



SUNLIGHT REIT

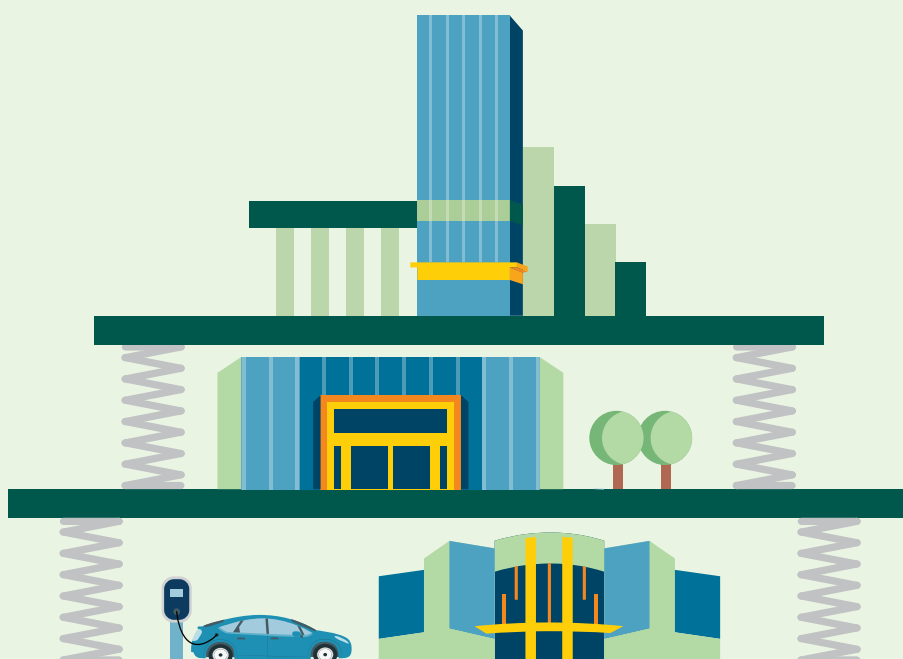
陽光 房地產基金

Stock Code 股份代號：435

2025

Interim Report

中期報告

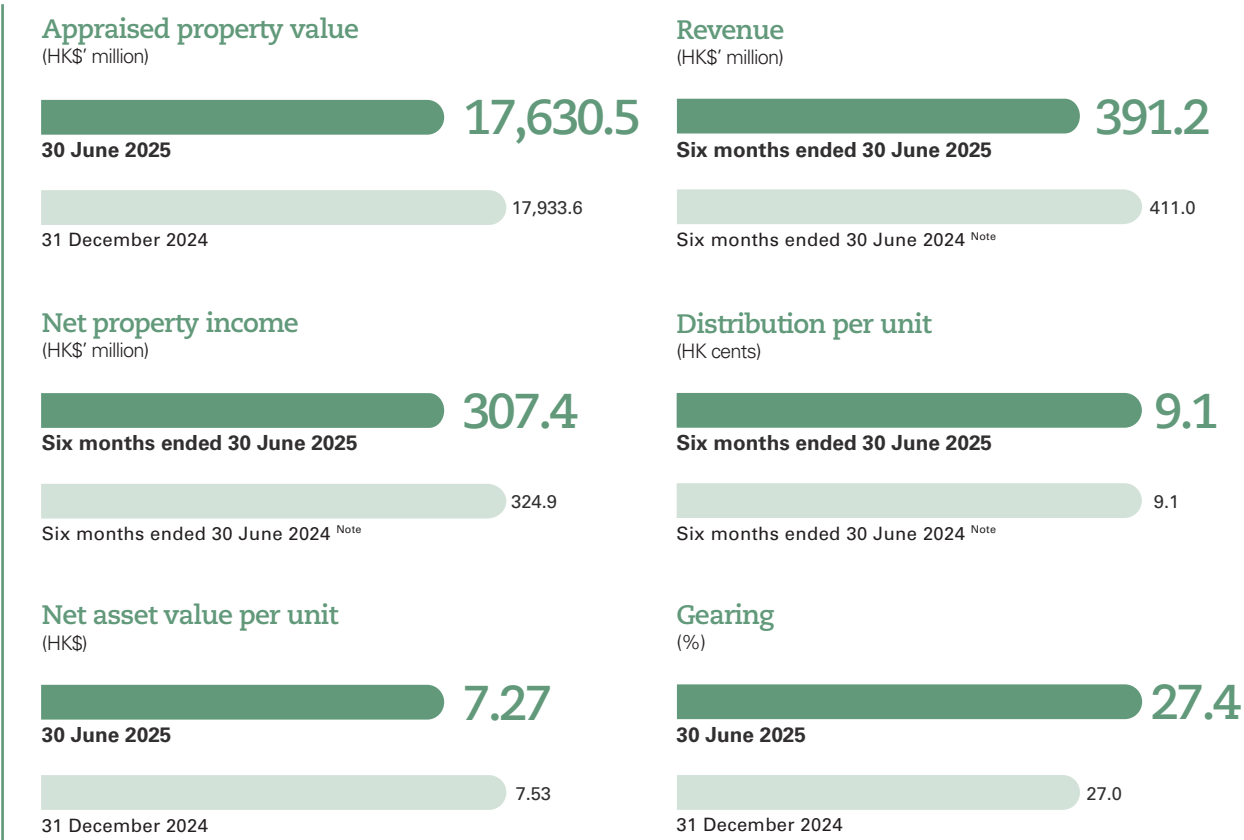


Sunlight REIT

Listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 21 December 2006, Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) (stock code: 435) is a real estate investment trust authorized by the Securities and Futures Commission (the “**SFC**”) and constituted by the trust deed dated 26 May 2006 (as amended and restated) (the “**Trust Deed**”). It offers investors the opportunity to invest in a diversified portfolio of 11 office and six retail properties in Hong Kong with a total gross rentable area (“**GRA**”) of approximately 1.3 million sq. ft. and an aggregate appraised value of HK\$17,630.5 million at 30 June 2025. 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.

Sunlight REIT is managed by Henderson Sunlight Asset Management Limited (the “**Manager**”) which is an indirect wholly-owned subsidiary of Henderson Land Development Company Limited (“**HLD**”). The Manager’s 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.

Performance Highlights



Note : The comparative figures are derived from the condensed interim financial statements for the 12 months ended 30 June 2024.

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Forward-looking Statements

This interim report contains certain statements and terminologies that are forward-looking. These statements are made on the basis of the current beliefs, assumptions, expectations and projections of the board of directors (the “**Board**”) and senior management of the Manager. They are subject to risks, uncertainties and other factors beyond the Manager’s control, the emergence of which may cause actual results or performance to differ materially from those expressed or implied in such statements.

Market and Operation Review

The threat of steep tariffs introduced by the incoming US administration was the key driver of market volatility during the six months ended 30 June 2025 (the “**Reporting Period**”), heightening investors concern over global trade flows and economic growth. As a major international financial centre, Hong Kong benefitted from favourable capital inflows stemming from asset reallocation to non-US markets, resulting in a notable decline in short-term Hong Kong Interbank Offered Rate(s) (“**HIBOR**”) and a steepening yield curve.

Despite an improved stock market performance and a significant resurgence in fundraising activities, the commercial leasing market in Hong Kong did not echo such positive developments. In particular, the office leasing market continued to be dominated by abundant supply, while leasing prudence was demonstrated by a shrinkage in net office absorption recorded in the first half of 2025. According to the statistics provided by Knight Frank Petty Limited, the Grade A office vacancy rate stayed at 14.8% at 30 June 2025.

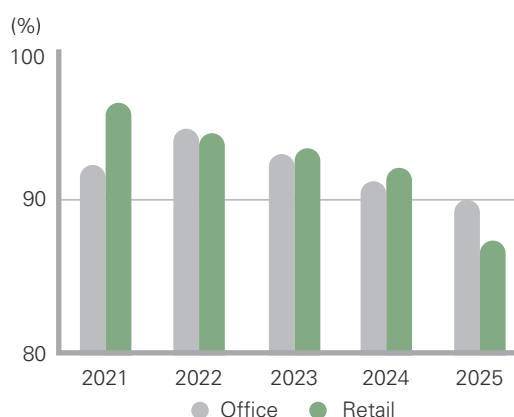
On the retail front, consumer sentiment remained cautious. The encouraging growth in tourist arrivals did not translate proportionately into higher retail spending, while northbound consumption has firmly become a sustainable phenomenon. These structural changes were reflected in Hong Kong’s retail sales, which fell by 3.3% year on year in the first six months of 2025.

The overall occupancy rate of Sunlight REIT’s portfolio at 30 June 2025 was 89.2% as compared to 91.3% at 31 December 2024, of which the office occupancy rate dropped to 90.0% (31 December 2024: 92.0%), while the retail occupancy rate came in at 87.6% (31 December 2024: 90.1%).

Reflecting the challenging operating environment, the office and retail portfolios registered negative rental reversions of 8.5% and 7.1% respectively, giving rise to an overall negative rental reversion of 7.7%. At 30 June 2025, the passing rent of the office portfolio declined mildly by 1.2% from six months ago to HK\$31.7 per sq. ft., while

Occupancy rate

(at 30 June)



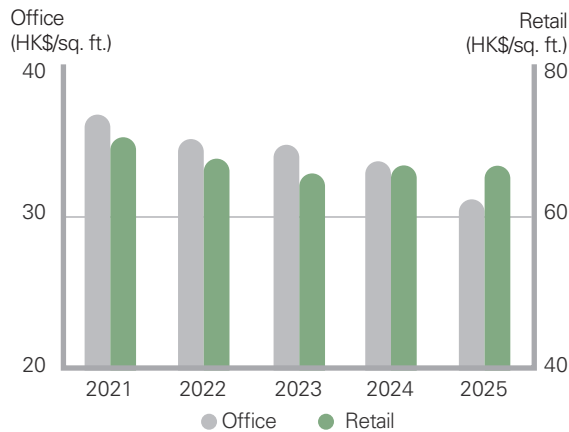
that of the retail portfolio was stable at HK\$65.5 per sq. ft. For the Reporting Period, the retention rates of the office and retail portfolios were 66% and 70% respectively.

In respect of the office portfolio, the occupancy rate of Dah Sing Financial Centre (“**DSFC**”) at 30 June 2025 was 90.6% as compared to 92.2% six months ago, mainly due to fewer new letting commitments, while its passing rent remained steady at HK\$36.3 per sq. ft. (31 December 2024: HK\$36.9 per sq. ft.). Meanwhile, the demand for traditional Grade B office spaces was uninspiring amid a softening local economy, evidenced by a drop in the occupancy rate of Strand 50 to 82.9% (31 December 2024: 89.2%). In contrast, the occupancy rate of The Harvest rebounded to 87.0%, while that of the neighbouring Righteous Centre was 92.5%, signifying the resilience of the twin properties as a service-trade hub in the Mong Kok district.

As for the retail portfolio, Sheung Shui Centre Shopping Arcade recorded a lower occupancy rate of 87.0% at 30 June 2025 as compared to 91.4% at end-2024, but its passing rent registered a slight improvement to HK\$105.2 per sq. ft. Meanwhile, due to the departure of an education tenant in the second quarter of 2025, the occupancy rate of Metro City Phase I Property (“**MCPI**”) slipped to 87.1% (31 December 2024: 91.7%), while its passing rent was HK\$53.9 per sq. ft.

Passing rent

(at 30 June)



The occupancy rate of West 9 Zone Kids (“W9Z”) increased to 79.5% at 30 June 2025. However, its income performance during the Reporting Period was adversely impacted by the expiry of a rental guarantee as well as provisions relating to a lease restructure with a major food and beverage tenant.

Tenants

Sunlight REIT had a total of 836 tenancies at 30 June 2025, of which office and retail tenants numbered 512 and 324 respectively. The largest tenant accounted for 7.6% of total revenue for the Reporting Period and occupied 7.3% of total GRA at 30 June 2025, while the corresponding figures for the top five tenants were 17.1% and 15.3%.

Tenant mix by GRA

(at 30 June 2025)

	Sheung Shui Centre Shopping Arcade	Metro City Phase I Property
Food and beverage	26.6%	28.3%
Financial	16.4%	8.5%
Fashion, jewellery and optical	11.8%	6.3%
Healthcare and beauty	14.1%	14.8%
Education	2.5%	8.8%
Grocery and light refreshments	10.0%	11.1%
Lifestyle	1.5%	3.9%
Others	4.1%	5.4%
Vacant	13.0%	12.9%

Key green building certifications of Sunlight REIT

(at 30 June 2025)

Property	Certificates	Rating
Dah Sing Financial Centre	BEAM Plus EB V2.0 Comprehensive Scheme	Final Platinum Rating
Strand 50	BEAM Plus EB V2.0 Selective Scheme (Materials and Waste Aspects, and Indoor Environmental Quality Aspect)	Excellent Grade
	LEED v4.1 Operations and Maintenance: Existing Buildings	Gold Rating
Metro City Phase I Property	BEAM Plus EB V2.0 Selective Scheme (Site Aspects)	Excellent Grade
	LEED v4.1 Operations and Maintenance: Existing Buildings	Gold Rating ^{Note}
Sheung Shui Centre Shopping Arcade	BEAM Plus EB V2.0 Selective Scheme (Site Aspects)	Excellent Grade
Kwong Wah Plaza Property		
Righteous Centre		
235 Wing Lok Street Trade Centre		
West 9 Zone Kids	BEAM Plus EB V2.1 Selective Scheme (Site Aspects)	Very Good Grade

Note : Obtained in July 2025.

Financial Review

Financial highlights

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

	Six months ended 30 June 2025	Six months ended 30 June 2024 ^{Note}	Change (%)
Revenue	391.2	411.0	(4.8)
Property operating expenses	83.8	86.1	(2.7)
Net property income	307.4	324.9	(5.4)
Cost-to-income ratio (%)	21.4	21.0	N/A
(Loss) / profit after taxation	(172.2)	79.5	N/A
Distributable income	168.6	171.6	(1.8)
Distribution per unit (HK cents)	9.1	9.1	–
Payout ratio (%)	93.8	90.9	N/A

	At 30 June 2025	At 31 December 2024	Change (%)
Portfolio valuation	17,630.5	17,933.6	(1.7)
Total assets	18,220.2	18,515.8	(1.6)
Total liabilities	5,586.1	5,505.7	1.5
Net asset value	12,634.1	13,010.1	(2.9)
Net asset value per unit (HK\$)	7.27	7.53	(3.5)
Gearing ratio (%)	27.4	27.0	N/A

Note : The comparative figures are derived from the condensed interim financial statements for the 12 months ended 30 June 2024.

Operating results

Sunlight REIT recorded a 4.8% year-on-year decline in revenue to HK\$391.2 million for the Reporting Period, mainly attributable to lower income contributions from DSFC, MCPI and W9Z. Property operating expenses eased 2.7% to HK\$83.8 million, bringing net property income to HK\$307.4 million, down 5.4%. The cost-to-income ratio for the Reporting Period was 21.4%.

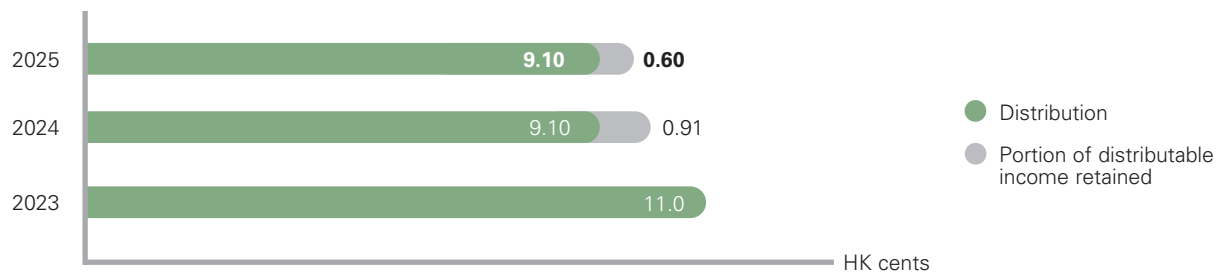
Taking into account a decrease in fair value of investment properties of HK\$314.3 million, Sunlight REIT reported a loss after taxation of HK\$172.2 million, compared to a profit after taxation of HK\$79.5 million for the same period last year.

Distribution

Distributable income for the Reporting Period was relatively sturdy with a mild drop of 1.8% to HK\$168.6 million, reflecting the positive impact from an approximately 14% savings in cash interest expense to HK\$91.5 million.

The Board has resolved to declare an interim distribution per unit of HK 9.1 cents, representing a payout ratio of 93.8% and an annualized distribution yield of 8.1% based on the closing price of HK\$2.26 on the last trading day of the Reporting Period.

Distribution at a glance¹



Financial position

At 30 June 2025, the appraised value of Sunlight REIT's real estate portfolio was HK\$17,630.5 million, versus HK\$17,933.6 million recorded at 31 December 2024. Total assets of Sunlight REIT stood at HK\$18,220.2 million, while its net assets attributable to unitholders came in at HK\$12,634.1 million, implying a net asset value of HK\$7.27 per unit.

The gearing ratio of Sunlight REIT (defined as total borrowings as a percentage of gross assets) was 27.4%, and the percentage of gross liabilities to gross assets was 30.7%.

While the EBITDA² of Sunlight REIT was down 5.9% year on year to HK\$265.5 million, the interest coverage ratio for the Reporting Period improved to 2.9 times (versus 2.7 times for the same period last year) thanks to a more favourable interest rate environment.

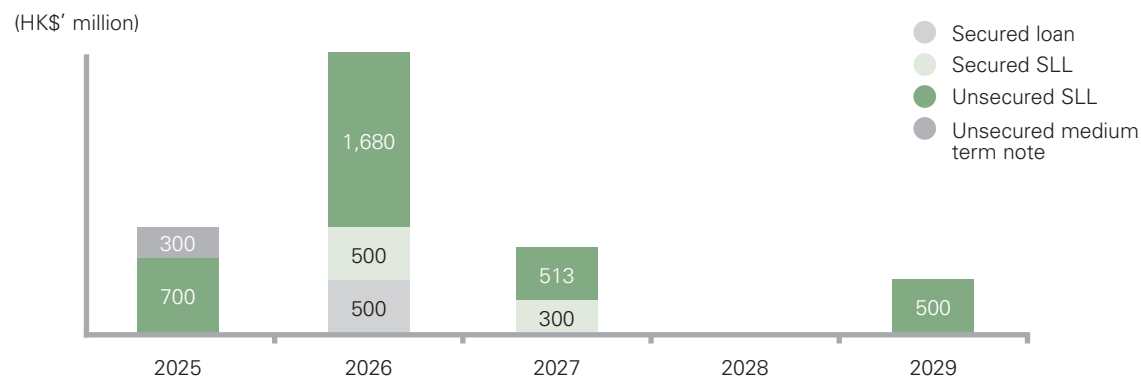
Capital and interest rate management

Sunlight REIT successfully concluded a new four-year unsecured term loan facility of HK\$500 million to refinance a term loan which matured in the Reporting Period. At 30 June 2025, Sunlight REIT's total borrowings of HK\$4,993 million were unchanged from six months ago, with sustainability-linked loans ("SLLs") constituting approximately 84% of total.

In August 2025, the Manager entered into two new term loan facilities totalling HK\$700 million to refinance a term loan due to mature in the second half of FY2025. Upon the drawdown of these facilities, Sunlight REIT's total borrowings will consist of secured loans of HK\$1,800 million and unsecured borrowings of HK\$3,193 million, with a weighted debt maturity period of 1.6 years.

Maturity profile of total borrowings

(at 30 June 2025)



Notes :

- For the six months ended 30 June.
- EBITDA represents net earnings before change in fair value of investment properties, interest expense, taxation, depreciation and amortization.

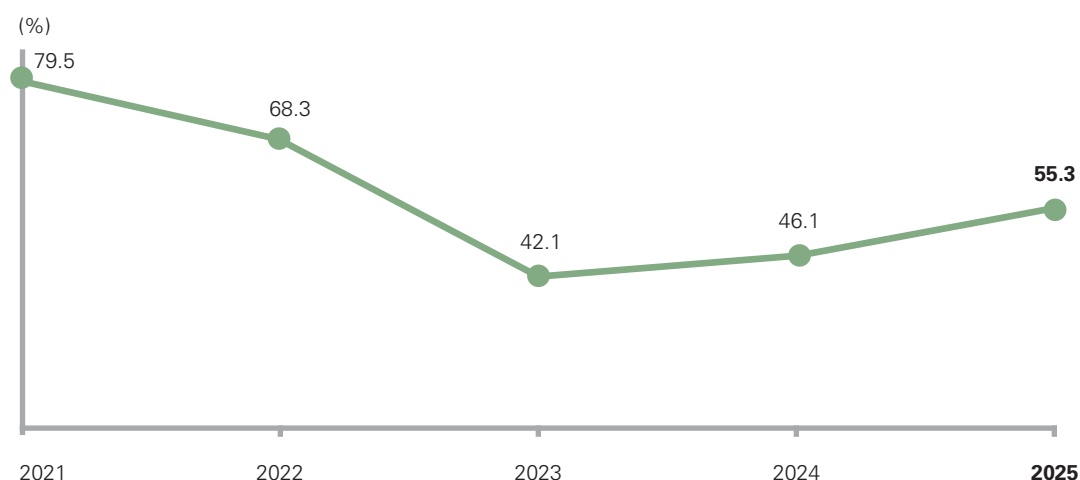
Financial Review

During the Reporting Period, the Manager executed a spate of IRSs with an aggregate notional amount of HK\$650 million, elevating the proportion of fixed rate borrowings to 55.3% at 30 June 2025. The weighted average interest rate for the fixed rate borrowings was 3.48% per annum, while the floating rate portion carried a blended interest margin of 0.81% per annum

over HIBOR. The weighted average funding cost for the Reporting Period was 3.7%, compared to 4.2% recorded in the corresponding period in the preceding year.

Fixed rate borrowings as a % of total borrowings

(at 30 June)



Liquidity management and currency exposure

The Manager is permitted to place funds as bank deposits and to invest in Relevant Investments^{Note}, with an overall maturity profile compatible with projected funding requirements. At 30 June 2025, Sunlight REIT had total cash and bank balances of HK\$475.1 million and maintained a portfolio of Relevant Investments with an aggregate book value of HK\$28.2 million. It also had revolving credit facilities of HK\$300 million, which remained undrawn at the end of the Reporting Period. Taking into consideration the recurrent income generated from its operations, the current cash position, the sources of funding available

and the liquidity risk associated with Relevant Investments, the Manager is of the view that Sunlight REIT has sufficient financial resources to meet its working capital, distribution payment and capital expenditure requirements.

Sunlight REIT has exposure to US dollars through its portfolio of Relevant Investments and bank deposits, while its exposure to Japanese yen (in relation to the 7,000 million Japanese yen loan) has been fully hedged.

Note : As defined in paragraph 7.2B of the Code on Real Estate Investment Trusts.

Outlook

The unpredictable policy agenda of the US administration is likely to persist, perpetuating uncertainty for the global economy. Against this backdrop, the Chinese economy is gathering pace and may stand out as a bright spot, with its proactive fiscal and monetary stimulus expected to shore up consumer spending and invigorate domestic activities, which should bode well for Hong Kong.

At this juncture, Hong Kong's commercial property market has yet to benefit from a more stable economic setting as the ongoing headwinds remain stiff. Consequently, leases due for expiry in the second half of 2025, representing approximately 17% of office GRA and 20% of retail GRA of Sunlight REIT, are envisaged to stay under the pressure of negative rental reversion. As such, stringent cost management has become an imperative priority. During the Reporting Period, the Manager has initiated the implementation of smart control systems at selected Grade B office properties to improve operational efficiency, while launching the H•COINS membership programme to enhance customer engagement. Looking ahead, utilization of proptech initiatives will be accelerated to further streamline labour-intensive procedures and mitigate cost escalation risks.

On capital expenditure, the upcoming commitments will mainly involve facility upgrades, notably the lift replacement scheme at DSFC, as well as refurbishment works at the ground floor of MCPI. Meanwhile, the W9Z renovation has already commenced and the project is slated for completion by the end of 2025.

The prevailing monetary policy stance of the US remains uncertain given the potential impact from higher tariffs and energy prices. However, the Manager is delighted to report that the refinancing of borrowings maturing in the next 12 months is progressing smoothly with favourable indicative pricing, underscoring the financial strength of Sunlight REIT. Additionally, we will stay committed to embedding sustainability features into our capital arrangements.

In sum, while it is envisaged that operational hurdles are bound to persist, the possibility of lower funding costs may help alleviate pressure on distributable income. As the Manager of Sunlight REIT, we will stay focused on preserving the portfolio's income-generating capacity, and delivering sustainable and long-term value to unitholders.

Expiry profile by GRA

(at 30 June 2025)

	Jul – Dec 2025
Dah Sing Financial Centre	14.7%
Sheung Shui Centre Shopping Arcade	25.4%
Metro City Phase I Property	16.0%
Overall office portfolio	17.2%
Overall retail portfolio	19.5%

Portfolio Statistics

Property	Location	GRA (sq. ft.)			No. of car park spaces
		Office	Retail	Total	
	Office				
Grade A					
Dah Sing Financial Centre	Wan Chai	369,891	6,490	376,381	46
Grade B					
Strand 50	Sheung Wan	108,506	9,403	117,909	0
135 Bonham Strand Trade Centre Property	Sheung Wan	60,844	3,071	63,915	0
Righteous Centre	Mong Kok	41,004	10,763	51,767	0
Winsome House Property	Central	37,937	2,177	40,114	0
The Harvest	Mong Kok	23,024	11,627	34,651	0
235 Wing Lok Street Trade Centre	Sheung Wan	47,481	4,804	52,285	0
Java Road 108 Commercial Centre	North Point	35,694	2,229	37,923	0
On Loong Commercial Building	Wan Chai	25,498	1,708	27,206	0
Sun Fai Commercial Centre Property	Mong Kok	23,817	2,334	26,151	0
Wai Ching Commercial Building Property	Yau Ma Tei	14,239	2,082	16,321	0
Sub-total / Average		787,935	56,688	844,623	46
Retail					
New Town					
Sheung Shui Centre Shopping Arcade	Sheung Shui	0	122,339	122,339	297
Metro City Phase I Property	Tseung Kwan O	0	188,889	188,889	436
Kwong Wah Plaza Property	Yuen Long	42,670	25,741	68,411	0
Urban					
West 9 Zone Kids	Tai Kok Tsui	0	58,836	58,836	17
Supernova Stand Property	North Point	0	4,226	4,226	0
Beverley Commercial Centre Property	Tsim Sha Tsui	0	7,934	7,934	0
Sub-total / Average		42,670	407,965	450,635	750
Total / Average		830,605	464,653	1,295,258	796

Notes :

1. Passing rent is calculated on the basis of average rent per sq. ft. for occupied GRA on the relevant date.
2. Valuation was conducted by Knight Frank Petty Limited, the principal valuer of Sunlight REIT.
3. Rental reversion is calculated on the basis of change in effective rent of the leases renewed and commenced during the relevant Reporting Period.

Occupancy rate (%)		Passing rent ¹ (HK\$/sq. ft.)		Rental and car park income (HK\$ '000)		Appraised value ² (HK\$ '000)
at 30 Jun 2025	at 31 Dec 2024	at 30 Jun 2025	at 31 Dec 2024	six months ended 30 Jun 2025	six months ended 30 Jun 2024	at 30 Jun 2025
90.6	92.2	36.3	36.9	75,260	79,294	4,659,000
82.9	89.2	29.1	29.6	17,528	18,798	1,164,000
87.5	92.8	26.4	26.7	8,972	9,304	530,000
92.5	94.8	34.0	34.2	9,634	10,885	524,000
91.5	94.3	36.5	36.9	8,321	8,263	522,000
87.0	83.4	38.5	40.2	6,376	7,335	491,000
88.3	88.4	19.5	19.7	5,300	5,846	331,000
100.0	98.1	23.9	23.8	5,396	5,112	254,000
94.0	98.0	25.5	25.5	3,839	3,613	222,000
96.5	96.7	21.8	21.8	3,238	3,279	161,000
97.2	87.5	16.6	16.8	1,529	1,502	78,000
90.0	92.0	31.7	32.1	145,393	153,231	8,936,000
87.0	91.4	105.2	103.9	74,620	75,903	3,706,000
87.1	91.7	53.9	52.2	62,512	67,203	2,981,500
95.8	97.3	50.4	51.6	20,180	21,492	1,078,000
79.5	73.4	42.8	48.2	11,268	16,076	782,000
100.0	100.0	58.8	58.8	1,477	1,479	74,000
91.2	91.2	31.5	31.7	1,329	1,454	73,000
87.6	90.1	65.5	65.6	171,386	183,607	8,694,500
89.2	91.3	43.3	43.7	316,779	336,838	17,630,500

	No. of leases		Rental reversion ³ (%)		Capitalization rate (%)
	at 30 Jun 2025	at 31 Dec 2024	six months ended 30 Jun 2025	six months ended 31 Dec 2024	at 30 Jun 2025
Office	512	512	(8.5)	(6.4)	3.65 - 3.95
Retail	324	339	(7.1)	(3.4)	3.40 - 4.35
Total / Average	836	851	(7.7)	(5.1)	

Corporate Governance

The Manager is committed to upholding a high standard of corporate governance. To ensure compliance with all relevant laws and regulations, it has established a robust corporate governance framework supported by five key elements, namely checks and balances, risk management, internal control, communication and transparency.

Structure of Sunlight REIT

Sunlight REIT is a collective investment scheme authorized by the SFC under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and regulated by the provisions of the Code on Real Estate Investment Trusts (the “**REIT Code**”). The Manager is licensed under Part V of the SFO and approved by the SFC to manage Sunlight REIT.

The trustee of Sunlight REIT (the “**Trustee**”) is registered as a trust company under Section 77 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong), and is licensed by the SFC to conduct the regulated activity of providing depository services to SFC-authorized collective investment schemes.

Board of the Manager

The Board is responsible for the overall management and corporate governance of the Manager. It currently has seven directors (“**Directors**”), including one Executive Director (“**ED**”) (who is also the Chief Executive Officer (the “**CEO**”), two Non-Executive Directors (“**NEDs**”) (including the chairman of the Board (the “**Chairman**”) and four Independent Non-Executive Directors (“**INEDs**”). The roles of the Chairman and the CEO are separate and performed by two different individuals. The Board has established four Board committees with clear terms of reference, each of which is formed to assist the Board in supervising specific issues and functions of Sunlight REIT and the Manager, and to report back to the Board their findings, decisions and recommendations.

Changes in Directors’ information

Subsequent to 11 March 2025, being the date of the 2023/24 annual report, the Manager has been informed of the following changes in respect of the information relating to Ms. Helen Zee :

1. appointment as an independent non-executive director of Henderson Investment Limited with effect from 21 March 2025;
2. cessation as a member of the University Grants Committee with effect from 31 March 2025; and
3. resignation as an independent non-executive director of China South City Holdings Limited with effect from 15 July 2025.

Save as aforesaid, the Manager has not been notified of any other change in Directors’ information.

Conflicts of interest and business competition

To ensure that conflicts of interest relating to Sunlight REIT are properly managed, the Manager has adopted various control measures, including but not limited to the following :

1. the Manager will not manage any real estate investment trust other than Sunlight REIT nor manage any other real estate assets other than those owned by Sunlight REIT;
2. the Manager has functional units and systems which operate independently of its shareholder(s);
3. the Manager has established internal control systems to ensure that Sunlight REIT’s connected party transactions are monitored and undertaken in compliance with the REIT Code, the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and waivers granted by the SFC;

4. the Manager has a Conflicts of Interest Policy in place to ensure fairness and good corporate governance. Any situations of actual, potential or perceived conflicts of interest of employees are reported and monitored;
5. Director(s) with potential conflicts of interest shall disclose his/her interest to the Board and abstain from voting on the relevant matter, as well as not to be counted in the quorum for that resolution; and
6. registers of other directorships and senior positions held by the Directors are maintained and updated from time to time.

The Manager and Henderson Sunlight Property Management Limited (the “**Property Manager**”) are both indirect wholly-owned subsidiaries of HLD. Both NEDs of the Manager (including the Chairman) are directors of HLD, which is/may be engaged in, among other things, the development, investment and management of retail, office and other properties in and outside Hong Kong.

Accordingly, the Manager may experience conflicts of interest with HLD when acquiring and disposing of investments, or in connection with transactions between Sunlight REIT and HLD. The Manager and the Property Manager may also experience conflicts of interest with HLD when identifying and competing for potential tenants.

The Manager is of the view that the various control measures in place are sufficient to manage any potential conflicts of interest with HLD as mentioned above and assures that it is capable of performing, and shall continue to perform, its duties for Sunlight REIT in the best interests of Sunlight REIT and unitholders.

Compliance with the Compliance Manual and the Corporate Governance Code

The Manager has adopted a Compliance Manual which sets out the key processes, internal control and system, corporate governance policies as well as other policies and procedures governing the management and operations of Sunlight REIT.

The Compliance Manual has been amended during the Reporting Period and was approved by the Board on 29 May 2025. The purpose of the amendments is principally to reflect the change in organization structure of the Manager.

During the Reporting Period, the Manager has in material terms complied with the provisions of the Compliance Manual. In addition, the Manager and Sunlight REIT have, to the extent applicable, applied the principles and complied with the code provisions in the Corporate Governance Code in Appendix C1 of the Listing Rules.

Compliance with the Dealings Code

The Manager has adopted a code governing dealings in securities of Sunlight REIT by Directors (the “**Dealings Code**”), the terms of which are no less exacting than those set out in Appendix C3 of the Listing Rules. The Dealings Code is applicable to the Manager and its Directors, senior executives, officers and employees, and directors of special purpose vehicles of Sunlight REIT. Certain restrictions and notification requirements as provided under the Listing Rules are adopted with modifications in the Dealings Code to apply to unit buy-back by the Manager on behalf of Sunlight REIT.

Specific enquiry has been made with all Directors and the Manager, and all of them confirmed that they have complied with the required standard as set out in the Dealings Code throughout the Reporting Period.

Corporate Governance

Buy-back, sale or redemption of units

During the Reporting Period, there was no purchase, sale or redemption of units by Sunlight REIT or its wholly-owned and controlled entities.

Relevant Investments

The full investment portfolio of Relevant Investments, as defined in paragraph 7.2B of the REIT Code, of Sunlight REIT at 30 June 2025 is set out below :

Financial instruments ¹ & issuers	Primary listing	Currency	Total cost (HK\$'000)	Mark-to- market value (HK\$'000)	% of gross asset value of Sunlight REIT ^{2,3}	Credit rating
CATHAY 4 ⁷ / ₈ 08/17/26 Cathay Pacific MTN Financing (HK) Limited	Stock Exchange	USD	11,672	11,786	0.065	N/A
PANVA 4 04/26/27 TCCL (Finance) Limited	Stock Exchange	USD	4,623	4,639	0.026	S&P BBB+ Moody's Baa1
PCPDC 5 ¹ / ₈ 06/18/26 PCPD Capital Limited	Singapore Exchange	USD	11,639	11,126	0.062	N/A
Total			27,934	27,551	0.153	

At 30 June 2025, the combined mark-to-market value of Relevant Investments, together with other ancillary investments of Sunlight REIT, represented approximately 3.3% of the gross asset value of Sunlight REIT.

The full investment portfolio of Relevant Investments is updated monthly within five business days of the end of each calendar month on the website of Sunlight REIT.

Notes :

1. All financial instruments are bonds and their descriptions are quoted from Bloomberg.
2. The percentages are arrived at by comparing the mark-to-market value of the investments with the gross asset value of Sunlight REIT at 30 June 2025.
3. Gross asset value refers to the total assets after adjusting for the interim distribution declared. Total assets and interim distribution are stated on page 22 and page 25 respectively.

New units issued

Except for an aggregate of 11,729,616 new units issued to the Manager as payment of part of the Manager's fees, there were no other new units issued during the Reporting Period.

Public float

Based on information that is publicly available and as far as the Manager is aware, not less than 25% of the outstanding units in issue of Sunlight REIT were held in public hands on 11 August 2025, being the date of the interim results announcement.

Distribution entitlement and closure of register of unitholders

The ex-distribution date and record date for the interim distribution are Tuesday, 26 August 2025 and Monday, 1 September 2025 respectively. The register of unitholders will be closed from Thursday, 28 August 2025 to Monday, 1 September 2025, both days inclusive, during which period no transfer of units will be effected. In order to qualify for the interim distribution, all transfer documents accompanied by the relevant unit certificates must be lodged for registration with the unit registrar of Sunlight REIT, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 27 August 2025. Payment of the interim distribution will be made to unitholders on Tuesday, 9 September 2025.

Review of interim report

This interim report has been reviewed by the audit committee and the disclosures committee of the Manager in accordance with their respective terms of reference. The condensed interim financial statements for the Reporting Period have also been reviewed by the auditor of Sunlight REIT, KPMG, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

Employees

Sunlight REIT is managed by the Manager and does not employ any staff itself.

Connected Party Transactions

Information in respect of the transactions entered into between Sunlight REIT and its connected persons (as defined in paragraph 8.1 of the REIT Code) during the Reporting Period, other than those transactions that are excluded pursuant to waivers granted by the SFC and/or exempted from the reporting requirements (if any), is set out in this section. All the transactions are continuing connected party transactions.

Connected party transactions with the HLD Related Group

HLD and its subsidiaries ("**HLD Group**") hold an aggregate of approximately 22.9% of units in issue of Sunlight REIT at 30 June 2025. The Manager is an indirect wholly-owned subsidiary of HLD. Therefore, HLD and its subsidiaries and associates (which has the meaning given to it under the REIT Code) ("**HLD Related Group**", which for the avoidance of doubt, exclude the Sunlight REIT Group (as defined below)), are connected persons of Sunlight REIT. Accordingly, the transactions made between Sunlight REIT, special purpose vehicles owned and controlled by Sunlight REIT ("**Sunlight REIT Group**") and members of the HLD Related Group constitute connected party transactions of Sunlight REIT.

The following agreements were entered into on 30 April 2024 by or on behalf of Sunlight REIT with members of the HLD Related Group, for a term of two and a half years from 1 July 2024 to 31 December 2026 :

- (i) master leasing agreement to govern all leasing and licensing transactions made with members of the HLD Related Group in respect of premises owned by the Sunlight REIT Group (the "**Master Leasing Agreement**");
- (ii) joint effort carparking agreement in respect of sharing of fees and costs among the owners of the shopping arcades in Metro City Phases I, II and III relating to free parking provided to customers of these shopping arcades (the "**Joint Effort Carparking Agreement**");
- (iii) sixth supplemental agreement to the property management agreement to extend the term of appointment of the Property Manager under the Property Management Agreement (such term as defined in the announcement of Sunlight REIT dated 30 April 2024) (the "**Property Management Agreement**"); and
- (iv) master services agreement to govern all service transactions related to the management and operation of properties of the Sunlight REIT Group to be provided by the HLD Related Group (the "**Master Services Agreement**").

In addition, transactions with the DMC managers (which are members of the HLD Group) of certain properties of the Sunlight REIT Group currently appointed for maintenance and management of common areas and facilities as shared among different owners of the relevant property under the relevant deeds of mutual covenant (the "**Connected Deeds of Mutual Covenant**") constitute continuing connected party transactions of Sunlight REIT under the REIT Code.

The income and expenses of Sunlight REIT from the transactions under the aforementioned agreements during the Reporting Period are summarized below :

Continuing Connected Party Transactions	Income/(Expenses) for the Reporting Period* (HK\$'000)
Leasing transactions under the Master Leasing Agreement	5,017
Joint effort carparking arrangement under the Joint Effort Carparking Agreement	1,563
Property management :	
i) Transactions under the Property Management Agreement	(22,472)
ii) Service transactions under the Master Services Agreement	(285)
iii) Transactions under the Connected Deeds of Mutual Covenant	(8,155)

* All of the transaction amounts stated in the above table were within their respective annual caps for the year ending 31 December 2025.

Further information about the abovementioned agreements can be found in the announcement and circular of Sunlight REIT dated 30 April 2024 and 7 May 2024 respectively.

Connected party transactions with the Trustee Connected Persons

Sunlight REIT had certain connected party transactions with the Trustee and Trustee related connected persons of Sunlight REIT (including without limitation, the HSBC Group^{Note} (collectively, the “**Trustee Connected Persons**”)) during the Reporting Period, which include ordinary banking and financial services provided by the HSBC Group (such as interest income on bank deposits, interest expense and security trustee fee on bank borrowings, net interest income on IRSs and other bank charges) for which HK\$24.9 million has been paid (or payable) by Sunlight REIT, and leasing or licensing of premises owned by the Sunlight REIT Group for which HK\$10.1 million has been (or to be) received by Sunlight REIT.

Note :

HSBC Group means HSBC and its subsidiaries and, unless otherwise expressly stated herein, 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 Sunlight REIT).

Connected Party Transactions

Other disclosures under the REIT Code

Pursuant to the REIT Code, services provided to Sunlight REIT by the Manager and the Trustee as contemplated under the constitutive documents shall not be treated as connected party transactions but particulars of such services (except where any services transaction has a value of not more than HK\$1 million), such as terms and remuneration, shall be disclosed in the relevant interim or annual report.

During the Reporting Period, the aggregate amount of fees (in the form of cash and/or units) paid or payable by Sunlight REIT to the Manager and to the Trustee under the Trust Deed were approximately HK\$44.4 million and HK\$2.2 million respectively. Particulars of the services provided by the Manager and the Trustee are set out in notes 23(b)(iii) and (v) to the condensed interim financial statements for the Reporting Period.

Disclosure of Interests

The REIT Code requires connected persons of Sunlight REIT to disclose their interests in units. Further, certain provisions of Part XV of the SFO in relation to disclosure of interests are deemed, pursuant to Schedule C of the Trust Deed, to apply to the Manager itself and the Directors or chief executive of the Manager, and persons interested in units (including short positions).

Holdings of the Manager and the Directors or chief executive of the Manager

At 30 June 2025 and 31 December 2024, the interests in units of the Manager and the Directors or chief executive of the Manager as recorded in the register required to be kept by the Manager under Schedule C of the Trust Deed (the “**Register**”), were as follows :

Name	At 30 June 2025		At 31 December 2024	
	Number of units interested	% of interest in units ¹	Number of units interested	% of interest in units ¹
The Manager ²	254,467,649	14.638	237,599,033	13.760
Au Siu Kee, Alexander ³	2,300,000	0.132	2,300,000	0.133
Wu Shiu Kee, Keith ⁴	930,000	0.053	930,000	0.054
Kwok Tun Ho, Chester ⁵	62,000	0.004	62,000	0.004

Notes :

1. The percentages are based on the total number of units in issue of 1,738,437,279 units at 30 June 2025 and 1,726,707,663 units at 31 December 2024 (as the case may be).
2. During the Reporting Period, the Manager received 11,729,616 units in April 2025 as payment of part of the Manager’s fees, and acquired 5,139,000 units in the open market. The Manager beneficially owned 254,467,649 units at 30 June 2025.
3. Mr. Au Siu Kee, Alexander is the Chairman and NED of the Manager.
4. Mr. Wu Shiu Kee, Keith is the CEO and ED of the Manager.
5. Mr. Kwok Tun Ho, Chester is an INED of the Manager.

There were no short positions in units held by the Manager and the Directors or chief executive of the Manager at 30 June 2025.

Disclosure of Interests

Holdings of substantial unitholders

At 30 June 2025 and 31 December 2024, the interests in units of the substantial unitholders (other than the Manager), as recorded in the Register, were as follows :

Name	At 30 June 2025		At 31 December 2024	
	Number of units interested	% of interest in units ¹	Number of units interested	% of interest in units ¹
Lee Financial (Cayman) Limited ²	374,072,708	21.52	374,072,708	21.66
Leesons (Cayman) Limited ²	374,072,708	21.52	374,072,708	21.66
Leeworld (Cayman) Limited ²	374,072,708	21.52	374,072,708	21.66
Shau Kee Financial Enterprises Limited ²	374,072,708	21.52	374,072,708	21.66
Uplite Limited ²	224,443,625	12.91	224,443,625	13.00
Wintrade Limited ²	149,629,083	8.61	149,629,083	8.67
Henderson Development Limited ²	395,934,966	22.78	380,118,350	22.01
HLD ²	395,934,966	22.78	380,118,350	22.01
Hopkins (Cayman) Limited ²	395,934,966	22.78	380,118,350	22.01
Riddick (Cayman) Limited ²	395,934,966	22.78	380,118,350	22.01
Rimmer (Cayman) Limited ²	395,934,966	22.78	380,118,350	22.01
Silchester International Investors LLP ³	154,980,000	8.91	185,283,150	10.73

Notes :

- The percentages are based on the total number of units in issue of 1,738,437,279 units at 30 June 2025 and 1,726,707,663 units at 31 December 2024 (as the case may be).
- At 30 June 2025, 224,443,625 units were owned by Uplite Limited and 149,629,083 units were owned by Wintrade Limited. Uplite Limited and Wintrade Limited are wholly-owned subsidiaries of Financial Enterprise Properties Limited, which in turn is wholly-owned by Shau Kee Financial Enterprises Limited ("**SKFE**"). SKFE is wholly-owned by Lee Financial (Cayman) Limited ("**Lee Financial**") as the trustee of a unit trust, the units of which are held by Leesons (Cayman) Limited ("**Leesons**") and Leeworld (Cayman) Limited ("**Leeworld**") as the respective trustees of two discretionary trusts. Therefore, each of Lee Financial, Leesons and Leeworld was taken to be interested in the total of 374,072,708 units (representing approximately 21.52% of the total number of units in issue) owned by Uplite Limited and Wintrade Limited.

Apart from the above, at 30 June 2025, 76,533,345 units were owned by Cobase Limited, 67,378,972 units were owned by Richful Resources Limited and 254,467,649 units were owned by the Manager. Cobase Limited and Richful Resources Limited are wholly-owned subsidiaries of Brightland Enterprises Limited. The Manager is a wholly-owned subsidiary of Latco Investment Limited. Brightland Enterprises Limited and Latco Investment Limited are wholly-owned subsidiaries of HLD. Henderson Development Limited ("**HD**") owned more than one-third of the issued share capital of HLD. All issued ordinary shares of HD are owned by Hopkins (Cayman) Limited ("**Hopkins**") as the trustee of a unit trust, the units of which are held by Rimmer (Cayman) Limited ("**Rimmer**") and Riddick (Cayman) Limited ("**Riddick**") as the respective trustees of two discretionary trusts. Therefore, as far as the Manager is aware, each of HD, HLD, Hopkins, Riddick and Rimmer was taken to be interested in the total of 398,379,966 units (representing approximately 22.92% of the total number of units in issue) at 30 June 2025. Nevertheless, in the Register, each of HD, HLD, Hopkins, Riddick and Rimmer was respectively recorded as having an interest in 395,934,966 units at 30 June 2025, as no notifiable interest arose on their parts subsequent to their last disclosure of interest notifications to the Stock Exchange.

Notes : (continued)

All the issued shares in Lee Financial, Leesons, Leeworld, Hopkins, Rimmer and Riddick were beneficially owned by the late Dr. Lee Shau Kee, and each of his sons, Dr. Lee Ka Kit and Dr. Lee Ka Shing will inherit certain shares in Lee Financial, Leesons, Leeworld, Hopkins, Rimmer and Riddick. Leesons & Leeworld and Rimmer & Riddick (the relevant trustees of the respective discretionary trusts) hold units in the respective unit trusts, but each is not entitled to any interest in their trust assets which are, in the ordinary course of business, held by Lee Financial and Hopkins as trustees of the respective unit trusts independently without any reference to their shareholders, and each of Dr. Lee Ka Kit and Dr. Lee Ka Shing remains to be one of the discretionary beneficiaries of the aforementioned discretionary trusts.

The units mentioned under this note were beneficially held or interested in by connected persons of Sunlight REIT under the REIT Code.

3. At 30 June 2025, according to the Register, Silchester International Investors LLP ("**Silchester LLP**") in its capacity as investment manager, was interested in 154,980,000 units. The Manager has subsequently been notified informally that at 30 June 2025, Silchester LLP was interested in 142,206,000 units (representing approximately 8.18% of the total number of units in issue).

Silchester LLP ceased to be a connected person of Sunlight REIT under the REIT Code at 30 June 2025 as its interest fell below 10% of the units in issue during the Reporting Period.

Based on the Register, there were no short positions in units held by substantial unitholders at 30 June 2025.

Holdings of other connected persons and senior management

Save as disclosed above and as far as the Manager is aware, the holdings of units of other connected persons and senior management of Sunlight REIT at 30 June 2025 were as follows :

Name	Number of units held	% of unit holding ¹
Lo Yuk Fong, Phyllis ²	100,000	0.006
Shum Chung Wah, Yulanda ³	40,000	0.002
Persons related to the Trustee ⁴	623,000	0.036

Notes :

1. The percentages are based on the total number of units in issue of 1,738,437,279 units at 30 June 2025.
2. Ms. Lo Yuk Fong, Phyllis, a member of senior management, is a connected person of Sunlight REIT by virtue of being a director of certain subsidiaries of Sunlight REIT (31 December 2024: 100,000 units).
3. Ms. Shum Chung Wah, Yulanda is a member of senior management with effect from 1 January 2025.
4. Certain associates (as defined in the REIT Code) of the Trustee are connected persons of Sunlight REIT and were beneficially interested in 623,000 units at 30 June 2025 (31 December 2024: 604,000 units).

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000	2024 \$'000
Revenue	4 & 5	391,217	411,046
Property operating expenses	4 & 6	(83,833)	(86,165)
Net property income		307,384	324,881
Other income	7	9,944	11,285
Administrative expenses		(51,890)	(54,447)
Net decrease in fair value of investment properties	11(a)	(314,279)	(64,248)
(Loss) / profit from operations		(48,841)	217,471
Finance costs on interest-bearing liabilities	8(a)	(94,747)	(108,459)
(Loss) / profit before taxation and transactions with unitholders	8	(143,588)	109,012
Income tax	9	(28,655)	(29,505)
(Loss) / profit after taxation and before transactions with unitholders		(172,243)	79,507

Note : Pursuant to the Trust Deed amendments made on 7 February 2024, the Group's financial year end date has been changed from 30 June to 31 December. Accordingly, the comparative figures for the six months ended 30 June 2024 are derived from the condensed interim financial statements for the 12 months ended 30 June 2024.

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
(Loss) / profit after taxation and before transactions with unitholders	(172,243)	79,507
Other comprehensive (loss) / income for the period		
<i>Items that have been reclassified / may be reclassified subsequently to profit or loss :</i>		
– Effective portion of changes in fair value of cash flow hedges recognised during the period	(28,744)	(41,932)
– Net reclassification adjustments for amounts transferred to profit or loss in respect of :		
– finance costs on interest-bearing liabilities	548	–
– unrealised exchange difference on foreign currency borrowing	(35,553)	47,922
– unwinding of swaps	(1,810)	(2,796)
	(65,559)	3,194
Total comprehensive (loss) / income for the period	(237,802)	82,701

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Consolidated Statement of Financial Position

at 30 June 2025

(Expressed in Hong Kong dollars)

	Note	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Non-current assets			
Fixed assets			
– Investment properties	11	17,630,500	17,933,600
– Other fixed assets		112	139
		17,630,612	17,933,739
Deferred tax assets		142	358
Derivative financial instruments	13	–	1,686
Reimbursement rights	12	37,436	37,436
Other financial assets	14	16,455	29,307
Other non-current assets	15	731	2,095
		17,685,376	18,004,621
Current assets			
Trade and other receivables	16	47,958	50,830
Derivative financial instruments	13	–	8,664
Other financial assets	14	11,775	44,275
Cash and bank balances	17	475,069	407,331
Tax recoverable		3	35
		534,805	511,135
Total assets		18,220,181	18,515,756
Current liabilities			
Tenants' deposits		(187,549)	(192,711)
Rent receipts in advance		(10,573)	(13,638)
Trade and other payables	18	(79,541)	(74,250)
Bank and other borrowings	19	(3,177,282)	(1,498,123)
Derivative financial instruments	13	(26,097)	(7,231)
Tax payable		(49,522)	(22,132)
		(3,530,564)	(1,808,085)
Net current liabilities		(2,995,759)	(1,296,950)
Total assets less current liabilities		14,689,617	16,707,671

Consolidated Statement of Financial Position (continued)

at 30 June 2025

(Expressed in Hong Kong dollars)

	Note	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Non-current liabilities, excluding net assets attributable to unitholders			
Bank and other borrowings	19	(1,676,410)	(3,318,997)
Deferred tax liabilities		(249,525)	(248,597)
Derivative financial instruments	13	(129,598)	(130,010)
		(2,055,533)	(3,697,604)
Total liabilities, excluding net assets attributable to unitholders		(5,586,097)	(5,505,689)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		12,634,084	13,010,067
Number of units in issue	20	1,738,437,279	1,726,707,663
Net asset value attributable to unitholders per unit		\$7.27	\$7.53

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Consolidated Statement of Changes in Net Assets Attributable to Unitholders

for the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000	2024 \$'000
At the beginning of the period		13,010,067	13,544,552
(Loss) / profit after taxation and before transactions with unitholders		(172,243)	79,507
Other comprehensive (loss) / income		(65,559)	3,194
Total comprehensive (loss) / income for the period		(237,802)	82,701
Distribution paid to unitholders		(160,584)	(153,242)
Issuance of units to the Manager	20	22,403	23,119
Units bought back	20	–	(1,510)
Units buy-back expenses	20	–	(7)
		(138,181)	(131,640)
At the end of the period		12,634,084	13,495,613

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Distribution Statement

for the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000	2024 \$'000
(Loss) / profit after taxation and before transactions with unitholders		(172,243)	79,507
Adjustments (note (i)) :			
– Net decrease in fair value of investment properties	11	314,279	64,248
– Manager's fees paid or payable in the form of units		22,195	23,085
– Interest rate swaps – cash flow hedges	8(a)	608	(333)
– Non-cash finance costs on interest-bearing liabilities	8(a)	2,594	2,598
– Deferred tax	9	1,144	2,151
– Depreciation		26	352
		340,846	92,101
Distributable income (note (i))		168,603	171,608
Second interim distribution for FY2023/24, paid (note (ii))		–	155,978
Interim distribution for FY2025, to be paid to unitholders (note (iii))		158,198	–
Distribution for the period (note (i))		158,198	155,978
Payout ratio (note (iv))		93.8%	90.9%
Distribution per unit :			
Second interim distribution per unit for FY2023/24, paid		–	9.1 cents
Interim distribution per unit for FY2025, to be paid to unitholders		9.1 cents	–
		9.1 cents	9.1 cents

Distribution Statement (continued)

for the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

Notes :

- (i) Under the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (the “**REIT Code**”), a real estate investment trust shall distribute to unitholders as dividends each year an amount not less than 90% of its audited annual net income after tax. Pursuant to the trust deed dated 26 May 2006 (as amended and restated) under which Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) is constituted (the “**Trust Deed**”), the total amounts distributed or distributable to unitholders shall be no less than 90% of annual distributable income for each financial year.

Distributable income means the amount calculated by the Manager as representing the consolidated profit / loss after taxation and before transactions with unitholders of Sunlight REIT for the relevant financial period, as adjusted to eliminate the effects of certain adjustments which have been recorded in the consolidated statement of profit or loss for the relevant financial period.

In arriving at the amount available for distribution for the six months ended 30 June 2025, adjustments have been made, among others, to add back the finance costs relating to the amortisation of debt establishment fees for bank and other borrowings and discount on issuance of medium term notes of \$2,594,000 or 0.15 cent per unit (2024 : \$2,598,000, or 0.15 cent per unit) (which is an effective return of capital), and to eliminate the effect of increase / decrease in fair value of investment properties.

- (ii) The second interim distribution for FY2023/24 of \$155,978,000 is calculated by multiplying the second interim distribution per unit of 9.1 cents by 1,714,051,303 units in issue at 3 September 2024, the record date for the second interim distribution for FY2023/24. The second interim distribution for FY2023/24 was paid to unitholders on 11 September 2024.
- (iii) The interim distribution for FY2025 of \$158,198,000 is calculated by multiplying the interim distribution per unit of 9.1 cents by 1,738,437,279 units anticipated to be in issue at 1 September 2025, the record date for the interim distribution for FY2025. The interim distribution for FY2025 is expected to be paid to unitholders on 9 September 2025.
- (iv) The payout ratio for the six months ended 30 June 2024 is calculated based on the figures derived from the condensed interim financial statements for the 12 months ended 30 June 2024.
- (v) The distribution declared after the end of the reporting period is not recognised as a liability at the end of the reporting period.

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000	2024 \$'000
Operating activities			
Cash generated from operations		276,874	290,660
Net Hong Kong Profits Tax (paid) / refunded		(89)	4
Net cash generated from operating activities		276,785	290,664
Investing activities			
Interest received		10,101	10,455
Payment for expenditure incurred for investment properties		(8,937)	(3,954)
Proceeds from redemption of matured debt securities		44,425	–
Proceeds from disposal of debt securities		1,720	–
Decrease / (increase) in bank deposits with original maturity over three months		164,398	(25,855)
Net cash generated from / (used in) investing activities		211,707	(19,354)
Financing activities			
Distribution paid to unitholders		(160,584)	(153,242)
Payment for buy-back of units		–	(1,517)
Proceeds from new bank borrowings		500,000	–
Repayment of bank borrowings		(500,000)	–
Interest paid		(94,396)	(110,553)
Other borrowing costs paid		(1,800)	–
Net cash used in financing activities		(256,780)	(265,312)
Net increase in cash and cash equivalents		231,712	5,998
Cash and cash equivalents at the beginning of the period	17	201,526	227,525
Effect of foreign exchange rate changes		424	(6)
Cash and cash equivalents at the end of the period	17	433,662	233,517

The notes on pages 28 to 49 form part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

(Expressed in Hong Kong dollars)

1 General

Sunlight REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed and is authorised under section 104 of the Securities and Futures Ordinance. Sunlight REIT is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”).

The principal activity of Sunlight REIT and its subsidiaries (collectively referred to as the “Group”) is to own and invest in income-producing office and retail properties in Hong Kong with the objective of providing unitholders with regular and stable cash distributions with the potential for sustainable long term growth of such distributions and enhancement in value of the property portfolio. It has its principal place of business at 30th Floor, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with the relevant disclosure provisions of the REIT Code and the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”) as if the relevant disclosure provisions of the Listing Rules were applicable to Sunlight REIT, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 11 August 2025.

These condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023/24 financial statements for the 18 months ended 31 December 2024, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of the changes in accounting policies are set out in note 3.

The preparation of the condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023/24 financial statements for the 18 months ended 31 December 2024. The condensed interim financial statements do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

2 Basis of preparation (continued)

Pursuant to the Trust Deed amendments made on 7 February 2024, the Group's financial year end date has been changed from 30 June to 31 December. Accordingly, the comparative figures for the six months ended 30 June 2024 are derived from the condensed interim financial statements for the 12 months ended 30 June 2024.

The condensed interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors of Henderson Sunlight Asset Management Limited, the manager of Sunlight REIT (the "**Manager**"), is included on page 50.

The financial information relating to the financial period ended 31 December 2024 that is included in the condensed interim financial statements as being previously reported information does not constitute Sunlight REIT's statutory financial statements for that financial period but is derived from those financial statements. Statutory financial statements for the financial period ended 31 December 2024 are available from Sunlight REIT's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 11 March 2025.

3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group.

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed interim financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

4 Segment reporting

The Manager manages the Group's business by divisions. In a manner consistent with the way in which information is reported internally to the Manager's most senior executive management for the purposes of resource allocation and performance assessment, the Manager has identified two reportable segments, which are "Office properties" and "Retail properties".

As all of the Group's activities are carried out in Hong Kong, no geographical information is presented.

Segment results

For the purposes of assessing segment performance and allocating resources between segments, the senior executive management of the Manager monitors the results attributable to each reportable segment on the following bases :

Revenue and expenses are allocated to the reportable segments with reference to income generated and the expenses incurred by those segments.

The measure used for reporting segment performance is the "segment results" which exclude the increase / decrease in fair value of investment properties, finance costs on interest-bearing liabilities, income tax, interest income and the unallocated net expenses.

4 Segment reporting (continued)

Segment results (continued)

Information regarding the Group's reportable segments as provided to the Manager's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below :

	Six months ended 30 June					
	2025 (unaudited)			2024 (unaudited)		
	Office properties \$'000	Retail properties \$'000	Total \$'000	Office properties \$'000	Retail properties \$'000	Total \$'000
Revenue						
– Rental income	142,986	154,948	297,934	150,883	167,055	317,938
– Car park income	2,407	16,438	18,845	2,348	16,552	18,900
– Rental related income	35,209	39,229	74,438	34,831	39,377	74,208
	180,602	210,615	391,217	188,062	222,984	411,046
Property operating expenses	(35,736)	(48,097)	(83,833)	(38,469)	(47,696)	(86,165)
Net property income	144,866	162,518	307,384	149,593	175,288	324,881
Administrative expenses	(23,403)	(22,826)	(46,229)	(23,961)	(23,924)	(47,885)
Segment results	121,463	139,692	261,155	125,632	151,364	276,996
(Decrease) / increase in fair value of investment properties	(139,850)	(174,429)	(314,279)	(107,783)	43,535	(64,248)
Finance costs on interest-bearing liabilities			(94,747)			(108,459)
Income tax			(28,655)			(29,505)
Interest income			8,733			11,268
Unallocated net expenses			(4,450)			(6,545)
(Loss) / profit after taxation and before transactions with unitholders			(172,243)			79,507
Depreciation	11	15	26	7	345	352

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

5 Revenue

Revenue represents gross income generated from leasing of investment properties. The amount of each significant category of revenue recognised during the period is as follows :

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
Rental income (note)	297,934	317,938
Car park income	18,845	18,900
Rental related income	74,438	74,208
	391,217	411,046

Note : For the six months ended 30 June 2024, rental income included a rental guarantee of \$2,045,000 pursuant to the deed of rental guarantee relating to the acquisition of an investment property in 2023.

6 Property operating expenses

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
Building management fee	32,242	34,252
Property Manager's fees (note)	22,472	22,182
Government rent and rates	19,795	19,351
Car park operating costs	3,849	3,746
Rental commission (third party property agents) (note 8(b))	884	2,185
Marketing and promotion expenses	830	1,136
Provision for credit losses on rental receivables (note 16(b))	1,534	151
Other direct costs	2,227	3,162
	83,833	86,165

Note : Included rental commission of \$3,645,000 (2024 : \$3,696,000) (note 8(b)).

7 Other income

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
Bank interest income	7,628	9,883
Interest income from debt securities	1,105	1,385
Others	1,211	17
	9,944	11,285

8 (Loss) / profit before taxation and transactions with unitholders

(Loss) / profit before taxation and transactions with unitholders is arrived at after charging / (crediting) :

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
(a) Finance costs on interest-bearing liabilities		
Interest on bank and other borrowings	91,545	106,194
Other borrowing costs	2,594	2,598
	94,139	108,792
Interest rate swaps – cash flow hedges		
– Reclassified from net assets attributable to unitholders	548	–
– Net fair value loss / (gain) of ineffective cash flow hedges	60	(333)
	608	(333)
	94,747	108,459

Other borrowing costs represent various financing charges and amortisation of debt establishment fees for bank and other borrowings and discount on issuance of medium term notes.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

8 (Loss) / profit before taxation and transactions with unitholders (continued)

(Loss) / profit before taxation and transactions with unitholders is arrived at after charging / (crediting) : (continued)

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
(b) Other items		
Manager's fees	44,389	46,170
Trustee's remuneration and charges	2,236	2,301
Auditor's remuneration		
– Audit services (note (i))	1,106	692
– Other services	527	547
Valuation fee payable to principal valuer	165	238
Legal and other professional fees	1,514	2,488
Rental commission (note 6)		
– Property Manager	3,645	3,696
– Third party property agents	884	2,185
Bank charges	157	146
Net foreign exchange (gain) / loss	(888)	46

Notes :

- (i) The figures are not directly comparable as the Group's financial year end date had been changed from 30 June to 31 December with effect from 7 February 2024.
- (ii) Sunlight REIT does not appoint any director and the Group does not engage any employee. Accordingly, no employee benefit expense was incurred in the current and prior periods.

9 Income tax

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	27,511	27,590
Over-provision in respect of prior periods	–	(236)
	27,511	27,354
Deferred tax		
Origination and reversal of temporary differences	1,144	2,151
	28,655	29,505

Provision for Hong Kong Profits Tax has been made at 16.5% on the estimated assessable profits for the current and prior periods.

10 (Loss) / earnings per unit before transactions with unitholders

The basic loss per unit before transactions with unitholders for the six months ended 30 June 2025 amounted to \$0.10 (2024 : basic earnings per unit before transactions with unitholders of \$0.05). The calculation of basic (loss) / earnings per unit before transactions with unitholders is based on the Group's loss after taxation and before transactions with unitholders of \$172,243,000 (2024 : profit after taxation and before transactions with unitholders of \$79,507,000) and the weighted average of 1,731,114,369 units (2024 : 1,706,891,249 units) in issue during the period.

Diluted (loss) / earnings per unit before transactions with unitholders for the six months ended 30 June 2025 and 2024 are not presented as there was no potential dilution of (loss) / earnings per unit before transactions with unitholders.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

11 Investment properties

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
At the beginning of the period	17,933,600	18,512,200
Movement during the period		
– Additions	11,179	29,511
– Disposals	–	(15,224)
– Net decrease in fair value	(314,279)	(592,887)
At the end of the period	17,630,500	17,933,600

(a) Valuation

The investment properties were appraised at 30 June 2025 by the Group's principal valuer, Knight Frank Petty Limited, an independent firm that has key personnel who are fellows or members of The Hong Kong Institute of Surveyors or the Royal Institute of Chartered Surveyors (Hong Kong Branch) with recent experience in the location and category of property being valued. Valuation methodologies adopted by Knight Frank Petty Limited were the same as when carrying out the valuation for 31 December 2024. As a result of the valuation, a loss of \$314,279,000 (31 December 2024 : \$592,887,000) has been recognised in profit or loss for the period in respect of investment properties.

(b) The analysis of the fair value of investment properties is as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
In Hong Kong		
– Long leases	7,756,000	7,872,000
– Medium-term leases	9,874,500	10,061,600
	17,630,500	17,933,600

(c) Certain investment properties of the Group have been mortgaged to secure banking facilities granted to the Group (see note 19).

12 Reimbursement rights

The amount represents the reimbursement rights recognised pursuant to the tax indemnity under the relevant deeds of tax covenant dated 21 December 2006 provided by the vendors (comprising certain subsidiaries of Shau Kee Financial Enterprises Limited ("**SKFE**"), Henderson Land Development Company Limited ("**HLD**"), Henderson Investment Limited, Henderson Development Limited and Jetwin International Limited) (collectively referred to as the "**Vendors**") to the extent of the deferred tax liabilities in respect of possible clawback of depreciation allowances claimed by the Vendors prior to the date of acquisition in connection with the listing of Sunlight REIT in December 2006.

13 Derivative financial instruments

	30 June 2025 (unaudited)			31 December 2024 (audited)		
	Assets \$'000	Liabilities \$'000	Net amount \$'000	Assets \$'000	Liabilities \$'000	Net amount \$'000
Interest rate swaps and cross currency interest rate swap – cash flow hedges						
Current portion	–	(26,097)	(26,097)	8,664	(7,231)	1,433
Non-current portion	–	(129,598)	(129,598)	1,686	(130,010)	(128,324)
	–	(155,695)	(155,695)	10,350	(137,241)	(126,891)

The Group uses interest rate swaps ("**IRSs**") to hedge against the interest rate risk in relation to its floating rate borrowings.

The Group also uses a cross currency interest rate swap ("**CCIRS**") to hedge against the interest rate risk and foreign currency risk in relation to its floating rate term loan denominated in Japanese yen.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

13 Derivative financial instruments (continued)

During the year ended 30 June 2022, the Group received \$16,625,000 from two swap counterparties for unwinding of four IRSs with an aggregate notional amount of \$500,000,000. Such amount would be recognised over the original tenors of the respective IRSs; and \$1,810,000 (2024 : \$2,796,000) was recognised as a saving in finance costs for the period. The remaining balance of \$538,000 (31 December 2024 : \$2,348,000) was included in the net assets attributable to unitholders at 30 June 2025.

At 30 June 2025, the Group assessed the effectiveness of its cash flow hedges and identified certain ineffectiveness. As a result, fair value loss of ineffective hedges amounting to \$60,000 (2024 : fair value gain of \$333,000) was recognised in profit or loss for the period.

For the six months ended 30 June 2025, the decrease in the effective portion of changes in fair value of cash flow hedges of \$28,744,000 (2024: \$41,932,000) and a reclassification adjustment in respect of unrealised exchange loss on foreign currency borrowing of \$35,553,000 (2024 : unrealised exchange gain of \$47,922,000) recognised in other comprehensive income were included in the net assets attributable to unitholders.

At 30 June 2025, the Group had IRSs with an aggregate notional amount of \$1,950,000,000 (31 December 2024 : \$1,700,000,000) and CCIRS with notional amount of \$513,196,000 (31 December 2024 : \$513,196,000) and their net cumulative unrealised fair value changes were included in the net assets attributable to unitholders. These swaps will mature between September 2025 to May 2028 (31 December 2024 : February 2025 and October 2027).

The above derivatives are measured at fair value at the end of the reporting period. Their fair values are determined based on the discounted cash flow model.

14 Other financial assets

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Financial assets measured at amortised cost		
Debt securities		
– Listed in Hong Kong	16,455	45,020
– Listed outside Hong Kong	11,775	51,099
	28,230	96,119
Less : provision for credit losses (note 21(b))	–	(22,537)
	28,230	73,582
The carrying amounts of the debt securities are expected to be recovered as follows :		
Within one year	11,775	44,275
After one year	16,455	29,307
	28,230	73,582

15 Other non-current assets

The balance represented the amounts incurred relating to the progress billings for the improvement works carried out on certain investment properties of the Group which were in progress at the end of the reporting period.

16 Trade and other receivables

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Rental receivables	29,680	30,682
Deposits and prepayments	10,940	10,940
Other receivables	2,685	5,058
Amounts due from related companies	4,653	4,150
	47,958	50,830

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

16 Trade and other receivables (continued)

Included unamortised rent-free and rental concession, deposits and prepayments of \$22,642,000 (31 December 2024 : \$25,449,000) which are expected to be recovered or recognised in profit or loss after one year. Apart from the above, all of the balances are expected to be recovered or recognised in profit or loss within one year.

The amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment.

(a) Ageing analysis

At the end of the reporting period, the ageing analysis of rental receivables, based on the date of revenue recognition and net of provision for credit losses, is as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Current	20,390	21,675
Less than one month overdue	5,183	7,238
More than one month and up to three months overdue	1,841	1,431
More than three months and up to six months overdue	1,063	47
More than six months overdue	1,203	291
	29,680	30,682

(b) Provision for credit losses on rental receivables

Provision for credit losses on rental receivables was assessed and made by the Group on a case-by-case basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding rental receivables. If the Group considered that the recovering of the rental receivable is remote, relevant provision for credit losses would be written off against the receivable directly.

The movement in the loss allowance for rental receivables during the period is as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
At the beginning of the period	716	5,581
Provision for credit losses (note 6)	1,534	1,217
Written off	—	(6,082)
At the end of the period	2,250	716

17 Cash and bank balances

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Deposits with original maturity within three months	399,866	197,173
Cash at bank and in hand	33,796	4,353
Cash and cash equivalents in the condensed consolidated cash flow statement	433,662	201,526
Deposits with original maturity over three months	41,407	205,805
Cash and bank balances in the consolidated statement of financial position	475,069	407,331

18 Trade and other payables

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Creditors and accrued charges	49,400	44,775
Manager's fees payable (note 23(b)(iii))	21,914	19,797
Amounts due to related companies	8,227	9,678
	79,541	74,250

All creditors and accrued charges are due within one month or on demand and expected to be settled within one year.

Manager's fees payable is due within four months and payable in the form of cash and units.

The amounts due to related companies are unsecured, interest-free and have no fixed terms of repayment except for the amount due to the Trustee of \$1,099,000 (31 December 2024 : \$971,000) which is due within 30 days.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

19 Bank and other borrowings

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Bank loans (notes (i) & (ii))		
– Secured	1,298,567	1,297,971
– Unsecured	3,255,584	3,220,171
	4,554,151	4,518,142
Medium term notes – Unsecured (note (iii))	299,541	298,978
	4,853,692	4,817,120
The bank and other borrowings were repayable as follows :		
Within one year	3,177,282	1,498,123
After one year but within two years	499,451	2,675,923
After two years but within five years	1,176,959	643,074
	1,676,410	3,318,997
	4,853,692	4,817,120

Notes :

- (i) The Group entered into IRSs and CCIRS, details of which are set out in note 13.

All bank borrowings are guaranteed by the Trustee (in its capacity as trustee of Sunlight REIT), and in some cases together with Sunlight REIT Holding Limited, the holding company of all other subsidiaries of the Group, on a joint and several basis. In addition, the secured bank borrowings are secured by, among others, the following :

- mortgages over the investment properties with a fair value of \$4,870,000,000 at 30 June 2025 (31 December 2024 : \$4,952,000,000) (note 11); and
 - first fixed charge over all present and future rights, title and interest in and to, all present and future shares in Sunlight REIT Finance Limited and Sunlight REIT Holding Limited, both being subsidiaries of the Group, and dividends and distributions thereof.
- (ii) At 30 June 2025, the amount of bank loans included an unrealised exchange gain on the foreign currency borrowing amounting to \$132,151,000 (31 December 2024 : \$167,704,000). As the foreign currency borrowing is fully hedged by a CCIRS, the effect of the exchange difference was neutralised through the change in fair value of the CCIRS (note 13) in the net assets attributable to unitholders.
- (iii) The Group has a US\$1,000,000,000 (31 December 2024 : US\$1,000,000,000) Medium Term Note Programme (“**MTN programme**”). At 30 June 2025, notes with nominal amount of \$300,000,000 (31 December 2024 : \$300,000,000) were issued by Sunlight REIT MTN Limited under the MTN programme with fixed coupon rate of 2.00% (31 December 2024 : 2.00%) per annum. The notes are guaranteed by the Trustee (in its capacity as trustee of Sunlight REIT).
- (iv) The effective interest rate of the bank and other borrowings at the end of the reporting period was 2.46% per annum (31 December 2024 : 4.26% per annum).
- (v) At 30 June 2025, the Group’s uncommitted revolving credit facilities of \$300,000,000 (31 December 2024 : \$300,000,000) remained undrawn.

20 Units in issue

	Number of units	
	30 June 2025 (unaudited)	31 December 2024 (audited)
At the beginning of the period	1,726,707,663	1,695,035,157
Movement during the period		
– Issuance of units	11,729,616	33,672,506
– Units bought back	–	(2,000,000)
At the end of the period	1,738,437,279	1,726,707,663

Details of units issued during the period as payment of the Manager's fees are as follows :

Payment of the Manager's fees for the period	Average issue price per unit determined based on the Trust Deed \$	Aggregate amount of units issued \$'000	Number of units issued
For the six months ended 30 June 2025 (unaudited)			
1 October 2024 to 31 December 2024	1.834	11,166	6,088,430
1 January 2025 to 31 March 2025	1.992	11,237	5,641,186
		22,403	11,729,616
For the 18 months ended 31 December 2024 (audited)			
1 April 2023 to 30 June 2023	2.915	11,529	3,955,135
1 July 2023 to 30 September 2023	2.458	11,540	4,694,665
1 October 2023 to 31 December 2023	2.125	11,551	5,435,668
1 January 2024 to 31 March 2024	1.669	11,567	6,930,678
1 April 2024 to 30 June 2024	1.723	11,518	6,684,829
1 July 2024 to 30 September 2024	1.918	11,453	5,971,531
		69,158	33,672,506

No unit was bought back by the Manager on behalf of Sunlight REIT for the six months ended 30 June 2025.

During the 18 months ended 31 December 2024, the Manager, pursuant to the general mandate granted to the Manager by unitholders, bought back on behalf of Sunlight REIT a total of 2,000,000 units on the SEHK at an aggregate consideration of \$3,545,000.

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

20 Units in issue (continued)

Details of the units buy-backs for the 18 months ended 31 December 2024 were as follows :

	Number of units bought back	Price per unit Highest \$	Lowest \$	Aggregate consideration \$'000
For the 18 months ended 31 December 2024 (audited)				
Month of buy-back				
November 2023	1,000,000	2.05	2.02	2,035
April 2024	1,000,000	1.55	1.48	1,510
	<u>2,000,000</u>			<u>3,545</u>
Total buy-back expenses				<u>16</u>
				<u>3,561</u>

All bought back units were cancelled during that period.

21 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

HKFRS 13, *Fair value measurement*, requires the fair value of financial instruments measured at the end of the reporting period on a recurring basis to be categorised into the three-level fair value hierarchy as defined in HKFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows :

- Level 1 valuations : Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations : Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations : Fair value measured using significant unobservable inputs

21 Fair value measurement of financial instruments (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

At 30 June 2025 and 31 December 2024, the Group's only financial instruments carried at fair value are the IRSs and CCIRS (note 13), which fall under Level 2 of the fair value hierarchy described above.

During the six months ended 30 June 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of IRSs and CCIRS is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account the current interest rates, exchange rate and creditworthiness of the swap counterparties.

(b) Fair values of financial assets and liabilities carried at other than fair value

At 30 June 2025, the carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values. The Manager assessed the credit risk of the debt securities held by the Group with reference to the credit ratings assigned by credit rating agencies, where available, and default probability analysis provided by external financial data providers.

At 31 December 2024, the credit risk on one of the issuers of the debt securities held by the Group had been significantly increased since the initial recognition of the debt securities. These debt securities were disposed of during the six months ended 30 June 2025.

The movement in the loss allowance for debt securities measured at amortised cost during the period is as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
At the beginning of the period	22,537	16,205
Provision for credit losses	–	6,332
Written off	(22,537)	–
At the end of the period (note 14)	–	22,537

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

22 Capital commitments

Capital commitments outstanding at 30 June 2025 not provided for in the condensed interim financial statements are as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
Contracted for	6,791	8,184
Authorised but not contracted for	15,229	19,372
	22,020	27,556

23 Connected party transactions and material related party transactions

In addition to the transactions and balances disclosed elsewhere in the condensed interim financial statements, the Group entered into the following transactions with certain connected persons and related parties, as defined under the REIT Code and HKAS 24 (Revised), *Related party disclosures*, during the period :

(a) Nature of relationship with connected persons / related parties

Connected person / related party	Relationship with the Group
SKFE and other members of its group (collectively referred to as " SKFE Group ")	Substantial holders of Sunlight REIT and their associates
HLD and other members of its group (collectively referred to as " HLD Group ")	Substantial holders of Sunlight REIT and their associates
HSBC Institutional Trust Services (Asia) Limited (the " Trustee ")	The Trustee of Sunlight REIT
The Hongkong and Shanghai Banking Corporation Limited and other members of its group (collectively referred to as " HSBC Group ")	Associates of the Trustee
Henderson Sunlight Asset Management Limited (the " Manager ")	The Manager of Sunlight REIT and a member of HLD Group
Henderson Sunlight Property Management Limited (the " Property Manager ")	The Property Manager of Sunlight REIT and a member of HLD Group

23 Connected party transactions and material related party transactions

(continued)

(b) Transactions with connected persons / related parties

	Six months ended 30 June	
	2025 (unaudited) \$'000	2024 (unaudited) \$'000
Rental and rental related income received / receivable from (note (i)) :		
– HLD Group	5,017	5,746
– HSBC Group	10,137	9,695
Property management expenses paid / payable to (note (i)) :		
– HLD Group	(8,447)	(7,312)
Facilities leasing and other expenses paid / payable to (notes (i) & (vi)) :		
– HLD Group	–	(76)
Manager's fees (notes (ii) & (iii))	(44,389)	(46,170)
Property Manager's fees (note (iv))	(22,472)	(22,182)
Trustee's remuneration and charges (notes (ii) & (v))	(2,236)	(2,302)
Interest expense and security trustee fee on bank borrowings and other charges paid / payable to (note (i)) :		
– HSBC Group	(25,746)	(34,704)
Net interest income on IRSs received / receivable from (note (i)) :		
– HSBC Group	143	5,939
Interest income on bank deposits received / receivable from (note (i)) :		
– HSBC Group	744	377
Interest income from debt securities received / receivable from (notes (i) & (vi)) :		
– HLD Group	103	102
Promotional income received / receivable from (note (i)) :		
– HLD Group	1,563	1,801

Notes to the Condensed Interim Financial Statements (continued)

(Expressed in Hong Kong dollars)

23 Connected party transactions and material related party transactions (continued)

(b) Transactions with connected persons / related parties (continued)

Notes :

- (i) In the opinion of the Manager, these transactions were carried out on normal commercial terms and in the ordinary course of business.
- (ii) All the material related party transactions as set out in this note 23 also constitute connected transactions / continuing connected transactions under the Listing Rules, other than the fees paid / payable to the Manager and the Trustee. The disclosures as required under Chapter 14A of the Listing Rules are provided in "Connected Party Transactions" on pages 14 to 16 in this interim report.
- (iii) The Manager's fees are calculated as the aggregate of a base fee not exceeding 0.4% per annum of the value of all the properties of the Group and a variable fee of 3% per annum of the Group's Net Property Income (as defined in the Trust Deed).

Pursuant to the Trust Deed, the Manager is entitled to make an election for the payment of the Manager's fees, only to the extent that it is related to the Group's Properties (as defined in the Trust Deed), to be made in the form of cash and/or units.

On 21 June 2023, the Manager made an election for the base fee and the variable fee for the financial period of 12 months ended 30 June 2024 to be paid 50% in the form of cash and 50% in the form of units. In light of the change of financial year end date from 30 June to 31 December with effect from 7 February 2024, the above election is applicable to the entire financial period of 18 months ended 31 December 2024. On 9 January 2025, the Manager has elected to keep the split unchanged for the financial year ending 31 December 2025.

- (iv) Under the property management agreement entered into between the Manager and the Property Manager dated 29 November 2006 (as subsequently renewed on amended terms and conditions by six supplemental agreements) (the "**Property Management Agreement**"), the Property Manager is entitled to receive a fee not exceeding 3% per annum of the Gross Property Revenue (as defined in the Property Management Agreement).

The Property Manager is also entitled to receive a commission equivalent to :

- one month's base rent or licence fee for securing a tenancy or licence of three years or more;
- one-half month's base rent or licence fee for securing a tenancy or licence of less than three years;
- one-half month's base rent or licence fee for securing a renewal of tenancy or licence irrespective of the duration of the renewal term;
- an amount not exceeding the lower of one-half month's base rent or licence fee, or 10% (or a lower percentage as mutually agreed between the Manager and the Property Manager from time to time) of the total rent or licence fee for securing a tenancy, licence or renewal of tenancy or licence for a duration of less than 12 months; and
- one-fourth month's base rent or licence fee (as reviewed), for handling each rent or licence review during the term of a tenancy or licence provided for in the tenancy or licence agreement.

23 Connected party transactions and material related party transactions

(continued)

(b) Transactions with connected persons / related parties (continued)

Notes : (continued)

The Manager and the Property Manager may mutually agree in writing from time to time to revise the rate of the commission payable to the Property Manager for the marketing services provided that the revised rate shall not exceed the relevant rate as stated above.

In addition to the above fees, the Property Manager is also reimbursed by relevant property companies for staff costs incurred for the management of properties of the Group.

- (v) The Trustee's remuneration is calculated at rates ranging from 0.02% per annum to 0.03% per annum on the total assets of the Group, subject to minimum fees of \$50,000 per month. In accordance with the Trust Deed, the Trustee's remuneration may be increased, without obtaining unitholders' approval subject to one month's written notice to unitholders, to a maximum of 0.06% per annum of the total assets of the Group.

The Trustee is also entitled to charge additional fees for duties undertaken by the Trustee which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties in the ordinary and normal course of business of Sunlight REIT, including but not limited to any services in relation to the acquisition of real estate by Sunlight REIT.

- (vi) Connected party transactions exempted from the disclosure requirements under Chapter 14A of the Listing Rules as they are below the de minimis threshold pursuant to Rule 14A.76(1).

(c) Balances with connected persons / related parties are as follows :

	30 June 2025 (unaudited) \$'000	31 December 2024 (audited) \$'000
HLD Group :		
– Net payable amount	(25,558)	(24,346)
– Debt securities issued by HLD Group	4,674	4,616
HSBC Group :		
– Deposits and cash placed with HSBC Group	89,776	25,839
– Bank borrowings and interest payable to HSBC Group	(1,301,331)	(1,302,211)
– Other net payable amount	(7,405)	(8,435)

24 Non-adjusting event after the reporting period

After the end of the reporting period, the Board of Directors of the Manager declared an interim distribution. Further details are disclosed in the "Distribution Statement" of the condensed interim financial statements.

Auditor's Review Report



Independent review report to the Board of Directors of Henderson Sunlight Asset Management Limited (the “Manager”)

Introduction

We have reviewed the condensed interim financial statements set out on pages 20 to 49 which comprises the consolidated statement of financial position of Sunlight Real Estate Investment Trust as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in net assets attributable to unitholders, distribution statement and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of condensed interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on these condensed interim financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

11 August 2025

Performance Table

(Expressed in Hong Kong dollars, unless otherwise specified)

	Note	2025	2024	2023	2022	2021
At 30 June :						
Net asset value (\$ million)		12,634	13,496	13,669	14,051	14,124
Net asset value per unit		7.27	7.87	8.06	8.36	8.45
Market capitalisation (\$ million)		3,929	2,931	4,882	6,138	7,508
For the six months ended 30 June :						
Highest traded unit price		2.39	2.19	3.65	4.41	4.65
Highest premium of the traded unit price to net asset value per unit	1	N/A	N/A	N/A	N/A	N/A
Lowest traded unit price		1.74	1.48	2.77	3.53	3.68
Highest discount of the traded unit price to net asset value per unit (%)		76.1	81.2	65.6	57.8	56.4
Closing unit price		2.26	1.71	2.88	3.65	4.49
Distribution per unit (cents)	2	9.1	9.1	11.0	12.8	13.1
Payout ratio (%)	2	93.8	90.9	102.4	100.6	100.4
Annualised distribution yield per unit (%)	3	8.1	10.6	7.6	7.0	5.8

Notes :

1. The highest traded unit price is lower than the net asset value per unit at the end of each period.
2. These figures are not directly comparable as the distribution per unit and payout ratio for 2021 to 2023 refers to the final distribution, taking into consideration the distributable income retained from the first half of each respective financial year.
3. Annualised distribution yield per unit is calculated by dividing the annualised distribution per unit by the closing unit price of the last trading day of the period.

Corporate Information

Board of Directors of the Manager Chairman and Non-Executive Director

AU Siu Kee, Alexander

Chief Executive Officer and Executive Director

WU Shiu Kee, Keith

Non-Executive Director

KWOK Ping Ho

Independent Non-Executive Directors

KWAN Kai Cheong

TSE Kwok Sang

KWOK Tun Ho, Chester

Helen ZEE

Responsible Officers of the Manager

LO Yuk Fong, Phyllis

SHUM Chung Wah, Yulanda

WONG Chi Ming

WU Shiu Kee, Keith

YIP May Ling, Vivian

Company Secretary of the Manager

CHUNG Siu Wah

Registered Office of the Manager

30th Floor, Dah Sing Financial Centre,
248 Queen's Road East, Wan Chai,
Hong Kong

Investor Relations

Tel : (852) 3669 2880

Fax : (852) 2285 9980

Email : ir@HendersonSunlight.com

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

KPMG

Certified Public Accountants and

Registered Public Interest Entity Auditor

Principal Valuer

Knight Frank Petty Limited

Legal Adviser

Woo Kwan Lee & Lo

Principal Bankers

Bank of China (Hong Kong) Limited

Dah Sing Bank, Limited

DBS Bank Ltd., Hong Kong Branch

Hang Seng Bank Limited

The Hongkong and Shanghai Banking
Corporation Limited

Oversea-Chinese Banking

Corporation Limited

Sumitomo Mitsui Banking Corporation

Unit Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

Website

www.sunlightreit.com

Financial Calendar

(for the six months ended 30 June 2025)

Interim results

announced on 11 August 2025

Interim report

posted on 26 August 2025

Ex-distribution date

for interim distribution

26 August 2025

Closure of register of unitholders

for entitlement of interim distribution

28 August 2025 to 1 September 2025,
both days inclusive

Interim distribution

HK 9.1 cents per unit

to be paid on 9 September 2025

Sunlight Real Estate Investment Trust

Managed by Henderson Sunlight Asset Management Limited

陽光房地產投資信託基金

由恒基陽光資產管理有限公司管理

www.sunlightreit.com

