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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

Reference is made to the announcement of Sunlight REIT dated 17 May 2019 in relation to the Manager's election for the Base Fee and the Variable Fee for the financial year ending 30 June 2020 to be paid in the form of cash as to 50% and in the form of Units as to 50%.

On 28 April 2020, the Manager received a total of 6,040,673 new Units as payment of 50% of the Manager's Fees for the 2nd Quarter of FY2019/20 and the 3rd Quarter of FY2019/20. The new Units represent approximately 0.36% of the 1,661,429,036 Units in issue immediately after such issue.

The Manager also received HK\$12,570,525.45 in cash in April 2020, being the cash portion of the Manager's Fees for the 3rd Quarter of FY2019/20. The cash portion of the Manager's Fees for the 2nd Quarter of FY2019/20, which amounts to HK\$12,577,852.26, was received by the Manager in February 2020.

The Manager held 144,377,733 Units prior to receiving the new Units. With the new Units issued, the Manager holds a total of 150,418,406 Units, representing approximately 9.05% of the total Units in issue immediately after such issue.

Reference is made to the announcement of Sunlight REIT dated 17 May 2019 in relation to the Manager's election for the Base Fee and the Variable Fee for the financial year ending 30 June 2020 to be paid in the form of cash as to 50% and in the form of Units as to 50%.

On 28 April 2020, the Manager received a total of 6,040,673 new Units, representing approximately 0.36% of the 1,661,429,036 Units in issue immediately after such issue.

Of the new Units received :

- (a) 2,515,570 Units, comprising 1,989,610 Units (being payment of 50% of the Base Fee of HK\$19,896,100.00) and 525,960 Units (being payment of 50% of the Variable Fee of HK\$5,259,602.26), were issued at HK\$5.000 (being the Q2 Market Price) per Unit as payment of the Manager's Fees for the 2nd Quarter of FY2019/20; and
- (b) 3,525,103 Units, comprising 2,789,694 Units (being payment of 50% of the Base Fee of HK\$19,896,100.00) and 735,409 Units (being payment of 50% of the Variable Fee of HK\$5,244,942.75), were issued at HK\$3.566 (being the Q3 Market Price) per Unit as payment of the Manager's Fees for the 3rd Quarter of FY2019/20.

The Manager also received HK\$12,570,525.45 in cash in April 2020, being the cash portion of the Manager's Fees for the 3rd Quarter of FY2019/20. The cash portion of the Manager's Fees for the 2nd Quarter of FY2019/20, which amounts to HK\$12,577,852.26, was received by the Manager in February 2020. 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 144,377,733 Units prior to receiving the new Units. With the new Units issued, the Manager holds a total of 150,418,406 Units, representing approximately 9.05% of the total Units in issue immediately after such issue.

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 consistent with the relevant provisions of the Trust Deed.

In accordance with the Trust Deed, the amount of the Manager's Fees (for the above relevant periods) was 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.

The payment of the Manager's Fees by way of Units is provided for in the Trust Deed and does not require specific prior approval of Unitholders pursuant to a waiver granted by the SFC. Under the waiver granted by the SFC, the issue of Units to the Manager as payment of all or part of the Manager's Fees for each financial year will be counted as part of the 20% of outstanding Units that the Manager may issue in each financial year without requiring Unitholders' approval pursuant to paragraph 12.2 of the REIT Code. In addition, the maximum number of Units that may be issued to the Manager as payment of all or part of the Manager's Fees in respect of each financial year shall be limited to such number of Units as represents 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 period from 1 July 2019 to 31 March 2020 is 8,376,046, which represents approximately 0.51% of the 1,651,723,079 Units in issue at 30 June 2019.

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 :

“2nd Quarter of FY2019/20”	the period from 1 October 2019 to 31 December 2019, being the second quarter of the financial year ending 30 June 2020 of Sunlight REIT
“3rd Quarter of FY2019/20”	the period from 1 January 2020 to 31 March 2020, being the third quarter of the financial year ending 30 June 2020 of Sunlight REIT
“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
“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
“Net Property Income”	has the meaning given to that term in the Trust Deed
“Property Value”	has the meaning given to that term in the Trust Deed
“Q2 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 13 December 2019 to 30 December 2019 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 2nd Quarter of FY2019/20
“Q3 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 17 March 2020 to 30 March 2020 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 3rd Quarter of FY2019/20
“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, a collective investment scheme constituted as a unit trust and authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Trust Deed”	the trust deed constituting Sunlight REIT dated 26 May 2006, as amended and supplemented by six supplemental deeds
“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 (before deduction therefrom of the Variable Fee)

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, 28 April 2020

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 and Mr. KWOK Tun Ho, Chester.