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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 INTERIM 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.*

## INTERIM 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 six months ended 30 June 2024 (“Period”).

## FINANCIAL HIGHLIGHTS

	6 Months Ended 30 Jun 2024	6 Months Ended 30 Jun 2023	Change
	HK\$' million	HK\$' million	
Total Rental Income <sup>1</sup>	1,115	1,168	- 4.5%
Net Property Operating Expenses <sup>1</sup>	(160)	(173)	- 7.1%
Net Property Income	954	995	- 4.1%
Distributable Income	544	617	- 11.9%
Distribution Amount	490	555	- 11.9%
Distribution per Unit (HK\$)	0.0809	0.0927	- 12.7%

	As at 30 Jun 2024	As at 31 Dec 2023	Change
	HK\$' million	HK\$' million	
Gross Value of Portfolio	61,406	62,950	- 2.5%
Net Asset Value per Unit (HK\$)	7.42	7.72	- 3.9%
Gearing Ratio	23.1%	22.8%	+ 0.3pp

<sup>1</sup> 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 high interest rate environment continued to affect the results of the Trust in the first half of 2024. While the total number of tourist arrivals recorded solid growth, the strong local currency dampened consumption and prompted an outflow of domestic travellers. While Langham Place Mall continued to outperform the market in retail sales, the growth momentum stalled in the reporting period. The Hong Kong office rental market remained under pressure in light of the supply situation. Amid the challenging operating environment, distributable income of the Trust decreased by 11.9% to HK\$544 million (2023: HK\$617 million) and distribution per unit (“DPU”) declined by 12.7% to HK\$0.0809 (2023: HK\$0.0927).

Rental income of Langham Place Mall continued to grow but the growth momentum has slowed down. The growth was not sufficient to cover the decline in rental income of the office portfolio as the office rental reversion trend remained negative. Rental income of the Trust declined by 4.5% to HK\$1,115 million (2023: HK\$1,168 million). Net property operating expenses of the Trust dropped by 7.1% to HK\$160 million (2023: HK\$173 million) mainly due to lower rental commission, due to more renewal leasing activities of major tenants in 2023. Net property income of the Trust decreased by 4.1% to HK\$954 million (2023: HK\$995 million). Share of results of a joint venture amounted to HK\$15 million (2023: loss of HK\$6 million), which was attributed to the minority-owned property 66 Shoe Lane in London. Share of net property income of the property was HK\$12 million (2023: HK\$12 million).

During the reporting period, we successfully refinanced the bank loan with the arrangement of new credit facility amounting to HK\$5.05 billion. As at 30 June 2024, there were a total of HK\$4.0 billion in undrawn committed facilities on hand, which is sufficient to service all the refinancing needs in 2024 and 2025. With notional amount of HK\$2.9 billion of interest rate swap contracts expired, the fixed rate debt portion lowered to 35.1% as at 30 June 2024 (31 December 2023: 54.5%). Having entered into new interest rate swap contracts after the reporting period, the Trust’s current fixed rate debt portion is 40.6%. Cash finance cost increased to HK\$309 million (2023: HK\$268 million) due to higher average HIBOR.

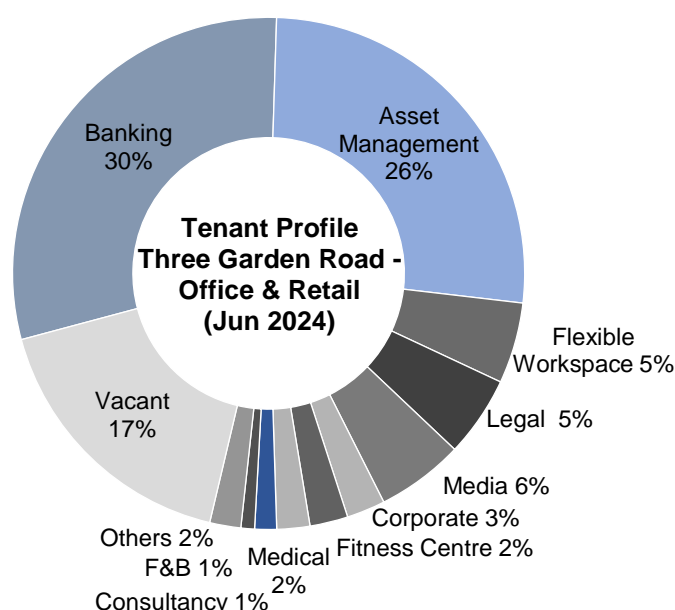
The appraised value of the Trust’s properties decreased to HK\$61.4 billion as at 30 June 2024, compared with HK\$62.9 billion as at 31 December 2023. The drop was mainly due to lower rental rate assumptions. Net asset value per unit was HK\$7.42 as at 30 June 2024 (31 December 2023: HK\$7.72). Gearing ratio remained at a healthy level of 23.1% as at 30 June 2024 (31 December 2023: 22.8%).

## OPERATIONAL REVIEW

### Three Garden Road

	6 Months Ended 30 Jun 2024	6 Months Ended 30 Jun 2023	Change
	HK\$'000	HK\$'000	
Rental Income	570,721	627,161	- 9.0%
Net Property Operating Expenses	63,994	71,687	- 10.7%
Net Property Income	506,727	555,474	- 8.8%

The overall leasing momentum in the Central Grade A office market remained subdued in the first half of 2024. Occupiers continued to take a cost-conscious approach amid uncertain economic outlook. Occupancy of Three Garden Road remained resilient despite the abundant supply in the market. We observed more enquiries from asset management firms and family offices and managed to secure some new small-sized tenants during the reporting period. Occupancy stood at 82.3% as at 30 June 2024 (31 December 2023: 82.8%).



While majority of lease expiries in 2024 has already been handled, we have proactively reached out to tenants with leases expiring in 2025 to start negotiation with tenants on renewals to mitigate the relatively concentrated expiry profile. Currently, over 20% of 2025 expiries have been confirmed to renew.

The competitive landscape of the existing demand and supply environment continued to impact the market rental of Central office and the property in the reporting period. Negative rental reversion of the property continued in the first half of the year, with passing rent lowered to HK\$89.5 per sq. ft. (based on lettable area) as at 30 June 2024 (31 December 2023: HK\$91.7 per sq. ft.). As a result, rental income of the property decreased by 9.0% to HK\$571 million (2023: HK\$627 million).

We continue to push ahead with our commitment in sustainability across our properties and value chain. During 2024, Three Garden Road obtained the Platinum certification of Leadership in Energy and Environmental Design (LEED) “v4.1 Operations and Maintenance: Existing Buildings” from the U.S. Green Building Council and the Platinum certification of WiredScore v.3.1.

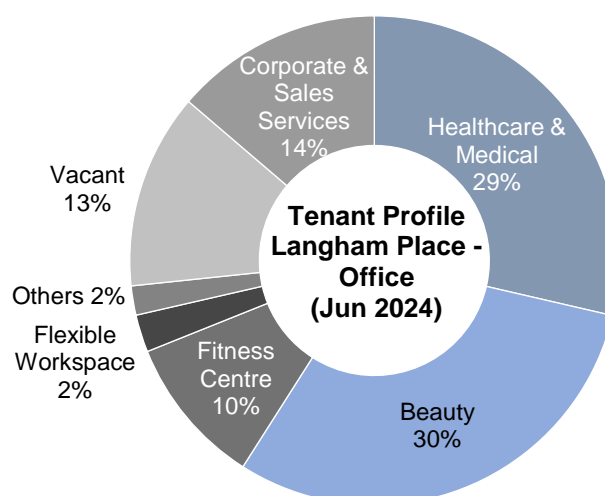
The achievements, along with Hong Kong’s first WELL Platinum certification and BEAM Plus Platinum certification awarded to us in 2020 and 2022 respectively, make Three Garden Road the first “Quadruple Platinum” grade-A office building under the existing building certification category in Hong Kong.

Net property operating expenses decreased by 10.7% to HK\$64 million (2023: HK\$72 million) mainly due to lower rental commission and lower legal cost and stamp duty. Net property income decreased by 8.8% to HK\$507 million (2023: HK\$555 million).

### **Langham Place Office Tower**

	6 Months Ended 30 Jun 2024	6 Months Ended 30 Jun 2023	Change
	HK\$'000	HK\$'000	
Rental Income	166,412	174,219	- 4.5%
Net Property Operating Expenses	21,162	21,454	- 1.4%
Net Property Income	145,250	152,765	- 4.9%

As the recovery of mainland medical beauty tourism after the pandemic was slower than expected, some beauty and medical tenants scaled down their operations in Langham Place Office Tower. Occupancy dropped to 87.1% as at 30 June 2024 (31 December 2023: 93.3%). Nonetheless, the property continues to be a lifestyle and wellness hub with lifestyle tenants occupying 69% of the area as at 30 June 2024.



We continued to observe demand from the healthcare and beauty segments albeit at a sluggish pace. Market rental of the property softened and passing rent decreased to HK\$44.2 per sq. ft. (based on gross floor area) as at 30 June 2024 (31 December 2023: HK\$45.9 per sq. ft.). Rental income decreased by 4.5% to HK\$166 million (2023: HK\$174 million).

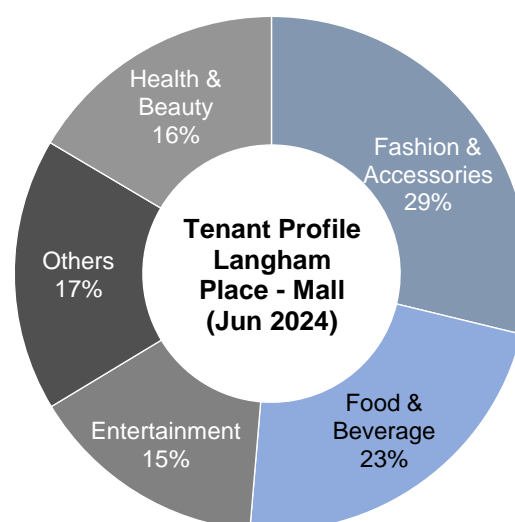
We also strengthened our collaboration with lifestyle tenants on marketing and promotion activities such as the customer acquisition campaign launched in May. The campaign aimed to draw new customers to the beauty tenants of Langham Place Office Tower and to drive customers' spending in Langham Place Mall. The endeavour not only reinforced tenants' relationships and brought more businesses to tenants but also enhanced the image of the property as a lifestyle hub.

Net operating expenses remained steady at HK\$21 million (2023: HK\$21 million). The lower average occupancy caused an increase in net building management expenses but was offset by lower rental commission due to decreased leasing activities. Net property income fell by 4.9% to HK\$145 million (2023: HK\$153 million).

### **Langham Place Mall**

	6 Months Ended 30 Jun 2024	6 Months Ended 30 Jun 2023	Change
	HK\$'000	HK\$'000	
Rental Income	377,516	366,277	+ 3.1%
Net Property Operating Expenses	75,192	79,459	- 5.4%
Net Property Income	302,324	286,818	+ 5.4%

Langham Place Mall continued to outperform the overall Hong Kong retail market in the reporting period. While Hong Kong retail sales declined by 6.6% in the first half of the year, tenants' sales of the mall increased by 2.3%. The beauty segment continued to be the growth driver. Given the net outflow of local travellers, the retail sales growth trend of the mall started to dwindle in the second quarter.



Occupancy of the mall returned to full occupancy as at 30 June 2024 (31 December 2023: 98.6%). Rental income improved to HK\$378 million (2023: HK\$366 million). The base rent portion increased to HK\$242 million (2023: HK\$224 million) while the turnover rent portion amounted to HK\$107 million (2023: HK\$114 million). The proportion of base rent increased as more tenants solely paying turnover rent resumed to paying a base rent portion compared to the same period last year. Passing rent of the mall rose to HK\$187.2 per sq. ft. (based on lettable area) (31 December 2023: HK\$185.3 per sq. ft.).

We continued to work closely with different stakeholders to stimulate sales and footfall of the mall. The joint Christmas Campaign organised in conjunction with a tenant and a non-profit organisation last year won two prestigious awards at The Marketing Events Awards 2024 Hong Kong. In April and May, we launched collaborative initiatives with our beauty tenants to reinforce Langham Place's profile as a premier beauty hub. We also collaborated with credit cards and payment system to recruit new members to the mall's loyalty program to boost consumption.

Net property expenses dropped by 5.4% to HK\$75 million (2023: HK\$79 million) which was mainly driven by lower net building management expenses, lower promotion expenses and lower rental commission. Net property income increased by 5.4% to HK\$302 million (2023: HK\$287 million).

## **OUTLOOK**

While the market generally expects interest rate cuts to start in the second half of 2024, it remains uncertain about the degree of the adjustment. The global economy outlook is also clouded by geopolitical tensions and policy risks. The operating environment for the Trust could remain challenging in view of the abundant office supply in the market and change in consumer behaviour post pandemic.

For the office portfolio, tenant retention remains a top priority. We will stay flexible in our leasing strategy to tailor to the requirements of tenants. We will also continue to roll out impactful events and strategic partnerships to strengthen engagement with tenants and stakeholders such as the ESG Week held in July. For Three Garden Road, in view of the competitive supply landscape, we will continue to take a proactive approach to negotiate lease renewals ahead of their expiries. We will further bolster Langham Place Office's position as a lifestyle and wellness hub through deepening collaboration with tenants.

Langham Place Mall has been a chic and trendy mall since opening. We will continue to refine the tenant mix and recruit first-in-Hong Kong brands to strengthen the appeal to both local consumers and tourists. Collaboration with tenants and business partners will also be enhanced to bring more targeted promotions to boost footfall and sales. However, the growth in sales may continue to sink if the trend of local residents travelling outbound remains. However, we remain optimistic for the longer term as the Individual Visit Scheme was extended to more mainland cities, and as the mainland economy recovers, Hong Kong as an international financial and tourism hub will benefit.

The existing committed undrawn facilities of HK\$4.0 billion are sufficient to serve the refinancing needs in 2024 and 2025. To further enhance liability management, we will continue to develop new banking relationships to broaden funding sources. Potential interest rate cuts could help lower the interest expenses of the floating rate debt portion of the Trust. We will closely monitor the market situation and take a prudent approach in capital management.

The Hong Kong retail sales growth trend has started to slow down in recent months and it will take some time for the market to absorb the office supply. Against the backdrop, the rental income of the Trust will continue to face downside risks. Financing costs for the full year are expected to be higher compared to last year as the average effective interest rate has increased after the expiration of interest swap contracts in the first half which were at a lower rate. We will stay agile and flexible in this challenging macroeconomic environment.

## **SUSTAINABILITY**

Our sustainability strategy anchors on championing shared values of our ecosystem through joint initiatives that promote climate resilience, collective partnership, and holistic wellness. Embracing evolution and transformation, the Trust continues to make strides in fulfilling the 2030 Environmental, Social, and Governance (“ESG”) targets and 2045 Net Zero Commitment.

We incorporate efficiency and innovative green practices into facilities management to foster a sustainable and resilient environment. Three Garden Road has become Hong Kong’s first existing building conferred with the prestigious “Quadruple Platinum” after achieving the Platinum certification of Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance and the Platinum certification of WiredScore v3.1. In addition to hardware optimisation, we partner with our tenants in the decarbonisation journey. The Green Champion Challenge concluded with an award presentation to recognise our office tenants’ efforts in energy conservation and waste management. Building on the momentum, we launched the EcoChampion Pledge programme to gear both office and retail tenants up for climate adaptation and mitigation measures.

Buoyed by our collaborative spirit, we spearheaded the Champion REIT ESG Week with more than 20 partners from various sectors. The ESG Week featured novel initiatives including the ESG Forum, Social Impact Pitch and WELL Summit. The programme attracted two-fold as many attendees as the inaugural ESG forum last year. It provided further impetus to a range of issues, including climate change strategy, diversity, equity and inclusion, healthy ecosystem, and social empowerment.

Creative placemaking remains a key strategy in enhancing cultural vibrancy and prioritising the needs of our tenants. To promote wellness, we continue to host the classical music concerts series “Musica del Cuore” and trail run around the surrounding urban green space. We marked International Women’s Day by inviting more than 3,000 female stakeholders and pampering them with complimentary wellness refreshments provided by social enterprises. These are the solid examples of utilising resources across our supply chains to pursue a healthy lifestyle and promote inclusion for all.

Moving forward, the Trust will continue its role as a super connector by mobilising resources and synergy among our stakeholders to cultivate partnership and to become a catalyst for change for the sake of all-round resilience.



## VALUATION OF PROPERTIES

According to the Property Valuation Reports issued by Knight Frank Petty Limited on 9 August 2024, the valuation of the properties of Champion REIT, broken down by usage as at 30 June 2024 was:

	Three Garden Road	Langham Place	Sub-total
	HK\$' million	HK\$' million	HK\$' million
Office	35,162	8,716	43,878
Retail	591	15,560	16,151
Car Park	607	413	1,020
Miscellaneous	187	170	357
<b>Total</b>	<b>36,547</b>	<b>24,859</b>	<b>61,406</b>

As at 30 June 2024, the appraised value of the Trust's property portfolio was HK\$61.4 billion, 2.5% lower than HK\$62.9 billion as at 31 December 2023. The decrease was mainly due to lower rental assumptions for office properties. 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

The distribution amount of Champion REIT for the six months ended 30 June 2024 was HK\$490 million (2023: HK\$555 million), calculated as 90% of Champion REIT's total available distributable income of HK\$544 million (2023: HK\$617 million).

The distribution per unit for the six months ended 30 June 2024 ("Interim Distribution per Unit") was HK\$0.0809. This represents an annualised distribution yield of 10.3% based on the closing price of HK\$1.57 as at 28 June 2024.

The interim distribution amount to be paid to unitholders on 8 October 2024 would base on the Interim Distribution per Unit of HK\$0.0809 and the total number of issued units as at 24 September 2024, the record date set for such period.

## CLOSURE OF REGISTER OF UNITHOLDERS

The Register of Unitholders will be closed from Thursday, 19 September 2024 to Tuesday, 24 September 2024 (“Record Date”), both days inclusive, during which period no transfer of Units will be effected. The payment of the distribution for the six months ended 30 June 2024 will be made on Tuesday, 8 October 2024 to Unitholders whose names appear on the Register of Unitholders on the Record Date.

In order to qualify for the distribution for the six months ended 30 June 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 of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30pm on Tuesday, 17 September 2024.

## PROACTIVE LIABILITY MANAGEMENT

### Outstanding Debt Facilities <sup>(1)</sup>

As at 30 June 2024

(HK\$ million)

	Fixed rate debts	Floating rate debts	Utilised facilities
Unsecured bank loans <sup>(3)</sup>	1,000	9,339	10,339
Medium Term Notes <sup>(4)</sup>	4,045	-	4,045
Total	<b>5,045</b>	<b>9,339</b>	<b>14,384</b>
%	35.1%	64.9%	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\$1,000 million to manage interest rate exposure;

(4) (i) The Group 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 by a three-year unsecured loan facility of HK\$5.05 billion with interest margin of 88 basis points over HIBOR. With the new loan facilities secured during the reporting period, total committed undrawn facilities amounted to HK\$4.0 billion as at 30 June 2024. As a result, the Trust has already secured sufficient debt facilities to refinance all the outstanding debt due in 2024 and 2025. The Trust will continue to take proactive measures and adopt a prudent financial management strategy to navigate the changing market conditions, maintaining its solid financial standing and capital management.

As at 30 June 2024, the Trust’s fixed-rate debt proportion decreased to 35.1% after the expiration of the interest rate swaps with a notional amount of HK\$2.9 billion in June 2024. The Trust’s current fixed rate debt portion is 40.6%, with new interest rate swap contracts

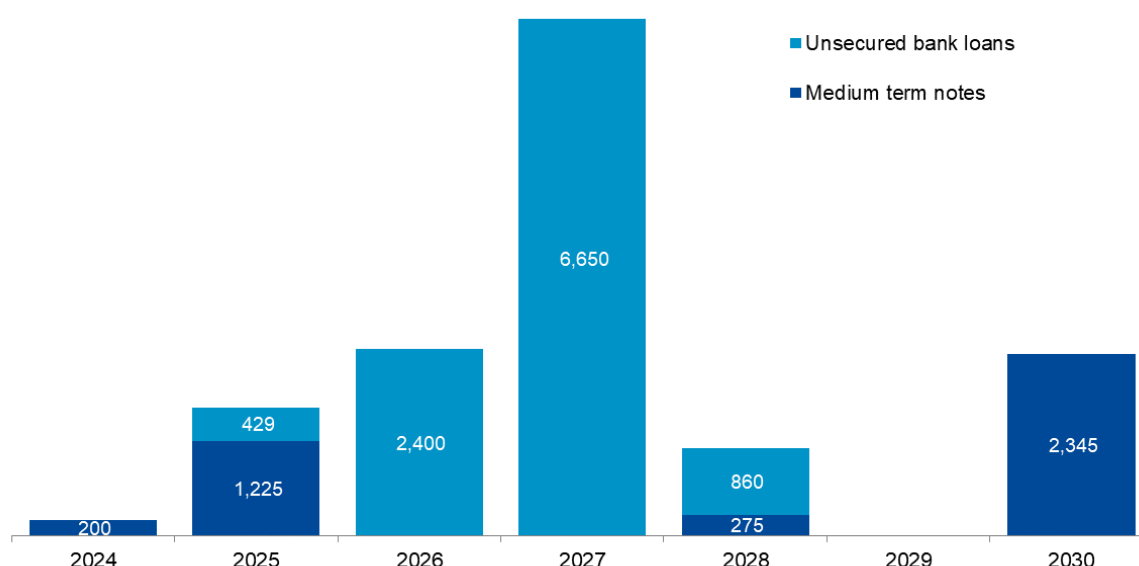
secured after the reporting period. The Trust will diligently monitor market conditions to assess potential risks and enter into interest rate swap agreements to mitigate the impact of interest rate fluctuations.

The average effective cash interest rate - after accounting for interest rate swaps and cross currency swaps increased to 4.2% during the first half of 2024 compared to last corresponding period of 3.6%. The average life of the Trust's outstanding debt was 3.1 years as at 30 June 2024 (31 December 2023: 2.3 years).

### Outstanding debt maturity profile

As at 30 June 2024

(HK\$ million)



The Trust's investment properties as at 30 June 2024 were appraised at a total value of HK\$61.4 billion, representing a 2.5% decrease from HK\$62.9 billion as at 31 December 2023. The Trust's gearing ratio (or total borrowings as a percentage of gross assets) as at 30 June 2024 was 23.1% (31 December 2023: 22.8%). The gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 28.6% (31 December 2023: 28.0%).

### LIQUIDITY POSITION

As at 30 June 2024, the Trust had cash and deposits of HK\$889 million and committed debt facilities of HK\$4.0 billion undrawn, the Trust has sufficient liquid assets to satisfy its working capital and operating requirements.

### NET ASSET VALUE PER UNIT

The Net Asset Value per Unit as at 30 June 2024 was HK\$7.42 (31 December 2023: HK\$7.72). It represented a 372.6% premium to the closing unit price of HK\$1.57 as at 28 June 2024.

## COMMITMENTS

As at 30 June 2024, the Trust had authorised capital expenditure for improvement works of investment properties which was contracted for but not provided in the condensed consolidated financial statements amounting to HK\$25 million.

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

## NEW UNITS ISSUED

On 7 March 2024, 35,739,837 new Units were issued to the REIT Manager by the Trust 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 the Trust of approximately HK\$57,755,000 for the second half of 2023.

Save for the above, no new Units were issued by the Trust during the Period. As at 30 June 2024, the total number of issued Units of Champion REIT was 6,049,474,368.

## 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 Period.

## RELEVANT INVESTMENTS

The full investment portfolio of the Relevant Investments<sup>1</sup> of Champion REIT as at 31 July 2024 is set out below:

As at 31 July 2024	Type	Primary Listing	Country of Issuer	Currency	Total Cost <sup>2</sup> (HK\$ '000)	Mark-to-market Value <sup>2</sup> (HK\$ '000)	Weighting of GAV <sup>3</sup> (%)	Credit Rating (S&P's/Moody's/ Fitch's)
CIFIHG 5.95 10/20/25	Bond	Hong Kong Exchange	Cayman Islands	USD	46,493	5,158	0.0081%	- / - / -
HKE 2 ½ 05/03/26	Bond	Hong Kong Exchange	British Virgin Islands	USD	7,758	7,558	0.0118%	A / - / -
CKHH 1 ½ 04/15/26	Bond	Singapore Exchange	Cayman Islands	USD	14,530	14,791	0.0231%	A / A2 / A-
SWIPRO 3 ¾ 01/13/26	Bond	Hong Kong Exchange	Hong Kong	USD	23,526	22,971	0.0359%	- / A2 / A
MOLAND 9 12/28/24	Bond	Singapore Exchange	Cayman Islands	USD	1,247	16	0.0000%	- / - / -
MOLAND 11 12/30/27	Bond	Singapore Exchange	Cayman Islands	USD	2,495	32	0.0001%	- / - / -
CAPG 5.5 09/30/31	Bond	Singapore Exchange	Cayman Islands	USD	8,113	69	0.0001%	- / - / -
CAPG 0 09/30/28	Bond	Singapore Exchange	Cayman Islands	USD	2,320	19	0.0000%	- / - / -
CAPG 0 PERP	Bond	Singapore Exchange	Cayman Islands	USD	25,963	175	0.0003%	- / - / -
ADHERH 7.5 09/30/29	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	550	0.0009%	- / - / -
ADHERH 9 09/30/30	Bond	Singapore Exchange	British Virgin Islands	USD	8,113	195	0.0003%	- / - / -
ADHERH 9.8 09/30/31	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	253	0.0004%	- / - / -
China Aoyuan Group Limited (Stock Code: 3883.HK)	Stock	Hong Kong Exchange	Cayman Islands	HK\$	3,087	70	0.0001%	N/A
<b>Total</b>					<b>164,742</b>	<b>51,857</b>	<b>0.0811%<sup>4</sup></b>	

- Notes
- (1) As defined in 7.2B of the REIT Code, Relevant Investments are the financial instruments permissible from time-to-time under the REIT Code for Champion REIT to invest in, including (without limitation): (i) securities listed on the Stock Exchange 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) The accumulated bond interest income received from the corresponding bonds investment with a total cost of HK\$161,655,000 as at 31 July 2024 was approximately HK\$11,122,000.

## 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 Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The current corporate governance framework implemented by the REIT Manager emphasises accountability to all Unitholders, revolving conflict of interest, transparent reporting, compliance with relevant regulations and maintaining sound operating and investing procedures. To ensure effective implementation of this framework, the REIT Manager has established a compliance manual comprising a comprehensive set of compliance procedures and guidelines ("Compliance Manual") that sets out the key processes, systems and measures.

During the Period, the REIT Manager and Champion REIT had complied with the provisions of the REIT Code and the Trust Deed of Champion REIT, the relevant provisions and requirements of the Securities and Futures Ordinance and the provisions of 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 Period.

Key components of the governance framework and the corporate governance report for the Period will be set out in the forthcoming Interim 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 Period, 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 had 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 INTERIM RESULTS

The unaudited interim results for the Period were prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and have been reviewed by the Audit Committee and the Disclosures Committee of the REIT Manager, and by the Trust’s Independent Auditor, Messrs Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## ISSUANCE OF INTERIM REPORT

The Interim Report of Champion REIT for the Period will be despatched to Unitholders and published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and Champion REIT ([www.ChampionReit.com](http://www.ChampionReit.com)) in the mid of September 2024.

## 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, namely 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 August 2024

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<u>NOTES</u>	Six months ended 30 June	
		<u>2024</u> HK\$'000 (unaudited)	<u>2023</u> HK\$'000 (unaudited)
Rental income	5	1,098,766	1,151,904
Building management fee income		137,642	131,847
Rental related income		<u>15,883</u>	<u>15,753</u>
<b>Total revenue</b>		<b>1,252,291</b>	<b>1,299,504</b>
Property operating expenses	6	<u>(297,990)</u>	<u>(304,447)</u>
<b>Net property income</b>		<b>954,301</b>	<b>995,057</b>
Other income	7	27,926	22,897
Manager's fee	8	(115,959)	(120,794)
Trust and other expenses		(8,647)	(11,771)
Decrease in fair value of investment properties		(1,556,770)	(428,700)
Finance costs	9	(326,491)	(282,155)
Share of results of a joint venture		<u>15,287</u>	<u>(5,956)</u>
<b>(Loss) profit before tax and distribution to unitholders</b>	10	<b>(1,010,353)</b>	<b>168,578</b>
Income taxes	11	<u>(90,384)</u>	<u>(101,912)</u>
<b>(Loss) profit for the period, before distribution to unitholders</b>		<b>(1,100,737)</b>	<b>66,666</b>
Distribution to unitholders	13	<u>(492,257)</u>	<u>(555,423)</u>
<b>Loss for the period, after distribution to unitholders</b>		<b><u>(1,592,994)</u></b>	<b><u>(488,757)</u></b>
<b>Basic (loss) earnings per unit</b>	14	<b><u>HK\$(0.18)</u></b>	<b><u>HK\$0.01</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Loss for the period, after distribution to unitholders</b>	<b><u>(1,592,994)</u></b>	<b><u>(488,757)</u></b>
<b>Other comprehensive (expense) income:</b>		
<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	-	(17,942)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(1,573)	11,284
Cash flow hedges:		
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedges	28,170	(4,017)
Reclassification of fair value adjustments to profit or loss	(48,613)	(15,508)
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,105	514
	<u>(16,911)</u>	<u>(25,669)</u>
<b>Total comprehensive expense for the period</b>	<b><u><u>(1,609,905)</u></u></b>	<b><u><u>(514,426)</u></u></b>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2024

	<u>NOTES</u>	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties		61,405,800	62,949,800
Notes receivables		46,255	46,114
Interests in a joint venture	15	268,565	189,028
<b>Total non-current assets</b>		<b>61,720,620</b>	<b>63,184,942</b>
<b>Current assets</b>			
Trade and other receivables	16	206,803	192,430
Notes receivables		-	53,774
Tax recoverable		3,111	8,531
Derivative financial instruments		-	45,895
Short-term bank deposits		77,741	82,196
Bank balances and cash		810,830	898,386
<b>Total current assets</b>		<b>1,098,485</b>	<b>1,281,212</b>
<b>Total assets</b>		<b>62,819,105</b>	<b>64,466,154</b>
<b>Current liabilities</b>			
Trade and other payables	17	1,428,340	1,415,492
Deposits received		661,794	651,242
Tax liabilities		200,483	133,743
Distribution payable		489,555	454,408
Bank borrowings		427,083	4,958,536
Medium term notes		974,482	199,985
<b>Total current liabilities</b>		<b>4,181,737</b>	<b>7,813,406</b>
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Derivative financial instruments		83,911	107,931
Bank borrowings		9,847,691	5,537,000
Medium term notes		3,041,217	3,813,632
Deferred tax liabilities		801,500	778,987
<b>Total non-current liabilities, excluding net assets attributable to unitholders</b>		<b>13,774,319</b>	<b>10,237,550</b>
<b>Total liabilities, excluding net assets attributable to unitholders</b>		<b>17,956,056</b>	<b>18,050,956</b>
<b>Net assets attributable to unitholders</b>		<b>44,863,049</b>	<b>46,415,198</b>
<b>Number of units in issue ('000)</b>	18	<b>6,049,474</b>	<b>6,013,735</b>
<b>Net asset value per unit</b>	19	<b>HK\$7.42</b>	<b>HK\$7.72</b>

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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**1. GENERAL**

Champion Real Estate Investment Trust ("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. 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 Eagle Asset Management (CP) Limited (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 condensed consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of Champion REIT.

**2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant disclosure requirements set out in Appendix C of the REIT Code.

At 30 June 2024, the Group's net current liabilities amounted to HK\$3,083,252,000. The Manager is of the opinion that, taking into account of presently available banking facilities and internal financial resources, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed and presented in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

#### ***Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)***

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the 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 Group's condensed consolidated financial statements:

Amendments to HKFRS 16  
Amendments to HKAS 7  
and HKFRS 7

Lease Liability in a Sale and Leaseback  
Supplier Finance Arrangements

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

#### 4. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), management of the Manager, for the purpose of resource allocation and performance assessment are 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 period under review.

##### For the six months ended 30 June 2024

	<b>Three Garden Road HK\$'000</b>	<b>Langham Place Office Tower HK\$'000</b>	<b>Langham Place Mall HK\$'000</b>	<b>Consolidated HK\$'000</b>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Segment revenue</b>	<b><u>644,264</u></b>	<b><u>190,716</u></b>	<b><u>417,311</u></b>	<b><u>1,252,291</u></b>
<b>Segment results - Net property income</b>	<b><u>506,727</u></b>	<b><u>145,250</u></b>	<b><u>302,324</u></b>	<b><u>954,301</u></b>
Other income				27,926
Manager's fee				(115,959)
Trust and other expenses				(8,647)
Decrease in fair value of investment properties				(1,556,770)
Finance costs				(326,491)
Share of results of a joint venture				15,287
<b>Loss before tax and distribution to unitholders</b>				<b><u>(1,010,353)</u></b>
Income taxes				(90,384)
<b>Loss for the period, before distribution to unitholders</b>				<b><u>(1,100,737)</u></b>
Distribution to unitholders				(492,257)
<b>Loss for the period, after distribution to unitholders</b>				<b><u>(1,592,994)</u></b>
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>				
(Decrease) increase in fair value of investment properties	<b><u>(1,565,923)</u></b>	<b><u>(3,000)</u></b>	<b><u>12,153</u></b>	<b><u>(1,556,770)</u></b>

#### 4. SEGMENT INFORMATION - continued

##### Segment revenue and results - continued

##### For the six months ended 30 June 2023

	<b>Three Garden Road</b> HK\$'000 (unaudited)	<b>Langham Place Office Tower</b> HK\$'000 (unaudited)	<b>Langham Place Mall</b> HK\$'000 (unaudited)	<b>Consolidated</b> HK\$'000 (unaudited)
<b>Segment revenue</b>	<b>696,107</b>	<b>199,081</b>	<b>404,316</b>	<b>1,299,504</b>
<b>Segment results - Net property income</b>	<b>555,474</b>	<b>152,765</b>	<b>286,818</b>	<b>995,057</b>
Other income				22,897
Manager's fee				(120,794)
Trust and other expenses				(11,771)
Decrease in fair value of investment properties				(428,700)
Finance costs				(282,155)
Share of results of a joint venture				(5,956)
<b>Profit before tax and distribution to unitholders</b>				<b>168,578</b>
Income taxes				(101,912)
<b>Profit for the period, before distribution to unitholders</b>				<b>66,666</b>
Distribution to unitholders				(555,423)
<b>Loss for the period, after distribution to unitholders</b>				<b>(488,757)</b>
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>				
(Decrease) increase in fair value of investment properties	<b>(391,200)</b>	<b>(48,000)</b>	<b>10,500</b>	<b>(428,700)</b>

##### Other segment information

##### Segment assets and liabilities

For the purpose of performance assessment, the fair values of investment properties are reviewed by the CODM. As at 30 June 2024, the fair values of Three Garden Road, Langham Place Office Tower and Langham Place Mall were HK\$36,546,800,000 (31 December 2023: HK\$38,104,800,000), HK\$8,716,000,000 (31 December 2023: HK\$8,719,000,000) and HK\$16,143,000,000 (31 December 2023: HK\$16,126,000,000), respectively

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

##### Information about major tenants

For the six months ended 30 June 2024, revenue from one tenant (30 June 2023: one) contributed over 10% of the total revenue of the Group.

## 5. RENTAL INCOME

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Property rental income	1,073,939	1,126,699
Car park income	<u>24,827</u>	<u>25,205</u>
	<b><u>1,098,766</u></b>	<b><u>1,151,904</u></b>

## 6. PROPERTY OPERATING EXPENSES

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Allowance for credit losses on trade receivables	-	966
Building management expenses	172,575	167,215
Car park operating expenses	5,672	5,508
Government rent and rates	45,891	46,544
Legal cost and stamp duty	921	3,021
Other operating expenses	15,096	12,379
Promotion expenses	11,315	13,756
Property and lease management service fee	33,320	34,820
Property miscellaneous expenses	2,119	1,896
Rental commission	10,312	17,569
Repairs and maintenance	<u>769</u>	<u>773</u>
	<b><u>297,990</u></b>	<b><u>304,447</u></b>

## 7. OTHER INCOME

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	25,837	14,746
Bond interest income	1,954	6,166
Dividend income	-	1,985
Sundry income	<u>135</u>	<u>-</u>
	<b><u>27,926</u></b>	<b><u>22,897</u></b>

## 8. 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 the six months ended 30 June 2024 and 2023, the Manager is entitled to receive 12% of the net property income for each of the six months ended 30 June 2024 and 2023 as remuneration.

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Manager's fee:</b>		
In the form of units	57,979	60,397
In the form of cash	57,980	60,397
	<u>115,959</u>	<u>120,794</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 2023 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.

## 9. FINANCE COSTS

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Finance costs represent:</b>		
Interest expense on bank borrowings	256,870	209,359
Interest expense on medium term notes	65,119	69,764
Other borrowing costs	4,502	3,032
	<u>326,491</u>	<u>282,155</u>

## 10. (LOSS) PROFIT BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>(Loss) profit before tax and distribution to unitholders has been arrived at after charging:</b>		
Auditor's remuneration	1,169	1,350
Trustee's fee	4,044	4,110
Principal valuer's fee	90	110
Other professional fee and charges	1,895	2,602
Roadshow and public relations expenses	1,308	585
Bank charges	9,248	6,214
Exchange difference	287	3,611
Share of tax of a joint venture (included in the share of result of a joint venture)	5,001	938

## 11. INCOME TAXES

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Hong Kong Profits Tax:</b>		
Current tax		
- Current year	62,766	60,940
Deferred tax		
- Current year	<u>27,618</u>	<u>40,972</u>
	<b><u>90,384</u></b>	<b><u>101,912</u></b>

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

## 12. TOTAL DISTRIBUTABLE INCOME

Total distributable income is the (loss) profit for the period, before distribution to unitholders as adjusted to eliminate the effects of Adjustments (as defined and set out in the Trust Deed) which have been recorded in the condensed consolidated income statement for the relevant period. The Adjustments to arrive at total distributable income for the period are set out below:

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period, before distribution to unitholders	(1,100,737)	66,666
Adjustments:		
Manager's fees payable in units	57,979	60,397
Decrease in fair value of investment properties	1,556,770	428,700
Share of results of a joint venture	(15,287)	5,956
Non-cash finance costs	17,607	14,446
Deferred tax	<u>27,618</u>	<u>40,972</u>
<b>Total distributable income</b>	<b><u>543,950</u></b>	<b><u>617,137</u></b>



### 13. DISTRIBUTION STATEMENT

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Total distributable income (note 12)	<u>543,950</u>	<u>617,137</u>
Total distribution amount	<u>489,555</u>	<u>555,423</u>
Percentage of distribution over distributable income (note (i))	<u>90%</u>	<u>90%</u>
<b>Distribution per unit to unitholders (note (ii))</b>	<b><u>HK\$0.0809</u></b>	<b><u>HK\$0.0927</u></b>

Notes:

- (i) In accordance with the terms of the Trust Deed, Champion REIT is required to distribute to Unitholders not less than 90% of its total distributable income for each financial year.
- (ii) The interim distribution per unit of HK\$0.0809 for the six months ended 30 June 2024 is calculated based on the interim distribution amount of HK\$489,555,000 for the period and 6,049,474,368 units in issue as of 30 June 2024. The interim distribution amount to be paid to unitholders on 8 October 2024 would be based on the interim distribution per unit of HK\$0.0809 and the total number of issued units as of 24 September 2024, which is the record date set for such period.

The interim distribution per unit of HK\$0.0927 for the six months ended 30 June 2023 was calculated based on the interim distribution amount of HK\$555,423,000 for the period and 5,990,682,244 units in issue as of 30 June 2023. The interim distribution amount of HK\$557,473,000 paid to unitholders on 6 October 2023 was based on the interim distribution per unit of HK\$0.0927 and the total number of issued units of 6,013,734,531 as of 22 September 2023, which was the record date set for such period.

- (iii) During the six months ended 30 June 2024, an amount of HK\$2,702,000 in respect of the final distribution of 2023 has been recognised in the condensed consolidated income statement. The amount was calculated based on the final distribution per unit for the six months ended 31 December 2023 of HK\$0.0756 and 35,739,837 new units issued during the period from 1 January 2024 to 20 May 2024 (the record date set for the final distribution of 2023).

### 14. 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 period before distribution to unitholders of HK\$1,100,737,000 (2023: profit for the period before distribution to unitholders of HK\$66,666,000) with the weighted average number of units of 6,054,906,998 (2023: 5,994,550,439) in issue during the period, taking into account the units issuable as Manager's fee for its service for each of the period ended 30 June 2024 and 2023.

There were no diluted potential units in issue during the six months ended 30 June 2024 and 2023, therefore the diluted (loss) earnings per unit has not been presented.

## 15. INTERESTS IN A JOINT VENTURE

The Group's interest in a joint venture amounting to HK\$268,565,000 as at 30 June 2024 (31 December 2023: HK\$189,028,000) are accounted for using the equity method in the condensed consolidated financial statements.

Material information regarding the joint venture are as follows:

	Six months ended 30 June <u>2024</u> HK\$'000 (unaudited)	<u>2023</u> HK\$'000 (unaudited)
The Group's share of net property income	<u>12,025</u>	<u>11,559</u>
	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
The Group's share of investment properties carried at fair value	<u>487,267</u>	<u>490,969</u>

## 16. TRADE AND OTHER RECEIVABLES

	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
Trade receivables	42,310	37,544
Less: Allowance for credit losses	<u>(6,162)</u>	<u>(6,162)</u>
	<u>36,148</u>	<u>31,382</u>
Deferred lease receivables	<u>71,010</u>	<u>76,139</u>
Deposits, prepayments and other receivables	103,479	88,744
Less: Allowance for credit losses	<u>(3,834)</u>	<u>(3,835)</u>
	<u>99,645</u>	<u>84,909</u>
	<u><b>206,803</b></u>	<u><b>192,430</b></u>

## 16. TRADE AND OTHER RECEIVABLES - continued

Aging 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:

	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
0 - 3 months	23,580	17,379
3 - 6 months	1,036	2,161
Over 6 months	<u>11,532</u>	<u>11,842</u>
	<b><u>36,148</u></b>	<b><u>31,382</u></b>

## 17. TRADE AND OTHER PAYABLES

	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
Trade payables	183,510	136,695
Rental received in advance	41,798	48,431
Other payables and accruals (note)	239,557	266,891
Accrued stamp duty	<u>963,475</u>	<u>963,475</u>
	<b><u>1,428,340</u></b>	<b><u>1,415,492</u></b>

(Note) As at 30 June 2024, manager's fee payable of HK\$115,959,000 (31 December 2023: HK\$115,511,000) is included in other payables and accruals.

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

	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
0 - 3 months	<u>183,510</u>	<u>136,695</u>

**18. NUMBER OF UNITS IN ISSUE**

	<u>Number of units</u>	<u>Amount HK\$'000</u>
As at 1 January 2023 (audited)	5,973,675,590	24,974,678
Units issued for settlement of Manager's fee	40,058,941	120,243
<b>As at 31 December 2023 (audited)</b>	<b>6,013,734,531</b>	<b>25,094,921</b>
Units issued for settlement of Manager's fee	35,739,837	57,756
<b>As at 30 June 2024 (unaudited)</b>	<b>6,049,474,368</b>	<b>25,152,677</b>

On 7 March 2024, 35,739,837 units at HK\$1.616 per unit were issued to the Manager as settlement of Manager's fee for the period from 1 July 2023 to 31 December 2023.

**19. NET ASSET VALUE PER UNIT**

The net asset value per unit is calculated by dividing the net assets attributable to unitholders as at 30 June 2024 of HK\$44,863,049,000 (31 December 2023: HK\$46,415,198,000) by the number of units in issue of 6,049,474,368 units as at 30 June 2024 (31 December 2023: 6,013,734,531 units).

**20. NET CURRENT LIABILITIES**

At 30 June 2024, the Group's net current liabilities, calculated as current liabilities less current assets, amounted to HK\$3,083,252,000 (31 December 2023: HK\$6,532,194,000).

**21. TOTAL ASSETS LESS CURRENT LIABILITIES**

At 30 June 2024, the Group's total assets less current liabilities amounted to HK\$58,637,368,000 (31 December 2023: HK\$56,652,748,000).

**22. CAPITAL COMMITMENT**

	At 30 June <u>2024</u> HK\$'000 (unaudited)	At 31 December <u>2023</u> HK\$'000 (audited)
Capital expenditure in respect of the improvement works of investment properties contracted for but not provided in the condensed consolidated financial statements	<b>24,839</b>	<b>11,330</b>