands	USD	14,530	15,013	0.0241%	A / A2 / A-
SWIPRO 3 ½ 01/13/26	Bond	Hong Kong Exchange	Hong Kong	USD	23,526	23,096	0.0371%	- / A2 / A
MOLAND 9 12/28/24	Bond	Singapore Exchange	Cayman Islands	USD	1,247	13 ⁵	0.0000%	- / - / -
MOLAND 11 12/30/27	Bond	Singapore Exchange	Cayman Islands	USD	2,495	26	0.0000%	- / - / -
CAPG 5.5 09/30/31	Bond	Singapore Exchange	Cayman Islands	USD	8,113	125	0.0002%	- / - / -
CAPG 0 09/30/28	Bond	Singapore Exchange	Cayman Islands	USD	2,320	26	0.0000%	- / - / -
CAPG 0 PERP	Bond	Singapore Exchange	Cayman Islands	USD	25,963	202	0.0003%	- / - / -
ADHERH 7.5 09/30/29	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	906	0.0015%	- / - / -
ADHERH 9 09/30/30	Bond	Singapore Exchange	British Virgin Islands	USD	8,113	277	0.0004%	- / - / -
ADHERH 9.8 09/30/31	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	313	0.0005%	- / - / -
Sub-total:					161,655 ⁶	53,629	0.0860%	
Equities Investment								
China Aoyuan Group Limited (Stock Code: 3883.HK)	Stock	Hong Kong Exchange	Cayman Islands	HK\$	3,087	109	0.0002%	N/A
Sub-total:					3,087	109	0.0002%	
Total:					164,742	53,738	0.0862%	

- Notes:
- (1) As defined in 7.2B of the REIT Code, Relevant Investments are the financial instruments permissible from time-to-time to invest in, including (without limitation): (i) securities listed on The Stock Exchange of Hong Kong Limited or other internationally recognised stock exchanges; (ii) unlisted debt securities; (iii) government and other public securities; and (iv) local or overseas property funds.
 - (2) All figures presented above have been rounded to the nearest thousand.
 - (3) The weighting of gross asset value ("GAV") is by reference to the latest published accounts as adjusted for any distribution declared and any published valuation.
 - (4) The full investment portfolio of the Relevant Investments is updated monthly within five business days of the end of each calendar month on the website of Champion REIT.
 - (5) Based on the publicly available latest transaction price (as of 31 January 2025).
 - (6) The accumulated bond interest income received from the corresponding bonds investment with a total cost of HK\$161,655,000 as at 31 January 2025 was approximately HK\$11,725,000.

CORPORATE GOVERNANCE

Champion REIT is committed to attaining global best practices and standards for all activities and transactions conducted in relation to the Trust and any matters arising out of its listing or trading on the The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The current corporate governance framework implemented by the REIT Manager placing a strong emphasis on accountability to all Unitholders, revolving conflict of interests, transparent in reporting, compliance with relevant regulations and maintain sound operating and investing procedures. To ensure effective implementation of this framework, the REIT Manager has established a comprehensive set of compliance procedures and guidelines (“Compliance Manual”) that set out the key processes, systems and measures.

Throughout the Year, the REIT Manager and Champion REIT had complied with the REIT Code and the Trust Deed of Champion REIT, the relevant provisions and requirements of the Securities and Futures Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) applicable to Champion REIT.

The REIT Manager and Champion REIT had also complied with the provisions of the Compliance Manual and all code provisions, where applicable, as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the Year.

Key components of the governance framework and the corporate governance report for the Year will be set out in the 2024 Annual Report.

BUY-BACK, SALE OR REDEMPTION OF UNITS

A general mandate for buy-back of units in the open market was given by Unitholders at the annual general meeting held on 20 May 2024. During the Year, neither the REIT Manager nor any of Champion REIT’s special purpose vehicles had bought back, sold or redeemed any units pursuant to this mandate.

PUBLIC FLOAT

As far as the REIT Manager is aware, as at the date of this announcement, the Trust has maintained a sufficient public float with more than 25% of the issued and outstanding units of Champion REIT being held by the public.

REVIEW OF ANNUAL RESULTS

The audited final results for the Year have been reviewed by the Disclosures Committee and the Audit Committee of the REIT Manager.

ANNUAL GENERAL MEETING

The 2025 AGM of Champion REIT will be held on Wednesday, 28 May 2025 at 4:30pm. Notice of 2025 AGM will be published and despatched to Unitholders in due course.

ISSUANCE OF ANNUAL REPORT

The 2024 Annual Report of Champion REIT will be despatched to Unitholders and published on the websites of the HKEXnews (www.hkexnews.hk) and Champion REIT (www.ChampionReit.com) before the end of March 2025.

SCOPE OF WORK OF MESSRS DELOITTE TOUCHE TOHMATSU

The figures in respect of the Trust's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, distribution statement and the related notes thereto for the Year as set out in this announcement have been agreed by the Trust's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Trust's audited consolidated financial statements for the Year as approved by the Board of Directors on 19 February 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Dr Lo Ka Shui (*Chairman*) and Ms Wong Mei Ling, Marina; one Executive Director, Ms Hau Shun, Christina (*Chief Executive Officer*); and four Independent Non-executive Directors, namely Professor Chan Ka Keung, Ceajer, Mr Cheng Wai Chee, Christopher, Mr Ip Yuk Keung, Albert and Mr Shek Lai Him, Abraham.

By Order of the Board
Eagle Asset Management (CP) Limited
(as manager of Champion Real Estate Investment Trust)
Lo Ka Shui
Chairman

Hong Kong, 19 February 2025

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Rental income	5	2,150,310	2,279,373
Building management fee income		274,222	263,665
Rental related income	6	<u>34,199</u>	<u>32,616</u>
Total revenue		2,458,731	2,575,654
Property operating expenses	7	<u>(639,038)</u>	<u>(629,933)</u>
Net property income		1,819,693	1,945,721
Other income	8	47,120	51,335
Manager's fee	9	(221,279)	(236,305)
Trust and other expenses		(17,903)	(21,555)
Decrease in fair value of investment properties		(2,899,430)	(641,377)
Finance costs	10	(677,391)	(619,418)
Share of results of a joint venture		<u>25,066</u>	<u>(69,352)</u>
(Loss) profit before tax and distribution to unitholders	11	(1,924,124)	409,049
Income taxes	12	<u>(162,450)</u>	<u>(188,433)</u>
(Loss) profit for the year, before distribution to unitholders		(2,086,574)	220,616
Distribution to unitholders		<u>(867,277)</u>	<u>(1,011,968)</u>
Loss for the year, after distribution to unitholders		<u>(2,953,851)</u>	<u>(791,352)</u>
Basic (loss) earnings per unit	13	<u>HK\$(0.34)</u>	<u>HK\$0.04</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the year, after distribution to unitholders	<u>(2,953,851)</u>	<u>(791,352)</u>
Other comprehensive (expense) income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	-	(34,706)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(5,533)	11,426
Cash flow hedges:		
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedges	12,159	(64,031)
Reclassification of fair value adjustments to profit or loss	(37,100)	(64,609)
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,629	10,460
	<u>(24,845)</u>	<u>(141,460)</u>
Total comprehensive expense for the year	<u><u>(2,978,696)</u></u>	<u><u>(932,812)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Non-current assets			
Investment properties		60,103,800	62,949,800
Notes receivables		46,150	46,114
Interests in a joint venture	14	274,384	189,028
Derivative financial instruments		1,503	-
Total non-current assets		<u>60,425,837</u>	<u>63,184,942</u>
Current assets			
Trade and other receivables	15	196,279	192,430
Notes receivables		-	53,774
Tax recoverable		4,306	8,531
Derivative financial instruments		-	45,895
Short-term bank deposits		-	82,196
Bank balances and cash		726,217	898,386
Total current assets		<u>926,802</u>	<u>1,281,212</u>
Total assets		<u>61,352,639</u>	<u>64,466,154</u>
Current liabilities			
Trade and other payables	16	1,454,290	1,415,492
Deposits received		636,294	651,242
Tax liabilities		66,552	133,743
Distribution payable		372,484	454,408
Bank borrowings		428,241	4,958,536
Medium term notes		1,223,585	199,985
Total current liabilities		<u>4,181,446</u>	<u>7,813,406</u>
Non-current liabilities, excluding net assets attributable to unitholders			
Derivative financial instruments		103,539	107,931
Bank borrowings		10,133,944	5,537,000
Medium term notes		2,581,876	3,813,632
Deferred tax liabilities		799,597	778,987
Total non-current liabilities, excluding net assets attributable to unitholders		<u>13,618,956</u>	<u>10,237,550</u>
Total liabilities, excluding net assets attributable to unitholders		<u>17,800,402</u>	<u>18,050,956</u>
Net assets attributable to unitholders		<u>43,552,237</u>	<u>46,415,198</u>
Number of units in issue ('000)	17	<u>6,080,815</u>	<u>6,013,735</u>
Net asset value per unit	18	<u>HK\$7.16</u>	<u>HK\$7.72</u>

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$'000	2023 HK\$'000
(Loss) profit for the year, before distribution to unitholders	(2,086,574)	220,616
Adjustments:		
- Manager's fee paid and payable in units	110,639	118,152
- Decrease in fair value of investment properties	2,899,430	641,377
- Share of results of a joint venture	(25,066)	69,352
- Non-cash finance costs	33,153	29,068
- Deferred tax	26,239	43,469
Total distributable income for the year (note (i))	957,821	1,122,034
Distribution to unitholders:		
HK\$0.0809 (2023:HK\$0.0927) per unit for the Interim Distribution Period (note (ii))	489,555	555,423
HK\$0.0613 (2023:HK\$0.0756) per unit for the Final Distribution Period (note (iii))	372,484	454,408
	862,039	1,009,831
Additional distributions for units issued after each distribution period, up to each corresponding record date of that distribution period (note (iv))	5,238	2,137
Total distribution to unitholders	867,277	1,011,968
Total distribution per unit (HK\$)	0.1422	0.1683

Notes:

- (i) Pursuant to the Trust Deed, the total distributable income is (loss) profit for the year, before distribution to unitholders as adjusted to eliminate the effects of Adjustments (as set out in the Trust Deed) which have been recorded in the consolidated income statement for the relevant year. Champion REIT is required to distribute to unitholders not less than 90% of its distributable income of each financial period. For the financial year ended 31 December 2024, the Manager decided to distribute 90% (2023: 90%) of the distributable income.
- (ii) For the six months ended 30 June 2024 ("Interim Distribution Period"), the interim distribution per unit was HK\$0.0809 (2023: HK\$0.0927). It was calculated based on the interim distribution amount of HK\$489,555,000 (2023: HK\$555,423,000) for the period and 6,049,474,368 units in issue as of 30 June 2024 (30 June 2023: 5,990,682,244 units).
- (iii) For the six months ended 31 December 2024 ("Final Distribution Period"), the final distribution per unit was HK\$0.0613 (2023: HK\$0.0756). It was calculated based on the final distribution amount of HK\$372,484,000 (2023: HK\$454,408,000) for the period and 6,080,814,685 units in issue as of 31 December 2024 (31 December 2023: 6,013,734,531 units). The final distribution amount to be paid to unitholders on 29 May 2025 will be based on the final distribution per unit of HK\$0.0613 and the total number of issued units as of 13 March 2025, which is the record date set for such period.
- (iv) During the year, an additional amount of HK\$2,702,000 and HK\$2,536,000 in respect of the 2023 Final Distribution Period and 2024 Interim Distribution Period respectively were recognised in the consolidated income statement. During 2023, an additional amount of HK\$2,137,000 in respect of the 2023 Interim Distribution Period was recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Champion REIT is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units are listed on The Stock Exchange of Hong Kong Limited (the "HKSE"). Champion REIT is governed by the deed of trust dated 26 April 2006, the First Amending and Restating Deed dated 21 April 2021 and the Supplemental Deed as amended from time to time (the "Trust Deed"), entered into between the Manager and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"), and the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Securities and Futures Commission of Hong Kong.

The principal activity of Champion REIT and its subsidiaries (the "Group") is to own and invest in income-producing commercial properties with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit. The address of the registered office of the Manager and the Trustee, is Suite 3008, 30th Floor, Great Eagle Centre, 23 Harbour Road, Hong Kong, and 1 Queen's Road Central, Hong Kong, respectively.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of Champion REIT.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - continued

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ³
Amendments to HKFRS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements are prepared in accordance with the relevant provisions of the Trust Deed and include applicable disclosures required by the REIT Code and the Rules Governing the Listing of Securities on the HKSE.

As at 31 December 2024, the Group's current liabilities exceeded its current assets by HK\$3,254,644,000 (2023: HK\$6,532,194,000). The Manager is of the opinion that, taking into account of the presently available banking facilities and internal financial resources, the Group has sufficient working capital for its present requirement within one year from the end of the reporting period. Hence, the consolidated financial statements have been prepared on a going concern basis.

4. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), management of the Manager, are identified for the purpose of resource allocation and performance assessment and more specifically focused on the operating results of the three investment properties, namely Three Garden Road, Langham Place Office Tower and Langham Place Mall.

Segment revenue and results

The following is an analysis of the Group's revenue and results by the three investment properties for the year under review.

For the year ended 31 December 2024

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
Segment revenue	<u>1,279,296</u>	<u>372,135</u>	<u>807,300</u>	<u>2,458,731</u>
Segment results				
- Net property income	<u>993,092</u>	<u>279,511</u>	<u>547,090</u>	1,819,693
Other income				47,120
Manager's fee				(221,279)
Trust and other expenses				(17,903)
Decrease in fair value of investment properties				(2,899,430)
Finance costs				(677,391)
Share of results of a joint venture				<u>25,066</u>
Loss before tax and distribution to unitholders				(1,924,124)
Income taxes				<u>(162,450)</u>
Loss for the year, before distribution to unitholders				(2,086,574)
Distribution to unitholders				<u>(867,277)</u>
Loss for the year, after distribution to unitholders				<u>(2,953,851)</u>

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:

Decrease in fair value of investment properties	<u>(2,413,049)</u>	<u>(77,503)</u>	<u>(408,878)</u>	<u>(2,899,430)</u>
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4. **SEGMENT INFORMATION** - continued

Segment revenue and results - continued

For the year ended 31 December 2023

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
Segment revenue	<u>1,360,245</u>	<u>399,538</u>	<u>815,871</u>	<u>2,575,654</u>
Segment results				
- Net property income	<u>1,082,302</u>	<u>303,926</u>	<u>559,493</u>	1,945,721
Other income				51,335
Manager's fee				(236,305)
Trust and other expenses				(21,555)
Decrease in fair value of investment properties				(641,377)
Finance costs				(619,418)
Share of results of a joint venture				(69,352)
Profit before tax and distribution to unitholders				409,049
Income taxes				(188,433)
Profit for the year, before distribution to unitholders				220,616
Distribution to unitholders				(1,011,968)
Loss for the year, after distribution to unitholders				(791,352)
 Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
(Decrease) increase in fair value of investment properties	<u>(867,580)</u>	<u>(95,000)</u>	<u>321,203</u>	<u>(641,377)</u>

4. SEGMENT INFORMATION - continued

Other segment information

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
<u>For the year ended 31 December 2024</u>				
Additions to non-current assets	<u>28,049</u>	<u>3,503</u>	<u>21,878</u>	<u>53,430</u>
<u>For the year ended 31 December 2023</u>				
Additions to non-current assets	<u>30,380</u>	<u>-</u>	<u>5,797</u>	<u>36,177</u>

Segment assets and liabilities

For the purpose of performance assessment, fair values of investment properties are reviewed by the CODM. As at 31 December 2024, the fair value of Three Garden Road, Langham Place Office Tower and Langham Place Mall was HK\$35,719,800,000 (2023: HK\$38,104,800,000), HK\$8,645,000,000 (2023: HK\$8,719,000,000) and HK\$15,739,000,000 (2023: HK\$16,126,000,000), respectively.

Save as abovementioned, no other assets or liabilities are included in the measures of the Group's segment reporting.

Geographical information

The Group's activities are all carried out in Hong Kong.

The Group's revenue from external customers and information about its non-current assets (excluding interest in a joint venture) are all located in Hong Kong.

Information about major tenants

For the year ended 31 December 2024, there was one tenant (2023: one) whose revenue contributed over 10% of the total revenue of the Group.

5. RENTAL INCOME

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Property rental income	2,102,011	2,229,232
Car park income	48,299	50,141
	<u>2,150,310</u>	<u>2,279,373</u>

6. RENTAL RELATED INCOME

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Interest income from tenants	234	535
Promotional levy income	13,374	13,326
Sundry income	20,591	18,755
	<u>34,199</u>	<u>32,616</u>

7. PROPERTY OPERATING EXPENSES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Allowance for credit losses on trade receivables	-	1,160
Building management expenses	362,677	350,165
Car park operating expenses	15,496	14,812
Government rent and rates	91,911	91,633
Legal cost and stamp duty	1,864	4,303
Other operating expenses	32,833	26,930
Promotion expenses	31,062	25,170
Property and lease management service fee	64,933	69,735
Property miscellaneous expenses	4,194	3,716
Rental commission	32,082	34,032
Repair and maintenance	1,986	8,277
	<u>639,038</u>	<u>629,933</u>

8. OTHER INCOME

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Bank interest income	44,214	36,358
Bond interest income	2,771	10,676
Dividend income	-	4,301
Sundry income	135	-
	<u>47,120</u>	<u>51,335</u>

9. MANAGER'S FEE

Pursuant to the Trust Deed, as the net property income of Champion REIT (including the share of net property income arising from the property held by a joint venture) exceeds HK\$200 million for each of the six months ended 30 June 2024 and 31 December 2024, the Manager is entitled to receive 12% of the net property income for each of the six months ended 30 June 2024 and 31 December 2024 as remuneration.

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Manager's fee:		
In the form of units	110,639	118,152
In the form of cash	110,640	118,153
	<u>221,279</u>	<u>236,305</u>

Based on the election results on 30 November 2012, the Manager continued to receive 50% of the Manager's fee for each of the six months ended 30 June 2024 and 31 December 2024 arising from the properties currently owned by Champion REIT in the form of units calculated based on the issue price per unit as determined in accordance with the Trust Deed, and the balance of 50% in the form of cash.

10. FINANCE COSTS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Finance costs represent:		
Interest expense on bank borrowings	539,016	477,412
Interest expense on medium term notes	129,968	135,756
Other borrowing costs	8,407	6,250
	<u>677,391</u>	<u>619,418</u>

11. (LOSS) PROFIT BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
(Loss) profit before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	2,338	2,338
Trustee's remuneration	8,039	8,267
Principal valuer's fee	218	239
Other professional fees and charges	3,009	3,647
Roadshow and public relations expenses	2,732	1,621
Bank charges	19,792	14,441
Exchange difference	1,845	4,717
Share of tax of a joint venture (included in the share of results of a joint venture)	7,663	1,833
	<u>7,663</u>	<u>1,833</u>

12. INCOME TAXES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Hong Kong Profits Tax:		
Current tax		
- Current year	135,542	146,024
- Under(over)provision in prior years	669	(1,060)
	<u>136,211</u>	<u>144,964</u>
Deferred tax		
- Current year	26,239	43,469
	<u>26,239</u>	<u>43,469</u>
	<u>162,450</u>	<u>188,433</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

13. BASIC (LOSS) EARNINGS PER UNIT

The calculation of the basic (loss) earnings per unit before distribution to unitholders is based on the loss for the year before distribution to unitholders of HK\$2,086,574,000 (2023: profit for the year before distribution to unitholders of HK\$220,616,000) with the weighted average number of units of 6,060,689,955 (2023: 6,000,561,857) in issue during the year, taking into account the units issuable as Manager's fee for its service for each of the years ended 31 December 2024 and 2023.

There were no dilutive potential units in issue during the years ended 31 December 2024 and 2023, therefore the diluted (loss) earnings per unit has not been presented.

14. INTERESTS IN A JOINT VENTURE

On 9 April 2021, the Group entered into a shareholders' agreement in relation to Athene Investment (BVI) Limited ("Athene Investment") with Wing Tai Properties Limited (being a connected person of the Group under 8.1(f) of the REIT Code) and other independent third parties. Athene Investment was established as a joint venture for the purpose of acquiring 100% of the entire share capital of HPREF Athene Investment S.à.r.l., a company incorporated and existing under the laws of Luxembourg and directly holds the leasehold interests in the property situated at 66 Shoe Lane, London EC4A 3BQ (formerly known as Athene Place). The Group owns 27% (2023: 27%) shareholding interest in Athene Investment.

The summarised financial information below represents amounts shown in Athene Investment's financial statements prepared in accordance with HKFRSs.

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Net property income	89,998	86,994
Investment properties	<u>1,783,394</u>	<u>1,818,403</u>

15. TRADE AND OTHER RECEIVABLES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Trade receivables	38,620	37,544
Less: Allowance for credit losses	<u>(6,162)</u>	<u>(6,162)</u>
	<u>32,458</u>	<u>31,382</u>
Deferred lease receivables	<u>78,439</u>	<u>76,139</u>
Deposits, prepayments and other receivables	89,193	88,744
Less: Allowance for credit losses	<u>(3,811)</u>	<u>(3,835)</u>
	<u>85,382</u>	<u>84,909</u>
	<u>196,279</u>	<u>192,430</u>

Rental receivables from tenants, which are included in trade receivables, are payable on presentation of invoices. The collection is closely monitored to minimise any credit risk associated with these receivables.

15. TRADE AND OTHER RECEIVABLES - continued

Ageing analysis of the Group's trade receivables net of allowance for credit loss presented based on the invoice date at the end of the reporting period is as follows:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
0 - 3 months	9,214	17,379
3 - 6 months	14,399	2,161
Over 6 months	8,845	11,842
	<u>32,458</u>	<u>31,382</u>

16. TRADE AND OTHER PAYABLES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Trade payables	168,648	136,695
Rental received in advance	68,347	48,431
Other payables and accruals	253,820	266,891
Accrued stamp duty	963,475	963,475
	<u>1,454,290</u>	<u>1,415,492</u>

Ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
0 - 3 months	<u>168,648</u>	<u>136,695</u>

17. ISSUED UNITS

	<u>Number of units</u>	<u>HK\$'000</u>
Balance at 1 January 2023	5,973,675,590	24,974,678
Payment of Manager's fee through issuance of new units during the year (note (i))	40,058,941	120,243
Balance at 31 December 2023	6,013,734,531	25,094,921
Payment of Manager's fee through issuance of new units during the year (note (i))	67,080,154	115,735
Balance at 31 December 2024	6,080,814,685	25,210,656

17. ISSUED UNITS – continued

Note:

(i) Details of units issued during the year as payment of Manager's fee are as follows:

<u>Issue date</u>	<u>Payment of the Manager's fees for the period</u>	<u>Issue price per unit determined based on the Trust Deed</u> HK\$	<u>Number of units issued</u>	<u>Aggregate issue price</u> HK\$'000
In 2024				
7 March 2024	1.7.2023 to 31.12.2023	1.616	35,739,837	57,756
3 September 2024	1.1.2024 to 30.6.2024	1.850	31,340,317	57,979
			67,080,154	115,735
In 2023				
13 March 2023	1.7.2022 to 31.12.2022	3.519	17,006,654	59,846
5 September 2023	1.1.2023 to 30.6.2023	2.620	23,052,287	60,397
			40,058,941	120,243

18. NET ASSET VALUE PER UNIT

The net asset value per unit is calculated by dividing the net assets attributable to unitholders as at 31 December 2024 of HK\$43,552,237,000 (2023: HK\$46,415,198,000) by the number of units in issue of 6,080,814,685 as at 31 December 2024 (2023: 6,013,734,531).

19. NET CURRENT LIABILITIES

At 31 December 2024, the Group's net current liabilities, calculated as current liabilities less current assets, amounted to HK\$3,254,644,000 (2023: HK\$6,532,194,000).

20. TOTAL ASSETS LESS CURRENT LIABILITIES

At 31 December 2024, the Group's total assets less current liabilities amounted to HK\$57,171,193,000 (2023: HK\$56,652,748,000).

21. CAPITAL COMMITMENT

At 31 December 2024, the Group had capital commitments for upgrading investment properties which were contracted but not provided for of approximately HK\$5,406,000 (2023: HK\$11,330,000).