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Sunlight Real Estate Investment Trust

(a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code : 435)

Managed by
Henderson Sunlight Asset Management Limited
恒基陽光資產管理有限公司

PAYMENT OF BASE FEE AND VARIABLE FEE TO HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED BY WAY OF UNITS AND CASH

On 26 October 2023, the Manager received a total of 8,649,800 new Units as payment of 50% of (i) the Manager's Fees for the 4th Quarter of FY2022/23 and (ii) the Manager's Fees for the 1st Quarter of FY2023/24. The new Units represent approximately 0.51% of the 1,703,684,957 Units in issue immediately after such issue.

The Manager also received HK\$11,539,493.02 in cash in October 2023, being the cash portion of the Manager's Fees for the 1st Quarter of FY2023/24. The cash portion of the Manager's Fees for the 4th Quarter of FY2022/23, which amounted to HK\$11,529,227.99, was received by the Manager in August 2023.

The Manager held 195,103,527 Units prior to receiving the new Units. With the new Units issued, the Manager currently holds a total of 203,753,327 Units, representing approximately 11.96% of the total Units in issue immediately after such issue.

Reference is made to the announcement of Sunlight REIT dated 21 June 2023 in relation to the Manager's election for the Base Fee and the Variable Fee for the financial year ending 30 June 2024 to be paid in the form of cash as to 50% and in the form of Units as to 50%.

On 26 October 2023, the Manager received a total of 8,649,800 new Units, representing approximately 0.51% of the 1,703,684,957 Units in issue immediately after such issue.

Of the new Units received :

- (a) 3,955,135 Units, comprising 3,123,314 Units (being payment of 50% of the Base Fee of HK\$18,208,926.00) and 831,821 Units (being payment of 50% of the Variable Fee of HK\$4,849,520.52), were issued at HK\$2.915 (being the Q4 Market Price) per Unit as payment of the Manager's Fees for the 4th Quarter of FY2022/23; and
- (b) 4,694,665 Units, comprising 3,722,731 Units (being payment of 50% of the Base Fee of HK\$18,300,950.00) and 971,934 Units (being payment of 50% of the Variable Fee of HK\$4,778,029.59), were issued at HK\$2.458 (being the Q1 Market Price) per Unit as payment of the Manager's Fees for the 1st Quarter of FY2023/24.

The Manager also received HK\$11,539,493.02 in cash in October 2023, being the cash portion of the Manager's Fees for the 1st Quarter of FY2023/24. The cash portion of the Manager's Fees for the 4th Quarter of FY2022/23, which amounted to HK\$11,529,227.99, was received by the Manager in August 2023. Together with the issue of the new Units as mentioned above, the payment obligation of the Manager's Fees for the periods concerned was satisfied in full.

The Manager held 195,103,527 Units prior to receiving the new Units. With the new Units issued, the Manager currently holds a total of 203,753,327 Units, representing approximately 11.96% of the total Units in issue immediately after such issue.

The payment of the Manager's Fees and the basis of determination of the number of new Units issued (together with the relevant amounts paid in cash) as payment of the Base Fee and the Variable Fee are provided for and consistent with the relevant provisions of the Trust Deed.

In accordance with the Trust Deed, the amount of the Manager's Fees is calculated quarterly on the basis of (i) the value of the relevant properties as set out in the latest published interim report/audited annual accounts of Sunlight REIT (with adjustments being made for the properties acquired/disposed of during the relevant periods, if applicable); and (ii) the Net Property Income as set out in the unaudited quarterly management accounts of Sunlight REIT prepared by the Manager. Based on the published audited accounts of Sunlight REIT for the financial year ended 30 June 2023, the Manager's Fees were adjusted by way of the Adjustment, the amount of which was HK\$392,200.00 and was settled in cash by the Manager to Sunlight REIT in October 2023.

Pursuant to paragraph 12.6 of the REIT Code, payment of the Manager's Fees by way of units (in accordance with the terms of the Trust Deed within the 20% threshold under paragraph 12.2 of the REIT Code) will be exempted from strict compliance with Unitholders' approval requirement, provided that the aggregate number of Units issued for such purpose in respect of a financial year does not exceed 3% of the total number of Units outstanding at the last day of the immediately preceding financial year, plus the number of Units issued (if any) in the relevant financial year for the purposes of financing any acquisition of real estate by Sunlight REIT. The total number of Units issued to the Manager as payment of the Manager's Fees for the financial year ended 30 June 2023 was 14,189,113, representing approximately 0.84% of the 1,681,712,071 Units in issue at 30 June 2022.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings :

“1st Quarter of FY2023/24”	the period from 1 July 2023 to 30 September 2023, being the first quarter of the financial year ending 30 June 2024 of Sunlight REIT
“4th Quarter of FY2022/23”	the period from 1 April 2023 to 30 June 2023, being the fourth quarter of the financial year ended 30 June 2023 of Sunlight REIT
“Adjustment”	adjustment of the Base Fee/Variable Fee for the relevant financial year pursuant to the payment reconciliation provisions of the Trust Deed
“Base Fee”	a base fee payable by Sunlight REIT to the Manager, which has the meaning given to that term in the Trust Deed, currently calculated at the rate of 0.4% per annum of the Property Value (as defined in the Trust Deed), except for a property acquired in April 2023, West 9 Zone Kids, which is calculated at the rate of 0.3% per annum of its value
“Manager”	Henderson Sunlight Asset Management Limited (恒基陽光資產管理有限公司), as the manager of Sunlight REIT
“Manager’s Fees”	the Base Fee and the Variable Fee, being components of the Manager’s remuneration, both of which have the meaning given to these terms in the Trust Deed
“Q1 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 18 September 2023 to 29 September 2023 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 1st Quarter of FY2023/24
“Q4 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 15 June 2023 to 29 June 2023 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 4th Quarter of FY2022/23
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time
“SFC”	Securities and Futures Commission of Hong Kong

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunlight REIT”	Sunlight Real Estate Investment Trust
“Trust Deed”	the amended and restated trust deed dated 10 May 2021 made between the Manager and HSBC Institutional Trust Services (Asia) Limited (滙豐機構信託服務(亞洲)有限公司), in its capacity as the trustee of Sunlight REIT
“Unit(s)”	unit(s) in Sunlight REIT
“Unitholder(s)”	any person(s) registered as holder of a Unit
“Variable Fee”	a variable fee payable by Sunlight REIT to the Manager, which has the meaning given to that term in the Trust Deed, currently calculated at the rate of 3.0% per annum of the Net Property Income (as defined in the Trust Deed)

By order of the Board
HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED
 恒基陽光資產管理有限公司
 (as manager of Sunlight Real Estate Investment Trust)
CHUNG Siu Wah
Company Secretary

Hong Kong, 26 October 2023

At the date of this announcement, the board of directors of the Manager comprises :
 (1) *Chairman and Non-Executive Director : Mr. AU Siu Kee, Alexander;* (2) *Chief Executive Officer and Executive Director : Mr. WU Shiu Kee, Keith;* (3) *Non-Executive Director : Mr. KWOK Ping Ho;* and (4) *Independent Non-Executive Directors : Mr. KWAN Kai Cheong, Dr. TSE Kwok Sang, Mr. KWOK Tun Ho, Chester and Ms. Helen ZEE.*