



SUNLIGHT REIT

STOCK CODE : 435

Navigating on a Firm Foundation

Annual Report 2025



Highlights of the Year

1. Distributable income for the Year registered a mild 2.1% drop as compared to the corresponding calendarized figure in 2024.
2. Distribution per unit for the Year was HK18.2 cents, representing a payout ratio of 96.1%.
3. Net asset value per unit was HK\$7.09 at 31 December 2025.
4. Occupancy rate of the portfolio was 90.6% with an average retention rate of 70%.
5. A string of successful refinancing exercises on favourable pricing reinforced the firm foundation of Sunlight REIT.
6. Attainment of the five-star Global Real Estate Sustainability Benchmark (GRESB) rating is a testament to Sunlight REIT's commitment to sustainability.

Key Financials

Year ended 31 December 2025

At 31 December 2025

Revenue

HK\$ **778.1** million

Appraised property value

HK\$ **17,403.0** million

Net property income

HK\$ **601.0** million

Net asset value per unit

HK\$ **7.09**

Distribution per unit

HK **18.2** cents

Gearing

27.8%

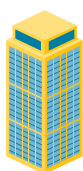
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Forward-looking Statements

This annual 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 Henderson Sunlight Asset Management Limited (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.

Who We Are : In Brief



Our Business

Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) 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**”). The trustee of Sunlight REIT (the “**Trustee**”) is HSBC Institutional Trust Services (Asia) Limited.

Sunlight REIT has been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 21 December 2006. The market capitalization was approximately HK\$4,108 million at 31 December 2025 and its unitholding structure is illustrated below.

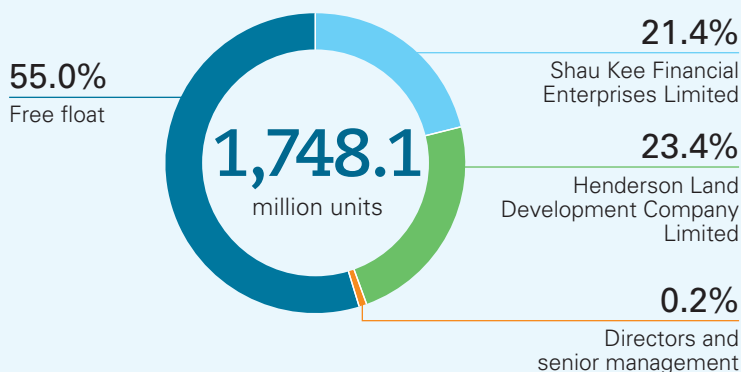
Sunlight REIT offers investors the opportunity to invest in a diversified portfolio of 11 office and six retail properties in Hong Kong with a total gross rentable area (“**GRA**”) of approximately 1.3 million sq. ft. The office properties are primarily located in core business areas, including Wan Chai and Sheung Wan/Central, as well as in decentralized business areas such as Mong Kok and North Point. The retail properties are situated in regional transportation hubs and new towns including Sheung Shui, Tseung Kwan O and Yuen Long, as well as in urban areas with high population density such as Tai Kok Tsui. At 31 December 2025, Sunlight REIT’s portfolio was appraised by its principal valuer, Knight Frank Petty Limited (the “**Principal Valuer**”), at HK\$17,403.0 million, with office and retail properties accounting for 50.7% and 49.3% respectively.



Our Management

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 the unitholders of Sunlight REIT (“**Unitholders**”). It is also responsible for ensuring compliance with the Code on Real Estate Investment Trusts (the “**REIT Code**”), the Trust Deed, applicable provisions of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), as well as other relevant laws and regulations.

Unitholding structure (at 31 December 2025)



Henderson Sunlight Property Management Limited (the “**Property Manager**”) has been delegated the responsibilities of providing property management, lease management and marketing services solely and exclusively for the properties of Sunlight REIT located in Hong Kong, subject to the overall management and supervision of the Manager.

The Manager and the Property Manager are both indirect wholly-owned subsidiaries of Henderson Land Development Company Limited (“**HLD**”).



Our Strategy

The primary objectives of the Manager are to provide Unitholders with regular and stable cash distributions through a diversified portfolio of office and retail properties, while fostering sustainable growth of these distributions and enhancing long-term capital value of the portfolio. The Manager has implemented the following strategies to ensure the accomplishment of these objectives :

Operational management and asset enhancement

The Manager works closely with the Property Manager to develop proactive leasing strategies, cost saving solutions and asset enhancement initiatives aimed at improving the rental income and unlocking the value of the properties.

Investment and acquisition growth

The Manager seeks to acquire income-producing investment properties which have the potential to provide attractive total returns to Unitholders through accretion in distribution yield, sustainable growth in distributions and/or long-term enhancement in capital value. The Manager also reviews and considers, from time to time, fine-tuning the portfolio through divestment of non-core assets for more attractive investment alternatives.

Capital and business management

In support of the operational and acquisition growth strategies of Sunlight REIT, the Manager has in place an efficient capital management strategy through the appropriate use of equity and leverage. It has also established a solid business management framework which includes sound corporate governance practices, effective risk management and internal control systems, reliable management information systems as well as an experienced workforce.



Our Culture

The Manager is committed to maintaining and cultivating a supportive and engaging culture. A good corporate culture is pivotal in developing employees with a deep sense of connection and attachment, motivating them to go the extra mile and exhibit discretionary effort even in most trying times.

The four core values of corporate culture are as follows:

Care

Innovation

Integrity

Sustainability

Chairman's Statement



“ As the commercial real estate sector remained lacklustre, the Manager stayed focused on safeguarding Sunlight REIT's operational and financial resilience. ”

AU Siu Kee, Alexander
Chairman

On behalf of the Board, I am delighted to present the financial results of Sunlight REIT for the year ended 31 December 2025 (the “**Year**”).

The period under review was initially marked by heightened uncertainty and volatility, as a substantial rise in trade barriers triggered by the US caused a temporary plunge in business and investor confidence. Such nervousness was somewhat tempered subsequently as Sino-US relations began to show signs of thawing.

Meanwhile, the Hong Kong economy experienced a reasonable recovery during the Year, buoyed by stronger than expected export performance, a rebound in tourist arrivals and vibrant financial market activities spurred by favourable capital flows into Asia. The upbeat sentiment was reinforced by softening funding costs, featured by an episode of exceptionally low Hong Kong interbank rates in mid-2025.

However, the benefit of wealth effect did not translate into a positive impact on the commercial real estate (“**CRE**”) sector, as both tenants and landlords grappled with a spate of structural changes, which proved to be a hindrance to rental recovery.

Reflecting such a challenging operating environment, Sunlight REIT recorded total revenue and net property income (“**NPI**”) for the Year of HK\$778.1 million and HK\$601.0 million respectively, down 4.8% and 5.3% as compared to their corresponding calendarized figures in 2024. Distributable income for the Year exhibited a milder drop of 2.1% to HK\$330.2 million, mainly attributable to a 16.1% saving in interest expense. The Board has resolved to declare a final distribution of HK 9.1 cents per unit, bringing distribution per unit (“**DPU**”) for the Year to HK 18.2 cents, which represents a payout ratio of 96.1% and a yield of 7.7% based on the closing unit price of HK\$2.35 on the last trading day of the Year.

| in HK\$ million | 12 months ended 31 December 2025 | 12 months ended 31 December 2024* |
|----------------------|-------------------------------------|--------------------------------------|
| Revenue | 778.1 | 817.1 |
| Net property income | 601.0 | 634.5 |
| Distributable income | 330.2 | 337.3 |

* unaudited figures derived from the audited financial statements for the 18 months ended 31 December 2024.

The appraised value of Sunlight REIT's portfolio was HK\$17,403.0 million at 31 December 2025, 3.0% lower than the level recorded 12 months ago. Consequently, the net asset value of Sunlight REIT retreated by 4.7% to HK\$12,402.6 million, or HK\$7.09 per unit (31 December 2024 : HK\$7.53 per unit).

As the CRE sector remained lacklustre, the Manager stayed focused on safeguarding Sunlight REIT's operational and financial resilience. This strategy was exemplified by a 3.0% annual saving in operational expenses, while the successful refinancing of borrowings totalling HK\$2,980 million during the Year on favourable interest margin underscored the unwavering support received from our banking partners.

Looking ahead, geopolitical discord will continue to frame the outlook for 2026. Notably, the rapprochement between the US and China appears tentative, and any shifts in policies and narratives are bound to cause bouts of market jitters that may have a reverberating impact. On the monetary front, while the US Federal Reserve is expected to stay the course as far as the easing cycle is concerned, the pace and extent of which is far from predictable, with the latest escalating tension in the Middle East clearly rekindling the fear of higher inflation. For China, more stimulative measures may be necessary to support private consumption and hence economic growth.

In addition to a murky economic outlook, the CRE sector in Hong Kong will continue to be hampered by a distinct shift in consumer behaviour and office market preferences, creating an unprecedented landscape for which no straightforward solutions exist. Given this backdrop, the Manager will stay prudent and build on the sturdy fundamentals of Sunlight REIT, with a particular emphasis on improving cost efficiency and optimizing its capital management strategy. By devoting substantial effort to enhancing the quality of our property portfolio, we aim to retain and attract quality tenants and customers, ensuring that Sunlight REIT is well-positioned to capitalize on future opportunities.

As we look forward to Sunlight REIT's 20th listing anniversary, I would like to take this opportunity to thank my fellow directors and the management team for their steadfast commitment and dedication in steering Sunlight REIT through formidable headwinds. I am also deeply grateful to the entire workforce for their hard work, which has been essential for helping us navigate multiple challenges. With a firm foundation and a strong collaborative spirit, we will continue to thrive.

AU Siu Kee, Alexander

Chairman

11 March 2026



“ It is imperative to stay vigilant and adaptable, focusing on strategic cost management and portfolio optimization while leveraging technology to navigate the evolving landscape. ”

WU Shiu Kee, Keith
Chief Executive Officer

The performance of the CRE sector continued to be crippled by a blend of tenacious structural challenges during the Year. In addition to the unanticipated tariff battle initiated by the US administration in the early part of 2025, the overall sentiment was clearly dampened by headwinds attributable to evolving consumer behaviour, abundant office supply and a cautious credit environment.

Office space demand in Hong Kong had been sluggish for most of the period under review, though a glimmer of hope was emerging toward the latter part of 2025, principally propelled by relocation and expansion demand from finance-related sectors thanks to a sharp resurgence of fund-raising activities in Hong Kong. Nonetheless, with corporates prioritizing cost control and new office supply coming on stream, positive absorption did not translate into rental growth and only managed to keep the average vacancy rate of Grade A offices at around 15% throughout the year under review. The occupancy rate of our office portfolio was 91.2% at 31 December 2025, a slight improvement from the 90% level achieved six months ago.

On the retail front, the operating landscape underwent profound changes, driven primarily by the rapid penetration of e-commerce and the appeal of affordable shopping experiences north of the border. As such, the positive wealth effect resulting from a more favourable investment environment was insufficient to overcome the cautious approach of retail operators, leading to prolonged vacancies in certain key business districts.

Amidst the challenging environment, we are delighted to have witnessed a stable average footfall for our key retail destinations during the Year. The occupancy rate of our retail portfolio also made further headway, achieving a level of 89.6% as compared to 87.6% at 30 June 2025.

However, stable occupancy came at a price, as the overall portfolio recorded a negative rental reversion of 9.3% during the Year versus negative 2.6% for the 18 months ended 31 December 2024.

Asset Enhancement

During the Year, we undertook a number of asset enhancement initiatives, notably including a comprehensive proptech installation programme across our Grade B office portfolio. This investment in automation and digital monitoring has already contributed to cost savings, and we are hopeful of realizing further benefits in the years ahead.

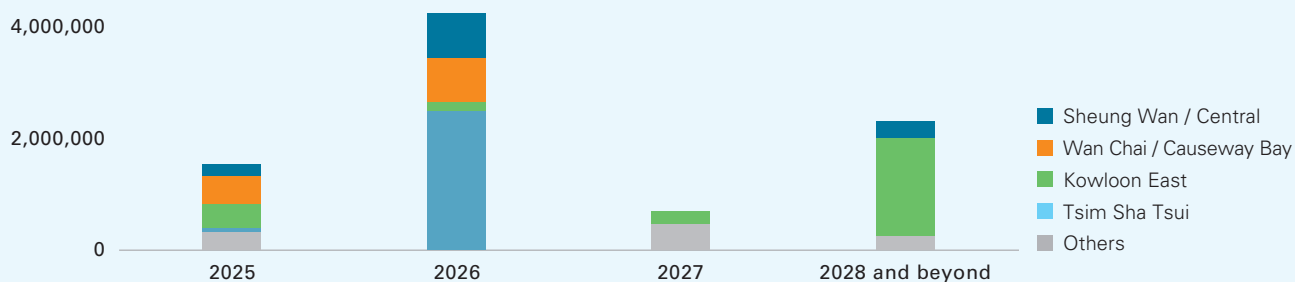
In addition, the renovation at West 9 Zone Kids (“**W9Z**”) was completed on schedule with overall costs well managed at approximately HK\$4.5 million. This revitalization initiative has led to a prompt improvement in trade mix and occupancy rates, underscoring the value of effective asset enhancement.

During the Year, we launched a three-year improvement plan for Dah Sing Financial Centre (“**DSFC**”). The first phase, focused on strengthening the building envelope through curtain wall waterproofing, has been successfully completed. This will be followed by an extensive lift modernization programme scheduled for commencement in the second half of 2026. This strategic plan demonstrates our commitment to investing in core assets to enhance both quality and long-term capital value.

Environmental, Social and Governance (“ESG”) Achievements

The attainment of the five-star GRESB rating during the year under review is a testament to Sunlight REIT’s commitment to sustainability. This accomplishment was complemented at the asset level, as Metro City Phase I Property (“**MCPI**”) received a Gold rating in Operations and Maintenance : Existing Buildings of the Leadership in Energy and Environmental Design (LEED)

Hong Kong Grade A office supply (sq.ft. net floor area)



Source : Knight Frank Petty Limited

certification. In addition, we strengthened our community partnership platform by encompassing a wider array of participating properties and introducing new forms of collaboration with non-governmental organizations.

Looking ahead, we will remain steadfast in our pursuit of sustainability while cementing our relationships with key stakeholders, with a view to contributing to the development of green and vibrant communities.

Prospects

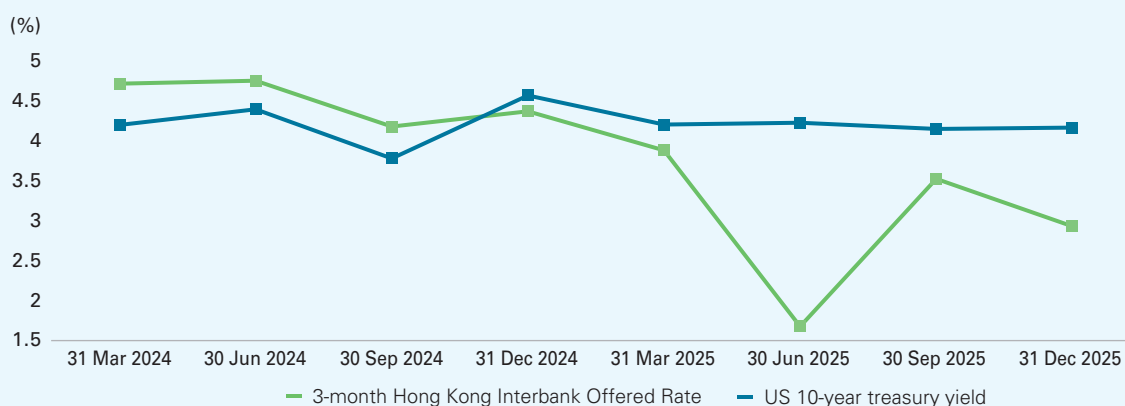
The post-Covid path to recovery has been unexpectedly challenging for Hong Kong, with the CRE sector bearing the brunt of a multitude of adverse developments. As such, the protraction of negative rental reversion will continue to impact on income performance.

However, there is cause for guarded optimism. Notably, the office market is gradually reaping benefits from the re-emergence of Hong Kong as a leading financial hub, appealing to institutional investors and corporates with its robust governance and proven market liquidity. Such auspicious sentiment will drive new letting demand, at a time when office supply is projected to taper quite significantly from late 2026 onwards. As a case in point, almost 40% of DSFC's tenants are currently engaged in finance-related trades, a stark contrast to 12% recorded at 30 June 2020. This substantial change highlights our agility in adapting to market trends and positioning DSFC as a preferred destination for financial sector tenants.

While it may be premature to expect a rental recovery for the retail sector, we are encouraged by a noticeable increase in leasing interest from Chinese Mainland brands, with new leases being secured across various properties. Building on this momentum, we will endeavour to capitalize on this window of opportunity to optimize the performance of our retail properties.

In an era where operational efficiency is paramount, we have prioritized technology adoption and asset enhancement to drive cost control and long-term value. As our investment in digitalization and energy efficiency is gradually bearing fruits, additional effort will be devoted to explore and create more tangible benefits through the technology window.

US treasury yield and Hong Kong Interbank Offered Rate



On the financial front, barring unforeseen circumstances, the trajectory of local interest rates is expected to echo the more accommodative monetary stance of the US. Notwithstanding, it is currently envisaged that the credit environment will remain tight for the CRE sector as the cycle of deleveraging has yet to run its course.

Against this backdrop, our financial prudence has proved rewarding: in addition to mitigating interest rate risk via adequate fixed-rate exposure, refinancing of all loans due in 2026 has already been secured on favourable terms, demonstrating the staunch support from key bankers and the solid fundamentals of Sunlight REIT.

In conclusion, the prevailing operating environment presents formidable challenges as well as potentially rewarding investment opportunities. It is imperative to stay vigilant and adaptable, focusing on strategic cost management and portfolio optimization while leveraging technology to navigate the evolving landscape. We take pride in having established a firm foundation for Sunlight REIT, being strengthened by numerous initiatives amidst the ebbs and flows of the market. Unitholders are assured of this defensive and proactive culture in the years to come.

WU Shiu Kee, Keith

Chief Executive Officer

11 March 2026

Portfolio at a Glance

Top three properties

- 1** Dah Sing Financial Centre
- 2** Sheung Shui Centre Shopping Arcade
- 3** Metro City Phase I Property

Sheung Wan/Central office properties

- 4** Strand 50
- 5** 135 Bonham Strand Trade Centre Property
- 6** Winsome House Property
- 7** 235 Wing Lok Street Trade Centre

Other retail properties

- 14** Kwong Wah Plaza Property
- 15** West 9 Zone Kids
- 16** Beverley Commercial Centre Property
- 17** Supernova Stand Property

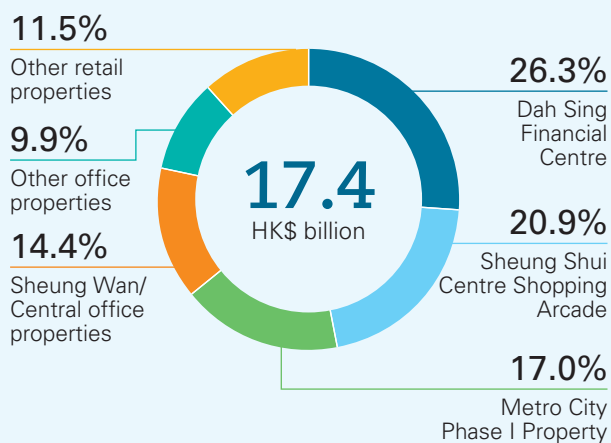
Other office properties

- 8** The Harvest
- 9** Righteous Centre
- 10** Java Road 108 Commercial Centre
- 11** On Loong Commercial Building
- 12** Sun Fai Commercial Centre Property
- 13** Wai Ching Commercial Building Property

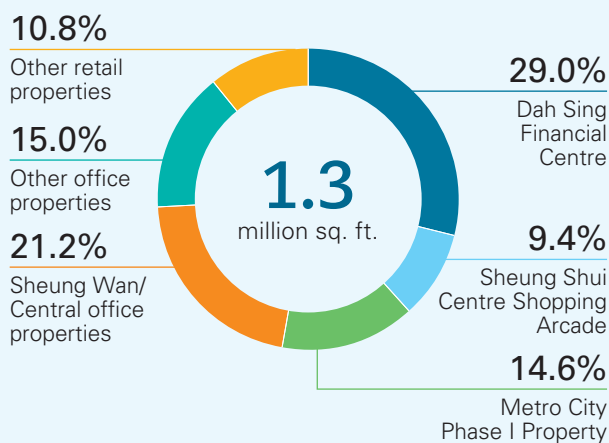
11
Office
Properties

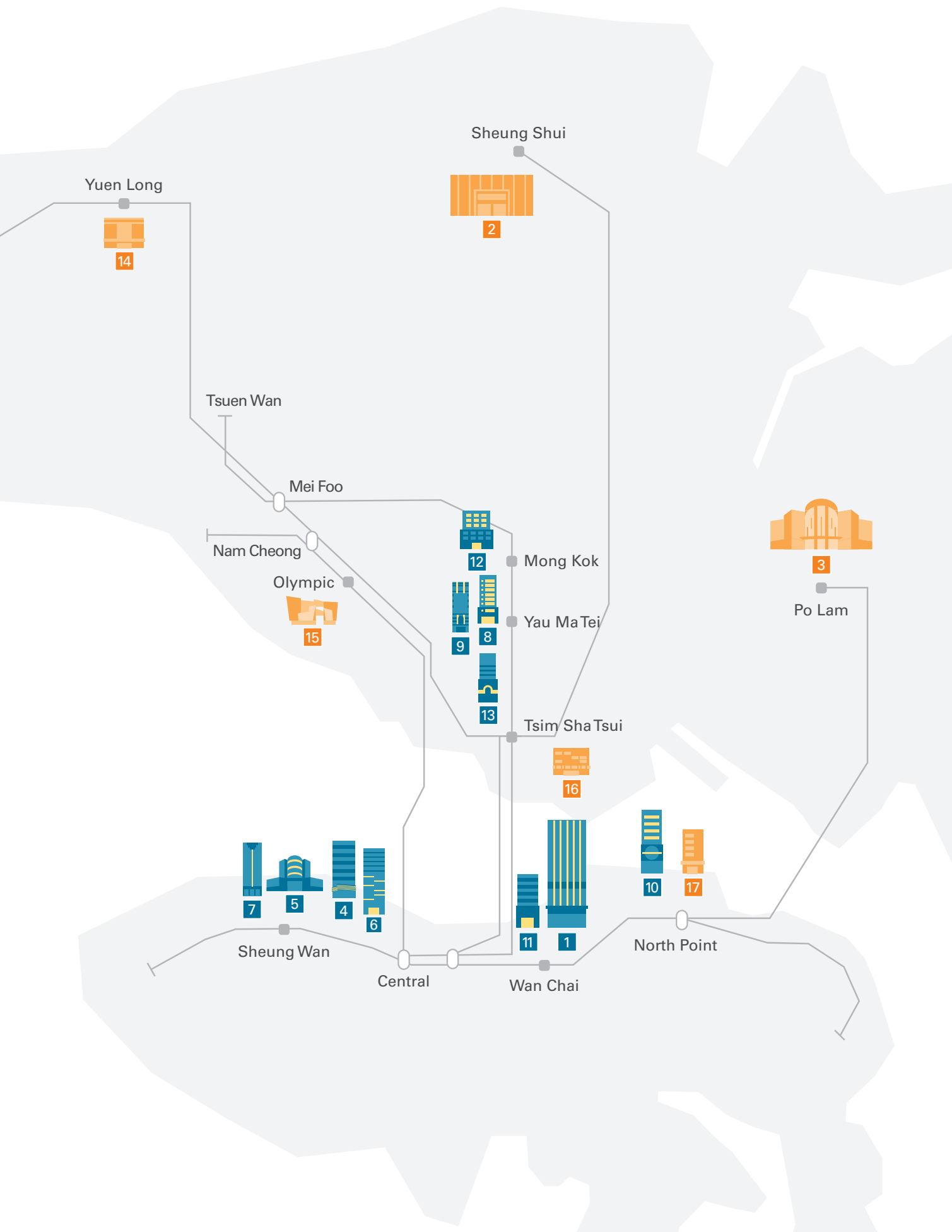
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Retail
Properties

Valuation



Gross rentable area





Portfolio Statistics

| Property | Property details | | | | |
|--|------------------|----------------|----------------|------------------|------------------------|
| | 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 ³ | 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 |
| Beverly 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. Please refer to "Valuation Report" on pages 70 to 87 for further details.
3. Certain car park spaces of the property were disposed of on 31 October 2024 for consideration of approximately HK\$20 million. In addition, sale and purchase agreements for disposal of additional car park spaces were entered into in January 2026 for consideration of approximately HK\$30 million.
4. Rental reversion is calculated on the basis of change in effective rent of the leases renewed and commenced during the relevant year or reporting period.

| Operational statistics | | | | Property financials | | | |
|------------------------|----------------|--|----------------|--|-----------------------------|--|--|
| Occupancy rate (%) | | Passing rent ¹ (HK\$/sq. ft.) | | Rental and car park income (HK\$ '000) | | Appraised value ² (HK\$ '000) | |
| at 31 Dec 2025 | at 31 Dec 2024 | at 31 Dec 2025 | at 31 Dec 2024 | Year ended 31 Dec 2025 | 18 months ended 31 Dec 2024 | at 31 Dec 2025 | |
| 91.0 | 92.2 | 35.3 | 36.9 | 149,293 | 238,797 | 4,583,000 | |
| 89.1 | 89.2 | 27.9 | 29.6 | 34,029 | 56,258 | 1,140,000 | |
| 89.7 | 92.8 | 25.9 | 26.7 | 17,697 | 28,247 | 525,000 | |
| 90.6 | 94.8 | 34.7 | 34.2 | 19,299 | 32,457 | 523,000 | |
| 88.6 | 94.3 | 34.3 | 36.9 | 15,858 | 24,883 | 512,000 | |
| 100.0 | 83.4 | 38.0 | 40.2 | 13,632 | 21,786 | 489,000 | |
| 88.3 | 88.4 | 19.3 | 19.7 | 10,550 | 17,094 | 330,000 | |
| 100.0 | 98.1 | 24.0 | 23.8 | 10,828 | 15,837 | 254,000 | |
| 87.2 | 98.0 | 25.4 | 25.5 | 7,461 | 11,875 | 221,000 | |
| 91.4 | 96.7 | 21.7 | 21.8 | 6,310 | 9,787 | 160,000 | |
| 100.0 | 87.5 | 16.4 | 16.8 | 3,076 | 4,436 | 78,000 | |
| 91.2 | 92.0 | 31.0 | 32.1 | 288,033 | 461,457 | 8,815,000 | |
| 87.5 | 91.4 | 102.2 | 103.9 | 146,591 | 228,303 | 3,640,000 | |
| 87.1 | 91.7 | 53.4 | 52.2 | 123,852 | 199,681 | 2,954,000 | |
| 100.0 | 97.3 | 50.7 | 51.6 | 40,235 | 63,506 | 1,078,000 | |
| 89.6 | 73.4 | 40.7 | 48.2 | 22,552 | 47,241 | 770,000 | |
| 100.0 | 100.0 | 58.8 | 58.8 | 2,952 | 4,435 | 74,000 | |
| 87.6 | 91.2 | 30.7 | 31.7 | 2,581 | 4,245 | 72,000 | |
| 89.6 | 90.1 | 63.9 | 65.6 | 338,763 | 547,411 | 8,588,000 | |
| 90.6 | 91.3 | 42.1 | 43.7 | 626,796 | 1,008,868 | 17,403,000 | |

| | No. of leases | | Rental reversion ⁴ (%) | | Capitalization rate (%) |
|------------------------|----------------|----------------|-----------------------------------|-----------------------------|-------------------------|
| | at 31 Dec 2025 | at 31 Dec 2024 | Year ended 31 Dec 2025 | 18 months ended 31 Dec 2024 | at 31 Dec 2025 |
| Office | 525 | 512 | (9.5) | (4.6) | 3.65 - 3.95 |
| Retail | 322 | 339 | (9.2) | (0.6) | 3.40 - 4.35 |
| Total / Average | 847 | 851 | (9.3) | (2.6) | |

Dah Sing Financial Centre

- DSFC achieved a satisfactory retention rate with stable occupancy.
- The ongoing asset upgrade programme is expected to further strengthen the property's appeal as a premier office destination.



Rental reversion

(14.4)%

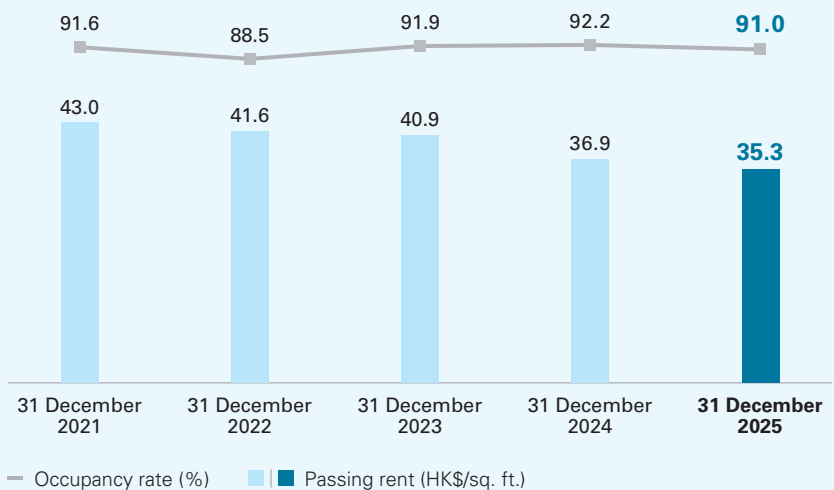


Retention rate

78%



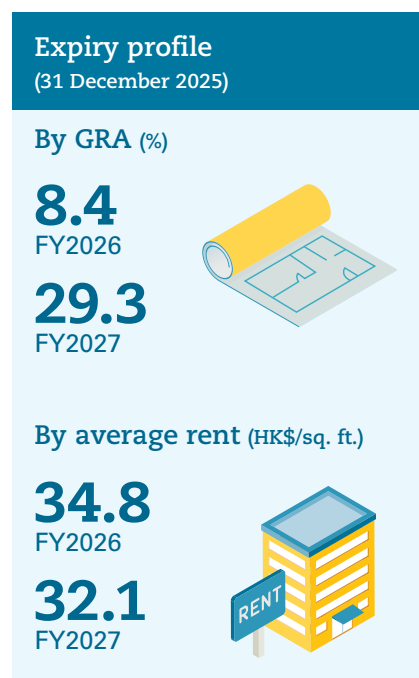
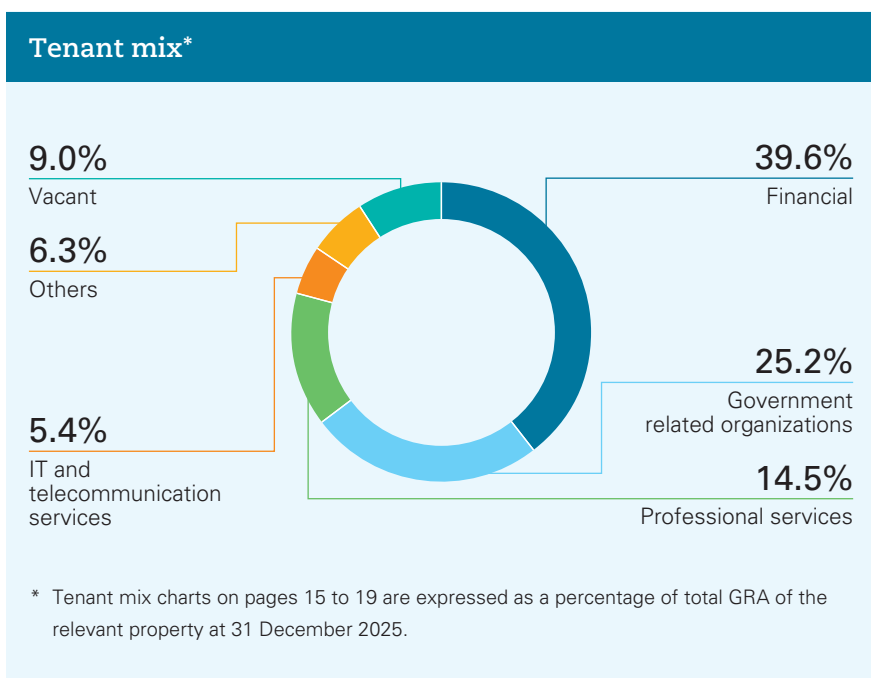
Occupancy rate and passing rent



Rental and car park income of DSFC for the Year was HK\$149.3 million (12 months ended 31 December 2024 : HK\$156.7 million).

Amidst a challenging Grade A office market, DSFC demonstrated its resilience in both occupancy and tenant retention – this flagship office property maintained an occupancy rate of 91.0% at 31 December 2025 with a satisfactory retention rate of 78%. However, in order to achieve stable occupancy, rental adjustments were adopted to accommodate cost-conscious tenants, resulting in a 14.4% negative rental reversion during the Year, while passing rent was HK\$35.3 per sq. ft.

As part of our ongoing building upgrade programme, the lift modernization project at DSFC will commence shortly. Upon completion, it is expected to enhance safety and operational efficiency, delivering sustainable value to our stakeholders.





Sheung Shui Centre Shopping Arcade

- The occupancy rate of Sheung Shui Centre Shopping Arcade (“SSC”) was somewhat affected by the vacant space previously occupied by a kindergarten tenant.
- A solid banking tenant base underpins the resilience of SSC and affirms its position as a convenient and welcoming retail destination for cross-border travelers and residents in the Sheung Shui district.

Rental reversion

(10.7)%

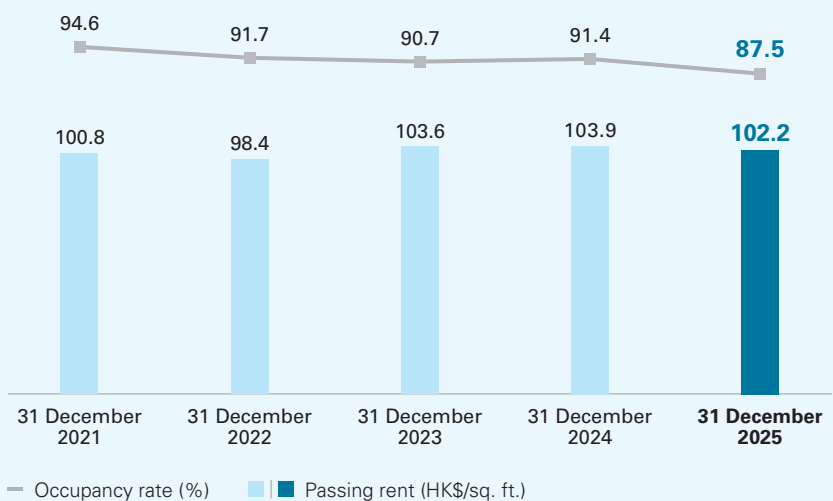


Retention rate

70%



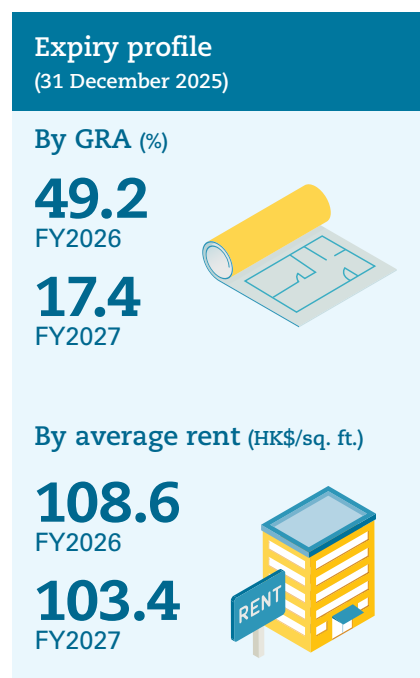
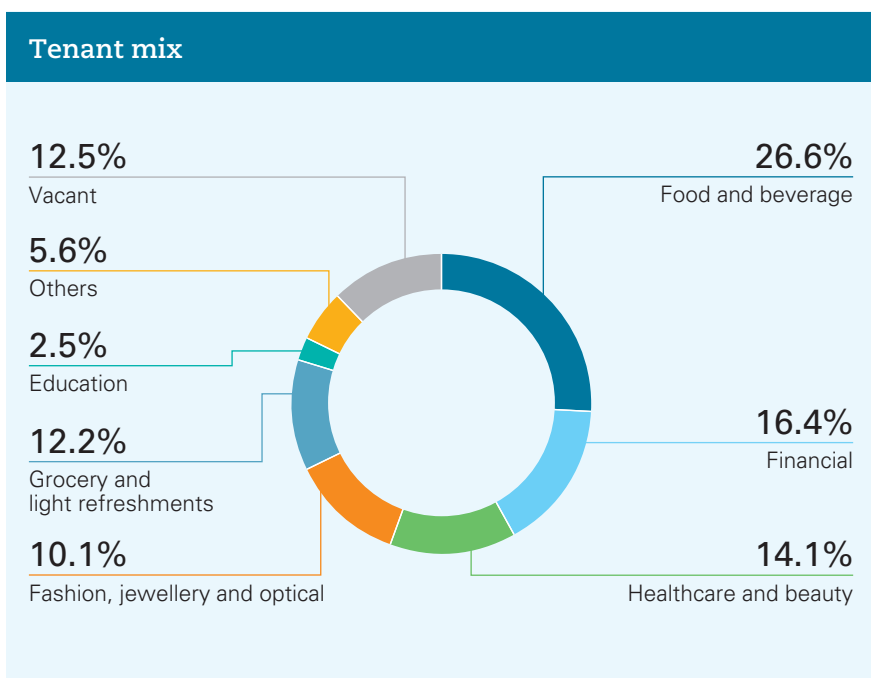
Occupancy rate and passing rent



Rental and car park income of SSC totalled HK\$146.6 million for the Year (12 months ended 31 December 2024 : HK\$151.8 million).

The occupancy rate of SSC, which stood at 87.5% at 31 December 2025, was somewhat affected by the vacant space previously occupied by a kindergarten tenant which accounted for 7.5% of its GRA, but only 1.6% of total rental income. Passing rent at the end of the Year was HK\$102.2 per sq. ft., while retention rate stayed at a decent level of 70%. Reflecting the cautious sentiment of retail operators, negative rental reversion for the Year widened to 10.7%.

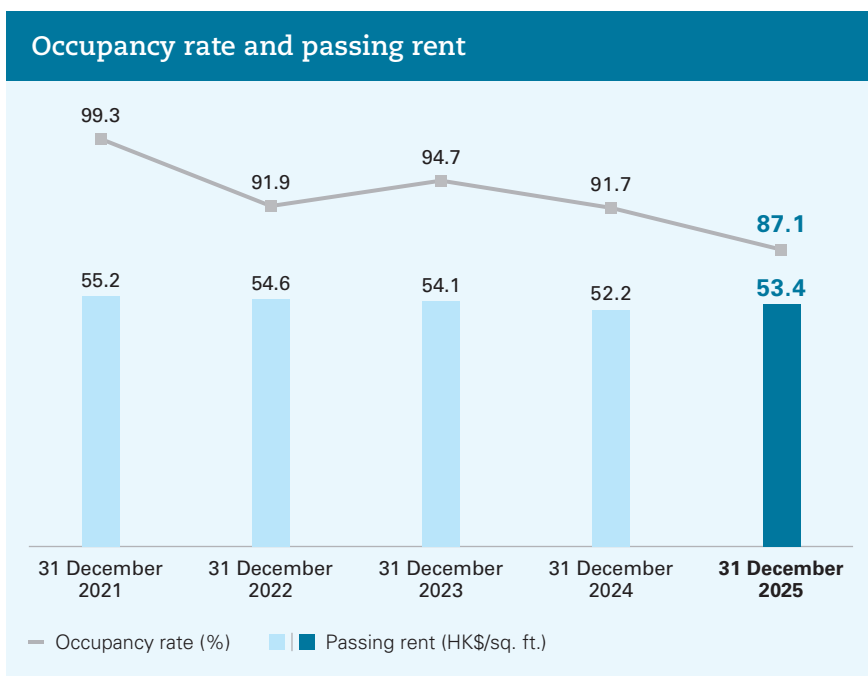
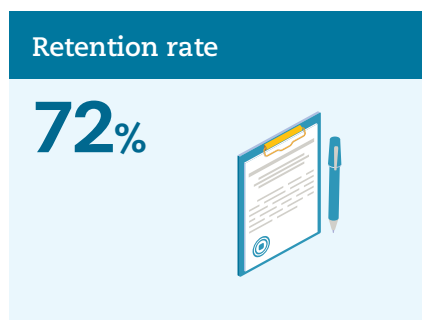
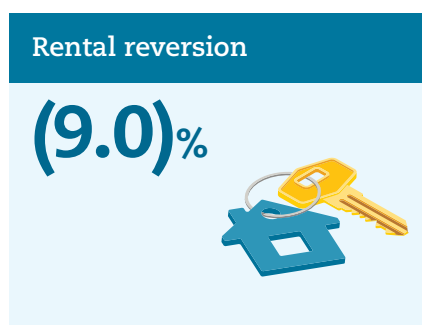
While northbound consumption remains a dominant trend, the recovery of inbound tourism has somewhat helped cushion the adverse impact. As for SSC, a solid banking tenant base underpins its resilience and affirms its position as a convenient and welcoming retail destination for cross-border travelers and residents in the Sheung Shui district.





Metro City Phase I Property

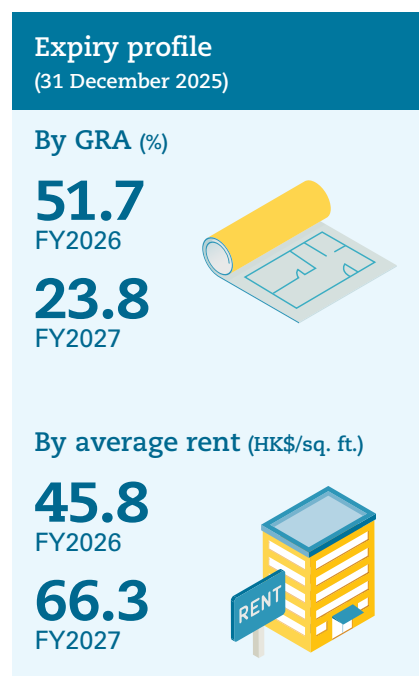
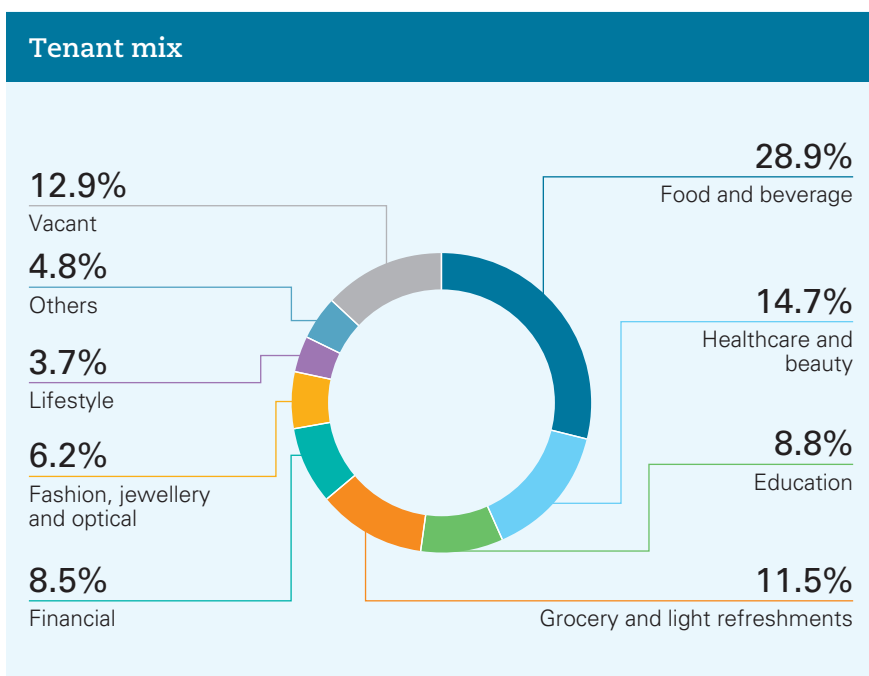
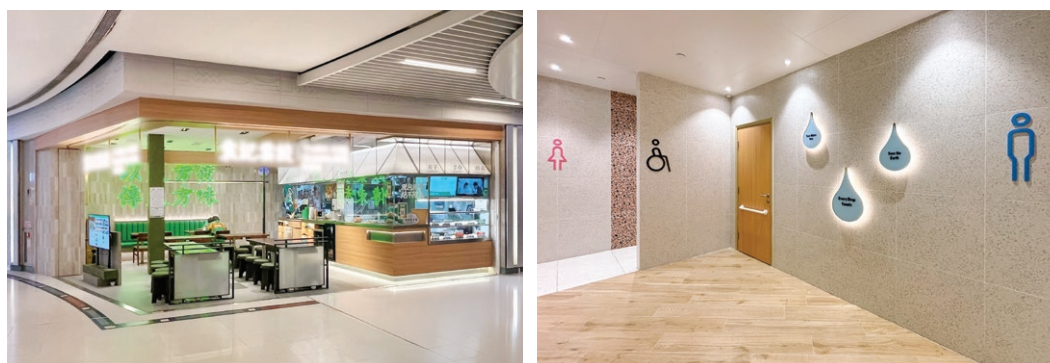
- MCPI maintained a healthy retention rate with a slight improvement in passing rent.
- A proactive tenant refinement strategy together with an upgrade in supporting facilities should enhance the competitiveness of MCPI amidst growing competition in the Tseung Kwan O area.



MCPI recorded rental and car park income for the Year of HK\$123.9 million (12 months ended 31 December 2024 : HK\$132.9 million).

The occupancy rate of MCPI was 87.1% at 31 December 2025, while passing rent stayed at HK\$53.4 per sq. ft. Its retention rate for the Year was 72%, while rental reversion was negative 9.0%.

Minor upgrading works were implemented at MCPI during the Year including refurbishment of the ground floor lavatories. These ongoing initiatives are designed to sustain the mall's competitiveness and enhance the overall experience of shoppers.



Sheung Wan/Central office properties



Strand 50



Winsome House Property

Rental reversion

(8.7)%



The Sheung Wan/Central portfolio comprises four properties with a combined GRA of over 250,000 sq. ft. Reflecting a challenging business environment for small and medium-sized enterprises, the average occupancy for this portfolio was 89.0% at 31 December 2025.

Retention rate

64%



Encouragingly, service-oriented businesses such as wellness centres are on an expansionary mode in this vicinity, a testament to growing emphasis on work-life balance. This trend has partially offset the negative impact from the subdued leasing demand from general trades. Meanwhile, it is gratifying to witness a rebound in the occupancy rate of Strand 50 to 89.1% at 31 December 2025. As a leading Grade B office property in close proximity to the MTR station, Strand 50 continued to draw quality corporate and institutional tenants, while a new eatery was also opened toward end-2025.

Other office properties

The other office properties comprise six smaller Grade B office buildings primarily located in Mong Kok and North Point, mainly catering for location-driven tenants with a strong focus on service trades including healthcare and beauty, education, and professional services.

We are delighted to report that Java Road 108 Commercial Centre, The Harvest and Wai Ching Commercial Building Property were fully let at 31 December 2025, exemplifying their strategic positioning and appeal to service-driven tenants.

Rental reversion

(2.6)%



Retention rate

70%



Righteous Centre

Other retail properties

Kwong Wah Plaza Property ("KWP") and W9Z formed the core of other retail properties. Underpinned by its prime location in Yuen Long, KWP continued to deliver a respectable performance, achieving full occupancy at 31 December 2025 with a high retention rate of 86%.

For W9Z, the successful introduction of new tenants following the completion of its renovation programme lifted the property's level of occupancy to 89.6% at 31 December 2025. The positive impact derived from the asset enhancement initiative is expected to provide a full-year contribution in 2026.

Rental reversion

(7.3)%



Retention rate

70%



Kwong Wah Plaza Property



West 9 Zone Kids An Asset Enhancement Initiative

- The completion of the asset enhancement scheme marked a major milestone for the property.
- Guided by a theme of connectivity and sustainability, the renovation involved certain upgrade and space reconfiguration works, as well as the creation of “Cherry Hub” to foster tenant-shopper interaction.

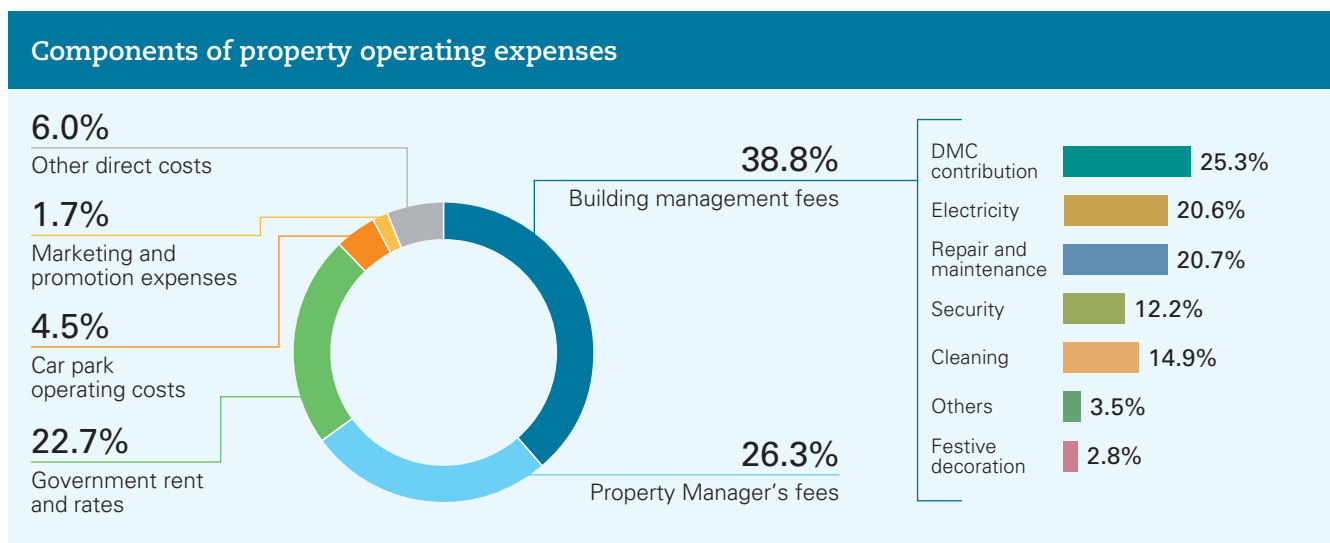


The renovated W9Z has entered a new chapter with enhancements that strengthen its identity in the neighbourhood. Notably, the cherry-themed ground-floor entrance now serves as a distinctive community landmark. The renovation was guided by a theme of connectivity and sustainability, with the creation of “Cherry Hub” as an anchored communal space fostering tenants’ activities and interactions. This dedicated space notably features a “dream catcher” art installations created by children using recycled plastics, exemplifying our commitment to sustainability and community education.



The upgrades have been positively received, resulting in improved occupancy and expansion demand. We are also delighted to have secured a range of new food and beverage tenants, contributing to the dynamics of this retail property.





Operational statistics

At 31 December 2025, the occupancy rate of Sunlight REIT's overall portfolio was 90.6%. The corresponding figures of the office and retail portfolios were 91.2% and 89.6%, with average passing rents of HK\$31.0 per sq. ft. and HK\$63.9 per sq. ft. respectively, down 3.4% and 2.6% year on year.

The portfolio recorded an average retention rate of 70% for the Year, while rental reversion came in at negative 9.3%.

Tenancy profile

The weighted average lease length of the overall portfolio (by GRA) was 3.1 years at 31 December 2025. Leases expiring in 2026 account for 25.8% of office GRA and 47.5% of retail GRA. Average rents for the expiring office and retail leases are HK\$28.4 per sq. ft. and HK\$64.1 per sq. ft. respectively.

Sunlight REIT maintained a diverse tenancy base with 847 tenancies at 31 December 2025. The largest tenant and the top five tenants accounted for 7.7% and 17.2% of total revenue for the Year respectively.

Car park income

Sunlight REIT has a total of 796 car park spaces, contributing HK\$38.5 million to total revenue for the Year.

Cost control and capital expenditure

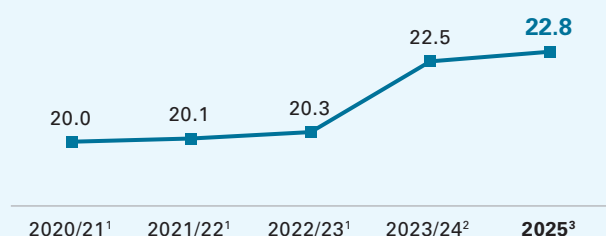
The cost-to-income ratio for the Year increased modestly to 22.8% from 22.5% in FY2023/24. Capital expenditure ("CAPEX") for the Year amounted to HK\$21.7 million (FY2023/24 : HK\$19.3 million), while contracted capital commitments at 31 December 2025 were HK\$13.5 million.

Environmental, Social and Governance

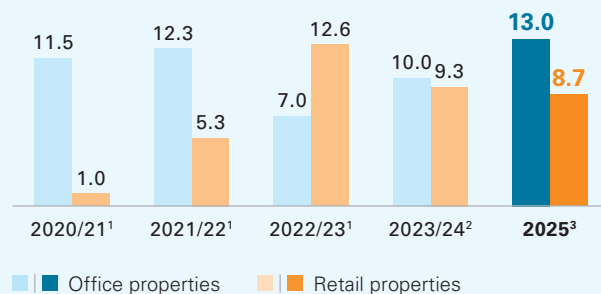
Guided by the sustainability strategy as approved by the Board, we are committed to driving positive environmental and social outcomes for the communities we serve, while ensuring robust sustainability governance.

During the Year, we achieved the five-star GRESB rating, a testament to our unwavering commitment to enhancing sustainability performance across various ESG metrics.

Cost-to-income ratio (%)



Capital expenditure⁴ (HK\$' million)



Moreover, MCPI obtained the Gold rating under LEED v4.1 Operations and Maintenance : Existing Buildings, the same rating obtained by Strand 50 in 2024. Building upon these achievements, we will strive to extend local and international certification to other properties.

During the Year, green leases were signed with selected tenants at Strand 50 and SSC, while green finance stayed at the forefront of our refinancing agenda, as all bank borrowings of Sunlight REIT are linked to sustainability. In respect of corporate culture, we launched various initiatives during the Year to promote a culture of innovation and sustainability.

Throughout the Year, Sunlight REIT and the Manager have complied with all applicable laws and regulations concerning ESG.

For detailed information about ESG, please refer to our standalone sustainability report, which is published in electronic format only and available at our corporate website at <https://www.sunlightreit.com/en-us/sustainability/sustainabilityreport>.

Key green building certifications (at 31 December 2025)

| Property | Certificates | Rating |
|------------------------------------|---|-----------------|
| Dah Sing Financial Centre | BEAM Plus EB V2.0 Comprehensive Scheme | Platinum |
| 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 |
| 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 |
| 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 |

Notes :

1. For the financial year ended 30 June
2. For the 18 months ended 31 December 2024
3. For the financial year ended 31 December
4. Excluding the costs for property acquisition

Financial Review

Financial highlights

| (in HK\$' million, unless otherwise specified) | Year ended 31 December 2025 | 18 months ended 31 December 2024 | Year ended 30 June | | |
|---|--------------------------------|-------------------------------------|--------------------|-------|---------|
| | | | 2023 | 2022 | 2021 |
| Revenue | 778.1 | 1,236.3 | 783.3 | 802.9 | 799.3 |
| Property operating expenses | 177.1 | 278.6 | 159.3 | 161.0 | 159.6 |
| NPI | 601.0 | 957.7 | 624.0 | 641.9 | 639.7 |
| Cost-to-income ratio (%) | 22.8 | 22.5 | 20.3 | 20.1 | 20.0 |
| (Loss) / profit after taxation | (275.4) | (173.0) | (28.4) | 102.9 | (233.7) |
| Distributable income | 330.2 | 499.7 | 380.3 | 431.1 | 438.3 |
| DPU (HK cents) | 18.2 | 27.4 | 22.0 | 25.0 | 25.6 |
| Payout ratio (%) | 96.1 | 94.0 | 97.9 | 97.4 | 97.5 |

| | At 31 December | | At 30 June | | |
|---------------------------------|-----------------|----------|------------|----------|----------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Portfolio valuation | 17,403.0 | 17,933.6 | 18,512.2 | 18,095.2 | 18,341.7 |
| Total assets | 17,944.4 | 18,515.8 | 19,217.9 | 18,960.4 | 19,199.7 |
| Total liabilities | 5,541.8 | 5,505.7 | 5,548.7 | 4,909.0 | 5,075.4 |
| Net asset value | 12,402.6 | 13,010.1 | 13,669.2 | 14,051.4 | 14,124.3 |
| Net asset value per unit (HK\$) | 7.09 | 7.53 | 8.06 | 8.36 | 8.45 |
| Gearing ratio (%) | 27.8 | 27.0 | 26.1 | 23.3 | 23.0 |

Operating results

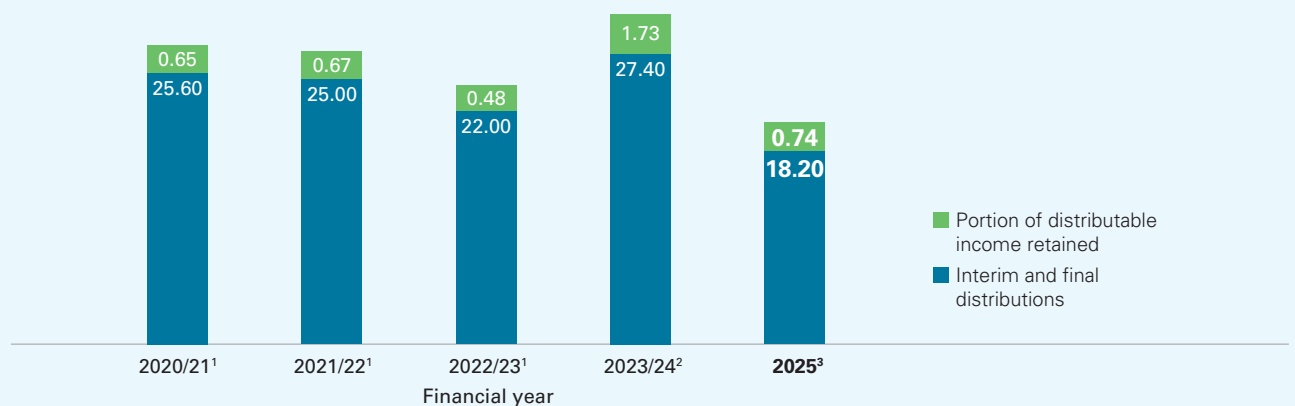
Revenue of Sunlight REIT for the Year was HK\$778.1 million, while property operating expenses and NPI stood at HK\$177.1 million and HK\$601.0 million respectively.

After accounting for a decrease in fair value of investment properties of HK\$552.5 million, a loss after taxation of HK\$275.4 million was reported.

Distribution

Total distributions declared for the Year amounted to HK\$317.3 million, which translated to a DPU of HK 18.2 cents and a yield of 7.7% based on the closing unit price of HK\$2.35 on the last trading day of the Year.

Distribution per unit at a glance (HK cents)



Financial position

At 31 December 2025, the appraised value of Sunlight REIT's portfolio was HK\$17,403.0 million versus HK\$17,933.6 million recorded a year ago. Gross assets and net assets of Sunlight REIT stood at HK\$17,944.4 million and HK\$12,402.6 million respectively, and the net asset value per unit was HK\$7.09.

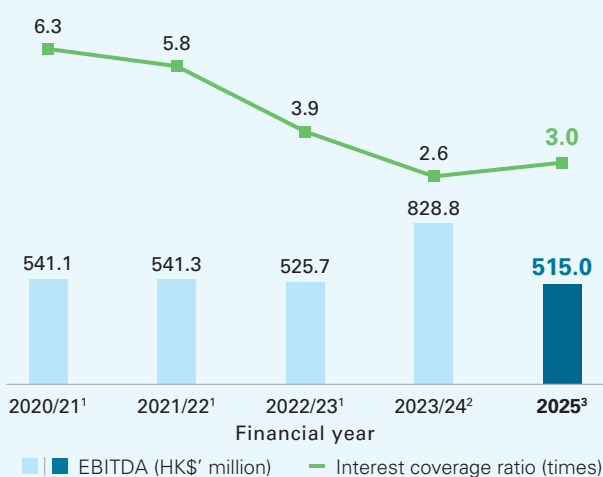
The gearing ratio of Sunlight REIT (defined as total borrowings as a percentage of gross assets) was 27.8%, while gross liabilities represented 30.9% of gross assets.

The EBITDA⁴ of Sunlight REIT for the Year was HK\$515.0 million. Given the more favourable interest rate environment, the interest coverage ratio was 3.0 times versus 2.6 times recorded in the previous financial period (which covers the 18 months ended 31 December 2024).

Gearing ratio and gross liabilities to gross assets (at 31 December)



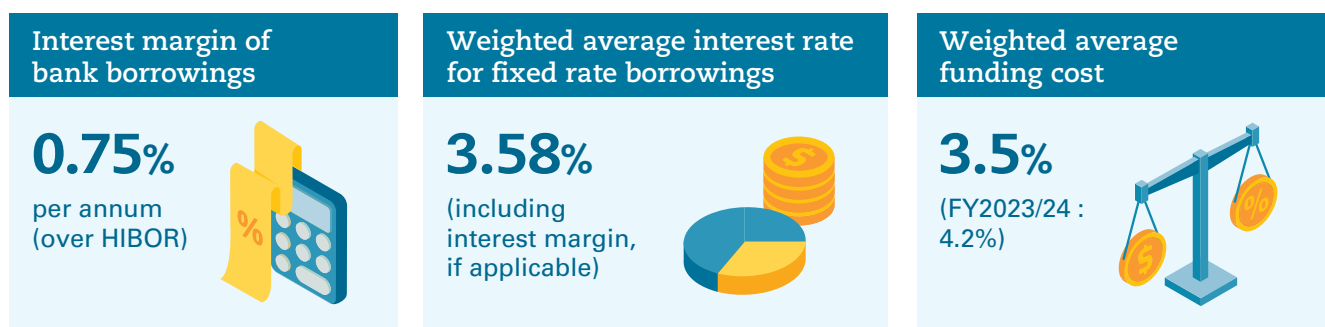
EBITDA and interest coverage ratio



Notes :

- For the financial year ended 30 June
- For the 18 months ended 31 December 2024
- For the financial year ended 31 December
- EBITDA represents net earnings before change in fair value of investment properties, interest expense, taxation, depreciation and amortization

Financial Review



Capital and interest rate management

During the Year, Sunlight REIT successfully completed the refinancing of borrowings in the amount of HK\$2,980 million on favourable interest margin. Further, two unsecured term loans with an aggregate amount of HK\$1,200 million were concluded subsequent to the end of the Year, which upon drawdown would have fully refinanced all existing loan obligations maturing in 2026, extending the weighted debt maturing period to 3.1 years.

Total indebtedness of Sunlight REIT stayed at HK\$4,993 million at 31 December 2025, comprising secured loans of HK\$2,100 million and unsecured loans of HK\$2,893 million. The secured portion is backed by a mortgage over certain properties with an appraised value of HK\$4,780 million.

Signifying the commitment to green finance, the Manager is delighted to report that all term loans of Sunlight REIT are currently being structured as sustainability-linked loans.

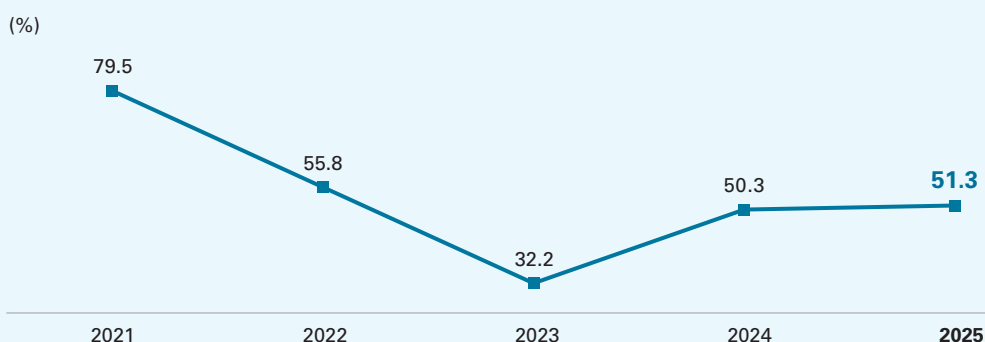
During the Year, the Manager continued to adhere to a prudent interest rate management policy, demonstrated by the execution of new interest rate swaps with an aggregate notional amount of HK\$850 million. At 31 December 2025, the proportion of Sunlight REIT's fixed-rate borrowings stood at 51.3% with a weighted average interest rate of 3.58% per annum, while the blended interest margin for the floating-rate term loans was 0.75% per annum over Hong Kong Interbank Offered Rate. The weighted average funding cost for the Year was 3.5%, down from 4.2% in the preceding financial period.

Maturity profile of total borrowings (at 31 December 2025)

(HK\$' million)



Fixed rate borrowings as a % of total borrowings (at 31 December)



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 31 December 2025, Sunlight REIT had total cash and bank balances of HK\$428.8 million and maintained a portfolio of Relevant Investments with an aggregate book value of HK\$28.0 million.

Sunlight REIT had in place revolving credit facilities totalling HK\$300 million which was undrawn at 31 December 2025. Subsequent to the end of the Year, Sunlight REIT secured additional revolving credit facilities

in the amount of HK\$450 million, increasing the total standby credit facilities to HK\$750 million. 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 CAPEX 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.

Board of Directors and Senior Management

Board of Directors



Mr. AU Siu Kee, Alexander

OBE, FCA, FCCA, FCPA, FCIB, FHKIB
Chairman and
Non-Executive Director

Mr. Au, aged 79, has been the Chairman and Non-Executive Director of the Manager since 2010. Mr. Au was an executive director and the Chief Financial Officer of HLD from December 2005 to June 2011. In July 2011, he stepped down from the position of Chief Financial Officer and was re-designated as a non-executive director of HLD. He was further re-designated in December 2012 as an independent non-executive director of HLD until his retirement in June 2015. In December 2018, Mr. Au rejoined HLD as an independent non-executive director. Currently, Mr. Au is also an independent non-executive director of Henderson Investment Limited, Miramar Hotel and Investment Company, Limited and Wharf Real Estate Investment Company Limited, and a non-executive director of Hong Kong Ferry (Holdings) Company Limited, all of which are listed on the Main Board of the Stock Exchange.

A banker by profession, Mr. Au was the Chief Executive Officer of Hang Seng Bank Limited from October 1993 to March 1998 and of Oversea-Chinese Banking Corporation Limited in Singapore from September 1998 to April 2002. Mr. Au previously served as a non-executive director of a number of leading companies including The Hongkong and Shanghai Banking Corporation Limited, MTR Corporation Limited and Hang Lung Group Limited. An accountant by training, Mr. Au is a fellow of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. As a professional accountant, he is a staunch advocate as well as a practitioner of enterprise risk management, with extensive experience particularly in financial risk management in both the financial services sector and the property sector.



Mr. WU Shiu Kee, Keith

BS, MS, FHKIoD
Chief Executive Officer and
Executive Director

Mr. Wu, aged 62, has been the Chief Executive Officer, Executive Director and a responsible officer of the Manager since 2006. He has over 35 years of experience encompassing the fields of property investment, corporate finance, asset management and investment research.

From 1997 to 2005, Mr. Wu was an executive director of a listed company engaged in property development and investment. Prior to this appointment, he worked in the banking industry and held senior research and asset management positions with several international financial institutions in Hong Kong.

Mr. Wu holds a Master of Science degree in Engineering-Economic Systems (since renamed Management Science and Engineering) from Stanford University in the United States and a Bachelor of Science degree in Economics and Statistics (High Distinction) from the University of Toronto in Canada. He is a fellow of The Hong Kong Institute of Directors.



Mr. KWOK Ping Ho

BSc, MSc, Post-graduate Diploma in Surveying, FRICS, ACIB
Non-Executive Director

Mr. Kwok, aged 73, has been a Non-Executive Director of the Manager since 2006. He has also been an executive director of HLD, which is listed on the Main Board of the Stock Exchange, since December 1993.

Mr. Kwok holds a Bachelor of Science (Engineering) (Civil Engineering Group) Honours degree from the University of London, a Master of Science degree in Administrative Sciences from Cass Business School, City, University of London (now re-entitled as Bayes Business School, City St George's, University of London) as well as a Post-graduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong. He is a fellow of the Royal Institution of Chartered Surveyors as well as an associate member of The Chartered Institute of Bankers of the United Kingdom. He is an Adjunct Professor of the Department of Real Estate and Construction, Faculty of Architecture of The University of Hong Kong and also an Adjunct Professor of the Department of Economics and Finance and a member of the School Advisory Committee of the School of Business of The Hang Seng University of Hong Kong. He was previously a Part-time Lecturer for the MBA programme of The University of Hong Kong.

Mr. Kwok has over 40 years of experience in the finance and business management areas which include responsibilities in the corporate investment, finance and treasury as well as project management activities of the HLD group of companies since 1987, including group re-organization, privatization proposals and corporate acquisitions.



Mr. KWAN Kai Cheong

BAcc, FCA (Aust.), FCPA, FHKIoD
Independent Non-Executive Director

Mr. Kwan, aged 76, has been an Independent Non-Executive Director of the Manager since 2006. He previously worked for Merrill Lynch & Co., Inc. and was the president for its Asia Pacific region. He is presently the Managing Director of Morrison & Company Limited, a business consultancy firm.

Mr. Kwan is an independent non-executive director of Win Hanverky Holdings Limited, Greenland Hong Kong Holdings Limited, CK Life Sciences Int'l., (Holdings) Inc. and HK Electric Investments Manager Limited (the trustee-manager of HK Electric Investments) and HK Electric Investments Limited, all of which are listed on the Main Board of the Stock Exchange. Mr. Kwan was previously a non-executive director of China Properties Group Limited (which was delisted from the Stock Exchange).

Mr. Kwan holds a Bachelor of Accountancy (Honours) degree from the University of Singapore (since renamed National University of Singapore). He is also a fellow of the Institute of Chartered Accountants in Australia, the Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Directors. He completed the Stanford Executive Program in 1992.

Board of Directors and Senior Management



Dr. TSE Kwok Sang

BSc, MBA, MSc, PhD, ASA, MHKIoD, JP
Independent Non-Executive Director

Dr. Tse, aged 69, has been an Independent Non-Executive Director of the Manager since 2006. He is currently a Principal Lecturer and Programme Director, Faculty of Business and Economics of The University of Hong Kong.

Dr. Tse has published widely on the subjects of real estate finance and economics, financial regulations and capital markets and investments. He is a director of HKU School of Professional and Continuing Education and a member of the Certified Financial Planners Examination Committee. Dr. Tse is also an Ex Officio member of the Executive Committee of the New Territories Heung Yee Kuk and a Justice of the Peace.

Dr. Tse was previously an independent non-executive director of China Bozza Development Holdings Limited (since renamed China Health Technology Group Holding Company Limited) and Wing Lee Property Investments Limited, both of which are listed on the Main Board of the Stock Exchange.

Dr. Tse holds a Ph.D. in Finance from Michigan State University in the United States. He is an associate of the Society of Actuaries and a member of The Hong Kong Institute of Directors.



Mr. KWOK Tun Ho, Chester

BA, FHKIoD
Independent Non-Executive Director

Mr. Kwok, aged 62, has been an Independent Non-Executive Director of the Manager since 2016. Mr. Kwok holds a Bachelor of Arts degree from the University of Cambridge. He had been working in the banking industry since 1989 and has over 30 years of experience in corporate finance and investment and commercial banking in Hong Kong and in Asia. Prior to his retirement from the banking business in October 2015, he had held senior positions in a number of international financial institutions, including Credit Suisse and Standard Chartered Bank.

Mr. Kwok is an independent non-executive director of Yixin Group Limited, Greenland Hong Kong Holdings Limited and SF REIT Asset Management Limited (the manager of SF Real Estate Investment Trust), all of which are listed on the Main Board of the Stock Exchange. He is a fellow of The Hong Kong Institute of Directors and a fellow of the Hong Kong Securities and Investment Institute.



Ms. Helen ZEE

BSc, JD

Independent Non-Executive Director

Ms. Zee, aged 58, has been an Independent Non-Executive Director of the Manager since 2022. She has over 20 years of experience in investment banking and corporate finance, and held various senior positions including Deputy Chief Executive Officer and Managing Director of Haitong International Capital Limited from 2013 to 2019.

Ms. Zee is an independent non-executive director of Hans Group Holdings Limited and Henderson Investment Limited, both are listed on the Main Board of the Stock Exchange. Ms. Zee currently holds various positions in public service, including a member of the Mandatory Provident Fund Schemes Advisory Committee, Innovation and Technology Venture Fund Advisory Committee and the Chinese Medicine Council of Hong Kong.

Ms. Zee was previously an independent non-executive director of China South City Holdings Limited, which is listed on the Stock Exchange. She was also a member of the Hong Kong Deposit Protection Board and the chairperson of its investment committee, and a member of each of the Cyberport Advisory Panel, Police Children's Education Trust Investment Advisory Board, Police Education and Welfare Trust Investment Advisory Board and University Grants Committee.

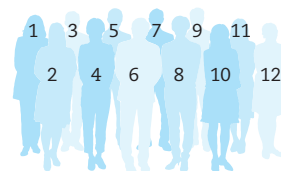
Ms. Zee holds a Bachelor of Science, Business Administration degree from the University of California, Berkeley, and a Juris Doctor degree from The Chinese University of Hong Kong.

Board of Directors and Senior Management

Senior Management



1. Ms. CHUNG Siu Wah
2. Ms. FUNG Wing Yan
3. Mr. LEE Kiu Ming
4. Ms. SHUM Chung Wah, Yulanda
5. Mr. WONG Chi Ming
6. Mr. WU Shiu Kee, Keith
7. Mr. POON Hung Tak
8. Ms. LO Yuk Fong, Phyllis
9. Mr. HAH Yick Yat, Kelvin
10. Ms. HO Kuk Fong
11. Ms. YU Hoi Zin
12. Ms. YIP May Ling, Vivian



Mr. WU Shiu Kee, Keith

Chief Executive Officer and Executive Director

Mr. Wu is responsible for the implementation of the strategy and objectives as set by the Board, ensuring that Sunlight REIT is operating in accordance with the stated strategies, policies and regulations. In addition, he takes charge of the day-to-day management and operations of the Manager.

Details of his experience are set out in "Board of Directors" on page 30.

Ms. LO Yuk Fong, Phyllis

Chief Financial Officer

Ms. Lo, aged 60, is principally responsible for supervising the overall financial management of Sunlight REIT, including but not limited to financial reporting, taxation and cash flow management, monitoring of capital expenditure, reviewing of and making recommendation on financing matters and budget preparation. She is also a director of certain special purpose vehicles of Sunlight REIT.

Ms. Lo has over 30 years of experience in financial management and company secretarial functions. Prior to joining the Manager, Ms. Lo was the Chief Financial Officer of a media company previously listed in Singapore.

Ms. Lo holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong. She is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. WONG Chi Ming

General Manager – Asset Management

Mr. Wong, aged 61, is responsible for, among other matters, driving the performance of Sunlight REIT's property portfolio, planning and implementing asset enhancement initiatives and identifying potential asset recycling opportunities for Sunlight REIT. He is also a director of certain special purpose vehicles of Sunlight REIT.

Mr. Wong has over 30 years of experience in the leasing and property management fields. Between 2006 and April 2010, Mr. Wong was the Chief Leasing Administration Manager of the Property Manager. Prior to that, Mr. Wong held leasing and property management positions with HLD and Hang Lung Properties Limited.

Mr. Wong holds a Bachelor of Engineering degree from The University of Hong Kong and a Master of Corporate Governance degree from The Open University of Hong Kong (since renamed Hong Kong Metropolitan University). He is a holder of Estate Agent's Licence (Individual).

Ms. SHUM Chung Wah, Yulanda

Chief Strategy Officer and Co-head, Asset Management

Ms. Shum, aged 48, is responsible for, among other matters, formulating the business strategy of Sunlight REIT, ensuring the efficient execution of strategic initiatives and key operational processes. She also leads the Asset Management Department jointly with the General Manager – Asset Management.

Ms. Shum has over 20 years of experience in the real estate industry. Prior to joining the Manager, she held various leasing and business development positions with listed property companies and consulting firms.

Ms. Shum holds a Bachelor of Planning and Design degree and a Bachelor of Architecture degree from The University of Melbourne in Australia, and a Postgraduate Diploma in Real Estate Investment Finance from Oxford Brookes University in the United Kingdom. She is a professional member of the Royal Institution of Chartered Surveyors and a BEAM Professional.

Ms. YIP May Ling, Vivian

General Manager – Finance and Investor Relations

Ms. Yip, aged 44, is responsible for, among other matters, financial and treasury management, communication with Unitholders, investors and key stakeholders, while providing support to the ESG Committee of Sunlight REIT.

Ms. Yip has over 20 years of experience in corporate finance, investment and audit. Prior to joining the Manager, she was the Finance Director and Deputy Investment Director of Henderson (China) Investment Co. Ltd., a wholly-owned subsidiary of HLD. Between 2010 and 2014, she was an Investment Director of China Everbright Limited.

Ms. Yip holds a Master of Science (Investment Management) degree from The Hong Kong University of Science and Technology and a Bachelor of Business Administration degree from The Chinese University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. HAH Yick Yat, Kelvin

Assistant General Manager – Human Resources and Operations

Mr. Hah, aged 49, is responsible for, among other matters, human resources management, procurement and office administration, supporting the Manager's core management functions through the provision of ancillary back-office services and ensuring the optimal efficiency and operation of the information technology systems.

Mr. Hah has over 25 years of experience in finance and administration. Prior to joining the Manager, he served as the Finance and Administration Officer for a subsidiary of HLD between 2000 and 2003.

Mr. Hah holds a Master of Science degree in Financial Management from the University of London, a Professional Diploma in Marketing from the University of California, Berkeley, in the United States and a Bachelor of Arts degree in Economics from The University of British Columbia in Canada.

Board of Directors and Senior Management

Ms. FUNG Wing Yan

Internal Auditor

Ms. Fung, aged 47, is responsible for, among other matters, planning and conducting audits on compliance, operational control and risk management and facilitating design and operation of the internal control system.

Ms. Fung has over 20 years of experience in financial statement audit and internal audit. Prior to joining the Manager, she was an internal audit manager of CK Hutchison Holdings Limited between 2008 and 2022. Ms. Fung holds a Bachelor of Business Administration degree in Accountancy and Law from the City University of Hong Kong. She is a fellow of the Association of Chartered Certified Accountants and an affiliate of The Society of Chinese Accountants and Auditors.

Ms. YU Hoi Zin

Compliance Manager

Ms. Yu, aged 43, is responsible for, among other matters, the design and implementation of adequate internal control and systems, so as to ensure that both Sunlight REIT and the Manager are in compliance with all relevant laws, rules and regulations. She is also responsible for overseeing the sustainability reporting of Sunlight REIT.

Ms. Yu has over 15 years of experience in compliance, company secretarial, finance and auditing. Prior to joining the Manager, she was the Compliance Manager and Company Secretary of the manager of a real estate investment trust previously listed in Hong Kong. Ms. Yu holds a Bachelor of Business Administration degree in Global Business and Accounting from The Hong Kong University of Science and Technology. She is a member of the Hong Kong Institute of Certified Public Accountants, a Chartered Financial Analyst and an associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Ms. CHUNG Siu Wah

Company Secretary

Ms. Chung, aged 59, joined the Manager in 2008 and served as the Company Secretary since November 2011. Ms. Chung has over 30 years of experience in the company secretarial field. Prior to joining the Manager, she was the Assistant Company Secretary of a company previously listed on the Main Board of the Stock Exchange.

Ms. Chung holds a Bachelor of Arts degree in Accountancy from the City University of Hong Kong. She is an associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Mr. LEE Kiu Ming

General Manager

Mr. Lee, aged 60, is responsible for formulating and implementing business plans and strategies and business development of the Property Manager. Mr. Lee has over 30 years of marketing, leasing and property management experience in the property field in Hong Kong. Prior to joining the Property Manager, he was a leasing manager in the Portfolio Leasing Department of HLD.

Mr. Lee holds a Bachelor of Social Science degree from The Chinese University of Hong Kong and a Bachelor of Science degree (Estate Management) from the University of Reading in the United Kingdom. He is a holder of Estate Agent's Licence (Individual).

Mr. POON Hung Tak

Deputy General Manager – Property Management

Mr. Poon, aged 61, works with the General Manager to oversee the building operations of the Property Manager.

Mr. Poon has over 35 years of experience in property management. Prior to joining the Property Manager, he was employed as Estate Manager in the Portfolio Leasing Department of HLD.

Mr. Poon holds a Master of Business Administration in Construction and Real Estate degree from the University of Reading in the United Kingdom, a Bachelor of Arts degree from The University of Hong Kong and a Professional Diploma in Real Estate Administration from the School of Professional and Continuing Education of The University of Hong Kong. He is a professional member of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He is also a holder of Estate Agent's Licence (Individual) and Property Management Practitioner (Tier 1) Licence.

Ms. HO Kuk Fong

Deputy General Manager – Leasing

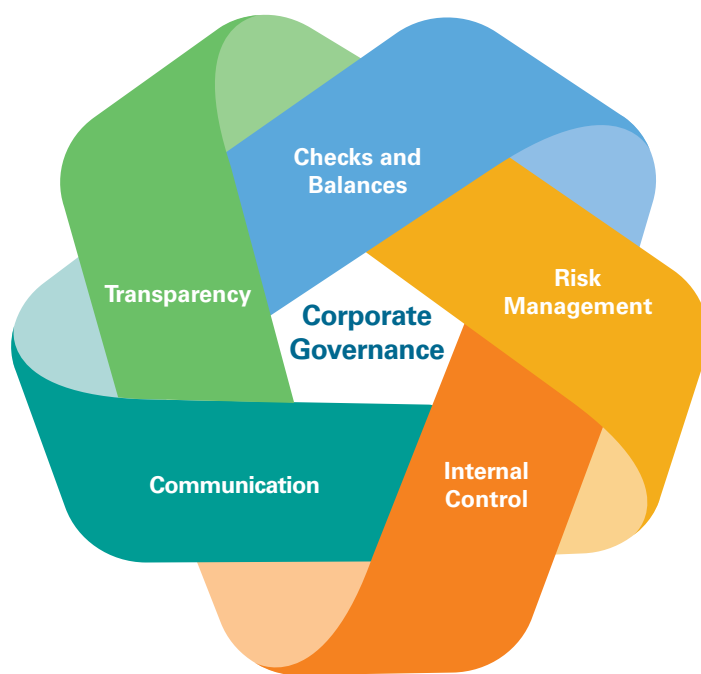
Ms. Ho, aged 58, works with the General Manager to oversee the marketing and leasing administration of the Property Manager.

Ms. Ho has over 30 years of experience in property leasing. Prior to joining the Property Manager, she was the Senior Leasing Manager of Sun Hung Kai Real Estate Agency Limited.

Ms. Ho holds a Master of Science degree in Real Estate from The University of Hong Kong, a Postgraduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong and a Diploma in Property Development from the School of Professional and Continuing Education of The University of Hong Kong. She is a holder of Estate Agent's Licence (Individual).

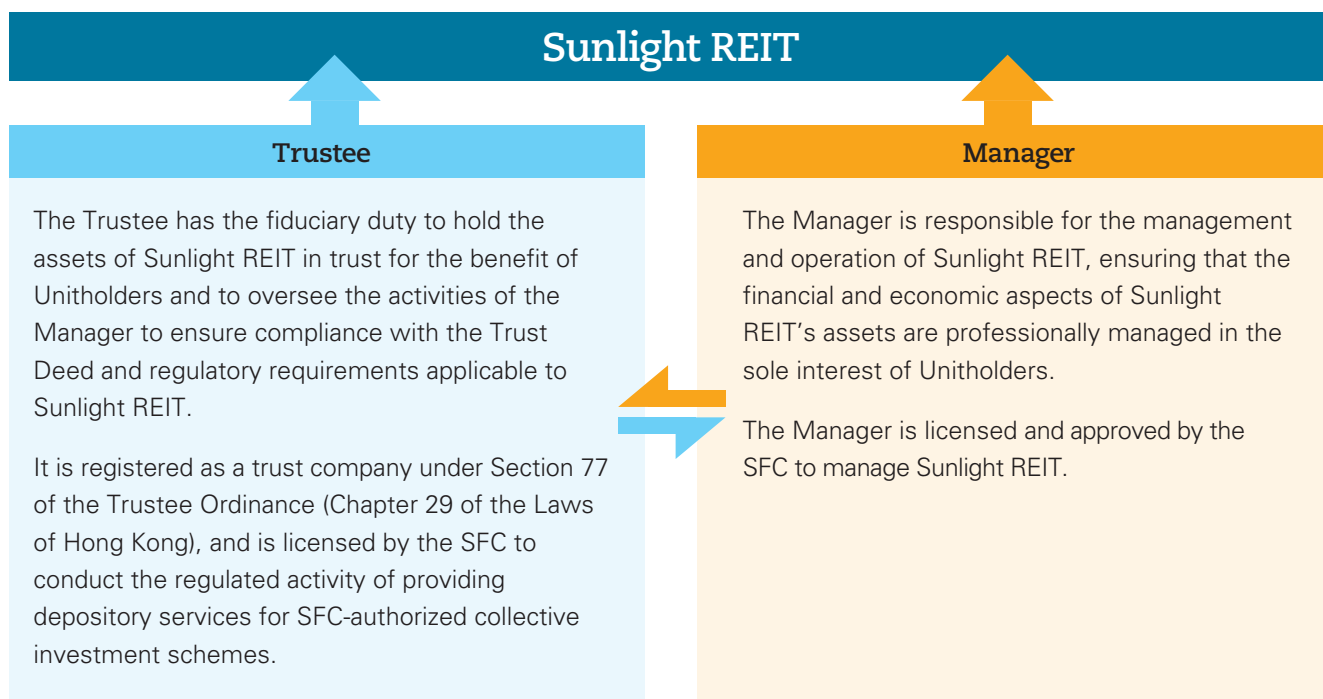
Corporate Governance Report

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**.



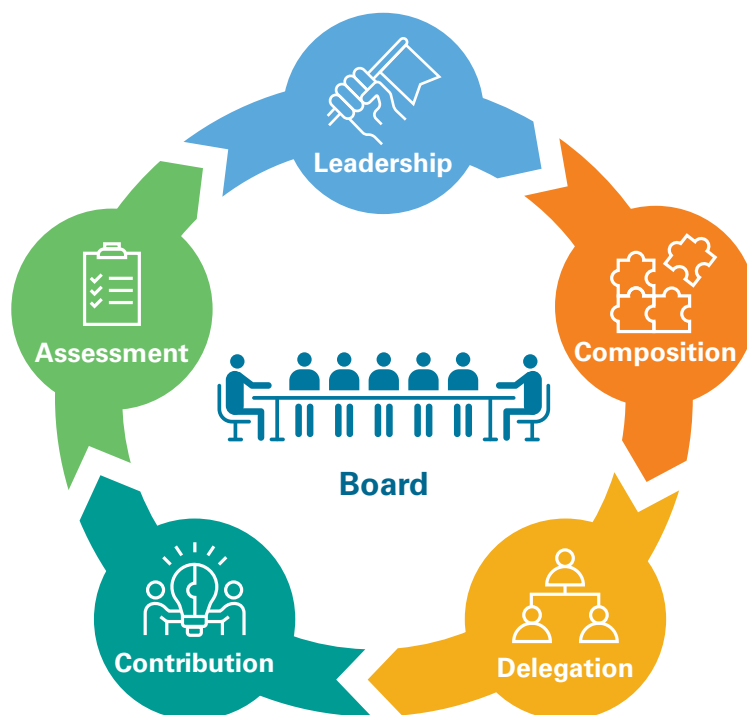
Checks and Balances

The Trustee and the Manager



The Board of the Manager

The Board is responsible for the overall management and corporate governance of the Manager, and the following core elements are embedded to ensure Board effectiveness :



Leadership

- The Board plays a leading role in setting out the corporate strategies and direction of Sunlight REIT. It oversees the day-to-day management functions and corporate governance of the Manager.
- The chairman of the Board (the “**Chairman**”) provides leadership and ensures that the Board performs its responsibilities and that all key issues are discussed in a timely manner. A culture of openness is promoted to facilitate effective contributions from and communications among directors of the Manager (the “**Directors**”).
- The Board together with the relevant designated board committees oversees the corporate governance policies of the Manager, which include :
 - (i) reviewing and monitoring Sunlight REIT’s compliance with the Corporate Governance Code in Appendix C1 of the Listing Rules (the “**Corporate Governance Code**”) and disclosure in the Corporate Governance Report;
 - (ii) reviewing and monitoring the policies and practices on corporate governance, as well as on compliance with legal and regulatory requirements, the Compliance Manual and the Code of Conduct of the Manager; and
 - (iii) reviewing and monitoring the training and continuous professional development of Directors and senior management.

Corporate Governance Report

Composition

- The Board currently has seven Directors, including one Executive Director (“**ED**”) (who is also the Chief Executive Officer (the “**CEO**”)), two Non-Executive Directors (“**NEDs**”) (including the Chairman) and four Independent Non-Executive Directors (“**INEDs**”).

Designation of Directors

Executive



Non-Executive



Independent Non-Executive*

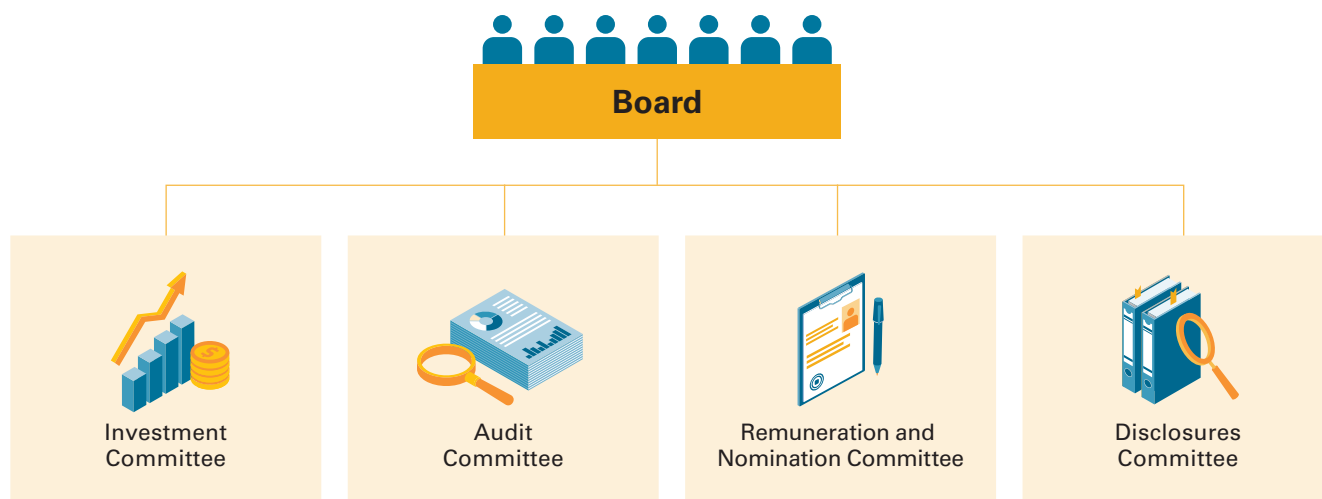


 Male  Female

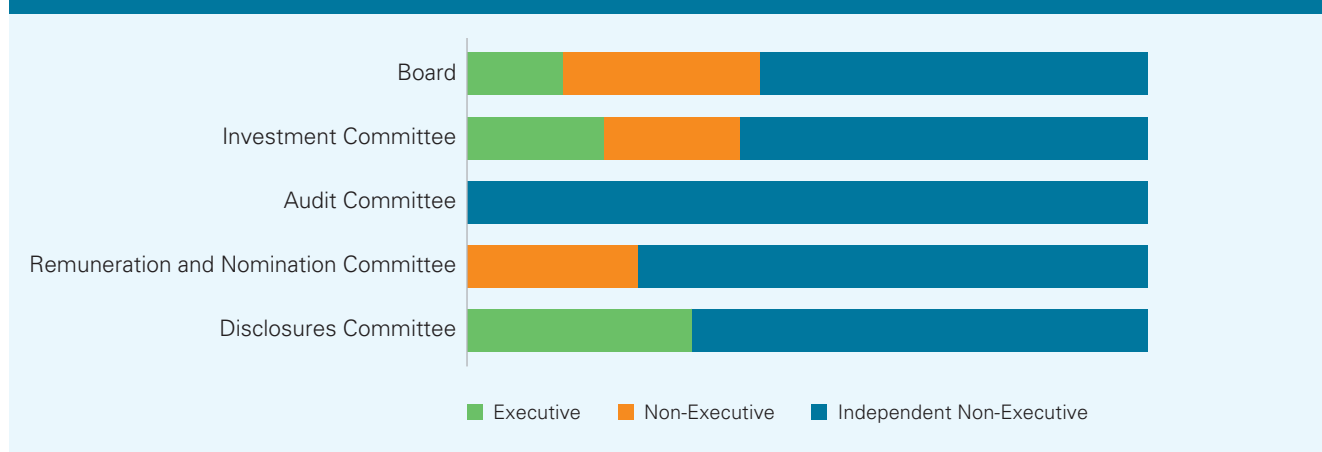
* All male INEDs are long-serving

Board Committees

- The Board has established four committees of the Board (the “**Board Committees**”), namely the investment committee (the “**Investment Committee**”), the audit committee (the “**Audit Committee**”), the remuneration and nomination committee (the “**Remuneration and Nomination Committee**”) and the disclosures committee (the “**Disclosures Committee**”). Each Board Committee has clear terms of reference and 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.



Independence weighting of the Board and Board Committees



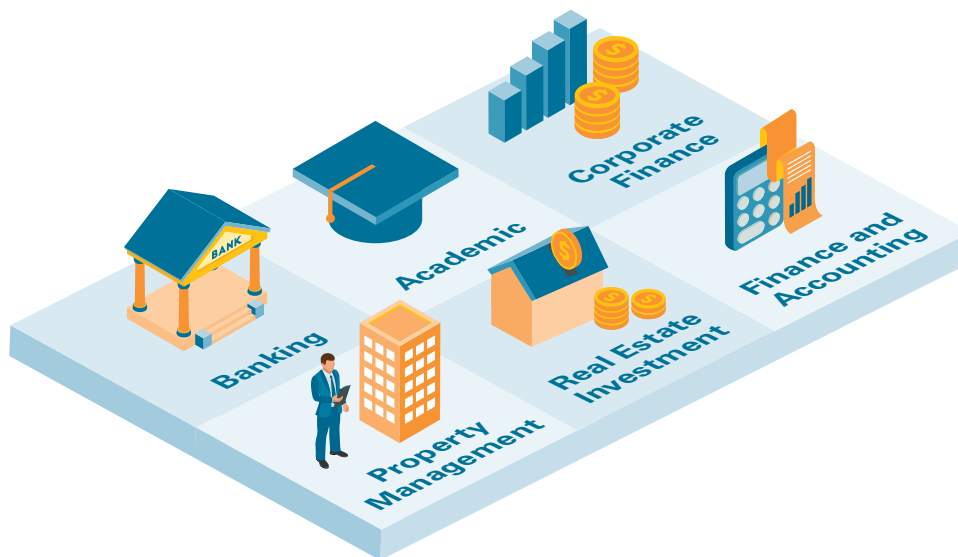
Corporate Governance Report

Balance of power and authority

- The roles of the Chairman and the CEO are separate and performed by two different individuals.
- There are no financial, business, family or other material/relevant relationships among the Directors and in particular, between the Chairman and the CEO.

Board diversity

- The Board Diversity Policy of the Manager sets out the approach to achieve diversity on the Board. Selection of candidates is based on a number of factors, including but not limited to age, cultural and educational background, gender, knowledge, length of service and professional experience or skills. The Remuneration and Nomination Committee monitors the implementation of this policy and reviews the policy on an annual basis, and where appropriate, makes recommendations to the Board on changes in the composition to ensure that the Board maintains a balanced and diverse profile.
- Sunlight REIT has complied with the Listing Rules requirement for gender diversity.
- The diagram below provides a snapshot of the skills and experience of the Board members :



Nomination and appointment of Directors

- The Nomination Policy of the Manager lists out the criteria in evaluating and selecting candidates for appointment and re-appointment of Directors, including but not limited to (i) relevant qualifications and experiences; (ii) ability to carry out duties competently, honestly and fairly; (iii) reputation, character, reliability and integrity; (iv) commitment as to whether sufficient time will be devoted to the Board; and (v) potential contributions and other attributes that the candidates can bring to the Board. The Remuneration and Nomination Committee may engage external consultants to assist the recruitment process as it deems necessary.
- The ED, both NEDs and the INED appointed in 2022 do not have a specific term of appointment, while the other INEDs have a current term of appointment of three years.
- All Directors shall retire from office at every annual general meeting of the Manager but shall be eligible for re-election in accordance with its articles of association.

Delegation

- Except for reserved matters as stated in the Compliance Manual which must first be considered by the full Board, the day-to-day management of the Manager is delegated to the management team.

Management

- The strategies and objectives set by the Board are implemented by the management team under the leadership of the CEO.
- Management functions of the Manager are delegated to different departments, with clear organization structure formulated for delegation of key duties and functions. Apart from day-to-day communications among departments, management meetings are held regularly to oversee business operations and facilitate implementation of strategies.

Corporate Governance Report

Contribution

- Board meetings are held at least four times in each financial year at approximately quarterly intervals.
- At least 14 days' notice in writing is given to Directors for regular Board meetings. Board consents are adopted by way of majority votes at Board meetings, or by written resolutions signed by all Directors.
- The Chairman may, at the written request of any two Directors or the Company Secretary, convene a Board meeting.
- Board members are encouraged to make active contributions to the Board's affairs, to exercise independent and professional judgment on matters that require decision making, and to act in the best interests of Sunlight REIT and Unitholders.
- Board members are encouraged to communicate their views and provide input to the Board and senior management. A Policy of Mechanisms ensuring Independent Views available to the Board is in place to ensure independent views and input are available to the Board through, among other things, independence assessment of INEDs and annual meetings between the Chairman and INEDs.
- The major responsibilities and key work performed by the Board and Board Committees during the Year are set out below :



The Board

Responsibilities :

- Lead and guide the corporate strategy and direction of Sunlight REIT
- Oversee the management of Sunlight REIT and corporate governance of the Manager

Work performed :

- Approved financial results, distributions, business plan and budget, and CAPEX proposals of Sunlight REIT
- Approved the designation of a new manager-in-charge of core functions as required by the SFC
- Approved the appointment of an additional member of the Remuneration and Nomination Committee
- Approved credit facilities for Sunlight REIT
- Reviewed the risk management and internal control systems of Sunlight REIT
- Approved amendments to the Compliance Manual
- Approved the disposal mandate of car park spaces
- Reviewed investor relations activities of Sunlight REIT
- Approved the adoption of the Workforce Diversity Policy



Investment Committee

Responsibilities :

- Oversee investment and financial matters of Sunlight REIT
- Review investment strategies and proposals, as well as internal controls for investment and financial matters
- Review mitigation measures for investment and financial related risks
- Formulate treasury management and capital management policies

Work performed :

- Reviewed and considered financial results, key operational statistics, business plan and budget of Sunlight REIT; recommended to the Board proposals on distributions, budget and CAPEX
- Reviewed the investment strategy of Sunlight REIT
- Reviewed and assessed investment and financial related risks of Sunlight REIT; recommended to the Board amendments to certain risk parameters, risk tolerance limits and the risk appetite statement
- Reviewed and recommended to the Board the disposal mandate of car park spaces



Audit Committee

Responsibilities :

- Ensure the quality and integrity of risk management and internal controls
- Recommend appointment of external auditor and review their performance
- Review completeness, accuracy, clarity and fairness of the financial statements
- Ensure compliance with applicable legal and regulatory requirements

Work performed :

- Reviewed internal audit activities reports and the effectiveness of the internal audit function
- Reviewed interim and final results of Sunlight REIT
- Considered and recommended to the Board the re-appointment of external auditor and their audit fees
- Reviewed and approved amendments to the Risk Management Policy and the Anti-fraud Policy (including the Whistleblowing Policy)
- Reviewed and approved changes to the Contingency Plan
- Reviewed and considered the effectiveness of risk management and internal control systems
- Reviewed connected party transactions entered into by Sunlight REIT to ensure compliance with the requirements of the REIT Code, the Listing Rules and waivers granted by the SFC
- Reviewed adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions



Remuneration and Nomination Committee

Responsibilities :

- Oversee and establish the overall human resources strategy and policies of the Manager, including succession planning, compensation and employment terms and conditions of Directors and senior management
- Review the structure, size and composition of the Board and Board Committees
- Evaluate performance of the Board and Board Committees and review the independence qualification of INEDs

Work performed :

- Reviewed the structure and diversity of the Board
- Evaluated performance of the Board, Board Committees and their members
- Reviewed and appraised overall staff performance
- Reviewed and approved employee benefits policies
- Considered and approved salary and bonus proposals (including remuneration packages of the ED and senior management)
- Considered and approved the new organization structure, including the designation of a new manager-in-charge of core functions as required by the SFC
- Considered and recommended to the Board the appointment of an additional member of the Remuneration and Nomination Committee
- Considered and recommended to the Board the Workforce Diversity Policy



Disclosures Committee

Responsibilities :

- Review matters relating to disclosure of information of Sunlight REIT in corporate communications to Unitholders
- Ensure compliance with applicable legal requirements, and accurate and complete disclosure of information to the public and regulators
- Review matters relating to ESG issues and performance of Sunlight REIT

Work performed :

- Reviewed announcements, press releases, interim and annual reports, sustainability report of Sunlight REIT and other corporate communications to Unitholders or investors
- Reviewed public regulatory filings to applicable regulatory authorities
- Reviewed implication of amendments in rules and regulations to Sunlight REIT and its special purpose vehicles
- Reviewed ESG risks (including climate-related risks) and opportunities and the sustainability performance of Sunlight REIT and made recommendations to the Board
- Reviewed adequacy of resources, staff qualifications and experience, training programmes and budget of function relating to ESG performance and reporting of Sunlight REIT

Assessment

- The Board's performance and effectiveness are regularly reviewed via the assistance of the Remuneration and Nomination Committee and the hiring of external consultants (as appropriate).
- All Directors shall participate in continuous professional training to develop and refresh their knowledge and skills, ensuring that their contribution to the Board remains informed and relevant. Membership of the Board and Board Committees, attendance record of Directors to the meetings held and Directors' training and professional development activities during the Year were as follows :

| Director (Designation) | Number of meetings attended/eligible to attend | | | | | | Training and professional development activities |
|--|--|----------------------|-----------------|---------------------------------------|-----------------------|------------------------|--|
| | Board of Directors | Investment Committee | Audit Committee | Remuneration and Nomination Committee | Disclosures Committee | Annual General Meeting | |
| Mr. Au Siu Kee, Alexander (Chairman & NED) | 5/5 | 4/4 | | 2/2 | | 1/1 | ✓ |
| Mr. Wu Shiu Kee, Keith (CEO & ED) | 5/5 | 4/4 | | | 2/2 | 1/1 | ✓ |
| Mr. Kwok Ping Ho (NED) | 5/5 | | | | | 1/1 | ✓ |
| Mr. Kwan Kai Cheong (INED) | 5/5 | | 4/4 | 2/2 | 2/2 | 1/1 | ✓ |
| Dr. Tse Kwok Sang (INED) | 5/5 | 4/4 | 4/4 | | 2/2 | 1/1 | ✓ |
| Mr. Kwok Tun Ho, Chester (INED) | 5/5 | 4/4 | 4/4 | 2/2 | | 1/1 | ✓ |
| Ms. Helen Zee (INED) | 5/5 | 4/4 | 4/4 | Note | | 1/1 | ✓ |

Chairman/chairman of the Board Committee/chairman of the general meeting

N/A

Note: Ms. Helen Zee was appointed as a member of the Remuneration and Nomination Committee with effect from 12 August 2025, after which no committee meeting was held.

Risk Management

Background

Risk management forms an integral part of Sunlight REIT's operating processes and is fundamental to the achievement of its vision, mission and core values.

The risk management framework of Sunlight REIT is established on the basis of achieving the following value propositions :

- Establish a risk savvy culture so that strategic and operational decisions are consciously weighted against the associated risks to support the achievement of strategic and operational objectives.
- Maintain a robust governance framework under which all key risks are identified, assessed and accounted for, while ensuring that such risks are managed to an acceptable level with reference to Sunlight REIT's overall goals and objectives.
- Enhance operational control and effectiveness through regular process reviews.
- Protect assets, reputation and values of Sunlight REIT and the Manager.
- Identify key risk indicators to provide early warning signals on emerging risks and/or escalating risk levels, either of which may potentially prevent Sunlight REIT from achieving its strategic goals and objectives.

Approach and responsibilities

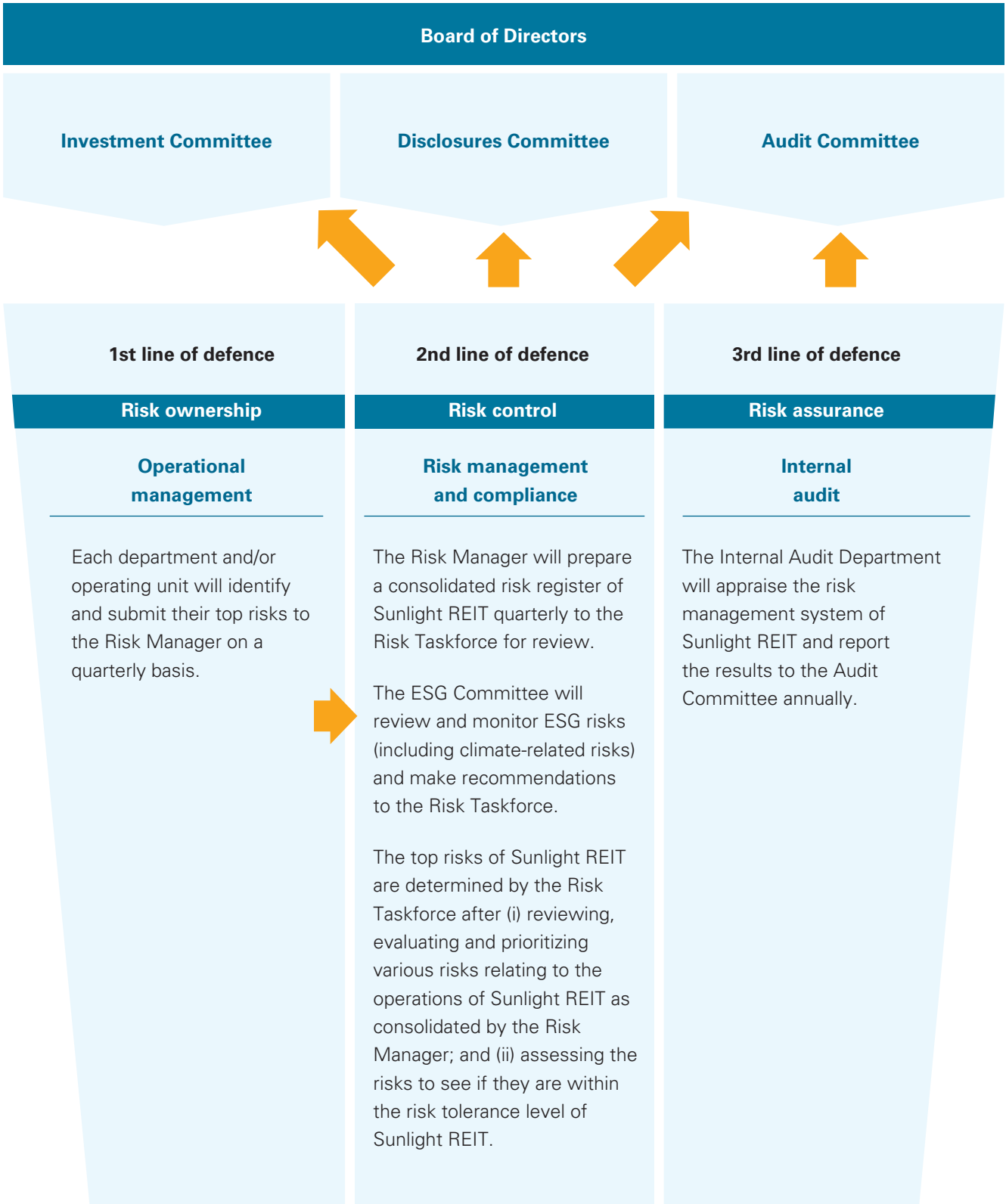
In enabling a consistent and holistic view of risk management, the Manager adopts a blended approach whereby application of the risk management framework encompasses day-to-day business activities to strategic planning processes at the Board level. Led by the Risk Taskforce^{Note}, which meets at approximately quarterly intervals, the risk process involves collating and appraising bottom-up input from risk owners, with refinements and adjustments through top-down input by the CEO and Appointed Risk Leads ("ARLs") comprising of heads of departments and/or operating units (excluding the Internal Auditor). Further, the Risk Taskforce is also responsible for reviewing the key risks of Sunlight REIT and to determine whether the proposed risk controls are adequate and sufficient. On top of that, at the annual Risk Taskforce meeting with all ARLs, strategic risks, fraud risks and ESG risks (including climate-related risks) are discussed.

The ultimate responsibility for the management of risks and internal control system is assumed by the Board, which shall ensure that appropriate and rigorous systems to manage and mitigate risks are in place. Relevant Board Committees are designated to assist the Board in risk governance by monitoring the risk assessment process and timely communicating to the Board on key risks where necessary, while the internal audit function is tasked with the responsibility of independently appraising Sunlight REIT's risk management framework and reporting the results annually to the Audit Committee.

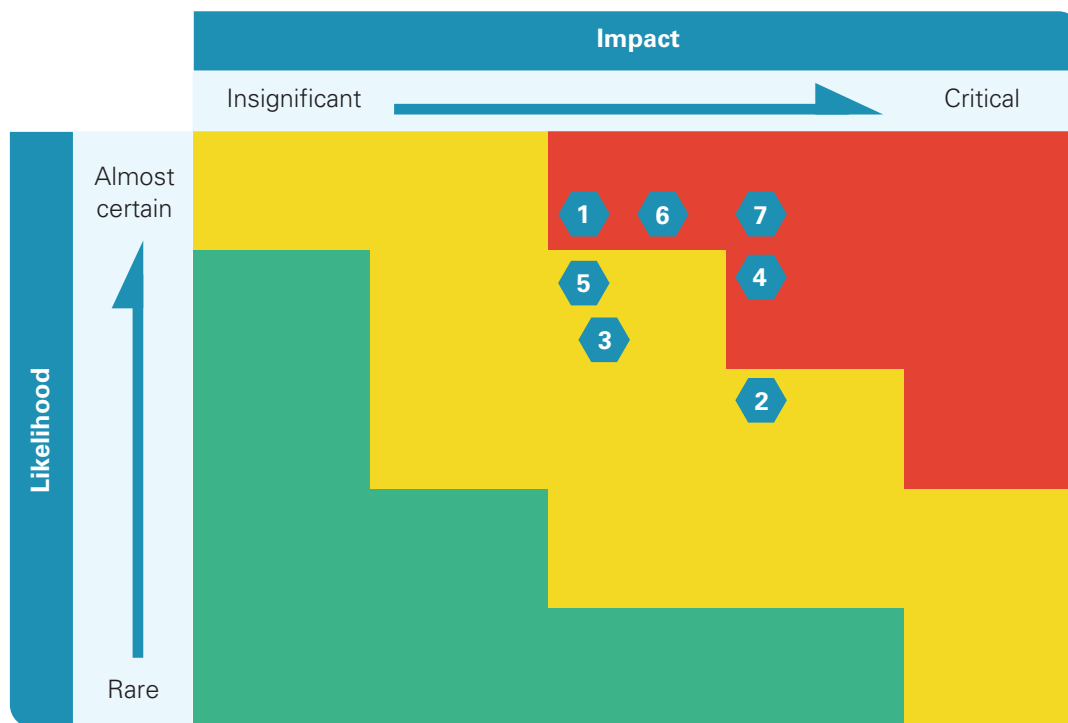
The risk management framework of Sunlight REIT is summarized and illustrated by the 'Three Lines of Defence' model on page 49.

Note : The Risk Taskforce comprises the CEO, the Chief Financial Officer, the Assistant General Manager – Human Resources and Operations and the Risk Manager (the role of which is assumed by the Compliance Manager) as core members and three rotational members from different departments and/or operating units.

Risk governance structure and process



Risk heat map at 31 December 2025



The risk heat map above provides an illustration of the top risks of Sunlight REIT at 31 December 2025 in terms of their likelihood and impact. The risk tolerance level and the risk appetite statement of Sunlight REIT were reviewed and endorsed by the Board.

No climate-related risks are considered as top risks of Sunlight REIT. As recommended by the ESG Committee, the Risk Taskforce has reviewed the relevance and materiality of climate-related risks during the Year and considered that climate-related risks were relevant but not material to Sunlight REIT.

Summary of the top risks of Sunlight REIT at 31 December 2025

Based on the recommendation from the Risk Taskforce, the Board has approved the top risks of Sunlight REIT at 31 December 2025, details of which are depicted below :

| Risk no. | Description | Nature | Major controls |
|----------|---|---------------------------|--|
| 1 | High vacancy rates and rental pressure on the Hong Kong Grade A office market | Financial and operational | <ul style="list-style-type: none"> Provide flexible leasing terms to tenants and offer competitive rental commission to leasing agents when necessary Conduct early negotiations with existing tenants Enhance landlord provisions and introduce more proptech initiatives to attract prospective tenants |
| 2 | Cybersecurity | Operational | <ul style="list-style-type: none"> Implement effective security controls and backup mechanisms to ensure data integrity and security Conduct regular training sessions and periodic security exercises to enhance staff awareness and preparedness against cyber threats |
| 3 | Aging property facilities/systems | Operational | <ul style="list-style-type: none"> Conduct regular inspection and strengthen preventive maintenance for property facilities Devote more resources to aging properties to reduce the rate of facilities breakdown Explore the use of proptech for more effective and efficient property management |
| 4 | Interest rate and income fluctuations may cause non-compliance of financial covenants | Financial and investment | <ul style="list-style-type: none"> Perform sensitivity analysis on interest rate fluctuations Explore opportunities for alternative credit facilities at lower interest margins Maintain an appropriate level of fixed rate hedging for borrowings Reduce the level of borrowings if surplus funds are available |
| 5 | Rising operating costs | Operational | <ul style="list-style-type: none"> Implement energy saving measures and increase the use of proptech Adopt centralized or bulk purchasing arrangement to save costs |
| 6 | Retail market suffering from a structural change in local consumption pattern | Financial and operational | <ul style="list-style-type: none"> Provide flexible leasing terms to tenants Offer pop-up shop opportunities to prospective tenants to enhance the diversity and appeal of shopping malls Enhance landlord provisions to attract prospective tenants |
| 7 NEW | Project management risk leading to operational disruption and schedule delays | Operational | <ul style="list-style-type: none"> Invite consultants or contractors with proven track records to participate in the tendering process Maintain regular communication and hold site meetings with consultants or contractors to closely monitor project quality and progress Ensure ongoing communication with affected tenants to address concerns and manage expectations |

Save as disclosed above, there were no significant changes during the Year in (i) Sunlight REIT's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

Internal control

Internal control framework

The Audit Committee assists the Board in overseeing the effectiveness of Sunlight REIT’s risk management and internal control systems. The Internal Audit Department (“IAD”) conducts independent reviews to ensure the adequacy, effectiveness and efficiency of operational processes and internal controls. Based on the three-year strategic audit plan approved by the Audit Committee, the IAD conducts financial, operations and compliance reviews, recurring and follow-up audits, and process efficiency reviews. The IAD also carries out ad-hoc audits and fraud investigation (if any) when needed.

A summary report with key findings, improvement recommendations and implementation status is provided to the Audit Committee on a quarterly basis.

Internal control system

The risk management and internal control systems of Sunlight REIT are designed to manage rather than to eliminate the risk of failure in achieving business objectives, and thus can only provide reasonable but not absolute assurance against material misstatements or losses. The key control components of the systems include :

| | |
|--------------------------------------|--|
| Control environment | <ul style="list-style-type: none"> • A clear organizational structure is established with defined lines of responsibility and limits of delegated authority to facilitate segregation of duties and controls. • A Code of Conduct and Anti-fraud Policy (including the Whistleblowing Policy) are adopted to emphasize the ethical standards and integrity of employees in all aspects of operations, and mechanisms are established for reporting misconduct. |
| Risk assessment | <ul style="list-style-type: none"> • A risk management framework is in place to identify, assess and manage various types of risks that may have an impact on the achievement of business objectives. Please refer to “Risk Management” on pages 48 to 51 for more details. • A fraud risk register is established to identify specific fraud schemes and risks, and to assess their significance with relevant controls for ongoing monitoring. • ESG risks (including climate-related risks) are integrated into the existing risk management framework and are monitored regularly by the ARLs, the ESG Committee, the Risk Taskforce and the Disclosures Committee. |
| Control activities | <ul style="list-style-type: none"> • Key policies and procedures have been established to ensure that relevant management directives are carried out, and actions, including verifications and approvals, reviews and safeguarding of assets, are taken to address risks. |
| Information and communication | <ul style="list-style-type: none"> • Processes and systems are in place to capture and report operational, financial and compliance related information to enable effective communication within the organization and with external stakeholders. • An Inside Information Policy is adopted to ensure that inside information is handled and disseminated to the public on a timely, accurate and complete manner in accordance with applicable laws and regulations. Procedures have been set up in respect of preservation and handling of inside information. Directors and employees of the Manager are prohibited from (i) making any unauthorized disclosure of confidential information, or (ii) making any use of such information for their own advantage or which may constitute conflicts of interest with the public and/or Sunlight REIT. |
| Monitoring activities | <ul style="list-style-type: none"> • Regular reviews of key risk areas are performed by the IAD to ascertain whether the controls are in place and functioning, and to ensure compliance with internal policies and regulatory requirements. Internal control deficiencies are timely communicated to responsible parties for taking corrective actions. |

Results of annual review of risk management and internal control systems

The Board acknowledges its responsibility for Sunlight REIT's risk management and internal control systems. For the Year, the Audit Committee aided the Board in reviewing the effectiveness of Sunlight REIT's risk management and internal control systems, covering all material controls including financial, operational and compliance. The IAD assisted the Audit Committee in the review process by conducting regular reviews and providing appraisal of the risk management system, as well as reviewing the self-assessment of internal control and assurance on systems effectiveness submitted by different operational functions. Based on the recommendation of the Audit Committee, the Board confirmed that Sunlight REIT's risk management and internal control systems were effective and appropriate with no significant areas of concern, control failings or weaknesses identified.

The Board, through the Audit Committee, also reviewed the adequacy of resources, staff qualifications and experience, training and budgets of the Manager's accounting, financial reporting and internal audit functions, and considered that they were in order during the Year.

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 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 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.

The Manager confirms that there were no transactions, arrangements or contracts of significance subsisting with Sunlight REIT during the Year in which a Director or an entity connected with the Director was materially interested.

Communication

Investor relations

The Manager is committed to providing an open and effective communication platform, and believes that feedback from the investment community is crucial in assisting the Board to formulate the strategic direction of Sunlight REIT. The Manager has in place an Investor Relations Policy (the “**IR Policy**”) which provides guidelines on how information in relation to Sunlight REIT is being disseminated and communicated to the investment community. The investor relations team is responsible for engaging and maintaining dialogues with Unitholders, investors and analysts through a range of interactive means. The Head of Investor Relations is responsible for reviewing and following up on any feedback received from Unitholders and other stakeholders as appropriate, as well as for keeping the Board and senior management abreast of such feedback received on a regular basis.

Channels of communication



Meetings and conference calls



Post results and non-deal roadshows



Announcements and press releases



Guided property tours

The investment community is encouraged to direct any enquiries to the Manager by email or by post. Please refer to “Corporate Information” on page 145 for contact details.

The Manager conducted a review of the implementation and effectiveness of the IR Policy during the Year. Based on the communication channels in place, the Manager considered the policy proper and effective.

General meetings

General meetings provide communication channels for Unitholders to directly communicate with Directors and senior management obtain a better understanding of the business and operating performance of Sunlight REIT.

During the Year, an annual general meeting of Sunlight REIT was held on 29 May 2025 (“**AGM**”) at which an ordinary resolution was passed to approve the grant of a general mandate to the Manager to buy back units (on-market) on behalf of Sunlight REIT. All Directors attended the AGM.

Unitholders’ rights

In accordance with the Trust Deed, at least 10 business days’ notice of every meeting shall be given to Unitholders, except that at least 21 days’ notice of the meeting shall be given to Unitholders where a special resolution is proposed for consideration at such meeting; and not less than 20 business days’ notice shall be given to Unitholders for an annual general meeting. The place, date and time of the meeting, details of the electronic facilities for attendance and participation (in the case of hybrid meeting) and details of any resolution proposed will be specified in the meeting notice.

As required by the Trust Deed, any resolution put to the meeting shall be decided on a poll, except where the chairman of the meeting may, in good faith, exercise his/her discretion to allow a resolution which relates purely to a procedural or administrative matter to be decided on a show of hands. The voting results of the meeting shall be published by way of an announcement and will be posted on the websites of Sunlight REIT and the Stock Exchange.

Pursuant to the Trust Deed, not less than two Unitholders registered as holding together not less than 10% of the outstanding units in issue for the time being are entitled to request the Manager in writing to convene a meeting of Unitholders. Unitholders who wish to direct any such request to the Manager may refer to “Corporate Information” on page 145 for contact details of the Manager. The Trustee or the Manager may at any time convene a meeting of Unitholders.

Matters decided by Unitholders by special resolutions

In accordance with the Trust Deed, matters including but not limited to the following require specific approval of Unitholders by way of special resolutions :

- modification, variation, alteration or addition to the Trust Deed;
- removal of the Trustee;
- disposal of a real estate within two years from the date of its acquisition (except for disposal of a Non-qualified Minority-owned Property (the term as defined in the REIT Code));
- termination or merger of Sunlight REIT;
- changes in the investment policy and objective of Sunlight REIT; and
- increase in the maximum remuneration (other than any additional fee as allowed under the Trust Deed) or changes to the structure of the remuneration of the Trustee or the Manager.

Transparency

Annual and interim reports

Financial statements of Sunlight REIT are prepared in accordance with accounting principles generally accepted in Hong Kong. Pursuant to the REIT Code, annual reports and accounts of Sunlight REIT are published and distributed to Unitholders within four months following the end of each financial year, and interim reports are published and distributed to Unitholders within three months following the end of the relevant period.

Results announcements and other information

Pursuant to the requirements of the REIT Code, results announcements of Sunlight REIT are released on a semi-annual basis.

To keep Unitholders abreast of the position of Sunlight REIT, public announcements on material information and developments of Sunlight REIT are made by the Manager on a timely basis in accordance with applicable regulatory requirements. The Manager also voluntarily releases the operational statistics of Sunlight REIT twice a year.

Distribution entitlement and closure of register of Unitholders

The ex-distribution date and record date for the final distribution are Thursday, 26 March 2026 and Wednesday, 1 April 2026 respectively. The register of Unitholders will be closed from Monday, 30 March 2026 to Wednesday, 1 April 2026, both days inclusive, during which period no transfer of units will be effected. In order to qualify for the final 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, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 27 March 2026. Payment of the final distribution will be made to Unitholders on Tuesday, 14 April 2026.

Please refer to “Financial Calendar” on page 144 for key dates of Sunlight REIT.

Corporate Governance Report

Distribution policy

Pursuant to the Trust Deed, the total amounts distributed or distributable to Unitholders shall be no less than 90% of annual distributable income (i.e. the consolidated audited net profit after tax of Sunlight REIT subject to certain adjustments in accordance with the Trust Deed) for each financial year. All distribution decisions made by the Board were made in accordance with the distribution policy.

Employees

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

Workforce diversity

The Manager is committed to ensuring that gender diversity is achieved in the workforce. A Workforce Diversity Policy is in place covering all employees (including senior management) of the Manager and the Property Manager. At 31 December 2025, the gender ratio of the Manager and the Property Manager is as follows :

| | Male | Female |
|---|-------|--------|
| Senior management | 41.7% | 58.3% |
| Workforce (excluding senior management) | 51.5% | 48.5% |

The Manager considers that the current level of gender diversity of the Manager and the Property Manager has satisfied the objective of maintaining a balanced workforce.

Other Compliance and Disclosure Matters

Compliance with the Compliance Manual and the Corporate Governance Code

The Manager has adopted the 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 Year and was approved by the Board on 29 May 2025. The purpose of which is principally to reflect the change in organization structure of the Manager.

During the Year, 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.

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 Year.

Changes in Board composition and Directors' information

During the Year, Ms. Helen Zee has been appointed as a member of the Remuneration and Nomination Committee with effect from 12 August 2025.

Subsequent to 11 August 2025, being the date of the 2025 interim report, the Manager has been informed of the following changes in Directors' information :

1. An order was granted by the High Court of Hong Kong on 11 August 2025 for the winding up of China South City Holdings Limited (for further details, please refer to the announcement of Sunlight REIT dated 12 August 2025), a company of which Ms. Helen Zee served as an independent non-executive director during the period from 6 January 2023 to 14 July 2025; and
2. Mr. Kwok Ping Ho has been appointed as a member of the School Advisory Committee of the School of Business of The Hang Seng University of Hong Kong for the 2025/26 academic year.

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

Confirmation on independence

Each INED has provided an annual written confirmation of his/her independence by reference to the factors set out in the Corporate Governance Policy of the Compliance Manual, inter alia, any cross-directorships or significant links with other Directors through involvement in other companies or bodies. Based on such confirmations, the Manager considered that the INEDs were independent.

Buy-back, sale or redemption of units

During the Year, 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 31 December 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 | 11,711 | 0.066 | N/A |
| PANVA 4 04/26/27 TCCL (Finance) Limited | Stock Exchange | USD | 4,623 | 4,647 | 0.026 | S&P BBB+ Moody's Baa1 |
| PCPDC 5 1/8 06/18/26 PCPD Capital Limited | Singapore Exchange | USD | 11,639 | 11,507 | 0.065 | N/A |
| Total | | | 27,934 | 27,865 | 0.157 | |

At 31 December 2025, the combined mark-to-market value of Relevant Investments, together with other ancillary investments of Sunlight REIT, represented approximately 3.0% 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 31 December 2025.
3. Gross asset value refers to the total assets after adjusting for the final distribution declared. Total assets and final distribution are stated on page 96 and page 99 respectively.

Corporate Governance Report

Issue of further units

Further issue of units is subject to compliance with the pre-emption provisions contained in the REIT Code. Such provisions generally require that, unless the REIT Code otherwise permits, further issues of units shall be offered on a pro rata basis to existing Unitholders. If new units are not offered on a pro rata basis, the approval of Unitholders by way of an ordinary resolution is required unless the aggregate number of new units issued during the financial year does not increase the total number of units in issue at the end of the previous financial year by more than 20%.

During the Year, a total of 21,425,506 new units were issued to the Manager in April 2025 and October 2025 as payment of part of the Manager's fees. 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 such waiver, the number of units issued 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 units outstanding at the end of the previous financial year that the Manager may issue in each financial year without requiring Unitholders' approval pursuant to paragraph 12.2 of the REIT Code.

Save as aforesaid, there were no other new units issued during the Year.

Public float

Based on information that is publicly available and as far as the Manager is aware, 55.0% of the outstanding units in issue of Sunlight REIT were held in public hands on 11 March 2026 (being the date of the final results announcement) which satisfies the minimum public float requirement of 25% under the Listing Rules.

Review of annual report

This annual report has been reviewed by the Audit Committee and the Disclosures Committee in accordance with their respective terms of reference.

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of Sunlight REIT and its subsidiaries for the Year.

Auditor's remuneration

During the Year, fees payable to the auditor amounted to HK\$2,213,000 for audit and audit related services. Non-audit services fee payable to the auditor was HK\$527,000 for services relating to the review of interim financial statements of Sunlight REIT.

Unitholder statistics

An analysis of the registered Unitholders at 31 December 2025 by type according to the register of Unitholders of Sunlight REIT is as follows :

| Range of unitholdings | Number of registered Unitholders | Aggregate number of units held | % of unit holdings ^{Note} |
|-----------------------|----------------------------------|--------------------------------|------------------------------------|
| 1 – 10,000 | 2,124 | 3,412,723 | 0.20 |
| 10,001 – 100,000 | 260 | 9,879,729 | 0.56 |
| 100,001 – 1,000,000 | 62 | 17,286,500 | 0.99 |
| 1,000,001 or above | 10 | 1,717,554,217 | 98.25 |

HKSCC Nominees Limited (through which most Unitholders hold their units) remained as the single largest registered Unitholder, holding 1,293,092,592 units (representing approximately 74.0% ^{Note} of units in issue) at 31 December 2025.

Save as disclosed in the “Disclosure of Interests” section of this annual report, there were no other members of the senior management holding units at 31 December 2025.

Note : The percentages are based on the total number of units in issue of 1,748,133,169 units at 31 December 2025.

Promotional expenses

Pursuant to the waiver granted by the SFC on 27 April 2009 from strict compliance with paragraph 9.13(b) of the REIT Code, certain expenses for advertising or promotional activities are allowed to be paid out of the deposited property of Sunlight REIT. A further waiver was granted by the SFC on 30 April 2012 to expand the scope of such expenses to include the fees, costs and expenses incurred in relation to any fund raising exercise by, any assets of or otherwise in connection with Sunlight REIT. All these expenses mentioned above are collectively referred to as the “**Promotional Expenses**”.

Promotional Expenses incurred for the Year were HK\$852,000. Having reviewed the supporting evidence as it may reasonably deem necessary, the Audit Committee, pursuant to the conditions of the above waivers, confirmed that these Promotional Expenses were incurred in accordance with the internal control procedures of the Manager, and solely for the purposes as set out in the relevant clauses of the Trust Deed relating to the Promotional Expenses.

Corporate Governance Report

Top five real estate agents and contractors for the Year

| Real estate agents and contractors | Nature of services | Commission and value of contracts ¹ (HK\$'000) | % of total commission and value of contracts |
|---|--|--|--|
| Henderson Sunlight Property Management Limited ² | Property management, lease management and marketing services | 46,631 | 33.2 |
| Hang Yick Properties Management Limited ² | Building management and licence fee | 9,815 | 7.0 |
| Ngai Lik Cleaning Services Company Limited | Cleaning services | 5,211 | 3.7 |
| Chung Wah Air-Conditioning & Trading Company Limited | Air-conditioning engineering | 5,178 | 3.7 |
| Tang Chong Decoration Works Company | Decoration | 4,499 | 3.2 |
| Total | | 71,334 | 50.8 |

Notes :

1 Included commission and value of contracts for the supply of items or services which are of a capital nature.

2 Wholly-owned subsidiaries of HLD. HLD is interested in more than 5% of the total number of units in issue of Sunlight REIT.

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 Year, 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 23.46% of units in issue of Sunlight REIT at 31 December 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, excludes 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) A master leasing agreement entered into between the Manager and HLD (the “**Master Leasing Agreement**”) to set out the framework terms governing all leasing and licensing transactions entered into by members of the HLD Related Group in respect of premises owned by the Sunlight REIT Group. With respect to the leasing and licensing transactions agreed to be provided during the term of the Master Leasing Agreement, the relevant members of the HLD Related Group and of the Sunlight REIT Group shall enter into separate definitive leasing agreement(s) setting out the detailed terms (including the fee and the payment terms).

The rental or licence fee payable under the definitive leasing agreements shall be negotiated on a case-by-case and an arm’s length basis and shall be on normal commercial terms which, (a) from the Sunlight REIT Group’s perspective, shall be no more favourable than those made available by the Sunlight REIT Group to its independent third party lessees, tenants or licensees; and (b) from the HLD Related Group’s perspective, shall be no less favourable than those which the relevant members of the HLD Related Group could obtain from independent landlords or lessors of comparable premises.

- (ii) A joint effort carparking agreement entered into between the Property Manager (as agent of the owner of the commercial development of Metro City Phase I, which is a member of the Sunlight REIT Group) and Henderson Leasing Agency Limited (as agent of the owners of commercial development of Metro City Phases II and III, which are wholly-owned by the HLD Group) (the “**Joint Effort Carparking Agreement**”) in respect of sharing of fees and costs among such owners relating to free parking provided to customers of the shopping arcades in Metro City Phases I, II and III.

The determination of the sharing of fees and costs under the Joint Effort Carparking Agreement is based on an agreed formula which takes into account (a) the notional parking income that could have been received by each of the Sunlight REIT Group and HLD Group through the implied value of parking coupons utilized by the customers in respect of parking at their respective premises; and (b) the relevant parking expenses allocated between the parties with reference to the proportion of gross floor areas of the respective shopping arcades of Metro City Phases I, II and III.

Connected Party Transactions

- (iii) The sixth supplemental agreement to the property management agreement entered into between the Manager and the Property Manager 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) to 31 December 2026 (the “**Property Management Agreement**”).

The fees for property management services and lease management services pursuant to the Property Management Agreement shall not exceed 3% per annum of the gross property revenue of each relevant property of Sunlight REIT, whereas the commission for marketing services is based on the base rent or licence fee for the relevant tenancy or licence.

- (iv) A master services agreement entered into between the Manager and HLD (the “**Master Services Agreement**”) to set out the framework terms governing all service transactions relating to the management and operation of properties of the Sunlight REIT Group to be provided by the HLD Related Group, including the provision of security services and other property related ancillary services. With respect to the service transactions to be provided during the terms of the Master Services Agreement, the relevant members of the HLD Related Group and of the Sunlight REIT Group (or the Property Manager as agent for, or at the costs of, the relevant members of the Sunlight REIT Group) shall enter into separate definitive service agreement(s) setting out the detailed terms (including the fee and the payment terms).

The terms of, and the fee payable under the definitive service agreements shall be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms which (a) from the Sunlight REIT Group’s perspective, shall be no less favourable than those which the relevant members of the Sunlight REIT Group could obtain from independent contractors or suppliers of comparable services; and (b) from the HLD Related Group’s perspective, shall be no more favourable than those made available by the relevant members of the HLD Related Group to their independent third party customers.

In addition, transactions with the DMC managers (which are members of the HLD Group) (the “**Connected DMC Manager(s)**”) 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 principal terms of such relevant Connected Deeds of Mutual Covenant are summarized on the next page.

| Property owned by the relevant property holding company of the Sunlight REIT Group | Date of the Connected Deed of Mutual Covenant | Connected DMC Manager | Property holding company(ies) of the Sunlight REIT Group | Term of the appointment of the Connected DMC Manager under the Connected Deed of Mutual Covenant |
|--|---|--|---|---|
| 1. Metro City Phase I Property | 26 April 1997 | Metro City Management Limited | Sunlight Crownwill Limited | Initially for a term of 2 years from the date of the first occupation permit in respect of any part of the estate and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant. |
| 2. Sheung Shui Centre Shopping Arcade | 3 March 1994 | Sheung Shui Centre Management Limited | Bayman Limited | Initially for a term not exceeding 2 years from the date of the Connected Deed of Mutual Covenant and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant. |
| 3. Supernova Stand Property | 15 December 2001 | Hang Yick Properties Management Limited (“ Hang Yick ”) | United Glory Development Limited | Initially for a term of 2 years from the date of issue of the occupation permit and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant. |
| 4. Kwong Wah Plaza Property | 3 July 1998 (supplemented by a sub-deed of mutual covenant dated 30 September 1999) | Hang Yick | Seiren Investment Limited and Sound Bright Investment Limited | Initially for a term of 2 years from the date of issue of the occupation permit and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant. |
| 5. Winsome House Property | 3 July 1999 | Hang Yick | Grand Faith Development Limited | |
| 6. Wai Ching Commercial Building Property | 22 June 1998 | Hang Yick ² | Gain Fortune Development Limited | |
| 7. Sun Fai Commercial Centre Property | 22 June 1998 | Hang Yick ² | Yu Loy Development Company Limited | |
| 8. 135 Bonham Strand Trade Centre Property | 23 June 2000 | Hang Yick | Tinselle Investment Limited | Initially for a term of 2 years from the date of issue of the occupation permit (which is 3 January 2000). ³ |
| 9. Beverley Commercial Centre Property | 8 November 1982 | Hang Yick | Newcorp Development Limited | Initially for a term of 5 years from the date of issue of the occupation permit and thereafter until a management committee has been appointed under the Multi-Storey Building (Owners Incorporation) Ordinance or any statutory modification thereof for the time being in force. ⁴ |

Notes :

- In addition to the Connected DMC Manager and the relevant property holding company of the Sunlight REIT Group (the “**Property Holding Company**”), there are numerous other parties which are bound by the aforesaid relevant Connected Deed of Mutual Covenant, including the first owner of the relevant building and the current owners of the portions of the relevant building not owned by the Sunlight REIT Group. Such other parties are not named in the above table.
- Hang Yick ceased to be the DMC manager of Wai Ching Commercial Building Property and Sun Fai Commercial Centre Property with effect from 1 July 2025.
- The initial term of Hang Yick as the DMC manager of 135 Bonham Strand Trade Centre has ended and the Connected Deed of Mutual Covenant does not provide for any subsequent term of the DMC manager. After the expiry of the initial term, Hang Yick has continued to act as the DMC manager with no specified term. As the subject property is not wholly-owned by the Sunlight REIT Group, it is not entitled to fix the current term of such appointment.
- Hang Yick has continued to act as the DMC manager of Beverley Commercial Centre notwithstanding the appointment of the management committee of Incorporated Owners for the subject property. As the subject property is not majority-owned by the Sunlight REIT Group, it is not entitled to pass any resolution at the general meeting of the owners’ corporation to fix the current term of such appointment.

Connected Party Transactions

The relevant Property Holding Companies as well as the other owners of the relevant building or development shall bear and pay due proportion of the building management fees and expenses to the Connected DMC Managers in accordance with the Connected Deeds of Mutual Covenant. The management fees and expenses payable by the relevant Property Holding Company to the relevant Connected DMC Manager (the “**DMC Management Fee**”) are generally calculated based on a Specified Portion (as defined below) of (i) annual budgeted management expenses prepared by the Connected DMC Manager in the management of the building or development in respect of the building, development or respective type/user of the property; and (ii) total remuneration receivable by the Connected DMC Manager from all owners of the relevant building or development (such remuneration amount not to exceed 10% or 15% of the annual management expenses). The “Specified Portion” represents the proportion of management units allocated to the property owned by the relevant Property Holding Company bears to the total management units allocated to the relevant building, development or respective type/user of the property. In addition, for Winsome House Property, Wai Ching Commercial Building Property, Sun Fai Commercial Centre Property and 135 Bonham Strand Trade Centre Property, if any management expenses incurred are solely relating to a specific portion or part of the building or development, such expenses shall be shared among the owners of the relevant portion or part of the building or development only.

In respect of the management and maintenance of Beverley Commercial Centre Property, the DMC Management Fee is calculated based on (i) a fixed sum of monthly expense specified under the Connected Deed of Mutual Covenant to be payable in respect of the shops owned by Newcorp Development Limited; and (ii) a Specified Portion of the management expenses incurred by the Connected DMC Manager in the management of the shops and offices of the entire development (which is inclusive of the remuneration receivable by the Connected DMC Manager).

The transactions contemplated under the Master Services Agreement, the Property Management Agreement (as amended and supplemented) and the Connected Deeds of Mutual Covenant and their respective annual caps for the two and a half years ending 31 December 2026 require the approval of the independent Unitholders under the REIT Code. Such approval was obtained at extraordinary general meeting of Sunlight REIT held on 29 May 2024.

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

| Continuing Connected Party Transactions | Income/(Expenses) for the Year* (HK\$'000) | Annual Caps for the Year (HK\$'000) |
|---|---|--|
| Leasing transactions under the Master Leasing Agreement | 10,086 | 19,620 |
| Joint effort carparking arrangement under the Joint Effort Carparking Agreement | 3,128 | 4,509 |
| Property management : | | |
| i) Transactions under the Property Management Agreement | (46,631) | (60,630) |
| ii) Service transactions under the Master Services Agreement | (556) | (5,290) |
| iii) Transactions under the Connected Deeds of Mutual Covenant | (15,479) | (22,010) |

* All of the transaction amounts stated in the above table were within the respective annual caps for the Year.

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

The following table sets out information on all the connected party transactions entered into between Sunlight REIT and the Trustee and Trustee related connected persons of Sunlight REIT (including without limitation, the HSBC Group¹ (collectively, the “**Trustee Connected Persons**”)) during the Year :

| Name of connected person | Nature of the connected party transactions | Income/ (Expenses) for the Year (HK\$'000) | Rental and other deposits received/ (deposits paid) at 31 December 2025 (HK\$'000) |
|---|--|--|--|
| Leasing transactions : | | | |
| The Hongkong and Shanghai Banking Corporation Limited (“ HSBC ”) | Leasing ² | 11,105 | 2,918 |
| HSBC | Licensing ³ | 336 | 84 |
| Hang Seng Bank Limited (“ Hang Seng ”) | Leasing ⁴ | 8,883 | 2,205 |
| Ordinary banking and financial services⁵ : | | | |
| HSBC | Interest income received/receivable on bank deposits | 1,731 | N/A |
| HSBC | Interest expense, debt establishment fee and security trustee fee on bank borrowings, net interest paid/payable on IRSs and other bank charges | (40,797) | N/A |
| Hang Seng | Interest expense on bank borrowings and other bank charges | (10,787) | N/A |
| EPS Company (Hong Kong) Limited | Service fees | (46) | (2) |
| During the Year, an IRS with a notional amount of HK\$100 million was entered into with HSBC. | | | |

Notes :

1. 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).
2. Two leases in respect of Shop Nos. 1024-31 and Shop Nos. 1032-33 of SSC with gross floor areas of 5,390 sq. ft. and 1,171 sq. ft. respectively from 4 November 2024 to 3 November 2026.
3. Licences in respect of (i) external wall signage Nos. 66-81, Level 1, and (ii) external wall signage Nos. 82-93, Level 1 of SSC.
4. A lease in respect of Shop No. 211 of MCPI, with gross floor area of 7,628 sq. ft. from 17 February 2024 to 16 February 2027.
5. In general, “ordinary banking and financial services” include bank deposits and interest earned therefrom, loan facilities and IRSs including interest and charges paid thereto and other banking or financial services.

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 Year, 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\$86.9 million and HK\$4.4 million respectively. Particulars of the services provided by the Manager and the Trustee are set out in notes 25(b)(iii) and (v) to the consolidated financial statements.

Connected Party Transactions

Confirmation by the INEDs

The INEDs confirmed that they have reviewed all the connected party transactions during the Year as disclosed in the paragraphs headed “Connected party transactions with the HLD Related Group” and “Connected party transactions with the Trustee Connected Persons” above and that they are satisfied that each transaction has been entered into :

- (i) in the ordinary and usual course of business of Sunlight REIT;
- (ii) on normal commercial terms or better (in the case of transactions with Trustee Connected Persons, on normal commercial terms to the extent that there are sufficient comparable transactions or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Sunlight REIT than terms readily available to or from (as appropriate) independent third parties); and
- (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of Sunlight REIT and the Unitholders as a whole.

Confirmation by the Auditor of Sunlight REIT

Pursuant to the Listing Rules and waiver granted by the SFC from strict compliance with the requirements under Chapter 8 of the REIT Code, the Manager has engaged KPMG, being the auditor of Sunlight REIT, to report on all the connected party transactions during the Year as disclosed in the paragraphs headed “Connected party transactions with the HLD Related Group” and “Connected party transactions with the Trustee Connected Persons” above in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unmodified letter containing its findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules (to the extent applicable to REITs) and waiver granted by the SFC.

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 31 December 2025 and 30 June 2025, 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 31 December 2025 | | At 30 June 2025 | |
|------------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|
| | Number of units interested | % of interest in units ¹ | Number of units interested | % of interest in units ¹ |
| The Manager ² | 266,163,539 | 15.226 | 254,467,649 | 14.638 |
| Au Siu Kee, Alexander ³ | 2,300,000 | 0.132 | 2,300,000 | 0.132 |
| Wu Shiu Kee, Keith ⁴ | 930,000 | 0.053 | 930,000 | 0.053 |
| 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 1,748,133,169 units at 31 December 2025 and 1,738,437,279 units at 30 June 2025 (as the case may be).
2. During the Year, the Manager received 11,729,616 units in April 2025 and 9,695,890 units in October 2025 as payment of part of the Manager’s fees; and acquired 7,139,000 units during the Year in the open market. The Manager beneficially owned 266,163,539 units at 31 December 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 31 December 2025.

Disclosure of Interests

Holdings of substantial Unitholders

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

| Name | At 31 December 2025 | | At 30 June 2025 | |
|---|----------------------------|-------------------------------------|----------------------------|-------------------------------------|
| | 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 | 21.40 | 374,072,708 | 21.52 |
| Leesons (Cayman) Limited ² | 374,072,708 | 21.40 | 374,072,708 | 21.52 |
| Leeworld (Cayman) Limited ² | 374,072,708 | 21.40 | 374,072,708 | 21.52 |
| Shau Kee Financial Enterprises Limited ² | 374,072,708 | 21.40 | 374,072,708 | 21.52 |
| Uplite Limited ² | 224,443,625 | 12.84 | 224,443,625 | 12.91 |
| Wintrade Limited ² | 149,629,083 | 8.56 | 149,629,083 | 8.61 |
| Henderson Development Limited ² | 399,889,966 | 22.88 | 395,934,966 | 22.78 |
| HLD ² | 399,889,966 | 22.88 | 395,934,966 | 22.78 |
| Hopkins (Cayman) Limited ² | 399,889,966 | 22.88 | 395,934,966 | 22.78 |
| Riddick (Cayman) Limited ² | 399,889,966 | 22.88 | 395,934,966 | 22.78 |
| Rimmer (Cayman) Limited ² | 399,889,966 | 22.88 | 395,934,966 | 22.78 |
| Silchester International Investors LLP ³ | 154,980,000 | 8.87 | 154,980,000 | 8.91 |

Notes :

- The percentages are based on the total number of units in issue of 1,748,133,169 units at 31 December 2025 and 1,738,437,279 units at 30 June 2025 (as the case may be).
- At 31 December 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 21.40% of the total number of units in issue) owned by Uplite Limited and Wintrade Limited.
 Apart from the above, at 31 December 2025, 76,533,345 units were owned by Cobase Limited, 67,378,972 units were owned by Richful Resources Limited and 266,163,539 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 410,075,856 units (representing approximately 23.46% of the total number of units in issue) at 31 December 2025. Nevertheless, in the Register, each of HD, HLD, Hopkins, Riddick and Rimmer was respectively recorded as having an interest in 399,889,966 units at 31 December 2025, as no notifiable interest arose on their parts subsequent to their last disclosure of interest notifications to the Stock Exchange.
 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.
- At 31 December 2025, according to the Register, Silchester International Investors LLP ("Silchester LLP") in its capacity as investment manager, was interested in 154,980,000 units.
 Silchester LLP ceased to be a connected person of Sunlight REIT under the REIT Code at 31 December 2025 as its interest fell below 10% of the units in issue during the Year.

Based on the Register, there were no short positions in units held by substantial Unitholders at 31 December 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 31 December 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 | 283,000 | 0.016 |

Notes :

1. The percentages are based on the total number of units in issue of 1,748,133,169 units at 31 December 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 (30 June 2025 : 100,000 units).
3. Ms. Shum Chung Wah, Yulanda is a member of senior management (30 June 2025 : 40,000 units).
4. Certain associates (as defined in the REIT Code) of the Trustee are connected persons of Sunlight REIT and were beneficially interested in 283,000 units at 31 December 2025 (30 June 2025 : 623,000 units).

Valuation Report



HSBC Institutional Trust Services (Asia) Limited

(in its capacity as the Trustee of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”))

3/F, Tower 3, HSBC Centre
1 Sham Mong Road
Kowloon

Henderson Sunlight Asset Management Limited

(in its capacity as the Manager of Sunlight REIT)

30/F, Dah Sing Financial Centre
248 Queen’s Road East
Wan Chai, Hong Kong

11 February 2026

Dear Sirs

Valuation of the Portfolio held by Sunlight REIT

Instructions

We received an instruction from Henderson Sunlight Asset Management Limited (in its capacity as the manager of Sunlight REIT) (the “**Manager**”) to value 17 properties for Sunlight Real Estate Investment Trust (the “**Portfolio**” or the “**Properties**”) held in Hong Kong. We confirm that we have carried out external and internal inspection, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties in existing state subject to existing tenancies as at 31 December 2025 (the “**Valuation Date**”) for accounting purposes in compliance with the relevant requirements set out in the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”), the trust deed of Sunlight REIT and where applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Properties.

The Properties

- (1) Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong (“**Dah Sing Financial Centre**”)
- (2) Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong (“**Strand 50**”)
- (3) Righteous Centre, 585 Nathan Road, Mong Kok, Kowloon, Hong Kong (“**Righteous Centre**”)
- (4) Various Portions in 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong (“**135 Bonham Strand Trade Centre Property**”)

- (5) Various Portions in Winsome House, 73 Wyndham Street, Central, Hong Kong ("**Winsome House Property**")
 - (6) Java Road 108 Commercial Centre, 108 Java Road, North Point, Hong Kong ("**Java Road 108 Commercial Centre**")
 - (7) Various Portions in Sun Fai Commercial Centre, 576 Reclamation Street, Mong Kok, Kowloon, Hong Kong ("**Sun Fai Commercial Centre Property**")
 - (8) Various Portions in Wai Ching Commercial Building, 77 Wai Ching Street, Yau Ma Tei, Kowloon, Hong Kong ("**Wai Ching Commercial Building Property**")
 - (9) 235 Wing Lok Street Trade Centre, 235 Wing Lok Street, Sheung Wan, Hong Kong ("**235 Wing Lok Street Trade Centre**")
 - (10) On Loong Commercial Building, 276-278 Lockhart Road, Wan Chai, Hong Kong ("**On Loong Commercial Building**")
 - (11) The Harvest, 591 Nathan Road, Mong Kok, Kowloon, Hong Kong ("**The Harvest**")
 - (12) Commercial Development and Car Parks, Metro City Phase I, 1 Wan Hang Road, Tseung Kwan O, Sai Kung, New Territories, Hong Kong ("**Metro City Phase I Property**")
 - (13) Commercial Development (including all shops, the restaurant and the kindergarten) and Car Parks in The Podium and Basement, Sheung Shui Centre, 3 Chi Cheong Road, Sheung Shui, New Territories, Hong Kong ("**Sheung Shui Centre Shopping Arcade**")
 - (14) Various Portions in Kwong Wah Plaza, 11 Tai Tong Road, Yuen Long, New Territories, Hong Kong ("**Kwong Wah Plaza Property**")
 - (15) Various Shops Units on Ground Floor, Beverley Commercial Centre, 87-105 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong ("**Beverley Commercial Centre Property**")
 - (16) Shops 1 to 9 on Ground Floor and Commercial Common Areas and Facilities, Supernova Stand, 28 Mercury Street, North Point, Hong Kong ("**Supernova Stand Property**")
 - (17) Commercial Accommodation including External Wall Advertising Spaces 1-8 and 17 Commercial Carparking Spaces, Florient Rise, 38 Cherry Street, Tai Kok Tsui, Kowloon, Hong Kong ("**West 9 Zone Kids**")
- (Collectively referred to as the "**Properties**")

Basis of Valuation

In arriving at our opinion of market value, we followed the current edition of "The HKIS Valuation Standards" issued by The Hong Kong Institute of Surveyors ("**HKIS**") and "The RICS Valuation – Global Standards" issued by The Royal Institution of Chartered Surveyors ("**RICS**"), which incorporate the International Valuation Standards (the "**IVS**"). Under the said standards, market value is defined as :

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market Value is also understood as the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Valuation Report

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards” issued by HKIS and “RICS Valuation – Global Standards” issued by RICS, the relevant provisions in Chapter 5 of the Listing Rules and Paragraph 6.8 of the REIT Code issued by the SFC.

Valuation Methodologies

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Income Approach – Term and Reversion Method as our primary valuation approach and have cross-checked the value by Market Approach.

In adopting the Income Approach – Term and Reversion Method, we have valued the Portfolio by capitalizing the amount of net income receivable under the current terms of tenancies. Reference would then be made to any potential changes in rental income on reversion. Both the term and reversion are capitalized by the market capitalization rates, which reflect the rate of investment return, effect of inflation and prospect of rental growth, if any.

In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Portfolio and the comparable properties such as location, time, size, ceiling height, building age and other property characteristics in arriving at our opinion on the market value.

Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

Title Documents and Encumbrances

We have taken reasonable care to investigate the title of the Properties by obtaining land search record from the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept a liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the Properties were free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information given by the Manager. We have accepted advice given to us on such matters as tenancy schedules, floor areas, floor plans, approved building plans, and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Properties, whether in writing or verbally by the Manager, the Manager’s representatives or by their legal or professional advisers or by any (or any apparent) occupier of the Properties or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have carried out internal and external inspection of the Properties. We have assumed in our valuation that the Properties were in reasonable exterior and interior decorative order without any unauthorized extension or structural alterations as at the Valuation Date, unless otherwise stated.

Identity of the Properties to be valued

We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Properties, identified by the property addresses in your instructions, are the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Properties on the assumption that, in all respects, they are insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

As instructed, we have relied upon areas as available from a quoted source. The floor areas quoted throughout the report are based on the information provided by the Manager. Otherwise, dimensions and areas would be measured from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and area quoted to a reasonable approximation, with reference to their source. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Properties are free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Properties. Our valuation has therefore been undertaken on the basis that the Properties were in satisfactory repair and condition, contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition. We are advised that the standard tenancy agreement of the Properties states that the landlord is obligated to handle structural repairs, upkeep the landlord's fixtures and fittings and ensure the conduits are in tenable repair whilst the tenants are responsible for conducting internal repairs to the Properties.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Properties are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Valuation Report

Tenancies

We are provided with the tenancy schedules and have assumed the information are true and correct. We have also assumed that the tenants will continue to occupy the premises and comply with the conditions of the tenancies until the expiry of the existing tenancy terms.

Compliance with Relevant Ordinances and Regulations

We have assumed the building is in line with all planning and building regulations and guidelines. In our valuation, we have disregarded the Notices currently registered against the Properties, if any, and the effects of the defects on the value and safety of the Properties. We have further assumed that, for any use of the Properties upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

Remarks

We have prepared the valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognized that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Properties.

Currency

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK\$).

Limiting Conditions

This report is confidential to the addressees and unitholders of Sunlight REIT for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressee shall not disclose the report to any other person (save and except where the valuation report is required to be published under the REIT Code, the Listing Rules and any other relevant laws and regulations).

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

Our total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the engagement signed between us and the Trustee dated 3 June 2024. Knight Frank accepts no liability for any indirect or consequential loss or for loss of profits.

No claim arising out of or in connection with this valuation report may be brought against any member, employee, partner, director or consultant of Knight Frank. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

Valuer's Interest

We hereby confirm that :

- We fulfil the qualification requirements set out in Paragraph 6.4 of the REIT Code.
- We have no present or prospective interest in the Properties and we are independent of Sunlight REIT, the Trustee, the Manager and each of the substantial holders of Sunlight REIT for the purpose of Paragraph 6.5 of the REIT Code.
- We are authorized to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.
- The valuations have been prepared on a fair and unbiased basis.

We enclose herewith a summary of valuation, our valuation particulars, office market overview and retail market overview, which together with this covering letter, form our valuation report in the summary form. A full version is available for public inspection at the registered office of the Manager.

Reviewed (but not undertaken) by :

Jennifer Ip

MRICS RICS Registered Valuer
Senior Director
Valuation & Advisory
For and on behalf of Knight Frank Petty Limited

Cyrus Fong

FRICS FHKIS RPS(GP) RICS Registered Valuer
Executive Director
Head of Valuation & Advisory, Greater China
For and on behalf of Knight Frank Petty Limited

Encl.

Valuation Report

Summary of Valuation

| Property | Approximate Gross Rentable Area (sq. ft.) | No. of Parking Lots ¹ | Market Value as at 31 December 2025 (HK\$) | Capitalization Rate Adopted ² | | | Estimated Net Property Yield (%) |
|--|---|----------------------------------|--|--|------------|-------------|----------------------------------|
| | | | | Retail (%) | Office (%) | Carpark (%) | |
| 1. Dah Sing Financial Centre | 376,381 | 46 | 4,583,000,000 | 3.70 | 3.85 | 4.90 | 3.3 |
| 2. Strand 50 | 117,909 | N/A | 1,140,000,000 | 3.85 | 3.65 | N/A | 3.0 |
| 3. Righteous Centre | 51,767 | N/A | 523,000,000 | 3.50 | 3.85 | N/A | 3.8 |
| 4. 135 Bonham Strand Trade Centre Property | 63,915 | N/A | 525,000,000 | 3.85 | 3.75 | N/A | 3.4 |
| 5. Winsome House Property | 40,114 | N/A | 512,000,000 | 3.65 | 3.75 | N/A | 3.1 |
| 6. Java Road 108 Commercial Centre | 37,923 | N/A | 254,000,000 | 4.05 | 3.95 | N/A | 4.3 |
| 7. Sun Fai Commercial Centre Property | 26,151 | N/A | 160,000,000 | 4.10 | 3.95 | N/A | 3.9 |
| 8. Wai Ching Commercial Building Property | 16,321 | N/A | 78,000,000 | 3.95 | 3.80 | N/A | 4.1 |
| 9. 235 Wing Lok Street Trade Centre | 52,285 | N/A | 330,000,000 | 3.85 | 3.75 | N/A | 3.2 |
| 10. On Loong Commercial Building | 27,206 | N/A | 221,000,000 | 3.75 | 3.85 | N/A | 3.3 |
| 11. The Harvest | 34,651 | N/A | 489,000,000 | 3.40 | 3.65 | N/A | 3.2 |
| 12. Metro City Phase I Property | 188,889 | 436 | 2,954,000,000 | 4.35 | N/A | 5.00 | 4.2 |
| 13. Sheung Shui Centre Shopping Arcade | 122,339 | 297 | 3,640,000,000 | 4.35 | N/A | 5.50 | 3.9 |
| 14. Kwong Wah Plaza Property | 68,411 | N/A | 1,078,000,000 | 3.65 | 3.80 | N/A | 3.9 |
| 15. Beverley Commercial Centre Property | 7,934 | N/A | 72,000,000 | 4.15 | N/A | N/A | 3.5 |
| 16. Supernova Stand Property | 4,226 | N/A | 74,000,000 | 3.80 | N/A | N/A | 4.0 |
| 17. West 9 Zone Kids | 58,836 | 17 | 770,000,000 | 4.25 | N/A | 5.00 | 3.3 |
| Total | 1,295,258 | 796 | 17,403,000,000 (Hong Kong Dollars Seventeen Billion Four Hundred and Three Million) | | | | |

Notes :

1. Excluding motor and bicycle spaces.

2. The capitalization rate refers to the expected yield of the respective property by reference to the market yield prevailing as at the Valuation Date for the particular type of property.

Valuation Particulars

Dah Sing Financial Centre

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

Description

The building is a 40-storey (including a mechanical floor) commercial building with ancillary car parking facilities erected on an L-shaped site having a registered site area of approximately 1,442.84 sq. m. (15,531 sq. ft.). The building was completed in 1998. The property comprises all units within the building having a total gross rentable area of approximately 34,966.65 sq. m. (376,381 sq. ft.). The property also comprises 8 lorry parking spaces and 38 car parking spaces on 1st to 4th Floors of the building.

Land tenure

Inland Lot No 506 is held under a Government Lease for a term of 999 years commencing from 16 November 1855. The annual Government rent payable for the lot is 36 pounds 10 shillings.

Inland Lot No 387 is held under a Government Lease for a term of 999 years commencing from 16 March 1855. The annual Government rent payable for the lot is 20 pounds 4 shillings and 10 pence.

Monthly rental income as at 31 December 2025

HK\$12,084,100 exclusive of rates, management fees and air-conditioning charges but inclusive of turnover rent.

Monthly car parking income as at 31 December 2025*

HK\$417,400 exclusive of operating expenses, rates, Government rents and management fees.

Monthly licence income as at 31 December 2025*

HK\$10,800 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$4,583,000,000

Estimated net property yield

3.3%

Strand 50

Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong

Description

The building is a 28-storey commercial building erected on a trapezoid site with a registered site area of approximately 720.27 sq. m. (7,753 sq. ft.). The building was completed in 1998. The property comprises all units within the building having a total gross rentable area of approximately 10,954.01 sq. m. (117,909 sq. ft.). The property also comprises a yard on Ground Floor of the building with an area of approximately 16.50 sq. m. (178 sq. ft.).

Land tenure

Inland Lot No 15 is held under a Government Lease for a term of 999 years commencing from 26 December 1860. The annual Government rent payable for the subject section of the lot is HK\$11.9.

Marine Lots Nos 142 and 144 are held under their respective Government Leases each for a term of 981 years commencing from 26 December 1860. The total annual Government rent payable for the lots is HK\$124.8.

Monthly rental income as at 31 December 2025

HK\$2,893,600 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$1,140,000,000

Estimated net property yield

3.0%

* Monthly car parking income and monthly licence income are the average of the respective income from December 2024 to November 2025.

Valuation Report

Righteous Centre

Righteous Centre, 585 Nathan Road, Mong Kok, Kowloon, Hong Kong

Description

The building is a 26-storey (including a mechanical floor) commercial building erected on a rectangular site with a registered site area of approximately 300.30 sq. m. (3,232 sq. ft.). The building was completed in 1996. The property comprises all units within the building having a total gross rentable area of approximately 4,809.27 sq. m. (51,767 sq. ft.).

Land tenure

Kowloon Inland Lot Nos 6827 and 7097 are held under Conditions of Renewal No 5654 and Conditions of Regrant No 5759 respectively each for a term of 150 years commencing from 25 December 1887.

The annual Government rents payable for Section A of Kowloon Inland Lot No 6827 and Kowloon Inland Lot No 7097 are HK\$78 and HK\$150 respectively.

Monthly rental income as at 31 December 2025

HK\$1,625,500 exclusive of rates, management fees and air-conditioning charges.

Monthly licence income as at 31 December 2025*

HK\$44,000 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$523,000,000

Estimated net property yield

3.8%

135 Bonham Strand Trade Centre Property

Various Portions in 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong

Description

The building is a 25-storey (including a mechanical floor) commercial building completed in 2000. The property comprises the majority portion of the building having a total gross rentable area of approximately 5,937.85 sq. m. (63,915 sq. ft.).

Land tenure

Marine Lot No 173 is held under a Government Lease for a term of 999 years commencing from 26 December 1860. The total annual Government rent payable for the subject sections of the lot is HK\$88.

Inland Lot No 6896 is held under a Government Lease for a term of 75 years commencing from 14 November 1952 renewable for a further term of 75 years. The annual Government rent payable for the lot is HK\$196.

Monthly rental income as at 31 December 2025

HK\$1,486,400 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$525,000,000

Estimated net property yield

3.4%

* Monthly licence income is the average of the income from December 2024 to November 2025.

Winsome House Property

Various Portions in Winsome House, 73 Wyndham Street, Central, Hong Kong

Description

The building is a 27-storey commercial building completed in 1999. The property comprises the majority portion of the building having a total gross rentable area of approximately 3,726.68 sq. m. (40,114 sq. ft.). The property also comprises various flat roofs on the Upper and Lower Ground Floors with a total area of approximately 34.37 sq. m. (370 sq. ft.).

Land tenure

Inland Lots Nos 5025 and 994 are held under their respective Government leases each for a term of 999 years commencing from 26 June 1843. The total annual Government rent payable for the lots are HK\$146.

Inland Lot No 7968 is held under Conditions of Exchange No 8224 for a term of 999 years commencing from 22 January 1844. The annual Government rent payable for the lot is HK\$30.

Monthly rental income as at 31 December 2025

HK\$1,219,500 exclusive of rates, management fees and air-conditioning charges but inclusive of turnover rent.

Monthly licence income as at 31 December 2025*

HK\$120,100 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$512,000,000

Estimated net property yield

3.1%

Java Road 108 Commercial Centre

Java Road 108 Commercial Centre, 108 Java Road, North Point, Hong Kong

Description

The building is a 25-storey commercial building erected on a rectangular site having a registered site area of approximately 228.26 sq. m. (2,457 sq. ft.). The building was completed in 1998. The property comprises all units within the building having a total gross rentable area of approximately 3,523.13 sq. m. (37,923 sq. ft.).

Land tenure

Inland Lot No 3539 is held under a Government Lease for a term of 75 years commencing from 12 June 1933 renewable for a further term of 75 years. The total annual Government rent payable for the subject sections of the lot is HK\$188,912.

Monthly rental income as at 31 December 2025

HK\$910,300 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$254,000,000

Estimated net property yield

4.3%

* Monthly licence income is the average of the income from December 2024 to November 2025.

Valuation Report

Sun Fai Commercial Centre Property

Various Portions in Sun Fai Commercial Centre, 576 Reclamation Street, Mong Kok, Kowloon, Hong Kong

Description

The building is a 15-storey commercial building completed in 1998. The property comprises four shop units on the Ground Floor and various office units on the upper floors of the building having a total gross rentable area of approximately 2,429.49 sq. m. (26,151 sq. ft.). The property also comprises various flat roofs on the 2nd and 3rd Floors with a total area of approximately 53.14 sq. m. (572 sq. ft.) and roof area of approximately 72.65 sq. m. (782 sq. ft.).

Land tenure

Kowloon Inland Lot Nos 10813, 10814 and 10815 are held under Conditions of Lease Extension Nos 12068, 12269 and 12259 respectively each for a term commencing from 28 June 1985 and expiring on 30 June 2047 at an annual Government rent at 3% of the rateable value for the time being of each lot.

Monthly rental income as at 31 December 2025

HK\$519,000 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$160,000,000

Estimated net property yield

3.9%

Wai Ching Commercial Building Property

Various Portions in Wai Ching Commercial Building, 77 Wai Ching Street, Yau Ma Tei, Kowloon, Hong Kong

Description

The building is a 19-storey commercial building completed in 1997. The property comprises three shop units on the Ground and 1st Floors and various office units on the upper floors of the building having a total gross rentable area of approximately 1,516.26 sq. m. (16,321 sq. ft.).

Land tenure

Kowloon Inland Lot Nos 6167 and 6168 are held under their respective Government Leases each for a term of 75 years commencing from 18 September 1974 at a total annual Government rent at HK\$57,566 for the subject sections of the lots.

Monthly rental income as at 31 December 2025

HK\$267,400 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$78,000,000

Estimated net property yield

4.1%

235 Wing Lok Street Trade Centre

235 Wing Lok Street Trade Centre, 235 Wing Lok Street, Sheung Wan, Hong Kong

Description

This building is a 26-storey commercial building erected on an irregular site having a registered site area of approximately 282.42 sq. m. (3,040 sq. ft.). The building was completed in 2000. The property comprises all units within the building having a total gross rentable area of approximately 4,857.40 sq. m. (52,285 sq. ft.).

Land tenure

Marine Lot No 37A is held under a Government lease for a term of 979 years commencing from 26 December 1863. The annual Government rent payable for the lot is HK\$316.63.

Monthly rental income as at 31 December 2025

HK\$890,900 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$330,000,000

Estimated net property yield

3.2%

On Loong Commercial Building

On Loong Commercial Building, 276-278 Lockhart Road, Wan Chai, Hong Kong

Description

This building is a 23-storey commercial building completed in 1984. The property comprises the whole of the building having a total gross rentable area of approximately 2,527.50 sq. m. (27,206 sq. ft.). The property also comprises two flat roofs on the 4th Floor with a total area of approximately 46.92 sq. m. (505 sq. ft.) and roof area of approximately 28.80 sq. m. (310 sq. ft.).

Land tenure

Inland Lot Nos 7061 and 7062 are each held under a Government Lease for a term of 99 years commencing from 11 May 1928 renewable for a further term of 99 years at a total annual Government rent of HK\$20.

Monthly rental income as at 31 December 2025

HK\$602,800 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$221,000,000

Estimated net property yield

3.3%

Valuation Report

The Harvest

The Harvest, 591 Nathan Road, Mong Kok, Kowloon, Hong Kong

Description

This building is a 22-storey commercial tower (including ground floor and basement) completed in 1981. The property comprises all the units within the building having a total gross rentable area of approximately 3,219.16 sq. m. (34,651 sq. ft.).

Land tenure

Kowloon Inland Lot No 7891 is held under Conditions of Renewal No UB6372 for a term of 150 years commencing from 25 December 1887 at an annual Government rent of HK\$152.

Monthly rental income as at 31 December 2025

HK\$1,318,100 exclusive of rates, management fees and air-conditioning charges.

Monthly licence income as at 31 December 2025*

HK\$2,000 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$489,000,000

Estimated net property yield

3.2%

Metro City Phase I Property

Commercial Development and Car Parks, Metro City Phase I, 1 Wan Hang Road, Tseung Kwan O, Sai Kung, New Territories, Hong Kong

Description

This Property comprises a 3-storey (Ground Floor to Level 2) commercial/car parking podium with six residential blocks erected thereon. The development was completed in 1996. The property comprises all the shop units on the Ground Floor and Level 2 of the commercial/car parking podium having a total gross rentable area of approximately 17,548.22 sq. m. (188,889 sq. ft.). The property also comprises 436 car parking spaces, 20 motor cycle parking spaces and 14 bicycle parking spaces on Ground Floor to Level 2 of the development.

Land tenure

Tseung Kwan O Town Lot No 36 is held under New Grant No 8275 for a term commencing from 29 November 1993 and expiring on 30 June 2047 at an annual Government rent at 3% of the rateable value for the time being of the lot.

Monthly rental income as at 31 December 2025

HK\$8,555,500 exclusive of rates, management fees and air-conditioning charges but inclusive of turnover rent.

Monthly car parking income as at 31 December 2025*

HK\$1,623,900 exclusive of operating expenses, rates, Government rents and management fees.

Monthly licence income as at 31 December 2025*

HK\$57,000 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$2,954,000,000

Estimated net property yield

4.2%

* Monthly licence income is the average of the income from December 2024 to November 2025.

* Monthly car parking income and monthly licence income are the average of the respective income from December 2024 to November 2025.

Sheung Shui Centre Shopping Arcade

Commercial Development (including all shops, the restaurant and the kindergarten); and Car Parks in the Podium and Basement, Sheung Shui Centre, 3 Chi Cheong Road, Sheung Shui, New Territories, Hong Kong

Description

The building is a residential development comprising six residential blocks over a 3-storey commercial/car parking podium plus one level car park basement completed in 1993. The property comprises all shop units within the commercial podium of the development having a total gross rentable area of approximately 11,365.57sq. m. (122,339 sq. ft.). The property also comprises 269 car parking spaces, 28 lorry parking spaces and 226 bicycle parking spaces on Basement and Level 1 of the development. The property also comprises 6 loading and unloading spaces (with one of such loading and unloading space for each residential block for parking, loading and unloading of goods vehicles) on Level 1 of the development.

Land tenure

Fanling Sheung Shui Town Lot No 55 is held under New Grant No 12406 for a term commencing from 16 October 1989 and expiring on 30 June 2047 at an annual Government rent at 3% of the rateable value for the time being of the lot.

Monthly rental income as at 31 December 2025

HK\$10,632,200 exclusive of rates, management fees and air-conditioning charges but inclusive of turnover rent.

Monthly car parking income as at 31 December 2025*

HK\$1,095,700 exclusive of operating expenses, rates, Government rents and management fees.

Monthly licence income as at 31 December 2025*

HK\$115,600 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$3,640,000,000

Estimated net property yield

3.9%

* Monthly car parking income and monthly licence income are the average of the respective income from December 2024 to November 2025.

Kwong Wah Plaza Property

Various Portions in Kwong Wah Plaza, 11 Tai Tong Road, Yuen Long, New Territories, Hong Kong

Description

The building is a 17-storey (including a basement and a mechanical floor but excluding cocklofts) commercial building completed in 1998. The property comprises shops on the whole of the Basement, Ground Floor, Cocklofts and 1st Floor and various office units on various floors of the building having a total gross rentable area of approximately 6,355.54 sq. m. (68,411 sq. ft.). The property also comprises a Flat Roof on the 13th Floor with an area of approximately 16.35 sq. m. (176 sq. ft.).

Land tenure

Lot No 4015 in Demarcation District No 120 is held under New Grant No 4135 for a term commencing from 25 May 1993 and expiring on 30 June 2047 at an annual Government rent at 3% of the rateable value for the time being of the lot.

Monthly rental income as at 31 December 2025

HK\$3,469,300 exclusive of rates, management fees and air-conditioning charges.

Monthly licence income as at 31 December 2025*

HK\$6,200 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$1,078,000,000

Estimated net property yield

3.9%

* Monthly licence income is the average of the income from December 2024 to November 2025.

Valuation Report

Beverley Commercial Centre Property

Various Shops Units on Ground Floor, Beverley Commercial Centre, 87-105 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong

Description

The building is a 20-storey (including a basement) commercial building completed in 1982. The property comprises 60 shop units on the Ground Floor of the shopping arcade within the building having a total gross rentable area of approximately 737.09 sq. m. (7,934 sq. ft.).

Land tenure

Kowloon Inland Lots Nos 10574, 10211, 10575, 10518, 10580, 10160, 10503, 10526, 10247 and 10616 are held under Conditions of Re-Grant Nos 11117, 10318, 11118, 11125, 11098, 10312, 11134, 11053, 10404 and 11243 respectively each for a term of 150 years commencing from 25 December 1902. The total annual Government rent payable for the lots is HK\$7,576.

Monthly rental income as at 31 December 2025

HK\$213,000 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$72,000,000

Estimated net property yield

3.5%

Supernova Stand Property

Shops 1 to 9 on Ground Floor and Commercial Common Areas and Facilities, Supernova Stand, 28 Mercury Street, North Point, Hong Kong

Description

The building is a 27-storey composite commercial/residential building completed in 2001. The property comprises all nine shop units on the Ground Floor having a total gross rentable area of approximately 392.60 sq. m. (4,226 sq. ft.).

Land tenure

Inland Lot No 1366 is held under a Government Lease for a term of 999 years commencing from 24 February 1896 at an annual Government rent at HK\$338.

Monthly rental income as at 31 December 2025

HK\$248,600 exclusive of rates, management fees and air-conditioning charges.

Market value in existing state as at 31 December 2025

HK\$74,000,000

Estimated net property yield

4.0%

West 9 Zone Kids

Commercial Accommodation including External Wall Advertising Spaces 1–8 and 17 Commercial Carparking Spaces, Florient Rise, 38 Cherry Street, Tai Kok Tsui, Kowloon, Hong Kong

Description

Florient Rise is a residential development comprising three residential blocks over a 3-storey commercial/car parking podium completed in 2008. The property comprises all shop units within the commercial podium of the development having a total gross rentable area of approximately 5,466.00 sq. m. (58,836 sq. ft.). The property also comprises 17 car parking spaces on Ground Floor and 1st Floor of the development.

Land tenure

Kowloon Inland Lot No 11162 is held under Conditions of Exchange No UB12664 for a term of 50 years commencing from 14 October 2004 at an annual Government rent at 3% of the rateable value for the time being of the lot.

Monthly rental income as at 31 December 2025

HK\$2,011,600 exclusive of rates, management fees and air-conditioning charges but inclusive of turnover rent.

Monthly car parking income as at 31 December 2025*

HK\$73,700 exclusive of operating expenses, rates, Government rents and management fees.

Monthly licence income as at 31 December 2025*

HK\$3,000 exclusive of rates and management fees.

Market value in existing state as at 31 December 2025

HK\$770,000,000

Estimated net property yield

3.3%

* Monthly car parking income and monthly licence income are the average of the respective income from December 2024 to November 2025.

Valuation Report

Office Market Overview

Introduction

Office leasing activities in the second half of 2025 have improved, with Central and Tsim Sha Tsui benefitted from strong demand of financial institutions. Other districts continued to undergo market correction. Looking ahead to 2026, a divergent outlook is anticipated — Central could experience a mild rental recovery, while conditions in other business districts are likely to remain challenging.

Office Supply and Demand

Hong Kong saw a number of major offices completed in 2025, including One Causeway Bay in Causeway Bay and The Cendas in Kowloon Bay. Meanwhile, expansion activity has been led by funds and financial institutions concentrated in Central, while wealth management and private banking operations are establishing their presence across the city, especially in core business districts with strong connectivity to the Hong Kong West Kowloon station. Average vacancy for Grade-A office in Hong Kong slightly dropped to 14% in December 2025.

Office Rent

Although the leasing market appears to be on the path to recovery, tenants remain vigilant in their search for flight-to-quality/functionality spaces that offer maximum incentives. Overall rents on Hong Kong Island dropped by 5% in 2025. Rents in Wan Chai outperformed among the major business districts, with a mild decrease of 2%. Meanwhile, Central and Island East saw rents decreasing by about 3% and 9% respectively.

Global uncertainties relating to trade and sourcing pose challenges for the leasing market despite improvements in the financial sector. In Kowloon, as a large portion of tenants are linked to supply chain operations, external headwinds are affecting leasing sentiment. In 2025, overall rents in Kowloon dropped by about 4%.

Office Investment Market

Investors' interest in the office sector improved in 2025, supported by lower interest rates and rising demand from end-users seeking for discounted and distressed assets. According to Rating and Valuation Department figures, overall transaction volume increased by 68% year on year in the first 11 months of 2025. As the interest rate cut schedule continues, a transition of office occupiers into owners is expected, supporting investment market activities in 2026.

Office Market Outlook

Looking ahead, a divergent outlook is anticipated in 2026. Central is expected to have a modest rental recovery given an uptick in leasing demand from financial sector. Tsim Sha Tsui is also expected to outperform in the near-term, benefiting from a tenant mix dominated by service-oriented firms. In contrast, other business districts are likely to remain challenging as the rent differentials between districts continue to diminish and a growing number of high-quality offices are set to enter the market.

Retail Market Overview

Introduction

Retail market showed signs of bottoming out in the second half of 2025. While recent retail sales figures point to a recovery, the market remains in a transition, as Chinese Mainland brands are actively expanding across Hong Kong's prime areas on the back of downsizing and store closures among established retailers. Retail rents in 2026 are projected to show contrasting trends between prime street shops and community shopping malls.

Retail Supply and Demand

Hong Kong saw a number of new shopping malls completed in 2025, including Cullinan Sky Mall at Kai Tak, and GO PARK in Sai Kung. Meanwhile, the recovery of retail demand gains momentum amid luxury and mainland brand expansion. Meanwhile, financial institutions and banking firms were increasingly occupying retail spaces in prime districts. For instance, a bank has set to lease over 40,000 sq. ft. of prime corner space at Capitol Centre in Causeway Bay, marking the first non-fashion, long-term tenant in one of the district's busiest shopping lanes since 2008. Conversely, several retailers in the consumer durables and furniture segments saw store closures amid increased competition from cross-border and online shopping.

Retail Rent

Despite retail leasing demand improved in core districts, the market remains tenant-driven with rents continued to face downward pressure. As landlords continued to show flexibility in negotiations, average rents of both core and non-core shopping centres fell about 3% in 2025.

Retail Investment Market

The investment market recorded a number of deals concluded in 2025 amid successive interest rate cuts throughout the year. These investment transactions are mainly retail properties located in neighbourhoods, including Park Aura at Tin Hau, T Plus at Tuen Mun, and the disposal of a batch of retail shops at Phase 4 of Mei Fu Sun Chuen.

Retail Market Outlook

Hong Kong's retail market showed signs of bottoming out in the second half of 2025, backed by steady growth in visitor arrivals. Improved stock market and lowered interest rates have also translated into positive wealth effect to a certain extent, supporting the local consumption. We expect a rental split of prime street shops and community shopping malls in 2026. Prime street shops are likely to remain resilient with modest rental growth, due to positive tourism outlook and improving retailer demand. On the other hand, community shopping malls will remain under pressure amid structural shifts caused by cross-border and online spending.

Trustee's Report

We hereby confirm that, in our opinion, the manager of Sunlight Real Estate Investment Trust has, in all material respects, managed Sunlight Real Estate Investment Trust in accordance with the provisions of the trust deed dated 26 May 2006 (as amended and restated) for the year ended 31 December 2025.

HSBC Institutional Trust Services (Asia) Limited

(in its capacity as the trustee of Sunlight Real Estate Investment Trust)

Hong Kong, 11 March 2026

Independent Auditor's Report



Independent auditor's report to the unitholders of Sunlight Real Estate Investment Trust

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sunlight Real Estate Investment Trust ("**Sunlight REIT**") and its subsidiaries (together the "**Group**") set out on pages 94 to 142, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in net assets attributable to unitholders, the distribution statement and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the unitholders of Sunlight Real Estate Investment Trust (continued)

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

Key audit matters (continued)

Valuation of investment properties

Refer to note 10 to the consolidated financial statements and the accounting policy 2(h)

| The Key Audit Matter | How the matter was addressed in our audit |
|--|--|
| <p>The Group holds a portfolio of investment properties located in Hong Kong, which had an aggregate fair value of HK\$17,403 million and accounted for 97% of the Group's total assets as at 31 December 2025.</p> | <p>Our audit procedures to assess the valuation of investment properties included the following :</p> <ul style="list-style-type: none">obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Group and on which the Manager's assessment of the valuation of investment properties was based;assessing the external property valuers' qualifications, experience and expertise in respect of the properties being valued and considering their objectivity;with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external property valuers their valuation methodology without the presence of the Manager, and assessing the key estimates and assumptions adopted in the valuation by comparing capitalisation rates, prevailing market rents and comparable market transactions with the available market data; andcomparing the tenancy information, including committed rents and occupancy rates provided by the Manager to the external property valuers, with underlying contracts and relevant underlying documentation, on a sample basis. |
| <p>The fair values of the investment properties as at 31 December 2025 were assessed by Henderson Sunlight Asset Management Limited, the manager of Sunlight REIT (the "Manager"), based on valuations prepared by qualified external property valuers.</p> | |
| <p>The decrease in fair value of investment properties recorded in the consolidated statement of profit or loss for the year ended 31 December 2025 amounted to HK\$553 million.</p> | |
| <p>We identified the valuation of the Group's investment properties as a key audit matter due to the significance of investment properties to the Group's total assets and the changes in fair value of the investment properties to the loss before taxation of the Group. Furthermore, the valuation of investment properties is complex and involves a significant degree of judgement and estimation in determining capitalisation rates and market rents.</p> | |

Independent auditor's report to the unitholders of Sunlight Real Estate Investment Trust *(continued)*

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

Information other than the consolidated financial statements and auditor's report thereon

The Manager is responsible for the other information, which comprises all information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the consolidated financial statements

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the trust deed dated 26 May 2006 (as amended and restated) (the "**Trust Deed**") and the relevant disclosure provisions set out in Appendix C of the Code on Real Estate Investment Trusts (the "**REIT Code**") as issued by the Securities and Futures Commission of Hong Kong.

The Manager is assisted by the Audit Committee in discharging its responsibility for overseeing the Group's financial reporting process.

Independent auditor's report to the unitholders of Sunlight Real Estate Investment Trust (continued)

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Appendix C of the REIT Code, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report to the unitholders of Sunlight Real Estate Investment Trust (continued)

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

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions set out in Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ming (practising certificate number : P05285).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

11 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|-------|---|--|
| Revenue | 3 & 4 | 778,070 | 1,236,324 |
| Property operating expenses | 3 & 5 | (177,049) | (278,618) |
| Net property income | | 601,021 | 957,706 |
| Other net income | 6 | 14,850 | 32,294 |
| Administrative expenses | | (100,961) | (157,508) |
| Net decrease in fair value of investment properties | 10 | (552,529) | (592,887) |
| (Loss) / profit from operations | | (37,619) | 239,605 |
| Finance costs on interest-bearing liabilities | 7(a) | (180,480) | (326,804) |
| Loss before taxation and transactions with unitholders | 7 | (218,099) | (87,199) |
| Income tax | 8(a) | (57,346) | (85,816) |
| Loss after taxation and before transactions with unitholders | | (275,445) | (173,015) |

The notes on pages 102 to 142 form part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|---|--|
| Loss after taxation and before transactions with unitholders | (275,445) | (173,015) |
| Other comprehensive loss for the year / 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 year / period | (53,776) | (83,213) |
| – Net reclassification adjustments for amounts transferred to profit or loss in respect of : | | |
| – finance costs on interest-bearing liabilities | 549 | 929 |
| – unrealised exchange difference on foreign currency borrowing | (1,939) | 34,628 |
| – unwinding of swaps | (2,348) | (8,389) |
| | (57,514) | (56,045) |
| Total comprehensive loss for the year / period | (332,959) | (229,060) |

The notes on pages 102 to 142 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | 2025 \$'000 | 2024 \$'000 |
|--|-------|--------------------|----------------|
| Non-current assets | | | |
| Fixed assets | 10 | | |
| – Investment properties | | 17,403,000 | 17,933,600 |
| – Other fixed assets | | 95 | 139 |
| | | 17,403,095 | 17,933,739 |
| Deferred tax assets | 8(c) | 16 | 358 |
| Derivative financial instruments | 12 | 203 | 1,686 |
| Reimbursement rights | 11 | 37,436 | 37,436 |
| Other financial assets | 13 | 4,644 | 29,307 |
| Other non-current assets | 14 | 1,884 | 2,095 |
| | | 17,447,278 | 18,004,621 |
| Current assets | | | |
| Trade and other receivables | 15 | 44,789 | 50,830 |
| Derivative financial instruments | 12 | 264 | 8,664 |
| Other financial assets | 13 | 23,355 | 44,275 |
| Cash and bank balances | 16(a) | 428,760 | 407,331 |
| Tax recoverable | | – | 35 |
| | | 497,168 | 511,135 |
| Total assets | | 17,944,446 | 18,515,756 |
| Current liabilities | | | |
| Tenants' deposits | 17 | (184,807) | (192,711) |
| Rent receipts in advance | | (14,830) | (13,638) |
| Trade and other payables | 18 | (82,453) | (74,250) |
| Bank and other borrowings | 19 | (1,199,244) | (1,498,123) |
| Derivative financial instruments | 12 | (19,666) | (7,231) |
| Tax payable | | (12,560) | (22,132) |
| | | (1,513,560) | (1,808,085) |
| Net current liabilities | | (1,016,392) | (1,296,950) |
| Total assets less current liabilities | | 16,430,886 | 16,707,671 |

Consolidated Statement of Financial Position (continued)

At 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | 2025 \$'000 | 2024 \$'000 |
|--|------|----------------------|----------------|
| Non-current liabilities, excluding net assets attributable to unitholders | | | |
| Bank and other borrowings | 19 | (3,615,538) | (3,318,997) |
| Deferred tax liabilities | 8(c) | (251,276) | (248,597) |
| Derivative financial instruments | 12 | (161,469) | (130,010) |
| | | (4,028,283) | (3,697,604) |
| Total liabilities, excluding net assets attributable to unitholders | | (5,541,843) | (5,505,689) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | 12,402,603 | 13,010,067 |
| Number of units in issue | 20 | 1,748,133,169 | 1,726,707,663 |
| Net asset value attributable to unitholders per unit | | \$7.09 | \$7.53 |

The consolidated financial statements on pages 94 to 142 were approved and authorised for issue by Henderson Sunlight Asset Management Limited, as the manager of Sunlight Real Estate Investment Trust (the “**Manager**”), on 11 March 2026 and were signed on its behalf by :

Au Siu Kee, Alexander
Chairman

Wu Shiu Kee, Keith
Executive Director

The notes on pages 102 to 142 form part of these consolidated financial statements.

Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|------|---|--|
| At the beginning of the year / period | | 13,010,067 | 13,669,204 |
| Loss after taxation and before transactions with unitholders | | (275,445) | (173,015) |
| Other comprehensive loss | | (57,514) | (56,045) |
| Total comprehensive loss for the year / period | | (332,959) | (229,060) |
| Distribution paid to unitholders | | (318,782) | (495,674) |
| Issuance of units to the Manager | 20 | 44,277 | 69,158 |
| Units bought back | 20 | – | (3,545) |
| Units buy-back expenses | 20 | – | (16) |
| | | (274,505) | (430,077) |
| At the end of the year / period | | 12,402,603 | 13,010,067 |

The notes on pages 102 to 142 form part of these consolidated financial statements.

Distribution Statement

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|------|---|--|
| Loss after taxation and before transactions with unitholders | | (275,445) | (173,015) |
| Adjustments (note (i)) : | | | |
| – Net decrease in fair value of investment properties | 10 | 552,529 | 592,887 |
| – Manager’s fees paid or payable in the form of units | | 43,922 | 68,795 |
| – Gain on disposal of investment properties | 6 | – | (4,765) |
| – Interest rate swaps – cash flow hedges | 7(a) | 549 | (23) |
| – Non-cash finance costs on interest-bearing liabilities | 7(a) | 5,596 | 7,672 |
| – Deferred tax | 8(a) | 3,021 | 7,040 |
| – Depreciation | 10 | 50 | 1,060 |
| | | 605,667 | 672,666 |
| Distributable income (note (i)) | | 330,222 | 499,651 |
| First interim distribution for FY2023/24, paid (note (ii)) | | – | 153,242 |
| Second interim distribution for FY2023/24, paid (note (iii)) | | – | 155,978 |
| Final distribution for FY2023/24, paid (note (iv)) | | – | 160,584 |
| Interim distribution for FY2025, paid (note (v)) | | 158,198 | – |
| Final distribution for FY2025, to be paid to unitholders (note (vi)) | | 159,080 | – |
| Total distributions for the financial year / period (note (i)) | | 317,278 | 469,804 |
| Payout ratio | | 96.1% | 94.0% |
| Distribution per unit : | | | |
| First interim distribution per unit for FY2023/24, paid | | – | 9.0 cents |
| Second interim distribution per unit for FY2023/24, paid | | – | 9.1 cents |
| Final distribution per unit for FY2023/24, paid | | – | 9.3 cents |
| Interim distribution per unit for FY2025, paid | | 9.1 cents | – |
| Final distribution per unit for FY2025, to be paid to unitholders | | 9.1 cents | – |
| | | 18.2 cents | 27.4 cents |

Distribution Statement (continued)

For the year ended 31 December 2025

(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 year / period, as adjusted to eliminate the effects of certain items which have been recorded in the consolidated statement of profit or loss for the relevant financial year / period.

In arriving at the amount available for distribution for the year ended 31 December 2025, Adjustments (as defined and set out in the Trust Deed) 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 \$5,596,000 or 0.32 cent per unit (18 months ended 31 December 2024 : \$7,672,000 or 0.44 cent per unit) which is an effective return of capital.

- (ii) The first interim distribution for FY2023/24 of \$153,242,000 is calculated by multiplying the first interim distribution per unit of 9.0 cents by 1,702,684,957 units in issue at 19 March 2024, the record date for such distribution.
- (iii) 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 such distribution.
- (iv) The final distribution for FY2023/24 of \$160,584,000 is calculated by multiplying the final distribution per unit of 9.3 cents by 1,726,707,663 units in issue at 1 April 2025, the record date for such distribution.
- (v) 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 in issue at 1 September 2025, the record date for such distribution, and was paid to unitholders on 9 September 2025.
- (vi) The final distribution for FY2025 of \$159,080,000 is calculated by multiplying the final distribution per unit of 9.1 cents by 1,748,133,169 units anticipated to be in issue at 1 April 2026, the record date for such distribution, and is expected to be paid to unitholders on 14 April 2026.
- (vii) 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 102 to 142 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|-------|---|--|
| Operating activities | | | |
| Loss before taxation and transactions with unitholders | | (218,099) | (87,199) |
| Adjustments : | | | |
| – Manager's fees paid or payable in the form of units | | 43,922 | 68,795 |
| – Net decrease in fair value of investment properties | 10 | 552,529 | 592,887 |
| – Finance costs on interest-bearing liabilities | 7(a) | 180,480 | 326,804 |
| – Depreciation | 10 | 50 | 1,060 |
| – Gain on disposal of investment properties | 6 | – | (4,765) |
| – Interest income | 6 | (14,450) | (33,811) |
| – Provision for credit losses on debt securities | 6 | – | 6,332 |
| – Recovery from disposal of debt securities | | (323) | – |
| – Net unrealised foreign exchange (gain) / loss | 7(b) | (77) | 913 |
| Operating cash flow before changes in working capital | | 544,032 | 871,016 |
| Decrease in trade and other receivables | | 3,378 | 3,904 |
| Decrease in tenants' deposits | | (7,904) | (13,647) |
| Increase / (decrease) in rent receipts in advance | | 1,192 | (2,127) |
| Increase / (decrease) in trade and other payables | | 8,438 | (6,340) |
| Cash generated from operations | | 549,136 | 852,806 |
| Net Hong Kong Profits Tax paid | | (63,861) | (115,307) |
| Net cash generated from operating activities | | 485,275 | 737,499 |
| Investing activities | | | |
| Interest received | | 16,908 | 33,865 |
| Payment for expenditure incurred for investment properties | | (23,855) | (14,458) |
| Payment for purchase of other fixed assets | | (6) | (84) |
| Proceeds from disposal of investment properties | | – | 19,989 |
| Proceeds from redemption of debt securities | | 44,425 | – |
| Proceeds from disposal of debt securities | | 1,720 | – |
| (Increase) / decrease in bank deposits with original maturity over three months | | (87,671) | 27,459 |
| Net cash (used in) / generated from investing activities | | (48,479) | 66,771 |
| Financing activities | | | |
| Distribution paid to unitholders | | (318,782) | (495,674) |
| Payment for buy-back of units | | – | (3,561) |
| Proceeds from new bank borrowings | 16(b) | 3,180,000 | 700,000 |
| Repayment of bank borrowings and medium term notes | 16(b) | (3,180,000) | (727,000) |
| Interest paid | 16(b) | (174,789) | (326,743) |
| Other borrowing costs paid | 16(b) | (9,320) | (1,680) |
| Net cash used in financing activities | | (502,891) | (854,658) |
| Net decrease in cash and cash equivalents | | (66,095) | (50,388) |
| Cash and cash equivalents at the beginning of the year / period | 16(a) | 201,526 | 251,978 |
| Effect of foreign exchange rate changes | | (147) | (64) |
| Cash and cash equivalents at the end of the year / period | 16(a) | 135,284 | 201,526 |

The notes on pages 102 to 142 form part of these consolidated financial statements.

Notes to the Consolidated 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 Material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the relevant provisions of the Trust Deed and the relevant disclosure provisions set out in Appendix C of the REIT Code. These consolidated financial statements also comply with the relevant disclosure provisions of the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”) as if those provisions were applicable to Sunlight REIT. Material accounting policies adopted by the Group are disclosed below.

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

None of these developments have had a material effect on how the Group’s results and financial position for the current year or prior period have been prepared or presented in the consolidated financial statements.

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

2 Material accounting policies (continued)

(b) Basis of preparation of the consolidated financial statements

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 in 2024. The consolidated financial statements now presented cover the year ended 31 December 2025, and the comparative figures presented therein cover the 18 months period from 1 July 2023 to 31 December 2024.

The consolidated financial statements for the year ended 31 December 2025 incorporate the financial statements of Sunlight REIT and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below :

- derivative financial instruments (see note 2(f)); and
- investment properties (see note 2(h)).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 26.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material accounting policies (continued)

(d) Investments in debt securities

Investments in debt securities are recognised / derecognised on the date the Group commits to purchase / sell the investment or they expire. The investments are initially stated at fair value plus directly attributable transaction costs.

Non-equity investments held by the Group are classified as financial assets measured at amortised cost if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(r)(iii)).

(e) Unitholders' funds as a financial liability

In accordance with the Trust Deed, Sunlight REIT has a limited life of 80 years less 1 day from the date of commencement of Sunlight REIT. In addition, Sunlight REIT is required to distribute to unitholders no less than 90% of its distributable income for each financial year in accordance with the Trust Deed. Accordingly, the units contain contractual obligations to pay cash dividends and also upon the termination of Sunlight REIT, a share of all net cash proceeds derived from the sale or realisation of the assets of Sunlight REIT less any liabilities, in accordance with their proportionate interests in Sunlight REIT at the date of its termination. The unitholders' funds are therefore classified as financial liabilities in accordance with HKFRS 9, *Financial instruments*. It is shown on the consolidated statement of financial position as "Net assets attributable to unitholders".

(f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(g)).

(g) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised directly in other comprehensive income and accumulated separately in net assets attributable to unitholders. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

The associated gain or loss is reclassified from net assets attributable to unitholders to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in net assets attributable to unitholders until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from net assets attributable to unitholders to profit or loss immediately.

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“**ECLs**”) on the following items :

- financial assets measured at amortised cost (including other financial assets, cash and bank balances, trade and other receivables and prepayments); and
- lease receivables (which is included under “Rental receivables” within trade and other receivables).

Financial assets measured at fair value, including derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material :

- fixed-rate financial assets and trade and other receivables : effective interest rate determined at initial recognition or an approximation thereof; and
- lease receivables : discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases :

- 12-month ECLs : these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs : these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition :

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(r)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk (continued)

Evidence that a financial asset is credit-impaired includes the following observable events :

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased :

- other fixed assets; and
- other non-current assets.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest identifiable group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses (see note 2(k)(i)).

(m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(s)).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(k)(i).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material accounting policies (continued)

(p) Income tax

Income tax for the year / period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in net assets attributable to unitholders, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in net assets attributable to unitholders, respectively.

Current tax is the expected tax payable on the taxable income for the year / period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 Material accounting policies (continued)

(p) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movement therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met :

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either :
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material accounting policies (continued)

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Group's revenue and other income recognition policies are as follows :

(i) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments are recognised as income in the accounting period in which they are earned.

(ii) *Car park income and rental related income*

Car park income and rental related income are recognised when the related services are rendered.

(iii) *Interest income*

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(k)(i)).

(s) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(t) Translation of foreign currencies

Foreign currency transactions during the year / period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

2 Material accounting policies (continued)

(u) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person :
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies :
 - (i) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (ii) The entity is controlled or jointly controlled by a person identified in (a).
 - (iii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.
 - (iv) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Manager's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the settlements have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 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.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

3 Segment reporting (continued)

Segment results, assets and liabilities

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

Segment assets include all tangible, intangible and current assets with the exception of cash and bank balances, tax recoverable, deferred tax assets, other financial assets and other corporate assets. Segment liabilities include tenants' deposits, rent receipts in advance and trade and other payables managed directly by the segments.

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, gain on disposal of investment properties, finance costs on interest-bearing liabilities, income tax, interest income and the unallocated net expenses.

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 year / period is set out below :

| | Year ended 31 December 2025 | | | 18 months ended 31 December 2024 | | |
|--|-----------------------------|-----------------------------|------------------|----------------------------------|-----------------------------|------------------|
| | Office properties \$'000 | Retail properties \$'000 | Total \$'000 | Office properties \$'000 | Retail properties \$'000 | Total \$'000 |
| Revenue | | | | | | |
| – Rental income | 283,045 | 305,263 | 588,308 | 454,021 | 497,317 | 951,338 |
| – Car park income | 4,988 | 33,500 | 38,488 | 7,435 | 50,095 | 57,530 |
| – Rental related income | 71,650 | 79,624 | 151,274 | 107,085 | 120,371 | 227,456 |
| | 359,683 | 418,387 | 778,070 | 568,541 | 667,783 | 1,236,324 |
| Property operating expenses | (76,200) | (100,849) | (177,049) | (120,351) | (158,267) | (278,618) |
| Net property income | 283,483 | 317,538 | 601,021 | 448,190 | 509,516 | 957,706 |
| Administrative expenses | (45,614) | (44,492) | (90,106) | (70,020) | (69,893) | (139,913) |
| Segment results | 237,869 | 273,046 | 510,915 | 378,170 | 439,623 | 817,793 |
| Net decrease in fair value of investment properties | (263,367) | (289,162) | (552,529) | (499,434) | (93,453) | (592,887) |
| Gain on disposal of investment properties | – | – | – | – | 4,765 | 4,765 |
| Finance costs on interest-bearing liabilities | | | (180,480) | | | (326,804) |
| Income tax | | | (57,346) | | | (85,816) |
| Interest income | | | 14,450 | | | 33,811 |
| Unallocated net expenses | | | (10,455) | | | (23,877) |
| Loss after taxation and before transactions with unitholders | | | (275,445) | | | (173,015) |
| Depreciation | 23 | 27 | 50 | 23 | 1,037 | 1,060 |

3 Segment reporting (continued)

Segment results, assets and liabilities (continued)

| | 2025 | | | 2024 | | |
|---|--------------------------------|--------------------------------|--------------------|--------------------------------|--------------------------------|--------------------|
| | Office properties \$'000 | Retail properties \$'000 | Total \$'000 | Office properties \$'000 | Retail properties \$'000 | Total \$'000 |
| Segment assets | 8,874,925 | 8,610,469 | 17,485,394 | 9,125,021 | 8,895,121 | 18,020,142 |
| Derivative financial instruments | | | 467 | | | 10,350 |
| Other financial assets | | | 27,999 | | | 73,582 |
| Cash and bank balances | | | 428,760 | | | 407,331 |
| Tax recoverable | | | – | | | 35 |
| Deferred tax assets | | | 16 | | | 358 |
| Unallocated assets | | | 1,810 | | | 3,958 |
| Total assets | | | 17,944,446 | | | 18,515,756 |
| Segment liabilities | (128,954) | (135,922) | (264,876) | (125,609) | (141,261) | (266,870) |
| Derivative financial instruments | | | (181,135) | | | (137,241) |
| Bank and other borrowings | | | (4,814,782) | | | (4,817,120) |
| Tax payable | | | (12,560) | | | (22,132) |
| Deferred tax liabilities | | | (251,276) | | | (248,597) |
| Unallocated liabilities | | | (17,214) | | | (13,729) |
| Total liabilities, excluding net assets attributable to unitholders | | | (5,541,843) | | | (5,505,689) |
| Capital expenditure incurred during the year / period | 13,020 | 8,704 | 21,724 | 9,964 | 9,296 | 19,260 |

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

4 Revenue

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

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|-----------------------|---|--|
| Rental income (note) | 588,308 | 951,338 |
| Car park income | 38,488 | 57,530 |
| Rental related income | 151,274 | 227,456 |
| | 778,070 | 1,236,324 |

Note : Included additional rents based on business revenue of tenants amounting to \$2,987,000 (18 months ended 31 December 2024 : \$3,696,000). For the 18 months ended 31 December 2024, a rental guarantee in the amount of \$5,000,000 was recorded pursuant to the deed of rental guarantee relating to the acquisition of an investment property in 2023.

5 Property operating expenses

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|---|--|
| Building management fee | 68,612 | 108,273 |
| Property Manager's fees (notes (i) and (ii)) | 46,631 | 71,570 |
| Government rent and rates | 40,113 | 58,970 |
| Car park operating costs | 8,001 | 11,738 |
| Rental commission (third party property agents) (note 7(b)) | 3,535 | 8,442 |
| Marketing and promotion expenses | 3,066 | 5,561 |
| Provision for credit losses on rental receivables (note 15(b)) | 1,420 | 1,217 |
| Other direct costs | 5,671 | 12,847 |
| | 177,049 | 278,618 |

Notes :

- (i) Included rental commission of \$7,876,000 (18 months ended 31 December 2024 : \$14,242,000) (note 7(b)).
- (ii) For the year ended 31 December 2025, the largest supplier and the top five suppliers accounted for 39.3% (18 months ended 31 December 2024 : 37.6%) and 55.2% (18 months ended 31 December 2024 : 59.3%) of the total purchase of items or services (which are not of a capital nature) respectively. The largest supplier, being the Property Manager, is a wholly-owned subsidiary of Henderson Land Development Company Limited ("HLD"). HLD is interested in more than 5% of the total number of units in issue of Sunlight REIT.

6 Other net income

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|---|--|
| Bank interest income | 12,660 | 29,852 |
| Interest income from debt securities | 1,790 | 3,959 |
| Gain on disposal of investment properties | – | 4,765 |
| Provision for credit losses on debt securities (note 21(a)) | – | (6,332) |
| Others | 400 | 50 |
| | 14,850 | 32,294 |

7 Loss before taxation and transactions with unitholders

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

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|---|--|
| (a) Finance costs on interest-bearing liabilities | | |
| Interest on bank and other borrowings | 174,335 | 319,155 |
| Other borrowing costs | 5,596 | 7,672 |
| | 179,931 | 326,827 |
| Interest rate swaps – cash flow hedges | | |
| – Reclassified from net assets attributable to unitholders | 549 | 929 |
| – Net fair value gain of ineffective cash flow hedges | – | (952) |
| | 549 | (23) |
| | 180,480 | 326,804 |

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 Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

7 Loss before taxation and transactions with unitholders (continued)

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

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|---|--|
| (b) Other items | | |
| Manager's fees | 86,873 | 135,055 |
| Trustee's remuneration and charges | 4,361 | 6,714 |
| Auditor's remuneration | | |
| – Audit services | 2,213 | 2,273 |
| – Other services | 527 | 1,074 |
| Valuation fees payable to principal valuers | 405 | 546 |
| Legal and other professional fees | 3,466 | 6,147 |
| Rental commission (note 5) | | |
| – Property Manager | 7,876 | 14,242 |
| – Third party property agents (note (i)) | 3,535 | 8,442 |
| Bank charges | 295 | 455 |
| Net foreign exchange (gain) / loss | (77) | 913 |

Notes :

- (i) The amount for the 18 months ended 31 December 2024 included \$1,089,000 paid to a company related to the principal valuer, CBRE Limited, which was retired on 31 August 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 year / period.

8 Income tax

(a) Income tax in the consolidated statement of profit or loss represents :

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|---|--|
| Current tax – Hong Kong Profits Tax | | |
| Provision for the year / period | 54,072 | 79,012 |
| Under / (over)-provision in respect of prior years | 253 | (236) |
| | 54,325 | 78,776 |
| Deferred tax | | |
| Origination and reversal of temporary differences | 3,021 | 7,040 |
| | 57,346 | 85,816 |

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

(b) Reconciliation between tax expense and accounting loss at applicable tax rate :

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|---|---|--|
| Loss before taxation and transactions with unitholders | (218,099) | (87,199) |
| Notional tax on loss before taxation and transactions with unitholders, calculated at applicable tax rates | (36,151) | (14,553) |
| Tax effect of non-deductible expenses | 96,496 | 107,740 |
| Tax effect of non-taxable income | (2,356) | (7,603) |
| Tax effect of current year / period's tax losses not recognised | 640 | 986 |
| Tax effect of other temporary differences derecognised | (465) | (75) |
| Tax effect of prior years' unrecognised tax losses recognised in current year / period | (1,015) | (367) |
| Tax effect of prior years' unrecognised tax losses utilised in current year / period | (56) | (76) |
| Under / (over)-provision in respect of prior years | 253 | (236) |
| Actual tax expense | 57,346 | 85,816 |

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

8 Income tax (continued)

(c) Deferred tax assets and liabilities recognised :

The components of deferred tax liabilities / (assets) recognised in the consolidated statement of financial position and the movements during the year / period are as follows :

| Deferred tax arising from : | Depreciation allowances in excess of related depreciation \$'000 | Tax losses \$'000 | Total \$'000 |
|---|---|------------------------|------------------------|
| At 1 July 2023 | 246,386 | (5,187) | 241,199 |
| Charged to profit or loss | 6,543 | 497 | 7,040 |
| At 31 December 2024 | 252,929 | (4,690) | 248,239 |
| At 1 January 2025 | 252,929 | (4,690) | 248,239 |
| Charged / (credited) to profit or loss | 3,447 | (426) | 3,021 |
| At 31 December 2025 | 256,376 | (5,116) | 251,260 |
| | | 2025 \$'000 | 2024 \$'000 |
| Represented by : | | | |
| Net deferred tax assets recognised | | (16) | (358) |
| Net deferred tax liabilities recognised | | 251,276 | 248,597 |
| | | 251,260 | 248,239 |

(d) Deferred tax assets not recognised :

In accordance with the accounting policy set out in note 2(p), the Group has not recognised deferred tax assets in respect of unused tax losses of certain subsidiaries of \$25,656,000 (2024 : \$28,303,000) as it is probable that sufficient future taxable profits will not be available against which the unused tax losses can be utilised. The Hong Kong tax losses do not expire under current tax legislation.

9 Loss per unit before transactions with unitholders

The basic loss per unit before transactions with unitholders for the year ended 31 December 2025 amounted to \$0.16 (18 months ended 31 December 2024 : \$0.10). The calculation of basic loss per unit before transactions with unitholders is based on the Group's loss after taxation and before transactions with unitholders of \$275,445,000 (18 months ended 31 December 2024 : \$173,015,000) and the weighted average of 1,736,665,404 units (18 months ended 31 December 2024 : 1,707,826,029 units) in issue during the year.

Diluted loss per unit before transactions with unitholders for the year ended 31 December 2025 and the 18 months ended 31 December 2024 are not presented as there was no potential dilution of loss per unit before transactions with unitholders.

10 Fixed assets

| | Leasehold improvements, furniture and fixtures \$'000 | Investment properties \$'000 | Total \$'000 |
|-----------------------------------|--|---|-------------------------|
| Cost or valuation : | | | |
| At 1 July 2023 | 1,594 | 18,512,200 | 18,513,794 |
| Additions | 84 | 29,511 | 29,595 |
| Disposals | – | (15,224) | (15,224) |
| Net decrease in fair value | – | (592,887) | (592,887) |
| At 31 December 2024 | 1,678 | 17,933,600 | 17,935,278 |
| Representing : | | | |
| Cost | 1,678 | – | 1,678 |
| Valuation – 2024 | – | 17,933,600 | 17,933,600 |
| | 1,678 | 17,933,600 | 17,935,278 |
| At 1 January 2025 | 1,678 | 17,933,600 | 17,935,278 |
| Additions | 6 | 21,929 | 21,935 |
| Net decrease in fair value | – | (552,529) | (552,529) |
| At 31 December 2025 | 1,684 | 17,403,000 | 17,404,684 |
| Representing : | | | |
| Cost | 1,684 | – | 1,684 |
| Valuation – 2025 | – | 17,403,000 | 17,403,000 |
| | 1,684 | 17,403,000 | 17,404,684 |
| Accumulated depreciation : | | | |
| At 1 July 2023 | 479 | – | 479 |
| Charge for the period | 1,060 | – | 1,060 |
| At 31 December 2024 | 1,539 | – | 1,539 |
| At 1 January 2025 | 1,539 | – | 1,539 |
| Charge for the year | 50 | – | 50 |
| At 31 December 2025 | 1,589 | – | 1,589 |
| Net book value : | | | |
| At 31 December 2025 | 95 | 17,403,000 | 17,403,095 |
| At 31 December 2024 | 139 | 17,933,600 | 17,933,739 |

10 Fixed assets (continued)

(a) Fair value measurement of investment properties

Fair value hierarchy

HKFRS 13, *Fair value measurement*, requires the fair value of investment properties 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

The Group's investment properties measured at fair value are not categorised as Level 1 and Level 2 valuations.

During the year ended 31 December 2025 and the 18 months ended 31 December 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.

Valuation process

The investment properties were appraised at 31 December 2025 and 2024 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.

The Manager has reviewed the valuation results performed by the surveyors for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of property valuation. Such valuation was performed at each interim and annual reporting date and was reviewed and approved by senior management.

Valuation methodologies

The fair values of the Group's investment properties at 31 December 2025 and 2024 were arrived at using the income capitalisation approach cross-referenced to the direct comparison approach. The income capitalisation approach is based on the capitalisation of the current passing rental income and potential reversionary income over the remaining tenure of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The direct comparison approach is based on comparing the properties to be valued directly with other comparable properties which recently changed hands.

10 Fixed assets (continued)

(a) Fair value measurement of investment properties (continued)

Level 3 valuation methodologies

The following table presents the significant unobservable inputs :

| | 2025 | | |
|--------------|-------------------|---------------------|----------------|
| | Market unit rent | Capitalisation rate | Occupancy rate |
| In Hong Kong | | | |
| – Office | \$14.5 to \$42.0 | 3.65% to 3.95% | 87.2% to 100% |
| – Retail | \$18.1 to \$113.0 | 3.40% to 4.35% | 87.1% to 100% |

| | 2024 | | |
|--------------|-------------------|---------------------|----------------|
| | Market unit rent | Capitalisation rate | Occupancy rate |
| In Hong Kong | | | |
| – Office | \$14.5 to \$42.3 | 3.65% to 3.95% | 83.4% to 98.1% |
| – Retail | \$18.2 to \$118.0 | 3.40% to 4.35% | 73.4% to 100% |

The fair value measurement of investment property is positively correlated to the market unit rent and the occupancy rate and negatively correlated to the capitalisation rate.

All leased properties meet the definition of investment properties (see note 2(h)) are classified as investment properties.

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

| | 2025 \$'000 | 2024 \$'000 |
|----------------------|-------------------|----------------|
| In Hong Kong | | |
| – Long leases | 7,639,000 | 7,872,000 |
| – Medium-term leases | 9,764,000 | 10,061,600 |
| | 17,403,000 | 17,933,600 |

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

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

11 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**”), 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.

12 Derivative financial instruments

| | 2025 | | | 2024 | | |
|---|------------------|-----------------------|----------------------|------------------|-----------------------|----------------------|
| | 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 | 264 | (19,666) | (19,402) | 8,664 | (7,231) | 1,433 |
| Non-current portion | 203 | (161,469) | (161,266) | 1,686 | (130,010) | (128,324) |
| | 467 | (181,135) | (180,668) | 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 (“**JPY**”).

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 \$2,348,000 (18 months ended 31 December 2024 : \$8,389,000) was recognised as a saving in finance costs for the year. No remaining balance (2024 : \$2,348,000) was included in the net assets attributable to unitholders at 31 December 2025.

At 31 December 2025, the Group assessed the effectiveness of its cash flow hedges and identified certain ineffectiveness. As the amount is immaterial, no fair value gain or loss of ineffective hedges was recognised in profit or loss for the year (18 months ended 31 December 2024 : fair value gain of ineffective hedges of \$952,000).

For the year ended 31 December 2025, the decrease in the effective portion of changes in fair value of cash flow hedges of \$53,776,000 (18 months ended 31 December 2024 : \$83,213,000) and a reclassification adjustment in respect of unrealised exchange loss on foreign currency borrowing of \$1,939,000 (18 months ended 31 December 2024 : unrealised exchange gain of \$34,628,000) recognised in other comprehensive income were included in the net assets attributable to unitholders.

At 31 December 2025, the Group had IRSs with an aggregate notional amount of \$2,050,000,000 (2024 : \$1,700,000,000) and CCIRS with notional amount of \$513,196,000 (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 November 2026 and November 2028 (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.

13 Other financial assets

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Financial assets measured at amortised cost | | |
| Debt securities | | |
| – Listed in Hong Kong | 16,323 | 45,020 |
| – Listed outside Hong Kong | 11,676 | 51,099 |
| | 27,999 | 96,119 |
| Less : provision for credit losses (note 21(a)) | – | (22,537) |
| | 27,999 | 73,582 |
| The carrying amounts of the debt securities are expected to be recovered as follows : | | |
| Within one year | 23,355 | 44,275 |
| After one year | 4,644 | 29,307 |
| | 27,999 | 73,582 |

14 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.

15 Trade and other receivables

| | 2025 \$'000 | 2024 \$'000 |
|------------------------------------|----------------|----------------|
| Rental receivables | 27,773 | 30,682 |
| Deposits and prepayments | 11,239 | 10,940 |
| Other receivables | 1,265 | 5,058 |
| Amounts due from related companies | 4,512 | 4,150 |
| | 44,789 | 50,830 |

Trade and other receivables included unamortised rent-free and rental concession, deposits and prepayments of \$23,149,000 (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.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

15 Trade and other receivables (continued)

(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 :

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Current | 20,004 | 21,675 |
| Less than one month overdue | 3,728 | 7,238 |
| More than one month and up to three months overdue | 967 | 1,431 |
| More than three months and up to six months overdue | 629 | 47 |
| More than six months overdue | 2,445 | 291 |
| | 27,773 | 30,682 |

Details of the Group's credit policy are set out in note 21(a).

(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 year / period is as follows :

| | 2025 \$'000 | 2024 \$'000 |
|---------------------------------------|----------------|----------------|
| At the beginning of the year / period | 716 | 5,581 |
| Provision for credit losses (note 5) | 1,420 | 1,217 |
| Written off | (25) | (6,082) |
| At the end of the year / period | 2,111 | 716 |

16 Cash and bank balances and other cash flow information

(a) Cash and cash equivalents comprise :

| | 2025 | 2024 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| Deposits with original maturity within three months | 122,999 | 197,173 |
| Cash at bank and in hand | 12,285 | 4,353 |
| Cash and cash equivalents in the consolidated cash flow statement | 135,284 | 201,526 |
| Deposits with original maturity over three months | 293,476 | 205,805 |
| Cash and bank balances in the consolidated statement of financial position | 428,760 | 407,331 |

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement under financing activities.

| | Bank and other borrowings \$'000 (note 19) | Interest payable \$'000 | Total \$'000 |
|---|---|--|-------------------------|
| At 1 July 2023 | 4,871,229 | 5,765 | 4,876,994 |
| Changes from financing cash flows : | | | |
| Proceeds from new bank borrowings | 700,000 | – | 700,000 |
| Repayment of bank borrowings | (727,000) | – | (727,000) |
| Other borrowing costs paid | (1,680) | – | (1,680) |
| Interest paid | – | (326,743) | (326,743) |
| Total changes from financing cash flows | (28,680) | (326,743) | (355,423) |
| Non-cash changes : | | | |
| Interest expense (note 7(a)) | – | 319,155 | 319,155 |
| Reclassification adjustment on unwinding of swaps | – | 8,389 | 8,389 |
| Exchange adjustment | (34,628) | – | (34,628) |
| Other borrowing and related costs | 9,199 | – | 9,199 |
| Total non-cash changes | (25,429) | 327,544 | 302,115 |
| At 31 December 2024 | 4,817,120 | 6,566 | 4,823,686 |

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

16 Cash and bank balances and other cash flow information (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

| | Bank and other borrowings \$'000 (note 19) | Interest payable \$'000 | Total \$'000 |
|---|---|-------------------------------|--------------------|
| At 1 January 2025 | 4,817,120 | 6,566 | 4,823,686 |
| Changes from financing cash flows : | | | |
| Proceeds from new bank borrowings | 3,180,000 | – | 3,180,000 |
| Repayment of bank borrowings and medium term notes | (3,180,000) | – | (3,180,000) |
| Other borrowing costs paid | (9,320) | – | (9,320) |
| Interest paid | – | (174,789) | (174,789) |
| Total changes from financing cash flows | (9,320) | (174,789) | (184,109) |
| Non-cash changes : | | | |
| Interest expense (note 7(a)) | – | 174,335 | 174,335 |
| Reclassification adjustment on unwinding of swaps | – | 2,348 | 2,348 |
| Exchange adjustment | 1,939 | – | 1,939 |
| Other borrowing and related costs | 5,043 | – | 5,043 |
| Total non-cash changes | 6,982 | 176,683 | 183,665 |
| At 31 December 2025 | 4,814,782 | 8,460 | 4,823,242 |

17 Tenants' deposits

The tenants' deposits include \$101,519,000 (2024 : \$113,340,000) which is expected to be settled after one year. The remaining balances are expected to be settled within one year if the corresponding tenancies are not renewed upon expiry.

18 Trade and other payables

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| Creditors and accrued charges | 52,342 | 44,775 |
| Manager's fees payable (note 25(b)(iii)) | 20,650 | 19,797 |
| Amounts due to related companies | 9,461 | 9,678 |
| | 82,453 | 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 \$1,028,000 (2024 : \$971,000) which is due within 30 days.

19 Bank and other borrowings

| | 2025 \$'000 | 2024 \$'000 |
|---|------------------|----------------|
| Bank loans (notes (i) & (ii)) | | |
| – Secured | 2,093,338 | 1,297,971 |
| – Unsecured | 2,721,444 | 3,220,171 |
| | 4,814,782 | 4,518,142 |
| Medium term notes | | |
| – Unsecured (note (iii)) | – | 298,978 |
| | 4,814,782 | 4,817,120 |
| The bank and other borrowings were repayable as follows : | | |
| Within one year | 1,199,244 | 1,498,123 |
| After one year but within two years | 845,260 | 2,675,923 |
| After two years but within five years | 2,770,278 | 643,074 |
| | 3,615,538 | 3,318,997 |
| | 4,814,782 | 4,817,120 |

Notes :

- (i) The Group entered into IRSs and CCIRS, details of which are set out in note 12.

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 \$4,780,000,000 at 31 December 2025 (2024 : \$4,952,000,000) (note 10); 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 31 December 2025, the amount of bank loans included an unrealised exchange gain on the foreign currency borrowing amounting to \$165,765,000 (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 12) in the net assets attributable to unitholders.
- (iii) The Group has a US\$1,000,000,000 (2024 : US\$1,000,000,000) Medium Term Note Programme (“**MTN programme**”). During the year ended 31 December 2025, the 5-year notes with nominal amount of \$300,000,000 issued by Sunlight REIT MTN Limited under the MTN programme matured and were fully repaid. The notes carried a fixed coupon rate of 2.00% per annum and were 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 3.66% per annum (2024 : 4.26% per annum).
- (v) At 31 December 2025, the Group’s uncommitted revolving credit facilities of \$300,000,000 (2024 : \$300,000,000) remained undrawn.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

20 Units in issue

| | Number of units | |
|---------------------------------------|-----------------|---------------|
| | 2025 | 2024 |
| At the beginning of the year / period | 1,726,707,663 | 1,695,035,157 |
| Movement during the year / period | | |
| – Issuance of units | 21,425,506 | 33,672,506 |
| – Units bought back | – | (2,000,000) |
| At the end of the year / period | 1,748,133,169 | 1,726,707,663 |

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

| Payment of the Manager's fees for the year / period | Average issue price per unit determined based on the Trust Deed \$ | Aggregate amount of units issued \$'000 | Number of units issued |
|---|--|---|------------------------|
| For the year ended 31 December 2025 | | | |
| 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 |
| 1 April 2025 to 30 June 2025 | 2.260 | 10,957 | 4,848,261 |
| 1 July 2025 to 30 September 2025 | 2.252 | 10,917 | 4,847,629 |
| | | 44,277 | 21,425,506 |
| For the 18 months ended 31 December 2024 | | | |
| 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 |

20 Units in issue (continued)

During the year ended 31 December 2025, no unit was bought back by the Manager on behalf of Sunlight REIT.

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.

Details of the units buy-backs were as follows:

| | Number of units bought back | Price per unit | | Aggregate consideration \$'000 |
|---|--------------------------------|----------------|--------------|--------------------------------------|
| | | Highest \$ | Lowest \$ | |
| For the 18 months ended 31 December 2024 | | | | |
| 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.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

21 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its cash at bank and deposits with banks and financial institutions, derivative financial instruments, debt securities as well as trade and other receivables.

The debt securities held by the Group which measured at amortised cost are either with investment grade assigned by certain credit rating agencies or issued by a corporate entity which is listed on the SEHK. 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 year ended 31 December 2025.

Movement in the loss allowance for debt securities measured at amortised cost during the year / period is as follows :

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| At the beginning of the year / period | 22,537 | 16,205 |
| Provision for credit losses (note 6) | – | 6,332 |
| Written off | (22,537) | – |
| At the end of the year / period (note 13) | – | 22,537 |

The Group has no significant concentrations of credit risk. The Manager is of the opinion that monthly rents in respect of leasing properties are received in advance and there are no specific credit terms given to the tenants. The Group also has policies in place to ensure that rental deposits and / or guarantees are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions.

21 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk

The Group maintains sufficient cash reserve and revolving credit facilities provided by financial institutions with sound credit ratings to meet its liquidity requirements in the short and longer term.

The Group also monitors regularly its current and expected liquidity requirements and its compliance with lending covenants and limits on total borrowings as stipulated under the loan facility agreements and the REIT Code respectively.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay :

| | 2025 | | | | Carrying amount \$'000 |
|--|--|---|--|------------------|---------------------------|
| | Contractual undiscounted cash outflow / (inflow) | | | | |
| | Within 1 year or on demand \$'000 | More than 1 year but less than 2 years \$'000 | More than 2 years but less than 5 years \$'000 | Total \$'000 | |
| Bank and other borrowings | 1,354,965 | 1,136,519 | 2,950,603 | 5,442,087 | 4,814,782 |
| Tenants' deposits | 83,288 | 55,803 | 45,716 | 184,807 | 184,807 |
| Creditors and accrued charges | 52,342 | – | – | 52,342 | 52,342 |
| Manager's fees payable in the form of cash | 9,840 | – | – | 9,840 | 9,840 |
| Amounts due to related companies | 9,461 | – | – | 9,461 | 9,461 |
| | 1,509,896 | 1,192,322 | 2,996,319 | 5,698,537 | 5,071,232 |
| Derivative settled net : | | | | | |
| IRS and CCIRS contracts held as cash flow hedging instruments | 6,048 | 3,087 | (793) | 8,342 | |
| | | | | | |
| | 2024 | | | | Carrying amount \$'000 |
| | Contractual undiscounted cash outflow / (inflow) | | | | |
| | Within 1 year or on demand \$'000 | More than 1 year but less than 2 years \$'000 | More than 2 years but less than 5 years \$'000 | Total \$'000 | |
| Bank and other borrowings | 1,723,008 | 2,759,613 | 827,534 | 5,310,155 | 4,817,120 |
| Tenants' deposits | 79,371 | 67,933 | 45,407 | 192,711 | 192,711 |
| Creditors and accrued charges | 44,775 | – | – | 44,775 | 44,775 |
| Manager's fees payable in the form of cash | 8,631 | – | – | 8,631 | 8,631 |
| Amounts due to related companies | 9,678 | – | – | 9,678 | 9,678 |
| | 1,865,463 | 2,827,546 | 872,941 | 5,565,950 | 5,072,915 |
| Derivative settled net : | | | | | |
| IRS and CCIRS contracts held as cash flow hedging instruments | (11,815) | (8,432) | (451) | (20,698) | |

21 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate and currency risk

The Group's interest rate and currency risk arises from interest-bearing liabilities. Certain borrowings raised at variable interest rates expose the Group to cash flow interest rate risk, while one of the borrowings denominated in JPY exposes the Group to currency risk. The Group managed its cash flow interest rate risk and foreign currency risk by using floating-to-fixed IRSs and back-to-back JPY / HKD CCIRS. Such IRSs and CCIRS arrangements have the economic effect of converting borrowings from floating rates to fixed rates. Under the IRSs and CCIRS, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts, as well as the principal repayment of the foreign currency borrowing at a fixed exchange rate. Details regarding the IRSs and CCIRS are set out in note 12.

Sensitivity analysis

At 31 December 2025, if interest rates had been 10 basis points (2024 : 10 basis points) higher / lower with all other variable held constant, the loss after taxation and before transactions with unitholders would have been approximately \$2.0 million (2024 : \$3.1 million) higher / lower as a result of higher / lower interest expense on floating rate borrowings; while the net assets attributable to unitholders would have been approximately \$2.5 million (2024 : \$1.3 million) higher / lower, mainly as a result of an increase / decrease in the fair values of the cash flow hedges as described above.

At 31 December 2025, a 5% appreciation / depreciation of JPY against HKD would increase / decrease the net assets attributable to unitholders by \$0.2 million (2024 : \$0.4 million) as a result of an increase / decrease in the fair values of the cash flow hedges as described above.

The sensitivity analysis above has been determined assuming that the change in interest rates and exchange rate had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group. The analysis for change in interest rates and exchange rate has been performed in the same approach as in the prior period.

21 Financial risk management and fair values of financial instruments (continued)

(d) Fair values

(i) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

At 31 December 2025 and 2024, the Group's only financial instruments carried at fair value are the IRSs and CCIRS (see note 12), which fall under Level 2 of the fair value hierarchy as defined in HKFRS 13 (see note 10(a) for fair value hierarchy).

During the year ended 31 December 2025 and the 18 months ended 31 December 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.

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.

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

At 31 December 2025 and 2024, the carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values.

(e) Estimation of fair values

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of IRSs and CCIRS is calculated as the present value of the estimated future cash flows.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

22 Capital management

The Group's primary objective is to provide its unitholders risk-adjusted, long-term capital growth through investing in a diversified portfolio of office and retail properties in Hong Kong.

The Manager aims to support Sunlight REIT's operational and acquisition growth strategies by employing an efficient capital management strategy.

The Manager believes that an efficient capital management strategy will improve total returns while reducing risks for unitholders by maintaining financial flexibility to meet capital expenditure requirements. The Manager will regularly review its capital management strategy to appraise Sunlight REIT's investment opportunities, its operating and the general economic environment and the REIT Code requirements.

In accordance to clause 7.9 of the REIT Code and clause 20.4 of the Trust Deed, Sunlight REIT's aggregate borrowings shall not exceed 50 per cent of the total gross asset value of the scheme. In the event that the limit is exceeded, the unitholders and the Securities and Futures Commission (the "SFC") shall be informed of the magnitude of the breach, the cause of the breach, and the proposed method of rectification. In cases where there is a breach, no further borrowing is permitted and the Manager shall use its best endeavours to reduce the excess borrowings. Furthermore, the unitholders and the SFC shall be informed on a regular basis as to the progress of the rectification. At 31 December 2025, Sunlight REIT's aggregate borrowings, after taking into account the currency hedging through a CCIRS, represent 27.8% (2024 : 27.0%) of its total gross asset value.

23 Capital commitments

Capital commitments outstanding at 31 December 2025 not provided for in the consolidated financial statements are as follows :

| | 2025 | 2024 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Contracted for | 13,485 | 8,184 |
| Authorised but not contracted for | 14,169 | 19,372 |
| | 27,654 | 27,556 |

24 Significant leasing arrangements

The Group's total future minimum rental income receivables under non-cancellable operating leases are as follows :

| | 2025 | 2024 |
|---|----------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 487,037 | 515,538 |
| After one year but within two years | 276,402 | 296,996 |
| After two years but within three years | 127,692 | 131,774 |
| After three years but within four years | 39,799 | 59,992 |
| After four years but within five years | – | 36,598 |
| | 930,930 | 1,040,898 |

The operating leases typically run for an initial period of one to three years, with an option to renew the lease after that date at which time all terms are renegotiated.

25 Connected party transactions and material related party transactions

In addition to the transactions and balances disclosed elsewhere in the consolidated 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 year / 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 |

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

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

(b) Transactions with connected persons / related parties

| | Year ended 31 December 2025 \$'000 | 18 months ended 31 December 2024 \$'000 |
|--|---|--|
| Rental and rental related income received / receivable from (note (i)) : | | |
| – HLD Group | 10,086 | 16,116 |
| – HSBC Group | 20,324 | 29,202 |
| Property management expenses paid / payable to (note (i)) : | | |
| – HLD Group | (16,040) | (23,338) |
| Facilities leasing and other expenses paid / payable to (notes (i) & (vi)) : | | |
| – HLD Group | (199) | (76) |
| Manager's fees (notes (ii) & (iii)) | (86,873) | (135,055) |
| Property Manager's fees (note (iv)) | (46,631) | (71,570) |
| Trustee's remuneration and charges (notes (ii) & (v)) | (4,361) | (6,715) |
| Interest expense, debt establishment fee and security trustee fee on bank borrowings and other charges paid / payable to (note (i)) : | | |
| – HSBC Group | (49,387) | (105,372) |
| Net interest (expense) / income on IRSs (paid / payable) to / received / receivable from (note (i)) : | | |
| – HSBC Group | (2,243) | 20,535 |
| Interest income on bank deposits received / receivable from (note (i)) : | | |
| – HSBC Group | 1,731 | 1,620 |
| Interest income from debt securities received / receivable from (notes (i) & (vi)) : | | |
| – HLD Group | 206 | 308 |
| Promotional income received / receivable from (note (i)) : | | |
| – HLD Group | 3,128 | 5,607 |
| Additional consideration paid to (notes (ii) & (vii)) : | | |
| – HLD Group | – | (1,320) |

25 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 25 also constitute connected transactions / continuing connected transactions under the Listing Rules, other than the fees paid / payable to the Manager and the Trustee and the additional consideration paid to HLD Group (note (vii)). The disclosures as required under Chapter 14A of the Listing Rules are provided in "Connected Party Transactions" on pages 61 to 66 in this annual 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 ended 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.

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.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

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

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

Notes : (continued)

- (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).
- (vii) On 2 December 2006, the Group acquired certain companies from the Vendors by entering into several sale and purchase agreements (as clarified by way of letter agreements executed in 2016), which included clauses providing for additional consideration to be payable for the purchase of shares in companies having tax loss benefits, in an amount equivalent to the tax loss benefits of those companies that are utilised by the Group to offset tax liabilities which would otherwise arise. Pursuant to those agreements, the Group paid additional consideration in respect of the tax loss benefits so utilised.

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

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| HLD Group : | | |
| – Net payable amount | (24,494) | (24,346) |
| – Debt securities issued by HLD Group | 4,644 | 4,616 |
| HSBC Group : | | |
| – Deposits and cash placed with HSBC Group | 16,490 | 25,839 |
| – Bank borrowings and interest payable to HSBC Group | (1,302,282) | (1,302,211) |
| – Other net payable amount | (7,629) | (8,435) |

26 Accounting estimates and judgements

The key sources of estimation uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

Valuation of investment properties

In arriving at the fair value of the investment properties, the Manager has considered information from different sources, including a valuation performed by an independent firm of professional valuer after taking into consideration, among other things, the net rental income allowing for reversionary income potential, and other available market survey reports.

The assumptions adopted in the property valuations are based on the market conditions at the end of the reporting period, while making reference to current market selling prices and the appropriate capitalisation rates.

27 Non-adjusting event after the reporting period

After the end of the reporting period, the Board of Directors of the Manager declared a final distribution. Further details are disclosed in the “Distribution Statement” of the consolidated financial statements.

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments</i> : <i>disclosures – Amendments to the classification and measurement of financial instruments</i> | 1 January 2026 |
| Annual improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18, <i>Presentation and disclosure in financial statements</i> | 1 January 2027 |
| HKFRS 19, <i>Subsidiaries without public accountability : disclosures</i> | 1 January 2027 |

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following :

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 replaces HKAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of an entity’s financial performance reporting. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with retrospective application.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group will adopt HKFRS 18 when it becomes effective.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

29 Principal subsidiaries

Details of the principal subsidiaries of Sunlight REIT which, in the opinion of the Manager, materially contribute to the results of the Group or hold a material portion of the assets or liabilities of the Group are as follows :

| Name of subsidiary | Place of incorporation / operation | Particulars of issued share capital | % of shares held by | | Principal activity |
|--------------------------------------|------------------------------------|--|---------------------|--------------|---------------------------------|
| | | | Sunlight REIT | a subsidiary | |
| Sunlight REIT Holding Limited | Cayman Islands | 1 share of US\$1 | 100 | – | Investment holding |
| Bayman Limited | British Virgin Islands / Hong Kong | 1 share | – | 100 | Property investment |
| Bestguard Investment Limited | Hong Kong | 2 ordinary shares | – | 100 | Property investment |
| Global Team Development Limited | Hong Kong | 100 ordinary shares | – | 100 | Property investment |
| Glory Hero Development Limited | Hong Kong | 3,000,000 ordinary shares | – | 100 | Property investment |
| Grand Faith Development Limited | Hong Kong | 10,000,000 ordinary shares and 2 non-voting deferred shares | – | 100 | Property investment |
| Jetwise Investment Limited | Hong Kong | 10,000,000 ordinary shares and 10,000 non-voting deferred shares | – | 100 | Property investment |
| King Firm Enterprises Limited | Hong Kong | 1 share | – | 100 | Property investment |
| Nicetex Development Limited | Hong Kong | 2 ordinary shares and 2 non-voting deferred shares | – | 100 | Property investment |
| Seiren Investment Limited | Hong Kong | 10,000 ordinary shares | – | 100 | Property investment |
| Sunlight Crownwill Limited | British Virgin Islands / Hong Kong | 1 share | – | 100 | Property investment |
| Sunlight REIT Finance Limited | British Virgin Islands / Hong Kong | 1 share | – | 100 | Provision of finance functions |
| Sunlight REIT Finance (2020) Limited | Hong Kong | 1 share | – | 100 | Provision of finance functions |
| Sunlight REIT MTN Limited | British Virgin Islands / Hong Kong | 1 share | – | 100 | Provision of finance functions |
| Sunlight REIT Treasury Limited | British Virgin Islands / Hong Kong | 1 share | – | 100 | Provision of treasury functions |
| Tinselle Investment Limited | Hong Kong | 10,000,000 ordinary shares and 10,000 non-voting deferred shares | – | 100 | Property investment |
| Victory Wave Limited | Hong Kong | 1 share | – | 100 | Property investment |

Except for Sunlight REIT MTN Limited which had issued medium term notes as detailed in note 19, no other subsidiaries has issued any debt securities.

Performance Table

(Expressed in Hong Kong dollars, unless otherwise specified)

| | At 31 December 2025 | At 31 December 2024 | 2023 | At 30 June 2022 | 2021 |
|------------------------------------|------------------------------------|------------------------------------|-------------|----------------------------|-------------|
| Net asset value (\$ million) | 12,403 | 13,010 | 13,669 | 14,051 | 14,124 |
| Net asset value per unit | 7.09 | 7.53 | 8.06 | 8.36 | 8.45 |
| Market capitalisation (\$ million) | 4,108 | 3,212 | 4,882 | 6,138 | 7,508 |

| | Year ended 31 December 2025 | 18 months ended 31 December 2024 | Year ended 30 June | | |
|---|--|---|---------------------------|------|------|
| Note | 2023 | 2022 | 2021 | | |
| Highest traded unit price | 2.45 | 3.00 | 3.85 | 5.07 | 4.65 |
| Highest premium of the traded unit price to net asset value per unit | 1 | N/A | N/A | N/A | N/A |
| Lowest traded unit price | 1.74 | 1.48 | 2.45 | 3.53 | 3.29 |
| Highest discount of the traded unit price to net asset value per unit (%) | 75.5 | 80.3 | 69.6 | 57.8 | 61.1 |
| Closing unit price | 2.35 | 1.86 | 2.88 | 3.65 | 4.49 |
| Distribution per unit (cents) | 18.2 | 27.4 | 22.0 | 25.0 | 25.6 |
| Payout ratio (%) | 96.1 | 94.0 | 97.9 | 97.4 | 97.5 |
| Distribution yield per unit (%) | 2 | 7.7 | 9.8 | 7.6 | 6.8 |

Notes :

1. The highest traded unit price is lower than the net asset value per unit at the end of each financial year / period.
2. Distribution yield per unit is calculated by dividing the distribution per unit (annualised, if applicable) by the closing unit price of the last trading date of the financial year / period.

Financial Calendar

(for FY2025)

| | |
|--|--|
| 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 | paid on 9 September 2025 |
| <hr/> | |
| Final results | announced on 11 March 2026 |
| Ex-distribution date for final distribution | 26 March 2026 |
| Closure of register of unitholders for entitlement of final distribution | 30 March 2026 to 1 April 2026, both days inclusive |
| Annual report | posted on 9 April 2026 |
| Final distribution HK 9.1 cents per unit | to be paid on 14 April 2026 |
| Closure of register of unitholders for entitlement to attend and vote at the annual general meeting | 22 June 2026 to 25 June 2026, both days inclusive |
| Annual general meeting | to be held on 25 June 2026 |

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

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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

CMB Wing Lung Bank 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

Sunlight Real Estate Investment Trust

Managed by Henderson Sunlight Asset Management Limited

www.sunlightreit.com

