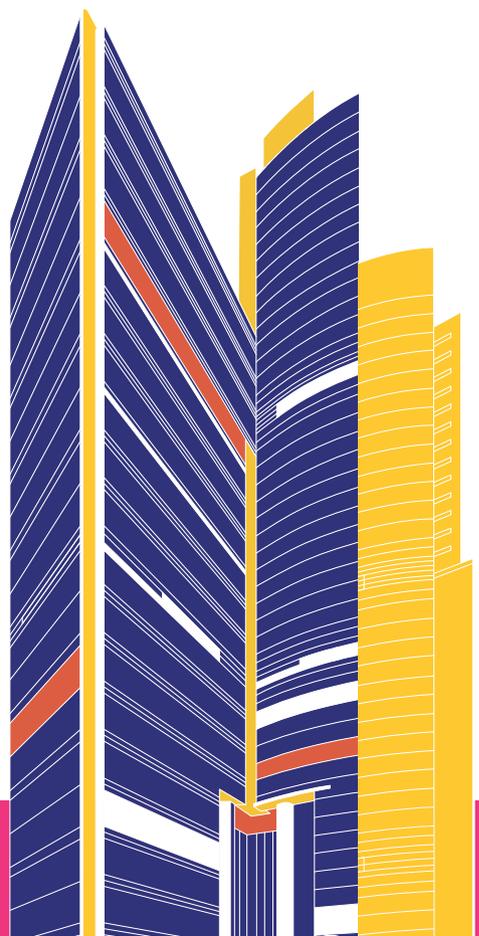




**SYNERGY IN ACTION**  
**ECOSYSTEM FOR**  
**VALUE CREATION**

**2025**  
**ANNUAL REPORT**



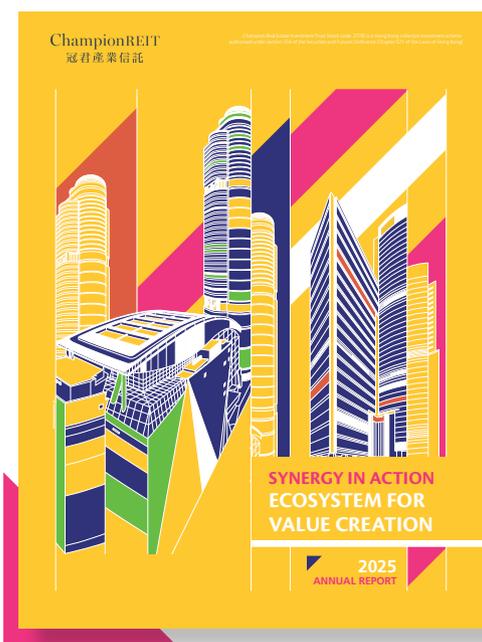
## TRUST PROFILE

Champion REIT (the "Trust") is a real estate investment 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.



## TRUST OBJECTIVES

Champion REIT's key objectives are to provide investors with stable and sustainable distributions and to achieve long-term capital growth. This aim of providing attractive total returns will be achieved by, among other things, proactive management of the properties in the Trust's portfolio and the selective acquisition of properties that will enhance distributions.



## Synergy in Action Ecosystem for Value Creation

The cover design of the Trust's 2025 annual report is crafted as a dynamic ecosystem, where architectural lines intertwine with the vibrant palette symbolising collaboration and momentum. This visual presentation reflects Champion REIT's evolution into a win-win collaborative platform that offers stakeholders experiences and value in a thriving, inclusive ecosystem.

# Contents

## Review

- 2** Timeline of Significant Events
- 3** Five Year Financial Summary
- 4** Chairman's Statement
- 6** CEO's Review
- 10** Awards and Achievements

## Management

- 12** Board of Directors
- 19** Senior Management
- 22** Management Philosophy
- 23** Financial Review
- 26** Sustainable Development
- 30** Stakeholder Engagement

## Portfolio

- 34** Property Portfolio At-a-glance
- 36** Three Garden Road
- 40** Langham Place

## Reports

- 48** Valuation Report
- 70** Trustee's Report
- 71** Corporate Governance Report
- 111** Connected Party Transactions Report
- 118** Disclosure of Interests

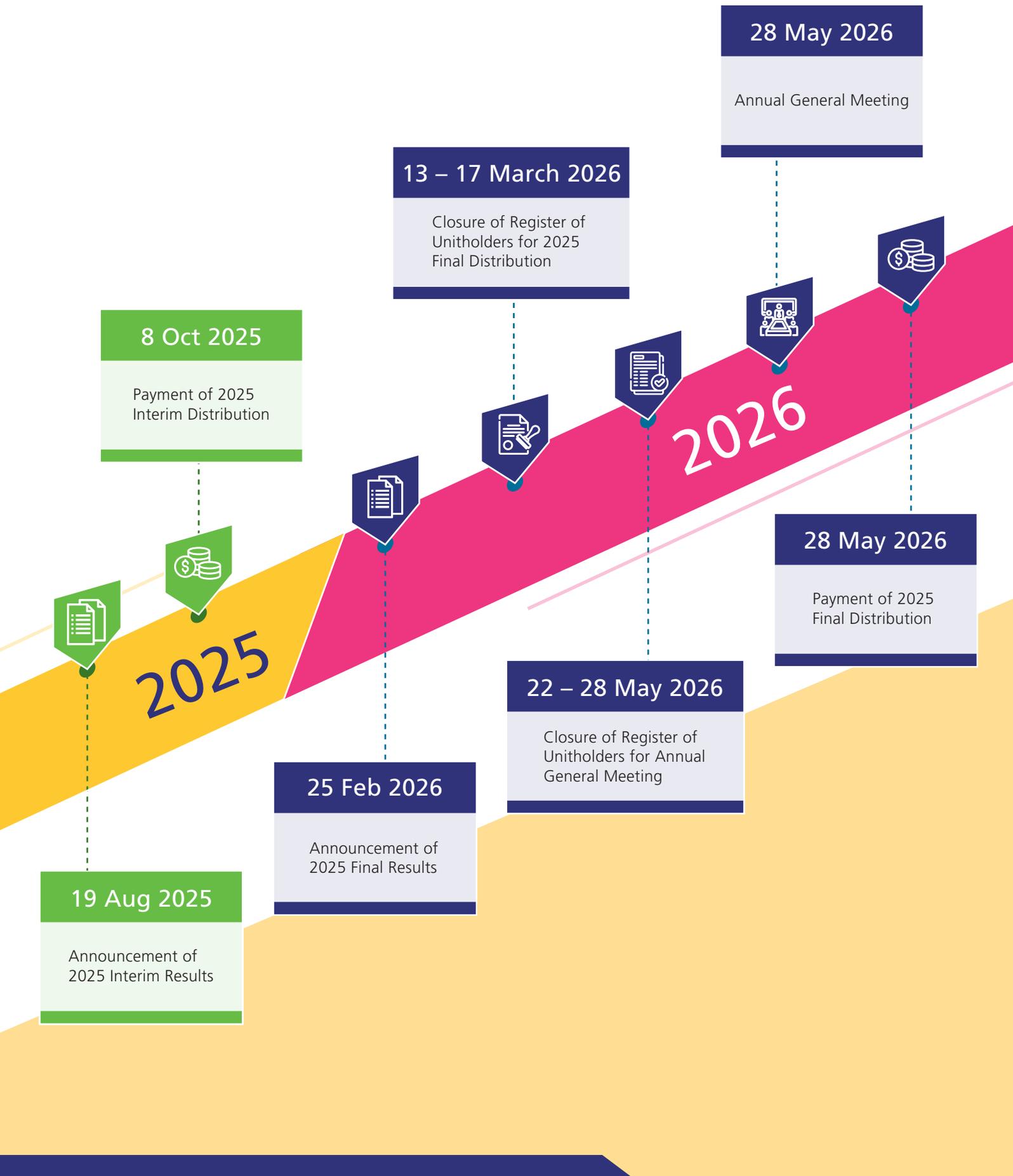
## Financials

- 124** Independent Auditor's Report
- 129** Financial Statements
- 189** Major Real Estate Agents and Contractors
- 190** Performance Table

## Glossary of Terms

## Corporate Information

# Timeline of Significant Events



## Five Year Financial Summary

For the year ended 31 December

2021	2022	2023	2024	2025	Profit (HK\$ Million)
\$2,495	\$2,359	\$2,312	\$2,185	\$1,988	<b>Total Rental Income</b>
(\$298)	(\$328)	(\$366)	(\$365)	(\$375)	<b>Net Property Operating Expenses</b>
\$2,197	\$2,031	\$1,946	\$1,820	\$1,613	<b>Net Property Income</b>
2021	2022	2023	2024	2025	Distributions (HK\$)
\$1,503	\$1,298	\$1,122	\$958	\$859	<b>Distributable Income (million)</b>
\$1,353	\$1,168	\$1,010	\$862	\$773	<b>Distribution Amount (million)</b>
\$0.2275	\$0.1954	\$0.1683	\$0.1422	\$0.1263	<b>Distribution per Unit</b>
2021	2022	2023	2024	2025	Valuation (HK\$)
\$65,296	\$63,555	\$62,950	\$60,104	\$56,179	<b>Gross Value of Portfolio (million)</b>
\$8.25	\$7.91	\$7.72	\$7.16	\$6.45	<b>Net Asset Value per Unit</b>
2021	2022	2023	2024	2025	Financial Ratios
11.9%	13.9%	15.8%	16.7%	18.8%	<b>Net Expense Ratio</b>
90.0%	90.0%	90.0%	90.0%	90.0%	<b>Payout Ratio</b>
22.9%	22.5%	22.8%	23.7%	25.4%	<b>Gearing Ratio</b>
2021	2022	2023	2024	2025	Operational Statistics
89.0%	82.7%	82.8%	82.6%	81.6%	<b>Three Garden Road Office Occupancy</b>
\$108.3	\$99.7	\$91.7	\$87.0	\$73.7	<b>... and Passing Rent (HK\$ psf)</b>
96.3%	93.3%	93.3%	87.2%	86.9%	<b>Langham Place Office Occupancy</b>
\$47.1	\$46.0	\$45.9	\$44.0	\$42.4	<b>... and Passing Rent (HK\$ psf)</b>
100.0%	100.0%	98.6%	99.3%	99.3%	<b>Langham Place Mall Occupancy</b>
\$165.9	\$157.1	\$185.3	\$157.5	\$162.5	<b>... and Passing Rent (HK\$ psf)</b>



## Chairman's Statement

**While global macroeconomic outlook is uncertain, Hong Kong's economy will continue to demonstrate resilience.**

**Dr LO Ka Shui**  
*Chairman*



Despite ongoing global macroeconomic volatility arising from trade uncertainties and geopolitical tensions, market sentiment in Hong Kong rebounded solidly in 2025. The recovery was supported by a strengthening stock market, steady growth in inbound tourism and an increasing number of mega events. These improvements were further underpinned by a considerable decline in the Hong Kong Interbank Offered Rate ("Hibor"), which boosted homeowner disposable income and lowered corporate borrowing costs.

However, the operating environment for the Trust remained challenging. Abundant office supply in the market continued to weigh on market rents, while tenants' sales were affected by shifting consumer behaviour. As a result, the Trust's distributable income decreased by 10.4% to HK\$859 million (2024: HK\$958 million), and the distribution per unit ("DPU") declined by 11.2% to HK\$0.1263 (2024: HK\$0.1422).

Despite negative rental reversion impacting both the office and retail segments, portfolio-wide occupancy remained resilient. Total rental income of the Trust decreased by 9.0% to HK\$1,988 million (2024: HK\$2,185 million). Net property operating expenses rose by 2.7% to HK\$375 million (2024: HK\$365

million), primarily due to higher rental commission at Three Garden Road, driven by an increased volume of leasing transactions. Net property income declined by 11.4% to HK\$1,613 million (2024: HK\$1,820 million). Share of net property income of the minority-owned property 66 Shoe Lane in London remained stable at HK\$25 million (2024: HK\$24 million).

We successfully refinanced all debt maturing in 2025 by bank loan facilities, including a syndicated loan with new lenders and a new bilateral facility from an existing lender. The lower average Hibor in 2025 compared with previous year generated meaningful interest savings, reducing cash finance cost to HK\$557 million (2024: HK\$644 million). Furthermore, after entering into new interest rate swap contracts, the fixed-rate debt portion was at a balanced level of 49.3% as at 31 December 2025 (31 December 2024: 40.4%).

During the reporting period, two Japan's leading credit rating agencies – Japan Credit Rating Agency, Ltd. and Rating & Investment Information, Inc. assigned the Trust its first "A" Issuer Rating with a stable outlook. The rating affirms our prudent financial management, stable capital structure, and the enduring quality of our landmark assets in prime locations.

The appraised value of the Trust's properties declined to HK\$56.2 billion as at 31 December 2025, compared with HK\$60.1 billion as at 31 December 2024, mainly reflecting lower market rental rate assumptions. Net asset value per unit was HK\$6.45 as at 31 December 2025 (31 December 2024: HK\$7.16). Gearing ratio remained healthy at 25.4% as at 31 December 2025 (31 December 2024: 23.7%).

## Outlook

While the global macroeconomic outlook is expected to remain uncertain in 2026 amid ongoing trade and geopolitical tensions, Hong Kong's economy will continue to demonstrate resilience, supported by the return of inbound tourism and a robust financial market. Improved market sentiment is anticipated to bolster office demand and private consumption. However, a sustained recovery in office rents may take time given the ample supply of office space. Retailers will also continue to face headwinds from the expanding online market share and the persistent net outflow of local shoppers.

Maintaining occupancy remains a key priority for our office portfolio. At Three Garden Road, we will further strengthen our positioning as a wealth management hub by securing new commitments from tenants in the wealth management, family office and broader financial sector. Although it may take time for the market to absorb the office supply, the scale of negative rental reversion is expected to narrow compared with 2025. For Langham Place Office, we will continue to reinforce its standing as a premier wellness hub, while intensifying efforts to attract traditional office occupiers to enhance diversification and build long term resilience.

As Langham Place Mall enters its third decade, we will further reinforce its leadership as a retail trendsetter by enhancing our tenant and brand mix to drive sales and optimise rental income. Strengthening our "Stay Local, Trend Global" strategy remains a key priority.

We implemented proactive liability management during the year and successfully secured banking facilities of HK\$1.5 billion for refinancing ahead of its 2026 maturity. For the remaining portion, we have received positive feedback in our discussions with lenders. We will continue to maintain strong

relationships with our existing banking partners while exploring opportunities to engage new lenders to further broaden and diversify our funding base. While further interest rate cuts remain possible, persistent inflationary pressures may keep monetary policy relatively restrictive in the near term. We will continue to monitor market conditions closely and maintain a balanced proportion of fixed rate debt to mitigate interest rate risks.

In the coming year, the impact of negative rental reversion on rental income and distribution is expected to persist. Nevertheless, we will continue to implement flexible and proactive strategies in leasing and marketing management to optimise the performance of our properties amid a challenging and volatile market environment.

This year marks the 20th anniversary of the establishment and listing of the Trust. We have adhered to a proactive asset management strategy focused on enhancing asset quality and delivering long term value for our stakeholders, while steadfastly upholding our commitment to sustainability.

Looking ahead, we remain cautiously optimistic about the operating environment in Hong Kong. Signs of stabilisation and measured recovery are emerging across the city's real estate and broader business landscape, supported by improving transaction volumes, and a resilient financial sector. At the same time, the economy is projected to maintain steady momentum, with growth driven by robust financial market activity, a strengthening tourism sector, and heightened investor interest – particularly from Mainland enterprises expanding their presence in Hong Kong. While external risks, structural challenges, and sector specific pressures remain, we believe the Trust is well positioned to capture emerging opportunities. By staying disciplined, agile, and focused on long-term value creation, we will continue navigating evolving market conditions with prudence, resilience, and strategic foresight.

**LO Ka Shui**  
*Chairman*



## CEO's Review



**We will continue to leverage innovation and collaborate with stakeholders to create lasting positive value.**

**Ms HAU Shun, Christina**  
*Chief Executive Officer*



### Three Garden Road

The leasing momentum of Central Grade A office strengthened starting the third quarter of 2025 with increasing net absorption. Demand was supported by the upswing in initial public offerings ("IPOs") and solid equity market performance with higher daily turnover. Expansion and pre-leasing commitment of sizable areas by financial institutions signaled confidence in the market outlook. The active capital market activities also created spillover effect for other sectors with notable leasing transactions of relocation and expansion from the legal sector in particular.

Leasing activity at Three Garden Road strengthened in 2025. Site inspections in second half of 2025 increased by 61% year-on-year, resulting in several new tenants from the asset management and family office sectors. Occupancy remained stable at 81.6% (31 December 2024: 82.6%), with space vacated by departing occupants largely backfilled by new leases and expansions from existing tenants. Our proactive retention strategy continued to deliver results,

securing renewals for over 75% of 2026 expiring leases, thereby enhancing stability and forward visibility.

The abundant supply in the Central office market continued to exert pressure on rents. At Three Garden Road, the passing rent declined to HK\$73.7 per sq. ft. (based on lettable area) as at 31 December 2025 (31 December 2024: HK\$87.0 per sq. ft.). This decrease was partly due to concentration of lease expiries during the year, which coincided with a competitive leasing environment. Consequently, the property's rental income fell by 10.1% to HK\$1,017 million (2024: HK\$1,132 million).

Increased leasing activity from these expiries led to higher rental commission, which raised net operating expenses by 8.0% to HK\$150 million (2024: HK\$139 million). Additionally, a slight dip in average occupancy resulted in a marginal increase of HK\$2 million in net building management expenses. Overall, net property income declined by 12.7% to HK\$867 million (2024: HK\$993 million).

## Langham Place Office Tower

The positioning of Langham Place Office as a premier wellness hub was reinforced by the launch of the “6D Wellness” digital channel along with the introduction of the new event space – Social Wellness Hall. Tenants and stakeholders responded positively, praising both the channel’s content and the series of wellness events. Since its launch, the wellness channel has garnered over 4.6 million cumulative views across social media. As at 31 December 2025, lifestyle and wellness tenants accounted for 68% of the property’s mix.

We also partnered with the Hong Kong Retail Management Association to launch Hong Kong’s inaugural Quality Service Charter for wellness practitioners. During the year, more than 90% of wellness tenants at Langham Place Office participated in the programme. The pioneering initiative set a benchmark for service excellence for the beauty, health, medical and lifestyle sectors. It further enhanced the property’s position as a premier hub for wellness services.

While medical and beauty operators form the core tenant base at Langham Place Office, the property has further diversified its mix by securing tenants in sectors such as sales services. It remains a premier choice for location-sensitive businesses, maintaining a stable occupancy rate of 86.9% (31 December 2024: 87.2%).

The property’s performance continued to be weighed down by negative rental reversion. Rental income fell by 6.1% to HK\$304 million (2024: HK\$324 million). Market rents remained subdued due to ample supply of office space across the market. The passing rent declined to HK\$42.4 per sq. ft. (based on gross floor area) as at 31 December 2025 (31 December 2024: HK\$44.0 per sq. ft.).

Net property operating expenses rose to HK\$49 million (2024: HK\$45 million), primarily driven by higher rental commission from increased leasing activity, elevated other operating expenses and net building management expenses. Overall, net property income decreased by 8.6% to HK\$255 million (2024: HK\$280 million).

## Langham Place Mall

Hong Kong retail sales began to recover and gain momentum since the Golden Week in May in 2025, with total retail sales returning to growth after more than a year of contraction. The influx of tourists and mega-events helped bolster the local retail market. However, shifts in consumer behaviour and the continued rise of online shopping continued to pose challenges for physical retail stores. Overall retail sales in Hong Kong grew by 1.0% in 2025, largely driven by a 12.8% increase in online sales, while sales at physical stores recorded a marginal 0.1% decline compared with 2024. Although tenants’ sales at Langham Place Mall were 5.0% lower year-on-year, proactive tenant mix management generated double-digit sales growth in the lifestyle segment.

Amid continued headwinds in the retail market, we remained proactive in our leasing and marketing efforts. More than 30 new tenants were recruited to the mall in 2025 as it celebrated its 20th anniversary. Among them was the first overseas Chiikawa Ramen Buta, capturing the rising IP-driven cultural trend. Embodying the spirit of “WOW! WE PLAY”, the mall advanced its strategic approach of “Stay Local, Trend Global” by integrating local cultural elements with global retail trends. Year-round marketing and anniversary celebration campaigns further strengthened the mall’s positioning as a retail trendsetter and delivered encouraging results. Sales of new tenants across different categories were 80% higher than previous operators, while pop-up stores associated with major marketing campaigns achieved triple-digit sales growth in 2025.

Occupancy maintained at high level of 99.3% as at 31 December 2025 (31 December 2024: 99.3%). Rental income of the mall decreased by 8.5% to HK\$666 million (2024: HK\$728 million). The base rent portion declined to HK\$440 million (2024: HK\$475 million) mainly due to negative rental reversion arising from the replacement of an anchor tenant which occupied 13.8% of lettable area. The turnover rent portion lowered to HK\$171 million (2024: HK\$196 million), owing to softer tenants’ sales. Passing rent was HK\$162.5 per sq. ft. as at 31 December 2025 (based on lettable area) (31 December 2024: HK\$157.5 per sq. ft.).



## CEO's Review

Net property operating expenses decreased to HK\$176 million (2024: HK\$181 million), as higher repair and maintenance expenses were offset by lower lease management services fee, rental commission and other operating expenses. Net property income declined by 10.3% to HK\$491 million (2024: HK\$547 million).

## Sustainability

We strive to achieve business growth while forging partnerships that advance a sustainable future. Our sustainability progress is underscored by recognition from leading benchmark organisations. We are honoured to receive the highest five-star rating in the GRESB Real Estate Assessment for the third consecutive year, alongside an "AA+" rating in the Hang Seng Corporate Sustainability Benchmark Index. These achievements reflect the effectiveness and rigour of our integrated strategy, which places environmental stewardship, social well-being and community connection at the centre of our operations.

Our green initiatives delivered measurable impact. The AI-optimised chiller plant at Three Garden Road achieved a 6.1% reduction in annual energy consumption, while tenant engagement programmes such as the EcoChampion Pledge helped drive progress in energy efficiency, waste reduction and green procurement. Recycling campaigns co-organised with tenants further cultivated a shared culture of environmental responsibility.

We believe sustainability empowers individuals to flourish, and our 6D Wellness framework and Social Wellness Hall support the physical, mental and social well-being of all who work at and visit our properties. This people-centric approach extends to the wider community through initiatives such as Inter-Company Volunteer Week, the Therapy Dog Yoga Day with Time Auction, and social enterprise collaborations including the Ethical Consumption Pop-up Store and Christmas Sharelebration! Pop-up Market 2025, which fostered kindness, mindful consumption and inclusive joy. We also recognise the link between sustainability and cultural vitality. We celebrated the 10th anniversary of Musica del Cuore and hosted art and photography exhibitions curated to promote social inclusion and youth empowerment, enriching our properties with creativity and cultural vibrancy.

We will continue to leverage innovation and collaborate with stakeholders to create lasting positive value for the environment and the community. Our sustainability journey thrives on relentless pursuit of excellence and resilience – fundamentals that are critical to delivering long-term success for all our stakeholders.

**HAU Shun, Christina**  
*Chief Executive Officer*



<b>Three Garden Road</b>	<b>2025</b>	<b>2024</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>Change</b>
Rental Income	1,017,209	1,132,061	-10.1%
Net Property Operating Expenses	150,108	138,969	+8.0%
Net Property Income	867,101	993,092	-12.7%
<b>Langham Place Office Tower</b>			
Rental Income	304,242	324,114	-6.1%
Net Property Operating Expenses	48,747	44,603	+9.3%
Net Property Income	255,495	279,511	-8.6%
<b>Langham Place Mall</b>			
Rental Income	666,277	728,334	-8.5%
Net Property Operating Expenses	175,721	181,244	-3.0%
Net Property Income	490,556	547,090	-10.3%



## Awards and Achievements



### Champion REIT

#### Sustainability and Corporate Governance

##### Global Real Estate Sustainability Benchmark (GRESB)

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

##### Hang Seng Corporate Sustainability Benchmark Index “AA+” Rating in ESG

##### The Chamber of Hong Kong Listed Companies – Hong Kong Corporate Governance & ESG Excellence Awards 2025 Awards of Excellence in ESG

##### Hong Kong Institute of Certified Public Accountants – Best Corporate Governance and ESG Awards 2025 Special Mention in ESG Awards (Small Market Capitalization Category)

##### Hong Kong ESG Reporting Awards (HERA) 2025

- Best ESG Report (Mid-cap) – Commendation
- Excellence in Workplace Wellbeing and Growth – Commendation
- GBA Outstanding ESG Disclosure List

##### Green Council – UNSDG Achievement Awards 2025

Project Award – Individual SDG Award  
(Goal 17: Partnerships for the Goals)

##### Hong Kong Public Relations Professionals' Association

– The 6th Hong Kong Public Relations Awards 2025  
Stakeholder Engagement – Merit Award

##### Fullness Social Enterprises Society – Tithe Ethical Consumption Movement 2025

Social Enterprise Supporter Excellence Award

##### Fair Trade Hong Kong

##### – SDG Excellence Awards 2024/25

- Corporate Award – Distinguished Achievement
- Project Award – Distinguished Achievement

##### Time Auction

##### – Inter-Company Volunteer Week 2025

Community Catalyst

#### Corporate

##### Hong Kong Investor Relations Association

##### – Investor Relations Awards 2025

Certificate of Excellence

#### Annual Report

##### Hong Kong Management Association

##### – Best Annual Reports Awards 2025

Excellence Award for Small Size Entries

##### MerComm. Inc. – International ARC Awards 2025

- Traditional Annual Report – Silver
- Cover photo/Design – Gold

##### IADA Global – International Annual Report Design Awards 2025

- Cover Design (Annual Report) – Gold
- Interior Design – Silver
- Integrated Presentation – Silver

## Three Garden Road

### Building Certification

#### U.S. Green Building Council

LEED v4.1 Operations and Maintenance:  
Existing Buildings – Platinum

#### International WELL Building Certificate

WELL Building Standard Certification – Platinum

#### WiredScore

WiredScore Certificate for Offices v3.1 – Platinum

#### Hong Kong Green Building Council

- BEAM Plus EB v2.0 Comprehensive Scheme – Platinum
- Zero-Carbon-Ready Building Certification Scheme – Extra Low
- Intelligent Energy Saving Contest for Buildings in Guangdong-Hong Kong-Macao Greater Bay Area
  - Most Cost-Effective Category – Merit Award

### Environment

#### The Hongkong Electric Co. Ltd.

Renewable Energy Certificate

#### Environment and Ecology Bureau

- Charter on External Lighting
- Energy Saving Charter 2025
- 4T Charter

## Langham Place

### Building Certification

#### International Finance Corporation

EDGE Level 1: Certified

#### Hong Kong Green Building Council

- BEAM Plus EB v2.0 Comprehensive Scheme – Platinum
- Zero-Carbon-Ready Building Certification Scheme – Extra Low
- Intelligent Energy Saving Contest for Buildings in Guangdong-Hong Kong-Macao Greater Bay Area
  - Sustainable Application Category – Silver Award
  - Most Cost-Effective Category – Silver Award
  - Innovative Technology Category – Merit Award

### Environment

#### CLP Power Hong Kong Limited – Smart Energy Award

Renewable Energy Certificate

#### Environment and Ecology Bureau

- 2025 Hong Kong Awards for Environmental Excellence – Property Management (Commercial & Industrial) – Silver Award
- Charter on External Lighting
- Energy Saving Charter 2025
- 4T Charter

#### Environment Protection Department

- Indoor Air Quality Certificate – Excellent Class
- Food Wise Charter
- Carbon Neutrality (Waste Reduction) Charter

#### Environmental Campaign Committee

- IAQwi\$e Certificate – Excellent Level
- Wastewi\$e Certificate – Excellent Level
- Energywi\$e Certificate – Excellent Level
- Carbon Reduction Certificate
- Hong Kong Green Organisation

#### Environment Protection Department

Indoor Air Quality Certificate – Excellent Class

#### Electrical and Mechanical Services Department

Hong Kong Energy Efficiency Registration Scheme for Buildings

#### Water Supplies Department

- Quality Water Supply Scheme for Buildings
- Fresh Water (Management System) – Gold
- Flushing Water – Silver

### Management and Service

#### The Hong Kong Institute of Facility Management

Excellence in Facility Management Award 2025  
– Excellence Award

### Community

#### Equal Opportunities Commission

Universal Design Award Scheme – Gold Award

#### Environmental Campaign Committee

- IAQwi\$e Certificate: Excellent Level
- Wastewi\$e Certificate: Excellent Level
- Energywi\$e Certificate – Excellent Level
- Carbon Reduction Certificate
- Hong Kong Green Organisation

#### Electrical & Mechanical Services Department

Hong Kong Energy Efficiency Registration Scheme for Buildings

#### Water Supplies Department

- Enterprise Cherish Water Charter
- Quality Water Supply Scheme for Buildings
  - Fresh Water (Management System) – Gold
  - Flushing Water – Gold

### Management and Service

#### The Hong Kong Institute of Facility Management

Excellence in Facility Management Award 2025  
Retail – Excellence Award

### Community

#### Equal Opportunities Commission

Universal Design Award Scheme – Silver Award



## Board of Directors

The Board of the REIT Manager principally oversees the day-to-day management of the REIT Manager's affairs and the conduct of its business and is responsible for the overall governance of the REIT Manager. The Board also reviews major financial decisions and the performance of the REIT Manager. The Board currently consists of two Non-executive Directors, one Executive Director and four Independent Non-executive Directors.

### Dr LO Ka Shui

*Chairman and Non-executive Director*



aged 79, has served as Chairman and Non-executive Director of the REIT Manager since 2006. He is a member of Audit Committee, Disclosures Committee, Nomination Committee, Chairman of Finance and Strategic Planning Committee of the REIT Manager, and a Director of all special purpose vehicles of Champion REIT. Dr Lo is also the Chairman and Managing Director of Great Eagle Holdings Limited, as well as Chairman and Non-executive Director of the manager of a publicly-listed trust, Langham Hospitality Investments. He is also Vice President of The Real Estate Developers Association of Hong Kong and a member of The Hong Kong Centre for Economic Research's Board of Trustees. Dr Lo was formerly Director of Hong Kong Exchanges and Clearing Limited; Chairman of the Listing Committee for the Main Board and Growth Enterprise Market; a

member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority; Chairman of The Chamber of Hong Kong Listed Companies; Chairman of the Hospital Authority of Hong Kong; a board member of the Airport Authority Hong Kong; and a member of the University Grants Committee of Hong Kong.

Dr Lo graduated from McGill University with a Bachelor of Science Degree and obtained a Doctor of Medicine (M.D.) Degree from Cornell University, and was certified in Internal Medicine and Cardiovascular Disease at University of Michigan Hospitals. He has over four decades of experience in property and hotel development, and investment both in Hong Kong and overseas.

### **Ms HAU Shun, Christina**

*Chief Executive Officer and Executive Director*



aged 51, was appointed as the Chief Executive Officer, Chief Investment Officer and Executive Director of the REIT Manager in 2022. She also serves in the positions of Chairlady of Disclosures Committee and member of the Finance and Strategic Planning Committee of the REIT Manager. She is also a Director of all special purpose vehicles of Champion REIT.

Ms Hau, as Chief Executive Officer, is responsible for planning the strategic development of Champion REIT and ensuring that Champion REIT is operated in accordance with stated investment strategy, policies and regulations. She also oversees the day-to-day operations of Champion REIT. As Chief Investment Officer, Ms Hau is responsible for identifying and evaluating potential acquisitions or investments opportunities. She is also responsible for overseeing the capital structure of Champion REIT, including the planning and overseeing of capital raising activities from the market. Ms Hau is a Responsible Officer as defined under the Securities and Futures Ordinance.

Ms Hau is a Registered Architect in Hong Kong with over 25 years of experience spanning the full lifecycle of development and investment properties. She has led major real estate projects across Greater China

and overseas, covering design, planning, delivery, leasing, operations, and asset management for large-scale commercial and mixed-use developments. Prior to joining the REIT Manager, she held senior leadership role at a leading Hong Kong listed real estate company, overseeing asset management for the group's flagship investment properties in Mainland China.

Ms Hau holds a Master of Architecture and a Bachelor of Social Sciences (Hons) from The Chinese University of Hong Kong. She is a Member of the Hong Kong Institute of Architects and currently serves as the Chairlady and Board Member of the Hong Kong Chapter of the Asia Pacific Real Estate Association (APREA), where she actively promotes real estate investment strategies in the Asia-Pacific region and fosters sustainable growth in the real estate investment trust (REIT) industry. She has also been appointed as a member of the Hong Kong Investor Relations Association (HKIRA) Advisory Board for 2026, leveraging her extensive experience in corporate governance, investor relations, and market engagement to help formulate industry standards and enhance corporate transparency in Hong Kong's capital markets.



## Board of Directors

### **Ms WONG Mei Ling, Marina**

*Non-executive Director*



aged 59, was appointed as Non-executive Director of the REIT Manager in 2020. She is also a member of Nomination Committee and Finance and Strategic Planning Committee of the REIT Manager. Ms Wong has been the officer in charge of the corporate secretary of the REIT Manager since July 2008, and is principally responsible for the governance, compliance and corporate secretarial matters of the REIT Manager. She is also a Director of all special purpose vehicles of Champion REIT. Ms Wong currently is Company Secretary of both Great Eagle Holdings Limited, and the manager of a publicly-listed trust, Langham Hospitality Investments. Prior

to that, she was a senior management of a red chip listed company in Hong Kong and served as Company Secretary and a Member of the Investment Appraisal Committee. With over 35 years working experience, her expertise lies in the development of governance and compliance policies, and corporate secretarial and administration.

Ms Wong is a Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. She holds a Master Degree in Laws, a Master Degree in Business Administration and a Bachelor Degree in Accountancy.

## Professor CHAN Ka Keung, Ceajer

*Independent Non-executive Director*



aged 69, was appointed as an Independent Non-executive Director of the REIT Manager in 2023. He is also a member of Audit Committee of the REIT Manager. Professor Chan holds an Honorary Doctoral Degree from The Hong Kong University of Science and Technology (HKUST). He is currently an Adjunct Professor and a Senior Advisor to the Dean at HKUST Business School. From July 2007 to June 2017, he served as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region. Prior to that, he was the Dean of Business and Management at HKUST. Before joining the HKUST Business School in 1993, he taught at Ohio State University in the United States for nine years. Professor Chan is currently a Member of Board of Directors of the One Country and Two Systems Research Institute. He is an Independent Non-executive Director of China Overseas Land & Investment Limited, CTF Services Limited and Guotai Junan International Holdings Limited (all listed in Hong Kong), as well as an Independent Non-executive Director of the manager of a public-listed trust, Langham Hospitality

Investments. He is also the Chairman of WeLab Bank Limited, and a Senior Advisor to WeLab Holdings Limited, a Director of Wine Charity Limited, a Director of Institute of Web 3.0 Hong Kong Limited, a member of Wheelock Advisory Council of Wheelock Properties Limited, a member of Board of Governors of Pacific Club, the Chairman of The Chamber of Hong Kong Listed Companies and a member of Hang Seng Index Advisory Committee. During the past three years, Professor Chan previously served as an Independent Non-executive Director of China Strategic Technology Group Limited (formerly known as USPACE Technology Group Limited) (listed in Hong Kong).

Professor Chan received his Bachelor's Degree in Economics from Wesleyan University in the United States and both of his M.B.A. and Ph.D. in Finance from The University of Chicago. He specialised in assets pricing, evaluation of trading strategies and market efficiency and has published numerous articles on these topics.



## Board of Directors

### **Mr CHENG Wai Chee, Christopher**

*Independent Non-executive Director*



aged 77, has served as the Director of the REIT Manager since 2006. He is a member of both the Audit Committee and Nomination Committee of the REIT Manager. Mr Cheng is the Chairman of Wing Tai Properties Limited (listed in Hong Kong). He is a member of the Hong Kong Special Administrative Region Government (“HKSARG”) Advisory Committee on Complaints against Judicial Conduct.

Mr Cheng was formerly the Chairman of Hong Kong General Chamber of Commerce, Chairman of the Standing Committee on Judicial Salaries and Conditions of Service (HKSARG) and Chairman of the Governance Committee of Hong Kong Exchange Fund Advisory Committee of the Hong Kong Monetary Authority (HKSARG). He was Board member of the Hong Kong Trade Development Council, member of the Exchange Fund Advisory Committee (HKSARG), Judicial Officers Recommendation Commission (HKSARG), Public Service Commission (HKSARG) and non-executive director of the Securities and Futures Commission (HKSARG).

Mr Cheng was an Independent Non-executive Director of NWS Holdings Limited (now known as CTF Services Limited), DBS Group Holdings Limited, Hong Kong and Shanghai Banking Corporation Limited (HSBC) and PICC Property and Casualty Company Limited. He was a member of Board of Steward of Hong Kong Jockey Club (“HKJC”), Chairman of Finance and General Purposes Committee (HKJC) and Investment Committee of Hong Kong Jockey Club (HKJC).

He was a member of the Council of the University of Hong Kong, International Advisory Board of the Hong Kong Polytechnic University, Columbia Business School Board and President’s Council on International Activities of Yale University.

Mr Cheng was conferred the degree of Doctor of Social Sciences honoris causa and Doctor of Business Administration honoris causa by the University of Hong Kong and the Hong Kong Polytechnic University respectively.

### **Mr IP Yuk Keung, Albert**

*Independent Non-executive Director*



aged 73, has been the Director of the REIT Manager since 2011. He is currently an Independent Non-executive Director, a member of Audit Committee and Nomination Committee; and an advisor of the Finance and Strategic Planning Committee of the REIT Manager. Mr Ip is an international banking executive with over 30 years of experience in the United States, Asia and Hong Kong. He was formerly Managing Director of Citigroup and Managing Director of Investments at Merrill Lynch (Asia Pacific). Mr Ip is currently an Independent Non-executive Director of Power Assets Holdings Limited, New World Development Company Limited, and Hutchison Telecommunications Hong Kong Holdings Limited (all listed in Hong Kong). Mr Ip is also an Independent Non-executive Director of Lifestyle International Holdings Limited.

Mr Ip is an Adjunct Professor at City University of Hong Kong, The Hong Kong University of Science and Technology (the "HKUST"), The University of Hong Kong, The Hang Seng University of Hong Kong and The Chinese University of Hong Kong. He is also an Honorary Fellow, Co-Chairman of the International Advisory Board and Chairman of

Business Career Development Advisory Committee for Business Bachelor's and Master's Programmes of College of Business, and a member of the Court at City University of Hong Kong; an Honorary Fellow, Chairman of the HKUST Foundation, Senior Advisor to the President, Special Advisor to the Dean and Chairman of Career Development Advisory Council of School of Business and Management, a member of the Business School Advisory Council and an Honorary Advisor and Chairman of Career Development Advisor Board of the School of Humanities and Social Science at The HKUST; an Adjunct Distinguished Professor in Practice and Advisory Board member for the Faculty of Business Administration at the University of Macau; and an Honorary Fellow of the Vocational Training Council.

Mr Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science from Washington University in St. Louis (summa cum laude), a Master of Science degree in Applied Mathematics from Cornell University and a Master of Science degree in Accounting and Finance at Carnegie-Mellon University.



## Board of Directors

### **Mr SHEK Lai Him, Abraham**

*Independent Non-executive Director*



aged 80, was appointed as an Independent Non-executive Director of the REIT Manager in 2006. He is Chairman of both Audit Committee and Nomination Committee, and a member of the Disclosures Committee of the REIT Manager. Mr Shek is an Honorary Member of the Court of The Hong Kong University of Science and Technology, a Court Member of Hong Kong Metropolitan University and a Court Member of City University of Hong Kong. Mr Shek was a member of the Legislative Council for the Hong Kong Special Administrative Region representing the real estate and construction functional constituency during the period from 2000 to 2021. Mr Shek is currently Chairman and Non-executive Director of JY Grandmark Holdings Limited; Honorary Chairman and an Independent Non-executive Director of Chuang's China Investments Limited; Vice Chairman and an Independent Non-executive Director of ITC Properties Group Limited; an Independent Non-executive Director of Alliance International Education Leasing Holdings Limited, Chuang's Consortium International Limited, Cosmopolitan International Holdings Limited, CSI

Properties Limited, CTF Services Limited, Everbright Grand China Assets Limited, Far East Consortium International Limited, Hao Tian International Construction Investment Group Limited, Lai Fung Holdings Limited, Paliburg Holdings Limited and Shin Hwa World Limited (all listed in Hong Kong). He is also an Independent Non-executive Director of Regal Portfolio Management Limited (as the manager of Regal REIT listed in Hong Kong). Mr Shek is an Independent Non-executive Director of Ping An OneConnect Bank (Hong Kong) Limited and Lifestyle International Holdings Limited, and Chairman and Independent Non-executive Director of Goldin Financial Holdings Limited (delisted on 31 October 2023). During the past three years, Mr Shek was an Independent Non-executive Director of Country Garden Holdings Company Limited and China Resources Building Materials Technology Holdings Limited (listed in Hong Kong).

Mr Shek graduated from The University of Sydney with a Bachelor of Arts Degree, and City University of Hong Kong with a Juris Doctor Degree.

## Senior Management

The REIT Manager is charged with the responsibility of managing the assets of Champion REIT for the benefit of Unitholders. It is responsible for ensuring compliance with the applicable provisions of the REIT Code, the SFO and other relevant laws and regulations.

As part of its duties, it sets the strategic direction and risk management policies of Champion REIT, appoint and supervise service providers, and initiate the acquisition, divestment or enhancement of assets. Communication with investors and other stakeholders is another role of the REIT Manager.

### **Ms HAU Shun, Christina**

*Chief Executive Officer*



aged 51, Chief Executive Officer, Responsible Officer and Manager-In-Charge of overall management oversight and key business line functions as defined under the Securities and Futures Ordinance, is responsible for planning the strategic development of Champion REIT and ensuring that Champion REIT is operated in accordance with stated investment strategy, policies and regulations and oversees the day-to-day operations. Additionally, as Chief Investment

Officer, she is responsible for identifying and evaluating potential acquisitions or investments and for investor relations. She is also responsible for the capital structure of Champion REIT, including the planning and overseeing of capital raising activities from the market.

Biographical information on Ms Hau can be found on the page highlighting the board of directors, of which she is a member.



## Senior Management

### Ms LUK Ka Ping, Amy

*Investment and Investor Relations Director*

aged 54, Responsible Officer as defined under the Securities and Futures Ordinance, is responsible for corporate finance and investor relations of Champion REIT. She has over 20 years of experience in the financial industry. Before joining the REIT Manager, Ms Luk has been involved in equity research covering the Hong Kong real estate sector for over 10 years at various international financial institutions, making recommendations on equity investments.



Ms Luk holds a Master of Business Administration from the University of Rochester and a Bachelor of Business Administration from the Hong Kong University of Science and Technology. She is a Chartered Financial Analyst. She was honoured with the titles of Best Investor Relations Professional by Corporate Governance Asia and Best IRO by Hong Kong Investor Relations Association.

### Ms SUNG Kar Wai, Rosana

*Finance Director*

aged 52, Responsible Officer and Manager-In-Charge of finance and accounting function as defined under the Securities and Futures Ordinance, is responsible for the finance functions of Champion REIT, including financial reporting, treasury and debt management. Her duties involve managing the REIT's financial arrangements, reviewing management accounts, maintaining profit and cashflow forecasts and the reporting of financial returns to regulators. Ms Sung is also a Director of all special purpose vehicles of Champion REIT. With more than 25 years of accounting and audit experience, she previously worked as a senior accountant at a listed company and earlier in her career was employed by a reputable certified public accountants firm to perform audit duties.



Ms Sung holds a Master of Professional Accounting degree from The Hong Kong Polytechnic University and a Bachelor of Business Administration (Professional Accountancy) from The Chinese University of Hong Kong. She is also an associate member of Hong Kong Institute of Certified Public Accountants.

### Mr CHEUNG Yeung Sing, Sofronio

*Deputy Head of Asset Management and Investment*

aged 39, a Manager-In-Charge of the operational control and review function as defined under the Securities and Futures Ordinance, is responsible for driving the performance of Champion REIT's real estate portfolio through asset management, leading asset enhancement initiatives, and identifying potential investment opportunities. Additionally, he oversees the operations of Champion REIT.



Mr Cheung brings over 15 years of experience in the real estate value chain, with expertise spanning development properties and investment properties. His experience covers portfolio planning, land acquisition, construction and development, sales and leasing, operations and management, asset enhancement initiatives, ProTech integration and data transformation as well as acquisitions and divestments.

Prior to joining the REIT Manager, Mr Cheung worked at various leading real estate listed companies in Hong Kong, where he was responsible for the development and asset management of key investment properties in United Kingdom, Singapore and Greater China. At the Hong Kong-listed company where he held a key role, he was instrumental in its growth, helping transform it into one of Mainland China's leading commercial real estate enterprises. Prior to that, Mr Cheung managed acquisitions, divestments, strategic corporate development, and portfolio management for a prominent Chinese state-owned conglomerate, across diverse sectors including real estate, special steel, iron ore mining, power, telecom, automobile trading, healthcare, tunnels, and infrastructures.

Mr Cheung holds a Master of Science in Real Estate Investment & Finance (with Distinction) from The University of Hong Kong and a Bachelor of Business Administration (First Class Honours) from City University of Hong Kong. He is certified in ESG Investing by the CFA Institute, holds the Professional Scrum Master Advanced (PSM-A) credential, and is a certified Project Management Professional (PMP).

### Ms FUNG Ka Po

*Senior Internal Audit Manager*

aged 38, Manager-In-Charge of operational control and review, and risk management functions as defined under the Securities and Futures Ordinance, is responsible for reviewing the accuracy and completeness of records of all operations and transactions of Champion REIT. As part of her duties, Ms Fung ensures the risk management and internal control systems of the REIT Manager function properly and provides internal audit reports to the Audit Committee of the Board of Directors on a regular basis. Prior to joining the REIT Manager, Ms Fung worked in a leading energy supplier and one of the largest property developers in Hong Kong. She has more than 10 years of experience in internal auditing, data analytics and business process improvement.

Ms Fung graduated from the University of Western Australia with a Bachelor degree of Commerce majoring in Quantitative Finance, Corporate Finance and Financial Accounting. She is also a member of the Hong Kong Institute of Certified Public Accountants.



### Mr KWOK Mau Yan, Camby

*Senior Program Manager*

aged 43, Manager-In-Charge of information technology function as defined under the Securities and Futures Ordinance, is responsible for providing leadership for the ongoing design, development and maintenance of systems throughout Champion REIT. Mr Kwok has over 15 years of experience in the IT & Project Management industries, possessing all-rounded knowledge and skillsets. Prior to joining the REIT Manager, he worked at Hong Kong's leading real estate listed companies on group's IT & digital projects.

Mr Kwok graduated from The University of Hong Kong with degree in Bachelor of Engineering. He is certified with Project Management Professional (PMP)® and The Certified in the Governance of Enterprise IT® (CGEIT®).



### Ms LAM Katrina Lai Kuen

*Compliance Manager*

aged 40, Manager-In-Charge of the compliance, anti-money laundering and counter-terrorist financing functions as defined under the Securities and Futures Ordinance, is responsible for establishing and maintaining robust internal control policies and procedures to ensure that the management and operations of Champion REIT comply with statutory requirements and regulations. Ms Lam oversees the implementation and maintenance of internal control procedures on anti-money laundering and counter-terrorist of Champion REIT. With over 15 years of relevant professional experience, Ms Lam possesses extensive expertise in legal, compliance and company secretarial matters, gained through her tenure with companies including multinational corporations, financial institutions, listed companies and private legal practices.

Ms Lam holds a Master of Business Administration (with Distinction) from The University of Manchester, a Bachelor of Laws degree from Manchester Metropolitan University, and a Bachelor of Arts degree from The Chinese University of Hong Kong. She is also a Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. Additionally, she is a Certified Anti-Money Laundering Specialist from The Association of Certified Anti-Money Laundering Specialists and a Certified ESG Analyst accredited by the European Federation of Financial Analysts Societies.



## Management Philosophy

The REIT Manager is committed to providing Unitholders with attractive total returns in the form of stable and sustainable Distribution per Unit and long-term growth in Net Asset Value per Unit. It will achieve this through proactive asset management and selective acquisition of properties.

### Asset Management Strategy



The REIT Manager, working closely with the Property Management Team, will proactively manage its properties to achieve the following goals.

#### Sustainability Focus

Build a strong corporate culture that integrates sustainability, and climate change considerations into decision-making processes. Such a culture will create sustainable business growth and long-term values for our stakeholders.

#### Maximise Rental Income

Optimise the rental income from each tenancy and, where possible, augment rental income through additional floor area, asset enhancements and turnover rent.

#### High Occupancy Levels

Keep occupancy levels high by maintaining high-quality services and technical standards, capitalising on targeted tenants' requirements, and actively managing tenancy expiries.

#### High Tenancy Renewal Rates

Maintain high tenancy renewal rates through proactive tenant relationship management and anticipation of future tenant needs. These measures will minimise rental losses due to downtime and lead to lower expenses and agency fees incurred for new tenancies.

#### A Quality and Diversified Tenant Base

Retain a quality tenant base built upon high covenant, multinational office occupiers and well recognised retail tenants in order to maintain a premium image for the Trust's properties and to minimise default rates.

### Acquisition Strategy



The REIT Manager intends to actively pursue yield-enhancing opportunities through the addition of income-producing commercial properties. The following investment criteria will be used in the evaluation of acquisition opportunities globally.

#### Yield Accretion

Properties to be acquired should have either a high existing rental income or the potential for higher rental income.

#### Potential for Asset Growth

Macro economic factors and the potential for future changes in asset value will be assessed.

#### Tenant Characteristics

Rent and occupancy trends will be assessed with an emphasis on good tenant retention and default rates.

#### Location and Accessibility

Properties that have convenient access to public transportation networks, major roads, and pedestrian thoroughfares will be favoured.

#### Value-adding Opportunities

Opportunities to add value through renovation will be scrutinised. Other enhancements and proactive property management practices will also be assessed.

#### Building Specifications

The building specifications should be top-quality. Other aspects such as building condition, sustainability performance, climate resilience, and compliance with regulations will also be examined.

## Financial Review

### Distributions

Total distributable income of Champion REIT for the Year was HK\$859 million, reflecting a decline of 10.4% compared to HK\$958 million in 2024. With a payout ratio of 90% of Champion REIT's distributable income, the distribution amount for the Year stands at HK\$773 million.

Distribution per unit for the six months ended 31 December 2025 ("Final Distribution per Unit") was HK\$0.0562, calculated based on the total number of issued units as of 31 December 2025. The final

distribution amount to be paid to unitholders on 28 May 2026 will be based on the Final Distribution per Unit of HK\$0.0562, as well as the total number of issued units as of the record date, 17 March 2026.

With an interim distribution per unit for the six months ended 30 June 2025 of HK\$0.0701 and a Final Distribution Per Unit of HK\$0.0562, a total distribution per unit for the Year amounted to HK\$0.1263 (2024: HK\$0.1422). Based on the closing unit price of HK\$2.55 recorded on 31 December 2025, the total distribution per unit for the Year represents a distribution yield of 5.0%.

### 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 2025**

For the purpose of ascertaining the Unitholders' entitlement to the distribution for the six months ended 31 December 2025, the Register of Unitholders will be closed from Friday, 13 March 2026 to Tuesday, 17 March 2026, both days inclusive.

The payment of the distribution for the six months ended 31 December 2025 will be made on Thursday, 28 May 2026 to Unitholders whose names appear on the Register of Unitholders on Tuesday, 17 March 2026. In order to qualify for the distribution for the six months ended 31 December 2025, 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 4:30 pm on Thursday, 12 March 2026.

**(ii) To attend and vote at the 2026 annual general meeting ("2026 AGM")**

For the purpose of ascertaining the Unitholders' entitlement to attend and vote at the 2026 Annual General Meeting to be held on Thursday, 28 May 2026, the Registers of Unitholders will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive.

In order to be eligible to attend and vote at the 2026 AGM, all properly completed transfer forms accompanied by the relevant unit certificates must be lodged with the Unit Registrar for registration not later than 4:30 pm on Thursday, 21 May 2026.

## Financial Review

### Proactive Liability Management

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

As at 31 December 2025  
(HK\$ million)

	Fixed rate debts	Floating rate debts	Utilised facilities
Unsecured bank loans <sup>(3)</sup>	4,500	7,335	11,835
Medium Term Notes <sup>(4)</sup>	2,620	–	2,620
<b>Total</b>	<b>7,120</b>	<b>7,335</b>	<b>14,455</b>
	49.3%	50.7%	100.0%

(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\$4,500 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 2025, the Trust successfully completed a HK\$1,654 million refinancing of its maturing bank loans and medium-term notes. This was executed through a combination of new credit lines and the allocation of existing committed undrawn facilities, demonstrating our prudent treasury management and strong financial standing. As at 31 December 2025, total committed undrawn facilities amounted to HK\$2,490 million.

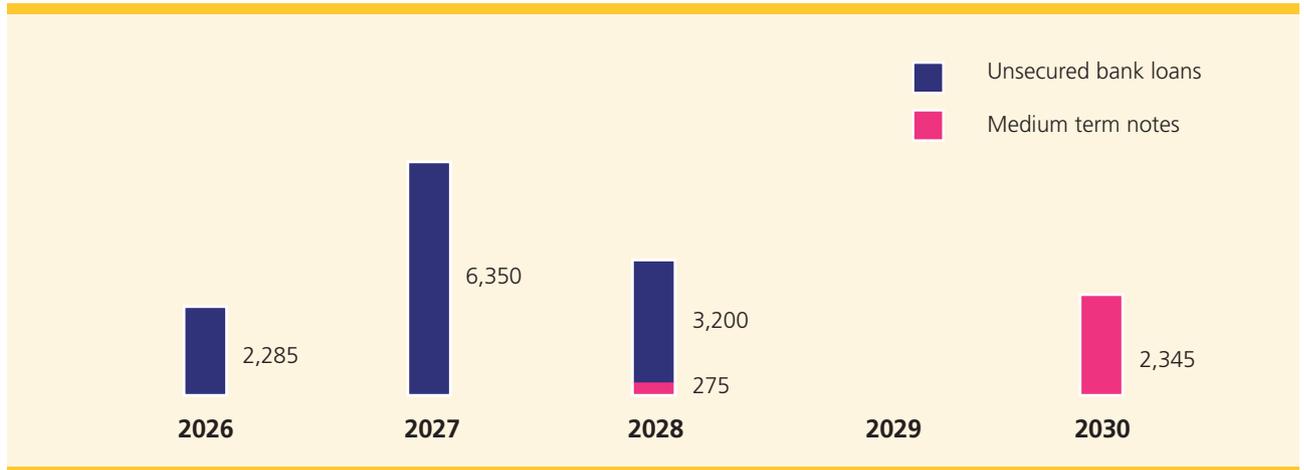
The Trust is proactively managing its 2026 debt maturities. The outstanding amount requiring refinancing is HK\$2,285 million. To date, the Trust has already secured HK\$1,500 million in financing toward this obligation. The REIT Manager has already commenced active discussions with the lenders for the remaining 2026 facilities. The REIT Manager will continue to execute a prudent and proactive financial strategy to navigate changing market conditions, ensuring the maintenance of a strong financial position and effective capital management.

As at 31 December 2025, the Trust's fixed-rate debt proportion increased to 49.3% (compared to 40.4% as at 31 December 2024), following the execution of additional interest rate swap contracts with a total notional amount of HK\$2,500 million during the reporting period. The REIT Manager remains committed to actively monitoring market conditions to evaluate potential risks and will consider further interest rate hedging strategies, including swap, to manage the impact of interest rate volatility.

The average effective cash interest rate, after accounting for interest rate swaps and cross currency swaps, decreased to 3.8% p.a. during the reporting period when compared to last corresponding period of 4.4% p.a. The average life of the Trust's outstanding debt was 2.0 years as at 31 December 2025 (31 December 2024: 2.6 years).

## Outstanding debt maturity profile

As at 31 December 2025  
(HK\$ million)



The Trust's investment properties as at 31 December 2025 were appraised at a total value of HK\$56.2 billion, representing a 6.5% decrease from HK\$60.1 billion as at 31 December 2024. The Trust's gearing ratio (or total borrowings as a percentage of gross assets) as at 31 December 2025 was 25.4% (31 December 2024: 23.7%). The gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 30.9% (31 December 2024: 29.0%).

## Liquidity Position

As at 31 December 2025, the Trust had cash and deposits of HK\$626 million and committed debt facilities of HK\$2,490 million undrawn, the Trust has sufficient liquid assets to satisfy its working capital and operating requirements.

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 fund for the Trust. The diverse financing sources enables the Trust to maintain sufficient liquid assets to support its working capital and operating requirements.

## Net Asset Value Per Unit

The Net Asset Value per Unit as at 31 December 2025 was HK\$6.45 (31 December 2024: HK\$7.16). It represented a 152.9% premium to the closing unit price of HK\$2.55 as at 31 December 2025.

## Commitments

As at 31 December 2025, the Trust had authorised capital expenditure for improvement works of investment properties which was contracted for but not provided in the consolidated financial statements amounting to HK\$10 million.

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



# Sustainable Development

## Introduction

In this section, we will outline the Trust's sustainability governance and core strategy wherein we develop our sustainability initiatives. We will also present our efforts and progress made towards reaching the goals under the blueprint of the Trust's 2030 Environment, Social and Governance ("ESG") targets, which were established in alignment with the United Nations' Sustainable Development Goals ("SDGs").

A review of the Trust's sustainability performance covering the period from 1 January 2025 to 31 December 2025 is disclosed separately in our Sustainability Report 2025. The preparation of the report follows several locally and internationally recognised standards, including the Stock Exchange of Hong Kong Limited ("HKEX")'s ESG Reporting Guide under Appendix C2 of the Main Board Listing Rules and



Global Reporting Initiative ("GRI") Standards 2021. The report is also available on our corporate website: [www.championreit.com/sustainability/esg-reports](http://www.championreit.com/sustainability/esg-reports).

## Sustainability Governance

### Board Governance

As the highest governance body, the Board is responsible for overseeing all sustainability matters to ensure smooth progress towards its long-term commitment and value creation. This includes guiding the formulation and integration of relevant policies, which are implemented at every organisation level, from management and functional teams to individual employees. The Board reviews and approves the Sustainability Report along with the progress on other initiatives per annum. Board meetings are held regularly at least four times a year.

The Board is involved in setting the 2030 ESG Targets, identifying and managing ESG-related and climate-related risks, evaluating climate resilience and overseeing other key sustainability projects. They also provide guidance on the prioritisation of tasks, progress reviews and strategic recommendations on sustainability-related issues. Training sessions were arranged for Board members to keep them informed and support their ongoing professional development in addressing ESG-related risks.

## Sustainability Working Group

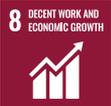
With the primary responsibility for shaping the Trust's sustainability agenda, the Sustainability Working Group is chaired by the CEO with dedicated members from senior management across core function teams, including Leasing, Investor Relations, Asset Management, Risk Management, Property Management, Marketing and Corporate Communications, and parent group's Sustainability Department. The Working Group convenes quarterly to oversee sustainability initiatives, from strategic development to day-to-day implementation. The Group monitors ESG trends for regulatory compliance, implements initiatives aligned with 2030 ESG Targets and United Nations' SDGs, and considers stakeholder input through engagement and materiality assessments. It also acts as a vital communication channel between the Board and stakeholders on all sustainability matters.

To engage our internal stakeholders in our sustainability journey, we leverage appropriate channels to disseminate useful information related to our strategies and work. Corporate-wide training or industry-focused sharing sessions on regulatory changes, ESG trends and best practices are also provided to enhance resilience at the employee level. Free exchange of ideas is encouraged for knowledge sharing and continuous growth.

## Progress of 2030 ESG Targets

In response to our decarbonisation strategy, we are committed to reaching Net Zero carbon emissions by 2045. To support this commitment, we established our 2030 ESG Targets in 2019 as an interim pathway with relevant key performance indicators ("KPIs") in accordance with the United Nations' SDGs. As of 31 December 2025, most of the KPIs have been achieved or are on track to being achieved. Detailed updates on our progress and actions can be found in the subsequent sections of the report.

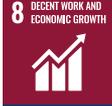
## 2030 ESG Targets

Aspect (respective SDGs)	Focus Area	2030 Targets	2025 Progress Update	
<b>Governance</b>    	Board	<ul style="list-style-type: none"> <li>Formally set up Nomination Committee</li> <li>Further enhance the Board's involvement in sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> <li>The Board was actively engaged in overseeing the whole sustainability strategies</li> </ul>	
	ESG policy	<ul style="list-style-type: none"> <li>Establish integrated ESG Framework and Policies</li> <li>Strengthen governance through best practices of documentation and regulatory procedures</li> </ul>	<ul style="list-style-type: none"> <li>Aligned with our parent group's 2045 Net Zero Commitment through Climate Leadership Strategy</li> <li>Established Environmental Guidelines for tenants</li> </ul>	
	Compliance	<ul style="list-style-type: none"> <li>Ensure zero corruption and fraud incidents</li> <li>Maintain zero data privacy and cybersecurity incidents</li> <li>Arrange at least one annual compliance-related training for new hires</li> </ul>	<ul style="list-style-type: none"> <li>Zero case</li> <li>Zero case</li> <li>Arranged anti-money laundering and cybersecurity workshops</li> </ul>	
	<b>Environment</b>      	Energy and carbon emissions	<ul style="list-style-type: none"> <li>42% reduction in carbon intensity (scope 1 and 2) by 2030<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Carbon intensity ↓62.6% vs 2011 base year</li> <li>Installed 27 new EV charging points across Three Garden Road and Langham Place</li> <li>Engaged tenants in energy savings through EcoChampion Pledge</li> </ul>
		Water	<ul style="list-style-type: none"> <li>25% reduction in water consumption intensity by 2030<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Water consumption intensity ↓34% vs 2014 base year</li> </ul>
		Waste	<ul style="list-style-type: none"> <li>Develop a well established waste tracking system to facilitate future waste management initiatives and minimise waste generated from operations</li> </ul>	<ul style="list-style-type: none"> <li>Launched a year-round recycling initiative featuring seasonal themes, with all donated materials directed to upcycling partners for repurposing</li> <li>Engaged tenants in waste reduction through EcoChampion Pledge</li> </ul>
		Climate change	<ul style="list-style-type: none"> <li>Develop Climate Resilience Policy and mitigation plan</li> <li>Reduce impacts of climate change</li> <li>100% of Hong Kong properties carry out climate risk analysis</li> </ul>	<ul style="list-style-type: none"> <li>Managing Climate Risks and Resilience Policy in place since 2022</li> <li>Conducted financial impact assessment of transition risks and opportunities</li> <li>Continued to collect Scope 3 emissions data</li> <li>Carried out scenario analysis to identify climate-related risks and opportunities</li> </ul>

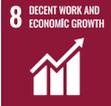
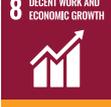
 Achieved  On track

- (1) Tonne CO<sub>2</sub> / square metre; compared to base year 2011  
 (2) Cubic metre / square metre; compared to base year 2014

# Sustainable Development

Aspect (respective SDGs)	Focus Area	2030 Targets	2025 Progress Update
 	Green buildings 	<ul style="list-style-type: none"> <li>Achieve the highest rating of green building certification</li> </ul>	<ul style="list-style-type: none"> <li>Maintained “Quadruple Platinum” certification at Three Garden Road, securing top-tier ratings in LEED, WELL, BEAM Plus, and WiredScore</li> <li>Three Garden Road and Langham Place achieved “Extra Low” in the Zero-Carbon-Ready Building Certification Scheme</li> </ul>
		<ul style="list-style-type: none"> <li>Adopt at least one innovation of green building features every two years</li> </ul>	<ul style="list-style-type: none"> <li>Implemented an AI-optimised chiller plant at Three Garden Road to drive energy efficiency</li> <li>Adoption of i2Cool paint to rooftop at Three Garden Road and Langham Place to enhance building thermal performance</li> </ul>
		<ul style="list-style-type: none"> <li>Establish a Green Lease Partnership Programme</li> </ul>	<ul style="list-style-type: none"> <li>Assessed the feasibility of implementing a sustainable lease agreement to facilitate joint environmental achievement between landlord and tenants</li> </ul>
<b>People</b>    	Well-being 	<ul style="list-style-type: none"> <li>Maintain IAQ Certification of Excellent Class every year for all premises</li> </ul>	<ul style="list-style-type: none"> <li>Attained Excellent Class in IAQ Certification for Three Garden Road and Langham Place for more than 15 consecutive years</li> </ul>
		<ul style="list-style-type: none"> <li>Develop health and well-being policy</li> </ul>	<ul style="list-style-type: none"> <li>Launched the holistic “6D Wellness” framework alongside a dedicated YouTube channel (@6dwellnesslp), establishing a central wellness resource for employees and the community</li> </ul>
	Training and development 	<ul style="list-style-type: none"> <li>Conduct well-being survey for both our employees and tenants</li> </ul>	<ul style="list-style-type: none"> <li>Conducted the Employee Satisfaction Survey and Needs Assessment 2025 to gain insights into workplace well-being</li> </ul>
		<ul style="list-style-type: none"> <li>Increase 50% average training hours of our employees by 2030<sup>3</sup></li> <li>Develop training and development plan aligned with sustainability strategy</li> <li>Arrange sustainability related training to all Board members and employees</li> </ul>	<ul style="list-style-type: none"> <li>Total staff training hours ↑6.5% vs 2018 base year</li> <li>Delivered ESG workshops to educate employees on sustainability principles and best practices</li> <li>Provided board members with training sessions to stay abreast of evolving ESG-related issues</li> </ul>
Safety 	<ul style="list-style-type: none"> <li>Maintain zero fatality and work injury among our employees</li> </ul>	<ul style="list-style-type: none"> <li>Zero case</li> </ul>	
	Diversity and inclusion 	<ul style="list-style-type: none"> <li>Promote gender equality through awareness training and sharing</li> </ul>	<ul style="list-style-type: none"> <li>Provided training on enhancing diversity, equity and inclusion awareness</li> <li>Launched art exhibitions to promote gender equality, women empowerment, and community inclusion</li> <li>Celebrated Mother’s Day and Father’s Day to honour the contributions of all parents and caregivers</li> </ul>
<ul style="list-style-type: none"> <li>Maintain zero incidents relating to unlawful discrimination</li> </ul>		<ul style="list-style-type: none"> <li>Zero case</li> </ul>	

(3) Compared to base year 2018

Aspect (respective SDGs)	Focus Area	2030 Targets	2025 Progress Update
<b>Value Chain</b>     	Stakeholder engagement 	<ul style="list-style-type: none"> <li>Increase 50% resources devoted to stakeholder engagement by 2030<sup>3</sup></li> </ul>	 <ul style="list-style-type: none"> <li>Investment in stakeholder engagement ↑ 100% vs 2018 base year</li> </ul>
		<ul style="list-style-type: none"> <li>Engage and empower tenants in our green programmes</li> </ul>	 <ul style="list-style-type: none"> <li>Expanded the EcoChampion Pledge to encompass both office and retail tenants across Three Garden Road and Langham Place, doubling the participation from the prior year</li> </ul>
		<ul style="list-style-type: none"> <li>Implement wellness-related initiatives in our properties</li> </ul>	 <ul style="list-style-type: none"> <li>Curated a diverse event series including sports, music, and art to promote wellness and community engagement across our properties</li> </ul>
	Supply chain management 	<ul style="list-style-type: none"> <li>Develop a structured green procurement system</li> </ul>	 <ul style="list-style-type: none"> <li>Partnered with Hong Kong Retail Management Association to launch the “Quality Service Charter”, for Langham Place Office Tower tenants</li> </ul>
		<ul style="list-style-type: none"> <li>Conduct supply chain risk assessments</li> </ul>	
		<ul style="list-style-type: none"> <li>Foster sustainability through regular engagement and industry knowledge sharing</li> </ul>	 <ul style="list-style-type: none"> <li>Organised the ESG Gala, bringing together diverse sectors to drive collaboration and share insights</li> <li>Launched the EcoChampion Pledge, engaging tenants through workshops and green tours for shared sustainability goals</li> </ul>
<b>Communities</b>     	Community investment 	<ul style="list-style-type: none"> <li>Increase 25% volunteer service hours by 2030<sup>3</sup></li> </ul>	 <ul style="list-style-type: none"> <li>Total volunteer service hours ↑ 100% vs 2018 base year</li> <li>Over 22,000 people benefited from various community events</li> </ul>
		<ul style="list-style-type: none"> <li>Measure and report impacts of community investment</li> </ul>	 <ul style="list-style-type: none"> <li>Achieved HK\$9.7 social return on investment (SROI)<sup>4</sup> from the collaboration with Fullness Social Enterprises Society</li> </ul>
		<ul style="list-style-type: none"> <li>Provide free venues to support non-profit community engagements in the field of art, youth development and environmental protection each year</li> </ul>	 <ul style="list-style-type: none"> <li>Provided venue sponsorships to support Fullness Social Enterprises Society in conducting community engagement initiatives, while also enabling non-profit organisations to host art and photo exhibitions</li> </ul>

(3) Compared to base year 2018

(4) Every HK\$1 of sponsorship generates HK\$9.7 social value for the community

# Stakeholder Engagement



## Curating New Experiences through Art, Culture, and Innovation for Impact

Sustainability is a journey for all that requires shared commitment and action. To strengthen our role as a Super Connector and Super Value-adder, we continue to pioneer initiatives to create value and generate lasting impact for our community.

### ▶ Championing Holistic Well-Being with “6D Wellness”

**Deepening landlord-tenant-employee partnership through wellness innovation**

We recognise that well-being is a priority encompassing a range of aspects. As such, we launched the YouTube channel (@6dwellnesslp) under the “6D Wellness” framework during the year. The channel has garnered over 4.6 million views so far. Led by experts, we explored topics, including physical, emotional, intellectual, spiritual, social to financial wellbeing. We also established the Social Wellness Hall at the brand-new Eaton Club on the 49/F of Langham Place Office Tower. It has hosted nearly 40 events since the launch in July.



As an industry bellwether, we strive to become the new standard-bearer for service excellence across the beauty, health, medical, and lifestyle sectors. During the year, we partnered with the Hong Kong Retail Management Association (HKRMA) to introduce the city’s first “Quality Service Charter” for tenants in the related areas. The endeavour helped reinforce Langham Place Office Tower’s position as a premier wellness hub.



## ► Driving Sustainable Urban Transformation

### Co-creating value with tenants and stakeholders for environment and inclusiveness

We work relentlessly to advance our mission to co-create lasting value through environmental stewardship, wellness innovation, and inclusive community building.



In July, we held the third flagship annual ESG event, the “ESG Gala”, under the theme “Innovate · Inspire · Integrate” convening over 1,000 participants. The ESG Forum once again proved instrumental in fostering knowledge exchange and community connection. We also promoted active lifestyle and inclusivity by collaborating with Pure Fitness and local young artist Alvin Li on a curated art exhibition respectively. Furthermore, we organised a Movie Day for students from underprivileged families under the government-led Strive and Rise Programme.



We expanded the EcoChampion Pledge by inviting office and retail tenants of Three Garden Road and Langham Place to come on board. Designed to improve energy efficiency, waste reduction, and green procurement in a measurable way, the number of participants jumped two fold compared to last year. All participants adopted at least three waste-sorting streams, with tenants at Level 3 achieving an average reduction of approximately 6% in energy use intensity.

## Stakeholder Engagement

### ► Fulfilling Our Social Commitment through Collaboration Engaging NGOs, social enterprises and tenants to support vulnerable communities

In collaboration with Time Auction, a non-profit organisation, during the Inter-Company Volunteer Week, we organised a Therapy Dog Yoga Day, bringing together over 40 corporate volunteers and 17 primary school students for an unforgettable day of connection and wellness.



Together with Fullness Social Enterprises Society, we presented Hong Kong's largest outdoor social enterprise market – the Christmas Sharelebration! Pop-up Market at Three Garden Road. The festive event featured over 20 local social enterprises, promoting ethical consumption. In solidarity of our care, participating enterprises committed to donating 10% of their proceeds to families affected by the fire in Tai Po.



We also collaborated with the Society to operate the Ethical Consumption Pop-up Store at Langham Place Mall. The space was temporarily transformed into a nostalgic Hong Kong style marketplace, successfully engaging nearly 20,000 consumers committed to ethical consumption.



A highlight of the event was an inclusive art exhibition, showcasing artworks co-created by youth with special needs and more than 380 tenants.



## ► Placemaking through Art, Music and Culture

**Building community affinity and brand equity through cultural engagement**

We believe in the transformative power of art and culture in building a more sustainable, inclusive, and equitable society. During the year, our flagship Musica del Cuore (Mdc) classical music concert series celebrated its 10th anniversary with a special recital by renowned Korean pianist Chi Ho Han at the Hong Kong City Hall. We also worked with community partners to produce purposeful art exhibitions and cultural events that championed women empowerment, inclusive communities, and sustainable living, while promoting cross-cultural exchange.



# Property Portfolio At-a-glance

## Three Garden Road

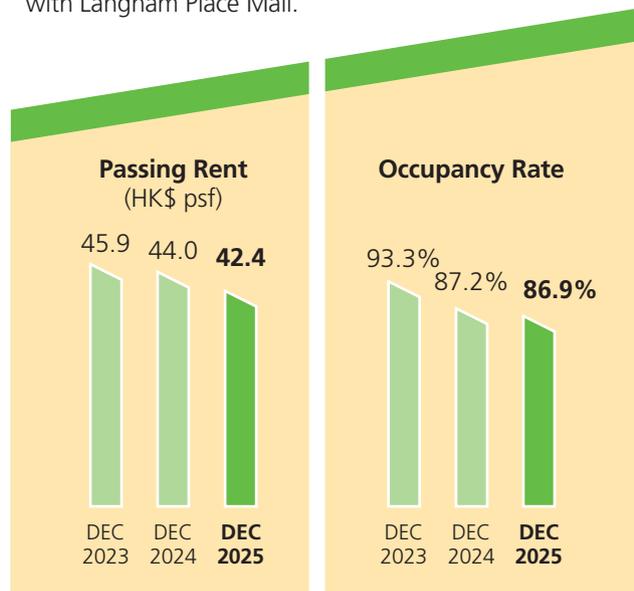
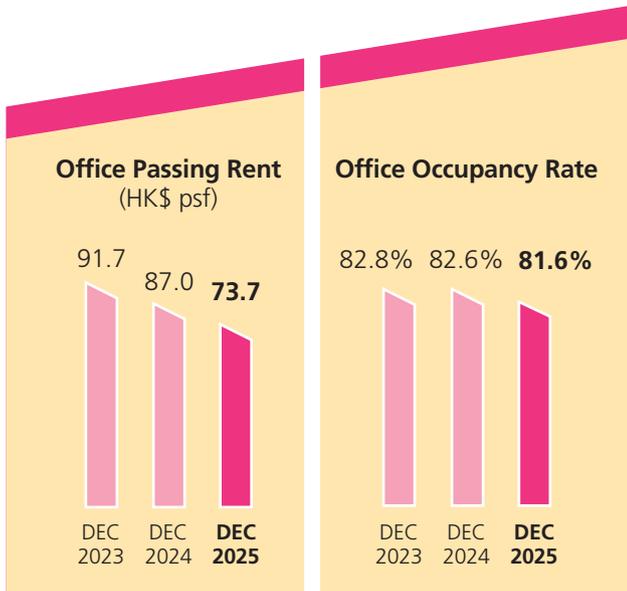


Three Garden Road is one of the largest Grade A commercial complexes in Hong Kong's Central district with a gross floor area of 1,638,000 sq. ft. It consists of a 47-storey and a 37-storey office towers linked through a podium. It is a "Quadruple Platinum" rated building with LEED, WELL, WiredScore and BEAM Plus building standards.

## Langham Place Office Tower



Langham Place Office Tower is a 703,000 gross sq. ft. 59-storey office tower located within the Langham Place mixed-use development. It is a Grade A office property in Mong Kok, an important transport hub in Kowloon and a busy shopping district. The building positioned as a lifestyle hub to attract lifestyle tenants, creating synergy with Langham Place Mall.



### Tenant Profile as at 31 December 2025

- 27% Banking
- 26% Asset Management
- 5% Flexible Workspace
- 5% Legal
- 5% Media
- 3% Corporate
- 2% Fitness Centre
- 2% Medical
- 1% F&B
- 6% Others
- 18% Vacant



### Tenant Profile as at 31 December 2025

- 31% Beauty
- 27% Healthcare & Medical
- 12% Corporate & Sales Services
- 10% Fitness Centre
- 5% Flexible Workspace
- 2% Others
- 13% Vacant

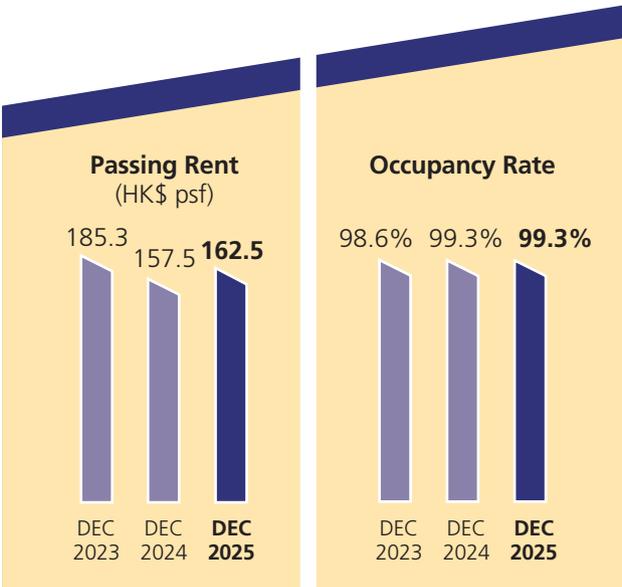


## Langham Place Mall



Langham Place Mall is a 15-level, 590,000 gross sq. ft. vertical mall focusing on fashion, beauty products and food & beverage outlets. It anchors the Langham Place development

and offers a unique shopping experience. The Mall has built its reputation as a trendy social and retail destination for young shoppers.



## Major Tenants of Champion REIT

(in alphabetical order)

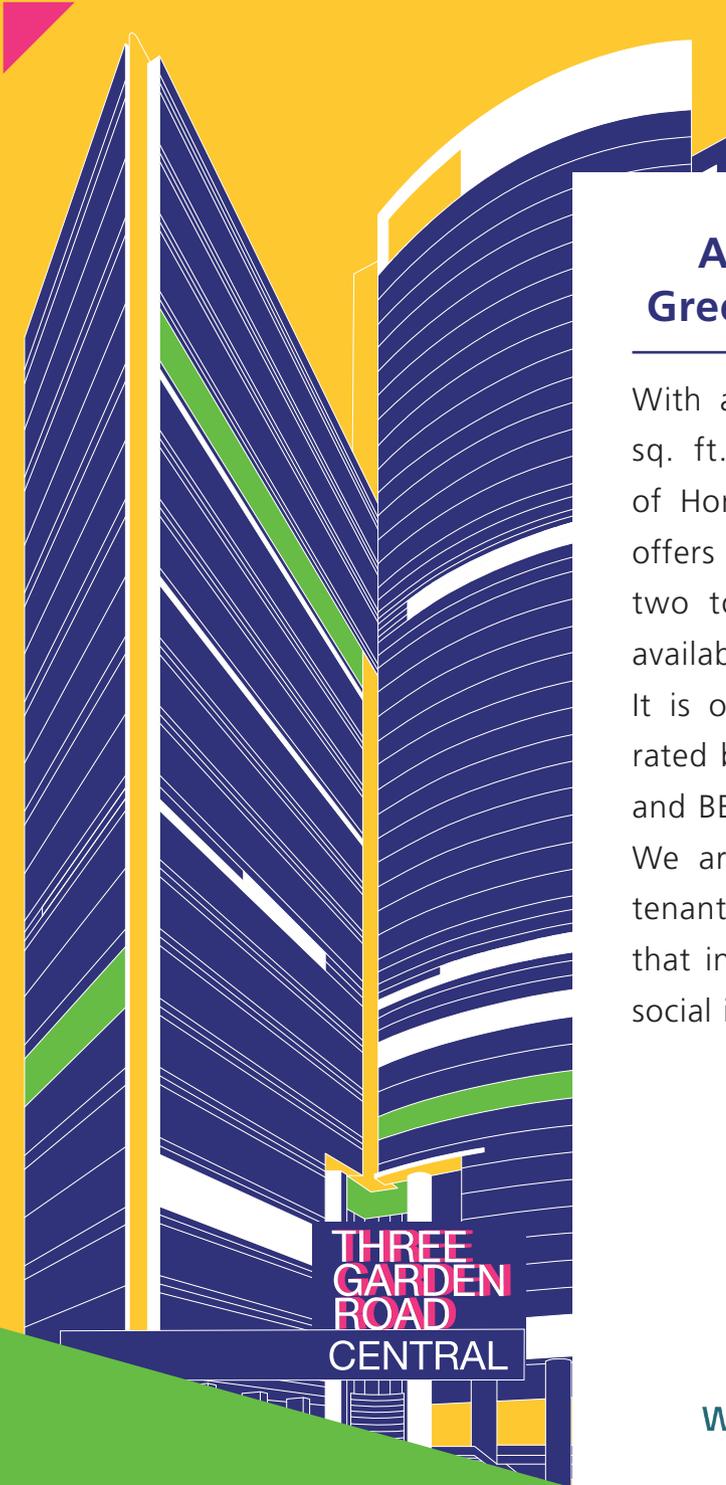
- Bloomberg
- Citi
- CMB International
- EC Healthcare
- Industrial and Commercial Bank of China (Asia) & ICBC International
- Neo Derm
- Perfect Medical
- PURE Fitness & PURE Yoga

## Value as at 31 December 2025

HK\$ million	Three Garden Road	Langham Place	Sub-total
Office	31,502	8,404	39,906
Retail	583	14,305	14,888
Car Park	607	413	1,020
Miscellaneous	184	181	365
<b>Total</b>	<b>32,876</b>	<b>23,303</b>	<b>56,179</b>



## Three Garden Road



### A Vibrant Hub Embracing Green and Wellness Initiatives

With a gross floor area of over 1.6 million sq. ft., Three Garden Road stands as one of Hong Kong's largest office complexes. It offers the flexibility of joining 26 floors of two towers, providing the most extensive available floor plate in the Central district. It is one of the few "Quadruple Platinum" rated buildings with LEED, WELL, WiredScore and BEAM Plus building standards in the city. We are devoted to thoughtfully enhancing tenant experiences, cultivating a workplace that integrates nature and promotes positive social impacts.



WiredScore  
PLATINUM



PLATINUM  
鉑金級  
EB 既有建築  
V2.0 2022  
HKGC  
BEAM Plus  
綠建環評



## Prime Asset and Architectural Excellence

Three Garden Road is a modern glass and steel office complex, comprising Champion Tower and ICBC Tower, a retail podium, and a three-level basement garage capable of accommodating 558 vehicles. The complex is in the Central district of Hong Kong and is well connected by an elevated walkway to the rest of the area. Nestled within the traditional banking hub of Hong Kong, the property is in close proximity to all three of Hong Kong's currency-issuing banks' headquarters.

Three Garden Road is one of the biggest office complexes in Hong Kong, capable of serving a working population of over 10,000. Besides its two characteristics curved reflective facades, the complex contains many distinct architectural features. One being that 26 floors of the two towers are connected, yielding a total floor plate of up to 34,000 sq. ft.—the largest one available in the Central district. In recognition of its excellence in architectural design, the Hong Kong Institute of Architects issued its highest award to Three Garden Road upon its completion.

## Grade A Standard with Technology Integration

Three Garden Road is an archetypal modern premium Grade A office complex. It is replete with a fibre-optic backbone wiring to facilitate the inter-floor communications, raised flooring to facilitate simplified cabling and flexibility in office configurations, and a central computerised control centre. Standing out among all Three Garden Road's attributes is its ability to be in line with stringent specifications required by multinational financial institutions. These include but not limited to security lift facilities, high redundant power supply to floor space ratios, timely emergency power supply and emergency chilled water facilities to data centres during power outages. It also operates an intelligent heat detection system to avoid any unintentional activation of Fire Service System.

From the environmental perspective, Three Garden Road has upgraded the Chiller Plant System with artificial intelligence technology and ongoing retro-commissioning to optimise energy efficiency. Internet of Things (IoT) technology has been extensively applied to Three Garden Road to improve environmental performance, ranging from adopting IT technology for a pioneering demand-control ventilation system in the carpark for energy saving, to installing a smart weather station to perform retro-commissioning through collecting instant climate-related data for enhancing operation efficiency. We also installed new electric charging stations and carried out lift modernisation with upgraded smart touchless controls to optimise energy efficiency, safety, hygiene and user experience.



## Three Garden Road

### LEED v4.1 Platinum (Top honour)

Three Garden Road attained LEED v4.1 Operations and Maintenance Platinum rating in 2024. As the internationally recognised green building certification scheme, receiving the honour proves the building's significant achievements in launching ongoing green initiatives.

### WELL Building Standard Platinum (Top honour)

Three Garden Road achieved the Platinum rating of the WELL Building Standard, the first-in-Hong Kong existing building to attain the highest level of certification. Serving as a global standard created to advance the wellness of buildings, this recognition is a testament to its commitment to pursue a favourable and healthy environment for tenants and stakeholders.

### WiredScore v3.1 Platinum (Top honour)

Three Garden Road achieved the highest level rating of Platinum in WiredScore certification for offices v3.1. As the globally recognized standard for digital connectivity in buildings, this certification demonstrates Three Garden Road's focus on delivering top-tier digital infrastructure and smart building solutions to enhance overall tenant experience.

### BEAM Plus Building Platinum (Full marks in five categories)

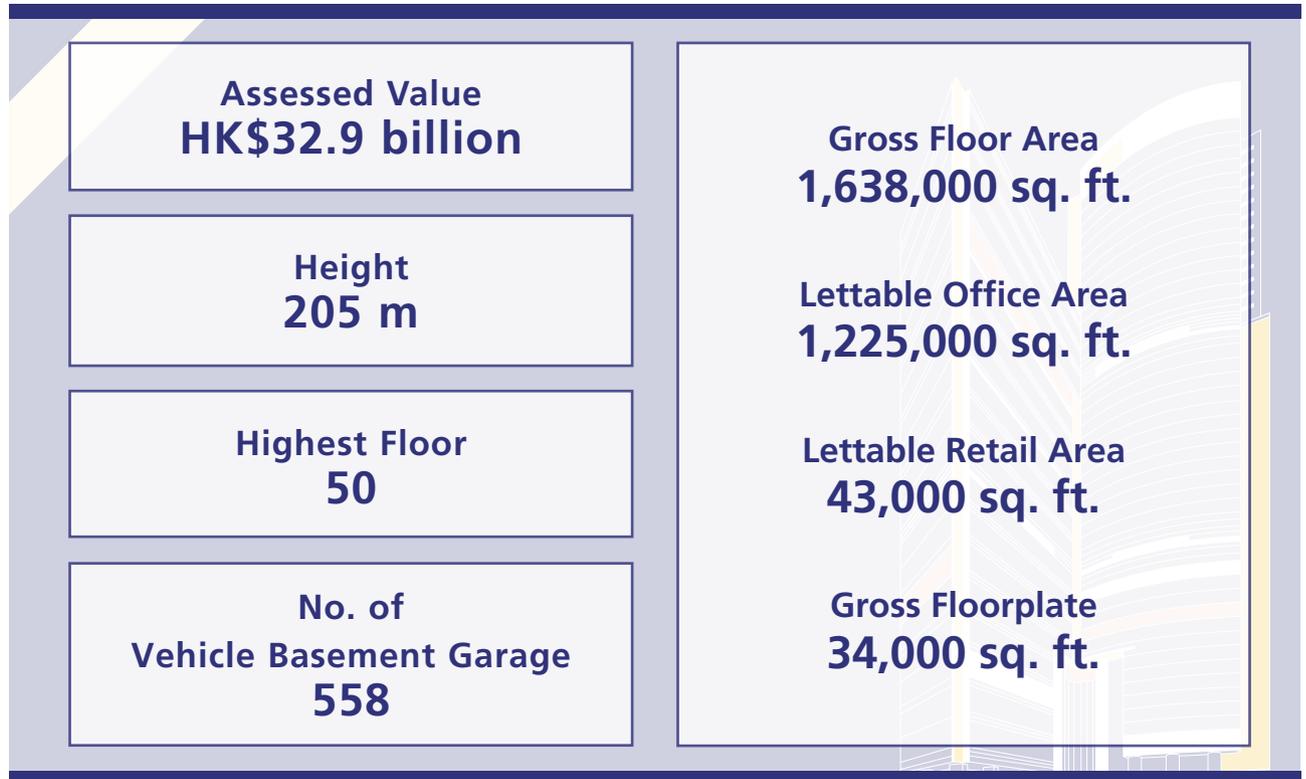
Three Garden Road achieved the Platinum rating under BEAM Plus for Existing Buildings V.2.0. Scoring full marks in five out of seven categories, including "Innovations" and "Energy use", this honour serves as another testament for Three Garden Road's all-round competence in sustainable practices.

### Elevating Tenant Experiences with Care and Dedication

Three Garden Road is home to a health club featuring a gymnasium and a heated swimming pool, among other exercise facilities. Another amenity for tenants is the retail area in the podium's lower lobby hosting various food and beverage outlets. Additionally, upscale flexible workspaces offer happy hour drinks and event space for tenants. The outdoor staircase leading up to the building is adorned with the stunning artwork named "Garden in the City," which has become a renowned symbol of the property, captivating the hearts of tenants and visitors alike. Our flagship monthly classic concert series "Musica del Cuore" connects our community through boundary-free music since 2015. In addition, Three Garden Road hosted different festive events that delighted and engaged the community throughout the year. From our events like Women's Day redemption campaign and Father's Day celebrations to Halloween parties, we created positive experiences that fostered joy and deepened connections with our tenants.



## Building Statistics



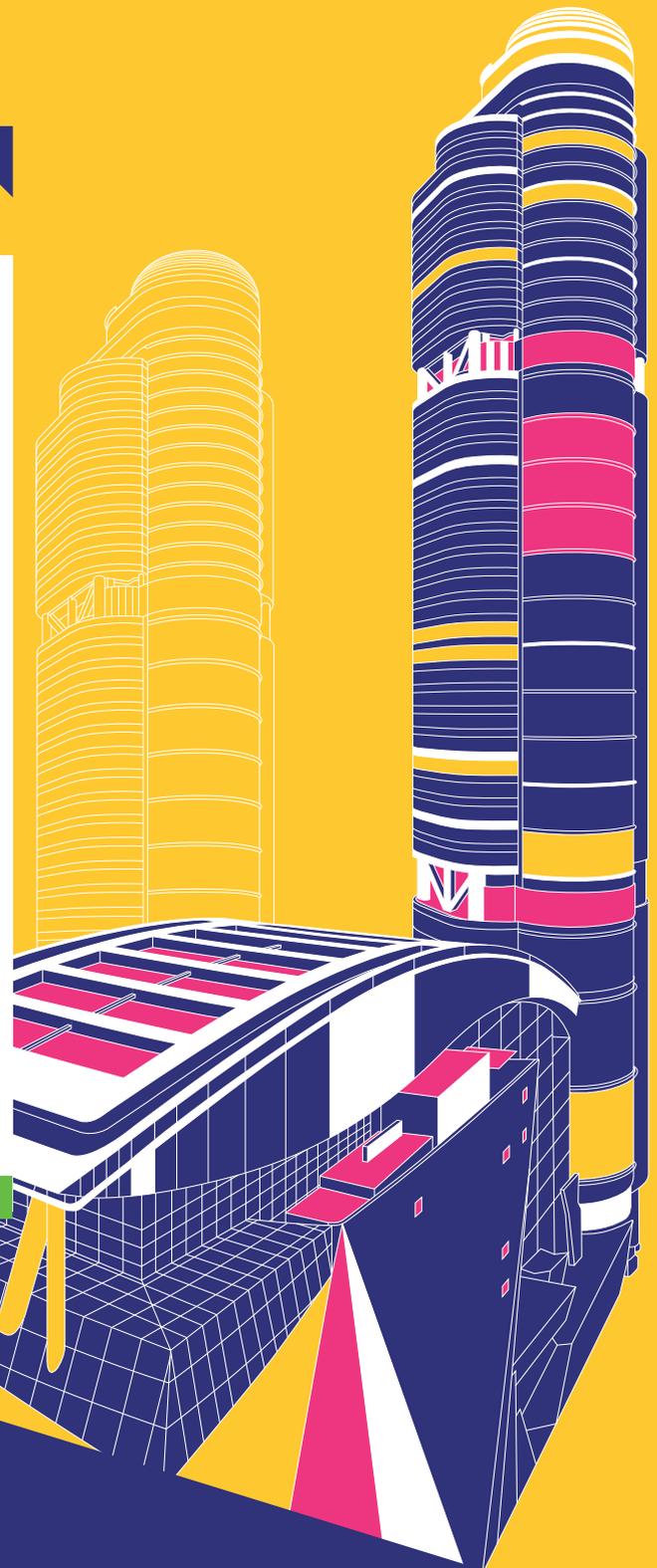
## Features and Amenities

- LEED Existing Buildings Platinum Certification
- WELL Building Standard Platinum Certification
- WiredScore Existing Buildings Platinum Certification
- BEAM Plus Existing Buildings Platinum Certification
- ISO 45001 Certification
- ISO 9001 Certification
- ISO 14001 Certification
- 30,000 sq. ft. Fitness Centre
- Nine Emergency Generators (12,400kVA)
- 40 Passenger Lifts
- Security Card Access
- Private Driveway
- Private Taxi Stand
- Electric Vehicle Charging Stations
- Shuttle Bus Service
- Internal Loading Dock
- 10-storey Lobby Atrium
- Heated Swimming Pool
- Excellent Class Certificate of IAQ Certification Scheme for over 16 consecutive years
- Over 25% Exterior Site Area with Natural Elements

## Langham Place

### Reinventing Lifestyle Experiences

Langham Place Office Tower, a modern 59-storey Grade A building, is a lifestyle hub in Mong Kok. Langham Place Mall, the award-recognised district landmark, attracts many young shoppers and culture amateurs with its hip and trendy positioning.



## Premium Asset, Prime Location

Langham Place is an integrated commercial development comprising a 59-storey Grade A office tower, a 15-storey shopping mall, a 250-space private carpark, and a 42-storey five-star hotel. The project occupies two entire city blocks, bordered by Argyle Street, Portland Street, Shantung Street and Reclamation Street. Completed in 2004 with a total floor area of nearly two million sq. ft., Langham Place immediately became a defining landmark of Mong Kok, being a prime retail and commercial zone. A pedestrian tunnel directly links Langham Place with the Mong Kok Interchange of the Mass Transit Railway. The portion of Langham Place that Champion REIT owns is the entire Langham Place Mall, the carpark, and all but four floors of the Langham Place Office Tower, altogether equivalent to approximately 93.6% of the lettable area of the non-hotel portion of Langham Place.

## 6D Wellness Hub in Mong Kok

Under the new brand positioning of “6D Wellness Hub,” Langham Place Office Tower is committed to promoting well-being across six key areas: Physical, Emotional, Intellectual, Spiritual, Social,

and Financial health among our tenants and stakeholders. To further enrich tenant engagement and elevate our holistic wellness offerings, we launched the “6D Wellness” digital channel across various social platforms, alongside the debut of our new event space, the Social Wellness Hall.

Strategically located in the heart of Mong Kok, Langham Place Office is highly valued by beauty and healthcare tenants, and our customers. Boasting its convenient location and synergetic proximity with its neighbouring Langham Place Mall and Cordis Hotel, the 255-metre skyscraper attracts tenants from various sectors, including lifestyle, beauty and healthcare.

The building is covered in reflective blue glass and topped off with a large colour-changing dome, making it visible from as far as Hong Kong Island at night, against a backdrop of a sweeping panoramic view of the Kowloon skyline. Furthermore, the building contains a 70,000 sq. ft. fitness centre, allowing visitors to enjoy a lively and healthy lifestyle.





## Langham Place

### Trendsetter for Unique Retail Experiences

As a retail trendsetter, Langham Place Mall is sensitive to the latest pop culture trends and strategically created differentiated retail experiences for customers. The mall stepped up efforts in introducing various first-in-Hong Kong shops to drive local and tourists' spending. An array of marketing campaigns targeting young customers were carried out at the mall, such as events that featured popular and talk-of-the-town singers, influencers and IP characters. By taking an innovative and agile approach, Langham Place Mall keeps up with the shifting retail trends and thrives in the everchanging market.

### Hip and Trendy Shopping Mall

Being one of the busiest malls in town, Langham Place Mall boasts a vast array of shop options ranging from lifestyle retailers, health, and beauty outlets to sportswear and accessories retailers. As part of the shopping experience, the mall is highly popular among young people, with a Cineplex, a games arcade and around 60 food and beverage outlets.

Langham Place Mall remains the most impressive shopping destination, thanks to its premium location and attractive tenant mix. The highly accessible location provides tenants with excellent connectivity, ensuring ultimate convenience for their customers.



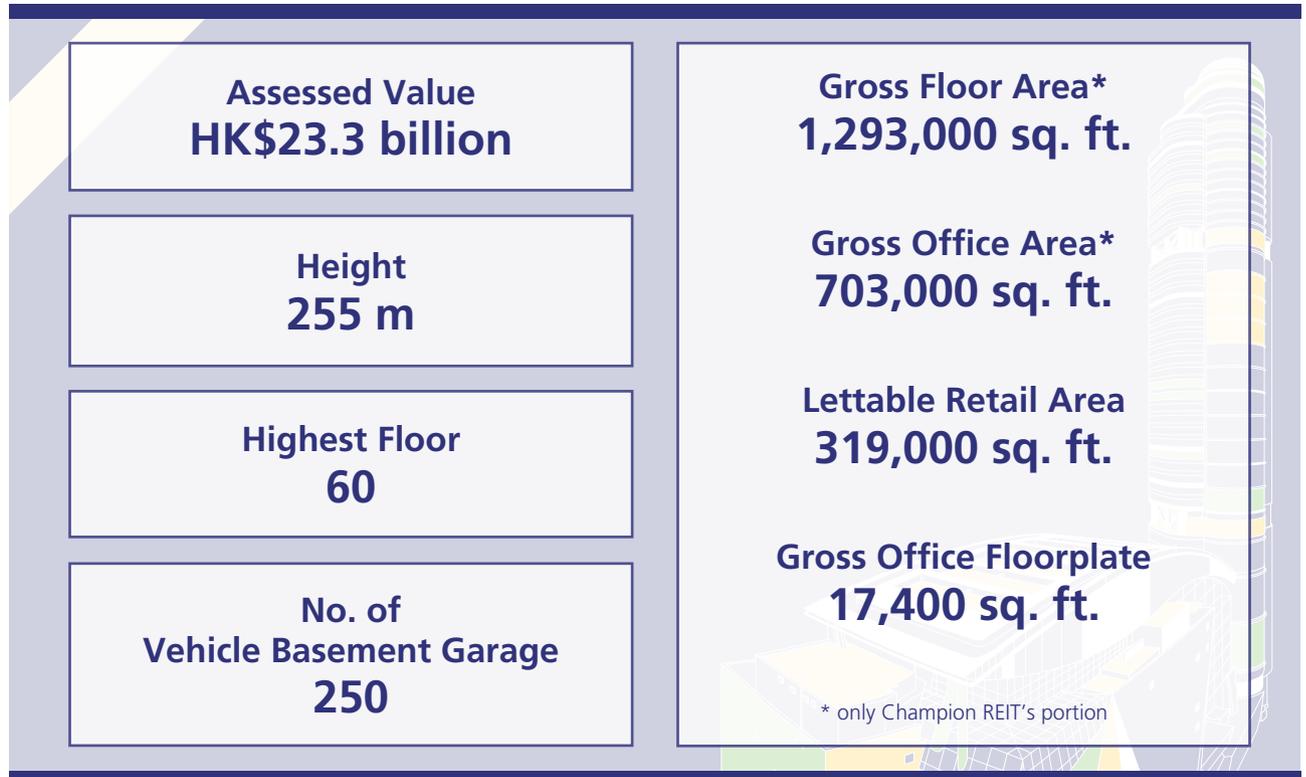
### Excellence in Design for Greater Efficiencies (“EDGE” Level 1)

The Mall is the first property in Hong Kong to be bestowed the EDGE Level 1 (post-construction) certification, a measurable and credible solution to prove green buildings' cases, with at least 20% reduction in energy and water consumption, and embodied energy in materials.

### BEAM Plus Building Platinum (Top honour)

Both Langham Place Mall and Langham Place Office Tower attained the highest Final Platinum rating under the BEAM Plus EB v2.0 Comprehensive Scheme, a holistic approach to assess the building's long-term environmental performance. The mall achieved excellent results with full credit in the aspect of energy usage. This widely-recognised certification is a strong testimony for the continuing dedication of the mall and the office in aligning with the Trust's 2030 long-term ESG goals.

## Building Statistics



## Features and Amenities

- BEAM Plus Existing Building Platinum Certification (Langham Place Office Tower)
- EDGE Level 1 (Post-Construction) Certification (Langham Place Mall)
- BEAM Plus Existing Building Platinum Certification (Langham Place Mall)
- ISO 45001 Certification
- ISO 9001 Certification
- ISO 14001 Certification
- 70,000 sq. ft. Fitness Centre
- 15-storey Shopping Mall
- Adjoining Five-star Hotel
- 1,077 Seat Cineplex
- Around 60 Food and Beverage Outlets
- Direct MTR Access
- 10-storey Glass Atrium
- Panoramic View of Kowloon
- Electric Vehicle Charging Stations
- Internal Loading Dock
- Excellent Class Certificate of IAQ Certification Scheme for over 15 Consecutive Years

## Langham Place Mall

### 20th Anniversary Milestone: Leading the Experience Economy with “WoW! WePLAY”

In Langham Place celebrated a significant milestone in 2025 as it established itself as a landmark of Mong Kok 20 years ago. Powered by the brand spirit of “WoW! WePLAY”, we promoted the “experience economy” through collaborative initiatives with licensed intellectual property (IP) brands. The efforts reinforced the Mall’s iconic position by blending Mong Kok’s distinct heritage with a contemporary vibe.

During the year, we proactively responded to the evolving retail landscape and market challenges by enhancing synergy with our tenants. We enabled brand operators to create emotional connections with customers by leveraging data-driven strategies and repurposing space at the venue. The effort successfully spurred consumption momentum amid market headwinds.





## Brand Strategy: Deepening the “Stay Local, Trend Global” Strategic Vision

We strive to bolster our leadership status in the retail sector. By upholding the “Stay Local, Trend Global” philosophy, we seamlessly merge Mong Kok’s storied street culture with international trends to deliver fresh experiences to patrons. We started the year with a collaboration with a renowned tattoo artist themed “Goldfish Art Experience”. It was followed by a partnership with local brand KOWLOONCITYBOY to open the “BIG BOYS LAB”. The campaign transcended the raw “Mong Kok Aesthetics”, elevating them to modern fashion. We concluded the year with a touch of global sophistication by inviting the popular British design brand Noodoll to make its first appearance in Hong Kong with the “Merry PotatoMAS” Christmas Campaign.



## First-to-Market & Exclusive Brands: Co-Creating Shared Value

We continue to optimise the tenant portfolio and activated the “First-Store Strategy” to raise Langham Place’s market competitiveness. During the year, we successfully introduced over 30 new stores, which in turn helped to sustain a sense of novelty for customers. By fostering partnership with tenants, we actively recruited exclusive and buzz-worthy brands to Hong Kong. The new entrants included the world’s first Chiikawa themed ramen restaurant outside Japan, the physical store of popular Korean brand ONGO, and the classical British sportswear label UMBRO.

We work closely with our tenants to create engaging shopping experiences, targeting the next-generation customers. Moreover, introduction of exquisite dining concepts such as the contemporary handcrafted cuisine Chinese cuisine, Canto Spice, further enriched the Mall’s diversified gastronomic offering. The initiatives contributed to longer customer stay, increased consumption, while achieving synergistic growth for both the Mall and its partners.



## Langham Place Mall

### IP Retail-tainment: Transforming Emotional Connections into Commercial Returns

Targeting Gen Z with a “Retail-tainment” approach, we successfully convert online buzz into tangible and monetised momentum. Since May, the Mall has successively launched limited-time pop-up stores for global IPs including Disney Baby Oysters, Kuromi, “KYUBI x Squid Game” and Star Wars. These initiatives not only drove footfall to refresh annual peaks during the summer holidays and the National Day Golden Week but also achieved breakthrough growth in performance conversion. As a result, the Mall recorded triple-digit year-on-year sales growth from pop-up stores. Taking the immersive storytelling interaction of Disney Baby Oysters as an example, the strategy successfully transformed the “check-in culture” into social entertainment consumption with emotional engagement.





## Redefining Space: Asset Enhancement and Reshaping L12

Langham Place continues to redefine the mall space through innovation. The iconic L4 Atrium was upgraded into a floral photogenic spot, complemented by new digital screens throughout the venue. The overall visual and sensory elements provide a unique experience for patrons. Most notably, the high-zone L12 underwent a comprehensive revitalisation. With the newly installed giant LED “LP Playground”, we forged collaboration with various brands and partners in the cultural and creative industries. L12 was reshaped into a multi-functional, interactive hub for trends and culture, and related events. The reconfiguration removed spatial boundaries, facilitating footfall to the higher floors.

## Data-driven Loyalty: The LP CLUB Growth Engine

2025 was a year of exceptional performance for the LP CLUB loyalty programme. Through precision marketing, we effectively converted mall traffic into customer loyalty, growing the total membership by 27% and active spender by 18%. Leveraging our 20th anniversary celebrations, we launched a series of strategic initiatives, including a 20X bonus point reward, e-cash vouchers, and a Christmas Lucky Draw. The programmes proved effective in stimulating strong festive consumption. Member spending rose 48% in December year-on-year to an annual high. The data demonstrated the high loyalty and spending power of our members, which is a key driver for the Mall’s sustained business growth.



# Valuation Report



## **Eagle Asset Management (CP) Limited**

*(as the Manager of Champion Real Estate Investment Trust)*

Suite 3008, 30/F, Great Eagle Centre

23 Harbour Road

Wanchai

Hong Kong

## **HSBC Institutional Trust Services (Asia) Limited**

*(as the trustee of Champion REIT) ("the Trustee")*

17/F, Tower 2 & 3, HSBC Centre

1 Sham Mong Road

Kowloon

20 February 2026

Dear Sirs

## **Valuation of Three Garden Road, Central, Hong Kong (the "Property") in Relation to Champion Real Estate Investment Trust**

### **1.0 Instructions**

We received an instruction from Eagle Asset Management (CP) Limited ("the Manager"), acting as the manager of Champion Real Estate Investment Trust ("Champion REIT") to prepare property valuation for the Property for the Annual Report of Champion REIT for the period ending on 31 December 2025. We confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of Three Garden Road, Central, Hong Kong in existing state subject to existing tenancies as at 31 December 2025 (the "Valuation Date") for financial reporting purposes.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

## 2.0 Basis of Valuation

In arriving at our opinion of market value, we followed “The HKIS Valuation Standards” issued by The Hong Kong Institute of Surveyors (“HKIS”) and “The RICS Valuation – Global Standards” issued by The Royal Institution of Chartered Surveyors (“RICS”). Under the said standards, market value is defined as: –

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

Market Value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards” issued by HKIS and “RICS Valuation – Global Standards” issued by RICS and Chapter 6.8 of the Code on Real Estate Investment Trusts (“REIT Code”) issued by The Securities and Futures Commission in October 2024.

## 3.0 Valuation Methodology

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Income Approach – Term and Reversion Method as our primary valuation approach and have cross-checked the value by Market Approach.

### ***Income Approach – Term & Reversion***

In adopting the Income Approach – Term and Reversion Method, we have valued the Property by capitalizing the amount of net income receivable under the current terms of tenancies. Reference would then be made to any potential changes in rental income on reversion. Both the term and reversion are capitalized by the market capitalization rates, which reflect the rate of investment return, effect of inflation and prospect of rental growth, if any. Our adopted capitalisation rates for the retail and office accommodations are 4.35% and 3.70% respectively.

### ***Market Approach***

In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, time, size, ceiling height, building age and other property characteristics in arriving at our opinion on the market value.

# Valuation Report

## 4.0 Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

### ***Title Documents and Encumbrances***

We have taken reasonable care to investigate the title of the Property by obtaining land search records from the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the Property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date.

### ***Disposal Costs and Liabilities***

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

### ***Source of Information***

We have relied to a very considerable extent on information provided by the Manager. We have accepted advice given to us on such matters as identification of the Property, tenancy schedules, particulars of occupancy, carparking incomes and expenses, floor areas, floor plans and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property, whether in writing or verbally by the Manager, the Manager's representatives or by their legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

### ***Inspection***

We have carried out recent external, and where possible, internal inspection of the Property. We have assumed in our valuation that the Property was in satisfactory exterior and interior decorative order without any unauthorised extension or structural alterations as at the Valuation Date, unless otherwise stated.

### ***Identity of the Property to be valued***

We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the property addresses in your instructions, are the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

### ***Property Insurance***

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

### ***Areas and Age***

As instructed, we have relied upon areas as available from a quoted source. The floor areas quoted throughout the report are based on the information provided by the Manager. Otherwise, dimensions and areas would be measured from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and area quoted to a reasonable approximation, with reference to their source. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

### ***Structural and Services Condition***

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition, contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

### ***Ground Condition***

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of the Property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

### ***Environmental Issues***

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

### ***Tenancies***

We are provided with the tenancy schedules and have assumed the information are true and correct. We have also assumed that the tenants will continue to occupy the premises and comply with the conditions of the tenancies until the expiry of the existing tenancy terms.

### ***Compliance with Relevant Ordinances and Regulations***

We have assumed the buildings are in line with all planning and building regulations and guidelines. In our valuation, we have disregarded the Notices currently registered against the Property and the effects of the defects on the value and safety of the Property. We have further assumed that, for any use of the Property upon which this report is based, any and all required licenses, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

### ***Remarks***

The valuation is based on the market evidence as available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation. This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressed shall not disclose the report to any other person.

### ***Currency***

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK\$).

# Valuation Report

## 5.0 Valuation

Our valuation is as follows:

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2025															
Three Garden Road, Central, Hong Kong (See Note 1)	Three Garden Road is an office/commercial/carparking development situated in Central district. It comprises one 47 storey office block, known as Champion Tower, and one 37 storey office block, known as ICBC Tower surmounting a 6 level podium (including 4 basement levels) with retail accommodation on the lower ground floor and carparking spaces in the basements. The development was completed in 1992.	The retail portion of the Property was let under eight tenancies for various terms with the latest expiry date in December 2028, yielding a total monthly rental income of approximately HK\$2.54 million, exclusive of rates, management and air-conditioning charges. Shop No 6 on Lower Ground Floor was subject to turnover rents. The average monthly turnover rent receivable during the period from November 2024 to October 2025 was approximately HK\$74,400.	HK\$32,875,800,000  (Hong Kong Dollars Thirty Two Billion Eight Hundred and Seventy Five Million Eight Hundred Thousand)  Estimated net property yield was approximately 3.7%.															
1,449,936/1,650,000th undivided parts or shares of and in Inland Lot No 8888.	The Property comprises the whole of the retail accommodation and the whole office units of the development. The total floor area and the gross rentable area of the retail and office portions of the Property are approximately as follows:–	The office portion of the Property was let under various tenancies for various terms with the latest expiry date in August 2031, yielding a total monthly rental income of approximately HK\$78.4 million exclusive of rates, management and air conditioning charges. A number of tenancies contain rent review clauses and/or options to renew for further terms at the then prevailing market rents.																
	<table border="1"> <thead> <tr> <th colspan="3">Total Floor Area</th> </tr> <tr> <th>Use</th> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>5,362.41</td> <td>57,721</td> </tr> <tr> <td>Office</td> <td>146,773.78</td> <td>1,579,873</td> </tr> <tr> <td>Total</td> <td>152,136.19</td> <td>1,637,594</td> </tr> </tbody> </table>	Total Floor Area			Use	sq m	sq ft	Retail	5,362.41	57,721	Office	146,773.78	1,579,873	Total	152,136.19	1,637,594	The occupancy rates of the retail and office portions were approximately 100% and 81.6% respectively.	
Total Floor Area																		
Use	sq m	sq ft																
Retail	5,362.41	57,721																
Office	146,773.78	1,579,873																
Total	152,136.19	1,637,594																
	<table border="1"> <thead> <tr> <th colspan="3">Gross Rentable Area</th> </tr> <tr> <th>Use</th> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>3,956.99</td> <td>42,593</td> </tr> <tr> <td>Office</td> <td>113,822.46</td> <td>1,225,185</td> </tr> <tr> <td>Total</td> <td>117,779.45</td> <td>1,267,778</td> </tr> </tbody> </table>	Gross Rentable Area			Use	sq m	sq ft	Retail	3,956.99	42,593	Office	113,822.46	1,225,185	Total	117,779.45	1,267,778	A total of 500 carparks and 50 motorcycle parking spaces were being operated as a fee-paying public carpark and the remaining 58 carparks were occupied as private carparks and let under various licences. The total average monthly gross income receivable during the period from October 2024 to September 2025 was approximately HK\$1.29 million inclusive of rates and management fees.	
Gross Rentable Area																		
Use	sq m	sq ft																
Retail	3,956.99	42,593																
Office	113,822.46	1,225,185																
Total	117,779.45	1,267,778																
	The Property also includes 58 private car parking spaces and a fee-paying public carpark comprising 500 car parking spaces and 50 motorcycle parking spaces in the basements.	Various spaces for cellular phone systems were let under three licences for various terms with the latest expiry date in August 2026, yielding a total monthly licence fee of approximately HK\$78,000 exclusive of rates and management fees.																
	Inland Lot No. 8888 is held from the Government for the residue of the terms of years commencing from 3 August 1989 and expiring on 30 June 2047 under a Government lease deemed to have been issued under and by virtue of Section 14(3) of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) upon compliance with the conditions precedent contained in the Conditions of Sale No 12063 at an annual Government rent equivalent to 3% of the rateable value for the time being of the lot.	A satellite phone antenna, various advertising spaces, the naming right of ICBC Tower and a storeroom on 36th Floor of ICBC Tower were let under three licences with the latest expiry date in June 2030, yielding a total monthly licence fee of approximately HK\$0.78 million exclusive of rates and management fees.																

Notes: (1) The Property comprises the following portions:-

Office & Health Club (ICBC Tower)	Whole of ICBC Tower including 2nd to 12th Floors, 15th to 18th Floors, 20th to 23rd Floors and 25th to 40th Floors (13th, 14th and 24th Floors are omitted from floor numbering; 1st and 19th Floors are mechanical floors).
Office (Champion Tower)	Whole of Champion Tower including 3rd to 12th Floors, 15th to 18th Floors, 20th to 23rd Floors, 25th to 30th Floors, Portions A and B on 31st Floor, 32nd to 34th Floors, 36th to 39th Floors, Portions A and B on 40th Floor and 41st to 50th Floors (13th, 14th and 24th Floors are omitted from floor numbering; 1st, 2nd, 19th and 35th Floors are mechanical floors).
Retail Shop	Restaurant Space and Shops 1 to 5 on Lower Ground Floor of the development.
Car Parking Space	Private car parking space nos 5 to 33, 39 to 51, 118 to 131 and 166 to 167 on Basement 2 and public carpark comprising 500 car parking spaces and 50 motor cycle parking spaces within the development.

(2) The registered owners of the respective portions of the Property as at the Valuation Date are set out below:-

Registered Owner	Portion of the Property
<b>Shine Hill Development Limited</b>	<p>Whole of ICBC Tower including 2nd to 12th Floors, 15th to 18th Floors, 20th to 23rd Floors and 25th to 40th Floors (13th, 14th and 24th Floors are omitted from floor numbering; 1st and 19th Floors are mechanical floors).</p> <p>Various portions of Champion Tower, including 3rd to 12th Floors, 15th to 18th Floors, 20th to 23rd Floors and 25th to 28th Floors (13th, 14th and 24th Floors are omitted from floor numbering; 1st, 2nd, 19th and 35th Floors are mechanical floors).</p> <p>Restaurant Space and Shops 1 to 4 on Lower Ground Floor of the development.</p> <p>Private car parking space nos 5 to 20, 26 to 33, 45 to 51, 121 to 122 and 166 and 167 on Basement 2 and public carpark comprising 500 private car parking spaces and 50 motor cycle parking spaces within the development.</p> <p>All those Reserved Areas as defined in the Deed of Mutual Covenant and Management Agreement in respect of Three Garden Road registered in the Land Registry by Memorial No UB5511011 (being those parts of the buildings (not specifically assigned for the exclusive use of any Owner and not being part of the common areas) reserved for the exclusive use and occupation of Shine Hill (including without limitation to the generality of the foregoing, the Main Roofs, the flat roof, the External Walls, the loading/unloading areas on the First Basement and three (3) flag poles at or above Level +14.668 facing the transverse road).</p>
<b>CP (MC) Limited</b>	<p>29th to 30th Floors and Portion B on 31st Floor of Champion Tower.</p> <p>Private car parking space nos 21 to 22 on Basement 2 of the development.</p>
<b>CP (PH) Limited</b>	<p>Portion A on 31st Floor and 32nd to 33rd Floors of Champion Tower.</p> <p>Private car parking space nos 42 to 44 on Basement 2 of the development.</p>
<b>CP (WC) Limited</b>	38th Floor of Champion Tower.
<b>CP (A1) Limited</b>	<p>Portion A on 40th Floor, 41st to 50th Floors of Champion Tower.</p> <p>Shop 5 on Lower Ground Floor of the development.</p> <p>Private car parking space nos 118 to 120 and 123 to 131 on Basement 2 of the development.</p>
<b>CP (B1) Limited</b>	<p>39th Floor and Portion B on 40th Floor of Champion Tower.</p> <p>Private parking space nos 23 to 25 on Basement 2 of the development.</p>
<b>Elegant Wealth Limited</b>	<p>34th, 36th and 37th Floors of Champion Tower.</p> <p>Private parking space nos 39 to 41 on Basement 2 of the development.</p>

## Valuation Report

- (3) The Property was subject to, *inter alia*, the following encumbrances as registered in the Land Registry as at the Valuation Date:–
- (i) The portion of the Property held by Shine Hill Development Limited (see Note 2), except a portion of 3rd Floor and whole of 4th to 6th Floors of Champion Tower, is subject to an Agreement for Sale and Purchase in favour of CP (SH) Limited at a consideration of HK\$16,117,000,000 dated 26 April 2006.
  - (ii) The Property is subject to a memorandum on change of buildings names registered in the Land Registry vide memorial no 16072202320206 dated 28 June 2016.
- (4) The Property lies within an area zoned “Commercial” under the Draft Central District Outline Zoning Plan No S/H4/17 approved on 24 May 2019 as at the Valuation Date.
- (5) Pursuant to Occupation Permit No H63/92 and the approved building plan of Three Garden Road, each of the 3rd Floor and the 4th Floor of Champion Tower is mainly designated as a restaurant with kitchen. Nevertheless, we have valued the aforesaid portions of the Property on office use basis that all necessary approvals have been obtained from the relevant Government authorities for office use.
- (6) The rentals reported herein are the total of the face rentals without taking into account of any rent free periods or the turnover rents received, if any.
- (7) The breakdown market values in respect of different portions of the Property is set out below:–

Use	Market Value as at 31 December 2025
Retail :	HK\$583,000,000
Office :	HK\$31,502,000,000
Carpark :	HK\$606,800,000
Miscellaneous :	HK\$184,000,000
<b>Total:</b> :	<b>HK\$32,875,800,000</b>

- (8) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy/licence profile for the office portion of the Property (excluding car parking spaces and the licensed miscellaneous premises) as at 31 December 2025 is set out below:–

### Occupancy Profile

Type	Gross Rentable Area (sq ft)	% of total
Leased	999,581	81.6%
Vacant	225,604	18.4%
<b>Total</b>	<b>1,225,185</b>	<b>100.0%</b>

### Lease Commencement Profile

Year	Gross Rentable Area (sq ft)	% of total	* Monthly Rental # (HK\$)	% of total	No. of Tenancy	% of total
2018	34,297	3.4%	2,829,503	3.6%	1	0.9%
2021	17,515	1.8%	1,716,470	2.2%	1	0.9%
2022	42,213	4.2%	905,706	1.2%	3	2.6%
2023	161,912	16.2%	15,668,952	20.0%	16	13.8%
2024	187,282	18.7%	16,071,411	20.5%	35	30.1%
2025	^556,362	55.7%	41,164,441	52.5%	60	51.7%
<b>Total</b>	<b>999,581</b>	<b>100.0%</b>	<b>78,356,482</b>	<b>100.0%</b>	<b>116</b>	<b>100.0%</b>

**Lease Expiry Profile**

Year	Gross Rentable Area (sq ft)	% of Total	* Monthly Rental # (HK\$)	% of Total	No. of Tenancy	% of Total
2025	1,904	0.2%	182,784	0.2%	1	0.9%
2026	<sup>^</sup> 263,060	26.3%	18,725,591	23.9%	26	22.4%
2027	198,413	19.9%	16,886,913	21.6%	37	31.9%
2028	202,932	20.3%	17,658,278	22.5%	32	27.6%
2029	53,848	5.4%	4,683,760	6.0%	4	3.4%
2030	275,018	27.5%	19,831,429	25.3%	15	12.9%
2031	4,406	0.4%	387,728	0.5%	1	0.9%
<b>Total</b>	<b>999,581</b>	<b>100.0%</b>	<b>78,356,482</b>	<b>100.0%</b>	<b>116</b>	<b>100.0%</b>

**Lease Duration Profile**

Year	Gross Rentable Area (sq ft)	% of total	* Monthly Rental # (HK\$)	% of total	No. of Tenancy	% of total
1	<sup>^</sup> 38,725	3.9%	727,554	0.9%	5	4.3%
2	33,457	3.3%	2,750,081	3.5%	11	9.5%
3	490,315	49.1%	43,692,358	55.8%	74	63.7%
4	97,376	9.7%	5,387,498	6.9%	8	6.9%
5	267,477	26.8%	19,296,018	24.6%	14	12.1%
6	37,934	3.8%	3,673,472	4.7%	3	2.6%
9	34,297	3.4%	2,829,503	3.6%	1	0.9%
<b>Total</b>	<b>999,581</b>	<b>100.0%</b>	<b>78,356,482</b>	<b>100.0%</b>	<b>116</b>	<b>100.0%</b>

\* Individual monthly rental may not sum to same as the total due to rounding effect.

# The monthly rental is the rent for the current term of the tenancy.

<sup>^</sup> About 3.1% of the leased gross rentable area is co-working space, the monthly rental is subject to the income receivable from the operator which is now operated by the owner of the property.

Note: The above tenancy profile of office portion excludes two committed new lettings for terms of approximately three years commencing in March 2026.

- (9) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy/licence profile for the retail portion of the Property (excluding the licenced miscellaneous premises) as at 31 December 2025 is set out below:-

**Occupancy Profile**

Type	Gross Rentable Area (sq ft)	% of total
Leased	42,593	100.0%
Vacant	0	0.0%
<b>Total</b>	<b>42,593</b>	<b>100.0%</b>

## Valuation Report

### Lease Commencement Profile

Year	Gross Rentable Area (sq ft)	% of total	* Monthly Rental # (HK\$)	% of total	No. of Tenancy	% of total
2023	40,008	93.9%	2,266,749	89.1%	5	62.5%
2025	2,585	6.1%	275,950	10.9%	3	37.5%
<b>Total</b>	<b>42,593</b>	<b>100.0%</b>	<b>2,542,699</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>

### Lease Expiry Profile

Year	Gross Rentable Area (sq ft)	% of Total	* Monthly Rental # (HK\$)	% of Total	No. of Tenancy	% of Total
2026	40,008	93.9%	2,266,749	89.1%	5	62.5%
2028	2,585	6.1%	275,950	10.9%	3	37.5%
<b>Total</b>	<b>42,593</b>	<b>100.0%</b>	<b>2,542,699</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>

### Lease Duration Profile

Year	Gross Rentable Area (sq ft)	% of total	* Monthly Rental # (HK\$)	% of total	No. of Tenancy	% of total
3	42,593	100.0%	2,542,699	100.0%	8	100.0%
<b>Total</b>	<b>42,593</b>	<b>100.0%</b>	<b>2,542,699</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>

\* Individual monthly rental may not sum to same as the total due to rounding effect.

# The monthly rental is the rent for the current term of the tenancy.

## 6.0 Office Market Overview

### *Introduction*

Office leasing activities in the latter half of 2025 have improved, with Central and Tsim Sha Tsui benefitted from improving demand from financial institutions. Other districts continued to undergo market correction. Looking ahead to 2026, a divergent outlook is anticipated – Central could experience a mild rental recovery, while conditions in other business districts are likely to remain challenging.

### *Office Demand*

Expansion activity has been led by funds and financial institutions concentrated in Central, while wealth management and private banking operations are establishing their presence across the city – especially in core business districts with strong connectivity to the Hong Kong West Kowloon station. Average vacancy for Grade-A office in Hong Kong slightly dropped to 14% in November 2025.

### *Office Rent*

Although the leasing market appears to be on the path to recovery, tenants remain vigilant in their search for flight-to-quality/functionality spaces that offer maximum incentives. Overall rents on Hong Kong Island dropped by 5% in the first eleven months of 2025. Rents in Wan Chai outperformed among the major business districts, with mild decrease of 2%. Meanwhile, Central and Island East saw rents decreasing by about 5% and 8% respectively.

Global uncertainties surrounding trade and sourcing pose challenges for the Kowloon leasing market despite improvements in the financial sector. As a large portion of tenants are tied to supply chain operations, external headwinds are affecting leasing sentiment. In the first eleven months of 2025, overall rents in Kowloon dropped by about 5%.

### *Office Investment Market*

Investors' interest in the office sector improved in the first eleven months of 2025, supported by lower interest rates and rising demand from end-users seeking for discounted and distressed assets. Overall, transaction volume increased by 68% year on year in the same period, according to Rating and Valuation Department figures. As the interest rate cut schedule continues, a transition of office occupiers into owners is expected, supporting investment market activities in 2026.

### *Office Market Outlook*

Looking ahead, a divergent outlook is anticipated in 2026. Central could experience a modest rental recovery given an uptick in leasing demand from financial sector. Tsim Sha Tsui is also expected to outperform in the near-term, benefiting from a tenant mix where service-oriented firms dominate. Meanwhile, other business districts are likely to remain challenging as the rent differentials between districts continue to diminish and a growing number of high-quality offices are set to enter the market.



# Valuation Report

## 7.0 Limiting Conditions

This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressee shall not disclose the report to any other person.

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

No claim arising out of or in connection with this valuation report may be brought against any member, employee, partner, director or consultant of Knight Frank. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

### Reviewed (but not undertaken) by:

#### **Jennifer Ip**

*MRICS RICS Registered Valuer  
Senior Director  
Valuation & Advisory  
For and on behalf of Knight Frank Petty Limited*

#### **Cyrus Fong**

*FRICS FHKIS RPS(GP) RICS Registered Valuer  
Executive Director  
Head of Valuation & Advisory, Greater China  
For and on behalf of Knight Frank Petty Limited*



**Eagle Asset Management (CP) Limited**

*(as the Manager of Champion Real Estate Investment Trust)*

Suite 3008, 30/F, Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

**HSBC Institutional Trust Services (Asia) Limited**

*(as the trustee of Champion REIT) ("the Trustee")*

17/F, Tower 2 & 3, HSBC Centre  
1 Sham Mong Road  
Kowloon

20 February 2026

Dear Sirs

**Valuation of**

- (1) High Block (except HB CAF (as defined in the Sub-Deed of Mutual Covenant affecting the High Block dated 8 July 2005) and Suites Nos 01, 02, 03, 05, 06, 07, 08, 09, 10, 11, 12 and 15 on Levels 35, 36, 37 and 55), 8 Argyle Street,**
  - (2) Retail Block, Langham Place, 8 Argyle Street,**
  - (3) Carpark, 8 Argyle Street and 555 and 557 Shanghai Street, and**
  - (4) Reserved Area, 8 Argyle Street and 555 and 557 Shanghai Street, Mong Kok, Kowloon**
- (the "Property") in Relation to Champion Real Estate Investment Trust**

**1.0 Instructions**

We received an instruction from Eagle Asset Management (CP) Limited ("the Manager"), acting as the manager of Champion Real Estate Investment Trust ("Champion REIT") to prepare property valuation for the Property for the Annual Report of Champion REIT for the period ending on 31 December 2025. We confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state subject to existing tenancies as at 31 December 2025 (the "Valuation Date") for financial reporting purposes.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

# Valuation Report

## 2.0 Basis of Valuation

In arriving at our opinion of market value, we followed “The HKIS Valuation Standards” issued by The Hong Kong Institute of Surveyors (“HKIS”) and “The RICS Valuation – Global Standards” issued by The Royal Institution of Chartered Surveyors (“RICS”). Under the said standards, market value is defined as: –

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

Market Value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards” issued by HKIS and “RICS Valuation – Global Standards” issued by RICS and Chapter 6.8 of the Code on Real Estate Investment Trusts (“REIT Code”) issued by The Securities and Futures Commission in October 2024.

## 3.0 Valuation Methodology

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Income Approach – Term and Reversion Method as our primary valuation approach and have cross-checked the value by Market Approach.

### ***Income Approach – Term & Reversion***

In adopting the Income Approach – Term and Reversion Method, we have valued the Property by capitalizing the amount of net income receivable under the current terms of tenancies. Reference would then be made to any potential changes in rental income on reversion. Both the term and reversion are capitalized by the market capitalization rates, which reflect the rate of investment return, effect of inflation and prospect of rental growth, if any. Our adopted capitalisation rates for the retail and office accommodations are 4.0% and 4.1% respectively.

### ***Market Approach***

In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, time, size, ceiling height, building age and other property characteristics in arriving at our opinion on the market value.

## 4.0 Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

### ***Title Documents and Encumbrances***

We have taken reasonable care to investigate the title of the Property by obtaining land search records from the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the Property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date.

### ***Disposal Costs and Liabilities***

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

### ***Source of Information***

We have relied to a very considerable extent on information provided by the Manager. We have accepted advice given to us on such matters as identification of the Property, tenancy schedules, particulars of occupancy, carparking incomes and expenses, floor areas, floor plans and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property, whether in writing or verbally by the Manager, the Manager's representatives or by their legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

### ***Inspection***

We have carried out recent external, and where possible, internal inspection of the Property. We have assumed in our valuation that the Property was in satisfactory exterior and interior decorative order without any unauthorised extension or structural alterations as at the Valuation Date, unless otherwise stated.

### ***Identity of the Property to be valued***

We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the property addresses in your instructions, are the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

### ***Property Insurance***

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

### ***Areas and Age***

As instructed, we have relied upon areas as available from a quoted source. The floor areas quoted throughout the report are based on the information provided by the Manager. Otherwise, dimensions and areas would be measured from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and area quoted to a reasonable approximation, with reference to their source. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

# Valuation Report

## ***Structural and Services Condition***

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition, contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

## ***Ground Condition***

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of the Property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

## ***Environmental Issues***

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

## ***Tenancies***

We are provided with the tenancy schedules and have assumed the information are true and correct. We have also assumed that the tenants will continue to occupy the premises and comply with the conditions of the tenancies until the expiry of the existing tenancy terms.

## ***Compliance with Relevant Ordinances and Regulations***

We have assumed the buildings are in line with all planning and building regulations and guidelines. In our valuation, we have disregarded the Notices currently registered against the Property and the effects of the defects on the value and safety of the Property. We have further assumed that, for any use of the Property upon which this report is based, any and all required licenses, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

## ***Remarks***

The valuation is based on the market evidence as available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation. This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressed shall not disclose the report to any other person.

## ***Currency***

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK\$).

## 5.0 Valuation

Our valuation is as follows:

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2025
(1) High Block (except HB CAF (as defined in the Sub-Deed of Mutual Covenant affecting the High Block dated 8 July 2005) and Suites Nos 01, 02, 03, 05, 06, 07, 08, 09, 10, 11, 12 and 15 on Levels 35, 36, 37 and 55), 8 Argyle Street,	<p>Langham Place is a retail/office/hotel/ carpark complex erected on two rectangular sites, separated by Shanghai Street, having a total registered site area of about 11,976 sq m (128,910 sq ft). The development was completed in 2004.</p> <p>On the eastern site is a 59-level tower (comprising 46 levels of office, four levels of shop, five mechanical floors, two refuge floors and two roof floors) and a 15-storey retail building (including two basement levels) erected over three levels of basement carpark.</p>	<p>The office portion of the Property was let under various tenancies mostly for terms of two or three years with the latest expiry date in August 2029 yielding a total monthly rental of approximately HK\$26.09 million exclusive of rates, management fees and air-conditioning charges. A number of tenancies contain options to renew for further terms at the then prevailing market rents.</p>	<p>HK\$23,303,000,000</p> <p>(Hong Kong Dollars Twenty Three Billion Three Hundred and Three Million)</p>
(2) Retail Block, Langham Place, 8 Argyle Street,	<p>On the western site is a hotel built over two levels of basement carpark. In addition, government, institution and community facilities as well as public open space are provided on the site.</p>	<p>The retail portion of the Property was let under various tenancies mostly for terms of two or three years with the latest expiry date in April 2035 yielding a total monthly basic rent of approximately HK\$35.52 million exclusive of rates, management fees and air-conditioning charges. Most of the tenancies are subject to turnover rents. The average monthly turnover rent receivable during the period from January 2025 to November 2025 was about HK\$11.64 million.</p>	<p>Estimated net property yield was approximately 4.1%.</p>
(3) Carpark, 8 Argyle Street and 555 and 557 Shanghai Street, and	<p>Two covered footbridges and an underground vehicle tunnel across Shanghai Street are constructed to interconnect the development between the two separate sites.</p>	<p>The occupancy rates of the office and retail portions were approximately 86.9% and 99.3% respectively.</p>	
(4) Reserved Area, 8 Argyle Street and 555 and 557 Shanghai Street, Mong Kok, Kowloon.	<p>The Property comprises the office floors from Level 6 to Level 60 (Levels 13, 14, 24, 34, 44 and 58 are omitted from floor numbering) of the High Block, 8 Argyle Street except HB CAF (as defined in the Sub-Deed of Mutual Covenant affecting the High Block dated 8 July 2005) and Suites Nos 01, 02, 03, 05, 06, 07, 08, 09, 10, 11, 12 and 15 on Levels 35, 36, 37 and 55 with a Gross Rentable Area of approximately 65,302.03 sq m (702,911 sq ft).</p>	<p>The carpark was operated as a fee-paying public carpark let on monthly and hourly bases. The average monthly gross income receivable during the period from November 2024 to October 2025 was approximately HK\$2.29 million.</p>	
1,075,082/1,963,066th undivided parts or shares of and in Kowloon Inland Lot No 11099.	<p>The Property also comprises the Retail Block, Langham Place, 8 Argyle Street from Basement 2 to Level 13 with a Total Floor Area of approximately 54,797.84 sq m (589,844 sq ft) and a Gross Rentable Area of approximately 29,733.65 sq m (320,053 sq ft).</p> <p>The Property also comprises a carpark at the basement levels, 8 Argyle Street, and 555 and 557 Shanghai Street accommodating a total of 250 car parking spaces.</p> <p>Kowloon Inland Lot No 11099 is held from the Government under Conditions of Exchange No UB12557 for a term from 18 February 2000 to 30 June 2047 at an annual Government rent equivalent to 3% of the rateable value for the time being of the lot.</p>	<p>Miscellaneous income was generated from lightboxes, signage spaces and other miscellaneous items yielding an average monthly licence fee of approximately HK\$0.91 million.</p>	

# Valuation Report

- Notes: (1) The registered owner of the Property was Renaissance City Development Company Limited as at the Valuation Date.
- (2) The Property also comprises the Reserved Area defined in the Deed of Mutual Covenant and Management Agreement dated 27 June 2005 as those parts of the Development not specifically included in the Government Accommodation or any Component, the Development CAF or HB/Retail CAF (all terms as defined in the said Deed of Mutual Covenant and Management Agreement) and reserved for the exclusive use and enjoyment of Renaissance City Development Company Limited.
- (3) For the office portion of the Property, the Gross Rentable Area is equal to the Total Floor Area.
- (4) The Property lies within an area zoned "Commercial (2)" under the approved Mong Kok (KPA 3) Outline Zoning Plan No S/K3/38 exhibited on 8 November 2024 as at the Valuation Date.
- (5) The rentals reported herein are the total of the face rentals without taking into account of any rent free periods or the turnover rents received, if any.
- (6) The breakdown market values in respect of different portion of the Property is set out below:

Use	Market Value as at 31 December 2025
Office :	HK\$8,404,000,000
Retail :	HK\$14,305,000,000
Carpark :	HK\$413,000,000
Miscellaneous :	HK\$181,000,000
<b>Total</b>	<b>HK\$23,303,000,000</b>

- (7) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy profile for the office portion of the Property (excluding car parking spaces and the licensed miscellaneous premises) as at 31 December 2025 is set out below:-

## Occupancy Profile

Type	Gross Rentable Area (sq ft)	% of total
Leased	610,521	86.9%
Vacant	92,390	13.1%
<b>Total</b>	<b>702,911</b>	<b>100.0%</b>

## Lease Commencement Profile

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of total	No of Tenancy	% of total
2021	17,398	2.8%	895,997	3.4%	2	2.3%
2022	69,592	11.4%	2,922,864	11.2%	2	2.3%
2023	232,834	38.1%	10,990,553	42.1%	29	33.7%
2024	118,394	19.4%	5,309,050	20.4%	25	29.1%
2025	<sup>^</sup> 172,303	28.3%	5,966,822	22.9%	28	32.6%
<b>Total</b>	<b>610,521</b>	<b>100.0%</b>	<b>26,085,286</b>	<b>100.0%</b>	<b>86</b>	<b>100.0%</b>

**Lease Expiry Profile**

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of total	No of Tenancy	% of total
2026	<sup>^</sup> 205,584	33.7%	8,080,255	31.0%	33	38.4%
2027	121,439	19.9%	5,259,395	20.2%	21	24.4%
2028	223,122	36.5%	9,898,748	37.9%	27	31.4%
2029	60,376	9.9%	2,846,888	10.9%	5	5.8%
<b>Total</b>	<b>610,521</b>	<b>100.0%</b>	<b>26,085,286</b>	<b>100.0%</b>	<b>86</b>	<b>100.0%</b>

**Lease Duration Profile**

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of Total	No of Tenancy	% of total
1	<sup>^</sup> 39,650	6.5%	158,487	0.6%	3	3.5%
2	21,832	3.6%	929,900	3.6%	9	10.5%
3	322,007	52.7%	14,639,452	56.1%	58	67.4%
4	12,316	2.0%	577,914	2.2%	4	4.7%
5	145,124	23.8%	6,856,669	26.3%	10	11.6%
6	69,592	11.4%	2,922,864	11.2%	2	2.3%
<b>Total</b>	<b>610,521</b>	<b>100.0%</b>	<b>26,085,286</b>	<b>100.0%</b>	<b>86</b>	<b>100.0%</b>

\* Individual monthly rental may not sum to same as the total due to rounding effect.

# The monthly rental is the rent for the current term of the tenancy.

<sup>^</sup> About 5.7% of the leased gross rentable area is co-working space, the monthly rental is subject to the income receivable from the operator which is now operated by the owner of the property.

- (8) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy profile for the retail portion of the Property (excluding the licensed miscellaneous premises) as at 31 December 2025 is set out below:-

**Occupancy Profile**

Type	Gross Rentable Area (sq ft)	% of total
Leased	317,833	99.3%
Landlord Occupied	26	0.0%
Vacant	2,194	0.7%
<b>Total</b>	<b>320,053</b>	<b>100.0%</b>

# Valuation Report

## Lease Commencement Profile

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of Total	No of Tenancy	% of total
2022	13,574	4.3%	720,173	2.0%	4	2.0%
2023	60,581	19.1%	12,729,304	35.8%	57	27.8%
2024	<sup>^</sup> 121,780	38.3%	9,789,975	27.6%	48	23.4%
2025	121,898	38.3%	12,284,352	34.6%	96	46.8%
<b>Total</b>	<b>317,833</b>	<b>100.0%</b>	<b>35,523,804</b>	<b>100.0%</b>	<b>205</b>	<b>100.0%</b>

## Lease Expiry Profile

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of total	No of Tenancy	% of total
2025	1,349	0.4%	420,368	1.2%	5	2.4%
2026	86,554	27.2%	13,269,310	37.4%	86	42.0%
2027	<sup>^</sup> 90,229	28.4%	9,650,470	27.2%	68	33.2%
2028	57,020	18.0%	8,485,700	23.9%	36	17.6%
2029	4,573	1.4%	499,395	1.4%	2	1.0%
2030	10,571	3.3%	618,436	1.7%	3	1.5%
2031	13,505	4.2%	619,189	1.7%	3	1.5%
2032	44,277	14.0%	1,600,000	4.5%	1	0.5%
2035	9,755	3.1%	360,935	1.0%	1	0.5%
<b>Total</b>	<b>317,833</b>	<b>100.0%</b>	<b>35,523,804</b>	<b>100.0%</b>	<b>205</b>	<b>100.0%</b>

## Lease Duration Profile

Year	Gross Rentable Area (sq ft)	% of total	* # Monthly Rental (HK\$)	% of total	No of Tenancy	% of total
1	22,413	7.1%	2,335,564	6.6%	28	13.7%
2	28,627	9.0%	3,607,565	10.2%	42	20.4%
3	<sup>^</sup> 142,111	44.8%	19,434,155	54.7%	107	52.1%
4	42,372	13.3%	6,522,764	18.4%	19	9.3%
5	14,773	4.6%	1,043,631	2.9%	4	2.0%
6	13,505	4.2%	619,189	1.7%	3	1.5%
8	44,277	13.9%	1,600,000	4.5%	1	0.5%
10	9,755	3.1%	360,935	1.0%	1	0.5%
<b>Total</b>	<b>317,833</b>	<b>100.0%</b>	<b>35,523,804</b>	<b>100.0%</b>	<b>205</b>	<b>100.0%</b>

\* Individual monthly rental may not sum to same as the total due to rounding effect.

# The monthly rental is the basic rent for the current term of the tenancy.

About 1.5% of the leased gross rentable area is subject to pay turnover rent only.

<sup>^</sup> About 9.4% of the total leased gross rentable area is a beauty shop, the monthly rent is subject to the income receivable from the operator which is now operated by the owner of the property.

Note: The above tenancy profile of retail portion excludes ten renewal tenancies for terms of approximately one year to three years commencing in between January 2026 and May 2026 and four committed new lettings for terms of approximately two year to three years commencing in between March 2026 and November 2027.

## 6.0 Office Market Overview

### *Introduction*

Office leasing activities in the latter half of 2025 have improved, with Central and Tsim Sha Tsui benefitted from improving demand from financial institutions. Other districts continued to undergo market correction. Looking ahead to 2026, a divergent outlook is anticipated – Central could experience a mild rental recovery, while conditions in other business districts are likely to remain challenging.

### *Office Demand*

Expansion activity has been led by funds and financial institutions concentrated in Central, while wealth management and private banking operations are establishing their presence across the city – especially in core business districts with strong connectivity to the Hong Kong West Kowloon station. Average vacancy for Grade-A office in Hong Kong slightly dropped to 14% in November 2025.

### *Office Rent*

Although the leasing market appears to be on the path to recovery, tenants remain vigilant in their search for flight-to-quality/functionality spaces that offer maximum incentives. Overall rents on Hong Kong Island dropped by 5% in the first eleven months of 2025. Rents in Wan Chai outperformed among the major business districts, with mild decrease of 2%. Meanwhile, Central and Island East saw rents decreasing by about 5% and 8% respectively.

Global uncertainties surrounding trade and sourcing pose challenges for the Kowloon leasing market despite improvements in the financial sector. As a large portion of tenants are tied to supply chain operations, external headwinds are affecting leasing sentiment. In the first eleven months of 2025, overall rents in Kowloon dropped by about 5%.

### *Office Investment Market*

Investors' interest in the office sector improved in the first eleven months of 2025, supported by lower interest rates and rising demand from end-users seeking for discounted and distressed assets. Overall, transaction volume increased by 68% year on year in the same period, according to Rating and Valuation Department figures. As the interest rate cut schedule continues, a transition of office occupiers into owners is expected, supporting investment market activities in 2026.

### *Office Market Outlook*

Looking ahead, a divergent outlook is anticipated in 2026. Central could experience a modest rental recovery given an uptick in leasing demand from financial sector. Tsim Sha Tsui is also expected to outperform in the near-term, benefiting from a tenant mix where service-oriented firms dominate. Meanwhile, other business districts are likely to remain challenging as the rent differentials between districts continue to diminish and a growing number of high-quality offices are set to enter the market.

# Valuation Report

## 7.0 Retail Market Overview

### *Introduction*

Retail market showed signs of bottoming in the second half of 2025. While recent retail sales figures point to a recovery, the market remains in transition, as mainland Chinese brands are actively expanding across Hong Kong's prime areas on the back of downsizing and store closures among established retailers. A split of prime retail and non-prime retail rental growth is expected in 2026.

### *Retail Demand*

In 2025, the recovery of retail demand gains momentum amid luxury and mainland brand expansion. Meanwhile, finance and banking firms were increasingly occupying retail spaces in prime districts. For instance, a bank has set to lease over 40,000 sq ft of prime corner space at Capitol Centre in Causeway Bay, marking the first non-fashion, long-term tenant in one of the district's busiest shopping lanes since 2008. Meanwhile, several retailers in the consumer durables and furniture segments saw store closures amid increased competition from cross-border and online shopping.

### *Retail Rent*

Despite retail leasing demand improved in core districts, the market remains tenant-driven as rents continued to face downward pressure. As landlords continued to show flexibility in negotiations, average rents of both core and non-core shopping centres fell about 3% in the first three quarters of 2025.

### *Retail Investment Market*

The investment market recorded a number of major deals concluded in 2025 amid successive interest rate cuts throughout the year. These major investment transactions are mainly retail properties located in neighbourhoods. These include Park Aura at Tin Hau, T Plus at Tuen Mun, and the disposal of a batch of retail shops at Phase 4 of Mei Fu Sun Chuen.

### *Retail Market Outlook*

Hong Kong's retail market showed signs of bottoming in the second half of 2025, backed by steady visitor arrivals growth. Improved stock market and lowered interest rates have also translated into positive wealth effect to a certain extent, supporting to local consumption. We expect a rental split of prime retail and non-prime retail in 2026. Prime assets are likely to remain resilient with positive rental growth, due to positive tourism outlook and improving retailer demand. On the other hand, non-prime retail will remain under pressure amid structural shifts caused by cross-border and online spending.

## 8.0 Limiting Conditions

This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressee shall not disclose the report to any other person.

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

No claim arising out of or in connection with this valuation report may be brought against any member, employee, partner, director or consultant of Knight Frank. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

### Reviewed (but not undertaken) by:

**Jennifer Ip**

*MRICS RICS Registered Valuer*

*Senior Director*

*Valuation & Advisory*

*For and on behalf of Knight Frank Petty Limited*

**Cyrus Fong**

*FRICS FHKIS RPS(GP) RICS Registered Valuer*

*Executive Director*

*Head of Valuation & Advisory, Greater China*

*For and on behalf of Knight Frank Petty Limited*



## Trustee's Report

### **TO THE UNITHOLDERS OF 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))*

We hereby confirm that, in our opinion, the Manager of Champion Real Estate Investment Trust has, in all material respects, managed Champion Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 26 April 2006, as amended by the First Supplemental Deed dated 5 December 2006, the Second Supplemental Deed dated 4 February 2008, the Third Supplemental Deed dated 9 March 2009, the Fourth Supplemental Deed dated 23 July 2010, the Fifth Supplemental Deed dated 13 March 2012, the Sixth Supplemental Deed dated 23 January 2015, the Seventh Supplemental Deed dated 1 June 2017, the First Amending and Restating Deed dated 21 April 2021, the Eighth Supplemental Deed dated 24 May 2021 and the Second Amending and Restating Deed dated 27 June 2025 for the financial year ended 31 December 2025.

### **HSBC Institutional Trust Services (Asia) Limited**

*(in its capacity as the trustee of Champion Real Estate Investment Trust)*

Hong Kong, 25 February 2026

# Corporate Governance Report

## Corporate Governance Framework

### Corporate Governance Framework and Principles

Champion REIT is committed to maintaining high standards of corporate governance and to adopting global best practices in the conduct of its activities and transactions related to the Trust and any matters arising out of its listing or trading on the Stock Exchange.

The corporate governance framework implemented by the REIT Manager is designed to promote accountability to Unitholders, resolve conflict of interests, ensure transparency in reporting, maintain compliance with applicable laws, regulations and codes and uphold sound operating and investment procedures. To facilitate the effective implementation of this framework, the REIT Manager has established a Compliance Manual which sets out to comprehensive compliance procedures and guidelines governing key processes, systems and internal controls.

The Board plays a central supervisory and oversight role in fulfilling its corporate governance responsibility and holds primary accountability for upholding appropriate standards of conduct and adherence to proper procedures. It conducts regular reviews of the Compliance Manual, governance related policies and procedures. Additionally, the Board approves any necessary changes to governance policies in alignment with the latest statutory requirements and global best practices. Moreover, it oversees corporate governance disclosures to ensure transparency and adherence to established standards. The Board takes the lead in promoting the desired corporate culture, and the corporate culture and values are integrated throughout the policies and practices of Champion REIT, which are communicated with the management and employees.

### Trust Culture and Values

#### Vision

Champion REIT seeks to achieve sustainable long term growth by owning and managing high quality commercial properties, creating enduring value for Unitholders, tenants and the community, while contributing positively to the built environment and society.

#### Mission

Champion REIT is committed to delivering stable and sustainable returns to Unitholders through disciplined investment strategies and proactive asset management, underpinned by strong governance, responsible business practices and full compliance with applicable regulatory requirements.



#### Values

- Integrity and Accountability**  
 Champion REIT conducts its business with honesty, transparency and high ethical standards, and remains accountable to Unitholders and other stakeholders
- Sustainable Value Creation**  
 Champion REIT integrates environmental, social and governance considerations into its operations and decision making to support long term resilience and value creation.

The Board plays a leading role in ensuring the corporate culture of Champion REIT is in alignment with its values and strategies, which enable Champion REIT to provide investors with stable and sustainable distributions, achieving long-term capital growth.

# Corporate Governance Report

## Major Corporate Governance Activities

The major activities during the Year and up to the date of this report are set out below:

<p><b>Establishment of/ Amendments to various Corporate Governance Policies and Procedures</b></p>	<p>In view of upholding the high standard of corporate governance, a Workforce Diversity Policy was established to broaden the Trust's commitment to diversity, equity and inclusion across the workplace and to reinforce our commitment to responsible stewardship and sustainable growth.</p> <p>Furthermore, upon periodic review, some housekeeping and other amendments were made to the following policies and procedures, namely:</p> <ul style="list-style-type: none"> <li>• Terms of Reference of the Nomination Committee</li> <li>• Compliance Manual</li> <li>• Procedures for Common Reporting Standard</li> </ul>
<p><b>Amendments to the Trust Deed</b></p>	<p>On 27 June 2025, the REIT Manager entered into the Second Amending and Restating Deed with the Trustee to (i) reflect the amendment that allows Champion REIT to hold and/or resell repurchased units in the form of treasury units and (ii) implement other housekeeping amendments. Further details were disclosed in Champion REIT's announcement dated 27 June 2025.</p>
<p><b>Appointment of additional members to the Nomination Committee</b></p>	<p>On 19 November 2025, Mr Ip Yuk Keung, Albert and Ms Wong Mei Ling, Marina were appointed as members of the Nomination Committee of the REIT Manager. An announcement in relation thereto was made on 19 November 2025.</p>
<p><b>Continuing Connected Party Transactions for the years 2026, 2027 and 2028</b></p>	<p>On 18 December 2025, an extraordinary general meeting of the Trust ("EGM") was held and the independent Unitholders passed the ordinary resolutions relating to the continuing connected party transactions for the years 2026, 2027 and 2028 (the "CCTs"). In this regard, all CCTs are now subject to the new annual caps from 1 January 2026.</p>
<p><b>General Mandate</b></p>	<p>At the annual general meeting ("AGM") of Champion REIT held on 28 May 2025, an ordinary resolution was passed to grant the Buy-back Mandate to the REIT Manager, authorising it to exercise the power to buy back Units in Champion REIT on the Stock Exchange of up to 10% of the aggregate number of issued Units as at 28 May 2025. The Buy-back Mandate will remain effective only until: (i) the conclusion of the next AGM of Champion REIT, (ii) the expiration of the period within which such AGM is required to be held, or (iii) until it is revoked or varied by an ordinary resolution of Unitholders at a general meeting, whichever is the earlier.</p>

## Regulatory Framework and Governance Structure

### Authorisation Structure

Champion REIT is a collective investment scheme constituted as a Unit Trust and authorised by the SFC under Section 104 of the SFO. The Trust is regulated by the SFC in accordance with the SFO, the REIT Code and the Listing Rules.

The REIT Manager has been authorised by the SFC under Section 116 of the SFO to conduct regulated activity of asset management. Ms Hau Shun, Christina, the Chief Executive Officer, Chief Investment Officer and Executive Director; Ms Luk Ka Ping, Amy, the Investment and Investor Relations Director, and Ms Sung Kar Wai Rosana, the Finance Director, are the Responsible Officers of the REIT Manager, fulfilling the requirements of Section 125 of the SFO and Paragraph 5.4 of the REIT Code. All Responsible Officers have completed continuous professional training as required by the SFO for each calendar year.

The Trustee, HSBC Institutional Trust Services (Asia) Limited is registered as a Trust Company under Section 77 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) and is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

Pursuant to the Property Management Agreement, the Property Manager, Eagle Property Management (CP) Limited provides property management services, lease management services and marketing services for the properties of Champion REIT located in Hong Kong on an exclusive basis subject to the overall management and supervision of the REIT Manager. The Property Manager has a team of experienced operational staff exclusively dedicated to providing property management services to Champion REIT.

### *Roles and Responsibilities of Trustee and REIT Manager*

The Trustee and the REIT Manager are independent of each other. The Trustee is responsible for the safe custody of the assets of Champion REIT on behalf of the Unitholders, and to oversee the activities of the REIT Manager in accordance with, and for compliance with, the Trust Deed constituting Champion REIT, other relevant constitutive documents, and the regulatory requirements applicable to Champion REIT. Whereas the REIT Manager is responsible for managing Champion REIT in accordance with the Trust Deed and ensuring that the financial and economic aspects of Champion REIT's assets are professionally managed in the sole interests of the Unitholders. The relationship between the Trustee, the REIT Manager and the Unitholders is set out in the Trust Deed entered into between the REIT Manager and the Trustee on 26 April 2006, and as amended from time to time.

According to the Trust Deed, the REIT Manager shall be entitled to a Manager's fee of 12% of the net property income and be payable semi-annually in arrears after the publication of the semi-annual financial statements of the Trust provided that the net property income as shown in the published semi-annual financial statements is equal to or more than HK\$200 million.

Pursuant to the announcement of Champion REIT dated 30 November 2012 in relation to the notification from the REIT Manager to the Trustee in writing that that it elected to receive 50% of the Manager's Fee arising from the real estate owned by Champion REIT in the form of Units and the remaining 50% in cash. As the REIT Manager has not elected on the way to receive the Manager's Fee for the financial year 2025, the most recent valid election by the REIT Manager on 30 November 2012 shall be applied to the financial year 2025 according to Clause 11.1.2 of the Trust Deed. The Manager's fee for the Year amounted to approximately HK\$196 million, being 12% of the net property income of Champion REIT for such services rendered during the Year.

The payment of the Manager's fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the SFC.

## Corporate Governance Report

### ***Management Accountability and Manager-In-Charge Arrangements***

Under the regulatory regime of the SFC, the Board has eight core functions and has assigned each of the core functions to the designated management person(s) called the Manager-In-Charge (“MIC”). Each of the MICs has confirmed and acknowledged the appointment and associated responsibilities. The core functions and the respective MICs according to the SFC Circular are set out as below:

Function	MIC(s)
1. Overall Management Oversight	Chief Executive Officer
2. Key Business Line	Chief Executive Officer
3. Operational Control and Review	Deputy Head of Asset Management and Investment Senior Internal Audit Manager
4. Risk Management	Senior Internal Audit Manager
5. Finance and Accounting	Finance Director
6. Information Technology	Senior Program Manager
7. Compliance	Compliance Manager
8. Anti-Money Laundering and Counter-Terrorist Financing	Compliance Manager

### ***Governance Policies and Procedures***

Various governance and control policies and procedures of the REIT Manager used in relation to the management of Champion REIT have been established, namely:

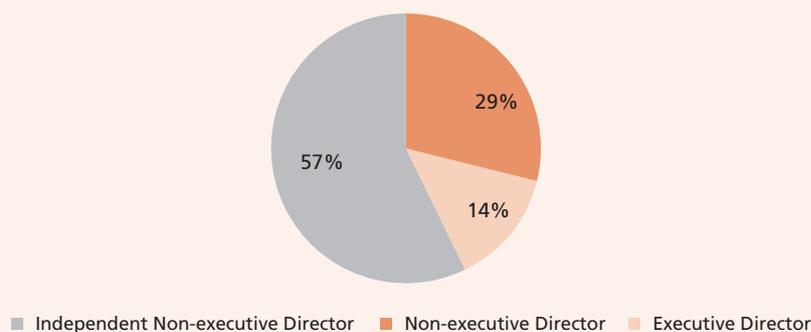
- Anti-Fraud, Bribery and Corruption Policy
- Anti-Money Laundering Procedures
- Board Diversity Policy
- Climate Risks and Resilience Policy
- Code of Conduct
- Code of Conduct regarding Securities Transactions by Directors and Relevant Personnel
- Compliance Manual
- Connected Party Transactions Sample Checking Procedure
- Control Policy on Preservation and Misuse of Inside Information
- Corporate Governance Policy
- Distribution Policy
- Director Independence Policy
- Internal Control Procedures to Monitor and Regulate Connected Party Transactions
- Nomination Policy
- Operations Manual
- Procedures for Common Reporting Standard
- Privacy Policy
- Procedures for FATCA Reporting
- Reporting Policy on Connected Party Transaction
- Risk Management Policy
- Sanction Screening Procedures
- Staff Dealing Policy
- Unitholder Communication Policy
- Whistleblowing Policy
- Workforce Diversity Policy

## Board of Directors

### Board Composition

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of five Directors and a maximum of thirteen Directors. The composition of the Board during the Year and up to the date of this report is set out below:

As of the date of this report, the Board has seven members, comprising one Executive Director, two Non-executive Directors and four Independent Non-executive Directors:



	Length of Tenure	Current Period of Appointment <sup>(1)</sup>
<b>Non-executive Directors</b>		
LO Ka Shui <sup>(2)</sup> (Chairman)	20 years	2 years
WONG Mei Ling, Marina	5 years	1 year
<b>Executive Director</b>		
HAU Shun, Christina <sup>(2)</sup> (Chief Executive Officer)	4 years	2 years
<b>Independent Non-executive Directors</b>		
CHAN Ka Keung, Ceajer	3 years	1 year
CHENG Wai Chee, Christopher	20 years	2 years
IP Yuk Keung, Albert <sup>(2)</sup>	15 years	3 years
SHEK Lai Him, Abraham	20 years	1 year

Notes:

(1) Since his/her last re-election at AGM.

(2) To retire at the 2026 AGM of the REIT Manager and being eligible for re-election.

Dr Lo Ka Shui is the chairman and managing director of Great Eagle, and the chairman and non-executive director of Langham, of which Great Eagle has 70.63% interest of the Trust. Ms Wong Mei Ling, Marina is the company secretary of Great Eagle and Langham. Save as disclosed above, there are no other financial, business, family or other material or relevant relationships between Board members.

## Corporate Governance Report

Set out below is a summary of area of experiences and responsibilities of each Board Member:

	Expertise	Responsibilities
<b>Non-executive Directors</b>		
LO Ka Shui ( <i>Chairman</i> )	Property and hotel development and investment both in Hong Kong and overseas	Ensuring effective operation of the Board and all key and appropriate issues are discussed and considered by the Board in a timely manner; and leading the Board to establish good corporate governance practices and procedures of the REIT Manager; and chairing Board meetings
WONG Mei Ling, Marina	Development of governance and compliance policies and corporate secretarial and administration	Formulation of strategic directions and high level oversight of governance and compliance, finance and investments of the Trust
<b>Executive Director</b>		
HAU Shun, Christina ( <i>Chief Executive Officer</i> )	Leasing, marketing and asset management	Responsible for all day-to-day operations; supervising the management team to ensure that the Trust is operated in accordance with the stated strategy, policies and regulations; implementing the corporate governance practices adopted by the REIT Manager; and chairing the Disclosures Committee meetings
<b>Independent Non-executive Directors</b>		
CHAN Ka Keung, Ceajer	Specialised in assets pricing, evaluation of trading strategies and market efficiency	Scrutinising and monitoring the Trust's performance; giving independent judgment, strategic advice and guidance on the business and operations; reviewing the financial control and system of risk management and compliance; and ensuring the REIT Manager follows good corporate governance practices
CHENG Wai Chee, Christopher	Property development, property investment and management, corporate governance, finance market and human resources	Scrutinising and monitoring the Trust's performance; giving independent judgment, strategic advice and guidance on the business and operations; reviewing the financial control and system of risk management and compliance; and ensuring the REIT Manager follows good corporate governance practices
IP Yuk Keung, Albert	International banking, investment and financing	Scrutinising and monitoring the Trust's performance; giving independent judgment, strategic advice and guidance on the business and operations; reviewing the financial control and system of risk management and compliance; and ensuring the REIT Manager follows good corporate governance practices
SHEK Lai Him, Abraham	Former member of the Legislative Council for the HKSAR representing the real estate and construction functional constituency	Chairing the Audit Committee and Nomination Committee meetings; scrutinising and monitoring the Trust's performance; giving independent judgment, strategic advice and guidance on the business and operations; reviewing the financial control and system of risk management and compliance; and ensuring the REIT Manager follows good corporate governance practices

### ***Clear division of responsibilities between the Chairman and Chief Executive***

The positions of Chairman of the Board and Chief Executive Officer are held by two different individuals in order to maintain an effective segregation of duties. The Chairman is Dr Lo Ka Shui who is a Non-executive Director and provides leadership for the Board. The position of Chief Executive Officer is held by Ms Hau Shun, Christina, an Executive Director responsible for running business operations and execution of corporate strategies of Champion REIT.

### **Appointment, Re-election and Rotation of Directors**

Non-executive Directors are not appointed for a specific term. In accordance with the articles of association of the REIT Manager, one-third of the Directors shall retire from office at every annual general meeting of the REIT Manager, or if their number is not a multiple of three, then the number nearest to one-third shall retire from office. A retiring Director shall be eligible for re-election, provided that if the retiring Director is an Independent Non-executive Director who has served the Board for more than nine years, his/her further re-appointment shall be subject to the approval of the Unitholders at the annual general meeting of Champion REIT by way of an ordinary resolution.

Biographical details of the Directors are set out in this Annual Report on pages 12 to 18 and maintained on the Trust's website at [www.ChampionReit.com](http://www.ChampionReit.com).

### **Board Responsibilities**

The Board is responsible for ensuring that the REIT Manager discharges its duties under the Trust Deed, which include, but are not limited to, managing the Trust in accordance with the Trust Deed in the sole interests of the Unitholders, ensuring sufficient oversight of the daily operations and financial conditions of the Trust when managing the Trust, and ensuring compliance with the licensing and authorisation conditions of the REIT Manager and the Trust and with any applicable laws, rules, codes or guidelines issued by government departments, regulatory bodies, exchanges or any other organisations regarding the activities of the Trust or its administration. Subject to the matters specifically reserved to the Board as set out in the Compliance Manual, the Board delegates certain management and supervisory functions to Board committees. The Board also has appointed experienced and well-qualified management to handle the day-to-day operations of the REIT Manager and Champion REIT.

#### **Matters Reserved for the Board**

##### **Statutory Obligations**

Approval of:

- (i) The interim, final and/or any other distribution(s) of Champion REIT from time to time permitted under the REIT Code and the Trust Deed;
- (ii) The annual and semi-annual reports and accounts, unaudited interim and audited financial statements;
- (iii) Circulars to Unitholders, including those convening general meetings;
- (iv) Changes to the articles of association the REIT Manager; and
- (v) Appointment of new Director to the REIT Manager.

Recommendation to Unitholders of:

- (i) Changes to the provisions in the Trust Deed; and
- (ii) Proposals relating to the appointment and removal of auditor of Champion REIT and approval of the audit fee.

# Corporate Governance Report

## Matters Reserved for the Board

### Corporate Governance, Strategic and Financial Matters

Approval of:

- (i) Treasury, taxes, financial risk management and capital policies (including funding and the issue of ordinary units, different classes of units and different forms of borrowings);
- (ii) Sale and acquisition of properties by Champion REIT, the value of which exceeds 15% of the Gross Asset Value (or such other threshold as may be prescribed under the REIT Code);
- (iii) Issue of new Units;
- (iv) Reports of the auditor and both unaudited interim and audited financial statements;
- (v) Capital expenditure, acquisitions, and disposals in excess of the discretionary power of the relevant officer (if any) of the REIT Manager;
- (vi) Significant changes in accounting policy; and
- (vii) Any changes to the Corporate Governance Policy.

### Board Membership and Other Appointments

Approval of:

- (i) The appointment and removal of the Chief Executive Officer;
- (ii) The appointment and removal of any Directors by the Board; and
- (iii) The arrangement of liability insurance for Directors and senior management.

### Other Matters

Approval of:

- (i) Any matter which would have a material effect on Champion REIT's financial position, liabilities, future strategy or reputation;
- (ii) Material contracts not in the ordinary course of Champion REIT's business;
- (iii) Power and authority of the Board or the Board-appointed committees, that is, what to delegate to the committees, with the proviso that such committees to be under an obligation to report back to the Board; and
- (iv) Potential areas of possible conflict (that is, if a substantial holder of Champion REIT or a Director has a conflict of interests in a matter to be considered by the Board, the matter should not be dealt with by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a full Board meeting, for example, the Audit Committee or similar ad-hoc committee established to deal with a specific matter).

## Board Diversity

### Board Diversity Policy

The Nomination Committee adopted a Board Diversity Policy in 2020. This policy aims to promote diversity among Board members, recognising its significance in achieving its strategic objectives, attracting and retaining top talent. Appointments to the Board shall be based on merit, in the context of the skills and experience the Board as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. In assessing appointments and re appointments, the REIT Manager considers factors including legal requirements, best practices, and the balance of skills and experience required by the Board and its committees. The REIT Manager will not set any restrictions like gender, age, cultural or educational background when short listing candidates. The REIT Manager believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors.

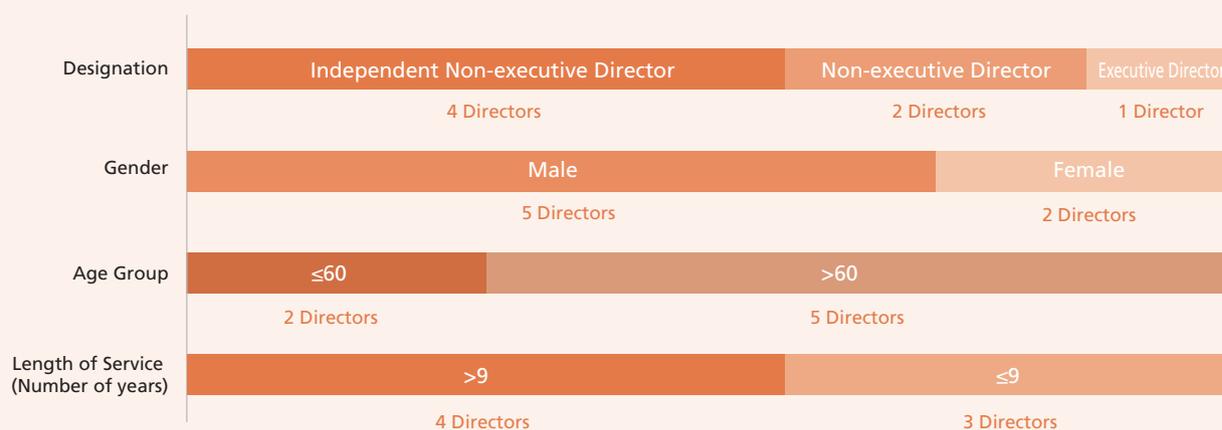
The Nomination Committee shall review the diversity of the Board at least annually taking into account the Champion REIT's business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Board to complement its corporate strategy. The Nomination Committee of the REIT Manager reviewed the implementation and effectiveness of the Board Diversity Policy for the Year.

The Board comprises Directors with a broad mix of skills, experience and perspectives that are appropriate to Champion REIT's business nature, corporate strategy and organisational structure. The Directors collectively bring expertise across property development, property investment and management, leasing, marketing and asset management, governance and compliance, as well as banking, investment and financing. The Board also reflects diversity in terms of age and gender. The Nomination Committee considers that the current Board composition provides an appropriate balance of professional backgrounds, skills and experience, and supports the effective discharge of the Board's responsibilities.

The Board reflects diversity in terms of gender and age, and comprises Directors with a broad mix of skills, experience and perspectives appropriate to Champion REIT's business nature, corporate strategy and structure.

### Board Diversity Profile

The following charts depict the Board diversity profile of the Board as at 31 December 2025:



# Corporate Governance Report

## Board Skills Matrix

The Board comprises a range of expertise, as shown in the following chart:



The board skills matrix has been reviewed by the Nomination Committee. The Nomination Committee considers that the current Board composition maintains an appropriate balance of professional backgrounds, skills and experience and supports the effective discharge of the Board’s responsibilities.

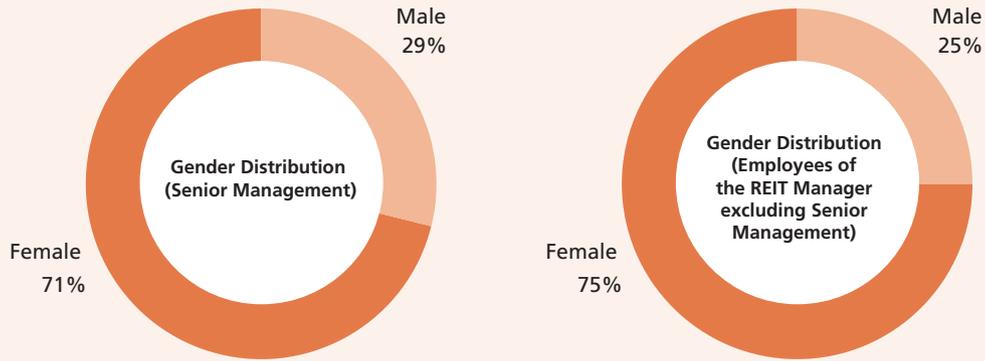
## Workforce Diversity Policy

The Trust is committed to fostering a diverse, equitable, and inclusive workforce across all levels, including senior management. The Workforce Diversity Policy has been adopted which sets out the Trust’s approach and objectives for achieving diversity in the workplace. This policy enables the Trust to create a safe, diverse and inclusive work environment free from discrimination, bullying, victimisation, vilification or any form of harassment.

A summary of the Workforce Diversity Policy is set out below:

Areas	Initiatives
<b>Recruitment and selection</b>	<ul style="list-style-type: none"> <li>Adopt a merit-based recruitment process, ensuring all candidates are evaluated fairly based on qualifications, experience, potential, and performance, irrespective of their background.</li> <li>Promote gender diversity and representation from underrepresented groups during recruitment.</li> <li>Comply with applicable laws and regulations and align with local or regional market practices in the recruitment process.</li> </ul>
<b>Development and advancement</b>	<ul style="list-style-type: none"> <li>Provide equal access to training, career advancement, and leadership opportunities for all employees.</li> <li>Ensure performance evaluations and promotion processes are conducted fairly, transparently, and without bias.</li> </ul>
<b>Workplace inclusion</b>	<ul style="list-style-type: none"> <li>Foster a culture of respect, collaboration, and inclusion by promoting open communication and mutual understanding among employees.</li> <li>Prohibit any forms of harassment, bullying, bias, or violence in any work-related context.</li> <li>Promote diversity and inclusion practices to raise awareness and eliminate unconscious bias in the workplace.</li> <li>Maintain employee feedback channels and grievance procedures to allow employees to voice concerns and share suggestions related to diversity in the workplace.</li> </ul>

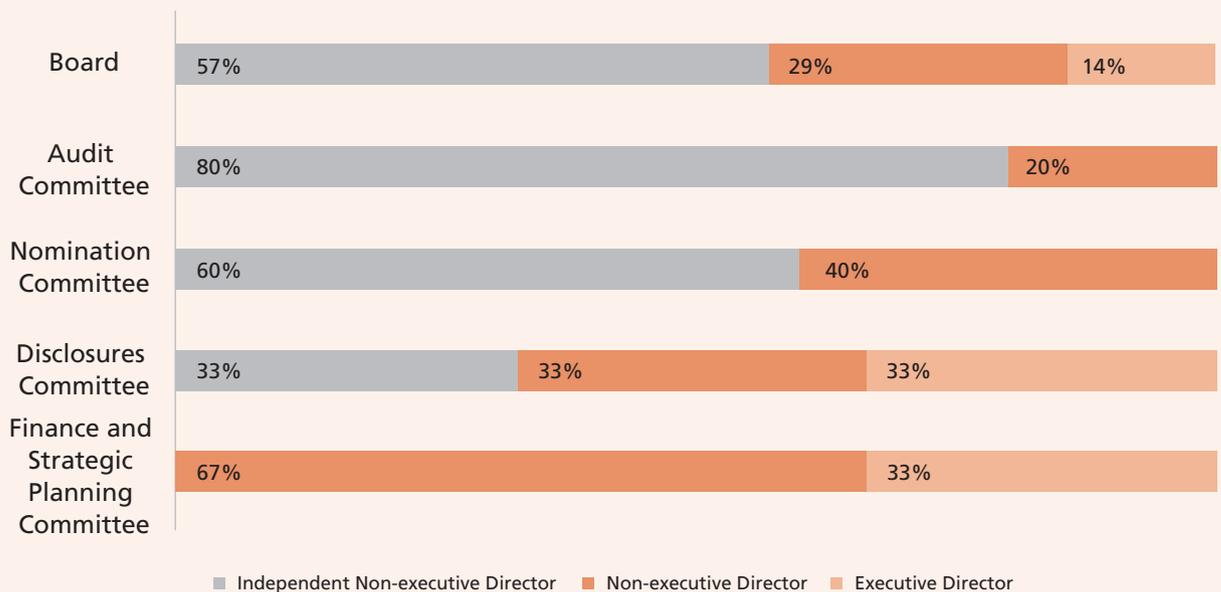
Champion REIT is managed by the REIT Manager and does not directly employ any staff itself. The following charts show the gender distribution of the employees of the REIT Manager, including the senior management, as at 31 December 2025:



### Board Independence

The Board acknowledges that Board independence is critical for effective corporate governance and Board effectiveness. The participation of Independent Non-executive Directors brings independent and objective judgment on the affairs of the Trust including but not limited to issues relating to the Trust’s strategy, performance, conflicts of interest and management process, thus ensuring that the Trust operates in the best interests of the Unitholders.

### Independence Weighting



# Corporate Governance Report

## ***Board Independence Mechanism***

To ensure independent views and input from any Director of the REIT Manager and the Trust are available to the Board, a Director Independence Policy was adopted. The following mechanisms implemented in the corporate governance framework of the Trust have also been reviewed by the Board:

### **Independence Assessment**

#### *Board Composition*

The Board currently comprises seven members, including two Non-executive Directors, one Executive Director, and four Independent Non-executive Directors, which is in compliance with the requirement under Rule 3.10A and 3.10 of the Listing Rules that at least one-third of the Board members and a minimum of three members of the Board are Independent Non-executive Directors.

#### *Independence Confirmation*

Each of the Independent Non-executive Directors has provided a written annual confirmation of independence to the REIT Manager on their fulfilment of the independence guidelines set out under Rule 3.13 of the Listing Rules. The Nomination Committee assesses the independence of Independent Non-executive Directors to ensure they can continually exercise independent judgement.

#### *Disclosure of Interests*

In accordance with the Articles of Association of the REIT Manager, each of the Directors has to disclose his/her interest, if any, and/or any actual or potential conflict of interests in the matters to be considered at the meetings of the Board and Board Committees. During the Year, Dr Lo Ka Shui was required to abstain from voting on the resolution in respect of the annual cap of the continuing connected party transactions. The Executive Director and Non-executive Directors have provided confirmations of any material interests in business that competes with Champion REIT.

#### *Appointment Process*

Mr Shek Lai Him, Abraham, being an Independent Non-executive Director who has served the Board for more than nine years, was subject to re-election at the 2025 AGM. The Nomination Committee has reviewed his independence and considered that Mr Shek continued to be independent, and disclosure was made in the AGM circular to the Unitholders of Champion REIT. A separate resolution was proposed at the 2025 AGM for the re-election of Mr Shek.

### **Proceedings of the Board**

The dates of the regular Board and Board Committee Meetings of the year 2025 were determined in the fourth quarter of the previous year. At least 14 days' formal notice of regular Board and Board Committee Meetings was given to all Directors, and all Directors were invited to include matters for discussion in the agenda. Directors were provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information at least three business days in advance of every regular Board and Board Committee Meeting, which enables full deliberation on the issues to be considered at the respective meetings.

---

**Board Decision Making**

During the Board and Board Committee Meetings, all Directors were encouraged to freely express their independent views and inputs in an open and candid manner, provide open and objective challenges, offer informed insight and responses to the management, and contribute their knowledge of the businesses and markets in which Champion REIT operates. Comments and concerns raised by the Directors were closely followed up by the management.

In addition to regular Board meetings, the Chairman scheduled an annual meeting with Independent Non-executive Directors without the presence of other Directors to discuss the affairs of Champion REIT.

The Company Secretary prepared minutes of meetings of the Board and Board Committees to record not only the decisions reached but also any concerns raised or dissenting views expressed by Directors. The draft version of the minutes is circulated to all Directors for their comments and confirmations. The final versions were provided to the Directors for records. Minutes of all Board and Board Committee Meetings are available for Directors' inspection.

---

**Supply of and Access to information**

Directors were provided with monthly reports covering highlights of Champion REIT's major businesses, keeping them abreast of Champion REIT's business performance and enabling them to make informed decisions in the best interests of Champion REIT and its Unitholders. More thorough and comprehensive management and financial updates were provided to all Board members on a quarterly basis to ensure each member was aware of Champion REIT's financial performance and position.

The Board met the management (including the Responsible Officers of the REIT Manager) on a quarterly basis, reporting Champion REIT's business performance, risk management, internal controls, and legal and compliance matters.

Directors also had access to the advice and services of the Company Secretary who supported the Board, ensured proper information flow within the Board, and Board policies and procedures were followed.

To facilitate the proper discharge of Directors' duties and responsibilities, all Directors were entitled to seek advice from the Company Secretary or in-house legal team, as well as from independent professional advisers, at the expense of Champion REIT, in which the Company Secretary was responsible for making all necessary arrangements.

---

**Induction and Continuing Development**

The REIT Manager has established a Director Development Program that fosters the continuous development of the Board members pursuant to Rules 3.09F and 3.09G of the Listing Rules and Code Provision C.1.1 of the Corporate Governance Code.

During the Year, self-reading materials with specific topics on the roles, functions and duties as a Director, legal and regulatory, corporate governance and ESG, taxation and financial reporting, risk management and internal control, artificial intelligence in the Board Room, anti-corruption, and industry trends and updates pertaining to the Champion REIT's business were provided to Directors by the Company Secretary.

---

## Corporate Governance Report

**Remuneration of Independent Non-executive Directors** Independent Non-executive Directors received only fixed fees for their role as members of the Board and Board Committees, and no profit-related pay was granted.

**Time Commitment** Non-executive Directors and Independent Non-executive Directors have provided written confirmations regarding their time involvement in the affairs of Champion REIT. Besides, all Directors have attended all regular meetings of the Board and Board Committees on which they serve. All Directors have also attended the 2025 AGM and EGM to acquire an understanding of the views of Unitholders.

The Board considers that the Board Independence Mechanism is effective in ensuring that independent views are available to the Board and all Independent Non-executive Directors remain independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement.

### Attendance Record at Board Meetings, Board Committee Meetings and General Meetings

Directors make fruitful contribution by attending Board meetings and sharing views, advice and experience on matters material to the Trust's affairs, with the common goal of further enhancing the interests of the Trust and the Unitholders.

During the Year, four regular Board meetings of the REIT Manager were held. Board and Board Committee meetings of the REIT Manager were held either in person or through electronic means. Proposed dates of the regular Board and Board Committee meetings for each new calendar year are set out in a schedule and notified to all Board members before the beginning of the year concerned with a view to facilitating their attendance. Additional meetings are convened as and when circumstances warrant.

The attendance of individual Directors and committee members in 2025 is set out in the table below:

Name of Directors	Number of Meeting(s) Attended/Eligible to Attend in 2025					
	Board Meeting	Audit Committee Meeting	Disclosures Committee Meeting	Nomination Committee Meeting	AGM	EGM
<b>Non-executive Directors</b>						
LO Ka Shui ( <i>Chairman</i> )	4/4	2/2	2/2	1/1	1/1	1/1
WONG Mei Ling, Marina <sup>(Note)</sup>	4/4	–	–	–	1/1	1/1
<b>Attendance Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Executive Director</b>						
Hau Shun, Christina ( <i>Chief Executive Officer</i> )	4/4	–	2/2	–	1/1	1/1
<b>Attendance Rate</b>	<b>100%</b>	<b>–</b>	<b>100%</b>	<b>–</b>	<b>100%</b>	<b>100%</b>
<b>Independent Non-executive Directors</b>						
CHAN Ka Keung, Ceajer	4/4	2/2	–	–	1/1	1/1
CHENG Wai Chee, Christopher	4/4	2/2	–	1/1	1/1	1/1
IP Yuk Keung, Albert <sup>(Note)</sup>	4/4	2/2	–	–	1/1	1/1
SHEK Lai Him, Abraham	4/4	2/2	2/2	1/1	1/1	1/1
<b>Attendance Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall Attendance Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Appointed as a member of the Nomination Committee effective from 19 November 2025.

## Company Secretary

G. E. Secretaries Limited is the Company Secretary of the REIT Manager. The primary contact person and the officer in charge of the Company Secretary is Ms Wong Mei Ling, Marina, who is also a Non-executive Director of the REIT Manager. The Company Secretary of the REIT Manager comprises a team of qualified company secretarial professionals who work with the Compliance Manager closely to provide a full range of company secretarial support and compliance services to the REIT Manager and its Directors. Members of the senior management of the REIT Manager maintain day-to-day contact with the Company Secretary to ensure the Company Secretary has knowledge of the affairs of the Trust. The Company Secretary reports to the Chairman of the Board and the Chief Executive Officer. All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

## Directors Development Programme

To keep Directors abreast of their responsibilities and provide them with new knowledge relevant to the Trust's business and operating environment, the REIT Manager has established a Director Development Program. All Directors may participate in the Program arranged by the REIT Manager, or they may attend other continuous professional development program at their sole discretion. Self-reading materials comprising the latest developments in the legislations, industry news and materials relevant to the roles, functions and duties of a director, are periodically provided to each Director by the Company Secretary of the REIT Manager to foster the ongoing updating and refreshing of Board members' skills and knowledge.

During the Year, the Directors received the self-reading materials focus on the topics of (i) Directors' Roles and Duties, (ii) Legal and Regulatory, (iii) Corporate Governance and ESG, (iv) Risk Management and Internal Controls, (v) Industry Trends and Updates, (vi) Taxation and Financial Reporting and (vii) Artificial Intelligence. Each of the Directors has confirmed that they have participated in no less than 10 training hours during the Year, and all the Directors have provided confirmation on their respective training records to the REIT Manager.

Trainings attended by the Directors during the Year are as follows:

Name of Directors	Topics						
	Directors' Roles and Duties	Legal and Regulatory	Corporate Governance and ESG	Risk Management and Internal Controls	Industry Trends and Updates	Taxation and Financial Reporting	Artificial Intelligence
<b>Non-executive Directors</b>							
LO Ka Shui ( <i>Chairman</i> )	✓	✓	✓	✓	✓	✓	✓
WONG Mei Ling, Marina	✓	✓	✓	✓	✓	✓	✓
<b>Executive Director</b>							
HAU Shun, Christina ( <i>Chief Executive Officer</i> )	✓	✓	✓	✓	✓	✓	✓
<b>Independent Non-executive Directors</b>							
CHAN Ka Keung, Ceajer	✓	✓	✓	✓	✓	✓	✓
CHENG Wai Chee, Christopher	✓	✓	✓	✓	✓	✓	✓
IP Yuk Keung, Albert	✓	✓	✓	✓	✓	✓	✓
SHEK Lai Him, Abraham	✓	✓	✓	✓	✓	✓	✓

Each of the members of the senior management have also provided their respective training records to the REIT Manager and have confirm participated in at least 10 training hours during the Year.

# Corporate Governance Report

## Directors’ Interests in Transactions, Arrangements or Contracts

Other than as disclosed in this report and previous disclosures (including announcements, circulars and Offering Circular) issued by the REIT Manager, there are no transaction, arrangement or contract of significance that requires to be disclosed in accordance with the Listing Rules and REIT Code subsisting during or at the end of the Year in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly.

## Directors’ and Officers’ Liability Insurance

During the Year, appropriate directors’ and officers’ liabilities insurance and professional indemnity insurance have been arranged in respect of legal action against the Directors and officers of the REIT Manager and the provision of professional services by the REIT Manager to the Trust.

## Directors’ Remuneration

The remuneration of Directors and staff of the REIT Manager is paid by the REIT Manager, not by Champion REIT. The REIT Manager adopts the remuneration policies and practices of its holding company, which has a remuneration committee that determines policy and structure for all remuneration of senior executives of the REIT Manager including the Chief Executive Officer and members of its senior management team of the REIT Manager. None of the Directors has a service contract with the REIT Manager which is not terminable by the employer within one year without payment of compensation (other than statutory compensation). Since Champion REIT does not bear the remuneration of the REIT Manager’s Board and staff, the REIT Manager does not consider it applicable to include the information about the remuneration of the Directors and key executives in this report.

## DELEGATION AND BOARD COMMITTEES

The Board has established four Board committees with clear terms of reference to review specific issues or items. The four standing Board committees established are the Audit Committee, Disclosures Committee, Nomination Committee and Finance and Strategic Planning Committee. Each committee plays a vital role in supporting the Board in fulfilling its responsibilities.



## Audit Committee

The REIT Manager established Audit Committee in 2006 and adopted the amended terms of reference in 2020. The written terms of reference of the Audit Committee are available upon request. The role of the Audit Committee is to monitor and evaluate the effectiveness of the REIT Manager's risk management and internal control systems.

### Audit Committee's Principal Responsibilities

#### Financial Reporting

- Reviewing financial statements.
- Reviewing major issues regarding accounting principles and financial statement presentations, including any major modification in the application of accounting principles.

#### Risk Management and Internal Control

- Receiving and reviewing summaries and reports regarding the operations review of the REIT Manager and Champion REIT and the systems of risk management and internal controls.
- Assisting the Board in its monitoring of the REIT Manager and Champion REIT's overall risk management profile.
- Setting guidelines and policies to govern risk assessment and risk management.
- Conducting review on the effectiveness of the risk management and internal control systems and procedures for financial reporting.
- Ensuring the internal audit function is adequately resourced and running effectively.
- Reviewing and considering procedures for the receipt, retention and treatment of complaints received by the REIT Manager.

#### External Audit

- Making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve remuneration and terms of engagement of the external auditor.
- Considering all audit and non-audit services to be provided to the REIT Manager and Champion REIT by the external auditor.
- Reviewing external audit reports to ensure that, where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management.

#### Compliance

- Reviewing and monitoring on a regular basis the procedures in place to ensure compliance with applicable legislation, the REIT Code and the Listing Rules.
- Reviewing and monitoring the procedures established to regulate connected party transactions.

## Corporate Governance Report

Pursuant to the waiver from strict compliance with the requirement under paragraph 9.13 of the REIT Code granted by the SFC, the Audit Committee of the REIT Manager confirmed that the roadshow and public relations-related expenses (“PR Expenses”) were incurred in accordance with the internal control procedures of the REIT Manager and the nature of these PR Expenses was solely for the purposes as set out in Clause 2.4.13 of the Trust Deed.

During the Year, two physical Audit Committee meetings were held. The following is a summary of the major work done of the Audit Committee during the Year:

### Summary of Major Work Done of the Audit Committee

#### Financial Reporting

- Reviewed the audited Financial Statements for the year ended 31 December 2024 and the unaudited Financial Statements for the six months ended 30 June 2025, with particular regard to significant audit risks and other audit issues including:
    - (i) significant risk on the review of valuation of investment properties;
    - (ii) significant risk on the potential oversight by the management in financial reporting process;
    - (iii) significant risk on the fair value of investment properties;
    - (iv) the fair value of derivative financial instruments – cross currency swaps and interest rate swaps;
    - (v) the effectiveness of cash flow hedge;
    - (vi) the allowance for credit losses on notes receivables and interest receivables; and
    - (vii) the net current liabilities of Champion REIT.
  - Evaluated the effect on the results and financial position of Champion REIT for applications of new amendments/interpretations issued by The Hong Kong Institute of Certified Public Accountants.
  - Reviewed the Final Results Announcement and the Annual Report for the year ended 31 December 2024.
  - Reviewed the Interim Results Announcement and the Interim Report for the six months ended 30 June 2025.
  - Reviewed and approved the 2025 annual budget/forecasts and annual business plan prepared by the REIT Manager.
-

### Summary of Major Work Done of the Audit Committee

<b>Risk Management and Internal Control</b>	<ul style="list-style-type: none"> <li>Reviewed the reports from the internal auditor.</li> <li>Reviewed the effectiveness of risk management and internal control systems.</li> </ul>
<b>External Audit</b>	<ul style="list-style-type: none"> <li>Reviewed the reports from the external auditor.</li> <li>Considered and recommended to the Board on the re-appointment of external auditor and the provision of audit and non-audit services and approved the terms of engagement.</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Reviewed the legal and regulatory compliance matters for the year ended 31 December 2024 and for the six months ended 30 June 2025, which included, among others, the Corporate Governance Report and Connected Party Transactions Report.</li> </ul>

### Disclosures Committee

The REIT Manager established Disclosures Committee in 2006 and adopted the amended terms of reference in 2021. The written terms of reference of the Disclosures Committee are available upon request. The role of the Disclosures Committee is to review matters relating to the disclosure of information to Unitholders and in public announcements. It works with the management of the REIT Manager to ensure that information disclosed is accurate and complete and pursue best practices in terms of transparency.

### Disclosures Committee's Principal Responsibilities

<b>Corporate Disclosure</b>	<ul style="list-style-type: none"> <li>Reviewing and making recommendations to the Board on matters of corporate disclosure issues and announcements, financial reporting, Connected Party Transactions, and potential areas of conflict of interests regularly.</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Overseeing compliance with applicable legal requirements and the continuity, accuracy, clarity, completeness and currency of information disseminated by or on behalf of Champion REIT to the public and applicable regulatory agencies.</li> <li>Reviewing and approving all material non-public information and all public regulatory filings of or on behalf of Champion REIT prior to such information being disseminated to the public or filed with applicable regulatory agencies.</li> <li>Reviewing periodic and current reports, proxy statements, information statements, registration statements and any other information filed with regulatory bodies.</li> <li>Selecting, appointing, directing, and terminating, where appropriate, outside experts (such as legal advisors or accountants) as deems necessary in the performance of its duties.</li> </ul>

## Corporate Governance Report

During the Year, two physical Disclosures Committee meetings were held. The following is a summary of the major work done of the Disclosures Committee during the Year:

### Summary of Major Work done of the Disclosures Committee

#### Corporate Disclosure

- Reviewed the Report on Corporate Disclosure Issues of Champion REIT and ratified the publication of announcements and press releases for the six months ended 31 December 2024 and 30 June 2025.
- Reviewed and made recommendation to the Board on the Sustainability Report for the year ended 31 December 2024.
- Reviewed the disclosure checklist and made recommendation to the Board on the 2024 Final Results Announcement, 2024 Annual Report and the Manager's Fee Announcement for the six months ended 31 December 2024.
- Reviewed the disclosure checklist and made recommendation to the Board on the 2025 Interim Results Announcement, 2025 Interim Report and the Manager's Fee Announcement for the six months ended 30 June 2025.
- Reviewed and make recommendation to the Board on the Circular to Unitholders in relation to the General Mandate to buy back Units of Champion REIT, the Re-election of Independent Non-executive Director and Notice convening the 2025 AGM.
- Reviewed and approved the content of the Announcement in relation to the Amendments to the Trust Deed.
- Reviewed and approved the content of the Announcement in relation to the Appointment of Additional Members of the Nomination Committee.
- Reviewed and approved the content of the Announcement and the Circular to Unitholders in relation to the Continuing Connected Party Transactions; and Notice of EGM.

### Nomination Committee

The REIT Manager established Nomination Committee in 2019 and adopted the amended terms of reference during the Year. The written terms of reference of the Nomination Committee are available upon request. The role of the Nomination Committee is to formulate policy and make recommendations to the Board on nominations, appointments or re-appointments of Directors and Board succession, and ensure that changes to the composition can be managed without undue disruption.

### Nomination Committee's Principal Responsibilities

- |                             |  |
|-----------------------------|--|
| <b>Board Composition</b>    | <ul style="list-style-type: none"> <li>• Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the strategy of Champion REIT.</li> <li>• Identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.</li> <li>• Making recommendations on persons for appointment or re-appointment as Director to, and propose Directors for removal from, the full Board and make recommendations to the Board on the relevant matters relating to succession planning for Directors, in particular the Chairman and the Chief Executive Officer.</li> </ul> |
| <b>Corporate Governance</b> | <ul style="list-style-type: none"> <li>• Assessing the independence of Independent Non-executive Directors.</li> <li>• Maintaining and updating the Board Diversity Policy, Nomination Policy, and Workforce Diversity Policy of the REIT Manager.</li> </ul>  |

During the Year, one physical Nomination Committee meeting was held. The following is a summary of the major work done of the Nomination Committee during the Year:

### Summary of Major Work done of the Nomination Committee

- |                             |  |
|-----------------------------|--|
| <b>Board Composition</b>    | <ul style="list-style-type: none"> <li>• Reviewed the structure, size and composition of the Board, the contribution required from the Board members.</li> <li>• Considered and nominated the proposed re-appointment of retiring Director at the 2025 AGM.</li> </ul>   |
| <b>Corporate Governance</b> | <ul style="list-style-type: none"> <li>• Reviewed the Board Independence Mechanism and the independence of Independent Non-executive Directors.</li> <li>• Reviewed the implementation and effectiveness of the Board Diversity Policy.</li> <li>• Updated Terms of Reference and nominated additional members to the Nomination Committee.</li> </ul> |

# Corporate Governance Report

## ***Nomination Policy***

The Nomination Committee adopted a Nomination Policy of the REIT in 2020. The Nomination Committee shall review the Nomination Policy from time to time. The objective of the Nomination Policy is to assist the REIT Manager in fulfilling its duties and responsibilities as provided in its terms of reference. The Nomination Policy sets out, inter alia, the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the REIT Manager.

The Nomination Committee is delegated by the Board to shortlist any and all candidates recommended as nominees for Directors to the Committee by any Directors or shareholders of the REIT Manager in accordance with the REIT Manager's Articles of Association and the Compliance Manual. The Nomination Committee may also undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees. The Nomination Committee shall endeavour to find individuals of high integrity who possess the qualifications, qualities and skills, criteria of independence as laid down in the Listing Rules (in case of Independent Non-executive Directors) to effectively represent the best interests of all the Unitholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating candidates including personal interviews, background checks, written submission by the candidates and third party references. As far as practicable, nominees for each election or appointment of Directors will be evaluated using a substantially similar process.

## ***Independence Assessment of Independent Non-executive Directors***

The Nomination Committee believes that independence is an important part of fulfilling the Directors' duties to supervise the management of the business and affairs of the Trust. The Nomination Committee has considered the following factors for assessing the independence of the Independent Non-executive Directors for the Year.

Assessment Criteria	Independence Assessment of Independent Non-executive Directors for the Year
<b>Independence under Rules 3.13 of the Listing Rules</b>	The independence of each Independent Non-executive Director is assessed based on the independence criteria under Rule 3.13 of the Listing Rules, and all Independent Non-executive Directors have submitted annual confirmations to the REIT Manager on their fulfillment of the independence guidelines set out in Rule 3.13 of the Listing Rules.
<b>Tenure, professional background, expertise and contributions</b>	<p>The Board includes three long-serving Independent Non-executive Directors, namely Mr Cheng Wai Chee, Christopher, Mr Ip Yuk Keung, Albert and Mr Shek Lai Him, Abraham, and their re-appointments are subject to the approval of the Unitholders at the AGM by way of a separate resolution.</p> <p>Despite their long serving, each long-serving Independent Non-executive Director has made significant contributions to Champion REIT. Mr Cheng brings extensive experience in property and corporate leadership; Mr Ip contributes international banking expertise, and Mr Shek offers valuable insights in public policy and regulatory matters, as well as leadership through his committee chairmanships.</p>

The Nomination Committee considers that each Long Serving Independent Non-executive Directors has made significant contributions to Champion REIT and is satisfied that their length of service does not impair their independence and that their continued service remains beneficial to Champion REIT and Unitholders.

### ***Directors' Time Commitment and Contribution Assessment***

The Nomination Committee has assessed the Directors' time commitment and contribution to the Board for the Year based on the following factors:

Assessment Criteria	Directors' Time Commitment and Contribution Assessment for the Year
<b>Other Listed Directorships and/or Other Significant External Commitments</b>	All Non-executive Directors and Independent Non-executive Directors have annually disclosed to the REIT Manager their other directorships held in Hong Kong listed companies, as well as any other significant commitments. As at 31 December 2025, one of the Directors, Mr Shek Lai Him, Abraham concurrently holds more than six other listed company directorships in other listed companies in Hong Kong. Nonetheless, Mr Shek has maintained an excellent attendance record, with full attendance at all Board and Board Committees meeting throughout all years since his appointment, including the year under review. It is expected that Mr Shek will continue to fulfill his role as required of an Independent Non-executive Director.
<b>Attendance Record</b>	All Directors have attended all Board Meetings, Board Committees Meetings, AGM and EGM held during the Year.
<b>Responsibilities and Skills</b>	Directors are able to contribute effectively to the Board through their responsibilities and skills. The responsibilities of each of the Directors and their expertise are set out in the Board Composition section of this report.

In view of the above, the Nomination Committee believes that the Directors are able to devote sufficient time to the affairs of Champion REIT without being over-occupied with the business of other listed companies.

### **Finance and Strategic Planning Committee**

The REIT Manager established a Finance and Strategic Planning Committee and adopted the terms of reference in February 2021. The role of the Finance and Strategic Planning Committee is to enhance governance and control in respect of the financial performance and strategic planning of Champion REIT. The Finance and Strategic Planning Committee discharges its duties under the terms of reference so delegated by the Board and reports and makes recommendations to the Board and it is distinct and separate from the Audit Committee. The Finance and Strategic Planning Committee shall have no executive authority with regard to its findings and recommendations.

# Corporate Governance Report

## Finance and Strategic Planning Committee's Principal Responsibilities

- Reviewing the Trust's financial strategy and budget setting strategy.
- Reviewing the Trust's operating budget, annual capital budget and allocation of capital and monitoring the implementation of the approved annual budget/forecasts and annual business plan.
- Reviewing the Trust's treasury management activities.
- Reviewing the Trust's cash requirements and sources of cash.
- Reviewing and monitoring the implementation of proposed acquisitions and/or disposal of real estate and investments, where appropriate, making recommendations to the Board with respect thereto.
- Overseeing the implementation of the Trust's key financial and operational controls and processes, namely:
  - (i) Maintaining general industry awareness and recommend changes to the compliance program based on industry developments, legal guidance, practices of the Trust's and/or other standards and requirements identified by the Finance and Strategic Planning Committee.
  - (ii) Evaluating policies and controls of the Trust's including operation, finance, budgeting, governance and compliance.
  - (iii) Monitoring the progress towards achievement of the financial strategy and financial targets, and operational performance associated activity levels.

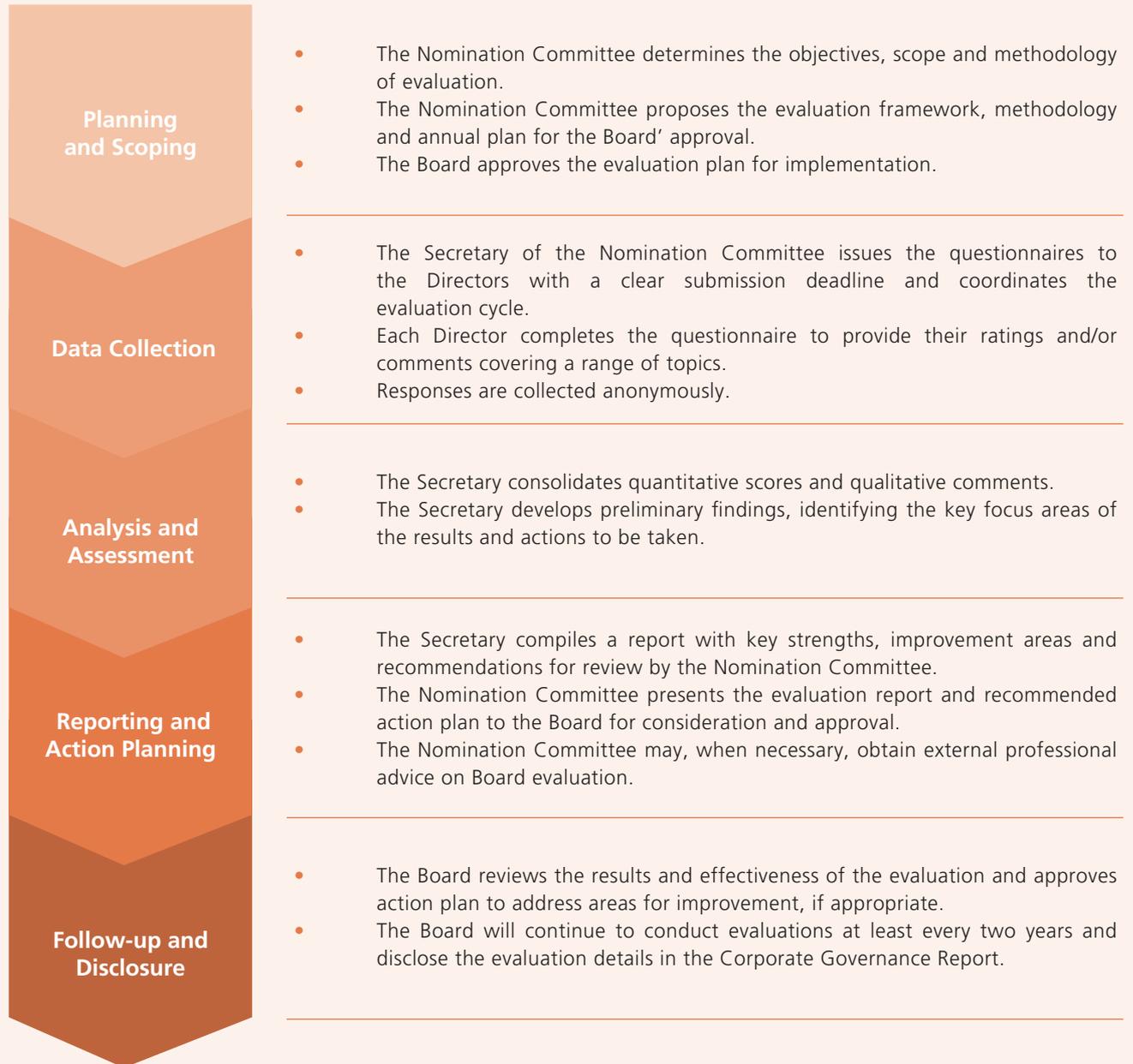
## BOARD EVALUATION

The Board believes that regular Board evaluation is an essential element to maintaining high standards of corporate governance and enhancing Board effectiveness. The objective of Board evaluation is for measuring the accountability, transparency and effectiveness of Board, and ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures. An internal evaluation on the performance of the Board is scheduled to be conducted in 2026, with regular evaluations to follow at least every two years thereafter.

The scope of the evaluation will be covered various aspects, including:

- (i) Board Mix and Composition
- (ii) Relationship between the Board and the Management
- (iii) Quality of Information and Decision Making
- (iv) Boardroom Activities

## Board Evaluation Process



## Corporate Governance Report

### Interest of, and Dealings in Units by, Directors, the REIT Manager or the Significant Unitholders

To monitor and supervise any dealings of Units, the REIT Manager has adopted a code (the “Code on Securities Dealings”) governing dealings in the securities of Champion REIT by the Directors and Relevant Personnel (as defined in the Code on Securities Dealings) of the REIT Manager on terms no less exacting than the required standard set out in the Model Code. Pursuant to the Code on Securities Dealings, any Directors and Relevant Personnel wishing to deal in the Units must first have regard to the provisions analogous to those set out in Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct. In addition, a Director or Relevant Personnel must not make any unauthorised disclosure of confidential information obtained in the course of his/her or its service such as a Director, office-holder or employee of the REIT Manager, or its position as the REIT Manager of Champion REIT to any other person or make any use of such information for the advantage of himself/herself or others. The Code on Securities Dealings also extends to senior executives and officers of the REIT Manager. Specific enquiry has been made with the REIT Manager’s Directors, senior executives and officers and they have confirmed that they complied with the required standard set out in the Code on Securities Dealings throughout the Year.

Directors or Relevant Personnel who are in possession of, aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are significant transactions or any unpublished inside information must refrain from dealing in the Units as soon as they possess, become aware of or privy to such information until proper disclosure of the information in accordance with the REIT Code and any applicable provisions of the Listing Rules. Directors or Relevant Personnel who are privy to relevant negotiations or agreements or any inside information should caution those Directors or Relevant Personnel who are not so privy that there may be unpublished inside information and that they must not deal in Champion REIT’s securities until proper disclosure of information has been made. The above restrictions on dealings will be regarded as equally applicable to any dealings by the close associates of Directors.

The REIT Manager has also adopted procedures for the monitoring of disclosure of interests by the Directors, the Chief Executive Officer, and the REIT Manager, to whom the provisions of Part XV of the SFO shall apply.

Under the Trust Deed and by virtue of Part XV of the SFO, Unitholders will have a notifiable interest if their holdings of Units reach or exceed the notifiable percentage level (as defined in the SFO for the purposes of Part XV of the SFO), i.e. 5% of the Units then in issue, and will be required to notify the Stock Exchange and the REIT Manager of their holdings in Champion REIT. The REIT Manager keeps a register for these purposes and records in the register, against a person’s name, the particulars provided pursuant to the notification and the date of entry of such record. The said register shall be available for inspection by the Trustee and any Unitholder at any time during business hours upon reasonable notice to the REIT Manager.

Having made specific enquiries, all members of the Board and relevant personnel of the REIT Manager confirmed that they had fully complied with the Code on Securities Dealings during the Year.

### ***Staff Dealing Policy***

The REIT Manager has put in place a Staff Dealing Policy which is designated to prevent unethical business and legal conflicts and to guard against the misuse of proprietary, confidential and insider information by all employees of the REIT Manager including the Directors (other than Non-executive Directors and Independent Non-executive Directors). The rules under the Staff Dealing Policy are imposed to comply with relevant requirements as set out in the Code of Conduct for Persons Licensed by or Registered with the SFC or the Fund Manager Code of Conduct of the SFC (where applicable) and to comply with general law as well as other applicable rules or laws.

### ***Inside Information***

The REIT Manager has put in place Control Policy on Preservation and Misuse of Inside Information which sets out procedures and internal controls for the REIT Manager on handling and dissemination of inside information. When information is determined by management to be inside information, Chief Executive Officer will evaluate the situation and make recommendation to the Chairman on whether or not the issue shall be escalated to the Board to determine the appropriate actions to be taken including public disclosure.

## **Management of Business Risk**

The Board meets quarterly or more often if necessary and reviews the financial performance of the REIT Manager and Champion REIT against a previously approved budget. The Board also reviews any risks to assets of Champion REIT, examine liability management and act upon any recommendations from the auditor of Champion REIT. In assessing business risk, the Board considers the economic environment and the property industry risk. It reviews management reports and feasibility studies on individual development projects prior to approving major transactions.

The REIT Manager has appointed experienced and well-qualified management to handle the day-to-day operations of the REIT Manager and Champion REIT. The management team currently comprises the Chief Executive Officer, the Investment and Investor Relations Director, the Deputy Head of Asset Management and Investment, the Finance Director, the Senior Internal Audit Manager, the Senior Program Manager, and the Compliance Manager. Apart from the day-to-day interactions, the management team, chaired by the Chief Executive Officer, meets regularly for operation updates and sharing among the team members. During the Year, 12 meetings of the management team were held.

Furthermore, the Trust has an information security risk insurance policy in place, and it undergoes external audits to uphold the highest information security standards.

### **Summary of the Significant Risks**

No.	Risk Description	Major Mitigation Measures
(i)	<b>Competitive Pressure from the Retail Market</b> Intensifying competition driven by the rise of online shopping and increased outbound spending.	<ul style="list-style-type: none"> <li data-bbox="691 1251 1465 1319">➤ Carry out facility or asset upgrades to uphold the image and positioning of our leasing properties.</li> <li data-bbox="691 1349 1465 1417">➤ Increase marketing and promotional activities to drive shopper traffic.</li> <li data-bbox="691 1447 1465 1515">➤ Attract sought-after brands and pop-up stores to enhance variety and refresh the shopping experience.</li> <li data-bbox="691 1544 1465 1630">➤ Adopt greater flexibility in structuring leasing terms for quality tenants and enhance marketing support for tenants to drive sales.</li> </ul>

## Corporate Governance Report

No.	Risk Description	Major Mitigation Measures
<p><b>(ii) Oversupply in the Office Market and Negative Rental Reversion amid the Office Correction Cycle</b> Increased overall office vacancies and new supplies are affecting the office segment.</p>	<ul style="list-style-type: none"> <li>➤ Diversify tenant mix from different trades to avoid a high percentage of revenue being generated from a small portion of tenants.</li> <li>➤ Build fitted small offices to capture the dominant demand for ready-to-use premises.</li> <li>➤ Upgrade facilities to maintain competitiveness.</li> <li>➤ Initiate early renewal of leases with key tenants to pre-empt their relocation to new developments.</li> </ul>	
<p><b>(iii) Economic Uncertainties</b> Macroeconomic uncertainties and geopolitical pressures could undermine investor confidence and delay leasing and investment decisions, negatively impacting revenue and operations.</p>	<ul style="list-style-type: none"> <li>➤ Regularly assess changes in the economic environment that may negatively affect our business and prepare countermeasures.</li> <li>➤ Closely monitor the market situation and stay abreast of the latest business developments among major competitors, adopting appropriate and flexible strategies promptly.</li> <li>➤ Broaden relationships with brokers, agents and developers to access off-market or pre-market opportunities, increasing the pool of potential assets.</li> </ul>	
<p><b>(iv) Change in Shopping Behaviour of Tourists and Locals</b> An increase in outbound travel and a shift in shopping habits from shopping to sightseeing may adversely impact both traffic and sales.</p>	<ul style="list-style-type: none"> <li>➤ Closely monitor changing shopping behaviour and tenant performance, making necessary adjustments to the leasing and trade mix strategy.</li> <li>➤ Prioritise curated intellectual property experiences, strategic partnerships and data-driven engagements to convert traffic into tenant sales.</li> <li>➤ Conduct year-round marketing and promotional activities to attract traffic and retain local and tourist spending amid cross-border competition.</li> </ul>	
<p><b>(v) Financial Risk</b> An unstable interest rate environment and downgrades in credit ratings may lead to higher financing costs and a negative impact on distribution per unit.</p>	<ul style="list-style-type: none"> <li>➤ Maintain a balanced position of fixed-rate debt and hedging for borrowings.</li> <li>➤ Obtain standby banking facilities to meet refinancing needs.</li> <li>➤ Regularly communicate with lenders to provide business updates, facilitating credit assessments and exploring the establishment of new loan facilities and different funding sources.</li> </ul>	

No.	Risk Description	Major Mitigation Measures
(vi)	<b>Potential Default Risk of Tenants</b> Defaults on rental payments increase the risk of financial loss and vacancy pressure.	<ul style="list-style-type: none"> <li>➤ Closely monitor tenants' corporate structural changes that may affect their creditability, financial ability and market position.</li> <li>➤ Conduct comprehensive background and creditability checks for prospective tenants.</li> <li>➤ Closely monitor the timeliness of rental payments and implement prompt procedures to mitigate loss.</li> <li>➤ Be flexible in leasing strategies and offer lease restructuring if necessary.</li> </ul>

### Risk Management and Internal Control Systems

The Board is entrusted with the overall responsibility on an ongoing basis for ensuring that adequate and effective risk management and internal control systems are established and maintained for the REIT Manager and Champion REIT. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives. The following have been established and executed to ensure there are adequate and effective risk management and internal control systems for the REIT Manager and Champion REIT:

- (a) A good control environment including well defined organisational structure, limit of authority, reporting lines and responsibilities;
- (b) Risk Management Self-Assessment and Internal Control Self-Assessment conducted at least annually by the REIT Manager;
- (c) Appropriate risk mitigating activities including clear and written policies and procedures that can manage risks to an acceptable level for the achievement of the business objectives of Champion REIT;
- (d) Effective information platforms to facilitate internal and external information flow;
- (e) Structured internal audit function (the "Internal Audit") to perform independent appraisal of major operations on an ongoing basis; and
- (f) Information Security Awareness Training annually organised by the Internal Audit.

Through the Audit Committee and the Internal Audit, the Board has conducted an annual review on the effectiveness of the risk management and internal control systems for the Year.

A risk management framework is implemented that provides a structured basis where all key risks (including but not limited to governance and strategy, regulatory compliance, people and talent, technology and operations, cyber-security, financial, economic, legal and ESG) are identified, analysed, evaluated, treated, monitored and reported in a consistent manner at all levels across Champion REIT to support development and achievement of overall strategy and business objectives. Risk Register summarising the nature and extent of significant risks faced by the REIT Manager and Champion REIT, and relevant risk mitigating activities is maintained for reporting annually to the Audit Committee.

## Corporate Governance Report

With adoption of a risk-based approach, Internal Audit takes the lead to evaluate the risk management and internal control systems of the REIT Manager and Champion REIT by reviewing all its major operations on a cyclical basis. The audit reviews cover all material controls including financial, operational and compliance controls. The 2-year audit plan of the Internal Audit is approved by the Audit Committee. The Internal Audit reports directly to the Audit Committee. Results of the audit reviews in the form of internal audit reports are submitted to the members of the Audit Committee for discussion at the Audit Committee meetings. The internal audit reports are also followed up by the Internal Audit to ensure that findings previously identified have been properly resolved.

Based on the results of the internal audit reviews for the Year and the assessment of the Audit Committee thereon, no significant irregularity or deficiency in risk management and internal control systems has drawn the attention of the Audit Committee.

The Board therefore is satisfied that the REIT Manager and Champion REIT have maintained adequate and effective risk management and internal control systems for the Year.

### ***Whistleblowing Policy***

The REIT Manager has put in place a Whistleblowing Policy to provide guidelines and channels on reporting possible improprieties in matters of financial reporting or other matters, and reassurance to the whistleblowers. The Whistleblowing Policy sets out the procedures to ensure well defined and accessible channels to report any misconduct, malpractice or irregularity for the independent investigation and appropriate follow up action. The aim of the Whistleblowing Policy is to encourage the reporting of such matters in good faith, with the confidence that the whistleblower be protected against unfair dismissal, victimisation or unwarranted disciplinary action regardless the genuineness and appropriateness of reports.

### **Conflict of Interests and Business Competition with Great Eagle**

As mentioned hereinbefore, the REIT Manager and the Property Manager provide the management and operating services to Champion REIT respectively. Longworth Management Limited acts as Office DMC Sub-Manager of Langham Place Officer Tower. Keyesen Property Management Services Limited acts as (1) Estate Manager of Langham Place Mall, (2) CAF Estate Manager and DMC Manager of Langham Place; and (3) DMC Sub-Manager of Three Garden Road. All of the above companies are wholly-owned subsidiaries of Great Eagle. Dr Lo Ka Shui, being the Chairman and Non-executive Director of the REIT Manager, holds directorships in Great Eagle and its subsidiaries. Great Eagle, being a connected person of Champion REIT by virtue of its being a substantial unitholder of Champion REIT through its controlled corporations, develops, invests in and manages high quality residential, office, retail and hotel properties in Asia, North America, Australasia and Europe. There may be potential conflicts of interests between Great Eagle and Champion REIT in respect of the performance of estate management services in relation to Three Garden Road and Langham Place or other properties.

### ***Business Competition***

The Great Eagle Group is one of Hong Kong's leading property companies, it also owns and manages an extensive international hotel portfolio branded under The Langham and its affiliate brands. Headquartered in Hong Kong, the Great Eagle Group develops, invests in and manages high quality residential, office, retail and hotel properties in Asia, North America, Australasia and Europe. There may be circumstances where Champion REIT competes directly with Great Eagle and/or its subsidiaries or associates for acquisitions or disposals of properties as well as for tenants within the Hong Kong market as Great Eagle, its subsidiaries and associates are engaged in and/or may engage in, amongst other things, the development, investment in and management of, properties in the residential, office, retail, and hotel sectors in Hong Kong and overseas. There are no non-compete agreements between Great Eagle and Champion REIT.

### ***Conflict of Interests***

In respect of matters in which a Director has an interest, direct or indirect, in any contract or arrangement to which Champion REIT (whether through the REIT Manager or the Trustee) is a party, such interested Director shall disclose his/her interest to the Board and abstain from voting on the resolution concerned at a meeting of the Directors. In addition, all employees of the REIT Manager (including the Executive Director) are required to declare any conflict of interests in connection with their official duties pursuant to the Code of Conduct of the REIT Manager.

#### **Procedures to deal with Conflicts of Interests**

The REIT Manager has instituted various procedures to deal with potential conflict of interests issues, including but not limited to:

- In respect of matters in which a Director has an interest, direct or indirect, in any contract or arrangement to which Champion REIT (whether through the REIT Manager or the Trustee) is a party, such interested Director shall disclose his/her interest to the Board and abstain from voting on the resolution concerned at a meeting of the Directors.
- The REIT Manager is a dedicated manager to Champion REIT and will not manage any other real estate investment trust or be involved in any other real property business.
- The majority of the Board is not related to Great Eagle and the Independent Non-executive Directors act independently for the interests of Champion REIT.
- The management structure of the REIT Manager includes the Audit Committee, the Nomination Committee and the Disclosures Committee to promote a high level of corporate governance and address any potential conflict of interests with Great Eagle.
- The REIT Manager has adopted the Compliance Manual and Operations Manual which set out detailed compliance procedures in connection with its operations.
- The REIT Manager has employed a team of senior management and employees on a full-time basis who will not maintain any other roles apart from their roles within the REIT Manager.
- All connected party transactions are managed in accordance with the requirements set out in the REIT Code, Listing Rules, Compliance Manual and other relevant policies and guidelines issued for and adopted by Champion REIT.

### ***Estate Management Services***

With respect to estate management services, Longworth and Keysen have collectively established a team comprising over 200 full-time staff, exclusively dedicated to carrying out property management services for Three Garden Road and Langham Place. These services are facilitated through separate office locations and IT systems. Given the extensive experience of Longworth and Keysen in the estate management of Three Garden Road and Langham Place, the REIT Manager believes that continuing the existing estate management arrangements is in the interests of Champion REIT and the REIT Manager does not anticipate any significant likelihood of conflict of interests arising between Great Eagle and Champion REIT.

# Corporate Governance Report

## *Leasing and Marketing*

Regarding leasing and marketing functions, the REIT Manager does not anticipate any significant likelihood of conflict of interests between Great Eagle and Champion REIT because the Property Manager provides exclusive property management services (including leasing and marketing functions) for Three Garden Road and Langham Place, while Great Eagle has its own independent leasing team to perform the property management functions for its own properties. The Property Manager operates from a separate office location distinct from the other Great Eagle entities that perform leasing and marketing functions for other properties held by Great Eagle. To ensure that there is segregation of information between the Property Manager and other Great Eagle entities, the Property Manager maintains its own database with unique access and security codes separate from those of Great Eagle.

## Unitholders Engagement

### Trust Deed

On 27 June 2025, the REIT Manager entered into the Second Amending and Restating Deed with the Trustee to (i) reflect the amendment that allows Champion REIT to hold and/or resell repurchased units in the form of treasury units and (ii) implement other housekeeping amendments. Further details were disclosed in Champion REIT's announcement dated 27 June 2025.

### Communications with Unitholders

We recognise the importance of maintaining an ongoing dialogue with our Unitholders. The Unitholder Communication Policy has been adopted to promote effective engagement with Unitholders, institutional investors and other stakeholders, giving them timely and equal access to balanced and understandable information about Champion REIT.

Below is a summary of the communication channels available for Unitholders:

---

#### Trust's Website

To ensure efficient communication, all corporate communications of Champion REIT, including but not limited to annual reports, interim reports, notices of meetings, announcements, circulars and other relevant information, are available on the website of Champion REIT at [www.ChampionReit.com](http://www.ChampionReit.com). Investors and Unitholders may visit the website for details of the recent press releases and results announcement presentations.

---

#### Investor Relations

The REIT Manager regularly meets with existing and potential investors, financial analysts, and media at one-on-one meetings, group meetings, local and overseas conference, and roadshows. Analyst briefings and investor meetings were held during the Year. A timeline of significant events, setting out the important dates for Champion REIT and the Unitholders, is provided in this Annual Report on page 2 as a quick reference.

---

#### General Meetings

The Chairman of the Board will attend the AGM and the representative of the Audit, Disclosures and Nomination Committees and the external auditor would be available to answer questions. Unitholders were provided with the opportunities to communicate with the Directors at general meetings. Enquires from Unitholders were responded within a specific timeframe.

---

### Enquiries from Unitholders

In accordance with the Operations Manual, it is an on-going responsibility of the Chief Investment Officer and Investment and Investor Relations Director to receive and handle investor comments/feedback. All comments/feedback and complaints about Champion REIT from an investor's perspective must be recorded in a register. Sufficient details of the person who made the comments/feedback and the measures to deal with the request must be recorded. When recording the comments/feedback, the next critical date in the comments/feedback handling procedure must be noted and adhered to, until the relevant matter has been resolved.

The Directors will be kept informed at the Board meetings of the complaints being made (if any), the procedures being used to handle the complaints, and any remedial action taken or proposed to be taken. Any trends will be identified.

During the Year, the Board reviewed the implementation and effectiveness of the Unitholder Communication Policy, and having considered the policy was effectively implemented.

### General Meetings

The general meetings of the Trust provide a principal communication channel between the Unitholders and the Board. The Trust held two general meetings in 2025. Details as follows:

#### 2025 AGM

One of the primary channels of communication with the Unitholders is the AGM. Champion REIT ensures that Unitholders' views are communicated to the Board. The 2025 AGM was held on 28 May 2025, at which the matters resolved are set out below.

Ordinary Resolutions	Percentage of votes in favour of the Resolutions
3. Re-elect Mr Shek Lai Him, Abraham as an Independent Non-executive Director of the REIT Manager.	97.28%
4. Approved the grant of a general mandate to the REIT Manager to buy back Units on the Stock Exchange on behalf of Champion REIT not exceeding 10% of the issued Units.	100%

The turnout rates at the AGM over the past five years are as follows:

Year of AGM	2021	2022	2023	2024	2025
Total number of eligible voting rights	5,921,451,723	5,955,056,541	5,990,682,244	6,049,474,368	6,109,590,638
Total number of votes cast	4,442,454,230	4,419,366,160	4,396,028,971	4,494,399,481	4,575,298,172
Turnout rate	75.02%	74.21%	73.38%	74.29%	74.89%

# Corporate Governance Report

## 2025 EGM

An EGM was held on 18 December 2025, at which the matters resolved are set out below.

Ordinary Resolutions	Percentage of votes in favour of the Resolutions
1. Approved the New Revenue Transactions Framework Agreement, the Revenue Transactions and the Revenue Transactions Annual Caps.	99.99%
2. Approved the New Expense Transactions Framework Agreement, the Expense Transactions and the Expense Transactions Annual Caps.	99.99%

The Board considers feedback received at general meetings and, where appropriate, incorporates it into its discussions and decision-making. Questions raised at meetings, if any, were answered directly by the Board of Directors.

## Attendance

Champion REIT holds a general meeting as its annual general meeting each year, in addition to any other meetings held that year. The 2025 AGM was held on 28 May 2025 and all the Directors attended the meeting. The Chairman of the Board and the chairman of the Audit Committee, Nomination Committee and Disclosures Committee also attended the 2025 AGM to answer questions from Unitholders. The external auditor is also available at the meeting to answer any questions about the audit, the auditor's report, accounting policies, auditor independence, and any other related questions raised by the Unitholders.

## Notice

Under the Listing Rules, the notice should be sent at least 21 days before AGM and at least 14 days before any other general meeting. The Trust Deed requires at least 20 clear business days' notice of the meeting shall be given to Unitholders for convening the AGM, and at least 10 business days' notice for any other meeting.

## Quorum

Two or more Unitholders present in person or by proxy, registered as holding together not less than 10% of the Units currently issued and outstanding, will form a quorum for the transaction of all business transactions, except for passing a special resolution. The quorum for passing a special resolution consists of two or more Unitholders present in person or by proxy, registered as holding together at least 25% of the Units currently issued and outstanding.

## Voting

On a poll, every Unitholder present in person or by proxy has one vote for every fully-paid up Unit of which he/she is the Unitholder.

At a meeting where Unitholders have a material interest in the business to be conducted, and that interest is different from the interests of other Unitholders, as determined by (i) the REIT Manager (if the Unitholder is not a connected person related to the REIT Manager); or (ii) the Trustee (if the Unitholder concerned is a connected person related to the REIT Manager), such Unitholders are prohibited from voting their own Units at or being counted in the quorum for such meeting. This includes, but not limited to an issue of new Units where a Unitholder may increase his/her holdings of Units by more than his/her pro rata share.

### ***Poll Voting***

At any meeting, a resolution put to the meeting shall be decided by a poll, except when the Chairman, in good faith, decides to allow a resolution pertaining solely to a procedural or administrative matter to be voted on by a show of hands. The result of the poll shall be deemed to be the resolution of the meeting. During a poll, every Unitholder who is present in person or by proxy shall have one vote for every fully paid up Unit held. Votes cast by a Unitholder in contravention of the REIT Code or Listing Rules shall not be counted.

On a poll, votes may be cast either personally or by proxy. The instrument of proxy used shall be in accordance with the form illustrated in the Trust Deed or any other form approved by the Trustee. Any Unitholder being a corporation may, by resolution of its directors (or other governing body), authorise any person to act as its representative at any meeting of Unitholders. A person so authorised in this way shall have the same rights and powers as an individual Unitholder.

#### **Proceedings of General Meetings**

- At each general meeting, each substantially separate issue will be considered by a separate resolution.
- Copies of the corporate communications including circulars, explanatory statements and related documents will be despatched to Unitholders no less than 20 clear business days or 21 days for AGM and no less than 10 clear business days or 14 days for any other general meeting, whichever the longer. Detailed information on each resolution to be proposed will also be provided.
- The external auditor will attend AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence and any other related questions as may be raised by the Unitholders.
- All votes of Unitholders at general meeting will be taken by poll. The procedures for conducting a poll will be explained at the meeting.
- Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted.
- Poll vote results will be posted on the websites of Champion REIT and the Stock Exchange on the same day after the general meeting.



# Corporate Governance Report

## Unitholders' Rights

Pursuant to the Trust Deed, a general meeting of Unitholders may be convened by the Trustee or the REIT Manager. In addition, a general meeting may be convened upon a written request by not less than two Unitholders who are registered as together holding not less than 10% of the Units in issue and outstanding, requesting the REIT Manager to convene a general meeting of Unitholders for the purpose of considering proposed resolutions. In addition, Unitholders and/or investors may at any time direct their enquiries about the Trust to the Board or may put forward proposals at general meeting, in both cases, by writing to the REIT Manager's office in Hong Kong at Suite 3008, 30/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong or by email to info@eam.com.hk.

## Matters to be decided by Unitholders by Special Resolution

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of Unitholders by way of special resolution. Such matters include, among other things:

- (a) change in the REIT Manager's investment policies/strategies for Champion REIT;
- (b) disposal of any real estate investment of Champion REIT or shares in any special purpose vehicles holding such real estate investment within two years of acquisition;
- (c) any increase in the rate of the REIT Manager's fees above the permitted limit or change in the structure of the REIT Manager's fees;
- (d) any increase in the rate of the acquisition fees above the permitted limit or change in the structure of the acquisition fees;
- (e) any increase in the rate of the divestment fees above the permitted limit or change in the structure of the divestment fees;
- (f) any increase in the rate of the Trustee's fees above the permitted limit or change in the structure of the Trustee's fees;
- (g) certain modifications of the Trust Deed;
- (h) termination of Champion REIT;
- (i) merger of Champion REIT;
- (j) removal of Champion REIT's auditor and subsequent appointment of new auditor; and
- (k) removal of the Trustee.

As stated above, the quorum for passing a special resolution is two or more Unitholders present in person or by proxy registered as holding not less than 25% of the Units in issue and outstanding. A special resolution may only be passed by 75% or more of the votes of those present and entitled to vote in person or by proxy at duly convened meeting and the votes shall be taken by way of poll.

## Distribution Policy

Pursuant to the Distribution Policy, Trust Deed and REIT Code, Champion REIT is required to ensure that the total amounts distributed or distributable to Unitholders shall be no less than 90% of annual distributable income (i.e. the consolidated audited net profit after tax of the Trust subject to certain adjustments in accordance with the Trust Deed) for each financial year.

During the Year, all distribution decisions made in respect of Champion REIT were made in accordance with the Distribution Policy and there were no deviations from the policy.

## Compliance

Throughout the Year, Champion REIT and the REIT Manager had complied with REIT Code, the Trust Deed of Champion REIT, the relevant and applicable provisions and requirements of the SFO and the Listing Rules.

Champion REIT and the REIT Manager 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.

## Issue of New Units

To minimise the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the Trust Deed and the REIT Code. Such provisions require that further issues of Units be first offered on a pro rata pre-emptive basis to existing Unitholders except that Units may be issued: (i) free of such pre-emption rights in certain circumstances up to an aggregate maximum in any financial year of 20% of the number of Units in issue at the end of the previous financial year; and (ii) free of pre-emption rights in other circumstances provided that the approval of Unitholders by way of an ordinary resolution is obtained. Subject thereto, Units may be issued as consideration for the acquisition of additional real estate.

The REIT Manager and Champion REIT may issue Units or convertible instruments to a connected person, without the requirement of obtaining Unitholders approval under certain circumstances, including where: (i) the connected person receives a pro rata entitlement in its capacity as a Unitholder; or (ii) Units are issued to the connected person to satisfy part or all of the REIT Manager's remuneration; or (iii) Units are issued to the connected person pursuant to a reinvestment of distribution in accordance with the Trust Deed, subject to certain conditions.

Where the issue of Units would give rise to a conflict of interests on the part of the REIT Manager or its connected persons, the REIT Manager and its connected persons shall abstain from voting in relation to any issuance of Units.

## Corporate Governance Report

As at 31 December 2025, the total number of issued Units of Champion REIT was 6,135,291,669. As compared with the position of 31 December 2024, a total of 54,476,984 new Units were issued during the Year.

Date	Particulars	No. of Units
<b>31 December 2024</b>	Number of issued Units:	6,080,814,685
<b>6 March 2025</b>	Issue of new Units to the REIT Manager at the price of HK\$1.83 per Unit (being the market price as ascribed in the Trust Deed) as payment of 50% of the manager's fee in respect of the real estate held by Champion REIT of approximately HK\$52,660,000 payable by Champion REIT for the six months ended 31 December 2024	28,775,953
<b>3 September 2025</b>	Issue of new Units to the REIT Manager at the price of HK\$2.034 per Unit (being the market price as ascribed in the Trust Deed) as payment of 50% of the manager's fee in respect of the real estate held by Champion REIT of approximately HK\$52,276,000 payable by Champion REIT for the six months ended 30 June 2025	25,701,031
<b>31 December 2025</b>	Number of issued Units:	6,135,291,669

### Public Float

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

### Buy-Back, Sale or Redemption of Champion REIT's Securities

A general mandate to buy back Units in the open market was given by Unitholders at the 2025 AGM held on 28 May 2025. 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.

### 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 2025, the portfolio of Relevant Investments represented approximately 0.08% of the gross asset value ("GAV") 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 0.57% of the GAV of Champion REIT as at 31 December 2025, and therefore is within the Maximum Cap, being 25% of the gross asset value of Champion REIT.

The full investment portfolio of the Relevant Investments<sup>1</sup> of Champion REIT as at 31 January 2026<sup>4</sup> is set out below:

As at 31 January 2026	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)
<b>Bonds Investment</b>								
HKE 2 7/8 05/03/26	Bond	Hong Kong Exchange	British Virgin Islands	USD	7,758	7,787	0.0132%	A-/-/-
CKHH 1 1/2 04/15/26	Bond	Singapore Exchange	Cayman Islands	USD	14,530	15,543	0.0264%	A/A2/A-
MOLAND 9 12/28/24	Bond	Singapore Exchange	Cayman Islands	USD	1,247	7	0.0000%	-/-/-
MOLAND 11 12/30/27	Bond	Singapore Exchange	Cayman Islands	USD	2,495	27	0.0000%	-/-/-
CAPG 5.5 09/30/31	Bond	Singapore Exchange	Cayman Islands	USD	8,113	71	0.0001%	-/-/-
CAPG 0 09/30/28	Bond	Singapore Exchange	Cayman Islands	USD	2,320	29	0.0000%	-/-/-
CAPG 0 PERP	Bond	Singapore Exchange	Cayman Islands	USD	25,963	128	0.0002%	-/-/-
ADHERH 7.5 09/30/29	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	498	0.0008%	-/-/-
ADHERH 9 09/30/30	Bond	Singapore Exchange	British Virgin Islands	USD	8,113	203	0.0003%	-/-/-
ADHERH 9.8 09/30/31	Bond	Singapore Exchange	British Virgin Islands	USD	10,547	174	0.0003%	-/-/-
Sub-total:					91,635 <sup>5</sup>	24,467	0.0413%	
<b>Equity Investment</b>								
China Aoyuan Group Limited (Stock Code: 3883.HK)	Stock	Hong Kong Exchange	Cayman Islands	HKD	3,087	48	0.0001%	N/A
Sub-total:					3,087	48	0.0001%	
<b>Total:</b>					<b>94,722</b>	<b>24,515</b>	<b>0.0414%</b>	

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 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 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\$91,635,000 as at 31 January 2026 was approximately HK\$2,156,000.

## Reporting and Transparency

Champion REIT prepares its accounts in accordance with Hong Kong GAAP with a financial year end of 31 December and a financial half-year end of 30 June. Under the REIT Code that the annual report and accounts for Champion REIT are published and sent to Unitholders no later than four months following each financial year end, and the interim report no later than three months after the end of each financial half-year. However, in accordance with the Listing Rules, full-year financial results shall be released by the Trust not later than three months after the end of the financial year.

The REIT Manager will furnish Unitholders with notices of meetings of Unitholders, announcements related to Champion REIT, and circulars concerning transactions that require Unitholders' approval or material information in relation to Champion REIT (such as connected party transactions, transactions exceeding a stated percentage threshold, material change in Champion REIT's financial forecasts, issuance of new Units, or valuations of real estate held by Champion REIT). Under the Trust Deed, the REIT Manager is required to keep Unitholders informed of any material information pertaining to Champion REIT in a timely and transparent manner as required by the REIT Code.

# Corporate Governance Report

## Auditor's Remuneration

Champion REIT appoints Deloitte Touche Tohmatsu as its external auditor. The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report. During the Year, the fees payable to the external auditor of Champion REIT amounted to HK\$2,338,000 (2024: HK\$2,338,000) for audit and audit related services, and HK\$685,000 (2024: HK\$685,000) for non-audit services.

## Review of Annual Report

The annual report of Champion REIT for the Year has been reviewed by the Audit Committee and Disclosures Committee and approved by the Board of the REIT Manager.

The Directors acknowledge their responsibility for the preparation of the accounts of Champion REIT for the Year. The consolidated financial statements of Champion REIT and its controlled entities for the Year have been audited by the Independent Auditor, Messrs Deloitte Touche Tohmatsu. The statement about their responsibilities on the financial statements of Champion REIT for the Year is set out in the Independent Auditor's Report on pages 124 to 128 of this Annual Report.

## High Standards of Corporate Governance

The Board regularly evaluates and looks for improvements in the governance approach to respond to changes, and to ensure that it is relevant and aligned with best practices. Good corporate governance practice is key to the long-term success of the Trust in an ever-evolving business landscape. The Board believes the effective integration of corporate governance, environmental and social responsibilities could potentially release even greater value. For details of the environmental and social performance, please refer to the Sustainability Report.

Hong Kong, 25 February 2026

## Connected Party Transactions Report

### Annual Caps of 2023-2025 Continuing Connected Party Transactions (“CCT Annual Caps”)

On 24 November 2022, an extraordinary general meeting of the Trust (the “2022 EGM”) was held to seek the approval from independent Unitholders on the 2023-2025 CCT Annual Caps and the entering into of the Revenue Transactions Framework Agreement and the Expense Transactions Framework Agreement (as defined in the notice of the 2022 EGM). The ordinary resolutions received an overwhelming 99.96% of the votes in favour. The renewal of the Revenue Transactions and the Expense Transactions (as defined in the notice of the 2022 EGM) complies with the requirements of the REIT Code and Chapter 14A of the Listing Rules. Details of the above were set out in the circular to the Unitholders of the Trust dated 8 November 2022.

Set out below is the information in respect of connected party transactions between the Trust and its connected persons as defined in paragraph 8.1 of the REIT Code:

### Connected Party Transactions with the Great Eagle Connected Persons

Great Eagle is a connected person of the Trust by virtue of being the holding company of the REIT Manager and a substantial holder (as defined under the REIT Code) of the Trust through the direct unitholding of its controlled corporations. Further details regarding these relationships are disclosed in the “Disclosure of Interests” section of this Annual Report. The connected persons of Great Eagle, include directors, chief executive, substantial shareholder and subsidiaries of Great Eagle and the associate of any of the above persons (as defined in the Listing Rules 14A.07), are defined as “Great Eagle Connected Persons”.

The following tables set forth information on connected party transactions between the Trust and Great Eagle Connected Persons for the Year:

### Connected Party Transactions – Revenue Transactions (Rental Income)

Name of Connected Party	Relationship with the Trust	Nature of Connected Transaction	Income for the Year HK\$
Artisan International Limited	Associate of Great Eagle	Leasing transaction	344,000
Eagle Asset Management (CP) Limited	Subsidiary of Great Eagle	Leasing transaction <sup>1</sup>	603,000
Eagle Property Management (CP) Limited	Subsidiary of Great Eagle	Leasing transaction <sup>2</sup>	7,508,000
Imperial Distributions Limited	Associate of Great Eagle	Leasing transaction <sup>3</sup>	38,000
Keyesen Property Management Services Limited	Subsidiary of Great Eagle	Leasing transaction <sup>4</sup>	6,781,000
Magic Energy Limited	Subsidiary of Great Eagle	Leasing transaction <sup>5</sup>	4,703,000
Tonkichi (HK) Limited	Associate of Great Eagle	Leasing transaction <sup>6</sup>	2,837,000
<b>Total:</b>			<b>22,814,000</b>

## Connected Party Transactions Report

### Connected Party Transactions – Revenue Transactions (Building Management Fee Income)

Name of Connected Party	Relationship with the Trust	Nature of Connected Transaction	Income for the Year HK\$
Artisan International Limited	Associate of Great Eagle	Building management fee income	71,000
Eagle Asset Management (CP) Limited	Subsidiary of Great Eagle	Building management fee income <sup>1</sup>	88,000
Eagle Property Management (CP) Limited	Subsidiary of Great Eagle	Building management fee income <sup>2</sup>	1,156,000
Imperial Distribution Limited	Associate of Great Eagle	Building management fee income <sup>3</sup>	6,000
Keysen Property Management Services Limited	Subsidiary of Great Eagle	Building management fee income <sup>4</sup>	991,000
Magic Energy Limited	Subsidiary of Great Eagle	Building management fee income <sup>5</sup>	797,000
Tonkichi (HK) Limited	Associate of Great Eagle	Building management fee income <sup>6</sup>	492,000
<b>Total:</b>			<b>3,601,000</b>

## Connected Party Transactions – Expense Transactions

Name of Connected Party	Relationship with the Trust	Nature of Connected Transaction	Expenses for the Year HK\$
Best Come Limited	Subsidiary of Great Eagle	Estate management fee expenses <sup>7</sup>	15,577,000
Cordis, Hong Kong	Subsidiary of Great Eagle	Sundry expenses	174,000
Cordis, Hong Kong	Subsidiary of Great Eagle	Marketing expenses	55,000
Eagle Property Management (CP) Ltd	Subsidiary of Great Eagle	Lease management service fee	59,175,000
Eagle Property Management (CP) Ltd	Subsidiary of Great Eagle	Marketing service fee	22,026,000
Keysen Engineering Company, Limited	Subsidiary of Great Eagle	Repairs and maintenance services	7,998,000
Keysen Engineering Company, Limited	Subsidiary of Great Eagle	Improvement works	10,634,000
Keysen Engineering Company, Limited	Subsidiary of Great Eagle	Sundry expenses	12,000
Keysen Property Management Services Limited	Subsidiary of Great Eagle	Estate management fee expenses <sup>8</sup>	136,645,000
Keysen Property Management Services Limited	Subsidiary of Great Eagle	Building management fee expenses <sup>9</sup>	169,601,000
Keysen Property Management Services Limited	Subsidiary of Great Eagle	Reimbursement of carpark expenses <sup>10</sup>	14,778,000
Keysen Property Management Services Limited	Subsidiary of Great Eagle	Reimbursement of delegation of management functions of common areas/facilities	1,000
Longworth Management Limited	Subsidiary of Great Eagle	Building management fee expenses <sup>11</sup>	57,104,000
Selex Engineering Services Limited	Subsidiary of Great Eagle	Repairs and maintenance services	5,055,000
Selex Engineering Services Limited	Subsidiary of Great Eagle	Improvement works	3,755,000
Toptech Co., Limited	Subsidiary of Great Eagle	Improvement works	350,000
<b>Total:</b>			<b>502,940,000</b>

## Connected Party Transactions Report

### Notes:

1. A security deposit, by way of cash of approximately HK\$120,000 provided by Eagle Asset Management (CP) Limited, was held by the Trust as at the Year-end date.
2. Security deposits, by way of bank guarantee and cash in an aggregate amount of approximately HK\$2,432,000 provided by Eagle Property Management (CP) Limited, were held by the Trust as at the Year-end date.
3. A security deposit, by way of cash of approximately HK\$342,000 provided by Imperial Distributions Limited, was held by the Trust as at the Year-end date.
4. A security deposit, by way of cash of approximately HK\$1,737,000 provided by Keysen Property Management Services Limited, was held by the Trust as at the Year-end date.
5. A security deposit, by way of cash to the amount of HK\$235,000 provided by Magic Energy Limited, were held by the Trust as at the Year-end date.
6. A security deposit, by way of cash of approximately HK\$1,810,000 provided by Tonkichi (HK) Limited, was held by the Trust as at the Year-end date.
7. Best Come Limited has been appointed as manager to provide management services for certain areas and facilities of developments in which the Trust's properties are located. The amount represents the total of management fee of HK\$613,000 and reimbursement of out-of-pocket expenses amounting to HK\$14,964,000.
8. Out of this HK\$136,645,000 approximately HK\$132,895,000 represents the amount of reimbursement for estate management expenses paid out under the Langham Place Mall Estate Management Agreement. The remaining amount of approximately HK\$3,750,000 represents the amount of reimbursement for estate management expenses paid out under the CAF Management Agreement (in relation to the common areas/facilities and reserved areas of Langham Place). Pursuant to the Langham Place Mall Estate Management Agreement, the Mall Estate Manager is entitled to retain at all times an amount equal to one-sixth of the annual expenditure under the approved budget for the respective financial year so as to enable the Mall Estate Manager to make payments under estate management expenses.
9. A management fee deposit and sinking fund of approximately HK\$820,000 and HK\$15,311,000 provided by the Trust were kept by Keysen Property Management Services Limited in its capacity as DMC Manager of Langham Place and DMC Sub-manager of Three Garden Road as at the Year-end date respectively.
10. It represents the amount of reimbursement paid to Keysen Property Management Services Limited as delegate for operating the carparks of Langham Place and Three Garden Road.
11. A management fee deposit and sinking fund of approximately HK\$16,384,000 was kept by Longworth Management Limited in its capacity as Office Sub-DMC Manager of Langham Place Office Tower as at the Year-end date.
12. The Langham Place Mall Estate Management Agreement has been renewed for the period from 1 January 2026 to 31 December 2028.
13. The Property Management Agreement has been renewed for the period from 1 January 2026 to 31 December 2028.

14. The annual value of the Connected Party Transactions were within the respective annual limits set out in the following table as approved by the unitholders in the EGM held on 24 November 2022: –

	Annual Limit for the Year HK\$
<b>I. Revenue</b>	
Rental income	53,100,000
Building management fee	9,200,000
<b>Total:</b>	<b>62,300,000</b>
<b>II. Expenditure</b>	
Estate management transactions	716,600,000
Potential property management agreement(s) transactions	174,300,000
<b>Total:</b>	<b>890,900,000</b>

## Other Connected Party Transactions with the Great Eagle Connected Persons

Eagle Asset Management (CP) Limited, a wholly-owned subsidiary of Great Eagle, is appointed as the REIT Manager of the Trust. During the Year, the REIT Manager's fee of approximately HK\$196,602,000 being 12% of the net property income of the Trust (including the share of net property income arising from the property held by a joint venture) for such services rendered during the Year, is to be settled by the issuance of new Units pursuant to the Trust Deed and in the form of cash.

In accordance with the announcement of the Trust dated 30 November 2012, the REIT Manager notified the Trustee in writing to receive 50% of the REIT Manager's fee arising from the real estate owned by the Trust in the form of Units and the remaining 50% in cash. As the REIT Manager has not elected on the way to receive the Manager's fee for the financial year 2025, the most recent valid election by the REIT Manager on 30 November 2012 shall be applied to the financial year 2025 according to Clause 11.1.2 of the Trust Deed. For the Year, the REIT Manager's fee, payable in the form of Units, is in the amount of approximately HK\$98,301,000 and the REIT Manager's fee, payable in the form of cash, is in the amount of approximately HK\$98,301,000.

## Connected Party Transactions with the Trustee and/or the Trustee Connected Persons

The connected persons of the Trustee, includes directors, chief executive, substantial shareholder and subsidiaries of the Trustee and the associate of any of the above persons (as defined in the Listing Rules 14A.07), are defined as the "Trustee Connected Persons".

Unless otherwise expressly stated herein, The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and its subsidiaries ("HSBC Group"), excludes the Trustee and its proprietary subsidiaries (being the subsidiaries of the Trustee but excluding those subsidiaries formed in its capacity as the trustee of the Trust).

## Connected Party Transactions Report

The following tables set forth information on the connected party transactions between the Trust and the Trustee and/or the Trustee Connected Persons during the Year:

### Connected Party Transactions – Ordinary Banking and Financial Services

Name of Connected Party	Relationship with the Trust	Nature of Connected Transaction	Income/ Expenses for the Year HK\$
HSBC Group	Trustee Connected Persons	Interest income from ordinary banking services	10,121,000
HSBC Group	Trustee Connected Persons	Swap Interest Income	107,000
HSBC Group	Trustee Connected Persons	Upfront fee and loan interest	87,737,000
HSBC Group	Trustee Connected Persons	Commitment fee and loan agency fee	3,250,000
HSBC Group	Trustee Connected Persons	Bank charges	298,000

Hang Seng Bank Limited (“Hang Seng Bank”) is a subsidiary of HSBC Group.

Under the Facility Agreement dated 25 April 2025, Hang Seng Bank is the bookrunner, the coordinator, the sustainability coordinator, and one of the mandated lead arrangers in respect of HK\$530 million term loan and revolving credit facilities (subsequently increased to HK\$1,180 million term loan and revolving credit facilities) and acts as the facility agent. As at 31 December 2025, a total of HK\$1,180 million was drawn and outstanding.

Under the Facility Agreement dated 8 June 2021, Hang Seng Bank is one of the mandated lead arrangers in respect of HK\$3,000 million term and revolving loan facilities and acts as the facility agent. As at 31 December 2025, a total of HK\$1,110 million was drawn and outstanding.

CP Success Limited (as a special purpose vehicle wholly-owned and controlled by the Trust) entered into interest rate swap contract with HSBC on 25 November 2025. The notional amount of the swap contract is HK\$200 million, with a maturity date in March 2028.

### Connected Party Transactions – Others

During the Year, the Trustee’s fee of approximately HK\$7,606,000 was incurred for services rendered by HSBC Institutional Trust Services (Asia) Limited in its capacity as the trustee of the Trust.

## Confirmation by the Independent Non-executive Directors of the REIT Manager

The Independent Non-executive Directors of the REIT Manager confirm that they have reviewed all relevant connected party transactions (including those connected party transactions with the Great Eagle Connected Persons, the Trustee Connected Persons and the HSBC Group) during the Year as disclosed above and they are satisfied that these transactions have been entered into:

- (i) in the ordinary and usual course of business of the Trust;
- (ii) on normal commercial terms (to the extent that there are comparable transactions) or, where there are insufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Trust than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

## Report from Auditor

Messrs. Deloitte Touche Tohmatsu, auditor of the Trust was engaged to report on the Trust's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions on rental income, building management fee income, estate management transactions, and ordinary banking and financial services in accordance with the waiver from strict compliance with disclosure requirements under Chapter 8 of the REIT Code granted by the SFC. A copy of auditor's letter has been provided by the REIT Manager to the SFC.

## Annual Caps of 2026-2028 Continuing Connected Party Transactions ("New CCT Annual Caps")

On 18 December 2025, an extraordinary general meeting of the Trust (the "2025 EGM") was held to seek the approval from independent Unitholders on the New CCT Annual Caps and the entering into of the New Revenue Transactions Framework Agreement and the New Expense Transactions Framework Agreement (as defined in the notice of the 2025 EGM). The ordinary resolutions received an overwhelming 99.99% of the votes in favour. The renewal of the New Revenue Transactions and the New Expense Transactions (as defined in the notice of the 2025 EGM) complies with the requirements of the REIT Code and Chapter 14A of the Listing Rules. Details of the above were set out in the circular to the Unitholders of the Trust dated 26 November 2025.

Hong Kong, 25 February 2026

Note: All figures presented in this "Connected Party Transactions Report" are rounded to the nearest thousand.

## Disclosure of Interests

### Holdings of Directors and Chief Executive of the REIT Manager in Champion REIT

As at 31 December 2025, the interests and short positions of the Directors and Chief Executive of the REIT Manager in the Units, underlying Units and debentures of Champion REIT or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the REIT Manager and the Stock Exchange pursuant to the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 of the Trust Deed, or which were recorded in the register required to be kept under Schedule 3 of the Trust Deed, are as follows:

#### Long Positions in Units and underlying Units of Champion REIT

Name	Capacity	Nature of Interests	Number of Units/ Underlying Units Held	Percentage of Issued Units <sup>4</sup>	Total
LO Ka Shui	Beneficial Owner	Personal Interests	7,000,007	0.12% )	70.85%
				)	
				)	
	Interests of Controlled Corporations	Corporate Interests	4,336,649,043 <sup>1</sup>	70.68% )	
				)	
				)	
	Settlor and a Member of the Advisory Committee and Management Committee of a Charitable Trust	Other Interests	2,975,000	0.05% )	
				)	
				)	
				)	
				)	
CHENG Wai Chee, Christopher	Beneficiary of a Trust	Trust Interests	13,424,730 <sup>2</sup>	0.22%	0.22%
WONG Mei Ling, Marina	Beneficial Owner	Personal Interests	400,000 <sup>3</sup>	0.01%	0.01%

Notes:

- Among these 4,336,649,043 Units:
  - 50,000 Units, 940,000 Units, 589,000 Units and 1,679,610 Units were respectively held by ACHL Limited, EBK Limited, KBLL Limited and NCN Limited, all of which are wholly-owned by Dr Lo Ka Shui who is also a director of these companies; and
  - 4,333,390,433 Units and/or underlying Units were indirectly held by Great Eagle as explained in Note 1 of the section headed "Holdings of Substantial Unitholders" below. Dr Lo Ka Shui is a substantial shareholder, the Chairman and Managing Director of Great Eagle.

The unitholding of Dr Lo Ka Shui and his associates increased by 23,445,031 Units/underlying Units in aggregate as compared with the position as at 30 June 2025.
- These Units were held by a trust which Mr Cheng Wai Chee, Christopher is a beneficiary. His unitholding remained unchanged as compared with the position as at 30 June 2025.
- The unitholding of Ms Wong Mei Ling, Marina remained unchanged as compared with the position as at 30 June 2025.
- This percentage is compiled based on the total number of issued Units of Champion REIT of 6,135,291,669 as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, so far as is known to the REIT Manager, none of the Directors and Chief Executive of the REIT Manager had any interests (or were deemed to be interested) and short positions in the Units, underlying Units and debentures of Champion REIT which were required to be notified to the REIT Manager and the Stock Exchange pursuant to the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 of the Trust Deed, or which were required to be recorded in the register kept under Schedule 3 of the Trust Deed.

## Holdings of Directors and Chief Executive of the REIT Manager in Great Eagle Holdings Limited and Langham Hospitality Investments and Langham Hospitality Investments Limited

Great Eagle is the holding company of Champion REIT and Langham. As at 31 December 2025, Great Eagle owned 70.63% interests in Champion REIT and 70.26% interests in Langham. The holdings of Directors and Chief Executive of the REIT Manager in Great Eagle and Langham as at 31 December 2025 are disclosed as follows:

### Great Eagle

Name of Directors and/or Chief Executive of the REIT Manager	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Shares Capital <sup>5</sup>	Total
LO Ka Shui	Beneficial Owner	Personal Interests	64,874,835 <sup>1</sup>	8.68% )	64.38%
			96,008,364 <sup>2</sup>	12.83% )	
			254,664,393	34.06% )	
			65,866,676	8.81% )	
IP Yuk Keung, Albert	Beneficial Owner	Personal Interests	60,000	0.01%	0.01%
WONG Mei Ling, Marina	Beneficial Owner	Personal Interests	321,127 <sup>3</sup>	0.04%	0.04%
HAU Shun, Christina	Beneficial Owner	Personal Interests	222,592 <sup>4</sup>	0.03%	0.03%

Notes:

1. Among these interests, 3,412,000 were share options.
2. These interests were held by certain companies wholly-owned by Dr Lo Ka Shui. Dr Lo Ka Shui is the director of these companies.
3. Among these interests, 293,283 were underlying shares being share options and share awards.
4. These interests were underlying shares being share options and share awards.
5. This percentage is compiled based on 747,723,345 shares of Great Eagle in issue as at 31 December 2025.

## Disclosure of Interests

### Langham

Name of Directors and/or Chief Executive of the REIT Manager	Capacity	Nature of Interests	Number of Share Stapled Units/ Underlying Share Stapled Units Held	Percentage of Issued Share Stapled Units <sup>2</sup>	Total
LO Ka Shui	Beneficial Owner	Personal Interests	35,681,524	1.02% )	74.26%
				)	
	Interests of Controlled Corporations	2,461,914,272 <sup>1</sup>	70.53% )		
			)		
	Settlor and a Member of the Advisory Committee and Management Committee of a Charitable Trust	90,010,250	2.58% )		
				)	
	Founder of a Discretionary Trust	Trust Interests	4,391,111	0.13% )	
				)	
IP Yuk Keung, Albert	Beneficial Owner	Joint Interests	3,015,000	0.09% )	0.09%
				)	
		Personal Interests	4,000	0.0001% )	
				)	
WONG Mei Ling, Marina	Beneficial Owner	Personal Interests	16,856	0.0005%	0.0005%

Notes:

- Among these 2,461,914,272 share stapled units: (i) 9,490,556 share stapled units of Langham were held by two companies wholly-owned by Dr Lo Ka Shui who is also a director of these companies; and (ii) 2,452,423,716 share stapled units of Langham held by Great Eagle as at 31 December 2025 were deemed to be interested by Dr Lo Ka Shui by virtue of being a substantial shareholder, the Chairman and Managing Director of Great Eagle.
- This percentage is compiled based on 3,490,462,017 share stapled units of Langham in issue as at 31 December 2025.

## Holdings of Substantial Unitholders

As at 31 December 2025, the interests and short positions of persons (other than the Directors or Chief Executive of the REIT Manager) in the Units, underlying Units and debentures of Champion REIT which were notified to the REIT Manager and the Stock Exchange pursuant to the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 of the Trust Deed, or which were recorded in the register required to be kept under Schedule 3 of the Trust Deed as having an interest in 5% or more of the issued Units of Champion REIT, are as follows:

Name	Total Number of Units/Underlying Units Held	Percentage of Issued Units <sup>3</sup>
Great Eagle	4,333,390,433 <sup>1</sup>	70.63%
HSBC International Trustee Limited	4,258,283,949 <sup>2</sup>	69.41%
Eagle Asset Management (CP) Limited	698,269,075	11.38%

Notes:

- The 4,333,390,433 Units were indirectly held by Great Eagle through its controlled corporations as listed in the following table. The following table shows the number of Units held by these companies as at 31 December 2025 and 30 June 2025 respectively:

Name	Number of Units Held As at 31 December 2025	Number of Units Held As at 30 June 2025
Top Domain International Limited	1,420,416,628	1,420,416,628
Keen Flow Investments Limited	1,071,375,933	1,071,375,933
Bright Form Investments Limited	680,232,558	680,232,558
Eagle Asset Management (CP) Limited	698,269,075	672,568,044
Fine Noble Limited	200,007,503	200,007,503
The Great Eagle Company, Limited	198,647,993	197,547,993
Great Eagle Nichemusic Limited	61,345,743	61,345,743
Ecobest Ventures Limited	3,095,000	3,095,000

- The disclosure was based on the latest Disclosure of Interest Form (with the date of relevant event as at 3 September 2024) received from HSBC International Trustee Limited ("HITL").

HITL, in its capacity as a trustee of a discretionary trust, held 315,099,622 shares in Great Eagle as disclosed in its latest Disclosure of Interest Form (with the date of relevant event on 21 June 2021).

- This percentage is compiled based on the total number of issued Units of Champion REIT of 6,135,291,669 as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, so far as is known to the REIT Manager, no other persons (other than the Directors or Chief Executive of the REIT Manager) had any interests (or were deemed to be interested) and short positions in the Units and underlying Units of Champion REIT were required to be notified to the REIT Manager and the Stock Exchange pursuant to the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 of the Trust Deed, or which were required to be recorded in the register kept under Schedule 3 of the Trust Deed.



## Disclosure of Interests

### Holdings of other Connected Person

As at 31 December 2025, in addition to the disclosures in the above section headed “Holdings of Directors and Chief Executive of the REIT Manager in Champion REIT”, “Holdings of Directors and Chief Executive of the REIT Manager in Great Eagle Holdings Limited and Langham Hospitality Investments and Langham Hospitality Investments Limited” and “Holdings of Substantial Unitholders”, so far as the REIT Manager is aware of, the following connected person (as defined under the REIT Code) of Champion REIT, held Units and/or underlying Units of Champion REIT:

Name	Number of Units/ Underlying Units Held	Percentage of Issued Units <sup>1</sup>
Associates of Trustee	339,108	0.006%

Note:

1. This percentage is based on the total number of issued Units of Champion REIT of 6,135,291,669 as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the REIT Manager is not aware of any other connected persons (as defined under the REIT Code) of Champion REIT holding any Units and/or underlying Units of Champion REIT.

# Financials

- 124** Independent Auditor's Report
- 129** Consolidated Income Statement
- 130** Consolidated Statement of Comprehensive Income
- 131** Consolidated Statement of Financial Position
- 132** Consolidated Statement of Changes in Net Assets Attributable to Unitholders
- 133** Distribution Statement
- 134** Consolidated Statement of Cash Flows
- 135** Notes to the Consolidated Financial Statements
- 189** Major Real Estate Agents and Contractors
- 190** Performance Table



## Independent Auditor's Report

# Deloitte.

# 德勤

### TO THE UNITHOLDERS OF 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))*

### Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the consolidated financial statements of Champion Real Estate Investment Trust ("Champion REIT") and its subsidiaries (collectively referred to as the "Group") set out on pages 129 to 188, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in net assets attributable to unitholders, distribution statement and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit Matters *(Continued)*

### Key audit matter

#### Valuation of investment properties

We have identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments in determining the fair value. As disclosed in note 15 to the consolidated financial statements, the Group's investment properties amounted to HK\$56,178,800,000, representing 98% of the Group's total assets, with its change in fair value included in the consolidated income statement. During the year, a decrease in fair value of investment properties amounted to HK\$3,978,262,000.

The Group's investment properties are carried at fair value based on the valuations performed by independent qualified professional valuers. Details of the valuation techniques, significant assumptions and key inputs used in the valuations are disclosed in note 15 to the consolidated financial statements. The valuations are dependent on key inputs, together with significant assumptions, that involve judgments, including capitalisation rates and market rents. Eagle Asset Management (CP) Limited (the "Manager" of Champion REIT) has reviewed and exercised its judgment on the key inputs to the valuations and the results.

### How our audit addressed the key audit matter

Our procedures in relation to assessing the appropriateness of the valuation of investment properties included:

- evaluating the competence, capabilities, and objectivity of the independent qualified professional valuers;
- understanding the independent qualified professional valuers' valuation process and methodology (including any limitations of scope imposed by the Manager), the performance of the property markets, significant assumptions adopted, critical judgmental areas and key inputs used in the valuations;
- evaluating the reasonableness of the methodology and assumptions to industry norms; and
- assessing the reasonableness of key inputs used in the valuations by (i) checking the details of rentals on a sample basis to the respective underlying existing tenancy agreements; (ii) comparing the prices, rental achieved and capitalisation rates adopted for the properties against relevant market information in the neighbourhood.

## Independent Auditor's Report

### Other Information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Manager and Those Charged with Governance for the Consolidated Financial Statements

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the deed of trust dated 26 April 2006, the Second Amending and Restating Deed dated 27 June 2025 and the Supplemental Deed as amended from time to time (the "Trust Deed") and the relevant disclosure provisions of Appendix C of the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Securities and Futures Commission of Hong Kong.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Appendix C of the REIT Code, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Independent Auditor's Report

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *(Continued)*

#### **Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code**

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is WU, Ka Ming (Practising Certificate number: P05701).

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

25 February 2026

## Consolidated Income Statement

For the year ended 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Rental income	6	1,931,946	2,150,310
Building management fee income		266,872	274,222
Rental related income	7	55,782	34,199
<b>Total revenue</b>		<b>2,254,600</b>	<b>2,458,731</b>
Property operating expenses	8	(641,448)	(639,038)
<b>Net property income</b>		<b>1,613,152</b>	<b>1,819,693</b>
Other income	9	26,394	47,120
Manager's fee	10	(196,602)	(221,279)
Trust and other expenses		(17,232)	(17,903)
Decrease in fair value of investment properties	15	(3,978,262)	(2,899,430)
Finance costs	11	(587,691)	(677,391)
Share of results of a joint venture		9,229	25,066
<b>Loss before tax and distribution to unitholders</b>	12	<b>(3,131,012)</b>	<b>(1,924,124)</b>
Income taxes	13	(135,515)	(162,450)
<b>Loss for the year, before distribution to unitholders</b>		<b>(3,266,527)</b>	<b>(2,086,574)</b>
Distribution to unitholders		(776,319)	(867,277)
<b>Loss for the year, after distribution to unitholders</b>		<b>(4,042,846)</b>	<b>(2,953,851)</b>
<b>Basic loss per unit</b>	14	<b>HK\$(0.53)</b>	<b>HK\$(0.34)</b>

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Loss for the year, after distribution to unitholders</b>	<b>(4,042,846)</b>	<b>(2,953,851)</b>
<b>Other comprehensive income (expense):</b>		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	21,327	(5,533)
Cash flow hedges:		
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedges	(65,978)	12,159
Reclassification of fair value adjustments to profit or loss	21,087	(37,100)
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,308	5,629
	<b>(18,256)</b>	<b>(24,845)</b>
<b>Total comprehensive expense for the year</b>	<b>(4,061,102)</b>	<b>(2,978,696)</b>

## Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Investment properties	15	56,178,800	60,103,800
Notes receivables	16	–	46,150
Interests in a joint venture	17	270,552	274,384
Derivative financial instruments	21	–	1,503
<b>Total non-current assets</b>		<b>56,449,352</b>	<b>60,425,837</b>
<b>Current assets</b>			
Trade and other receivables	18	174,694	196,279
Notes receivables	16	46,594	–
Tax recoverable		2,723	4,306
Bank balances and cash	19	625,568	726,217
<b>Total current assets</b>		<b>849,579</b>	<b>926,802</b>
<b>Total assets</b>		<b>57,298,931</b>	<b>61,352,639</b>
<b>Current liabilities</b>			
Trade and other payables	20	1,401,346	1,454,290
Deposits received		592,516	636,294
Tax liabilities		11,315	66,552
Distribution payable		344,681	372,484
Derivative financial instruments	21	8,796	–
Bank borrowings	22	2,280,857	428,241
Medium term notes	23	–	1,223,585
<b>Total current liabilities</b>		<b>4,639,511</b>	<b>4,181,446</b>
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Derivative financial instruments	21	133,046	103,539
Bank borrowings	22	9,517,449	10,133,944
Medium term notes	23	2,591,184	2,581,876
Deferred tax liabilities	24	821,670	799,597
<b>Total non-current liabilities, excluding net assets attributable to unitholders</b>		<b>13,063,349</b>	<b>13,618,956</b>
<b>Total liabilities, excluding net assets attributable to unitholders</b>		<b>17,702,860</b>	<b>17,800,402</b>
<b>Net assets attributable to unitholders</b>		<b>39,596,071</b>	<b>43,552,237</b>
<b>Number of units in issue ('000)</b>	25	<b>6,135,292</b>	<b>6,080,815</b>
<b>Net asset value per unit</b>	27	<b>HK\$6.45</b>	<b>HK\$7.16</b>

The consolidated financial statements on pages 129 to 188 were approved and authorised for issue by the Board of Directors of Eagle Asset Management (CP) Limited, as the Manager of Champion Real Estate Investment Trust ("Champion REIT"), on 25 February 2026 and were signed on its behalf by:

**Lo Ka Shui**  
Director

**Hau Shun, Christina**  
Director

# Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 31 December 2025

	Issued units HK\$'000 (note 25)	Hedging reserve HK\$'000	Exchange translation reserve HK\$'000	Others HK\$'000 (note)	Profit less distribution HK\$'000	Total HK\$'000
Net assets attributable to unitholders as at 1 January 2024	25,094,921	(64,923)	15,869	5,757,943	15,611,388	46,415,198
Loss for the year, after distribution to unitholders	-	-	-	-	(2,953,851)	(2,953,851)
Cash flow hedges, net of related income tax	-	(19,312)	-	-	-	(19,312)
Exchange differences arising on translation of foreign operations	-	-	(5,533)	-	-	(5,533)
Total comprehensive expense for the year	-	(19,312)	(5,533)	-	(2,953,851)	(2,978,696)
Issue of units	115,735	-	-	-	-	115,735
<b>Net assets attributable to unitholders as at 31 December 2024</b>	<b>25,210,656</b>	<b>(84,235)</b>	<b>10,336</b>	<b>5,757,943</b>	<b>12,657,537</b>	<b>43,552,237</b>
Loss for the year, after distribution to unitholders	-	-	-	-	(4,042,846)	(4,042,846)
Cash flow hedges, net of related income tax	-	(39,583)	-	-	-	(39,583)
Exchange differences arising on translation of foreign operations	-	-	21,327	-	-	21,327
Total comprehensive expense for the year	-	(39,583)	21,327	-	(4,042,846)	(4,061,102)
Issue of units	104,936	-	-	-	-	104,936
<b>Net assets attributable to unitholders as at 31 December 2025</b>	<b>25,315,592</b>	<b>(123,818)</b>	<b>31,663</b>	<b>5,757,943</b>	<b>8,614,691</b>	<b>39,596,071</b>

Note: "Others" represent

- (i) Excess of fair value of property interests acquired over acquisition costs from unitholders amounting to HK\$5,752,658,000 in prior years; and
- (ii) Pursuant to the Deed of Amendment of Distribution Entitlement Waiver Deed dated 14 February 2008, the undertakings made by Top Domain International Limited, a wholly owned subsidiary of Great Eagle Holdings Limited ("Great Eagle"), under the Distribution Entitlement Waiver Deed dated 26 April 2006 in respect of distribution periods in 2008 ceased to be effective in consideration of a total amount of HK\$86,185,000, of which HK\$5,285,000 was retained.

## Distribution Statement

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year, before distribution to unitholders	(3,266,527)	(2,086,574)
Adjustments:		
– Manager's fee paid and payable in units	98,301	110,639
– Decrease in fair value of investment properties	3,978,262	2,899,430
– Share of results of a joint venture	(9,229)	(25,066)
– Non-cash finance costs	30,427	33,153
– Deferred tax	27,381	26,239
<b>Total distributable income for the year (note (i))</b>	<b>858,615</b>	<b>957,821</b>
Distribution to unitholders:		
HK\$0.0701 (2024: HK\$0.0809) per unit for the Interim Distribution Period (note (ii))	428,073	489,555
HK\$0.0562 (2024: HK\$0.0613) per unit for the Final Distribution Period (note (iii))	344,681	372,484
	772,754	862,039
Additional distributions for units issued after each distribution period, up to each corresponding record date of that distribution period (note (iv))	3,565	5,238
<b>Total distribution to unitholders</b>	<b>776,319</b>	<b>867,277</b>
<b>Total distribution per unit (HK\$)</b>	<b>0.1263</b>	<b>0.1422</b>

Notes:

- (i) Pursuant to the Trust Deed, the total distributable income is loss 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 2025, the Manager decided to distribute 90% (2024: 90%) of the distributable income.
- (ii) For the six months ended 30 June 2025 ("Interim Distribution Period"), the interim distribution per unit was HK\$0.0701 (2024: HK\$0.0809). It was calculated based on the interim distribution amount of HK\$428,073,000 (2024: HK\$489,555,000) for the period and 6,109,590,638 units in issue as of 30 June 2025 (30 June 2024: 6,049,474,368 units).
- (iii) For the six months ended 31 December 2025 ("Final Distribution Period"), the final distribution per unit was HK\$0.0562 (2024: HK\$0.0613). It was calculated based on the final distribution amount of HK\$344,681,000 (2024: HK\$372,484,000) for the period and 6,135,291,669 units in issue as of 31 December 2025 (31 December 2024: 6,080,814,685 units). The final distribution amount to be paid to unitholders on 28 May 2026 will be based on the final distribution per unit of HK\$0.0562 and the total number of issued units as of 17 March 2026, which is the record date set for such period.
- (iv) During the year, an additional amount of HK\$1,764,000 and HK\$1,801,000 in respect of the 2024 Final Distribution Period and 2025 Interim Distribution Period respectively were recognised in the consolidated income statement.

During 2024, 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.

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax and distribution to unitholders	(3,131,012)	(1,924,124)
Adjustments for:		
Decrease in fair value of investment properties	3,978,262	2,899,430
Manager's fee paid and payable in units	98,301	110,639
Share of results of a joint venture	(9,229)	(25,066)
Interest income	(26,339)	(46,985)
Finance costs	587,691	677,391
Exchange difference	(316)	1,845
Operating cash flow before movements in working capital	1,497,358	1,693,130
Decrease (increase) in trade and other receivables	22,243	(4,957)
(Decrease) increase in trade and other payables	(19,513)	44,573
Decrease in deposits received	(43,778)	(14,948)
Cash generated from operations	1,456,310	1,717,798
Interest paid	(582,965)	(646,221)
Hong Kong Profits Tax paid	(161,788)	(199,177)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>711,557</b>	<b>872,400</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	25,347	47,953
Additions to investment properties	(53,262)	(53,430)
Advance to a joint venture	–	(65,390)
Repayment from a joint venture	34,387	–
Redemption of notes receivables	–	53,686
Release of short-term bank deposit with original maturity over three months	–	82,196
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>6,472</b>	<b>65,015</b>
<b>FINANCING ACTIVITIES</b>		
Distribution paid	(804,602)	(949,278)
Repayment of bank loan	(4,703,000)	(6,663,635)
New bank loan raised	5,924,000	6,735,000
Bank origination fees paid	(10,076)	(31,671)
Redemption of medium term notes	(1,225,000)	(200,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(818,678)</b>	<b>(1,109,584)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(100,649)</b>	<b>(172,169)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>726,217</b>	<b>898,386</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR,</b> represented by bank balances and cash	<b>625,568</b>	<b>726,217</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 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 and the Second Amending and Restating Deed dated 27 June 2025 (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 HKFRS Accounting Standards

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 2. Application of New and Amendments to HKFRS Accounting Standards (Continued)

#### New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the Manager anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

#### HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated income statement.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

#### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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.

The 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 at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for the financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by HK\$3,789,932,000 (2024: HK\$3,254,644,000). The Manager is of the opinion that, taking into account the headroom of the fair value of investment properties, 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. The information about the Group's liquidity and capital risk management are disclosed in note 33(b).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information

#### Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

#### Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 "Leases" ("HKFRS 16") at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

#### *The Group as lessor*

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

In the event that lease incentives, including rent free periods, are given to enter into operating leases, such incentives are recognised as deferred lease payments. The aggregate benefit of incentives is recognised as a reduction of rental income on a straight-line basis.

Rental income which are derived from the Group's ordinary course of business is presented as revenue.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Leases (Continued)

##### *The Group as lessor (Continued)*

##### Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”) to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 “Financial Instruments” (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

##### Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

##### Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Building management service income is recognised over the service period. The Group receives monthly building management service payments from customers one month in advance under the contracts. Further details of the revenue recognition are set out in note 5.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information (Continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is included under other income.

#### Financial assets

##### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

##### Impairment of financial assets and deferred lease receivables subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for expected credit loss (“ECL”) on financial assets which are subject to impairment assessment under HKFRS 9 (including trade and other receivables (included deferred lease receivables), notes receivables, amount due from a joint venture, short-term bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and deferred lease receivables. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information (Continued)

#### Financial instruments (Continued)

##### *Financial assets (Continued)*

#### Impairment of financial assets and deferred lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on financial instruments has not increased significantly since initial recognition if financial instruments are determined to have low credit risk at the reporting date. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group consider that default has occurred when a financial asset is more than 90 days past due unless the Group have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event;
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. the disappearance of an active market for that financial asset because of financial difficulties.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

##### Impairment of financial assets and deferred lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and notes receivables where the corresponding adjustment is recognised through a loss allowance account.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information (Continued)

#### Financial instruments (Continued)

##### *Financial assets (Continued)*

##### Derecognition of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to profit less distribution.

##### *Financial liabilities and equity*

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Financial liabilities

In accordance with the Trust Deed, Champion REIT is required to distribute to unitholders not less than 90% of its distributable income for each financial period and has a limited life of 80 years less one day from the date of its commencement. Therefore, in addition to the contractual distribution to unitholders, the units issued by Champion REIT contain a contractual obligation upon its termination to distribute a share of all net cash proceeds derived from the sale or realisation of its assets less any liabilities to its unitholders in accordance with their proportionate interests in Champion REIT at the date of its termination. Accordingly, the units issued by Champion REIT contained liability components.

Financial liabilities (including trade and other payables, deposits received, distribution payable, bank borrowings and medium term notes) are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### *Hedge accounting*

The Group designates derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

##### Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

##### Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group expects that some or all of the loss accumulated in the hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information (Continued)

#### Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred as the Group does not have any qualifying assets.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of Champion REIT and the entities controlled by Champion REIT. Control is achieved when Champion REIT:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Interests in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, interests in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Asset" ("HKAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Interests in a joint venture (Continued)

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in a joint venture to which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 "Investments in Associates and Joint Ventures" ("HKAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

##### Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss/profit before tax and distribution to unitholders as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Material accounting policy information (Continued)

#### Taxation (Continued)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in net assets attributable to unitholders, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in net assets attributable to unitholders respectively.

## 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Manager is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Manager has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Manager has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties, the Manager has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes on disposal of the investment properties.

## 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified valuers to perform the valuation. The Manager works closely with the external parties to establish the appropriate valuation techniques and inputs to the model. The Manager review the valuation report and findings half yearly to evaluate the cause of fluctuations in the fair value of the assets and liabilities.

Investment properties are stated at fair value at the end of the reporting period based on the valuation performed by independent professional valuers. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates as described in note 15.

In addition, as described in note 34, the fair values of derivative financial instruments that are not quoted in active markets are determined by counterparty financial institutions and determined by using discounted cash flow method. Valuation techniques commonly used by market practitioners are applied. Cross currency swaps and interest rate swaps are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Where the actual future market data varies, a material adjustment on the fair values of investment properties, cross currency swaps and interest rate swaps may arise. In relying on the valuation report, the Manager has exercised its judgments and are satisfied that the methods of valuation, assumptions and key inputs are reflective of the current market conditions.

### Allowance for credit losses on notes receivables

The allowance for credit losses is sensitive to changes in estimates. Due to the significant deterioration in the credit-ratings of some of the bond issuers, the Group has recognised the allowance for credit losses in the prior year in view of the uncertainty in the collection of the contractual cash flow in the future. The information about the Group's notes receivables and the ECL are disclosed in notes 16 and 33 respectively.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 5. 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 2025

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
<b>Segment revenue</b>	<b>1,159,917</b>	<b>351,086</b>	<b>743,597</b>	<b>2,254,600</b>
<b>Segment results – Net property income</b>	<b>867,101</b>	<b>255,495</b>	<b>490,556</b>	<b>1,613,152</b>
Other income				26,394
Manager's fee				(196,602)
Trust and other expenses				(17,232)
Decrease in fair value of investment properties				(3,978,262)
Finance costs				(587,691)
Share of results of a joint venture				9,229
<b>Loss before tax and distribution to unitholders</b>				<b>(3,131,012)</b>
Income taxes				(135,515)
<b>Loss for the year, before distribution to unitholders</b>				<b>(3,266,527)</b>
Distribution to unitholders				(776,319)
<b>Loss for the year, after distribution to unitholders</b>				<b>(4,042,846)</b>
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>				
Decrease in fair value of investment properties	(2,883,215)	(253,141)	(841,906)	(3,978,262)

## 5. Segment Information (Continued)

### Segment revenue and results (Continued)

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
<b>Segment revenue</b>	<b>1,279,296</b>	<b>372,135</b>	<b>807,300</b>	<b>2,458,731</b>
<b>Segment results – Net property income</b>	<b>993,092</b>	<b>279,511</b>	<b>547,090</b>	<b>1,819,693</b>
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				25,066
<b>Loss before tax and distribution to unitholders</b>				<b>(1,924,124)</b>
Income taxes				(162,450)
<b>Loss for the year, before distribution to unitholders</b>				<b>(2,086,574)</b>
Distribution to unitholders				(867,277)
<b>Loss for the year, after distribution to unitholders</b>				<b>(2,953,851)</b>
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>				
Decrease in fair value of investment properties	(2,413,049)	(77,503)	(408,878)	(2,899,430)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 5. Segment Information (Continued)

#### Other segment information

Set out below is the reconciliation of the revenue from contracts with customers for the years with the amounts disclosed in the segment information.

#### For the year ended 31 December 2025

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
Building management fee income	142,708	46,844	77,320	266,872
Rental related income	33,439	2,049	46,394	81,882
<b>Revenue from contracts with customers</b>	<b>176,147</b>	<b>48,893</b>	<b>123,714</b>	<b>348,754</b>
Rental income and rental related income	983,770	302,193	619,883	1,905,846
	<b>1,159,917</b>	<b>351,086</b>	<b>743,597</b>	<b>2,254,600</b>

#### 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
Building management fee income	147,235	48,021	78,966	274,222
Rental related income	14,101	825	48,121	63,047
<b>Revenue from contracts with customers</b>	<b>161,336</b>	<b>48,846</b>	<b>127,087</b>	<b>337,269</b>
Rental income and rental related income	1,117,960	323,289	680,213	2,121,462
	<b>1,279,296</b>	<b>372,135</b>	<b>807,300</b>	<b>2,458,731</b>

The timing of revenue recognition of building management fee income and rental related income is over time.

The Group applied the practical expedient in HKFRS 15 by recognising revenue in the amount to which the Group has right to invoice an amount that corresponds directly with the value to customer of the entity's performance completed to date on a time basis. As permitted under HKFRS 15, the aggregate amount of the transaction price allocated to the unsatisfied performance obligation in relation to the building management service as at the end of reporting period is not disclosed.

## 5. Segment Information (Continued)

### Other segment information (Continued)

Total revenue arising from leases for the year ended 31 December 2025 includes variable lease payments that do not depend on an index or a rate of HK\$172,248,000 (2024: HK\$196,452,000), the remaining amounts are lease payments that are fixed.

	Three Garden Road HK\$'000	Langham Place Office Tower HK\$'000	Langham Place Mall HK\$'000	Consolidated HK\$'000
<b>For the year ended 31 December 2025</b>				
Additions to non-current assets	39,215	12,141	1,906	53,262
<b>For the year ended 31 December 2024</b>				
Additions to non-current assets	28,049	3,503	21,878	53,430

### Segment assets and liabilities

For the purpose of performance assessment, fair values of investment properties are reviewed by the CODM. As at 31 December 2025, the fair value of Three Garden Road, Langham Place Office Tower and Langham Place Mall was HK\$32,875,800,000 (2024: HK\$35,719,800,000), HK\$8,404,000,000 (2024: HK\$8,645,000,000) and HK\$14,899,000,000 (2024: HK\$15,739,000,000), 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 interests in a joint venture) are all located in Hong Kong.

### Information about major tenants

For the year ended 31 December 2025, there was one tenant (2024: one) whose revenue contributed over 10% of the total revenue of the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 6. Rental Income

	2025 HK\$'000	2024 HK\$'000
Property rental income	1,886,479	2,102,011
Carpark income	45,467	48,299
	<b>1,931,946</b>	<b>2,150,310</b>

### 7. Rental Related Income

	2025 HK\$'000	2024 HK\$'000
Interest income from tenants	670	234
Promotional levy income	12,608	13,374
Sundry income	42,504	20,591
	<b>55,782</b>	<b>34,199</b>

### 8. Property Operating Expenses

	2025 HK\$'000	2024 HK\$'000
Building management expenses	358,046	362,677
Car park operating expenses	15,500	15,496
Government rent and rates	89,890	91,911
Legal cost and stamp duty	3,567	1,864
Other operating expenses	30,688	32,833
Promotion expenses	29,230	31,062
Property and lease management service fee	59,174	64,933
Property miscellaneous expenses	5,112	4,194
Rental commission	45,046	32,082
Repair and maintenance	5,195	1,986
	<b>641,448</b>	<b>639,038</b>

### 9. Other Income

	2025 HK\$'000	2024 HK\$'000
Bank interest income	24,149	44,214
Bond interest income	2,190	2,771
Sundry income	55	135
	<b>26,394</b>	<b>47,120</b>

## 10. 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 2025 and 31 December 2025, the Manager is entitled to receive 12% of the net property income for each of the six months ended 30 June 2025 and 31 December 2025 as remuneration.

	2025 HK\$'000	2024 HK\$'000
<b>Manager's fee:</b>		
In the form of units	98,301	110,639
In the form of cash	98,301	110,640
	<b>196,602</b>	<b>221,279</b>

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 2025 and 31 December 2025 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.

## 11. Finance Costs

	2025 HK\$'000	2024 HK\$'000
<b>Finance costs represent:</b>		
Interest expense on bank borrowings	476,689	539,016
Interest expense on medium term notes	105,130	129,968
Other borrowing costs	5,872	8,407
	<b>587,691</b>	<b>677,391</b>

## 12. Loss Before Tax and Distribution to Unitholders

	2025 HK\$'000	2024 HK\$'000
<b>Loss before tax and distribution to unitholders has been arrived at after charging (crediting):</b>		
Auditors' remuneration		
Audit fees	<b>2,338</b>	2,338
Non-audit fees	<b>733</b>	760
Trustee's remuneration	<b>7,606</b>	8,039
Principal valuer's fee	<b>198</b>	218
Legal and professional fees	<b>4,160</b>	2,073
Roadshow and public relations related expenses	<b>1,815</b>	1,992
Bank charges	<b>16,206</b>	19,792
Exchange difference	<b>(316)</b>	1,845
Share of tax of a joint venture (included in the share of results of a joint venture)	<b>(169)</b>	7,663

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 13. Income Taxes

	2025 HK\$'000	2024 HK\$'000
<b>Hong Kong Profits Tax:</b>		
Current tax		
– Current year	116,035	135,542
– (Over) under provision in prior years	(7,901)	669
	108,134	136,211
Deferred tax (note 24)		
– Current year	27,381	26,239
	<b>135,515</b>	<b>162,450</b>

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

Based on the Manager's best estimate, the Group's ultimate holding company operates in jurisdictions where the Pillar Two Rules are effective but is not liable for top-up tax under the global minimum effective tax rate of 15%.

The income taxes for the year can be reconciled to the loss before tax and distribution to unitholders as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax and distribution to unitholders	(3,131,012)	(1,924,124)
Tax at the domestic income tax rate of 16.5%	(516,617)	(317,480)
Tax effect of income not taxable for tax purpose	(4,973)	(7,345)
Tax effect of expenses not deductible for tax purpose	666,529	490,742
Tax effect of share of results of a joint venture	(1,523)	(4,136)
(Over)under provision in prior years	(7,901)	669
<b>Income taxes for the year</b>	<b>135,515</b>	<b>162,450</b>

### 14. Basic Loss Per Unit

The calculation of the basic loss per unit before distribution to unitholders is based on the loss for the year before distribution to unitholders of HK\$3,266,527,000 (2024: HK\$2,086,574,000) with the weighted average number of units of 6,117,345,283 (2024: 6,060,689,955) 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 2025 and 2024.

There were no dilutive potential units in issue during the years ended 31 December 2025 and 2024, therefore the diluted loss per unit has not been presented.

## 15. Investment Properties

	2025 HK\$'000	2024 HK\$'000
FAIR VALUE		
At the beginning of the year	60,103,800	62,949,800
Additions during the year	53,262	53,430
Decrease in fair value	(3,978,262)	(2,899,430)
<b>At the end of the year</b>	<b>56,178,800</b>	<b>60,103,800</b>

The fair value of the Group's investment properties at 31 December 2025 and 31 December 2024 has been arrived at on the basis of valuation carried out by Knight Frank Petty Limited, an independent qualified professional valuer not connected to the Group.

The valuation was arrived by using the Income Capitalisation Approach which is a method of valuation whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at its current market rent as at the end of the reporting period. Upon the expiry of the existing tenancy, each of the leased area is assumed to be let at the market rent as at the end of the reporting period, which is in turn capitalised at the market yield as expected by investors for the period which the property is held with expectations of renewal of Government lease upon its expiry. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the valuer's knowledge of the market expectation from property investors. The expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating cost, risk factor and the like. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

The Group's property interests held under leases, which are located in Hong Kong, are classified and accounted for as investment properties measured using the fair value model.

The Group leases the three investment properties, namely Three Garden Road, Langham Place Office Tower and Langham Place Mall, for generating rental income. Further details of the lease arrangements are set out in note 30.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 15. Investment Properties (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Sensitivity
<b>At 31 December 2025 and 2024</b>					
Three Garden Road	Level 3	Income capitalisation approach  The key inputs are:  (i) capitalisation rate; and  (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 3.7% for office and 4.35% for retail (2024: 3.7% for office and 4.35% for retail).          Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value.          The higher the market rent, the higher the fair value.	If the capitalisation rate to the valuation model is 50 basis points higher/lower, while all the other variables were held constant, the carrying value would decrease by approximately HK\$3,844 million (capitalisation rate of 4.2% for office and 4.85% for retail) and increase by approximately HK\$5,045 million (capitalisation rate of 3.2% for office and 3.85% for retail) respectively (2024: decrease by approximately HK\$4,166 million (capitalisation rate of 4.2% for office and 4.85% for retail) and increase by approximately HK\$5,459 million (capitalisation rate of 3.2% for office and 3.85% for retail) respectively).          If the monthly rent to the valuation model is 5% higher/lower, while all other variables were held constant, the carrying value would increase by approximately HK\$1,509 million and decrease by approximately HK\$1,508 million, respectively (2024: increase by approximately HK\$1,676 million and decrease by approximately HK\$1,680 million, respectively).
Langham Place Office Tower and Langham Place Mall	Level 3	Income capitalisation approach  The key inputs are:  (i) capitalisation rate; and  (ii) market rent per square foot	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, prevailing market condition, of 4.0% for retail and 4.1% for office (2024: 4.0% for retail and 4.1% for office).          Market rent, taking into account direct market comparables within the property.	The higher the capitalisation rate, the lower the fair value.          The higher the market rent, the higher the fair value.	If the capitalisation rate to the valuation model is 50 basis points higher/lower, while all the other variables were held constant, the carrying value would decrease by approximately HK\$2,515 million (capitalisation rate of 4.5% for retail and 4.6% for office) and increase by approximately HK\$3,225 million (capitalisation rate of 3.5% for retail and 3.6% for office) respectively (2024: decrease by approximately HK\$2,644 million (capitalisation rate of 4.5% for retail and 4.6% for office) and increase by approximately HK\$3,389 million (capitalisation rate of 3.5% for retail and 3.6% for office) respectively).          If the monthly rent to the valuation model is 5% higher/lower, while all other variables were held constant, the carrying value would increase by approximately HK\$1,070 million and decrease by approximately HK\$1,068 million, respectively (2024: increase by approximately HK\$1,124 million and decrease by approximately HK\$1,123 million, respectively).

## 16. Notes Receivables

	2025 HK\$'000	2024 HK\$'000
Notes receivables	105,088	165,614
Less: Allowance for credit losses	(58,494)	(119,464)
	<b>46,594</b>	<b>46,150</b>
Analysed for reporting purpose:		
Shown under non-current assets	–	46,150
Shown under current assets	46,594	–
	<b>46,594</b>	<b>46,150</b>

As at 31 December 2025, the Group held unsecured bonds with aggregate carrying amounts of HK\$46,594,000 (2024: HK\$46,150,000), which are denominated in United States dollar ("US\$") with nominal values ranging from US\$1,000,000 to US\$3,000,000 (2024: US\$1,000,000 to US\$3,000,000). The unsecured bonds bear interest at fixed interest rates ranging from 1.500% to 3.625% (2024: 1.500% to 3.625%) per annum and have maturity dates ranging from January 2026 to May 2026 (2024: ranging from January 2026 to May 2026).

Included in the carrying amount of notes receivables as at 31 December 2025 is accumulated allowance for credit losses of HK\$58,494,000 (2024: HK\$119,464,000). Details of impairment assessment of notes receivables are set out in note 33.

## 17. Interests in a Joint Venture

	2025 HK\$'000	2024 HK\$'000
Cost of investments in a joint venture (note)	333,592	341,743
Share of post-acquisition results and other comprehensive income	(63,040)	(67,359)
	<b>270,552</b>	<b>274,384</b>

Note: Included an amount due from a joint venture of HK\$333,592,000 (2024: HK\$341,743,000) which is denominated in Great Britain Pound ("GBP") and in substance form part of the Group's net investment in the joint venture. This amount is unsecured and non-interest bearing.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 17. Interests in a Joint Venture (Continued)

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).

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of joint venture	Form of business structure	Place of registration	Paid up registered capital	Effective interest held by the Group		Principal activity
				As at 31 December 2025	As at 31 December 2024	
Athene Investment	Limited Company	British Virgin Islands	US\$100	27%	27%	Investment holding of a subsidiary which is engaged in property investment

The Group's interests in a joint venture are accounted for using the equity method in the consolidated financial statements.

The summarised financial information in respect of Athene Investment at 31 December 2025 is set out below. The summarised financial information below represents amounts shown in Athene Investment's financial statements prepared in accordance with HKFRS Accounting Standards.

#### Athene Investment

	2025 HK\$'000	2024 HK\$'000
Current assets	121,174	119,830
Non-current assets	2,149,217	2,064,699
Current liabilities	45,307	30,734
Non-current liabilities	1,223,041	1,137,559
The above amounts of assets and liabilities include the following:		
Investment properties	1,919,544	1,783,394
Cash and cash equivalents	71,134	81,533
Non-current financial liabilities (excluding trade and other payable and provisions)	1,200,298	1,137,559

## 17. Interests in a Joint Venture (Continued)

### Athene Investment (Continued)

	2025 HK\$'000	2024 HK\$'000
Net property income	93,318	89,998
Profit for the year	33,552	92,836
Total comprehensive income for the year	33,552	92,836
The above profit for the year includes the following:		
Interest expense, after accounting for interest rate swaps	(12,317)	(11,703)
Income tax credit (expense)	631	(28,383)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets of Athene Investment	1,002,043	1,016,236
Proportion of the Group's ownership interest in Athene Investment	27%	27%
Carrying amount of the Group's interest in Athene Investment	270,552	274,384

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 18. Trade and Other Receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	19,301	38,620
Less: Allowance for credit losses	(6,162)	(6,162)
	13,139	32,458
Deferred lease receivables	75,106	78,439
Deposits, prepayments and other receivables	137,970	89,193
Less: Allowance for credit losses	(51,521)	(3,811)
	86,449	85,382
	<b>174,694</b>	<b>196,279</b>

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.

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:

	2025 HK\$'000	2024 HK\$'000
0 – 3 months	6,875	9,214
3 – 6 months	728	14,399
Over 6 months	5,536	8,845
	<b>13,139</b>	<b>32,458</b>

At the reporting date, the Group has not provided any allowance for trade receivables of HK\$13,139,000 (2024: HK\$32,458,000) as there has not been a significant change in credit quality and the amounts are still considered recoverable with most of the balance covered by deposit received.

Details of impairment assessment of trade and other receivables are set out in note 33.

## 19. Short-Term Bank Deposits and Bank Balances and Cash

	2025 HK\$'000	2024 HK\$'000
Bank balances and cash	84,193	100,351
Short-term bank deposits with original maturity of less than three months	541,375	625,866
<b>Bank balances and cash</b>	<b>625,568</b>	<b>726,217</b>

Cash at banks carry interest at prevailing market rates. Short-term bank deposit with original maturity of less than three months carry interest at a market rate ranging from 3.13% to 4.09% (2024: 4.63% to 5.19%) per annum.

## 20. Trade and Other Payables

	2025 HK\$'000	2024 HK\$'000
Trade payables	170,321	168,648
Rental received in advance	47,492	68,347
Other payables and accruals (note (i))	220,058	253,820
Accrued stamp duty (note (ii))	963,475	963,475
	<b>1,401,346</b>	<b>1,454,290</b>

Notes:

- (i) As at 31 December 2025, manager's fee payable of HK\$92,050,000 (2024: HK\$105,320,000) is included in other payables and accruals.
- (ii) The accrual for stamp duty is based on the current stamp duty rate of 4.25% (2024: 4.25%) and the stated consideration of HK\$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the property interest in Three Garden Road upon listing.

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

	2025 HK\$'000	2024 HK\$'000
0 – 3 months	170,321	168,648

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 21. Derivative Financial Instruments

	2025 HK\$'000	2024 HK\$'000
<b>Derivative as assets</b>		
Designated as cash flow hedge		
– interest rate swaps (note i)	–	1,503
	<b>–</b>	<b>1,503</b>
Analysed for reporting purpose:		
Shown under non-current assets	–	1,503
	<b>–</b>	<b>1,503</b>
<b>Derivative as liabilities</b>		
Designated as cash flow hedge		
– interest rate swaps (note i)	43,569	12,901
– cross currency swaps (note ii)	98,273	90,638
	<b>141,842</b>	<b>103,539</b>
Analysed for reporting purpose:		
Shown under current liabilities	8,796	–
Shown under non-current liabilities	133,046	103,539
	<b>141,842</b>	<b>103,539</b>

Notes:

(i) Interest rate swaps

As at 31 December 2025 and 2024, the Group entered into interest rate swap contracts to minimise its exposure to fluctuations in interest rates of its bank borrowings which bear interest at a floating rate of Hong Kong Interbank Offered Rate (“HIBOR”) plus an average of 0.89% per annum (2024: HIBOR plus an average of 0.89% per annum). The critical terms of the interest rate swaps and the corresponding bank borrowings are identical and the Manager considered that the interest rate swap contracts were highly effective hedging instruments and qualified as cash flow hedges.

	2025	2024
Carrying amount – liabilities (HK\$'000)	(43,569)	(11,398)
Notional amount (HK\$'000)	4,500,000	2,000,000
Maturity date	26 June 2026 to 23 June 2028	26 June 2026 to 28 June 2027
Change in fair value of outstanding instruments during the year (HK\$'000)	(58,524)	18,219
Change in value of hedged item used to determine hedge effectiveness during the year (HK\$'000)	58,524	(18,219)
Weighted average swap rate per annum (before interest margin)	3.36%	3.89%

## 21. Derivative Financial Instruments (Continued)

Notes: (Continued)

### (ii) Cross currency swaps

As at 31 December 2025 and 2024, the Group entered into cross currency swap contracts to minimise its exposure to fluctuations in foreign currency exchange rates and interest rate of certain of its medium term notes denominated in US\$. The critical terms of the cross currency swaps and the corresponding medium term notes are identical and the Manager considered that the cross currency swaps were highly effective hedging instruments and qualified as cash flow hedges.

	2025	2024
Carrying amount – liabilities (HK\$'000)	(98,273)	(90,638)
Notional amount (US\$'000)	300,000	300,000
Maturity date	15 June 2030	15 June 2030
Change in fair value of hedging instruments during the year (HK\$'000)	(7,454)	(6,060)
Change in value of hedged item used to determine hedge effectiveness during the year (HK\$'000)	7,454	6,060
Weighted average exchange rate (US\$: HK\$)	7.8176	7.8176

### (iii) Hedging reserve

	Interest rate swaps HK\$'000	Cross currency swaps HK\$'000	Total hedging reserves HK\$'000
As at 1 January 2024	17,939	(82,862)	(64,923)
Fair value adjustments on interest rate swaps and cross currency swaps designated at cash flow hedge	18,219	(6,060)	12,159
Reclassification of fair value adjustment to profit or loss	(51,590)	14,490	(37,100)
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,629	–	5,629
<b>As at 31 December 2024</b>	<b>(9,803)</b>	<b>(74,432)</b>	<b>(84,235)</b>
Fair value adjustments on interest rate swaps and cross currency swaps designated at cash flow hedge	(58,524)	(7,454)	(65,978)
Reclassification of fair value adjustment to profit or loss	26,637	(5,550)	21,087
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,308	–	5,308
<b>As at 31 December 2025</b>	<b>(36,382)</b>	<b>(87,436)</b>	<b>(123,818)</b>

The fair values of the above derivatives are based on the valuations provided by the counterparty financial institutions and measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 22. Bank Borrowings

	2025 HK\$'000	2024 HK\$'000
Unsecured term loan	7,665,000	7,904,000
Unsecured revolving loan	4,170,000	2,710,000
	11,835,000	10,614,000
Less: Unamortised front-end fees	(36,694)	(51,815)
	<b>11,798,306</b>	<b>10,562,185</b>
The maturity of bank borrowings is as follows:		
<b>Shown under current liabilities:</b>		
Within 1 year	<b>2,280,857</b>	<b>428,241</b>
<b>Shown under non-current liabilities:</b>		
After 1 year but within 2 years	6,332,139	992,392
After 2 years but within 5 years	3,185,310	9,141,552
	<b>9,517,449</b>	<b>10,133,944</b>
	<b>11,798,306</b>	<b>10,562,185</b>

As at 31 December 2025, total committed loan facilities amounted to HK\$14,325,000,000 (2024: HK\$14,345,000,000), out of which HK\$11,835,000,000 (2024: HK\$10,614,000,000) were drawn and outstanding. All bank borrowings are unsecured and denominated in Hong Kong dollars and bear interest at a floating rate of HIBOR plus a weighted average margin of 0.88% per annum (2024: 0.87% per annum). The Group also entered into interest rate swaps, details of which are set out in note 21.

Champion REIT has provided guarantees for all the facilities.

As at 31 December 2025, unsecured revolving loan of HK\$3,310,000,000 (2024: HK\$2,710,000,000) was classified as non-current liabilities as the Group has the right, at the end of the reporting period, to roll over the obligation for at least twelve months after the reporting period. The related revolving loan facilities are to be expired after one year from the end of the reporting period. The Group is required to comply with the certain conditions precedent as stipulated in the respective loan agreements upon each utilisation.

## 23. Medium Term Notes

	2025 HK\$'000	2024 HK\$'000
Medium term notes	2,609,600	3,829,050
Origination fees	(18,416)	(23,589)
	<b>2,591,184</b>	<b>3,805,461</b>
The maturity of medium term notes is as follows:		
<b>Shown under current liabilities:</b>		
Within 1 year	–	<b>1,223,585</b>
<b>Shown under non-current liabilities:</b>		
After 2 years but within 5 years	2,591,184	274,874
After 5 years	–	2,307,002
	<b>2,591,184</b>	<b>2,581,876</b>
	<b>2,591,184</b>	<b>3,805,461</b>

Champion REIT has provided guarantees for all the issued medium term notes. The major terms of the issued medium term notes are set out below:

### As at 31 December 2025

Principal amount	Coupon rate (per annum)
US\$300,000,000	2.95%
HK\$275,000,000	3.73%

### As at 31 December 2024

Principal amount	Coupon rate (per annum)
US\$300,000,000	2.95%
HK\$1,500,000,000	Fixed rates ranging from 2.85% to 4.00%

The Group also entered into cross currency swaps, details of which are set out in note 21, to hedge the currency risk of the medium term notes denominated in USD.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 24. Deferred Tax Liabilities

The followings are the major component of deferred tax liabilities and assets recognised and the movements thereon during the year:

	Accelerated tax depreciation HK\$'000	Hedging instrument HK\$'000	Tax losses HK\$'000	Total HK\$'000
As at 1 January 2024	777,007	3,747	(1,767)	778,987
Charge (credit) to consolidated income statement during the year	27,333	–	(1,094)	26,239
Credit to consolidated statement of comprehensive income during the year	–	(5,629)	–	(5,629)
<b>As at 31 December 2024</b>	<b>804,340</b>	<b>(1,882)</b>	<b>(2,861)</b>	<b>799,597</b>
Charge (credit) to consolidated income statement during the year	27,624	–	(243)	27,381
Credit to consolidated statement of comprehensive income during the year	–	(5,308)	–	(5,308)
<b>As at 31 December 2025</b>	<b>831,964</b>	<b>(7,190)</b>	<b>(3,104)</b>	<b>821,670</b>

For the purposes of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset and shown under non-current liabilities.

As at 31 December 2025, the Group has unutilised tax losses amounting to HK\$494,065,000 (2024: HK\$492,592,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$18,812,000 (2024: HK\$17,339,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$475,253,000 (2024: HK\$475,253,000) due to unpredictability of future profit stream. Tax losses may be carried forward indefinitely.

### 25. Issued Units

	Number of units	HK\$'000
Balance at 1 January 2024	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
<b>Balance at 31 December 2024</b>	<b>6,080,814,685</b>	<b>25,210,656</b>
Payment of Manager's fee through issuance of new units during the year (note (i))	54,476,984	104,936
<b>Balance at 31 December 2025</b>	<b>6,135,291,669</b>	<b>25,315,592</b>

## 25. Issued Units (Continued)

Note:

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

Issue date	Payment of the Manager's fees for the period	Issue price per unit determined based on the Trust Deed HK\$	Number of units issued	Aggregate issue price HK\$'000
<b>In 2025</b>				
6 March 2025	1.7.2024 to 31.12.2024	1.830	28,775,953	52,660
3 September 2025	1.1.2025 to 30.6.2025	2.034	25,701,031	52,276
			<b>54,476,984</b>	<b>104,936</b>
<b>In 2024</b>				
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

## 26. Major Non Cash Transactions

During the year ended 31 December 2025, 54,476,984 (2024: 67,080,154) units were issued as payment for the Manager's fee amounted to HK\$104,936,000 (2024: HK\$115,735,000).

## 27. 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 2025 of HK\$39,596,071,000 (2024: HK\$43,552,237,000) by the number of units in issue of 6,135,291,669 as at 31 December 2025 (2024: 6,080,814,685).

## 28. Net Current Liabilities

At 31 December 2025, the Group's net current liabilities, calculated as current liabilities less current assets, amounted to HK\$3,789,932,000 (2024: HK\$3,254,644,000).

## 29. Total Assets Less Current Liabilities

At 31 December 2025, the Group's total assets less current liabilities amounted to HK\$52,659,420,000 (2024: HK\$57,171,193,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 30. Operating Lease Commitments

At 31 December 2025 and 2024, undiscounted lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	1,470,690	1,649,161
In the second year	1,130,113	875,964
In the third year	656,390	474,379
In the fourth year	300,977	166,101
In the fifth year	100,593	71,182
Over five years	25,158	45,869
	<b>3,683,921</b>	<b>3,282,656</b>

The properties held had committed leases usually running for two to six years and rentals are predetermined at fixed amounts except for certain leases of which variable rentals are charged based on the percentage of sales. Variable rental income of HK\$172,248,000 (2024: HK\$196,452,000) was received for the year.

Certain lease payments receivable are calculated based on the estimated market rent to be received from the contracted tenants during specified time intervals of the contracted period as stipulated in the lease agreement.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

### 31. Capital Commitment

As at 31 December 2025, the Group had capital commitments for upgrading investment properties which were contracted but not provided for of approximately HK\$9,861,000 (2024: HK\$5,406,000).

## 32. Connected and Related Party Transactions

During the year, the Group entered into the following transactions with connected and related parties:

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Rental income</i>			
Artisan International Limited	(a) & (b)	332	797
Eagle Asset Management (CP) Limited	(a) & (b)	603	653
Eagle Property Management (CP) Limited	(a) & (b)	7,488	8,514
Imperial Distributions Limited	(a) & (b)	37	–
Keysen Property Management Services Limited	(a) & (b)	6,740	6,958
Magic Energy Limited	(a) & (b)	4,703	8,560
Tonkichi (HK) Limited	(a) & (b)	2,766	2,766
<i>Interest income</i>			
HSBC Group <sup>1,3</sup>	(c)	10,121	17,844
<i>Building management fee income</i>			
Artisan International Limited	(a) & (b)	71	170
Eagle Asset Management (CP) Limited	(a) & (b)	88	88
Eagle Property Management (CP) Limited	(a) & (b)	1,156	1,265
Imperial Distributions Limited	(a) & (b)	6	–
Keysen Property Management Services Limited	(a) & (b)	991	991
Magic Energy Limited	(a) & (b)	797	1,411
Tonkichi (HK) Limited	(a) & (b)	492	494
<i>Rental related income</i>			
Artisan International Limited	(a) & (b)	12	29
Eagle Asset Management (CP) Limited	(a) & (b)	–	26
Eagle Property Management (CP) Limited	(a) & (b)	20	67
Imperial Distributions Limited	(a) & (b)	1	–
Keysen Property Management Services Limited	(a) & (b)	41	120
Tonkichi (HK) Limited	(a) & (b)	71	71
<i>Building management expenses and car park operating cost reimbursement</i>			
Keysen Property Management Services Limited	(a) & (d)	321,025	324,968
Longworth Management Limited	(a) & (d)	57,104	57,104
<i>Other operating expenses</i>			
Best Come Limited	(a) & (d)	15,577	13,266
<i>Property and lease management service fee</i>			
Eagle Property Management (CP) Limited	(a) & (e)	59,175	64,933

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 32. Connected and Related Party Transactions (Continued)

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Marketing service fee (included under rental commission)</i>			
Eagle Property Management (CP) Limited	(a) & (f)	<b>22,026</b>	17,035
<i>Repairs and maintenance and improvement works contracted to</i>			
Keysen Engineering Company, Limited	(a) & (g)	<b>18,632</b>	6,197
Selex Engineering Services Limited	(a) & (g)	<b>8,810</b>	1,993
Toptech Co. Limited	(a) & (g)	<b>350</b>	325
<i>Repairs and maintenance fee and improvement works</i>			
Keysen Engineering Company, Limited	(a) & (g)	<b>10,996</b>	5,595
Selex Engineering Services Limited	(a) & (g)	<b>5,793</b>	1,993
Toptech Co. Limited	(a) & (g)	<b>350</b>	1,156
<i>Promotion expenses</i>			
Keysen Engineering Company, Limited	(a) & (g)	–	59
Cordis, Hong Kong	(a) & (g)	<b>55</b>	4
<i>Property miscellaneous expenses</i>			
Cordis, Hong Kong	(a) & (g)	<b>174</b>	219
Keysen Engineering Company, Limited	(a) & (g)	<b>12</b>	–
Keysen Property Management Services Limited	(a) & (g)	<b>1</b>	4
<i>Trustee's fee and other expenses</i>			
HSBC Institutional Trust Services (Asia) Limited <sup>3</sup>	(c)	<b>7,606</b>	8,039
HSBC Group <sup>1,3</sup>	(c)	<b>298</b>	320
<i>Manager's fee</i>			
Eagle Asset Management (CP) Limited	(a) & (h)	<b>196,602</b>	221,279
<i>Finance costs</i>			
HSBC Group <sup>1,3</sup>	(c) & (i)	<b>90,880</b>	92,460

## 32. Connected and Related Party Transactions (Continued)

Balances with connected and related parties are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Amount due from (included in trade and other receivables)</i>			
Best Come Limited	(a) & (j)	4,121	4,068
Keysen Engineering Company, Limited	(a) & (j)	251	266
Keysen Property Management Services Limited	(a) & (j)	15,165	24,069
Longworth Management Limited	(a) & (j)	15,311	15,311
Selex Engineering Services Limited	(a) & (j)	125	125
Toptech Co., Limited	(a) & (j)	285	416
<i>Amount due to (included in trade and other payables)</i>			
Best Come Limited	(a) & (j)	14,131	17,620
Cordis, Hong Kong	(a) & (g)	71	–
Eagle Asset Management (CP) Limited	(a) & (j)	92,050	105,320
Eagle Property Management (CP) Limited	(a) & (j)	18,651	21,041
Selex Engineering Services Limited	(a) & (j)	106	3,476
Keysen Property Management Services Limited	(a) & (j)	17,698	10,549
Keysen Engineering Company, Limited	(a) & (j)	4,033	4,746
Toptech Co., Limited	(a) & (j)	28	353
<i>Deposits placed with the Group for the lease of the Group's properties</i>			
Artisan International Limited	(a)	–	578
Eagle Asset Management (CP) Limited	(a)	120	120
Eagle Property Management (CP) Limited	(a) & (k)	998	998
Imperial Distributions Limited	(a)	342	–
Keysen Property Management Services Limited	(a)	1,737	1,741
Magic Energy Limited	(a)	235	1,342
Tonkichi (HK) Limited	(a)	1,810	1,811

Other than the above balances and amount due from a joint venture as disclosed in note 17, the Group has no other related company balances.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 32. Connected and Related Party Transactions (Continued)

Notes:

- (a) These companies are the subsidiaries or associates directly or indirectly held by Great Eagle, a significant unitholder of Champion REIT.
- (b) Rental income, building management fee income and rental related income are based on the prevailing market rates.
- (c) These companies are the Trustee or associates<sup>2</sup> of the Trustee.
- (d) Building management expenses, carpark operating cost reimbursement and other operating expenses are based on the relevant agreements which are conducted at normal commercial terms.
- (e) Under the property management agreement dated 26 April 2006 between the REIT Manager and Eagle Property Management (CP) Limited (the "Property Manager"), the Property Manager will receive from each of the property holding subsidiaries a fee of 3% per annum of gross property revenue for the provision of property and lease management services. Gross property revenue means the amount equivalent to the gross revenue less charge-out collections.
- (f) For the marketing services, the property holding subsidiaries will pay the Property Manager the following commissions:
  - one month's base rent for securing a tenancy of three years or more;
  - one-half month's base rent for securing a tenancy of less than three years;
  - one-half month's base rent for securing a renewal of tenancy irrespective of duration of the renewal term; and
  - 10% of the total licence fee for securing a licence for duration of less than 12 months.
- (g) Repairs and maintenance and improvement works contracted to connected parties, promotion expenses and property miscellaneous expenses are conducted based on normal commercial terms. Repairs and maintenance fee are charged to consolidated income statement after setting off with forbearance fee (if any) received from tenants.
- (h) The Manager's fee is calculated at 12% of the net property income provided that Champion REIT achieves net property income of HK\$200 million (including the share of net property income arising from the property held by a joint venture) for each of the six months period ended 30 June 2025 and 31 December 2025.
- (i) Interest expense is calculated at prevailing market rates on outstanding loans amount.
- (j) The amounts due from and due to connected and related parties are unsecured, interest-free and have no fixed repayment terms.
- (k) A bank guarantee of HK\$1,434,000 (2024: HK\$1,434,000) was received in lieu of deposit.

<sup>1</sup> HSBC Group means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries.

<sup>2</sup> As defined in the REIT Code.

<sup>3</sup> Connected party transactions as defined in the REIT Code.

## 33. Financial Instruments

### (a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>		
<i>Derivative instruments in designated hedge accounting relationships</i>		
Interest rate swaps	–	1,503
<i>Financial assets at amortised costs</i>		
Notes receivables	46,594	46,150
Trade and other receivables	20,169	38,940
Amount due from a joint venture	333,592	341,743
Bank balances and cash	625,568	726,217
	<b>1,025,923</b>	<b>1,153,050</b>
<b>Financial liabilities</b>		
<i>Derivative instruments in designated hedge accounting relationships</i>		
Cross currency swaps	98,273	90,638
Interest rate swaps	43,569	12,901
	<b>141,842</b>	<b>103,539</b>
<i>Financial liabilities at amortised costs</i>		
Trade and other payables	228,979	260,150
Rental deposits received	490,885	532,573
Distribution payable	344,681	372,484
Bank borrowings	11,798,306	10,562,185
Medium term notes	2,591,184	3,805,461
	<b>15,454,035</b>	<b>15,532,853</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies

The Group's major financial instruments include bank borrowings, medium term notes, notes receivables, trade and other receivables, amount due from a joint venture, bank balances and cash, short-term bank deposits, trade and other payables, rental deposits received, distribution payable and derivative financial instruments. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, other price risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (i) Currency risk

The Group has certain medium term notes denominated in a foreign currency (i.e. US\$) which expose the Group to foreign currency risk. The Group manages its foreign currency risk by entering into cross currency swaps to hedge against its exposures to changes in foreign exchange rate on part of its medium term notes amounted to US\$300,000,000 (2024: US\$300,000,000). The cross currency swaps are designated as effective hedging instruments and hedge accounting is used (see note 21 for details). The Group reviewed the continuing effectiveness of hedging instruments at least at the end of each reporting period. The Group mainly uses regression analysis and comparison of change in fair value of the hedging instruments and the hedged items for assessing the hedge effectiveness. As the foreign currency risk of its medium term notes is hedged, no sensitivity analysis has been prepared accordingly.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities (except for the medium term notes of US\$300,000,000 (2024: US\$300,000,000) as mentioned above) at the end of reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$000	2025 HK\$'000	2024 HK\$000
US\$	275,686	265,563	–	–
GBP	369,737	343,576	–	–

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (i) Currency risk (Continued)

###### *Sensitivity analysis*

The following table details the Group's sensitivity to a 10% increase and decrease in the Hong Kong dollars against the relevant foreign currencies. As Hong Kong dollars are pegged to US\$, no material currency risk is expected on US\$denominated monetary assets and liabilities and no sensitivity analysis has been prepared accordingly. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rate. A positive number below indicates a decrease in loss and other comprehensive expense (2024: increase in profit or loss and other comprehensive income) where Hong Kong dollars weaken 10% against the relevant currency. For a 10% strengthening of Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the profit or loss and other comprehensive income for the year, and the balances below would be negative.

	GBP impact	
	2025 HK\$'000	2024 HK\$'000
Profit or loss	3,614	183
Other comprehensive income	33,359	34,174

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

##### (ii) Interest rate risk

The Group is exposed to cash flow and fair value interest rate risks in relation to non-derivative financial assets and liabilities. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of HIBOR arising from the Group's variable-rate bank borrowings (see note 22 for details). The Group is also exposed to fair value interest rate risk in relation to its short-term bank deposits, notes receivables and medium term notes.

The Group manages its interest rate risk for the medium term notes by entering into cross currency swaps to hedge against its exposures to interest rate on certain medium term notes as detailed above.

The Group manages its interest rate risk for variable-rate bank borrowings by entering into interest rate swaps to hedge against its exposures to interest rate on certain variable-rate bank borrowings. The Manager will continue to monitor the interest rate risk to the Group and take further actions by entering interest rate swaps to hedge against any foreseeable interest rate exposure, if necessary.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. Financial Instruments (Continued)

### (b) Financial risks management objectives and policies (Continued)

#### (ii) Interest rate risk (Continued)

##### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivatives instruments. For variable-rate term loans, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (2024: 50) basis point increase or decrease is used which represents the Manager's assessment of the reasonably possible change in interest rates.

If the interest rates have been higher or lower and all other variables were held constant, the Group's loss before tax and distribution to unitholders for the year ended 31 December 2025 would increase/decrease by HK\$36,675,000 (2024: HK\$43,070,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate term loans (which are not hedged and has an aggregate amount of HK\$7,335,000,000 (2024: HK\$8,614,000,000) as at 31 December 2025.

#### (iii) Credit risk and impairment assessment

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the property manager on behalf of the Manager before lease agreements are entered into with tenants. In addition, the Manager regularly reviews the recoverable amount of each individual trade debtor and the credit ratings of notes receivables to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Manager considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Manager has referenced to the credit-ratings assigned by international credit-rating agencies to assess the credit risk on notes receivables.

The credit risk on derivative financial instrument is limited because the counterparties are banks with external high credit rating assigned by international credit-rating agencies.

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (iii) Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and deferred lease receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (iii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and deferred lease receivables, which are subject to ECL assessment.

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>						
Notes receivables	16	BB- or above* Below BB-*	N/A N/A	12m ECL Lifetime ECL (credit-impaired)	46,594 58,494	46,150 119,464
					<b>105,088</b>	<b>165,614</b>
Trade receivables	18	N/A N/A	Watch list Loss (Note 2)	Lifetime ECL Lifetime ECL (credit-impaired)	13,139 6,162	32,458 6,162
					<b>19,301</b>	<b>38,620</b>
Other receivables	18	N/A N/A	Low risk Loss (Note 1)	12m ECL Lifetime ECL (credit-impaired)	7,031 51,521	6,482 3,811
					<b>58,552</b>	<b>10,293</b>
Amount due from a joint venture	17	N/A	Low risk (Note 1)	12m ECL	<b>333,592</b>	<b>341,743</b>
Short-term bank deposits and bank balances	19	Aa1 – Baa1	N/A	12m ECL	<b>625,568</b>	<b>726,217</b>
<b>Other item</b>						
Deferred lease receivables	18	N/A	Low risk (Note 2)	Lifetime ECL	<b>75,106</b>	<b>78,439</b>

\* or its equivalent

Notes:

- For the purposes of internal credit risk management, the Group uses past due information (if applicable) to assess whether credit risk has increased significantly since initial recognition.
- For trade receivables and deferred lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (iii) Credit risk and impairment assessment (Continued)

The trade receivables presented in the consolidated statement of financial position are net of allowances for credit losses. In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade debtor from the date credit was initially granted up to the reporting date.

Based on the ECL assessment, the credit exposures for all the financial assets except for the notes receivables and the related interest receivables, which are subject to ECL assessment, are considered as low risk because the counterparties have a low risk of default and does not have material past-due amounts. There is no further loss allowance provision or reversal of previously recognised loss allowance provision for trade debtors during the year ended 31 December 2025 and 2024.

For notes receivables and the related interest receivables (included in other receivables), the Group measures the credit risk by referencing to the credit-ratings of the issuers assigned by international credit-rating agencies. For notes receivables with gross carrying amount of HK\$46,594,000 (2024: HK\$46,150,000), the Manager considered that the credit risk is limited because the counterparties are listed entities with high credit-ratings of BB- (or its equivalent) or above or are with good repayment record. For the remaining notes receivables with gross carrying amount of HK\$58,494,000 (2024: HK\$119,464,000), the Group measures the loss allowance at lifetime ECL, in view of the significant deterioration in credit-ratings of the issuers or recent evidences for default payments. As at 31 December 2025, the Group has provided HK\$58,494,000 (2024: HK\$119,464,000) allowance for credit losses (lifetime (credit-impaired)) on notes receivables.

Based on the ECL assessment, the credit exposures for all other financial assets, which are subject to ECL assessment, are considered as low risk because the counterparties have a low risk of default and does not have material past-due amounts.

The following table shows the movement in lifetime ECL that has been recognised as trade debtors under the simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit impaired) HK\$'000	Total HK\$'000
<b>At 1 January 2024, 31 December 2024 and 2025</b>	–	6,162	6,162

The Group write-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (iii) Credit risk and impairment assessment (Continued)

The following tables show reconciliation of loss allowances that has been recognised for notes receivables.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit impaired) HK\$'000	Total HK\$'000
At 1 January 2024	–	120,207	120,207
Exchange difference	–	(743)	(743)
<b>At 31 December 2024</b>	–	119,464	119,464
Derecognition during the year	–	(119,600)	(119,600)
Addition during the year	–	58,355	58,355
Exchange difference	–	275	275
<b>At 31 December 2025</b>	–	<b>58,494</b>	<b>58,494</b>

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit impaired) HK\$'000	Total HK\$'000
At 1 January 2024	–	3,835	3,835
Exchange difference	–	(24)	(24)
<b>At 31 December 2024</b>	–	3,811	3,811
Derecognition during the year	–	(3,817)	(3,817)
Addition during the year	–	51,521	51,521
Exchange difference	–	6	6
<b>At 31 December 2025</b>	–	<b>51,521</b>	<b>51,521</b>

##### (iv) Liquidity and capital risk management

The Manager monitors and maintains a level of bank balances and cash deemed adequate to finance the Group's operations. In addition, the Manager observes the REIT Code issued by the Securities and Futures Commission of Hong Kong concerning limits on total borrowings and monitors the level of borrowings to be within the permitted limit.

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

##### (iv) Liquidity and capital risk management (Continued)

The Group has bank balances and cash of HK\$625,568,000 (2024: HK\$726,217,000) as at 31 December 2025. In addition to the cash resources, the Group has available and negotiating borrowing facilities amounting to HK\$14,325,000,000 (2024: HK\$14,345,000,000), of which HK\$11,835,000,000 (2024: HK\$10,614,000,000) was drawn as at 31 December 2025. The undrawn committed revolving credit facilities amounted to HK\$2,490,000,000 as at 31 December 2025 (2024: HK\$3,731,000,000).

The Group has established a US\$1 billion guaranteed medium term note programme, under which unsecured notes may be issued from time to time in various currencies and amounts with fixed or floating rates to be set upon issuance of notes and will be guaranteed by the Trustee, in its capacity as trustee of Champion REIT. With effect from 12 May 2020, the programme limit under the Group's US\$1 billion guaranteed medium term note programme was increased to US\$2 billion. The Group issued an aggregate principal amount of approximately HK\$275,000,000 and US\$300,000,000 (2024: HK\$1,500,000,000 and US\$300,000,000) as at 31 December 2025.

The Group manages liquidity risk by maintaining adequate banking facilities as well as by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As a result of the undrawn committed revolving credit facility of HK\$2,490,000,000 (2024: HK\$3,731,000,000) and a balance of approximately HK\$12,954,400,000 (2024: HK\$11,697,950,000) under the guaranteed medium term note programme available for issuance, the Manager considered that the liquidity risk of the Group can be reduced.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by HK\$3,789,932,000 (2024: HK\$3,254,644,000). The Manager is of the opinion that, taking into account the headroom of the fair value of investment properties, 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.

The Group also considers the cost of capital and the risks associated with the capital. The Group has to maintain a level of borrowings that shall not exceed 50% (2024: 50%) of the total gross asset value as required by the REIT Code. As at 31 December 2025, the gearing ratio was 25.4% (2024: 23.7%). The ratio is calculated as total borrowings (principal amounts of bank borrowings and medium term notes) divided by total gross assets (defined as total assets less distribution payable) of the Group.

#### *Liquidity and interest risk tables*

The following tables detail the Group's expected maturity for its non-derivative financial assets as well as the Group's remaining contractual maturity for its non-derivative financial liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. Financial Instruments (Continued)

### (b) Financial risks management objectives and policies (Continued)

#### (iv) Liquidity and capital risk management (Continued)

##### *Liquidity and interest risk tables (Continued)*

The tables below have been drawn up for non-derivative financial instruments based on the undiscounted contractual cash flows of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a total financial asset and liability basis. For non-derivative financial liabilities, the tables reflect the undiscounted (outflows) of financial liabilities (except Manager's fee payable to be settled by units of Champion REIT) based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is calculated based on interest rate at the end of the reporting period.

	Weighted average effective interest rate %	Less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total amount HK\$'000	Total carrying amount HK\$'000
<b>As at 31 December 2025</b>							
<i>Non-interest bearing</i>							
Trade and other receivables	-	20,169	-	-	-	20,169	20,169
<i>Fixed interest rate</i>							
Notes receivables	2.79	47,344	-	-	-	47,344	46,594
Bank balances and cash	3.23	627,312	-	-	-	627,312	625,568
		674,656	-	-	-	674,656	672,162
<b>Total</b>		<b>694,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694,825</b>	<b>692,331</b>
<i>Non-interest bearing</i>							
Trade and other payables	-	(228,979)	-	-	-	(228,979)	(228,979)
Rental deposits received	-	(191,965)	(81,651)	(200,960)	(16,309)	(490,885)	(490,885)
Distribution payable	-	(344,681)	-	-	-	(344,681)	(344,681)
		(765,625)	(81,651)	(200,960)	(16,309)	(1,064,545)	(1,064,545)
<i>Variable interest rate instruments</i>							
Bank borrowings	3.95	(6,158,111)	(5,471,748)	(597,611)	-	(12,227,470)	(11,798,306)
<i>Fixed interest rate instruments</i>							
Medium term notes	3.03	(78,965)	(78,965)	(2,780,946)	-	(2,938,876)	(2,591,184)
<b>Total</b>		<b>(7,002,701)</b>	<b>(5,632,364)</b>	<b>(3,579,517)</b>	<b>(16,309)</b>	<b>(16,230,891)</b>	<b>(15,454,035)</b>

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

#### (iv) Liquidity and capital risk management (Continued)

#### *Liquidity and interest risk tables (Continued)*

	Weighted average effective interest rate %	Less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total amount HK\$'000	Total carrying amount HK\$'000
<b>As at 31 December 2024</b>							
<i>Non-interest bearing</i>							
Trade and other receivables	-	38,940	-	-	-	38,940	38,940
<i>Fixed interest rate</i>							
Notes receivables	2.79	1,300	47,231	-	-	48,531	46,150
Bank balances and cash	4.27	726,704	-	-	-	726,704	726,217
		728,004	47,231	-	-	775,235	772,367
<b>Total</b>		<b>766,944</b>	<b>47,231</b>	<b>-</b>	<b>-</b>	<b>814,175</b>	<b>811,307</b>
<i>Non-interest bearing</i>							
Trade and other payables	-	(260,150)	-	-	-	(260,150)	(260,150)
Rental deposits received	-	(244,242)	(152,749)	(120,141)	(15,441)	(532,573)	(532,573)
Distribution payable	-	(372,484)	-	-	-	(372,484)	(372,484)
		(876,876)	(152,749)	(120,141)	(15,441)	(1,165,207)	(1,165,207)
<i>Variable interest rate instruments</i>							
Bank borrowings	5.45	(3,566,783)	(2,088,734)	(5,886,574)	-	(11,542,091)	(10,562,185)
<i>Fixed interest rate instruments</i>							
Medium term notes	3.11	(1,324,009)	(78,965)	(496,507)	(2,363,403)	(4,262,884)	(3,805,461)
<b>Total</b>		<b>(5,767,668)</b>	<b>(2,320,448)</b>	<b>(6,503,222)</b>	<b>(2,378,844)</b>	<b>(16,970,182)</b>	<b>(15,532,853)</b>

The following table detail the Group's liquidity analysis for its derivative financial instruments. The tables below have been drawn up based on the undiscounted contractual net cash inflows and (outflows) on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instrument is prepared based on the expected cash flows as the Manager considers that the expected cash flows are essential for an understanding of the timing of the cash flows of these derivatives, which have been entered into for hedging purposes.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 33. Financial Instruments (Continued)

#### (b) Financial risks management objectives and policies (Continued)

#### (iv) Liquidity and capital risk management (Continued)

#### Liquidity and interest risk tables (Continued)

	Less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total amount HK\$'000	Total carrying amount HK\$'000
<b>As at 31 December 2025</b>						
<i>Derivatives – net settlement</i>						
Cross currency swaps	(64)	(64)	(194)	–	(322)	(98,273)
Interest rate swaps	(29,432)	(16,673)	(494)	–	(46,599)	(43,569)
<b>As at 31 December 2024</b>						
<i>Derivatives – net settlement</i>						
Cross currency swaps	(228)	(228)	(685)	143	(998)	(90,638)
Interest rate swaps	(9,876)	(5,242)	883	–	(14,235)	(11,398)

### 34. Fair Value Measurements of Financial Instruments

#### Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of the reporting period.

The following table gives information about how the fair values of these financial assets/(liabilities) are determined (in particular, the valuation techniques and inputs used).

Financial assets/(liabilities) in the consolidated statement of financial position	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs
	2025 HK\$'000	2024 HK\$'000		
Cross currency swaps classified as derivative financial instruments	(98,273)	(90,638)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates (if applicable), discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swaps classified as derivative financial instruments	–/ (43,569)	1,503/ (12,901)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and contracted forward rates (if applicable), discounted at a rate that reflects the credit risk of various counterparties.

## 34. Fair Value Measurements of Financial Instruments (Continued)

### Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

There were no transfers between Levels 1 and 2 in both current and last years.

The fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

## 35. Reconciliation of Liabilities and Related Assets Arising from Financing Activities

The table below details changes in the Group's liabilities and related assets arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Derivative financial instruments HK\$'000	Interest payable HK\$'000	Bank borrowings HK\$'000	Medium term notes HK\$'000	Distribution payable HK\$'000	Total HK\$'000
<b>At 1 January 2024</b>	<b>62,036</b>	<b>36,535</b>	<b>10,495,536</b>	<b>4,013,617</b>	<b>454,408</b>	<b>15,062,132</b>
Cash flows	52,159	(698,380)	39,694	(200,000)	(949,278)	(1,755,805)
Finance costs (note)	–	697,778	26,955	6,198	–	730,931
Foreign exchange translations	–	–	–	(14,354)	–	(14,354)
Other changes						
Fair value adjustments	(12,159)	–	–	–	–	(12,159)
Distribution declared	–	–	–	–	867,277	867,277
Other non-cash changes	–	–	–	–	77	77
<b>At 31 December 2024</b>	<b>102,036</b>	<b>35,933</b>	<b>10,562,185</b>	<b>3,805,461</b>	<b>372,484</b>	<b>14,878,099</b>
Cash flows	(26,172)	(556,793)	1,210,924	(1,225,000)	(804,602)	(1,401,643)
Finance costs (note)	–	530,478	25,197	5,230	–	560,905
Foreign exchange translations	–	–	–	5,493	–	5,493
Other changes						
Fair value adjustments	65,978	–	–	–	–	65,978
Distribution declared	–	–	–	–	776,319	776,319
Other non-cash changes	–	–	–	–	480	480
<b>At 31 December 2025</b>	<b>141,842</b>	<b>9,618</b>	<b>11,798,306</b>	<b>2,591,184</b>	<b>344,681</b>	<b>14,885,631</b>

Note: The amounts reclassified from hedging reserve are excluded in the reconciliation.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 36. Particulars of Principal Subsidiaries of Champion REIT

The following principal subsidiaries are owned by Champion REIT as at 31 December 2025 and 2024.

Name	Share capital issued		Principal activities	% of issued equity share capital held by Champion REIT	
	Number of share(s)	Paid up share capital		2025	2024
<i>Incorporated and operating in Hong Kong</i>					
CP (A1) Limited	1	HK\$1	Property investment	100%	100%
CP (B1) Limited	1	HK\$1	Property investment	100%	100%
CP (MC) Limited	1	HK\$1	Property investment	100%	100%
CP (PH) Limited	1	HK\$1	Property investment	100%	100%
CP (SH) Limited	1	HK\$1	Property investment	100%	100%
CP (WC) Limited	1	HK\$1	Property investment	100%	100%
CP Finance Limited	1	HK\$1	Financing	100%	100%
CP Success Limited	1	HK\$1	Financing	100%	100%
Elegant Wealth Limited	1	HK\$1	Property investment	100%	100%
Langham Beauty Limited	1	HK\$1	Beauty store operations	100%	100%
Renaissance City Development Company Limited	2	HK\$20	Property investment	100%	100%
Shine Hill Development Limited	1,000,003 (2024: 1,000,002)	HK\$741,000,000 (2024: HK\$651,000,000)	Property investment	100%	100%
Trump Treasure Limited	1	HK\$1	Treasury	100%	100%
<i>Incorporated in the Cayman Islands</i>					
Champion MTN Limited	1	US\$1	Medium term notes issuer	100%	100%
<i>Incorporated in the British Virgin Islands</i>					
EAM-Champion REIT Limited	1	US\$1	Securities investment	100%	100%
CP Investments (UK) Limited	1	US\$1	Investment holding	100%	100%

The Manager is of the opinion that a complete list of the particulars of all subsidiaries will be of excessive length and therefore the above list contains only the particulars of the subsidiaries which principally affect the results or assets and liabilities of the Group.

Except for Champion MTN Limited which has issued medium term notes as detailed in note 23, no other subsidiaries had issued any debt securities at 31 December 2025 and 2024 at any time during both years.

## Major Real Estate Agents and Contractors

### TOP FIVE ESTATE AGENTS

The top five real estate agents and their respective commission paid were given below:

Real estate agents	Nature of service	Commission paid (HK\$)	Relevant cost (%)
Eagle Property Management (CP) Limited	Leasing	22,026,000	48.9
Jones Lang LaSalle Limited	Leasing	6,940,000	15.4
CBRE Advisory Hong Kong Limited	Leasing	4,593,000	10.2
Colliers International Agency Limited	Leasing	2,865,000	6.4
BlackHills Consulting Limited	Leasing	2,166,000	4.8
<b>Total</b>		<b>38,590,000</b>	<b>85.7</b>

### TOP FIVE CONTRACTORS

The top five contractors and their respective value of service were given below:

Contractors	Nature of service	Value of contract (HK\$)	Relevant cost (%)
Keysen Property Management Services Limited	Building management	321,025,000	57.8
Eagle Property Management (CP) Limited	Property and lease management	59,175,000	10.7
Longworth Management Limited	Building management	57,104,000	10.3
Keysen Engineering Company, Limited	Repairs and maintenance	18,632,000	3.4
Best Come Limited	Building management	15,577,000	2.8
<b>Total</b>		<b>471,513,000</b>	<b>85.0</b>

## Performance Table

	2025	2024	2023	2022	2021
<b>As at 31 December:</b>					
Net asset value (HK\$'000)	<b>39,596,071</b>	43,552,237	46,415,198	47,227,767	48,962,619
Net asset value per unit (HK\$)	<b>6.45</b>	7.16	7.72	7.91	8.25
The highest traded price during the year (HK\$)	<b>2.55</b>	2.41	3.66	4.08	4.88
The highest premium of the traded price to net asset value <sup>1</sup>	<b>N/A</b>	N/A	N/A	N/A	N/A
The lowest traded price during the year (HK\$)	<b>1.61</b>	1.48	2.35	2.33	3.78
The highest discount of the traded price to net asset value	<b>75.0%</b>	79.3%	69.6%	70.5%	54.2%
<b>For the year ended 31 December:</b>					
Distribution yield per unit <sup>2</sup>	<b>5.0%</b>	8.2%	6.9%	6.4%	5.7%
Net (loss) profit yield per unit <sup>3</sup>	<b>(20.9%)</b>	(19.8%)	1.5%	(4.1%)	(3.5%)

Notes:

1. The highest traded price is lower than the net asset value per unit. Accordingly, no premium of the traded price to net asset value is presented.
2. Distribution yield per unit is calculated based on the distribution per unit of HK\$0.1263 (which calculation was set out in the Distribution Statement) for the year ended 31 December 2025 over the closing unit price of HK\$2.55 on 31 December 2025.
3. Net (loss) profit yield per unit is calculated based on (loss) profit for the year before distribution to unitholders per unit for the year ended 31 December 2025 over the closing unit price of HK\$2.55 recorded on 31 December 2025.

## Glossary of Terms

In this annual report, unless the context otherwise requires, the following expression shall have the followings meanings:

<b>Term</b>	<b>Definition</b>
“Board”	the board of Directors
“Champion REIT” or “Trust”	Champion Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time
“CAF”	Common areas/facilities
“Director(s)”	the director(s) of the REIT Manager
“DMC”	the deeds of mutual covenants in relation to properties held by Champion REIT Group
“Great Eagle”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 41)
“Great Eagle Group”	Great Eagle and its subsidiaries
“HITL”	HSBC International Trustee Limited
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Keysen”	Keysen Property Management Services Limited, a wholly-owned subsidiary of Great Eagle
“Langham”	Langham Hospitality Investments and Langham Hospitality Investments Limited (Stock Code: 1270)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longworth”	Longworth Management Limited, a wholly-owned subsidiary of Great Eagle
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Property Manager”	Eagle Property Management (CP) Limited, an indirect wholly-owned subsidiary of Great Eagle, in its capacity as property manager of Champion REIT
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC, as amended, supplemented and/or otherwise modified from time to time



## Glossary of Terms

<b>Term</b>	<b>Definition</b>
“REIT Manager”	Eagle Asset Management (CP) Limited, as the manager of Champion REIT
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the Trust Deed constituting Champion REIT dated 26 April 2006 and the second amending and restating deed dated 27 June 2025, entered into between the Trustee and the REIT Manager
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Champion REIT
“Unit”	one undivided unit in Champion REIT
“Unitholder”	any person registered as holding a Unit
“Year”	the year ended 31 December 2025

# Corporate Information



## Champion REIT

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))

## REIT Manager

Eagle Asset Management (CP) Limited  
Suite 3008, 30/F  
Great Eagle Centre  
23 Harbour Road  
Wanchai Hong Kong  
Tel: (852) 2879 1288  
Fax: (852) 2827 1338  
Email: info@eam.com.hk

## Board of Directors of the REIT Manager

### Non-executive Directors

LO Ka Shui (*Chairman*)  
WONG Mei Ling, Marina

### Executive Director

HAU Shun, Christina (*Chief Executive Officer*)

### Independent Non-executive Directors

CHAN Ka Keung, Ceajer  
CHENG Wai Chee, Christopher  
IP Yuk Keung, Albert  
SHEK Lai Him, Abraham

## Audit Committee of the REIT Manager

SHEK Lai Him, Abraham (*Chairman*)  
CHAN Ka Keung, Ceajer  
CHENG Wai Chee, Christopher  
IP Yuk Keung, Albert  
LO Ka Shui

## Disclosures Committee of the REIT Manager

HAU Shun, Christina (*Chairperson*)  
LO Ka Shui  
SHEK Lai Him, Abraham

## Nomination Committee of the REIT Manager

SHEK Lai Him, Abraham (*Chairman*)  
CHENG Wai Chee, Christopher  
IP Yuk Keung, Albert  
LO Ka Shui  
WONG Mei Ling, Marina

## Finance and Strategic Planning Committee of the REIT Manager

LO Ka Shui (*Chairman*)  
HAU Shun, Christina  
WONG Mei Ling, Marina

## Responsible Officers of the REIT Manager

HAU Shun, Christina  
LUK Ka Ping, Amy  
SUNG Kar Wai, Rosana

## Company Secretary of the REIT Manager

G. E. SECRETARIES LIMITED

## Property Manager

Eagle Property Management (CP) Limited

## Trustee

HSBC Institutional Trust Services (Asia) Limited

## Principal Bankers

Bank of China (Hong Kong) Limited  
DBS Bank Ltd.  
Industrial and Commercial Bank of China (Asia) Limited  
Mizuho Bank, Ltd.  
Oversea-Chinese Banking Corporation Limited

## Legal Advisors

Baker & McKenzie  
Mayer Brown  
Reed Smith Richards Butler LLP

## Auditor

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
Registered Public Interest Entity Auditor

## Principal Valuer

Knight Frank Petty Limited

## Unit Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai Hong Kong  
Email: hkinfo@computershare.com.hk

## Website

www.ChampionReit.com

## Stock Code

2778

# ChampionREIT

## 冠君產業信託

Suite 3008, 30th Floor, Great Eagle Centre,  
23 Harbour Road, Wanchai, Hong Kong  
Tel (852) 2879 1288 Fax (852) 2827 1338

[www.ChampionReit.com](http://www.ChampionReit.com)



PDF version

