



SUNLIGHT REIT

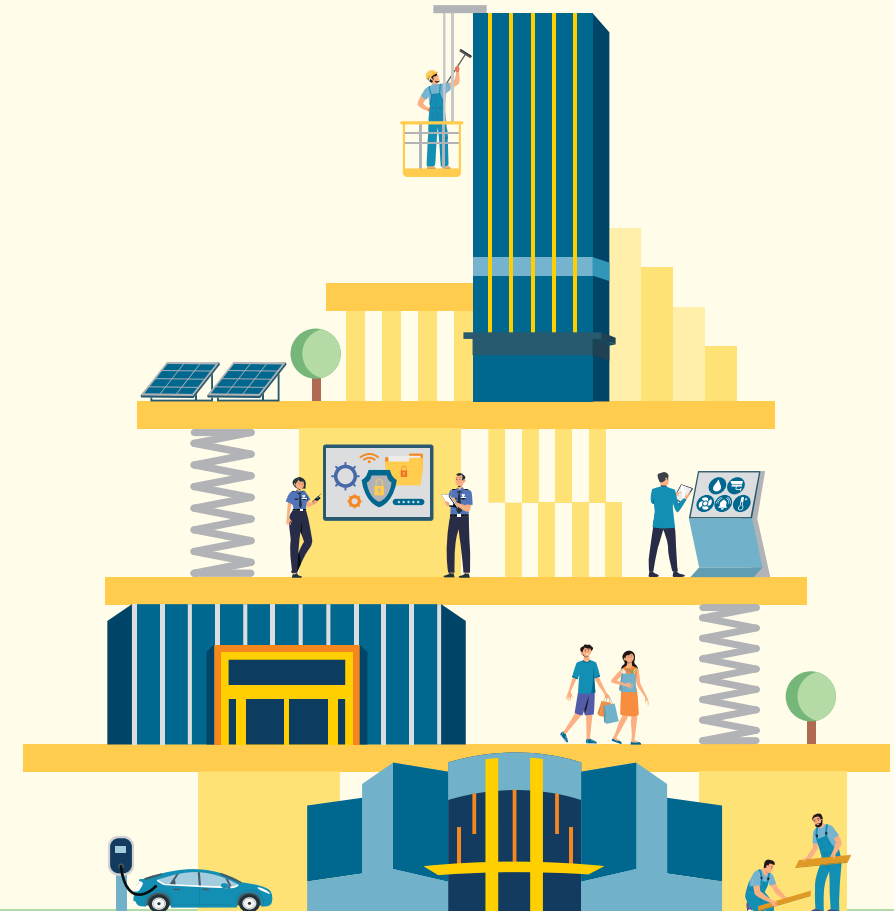
# 2023/24 FINAL RESULTS

FOR THE 18 MONTHS ENDED 31 DECEMBER 2024

INVESTOR PRESENTATION

11 MARCH 2025

## BUILDING RESILIENCE



## Results Summary (18 months ended 31 Dec 2024)

### Revenue

HK\$' million

**1,236.3**



783.3 (Year ended 30 Jun 2023)

### Net Property Income

HK\$' million

**957.7**



624.0 (Year ended 30 Jun 2023)

### Distributable Income

HK\$' million

**499.7**



380.3 (Year ended 30 Jun 2023)

- Sunlight REIT managed to deliver a stable operating performance, while distributable income continued to be affected by increases in both operating and interest expenses.
- Cost-to-income ratio rose from 20.3% in FY2022/23 to 22.5%.

## Comparison of Financial KPIs (on a calendarized basis)

### Revenue

HK\$' million

**817.1**

▲ 0.4% YoY

814.0 (12 months ended 31 Dec 2023)



### Net Property Income

HK\$' million

**634.5**

▼ 0.8% YoY

639.6 (12 months ended 31 Dec 2023)



### Distributable Income

HK\$' million

**337.3**

▼ 2.0% YoY

344.4 (12 months ended 31 Dec 2023)

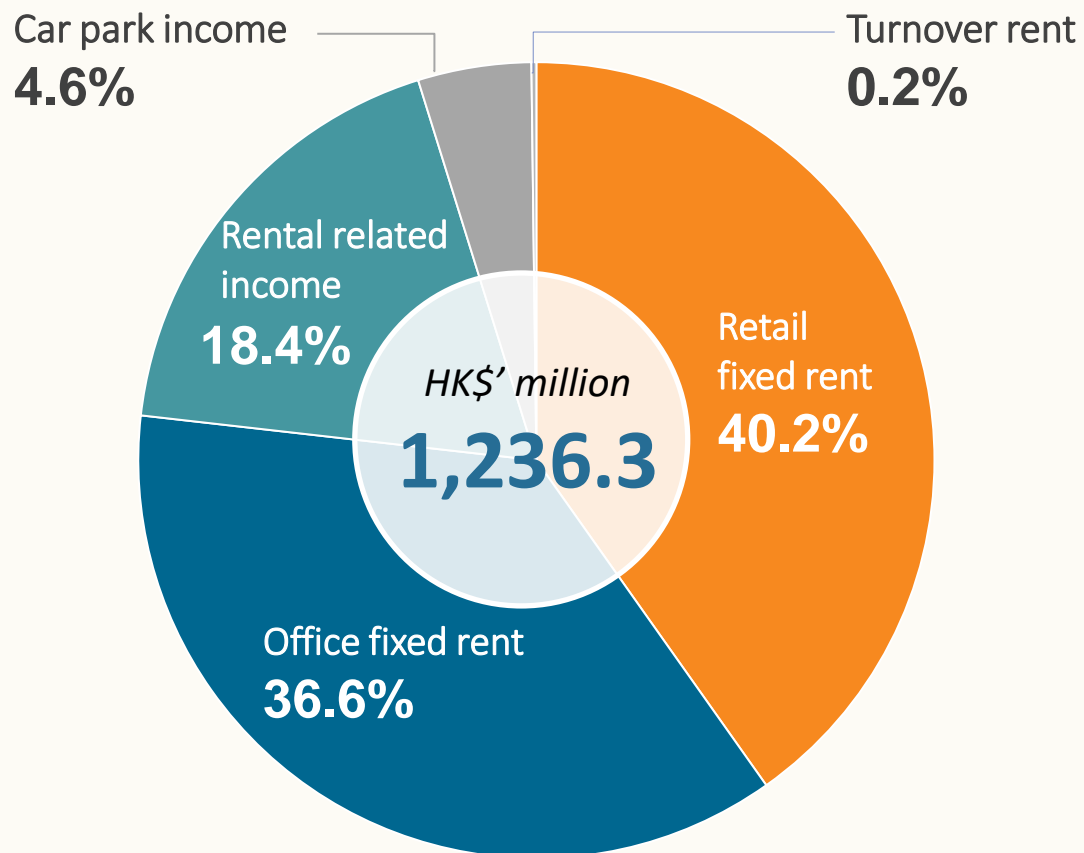


- On a calendarized basis, revenue was up 0.4%, while net property income was down 0.8%.

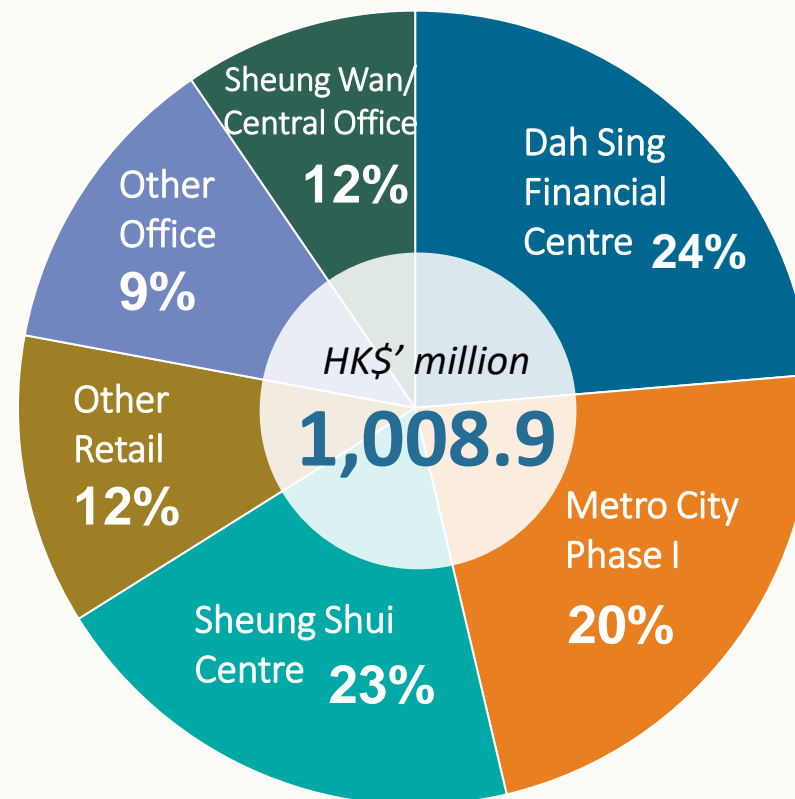
# Revenue Analysis



## Revenue by Income Type



## Rental and Car Park Income by Property



## Financial KPIs

### Net Asset Value Per Unit

HK\$

**7.53**



8.06 (30 Jun 2023)

### Gearing Ratio

**27.0%**



26.1% (30 Jun 2023)

### Interest Coverage Ratio

**2.6x**



3.9x (Year ended 30 Jun 2023)

- A drop in NAV and a slight increase in gearing ratio were mainly driven by lower property valuation.
- Interest coverage ratio of 2.6x reflected the sharp increase in cash interest expenses.

# Distribution Summary

## Distribution Per Unit

HK cents

**27.4**



22.0 (Year ended 30 Jun 2023)

## Payout Ratio

**94.0%**



97.9% (Year ended 30 Jun 2023)

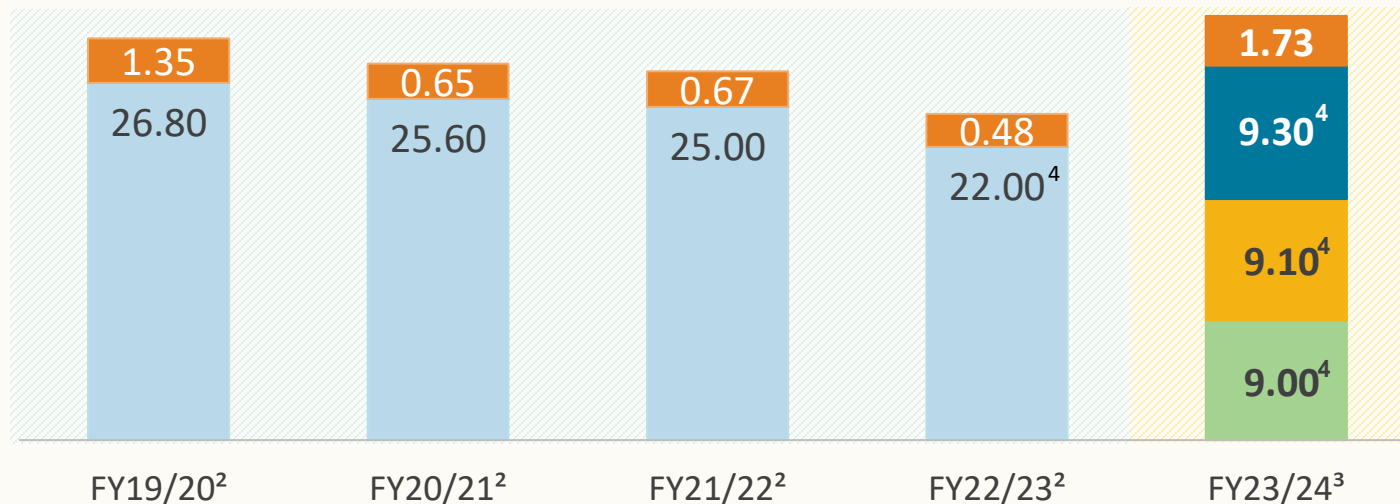
## Annualised Distribution Yield<sup>1</sup>

**9.8%**



7.6% (Year ended 30 Jun 2023)

HK cents



- Portion of distributable income retained
- Total distribution
- Final distribution
- Second interim distribution
- First interim distribution

Notes:

1. Based on the closing price of HK\$1.86 on 31 December 2024
2. For the financial year ended 30 June
3. For the 18-month financial year ended 31 December 2024
4. Distribution per unit was HK18.4 cents for the 12 months ended 31 December 2024 (12 months ended 31 December 2023: HK20.0 cents)

# Portfolio Performance



# Operating Performance Summary

## Cost-to-income Ratio

**22.5%**



20.3% (Year ended 30 Jun 2023)

## Occupancy Rate

**91.3%**



93.3% (30 Jun 2023)

## Passing Rent (HK\$/sq. ft.)

**43.7**



45.4 (30 Jun 2023)

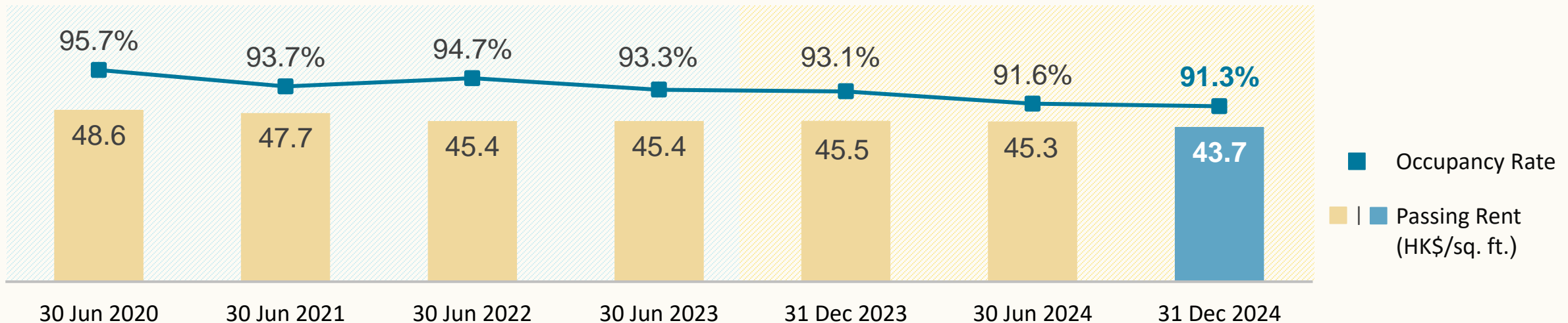
## Rental Reversion

**-2.6%**



-2.3% (Year ended 30 Jun 2023)

## Occupancy Rate and Passing Rent



# Operating KPIs: Office Portfolio

## Rental and Car Park Income

HK\$' million

**461.5**

320.7 (Year ended 30 Jun 2023)



## Occupancy Rate

**92.0%**

93.1% (30 Jun 2023)



## Passing Rent (HK\$/sq. ft.)

**32.1**

34.6 (30 Jun 2023)



## Rental Reversion

**-4.6%**

-2.1% (Year ended 30 Jun 2023)



# Operating KPIs: Retail Portfolio

## Rental and Car Park Income

HK\$' million

**547.4**

332.0 (Year ended 30 Jun 2023)



## Occupancy Rate

**90.1%**

93.5% (30 Jun 2023)



## Passing Rent (HK\$/sq. ft.)

**65.6**

65.6 (30 Jun 2023)



## Rental Reversion

**-0.6%**

-2.5% (Year ended 30 Jun 2023)



# Dah Sing Financial Centre

## Rental & Car Park Income

HK\$' million

**238.8**

CY2024: 156.7  
CY2023: 164.1 ▼ 4.5%

## Occupancy Rate

**92.2%**



## Rental Reversion

**-8.2%**



## Passing Rent

HK\$/sq. ft.

**36.9**



## Retention Rate

**52%**



## Expiry Profile

**25.2%**

By GRA (FY2025)

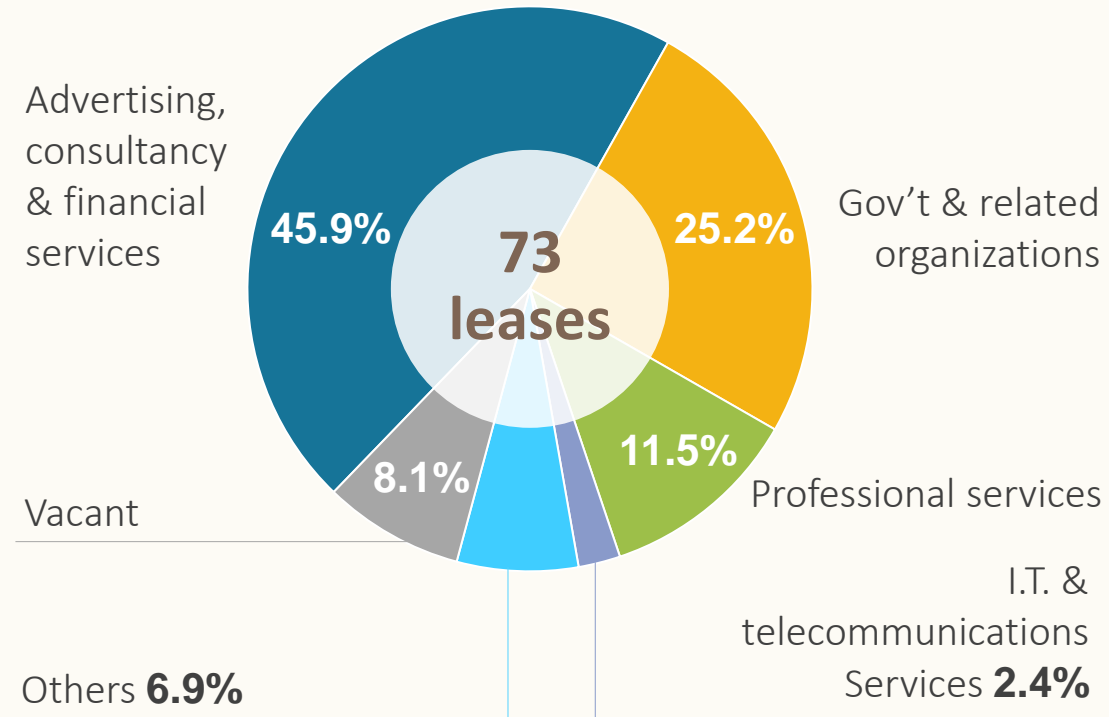
**HK\$38.9 psf.**

By Average Rent (FY2025)



- Encouraging new letting activities lifted its occupancy rate; negative rent reversion included a rent review for a key tenant.

## Tenant Mix



# Sheung Shui Centre Shopping Arcade

## Rental & Car Park Income

HK\$' million

**228.3**

CY2024: 151.8  
 CY2023: 151.5 ▲ 0.2%

## Occupancy Rate\*

**91.4%**



## Rental Reversion

**4.2%**



## Passing Rent

HK\$/sq. ft.

**103.9**



## Retention Rate

**77%**



## Expiry Profile

**37.8%**

By GRA (FY2025)

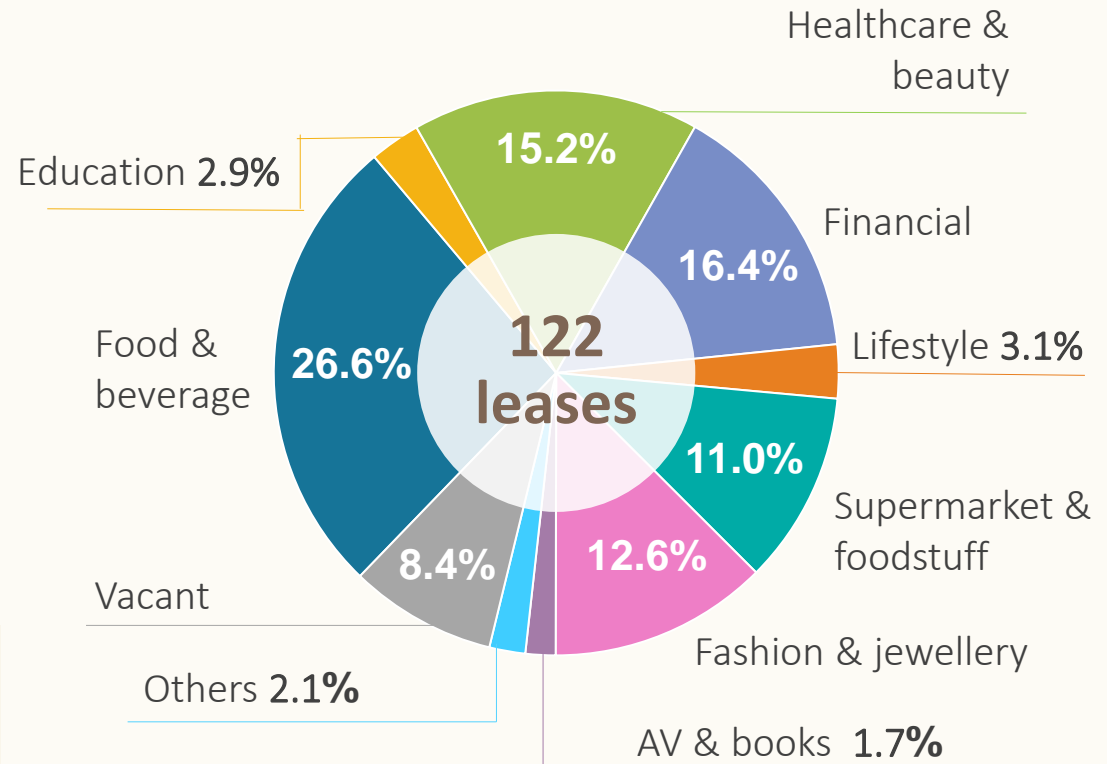
**HK\$95.6 psf.**

By Average Rent (FY2025)



Positive rental reversion was a notable achievement.

## Tenant Mix



\*The occupancy rate was 97.6% at 30 Jun 2023.

# Metro City Phase I

## Rental & Car Park Income

HK\$' million

**199.7**

CY2024: 132.9  
CY2023: 131.6 ▲ 1.0%

## Occupancy Rate

**91.7%**



## Rental Reversion

**-0.9%**



## Passing Rent

HK\$/sq. ft.

**52.2**



## Retention Rate

**82%**



## Expiry Profile

**27.0%**

By GRA (FY2025)

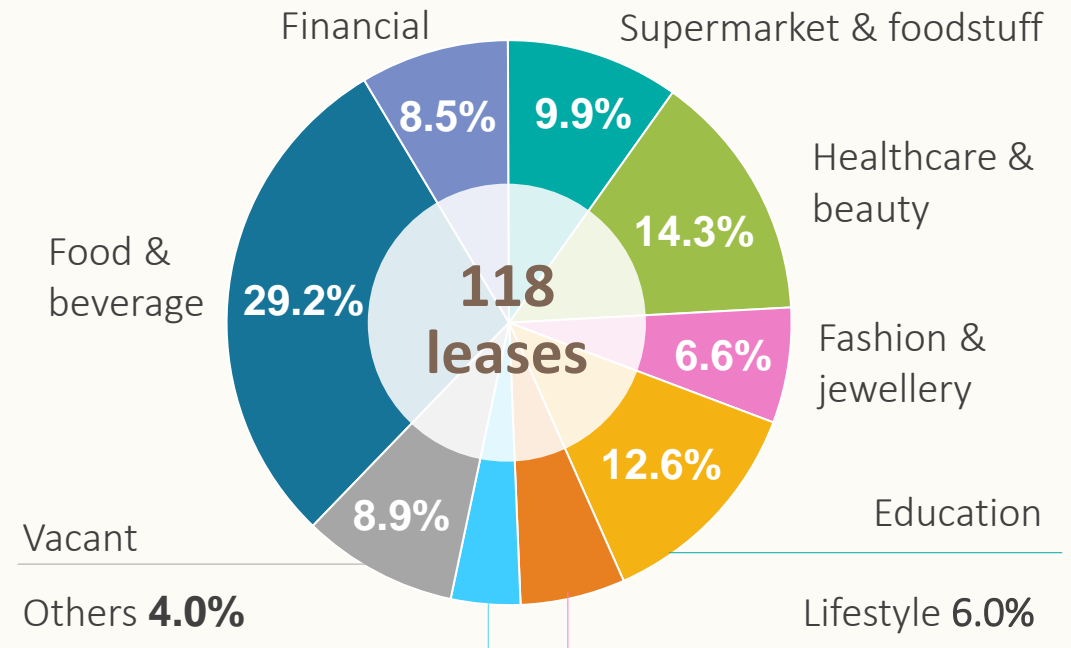
**HK\$51.9 psf.**

By Average Rent (FY2025)



- A high retention rate with steady occupancy provided strong support to its performance.

## Tenant Mix



# Property Valuation Summary



## Portfolio Valuation

HK\$' million

**17,933.6** ▼ 3.1%<sup>1</sup>



## Office Valuation

HK\$' million

**9,065.0** ▼ 5.1%<sup>1</sup>



## Retail Valuation

HK\$' million

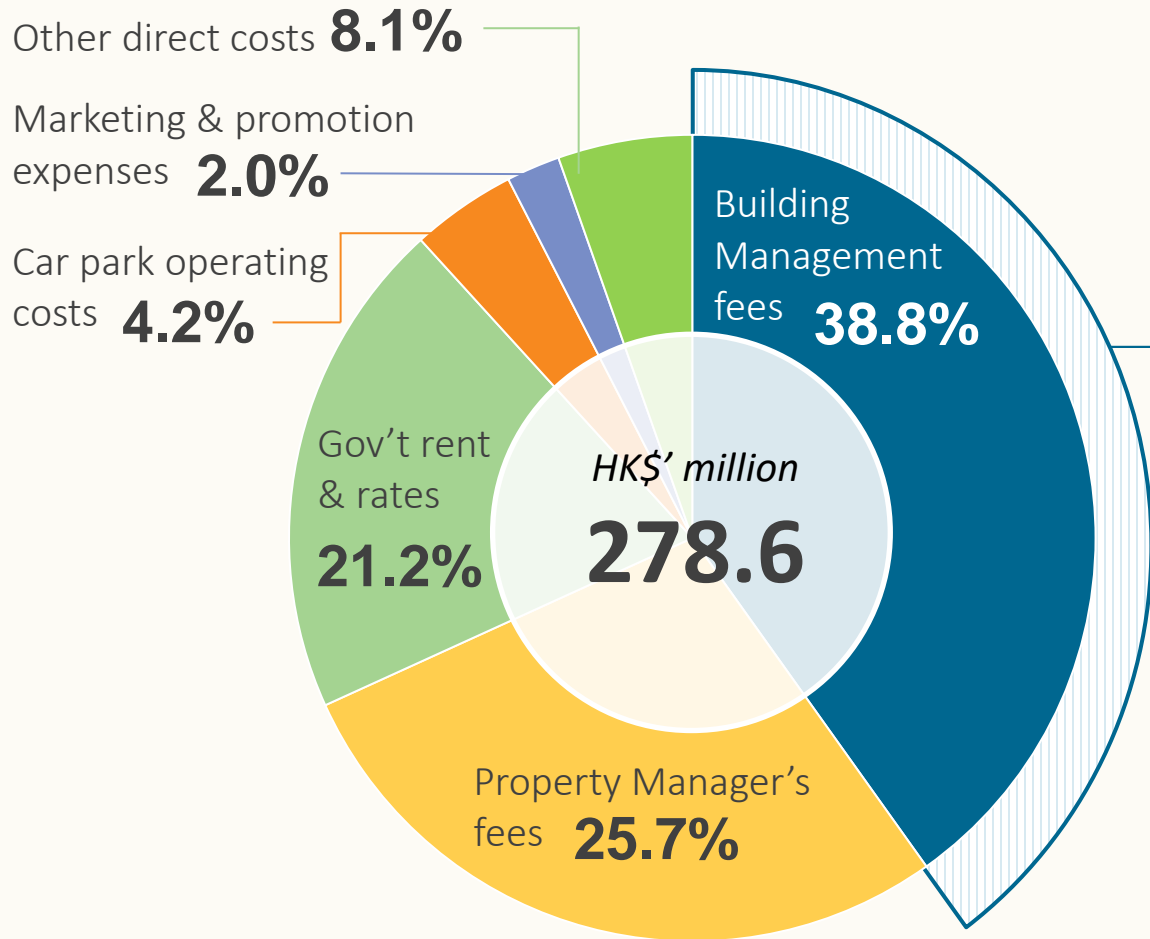
**8,868.6** ▼ 1.0%<sup>1</sup>

	At 31 Dec 2024		At 30 Jun 2023	
	Appraised Value			
<b>Office</b>				
<i>Dah Sing Financial Centre</i>	<b>4,731.0</b>		<b>5,023.0</b>	
<i>Sheung Wan/Central</i>	<b>2,587.0</b>		<b>2,716.2</b>	
<i>Other Office</i>	<b>1,747.0</b>		<b>1,817.1</b>	
<b>Retail</b>				
<i>Sheung Shui Centre</i>	<b>3,763.0</b>		<b>3,760.0</b>	
<i>Metro City Phase I</i>	<b>3,048.6</b>		<b>3,050.0</b>	
<i>Other Retail</i>	<b>2,057.0</b>		<b>2,145.9</b>	
<b>Capitalization Rate</b>				
<b>Office</b>	<b>3.65% – 3.95%</b>		<b>3.55% – 3.90%</b>	
<b>Retail</b>	<b>3.40% – 4.35%</b>		<b>3.40% – 4.35%</b>	

Note:

1. As compared to 30 June 2023

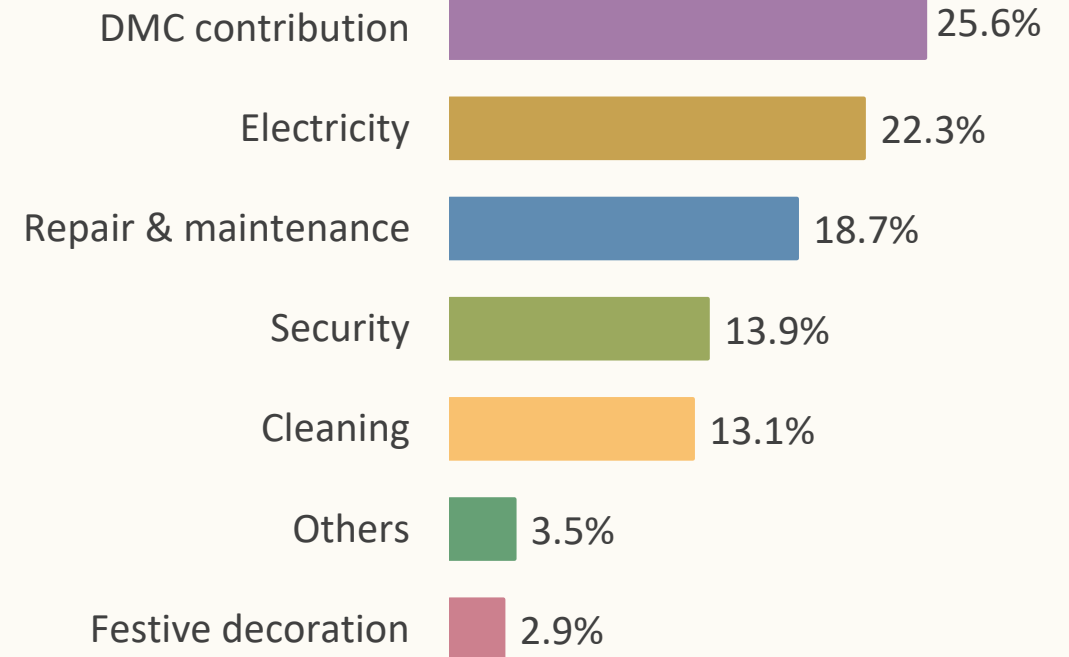
# Operating Expenses Analysis



## Building Management Fees

*HK\$' million*

**108.3**



# An Asset Revitalization Initiative

## West 9 Zone Kids

- A renovation scheme aimed to refresh the image and enhance the ambience and footfall of the property

### Design theme and features:

- **Cherry symbol** symbolizes cherished moments of learning and social gathering; design features crafting of a delightful entrance
- **Communal hub** promotes engagement with the neighbourhood, creating a vibrant sense of connectivity
- **Convertible concept** ensures conversion flexibility with sustainability elements embedded



Artist's impression

# Marketing Campaigns to Drive Consumer Spending

## Promotional activities



**SSC and MCPI x FoodieG Christmas Event**  
Dec 2024 - Jan 2025

## Roadshows and Pop-Up Stores



**MCPI – Electric Vehicle Pop-Up Store**  
Nov 2024 – Apr 2025



**SSC and MCPI – OH!-lympics Playground**  
Jul - Aug 2024



**SSC and MCPI – Mid-Autumn Roadshow**  
Sep 2024

# Capital Management



# Interest Rate Management

## Cash Interest Expense

HK\$' million

**319.2**



133.6 (Year ended 30 Jun 2023)

## Weighted Average Funding Cost

**4.2% p.a.**



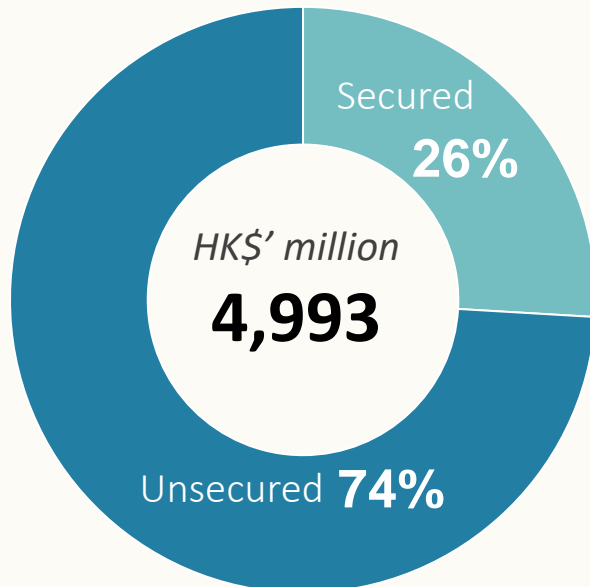
2.9% p.a. (Year ended 30 Jun 2023)

## Interest Margin

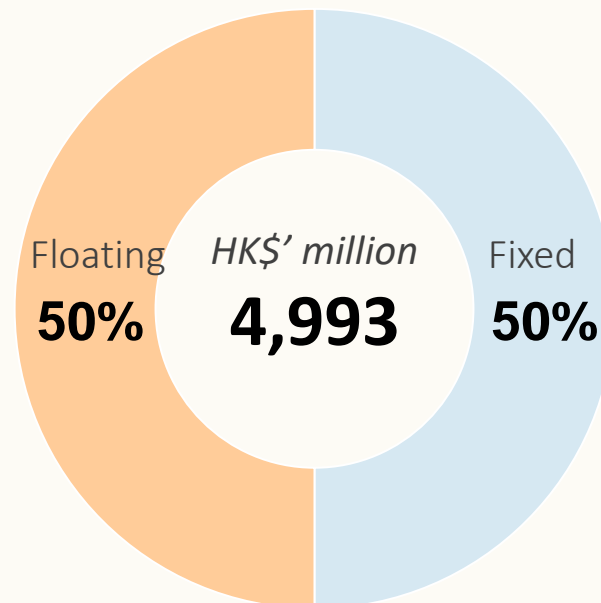
**HIBOR + 0.81% p.a.**

HIBOR + 0.79% p.a. (30 Jun 2023)

## Total Borrowings Composition



## Fixed vs Floating Rate Exposure



- Reflecting a persistently high interest rate environment, the weighted average funding cost was 4.2% p.a.
- An aggregate notional amount of HK\$1,100 million interest rate swaps (“IRS”) was executed, elevating the fixed rate exposure to 50.3% at 31 Dec 2024.
- Subsequent to the end of the Reporting Period, an additional IRS with a notional amount of HK\$100 million was entered into for a tenure of 3 years.

# Credit Profile

**Total Borrowings**  
HK\$' million

**4,993**

5,020 (30 Jun 2023)



**Interest Coverage Ratio**

**2.6x**

3.9x (Year ended 30 Jun 2023)



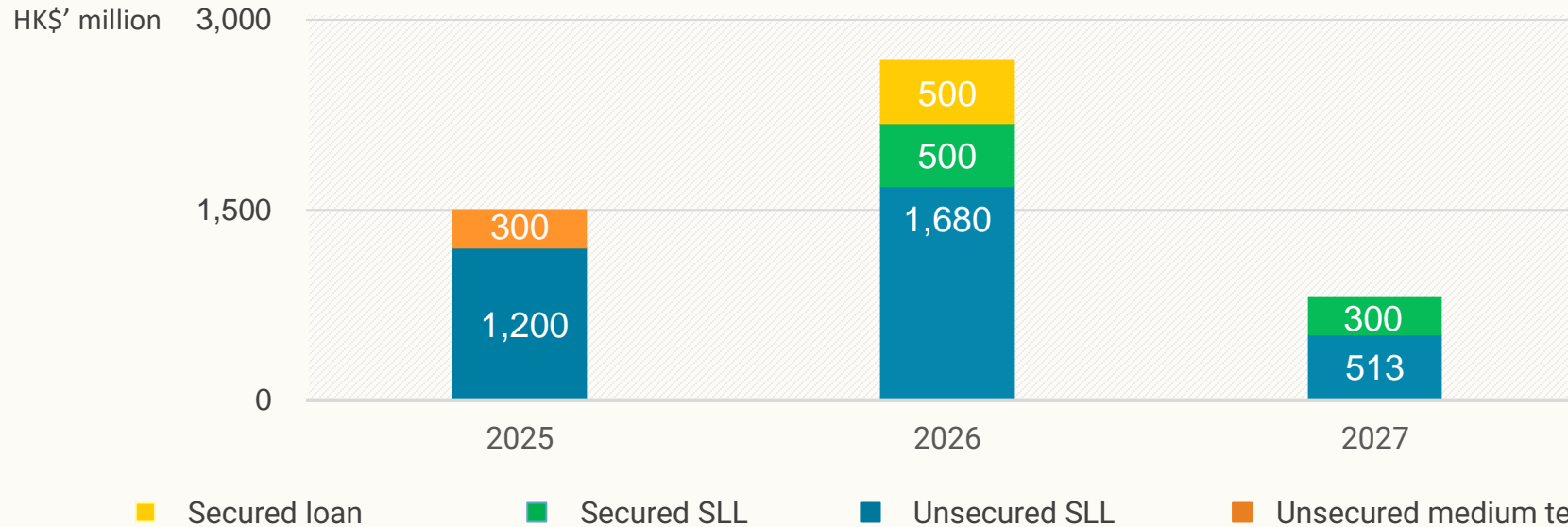
**Weighted Debt Maturity Period**

**1.4 years**

2.6 years (30 Jun 2023)



## Maturity Profile of Total Borrowings (at 31 Dec 2024)



# Prospects & Strategy



# Prospects and Strategy

## Challenges

- New letting demand for Grade A offices will remain lethargic, while the local retail landscape will continue to encounter cross-border competition
- Wage-push inflation will have an impact on operating margin
- Availability of credit and China factor

## BUILDING RESILIENCE



Developing a culture  
of resilience and  
innovation

## Strategy

- Explore alternative leasing strategies and new collaboration opportunities
- Deploy sufficient capital to upgrade the quality and provisions of properties
- Accelerate the utilization of proptech and Internet of Things to reduce reliance on labour-intensive procedures

# Strength



## Operations

- As compared to 30 June 2019, the office and retail passing rents have retreated by 9.6% and 13.5% respectively, which outperformed the relevant rental indices<sup>1</sup> by a substantial margin
- The average portfolio occupancy of 91.3% at 31 December 2024 also fared well in comparison with market average



## Capital Management

- Strong financial position with unwavering banking support offers stability amidst prevailing challenges



## Sustainability

- Attainment of a 4-star rating in the GRESB assessment
- Achieved a Gold rating under the Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance: Existing Buildings at Strand 50

Note:

1. According to the statistics provided by the principal valuer.

# Sustainability



# Major Sustainability Achievements

## 2024 GRESB Assessment



**4-star rating and  
Grade A for public disclosure**

### Improvement works

#### Management module:

- Obtained ISO14001 Environmental Management System
- Improvement in risk assessment (including technical building assessments, energy and water efficiency measures)
- Published a standalone Sustainability Report

#### Performance module:

- Improvement in waste management
- Obtained AA1000 v3 ESG data verification
- Obtained green building certifications for W9Z
- Conducted Arc energy rating

## LEED v4.1 Operations and Maintenance: Existing Buildings



**Gold rating for Strand 50**

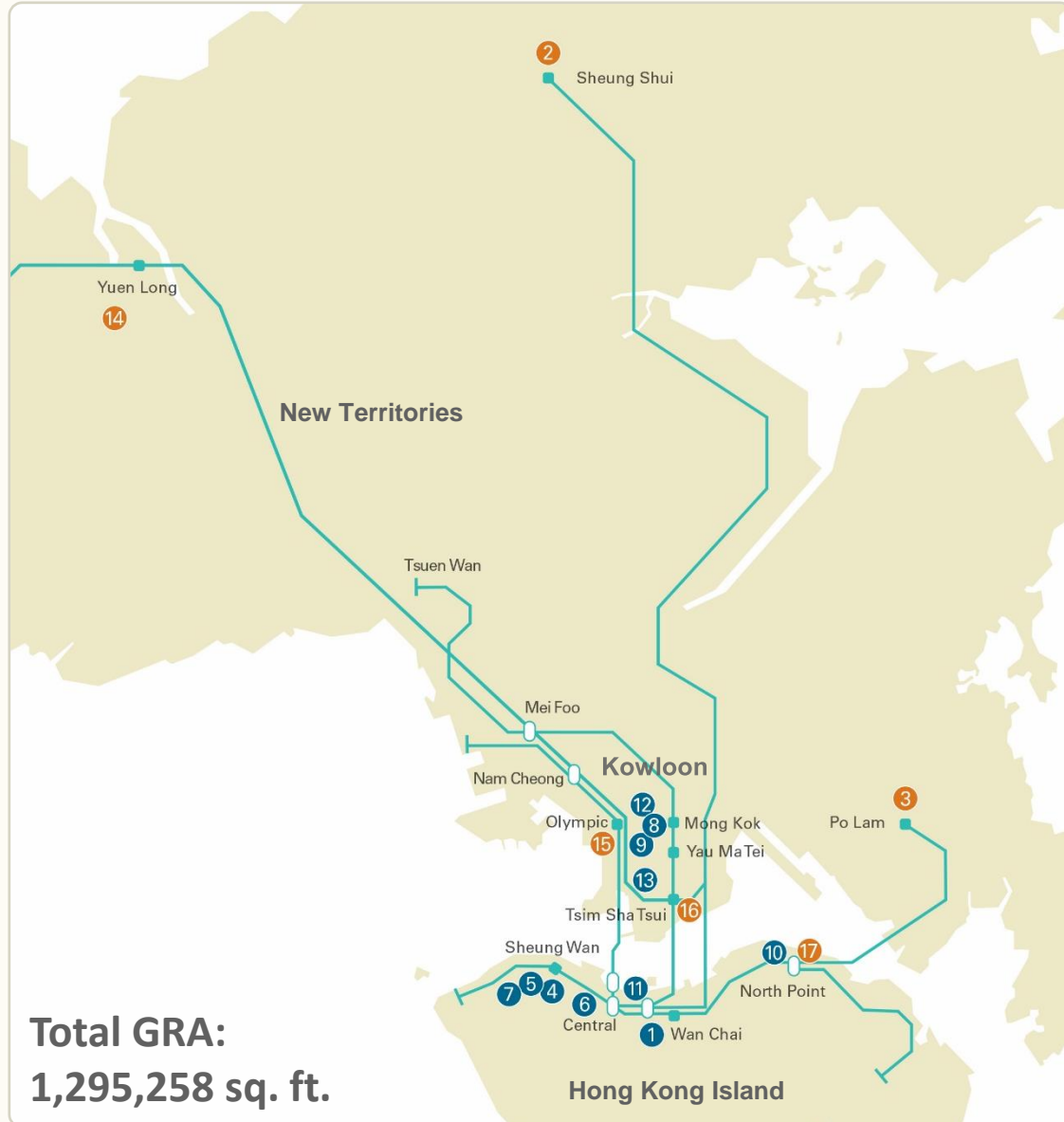
### Improvement works

- Established our Facility Maintenance and Renovation Policy as well as Green Cleaning Policy at Strand 50
- Tightened our site management and pest management plan

# Appendix



# Portfolio at a Glance



## Top three properties

1 Dah Sing Financial Centre \*

GRA: 376,381 sq. ft.



2 Sheung Shui Centre Shopping Arcade \*

GRA: 122,339 sq. ft.



3 Metro City Phase I Property \*

GRA: 188,889 sq. ft.



## Sheung Wan/Central office properties

GRA: 274,223 sq. ft.

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

## Other office properties

GRA: 194,019 sq. ft.

- 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

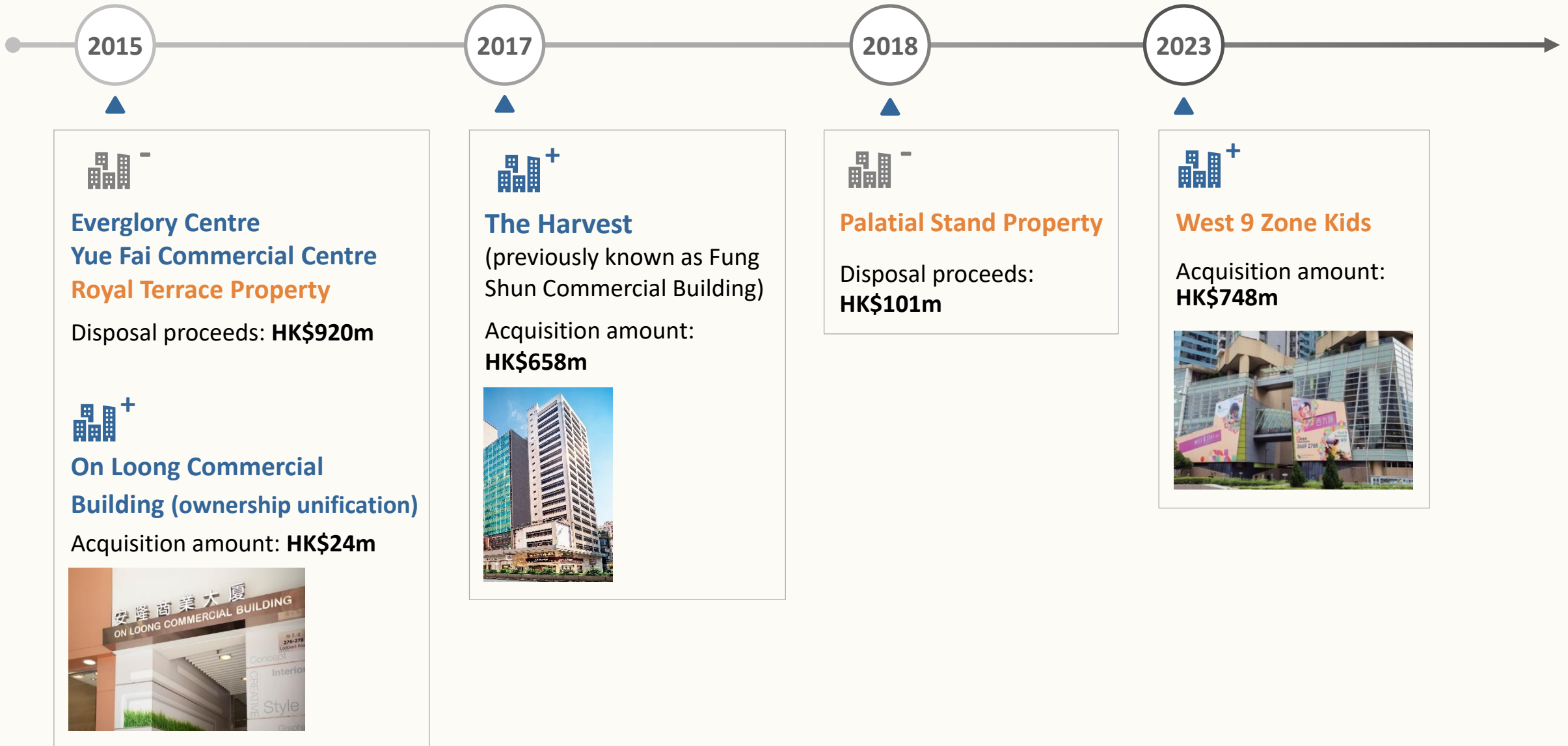
## Other retail properties

GRA: 139,407 sq. ft.

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

\* Green buildings

# Timeline of Major Asset Recycling



# Timeline of Major Asset Enhancement

## Rental Enhancement



Space reconfiguration  
CAPEX: HK\$25m  
**Sheung Shui Centre**

Refurbishment of  
lobby & office floors  
CAPEX: HK\$17m  
**The Harvest**

Space reconfiguration  
of low zone  
CAPEX: HK\$48m  
**Strand 50**

Space reconfiguration  
of 2/F  
CAPEX: HK\$17m  
**Metro City Phase I**

2014-2016

2017-2018

2019-2020

2022-2023

Replacement of  
chiller systems\*

CAPEX: HK\$11m

**Sheung Shui Centre**

Upgrade of water-cooled  
chiller\*

CAPEX: HK\$15m (2 phases)

**Sunlight Tower<sup>1</sup>**

Replacement of  
chiller systems\*

CAPEX: HK\$16m

**Metro City Phase I**

Replacement of  
chiller systems\*

CAPEX: HK\$6m

**Strand 50**

**Cost Saving  
and Green Initiatives**



Note 1 : The property has been renamed as Dah Sing Financial Centre since 8 March 2021.

\* Green initiatives

# Key Financial Information

Consolidated Statement of Profit or Loss		
	18 months ended 31 Dec 2024 HK\$' million	Year ended 30 Jun 2023 HK\$' million
Revenue	1,236.3	783.3
Property operating expenses	278.6	159.3
<b>Net property income</b>	<b>957.7</b>	624.0
Other income	32.3	7.5
Administrative expenses	(157.5)	(106.0)
Change in fair value of investment properties	(592.9)	(354.4)
<b>Profit from operations</b>	<b>239.6</b>	171.1
Finance costs on interest-bearing liabilities	(326.8)	(132.3)
Income tax	(85.8)	(67.2)
<b>Profit/ (loss) after taxation</b>	<b>(173.0)</b>	(28.4)

Financial Position		
	At 31 Dec 2024 HK\$' million	At 30 Jun 2023 HK\$' million
Non-current assets	18,004.6	18,653.5
Current assets	511.1	564.3
<b>Gross assets</b>	<b>18,515.8</b>	19,217.9
Current liabilities	(1,808.1)	(1,072.0)
Non-current liabilities	(3,697.6)	(4,476.6)
<b>Gross liabilities</b>	<b>(5,505.7)</b>	(5,548.7)
<b>Net assets</b>	<b>13,010.1</b>	13,669.2
No. of units in issue	1,726.7M	1,695.0M

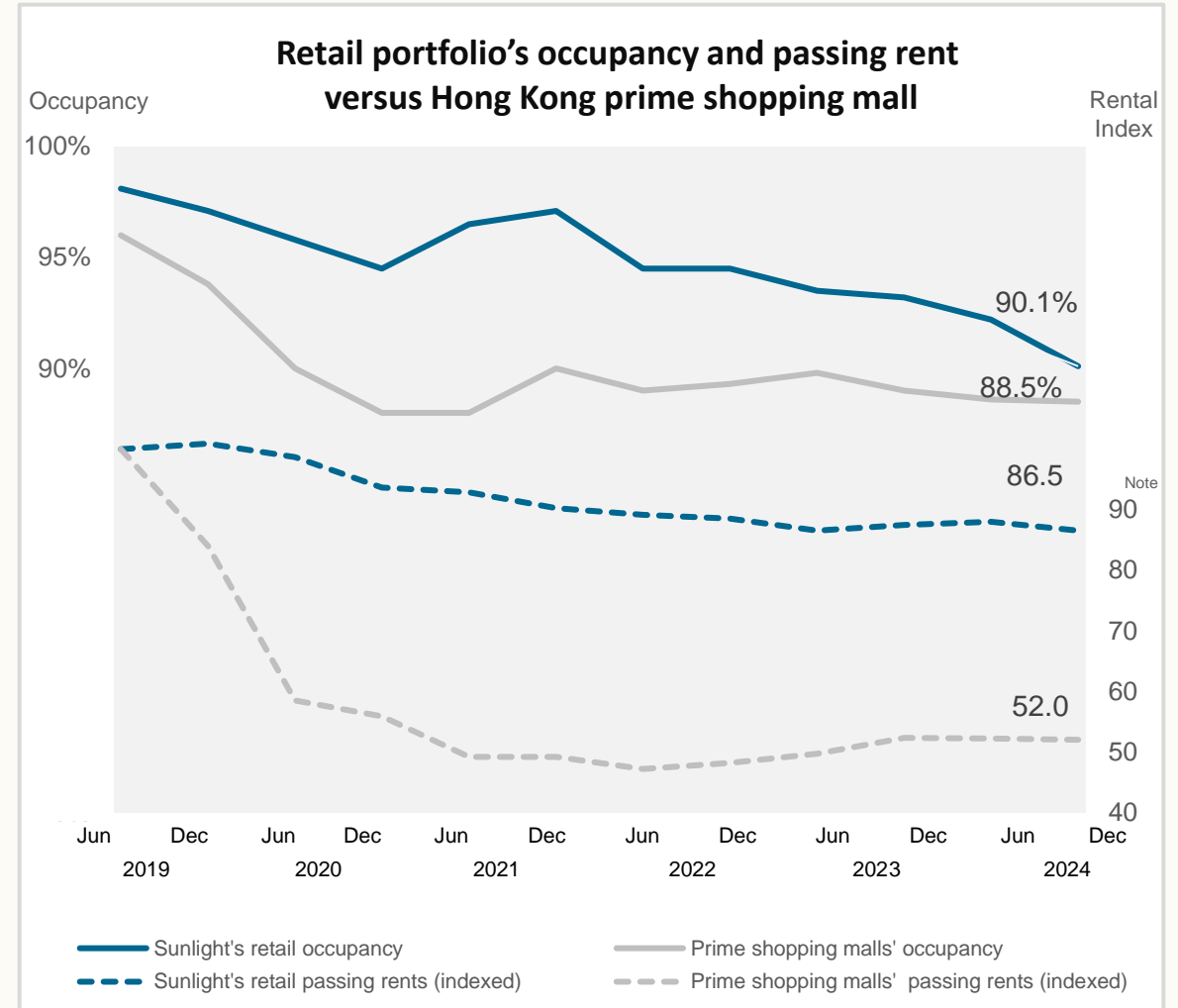
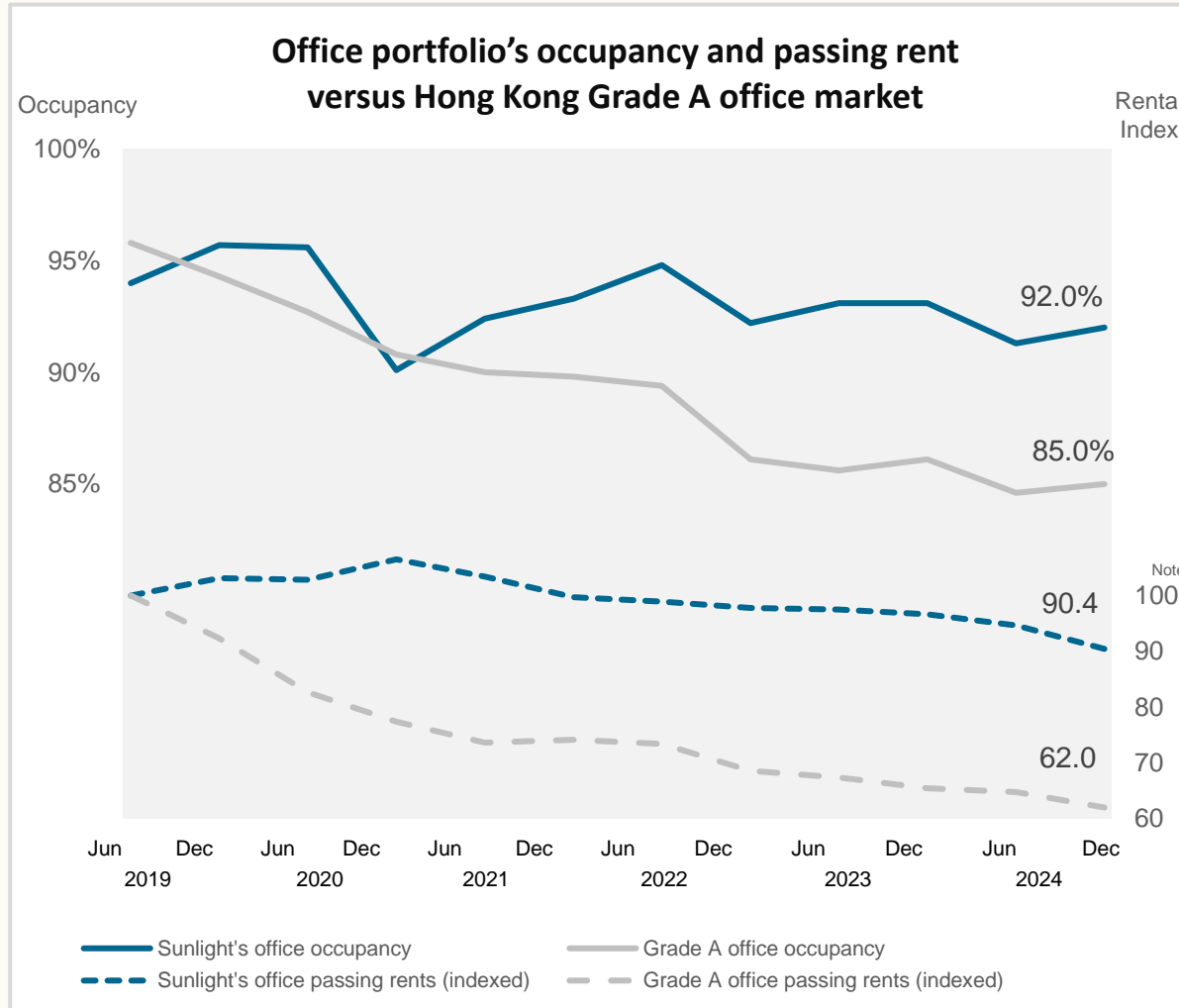
## Key Office Portfolio Statistics

Property	Occupancy rate (%)		Passing rent (HK\$/sq. ft.)		Rental and car park income (HK\$'000)		Appraised value (HK\$'000)
	at 31 Dec 2024	at 30 Jun 2023	at 31 Dec 2024	at 30 Jun 2023	18 months ended 31 Dec 2024	Year ended 30 Jun 2023	at 31 Dec 2024
<b>Office</b>							
<b>Grade A</b>							
Dah Sing Financial Centre	92.2	90.4	36.9	41.8	238,797	168,222	4,731,000
<b>Grade B</b>							
Strand 50	89.2	94.4	29.6	31.0	56,258	39,622	1,189,000
135 Bonham Strand Trade Centre Property	92.8	100.0	26.7	26.6	28,247	19,721	533,000
Winsome House Property	94.3	83.0	36.9	38.8	24,883	16,255	530,000
Righteous Centre	94.8	97.4	34.2	35.2	32,457	21,159	525,000
The Harvest	83.4	95.7	40.2	41.2	21,786	14,773	502,000
235 Wing Lok Street Trade Centre	88.4	96.7	19.7	19.7	17,094	11,642	335,000
Java Road 108 Commercial Centre	98.1	100.0	23.8	24.7	15,837	10,904	254,000
On Loong Commercial Building	98.0	100.0	25.5	27.9	11,875	8,886	225,000
Sun Fai Commercial Centre Property	96.7	91.0	21.8	22.0	9,787	6,452	163,000
Wai Ching Commercial Building Property	87.5	91.7	16.8	16.9	4,436	3,107	78,000
<b>Sub-total / Average</b>	<b>92.0</b>	<b>93.1</b>	<b>32.1</b>	<b>34.6</b>	<b>461,457</b>	<b>320,743</b>	<b>9,065,000</b>

## Key Retail Portfolio Statistics

Property	Occupancy rate (%)		Passing rent (HK\$/sq. ft.)		Rental and car park income (HK\$'000)		Appraised value (HK\$'000)
	at 31 Dec 2024	at 30 Jun 2023	at 31 Dec 2024	at 30 Jun 2023	18 months ended 31 Dec 2024	Year ended 30 Jun 2023	at 31 Dec 2024
<b>Retail</b>							
<b>New Town</b>							
Sheung Shui Centre Shopping Arcade	91.4	97.6	103.9	96.0	228,303	148,829	3,763,000
Metro City Phase I Property	91.7	92.2	52.2	53.8	199,681	129,903	3,048,600
Kwong Wah Plaza Property	97.3	95.4	51.6	54.6	63,506	40,851	1,101,000
<b>Urban</b>							
West 9 Zone Kids	73.4	85.7	48.2	55.7	47,241	6,809	806,000
Beverly Commercial Centre Property	91.2	100.0	31.7	29.8	4,245	2,688	75,000
Supernova Stand Property	100.0	100.0	58.8	57.3	4,435	2,892	75,000
<b>Sub-total / Average</b>	<b>90.1</b>	<b>93.5</b>	<b>65.6</b>	<b>65.6</b>	<b>547,411</b>	<b>331,972</b>	<b>8,868,600</b>

# Five-year Performance Profile



Note: Passing rent indexed to 100 at 30 June 2019.  
 Source: Knight Frank Petty Limited

# Our Sustainability Framework



# Major Sustainability Achievements

	DSFC	Strand 50	Righteous Centre	235 Wing Lok Street	SSC	MCPI	Kwong Wah Plaza	W9Z
BEAM Plus EB V2.0 Comprehensive Scheme	Final Platinum Rating							
BEAM Plus EB V2.0 Selective Scheme								
✓ Material and Waste Aspect		Excellent Grade						
✓ Indoor Environmental Quality Aspect		Excellent Grade						
✓ Site Aspects			Excellent Grade	Excellent Grade	Excellent Grade	Excellent Grade	Excellent Grade	Very Good Grade
LEED v4.1 Operations and Maintenance: Existing Buildings		Gold Rating						
Indoor Air Quality Certification	Excellent Class	Good Class	Good Class		Good Class	Good Class		Good Class



# Sustainability Roadmap

## FY2022/23 to FY2025




The second three-year roadmap

## FY2026 to FY2030

The five-year roadmap

		FY2022/23 to FY2025 The second three-year roadmap	FY2026 to FY2030 The five-year roadmap
Land	Green Building and Energy Efficiency	<p><b>Amended</b></p> <p>Regularly access, review and introduce ESG-driven building technologies in our portfolio</p>	Reduce 25% energy consumption by FY2030
	Waste and Water		<p>Divert 25% waste from landfill by FY2030</p> <p>Divert 25% water consumption by FY2030</p>
	Climate Change and Carbon Emissions	<p><b>Amended</b></p> <p>Complete climate transition plan by FY2025 to comply with the new disclosure requirement</p>	<p>Reduce 25% carbon emissions by FY2030</p> <p><b>Amended</b></p> <p>Conduct carbon audit for 80% of properties</p>
Human	Employee Engagement and Well-being	<p><b>Amended</b></p> <p>Conduct bi-annual employee well-being survey</p>	
	Health and Safety	<p><b>Achieved</b></p> <p>Evaluate occupational health and safety training needs of employees by FY2025</p>	
	Training and Development	Develop employee learning and development plan by FY2025	Increase 30% average training hours per employee by FY2030

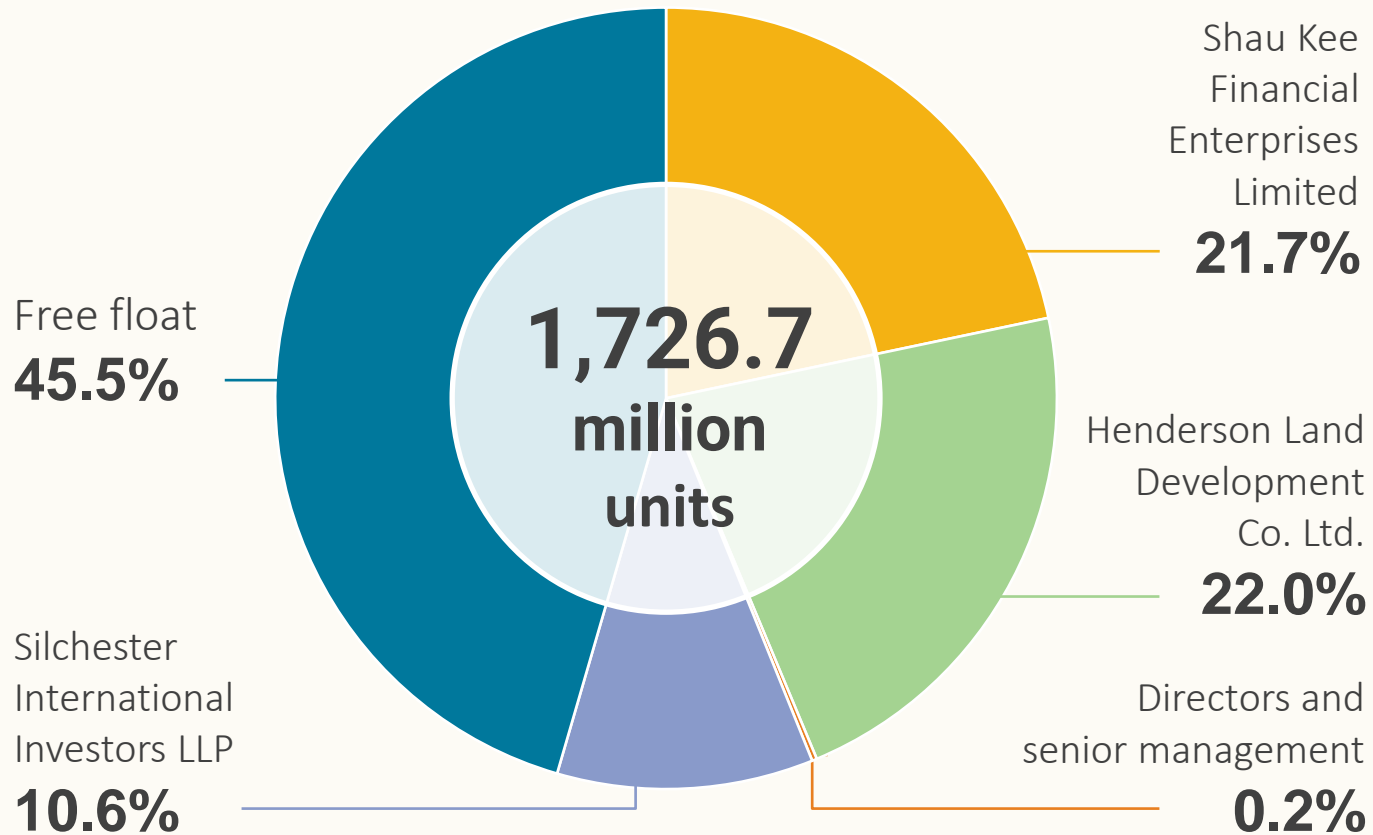
# Sustainability Roadmap (cont'd)

		FY2022/23 to FY2025 The second three-year roadmap	FY2026 to FY2030 The five-year roadmap
Partnership	Tenant Satisfaction and Well-being		<b>Amended</b> Establish a green lease programme by FY2027
	Supply Chain Management		<b>Amended</b> Develop supply chain risks assessment system by FY2026
	Sustainable Finance		<b>Amended</b> Develop a sustainable finance framework by FY2026
Neighbourhood	Placemaking and Community Investment		Increase 30% volunteering hours by FY2030
	Collaborations with NGOs		<b>Amended</b> Increasing 100% CSR expenses by FY2030
	Training and Development		Conduct impact measurement for major CSR initiatives by FY2030

# Sunlight REIT at a Glance

## Unitholding Structure

(at 31 Dec 2024)



## Market Capitalization

**HK\$3,212 million<sup>1</sup>**

## Unit Price

**HK\$1.86<sup>1</sup>**

## Discount to NAV

**75.3%**

Note 1 : The calculation of market capitalization is using the unit price at 31 December 2024.

## Contact Us

### REIT Manager

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