



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

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Press Release

Sunlight Real Estate Investment Trust (“Sunlight REIT”) Annual Results for the Year Ended 30 June 2019

Infusing Sustainability

Hong Kong, 4 September 2019 — Henderson Sunlight Asset Management Limited (the “**Manager**”) is pleased to announce the final results of Sunlight REIT for the year ended 30 June 2019 (the “**Year**”).

Sunlight REIT delivered a satisfactory set of results amidst a whirlwind of global economic uncertainty, as reflected by a 5.6% year-on-year (“**YoY**”) rise in net property income (“**NPI**”) to HK\$682.5 million. Annual distributable income recorded a 3.7% growth to HK\$467.3 million.

The Board has resolved to declare a final distribution of HK 14.1 cents per unit. Coupled with an interim distribution of HK 13.2 cents per unit, the total distribution per unit for the Year amounts to HK 27.3 cents, up 3.0% YoY and represents a payout ratio of 96.4%.

At 30 June 2019, Sunlight REIT’s property portfolio was appraised at HK\$20,002.5 million, 6.7% higher than a year ago. Meanwhile, its net asset value (“**NAV**”) rose 7.6% to HK\$15,991.9 million, which translates to a NAV of HK\$9.68 per unit.

Operating Highlights

The overall portfolio of Sunlight REIT recorded an average occupancy rate of 95.3% at 30 June 2019 (30 June 2018: 98.2%). The occupancy rates of the office and retail portfolios were 94.0% and 98.1% (30 June 2018: 97.8% and 99.2%) respectively. Average passing rent of the office portfolio was HK\$35.5 per sq. ft., up 5.0% YoY, while that of the retail portfolio rose 2.6% to HK\$75.8 per sq. ft.. Average rental reversion of the portfolio was 11.4%.

Among the top three properties of Sunlight REIT, Sunlight Tower continued to benefit from the office decentralization momentum and stable leasing environment, achieving an encouraging rental reversion of 13.5%. Meanwhile, supported by a 13.4% rental reversion and effective cost-saving measures, NPI of Sheung Shui Centre Shopping Arcade grew 6.9% YoY. Metro City Phase I Property registered a 5.1% growth in NPI on the back of a rental reversion of 11.5%, reflecting the Manager’s continued efforts in trade mix optimization, effectively positioning the property as a defensive service-oriented retail destination in the district.

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Mr. Wu Shiu Kee, Keith, Chief Executive Officer of the Manager said, "Uncertainties on the macro-economic landscape, led by the US-China trade tensions, will continue to cloud the outlook of the global economy. While the downside risk of the office portfolio is expected to be relatively low, prospects for the retail sector are clearly less certain. Notwithstanding, the Manager will endeavour to navigate the businesses of Sunlight REIT proactively and responsibly, with a view to infusing long-term and sustainable value for the stakeholders."

Remarks: Attached highlights of FY2018/19 Final Results of Sunlight REIT.

- End -

About Sunlight REIT

Sunlight REIT (Stock code: 435) is a real estate investment trust authorized by the Securities and Futures Commission and constituted by the trust deed dated 26 May 2006 (as amended and supplemented by six supplemental deeds) and has been listed on The Stock Exchange of Hong Kong Limited on 21 December 2006. Sunlight REIT offers investors the opportunity to invest in a diversified portfolio of 11 office and five retail properties in Hong Kong with a total gross rentable area of approximately 1.2 million sq. ft.. The office properties are located in core business areas, including Wan Chai and Sheung Wan/Central, as well as in decentralized business areas such as Mong Kok and North Point. The retail properties are situated in regional transportation hubs and new towns including Sheung Shui, Tseung Kwan O and Yuen Long, as well as in urban areas with high population density.

About the Manager

The Manager of Sunlight REIT is an indirect wholly-owned subsidiary of Henderson Land Development Company Limited (恒基兆業地產有限公司); its responsibility is to manage Sunlight REIT in the sole interest of the unitholders in accordance with the Trust Deed.

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Highlights of FY2018/19 Final Results:
 (in HK\$' million, unless otherwise specified)

	2019	2018	Change (%)
For the year ended 30 June:			
Revenue	850.7	817.4	4.1
Net property income	682.5	646.1	5.6
Cost-to-income ratio (%)	19.8	21.0	N/A
Profit after taxation	1,591.1	1,442.3	10.3
Annual distributable income	467.3	450.5	3.7
Distribution per unit (HK cents)	27.3	26.5	3.0
Payout ratio (%)	96.4	96.7	N/A
At 30 June:			
Portfolio valuation	20,002.5	18,754.8	6.7
Net asset value	15,991.9	14,857.0	7.6
Net asset value per unit (HK\$)	9.68	9.03	7.2
Gearing ratio (%)	20.4	21.8	N/A

Disclaimer: The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Sunlight REIT in Hong Kong or any other jurisdiction.

This press release is issued by Strategic Financial Relations Limited on behalf of the Manager. For further information, please contact:

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