



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

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Press Release

Sunlight Real Estate Investment Trust (“Sunlight REIT”) Interim Results for the Six Months Ended 31 December 2021

Hong Kong, 15 February 2022 — Henderson Sunlight Asset Management Limited (the “**Manager**”) announces the interim results of Sunlight REIT for the six months ended 31 December 2021 (the “**Reporting Period**”).

Reflecting a higher average occupancy rate and a lower amortized rental concession, Sunlight REIT recorded a 1.2% year-on-year increase in revenue to HK\$404.3 million for the Reporting Period, while net property income (“**NPI**”) was also up 1.2% to HK\$323.4 million.

The Board has resolved to declare an interim distribution per unit of HK 12.2 cents, representing a payout ratio of 94.2% and an annualized distribution yield of 5.6% based on the closing price of HK\$4.34 on the last trading day of the Reporting Period.

The portfolio of Sunlight REIT was appraised at HK\$18,396.9 million at 31 December 2021, representing a mild increase of 0.3% from 30 June 2021. Meanwhile, net assets of Sunlight REIT grew 0.8% to HK\$14,230.5 million, which translates to a net asset value of HK\$8.48 per unit.

Highlights of Interim Results

The overall occupancy rate of Sunlight REIT’s portfolio at 31 December 2021 was 94.5% as compared to 93.7% at 30 June 2021. Office occupancy rate rose to 93.3% (30 June 2021: 92.4%), while occupancy rate for the retail portfolio increased to 97.1% (30 June 2021: 96.5%). For the Reporting Period, the office and retail portfolios registered negative rental reversions of 4.5% and 4.9% respectively.

In respect of the performance of major properties, occupancy rate of Dah Sing Financial Centre (“**DSFC**”) has shown reasonable improvement to 91.6% at 31 December 2021, mainly driven by new letting commitments from domestic corporations. In addition, its NPI grew 4.8% year on year to HK\$87.6 million. Metro City Phase I Property recorded a high occupancy rate of 99.3%, with a mild 1.5% year-on-year increase in NPI to HK\$67.4 million. In contrast, Sheung Shui Centre Shopping Arcade saw a 4.1% year-on-year decline in NPI to HK\$69.9 million on the back of a lower occupancy rate of 94.6% and a decrease in passing rent given a diminished presence of high-margin trades.

The Manager maintains its pledge to advance sustainability. During the Reporting Period, Sunlight REIT entered into a secured sustainability-linked loan of HK\$500 million with a tenure of 4.5 years. Meanwhile, its Sheung Wan-based Strand 50 has been awarded Excellent grade^{Note} under BEAM Plus V2.0 (Selective Scheme). Together with the successful renewal of DSFC as a BEAM Plus platinum-rated building (Comprehensive Scheme), this achievement amply illustrates the passion of the Manager for managing a greener portfolio which forms an integral part of the sustainability endeavours of Sunlight REIT.

Note : In Materials and Waste, and Indoor Environmental Quality aspects.



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Mr. Wu Shiu Kee, Keith, Chief Executive Officer of the Manager said, “Despite myriad uncertainties, it is not doom and gloom. Given a diversified and quality asset base, Sunlight REIT is relatively well placed to withstand the impact of swinging market conditions. Barring unforeseen circumstances, the Manager believes that the prospects for Sunlight REIT remain solid, while fully committed to caring about the health and safety of our tenants, customers and staff.”

Remarks: Attached financial highlights of FY2021/22 interim results of Sunlight REIT.

- End -

About Sunlight REIT

Listed on The Stock Exchange of Hong Kong Limited since 21 December 2006, Sunlight REIT (stock code: 435) is a real estate investment trust authorized by the Securities and Futures Commission and constituted by the amended and restated trust deed dated 10 May 2021 (the “**Trust Deed**”). It 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 over 1.2 million sq. ft.. The office properties are located in both core and decentralized business areas, while the retail properties are situated in regional transportation hubs, new towns and 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. Its main responsibility is to manage Sunlight REIT and all of its assets in accordance with the Trust Deed in the sole interest of its unitholders.



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Financial Highlights of FY2021/22 Interim Results:

(in HK\$' million, unless otherwise specified)

	Six months ended 31 December 2021	Six months ended 31 December 2020	Change (%)
Revenue	404.3	399.5	1.2
Net property income	323.4	319.5	1.2
Profit/(loss) after taxation ^{Note}	234.2	(194.1)	N/A
Distributable income	217.2	220.0	(1.3)
Distribution per unit (HK cents)	12.2	12.5	(2.4)
Payout ratio (%)	94.2	94.7	N/A
	At 31 December 2021	At 30 June 2021	Change (%)
Portfolio valuation	18,396.9	18,341.7	0.3
Net asset value	14,230.5	14,124.3	0.8
Net asset value per unit (HK\$)	8.48	8.45	0.4
Gearing ratio (%)	23.0	23.0	N/A

Note: Included an increase in fair value of investment properties of HK\$49.7 million (versus a fair value loss of HK\$380.2 million for the six months ended 31 December 2020).

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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