

Press Release

Sunlight Real Estate Investment Trust ("Sunlight REIT") Final Results for the Year Ended 30 June 2022

Crafting a Brighter Future

Hong Kong, 6 September 2022 — Henderson Sunlight Asset Management Limited (the "**Manager**") announces the final results of Sunlight REIT for the year ended 30 June 2022 (the "**Year**").

Despite global inflationary pressures and a fierce fifth wave of COVID-19 infections, Sunlight REIT's net property income ("**NPI**") for the Year still registered a mild improvement of 0.4% from the preceding year to HK\$641.9 million. Annual distributable income dropped a slight 1.7% to HK\$431.1 million, reflecting a moderate increase in interest expenses during the Year.

The Board has resolved to declare a final distribution of HK 12.8 cents per unit. Together with an interim distribution of HK 12.2 cents per unit, the total distribution per unit for the Year would amount to HK 25.0 cents. The implied payout ratio is 97.4%, compared with 97.5% for FY2020/21. Based on the closing price of HK\$3.65 on the last trading day of the Year, the distribution yield was 6.8%.

At 30 June 2022, the value of Sunlight REIT's property portfolio was appraised by the principal valuer^{Note} at HK\$18,095.2 million, representing a decrease of 1.3% from a year ago. As a result, its net asset value was down marginally by 0.5% to HK\$14,051.4 million, or HK\$8.36 per unit.

Operating Highlights

The overall portfolio of Sunlight REIT recorded an average occupancy rate of 94.7% at 30 June 2022 (30 June 2021: 93.7%), with the office and retail portfolios registering occupancy rates of 94.8% (30 June 2021: 92.4%) and 94.5% (30 June 2021: 96.5%) respectively. In light of the uncertain global business environment, however, average rental reversion for the Year was negative at 5.2%, while average passing rents of the office and retail portfolios were HK\$35.1 per sq. ft. and HK\$67.6 per sq. ft. at 30 June 2022, down 4.4% and 4.0% respectively from a year ago.

In respect of the performance of major properties, Dah Sing Financial Centre maintained a relatively stable occupancy rate of 91.4% at 30 June 2022 while its NPI registered a year-on-year improvement of 4.6% to HK\$178.4 million. For the retail portfolio, Sheung Shui Centre Shopping Arcade reported a lower occupancy rate of 92.9% and a mild 2.1% decline in NPI to HK\$139.5 million. Gratifyingly, NPI of the Metro City Phase I Property was up 1.7% to HK\$135.4 million for the Year, despite a drop in its occupancy rate to 94.6%.

The Manager has continued to actively pursue the sustainability agenda of Sunlight REIT. In particular, substantial inroad has been made into green building certification, as nearly 80% of the properties under management have been given recognition by BEAM Society Limited at 30 June 2022. Meanwhile, a total of HK\$1,300 million in sustainability-linked loans were concluded during the Year, increasing such proportion to over 60% of Sunlight REIT's total borrowings.

Note : CBRE Limited

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SUNLIGHT REIT

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Mr. Au Siu Kee, Alexander, Chairman of the Manager said, "Considering the onslaught of multiple shocks both at home and abroad throughout the Year, the performance of Sunlight REIT should be deemed solid. Against a fast-evolving external environment, we will keep increasing the capability of Sunlight REIT to stand strong in the face of adversities. With great stamina and teamwork, we will strive to craft a brighter future."

Remarks: Attached financial highlights of FY2021/22 final 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 Final Results:
(in HK\$' million, unless otherwise specified)

	2022	2021	Change (%)
For the year ended 30 June:			
Revenue	802.9	799.3	0.5
Net property income	641.9	639.7	0.4
Profit/(loss) after taxation ^{Note}	102.9	(233.7)	N/A
Annual distributable income	431.1	438.3	(1.7)
Distribution per unit (HK cents)	25.0	25.6	(2.3)
Payout ratio (%)	97.4	97.5	N/A
At 30 June:			
Portfolio valuation	18,095.2	18,341.7	(1.3)
Net asset value	14,051.4	14,124.3	(0.5)
Net asset value per unit (HK\$)	8.36	8.45	(1.1)
Gearing ratio (%)	23.3	23.0	N/A

Note: Included a fair value loss of investment properties of HK\$263.9 million (versus a fair value loss of HK\$605.2 million for the year ended 30 June 2021).

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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