



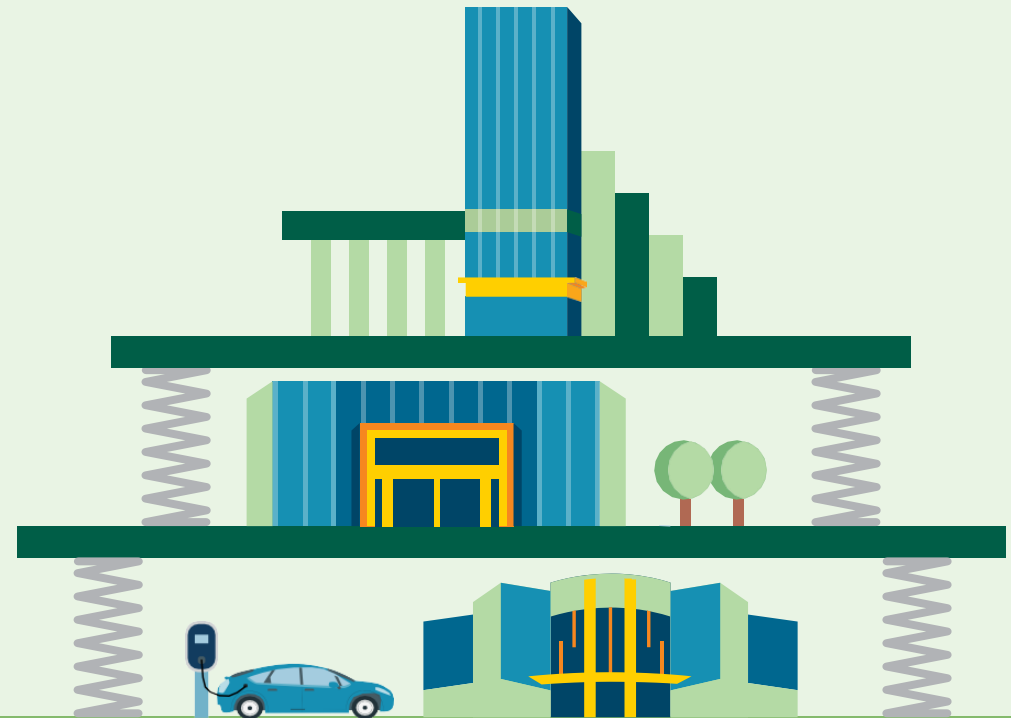
SUNLIGHT REIT

# 2025 Interim Results

For the six months ended 30 June 2025

Investor Presentation

11 August 2025



# Highlights

- Challenging operating environment with office vacancy rate staying at a high level while consumer sentiment remained cautious
- Notable decline in short-term HIBOR as Hong Kong benefitted from favourable capital inflows
- Revenue edged lower but distributable income was relatively sturdy
- Stringent cost management has become an imperative priority
- Refinancing of borrowings is progressing smoothly, reflecting the financial strength of Sunlight REIT

# Interim Results Summary

## Revenue

HK\$' million

**391.2**

▼ 4.8% YoY

## Net Property Income

HK\$' million

**307.4**

▼ 5.4% YoY

## Distributable Income

HK\$' million

**168.6**

▼ 1.8% YoY

## Performance Highlights:

- A year-on-year decline in revenue was recorded, mainly attributable to lower income contributions from Dah Sing Financial Centre, Metro City Phase I Property and West 9 Zone Kids, while property operating expenses eased 2.7%, bringing net property income down 5.4%.
- Distributable income was relatively sturdy with a mild drop of 1.8%, reflecting the positive impact from an approximately 14% savings in cash interest expense.

## Financial Position Summary

### Total Assets

HK\$' million

**18,220.2**

▼ 1.6% (vs 31 Dec 2024)

### Total Borrowings

HK\$' million

**4,993**

0.0% (vs 31 Dec 2024)

### Net Asset Value Per Unit

HK\$

**7.27**

▼ 3.5% (vs 31 Dec 2024)

### Gearing Ratio

%

**27.4**

27.0% (31 Dec 2024)

### Key Update:

- The gearing ratio was maintained at a manageable level.

# Distribution Summary

## Distribution Per Unit

HK cents

**9.1**

9.1 (6 months ended 30 Jun 2024)

## Payout Ratio

**93.8%**

90.9% (6 months ended 30 Jun 2024)

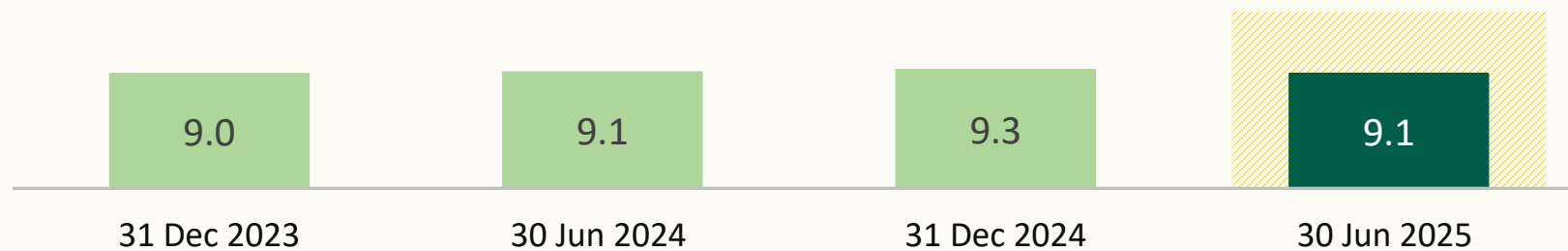
## Annualized Distribution Yield<sup>1</sup>

**8.1%**

10.6% (6 months ended 30 Jun 2024)

## DPU at a glance

HK cents



For the 6 months ended

Note:

1: Based on the closing prices of HK\$2.26 and HK\$1.71 on 30 June 2025 and 30 June 2024 respectively.

# Capital Management



# Interest Rate Management

## Cash Interest Expense

HK\$' million

**91.5**

▼ 13.8% YoY

## Effective Interest Rate

**3.7% p.a.**

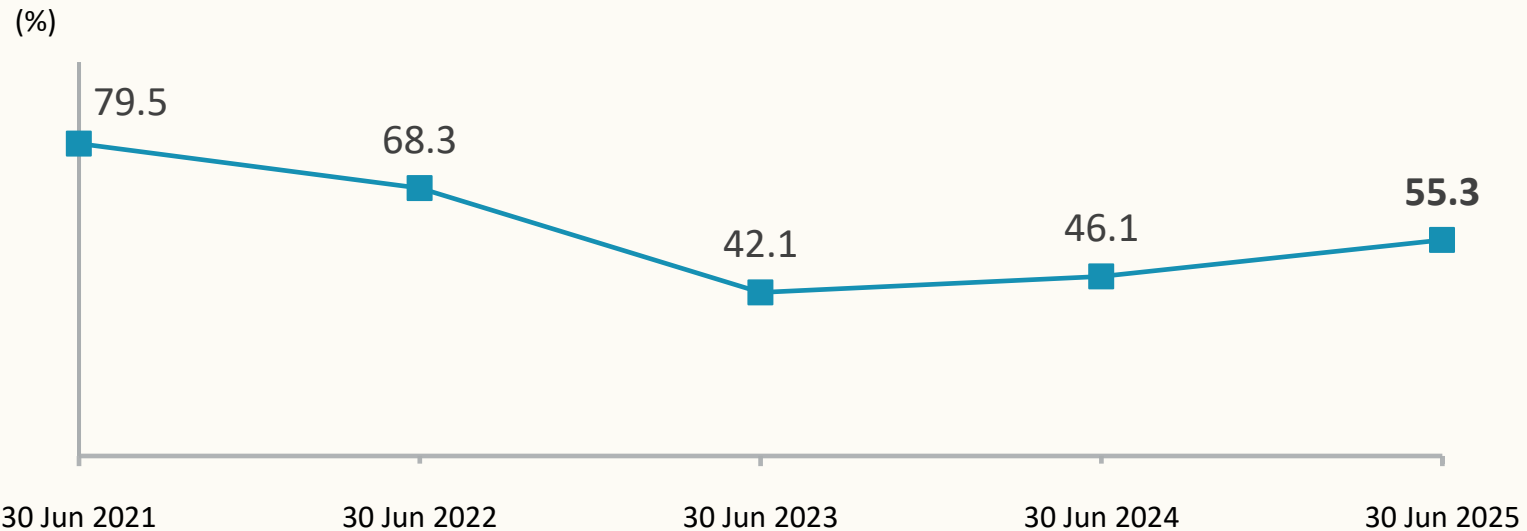
4.2% p.a. (6 months ended 30 Jun 2024)

## Weighted Average Interest Rate for Fixed Rate Borrowings

**3.48% p.a.**

2.94% p.a. (30 Jun 2024)

## Fixed Rate Borrowings as a % of Total Borrowings



- During the Reporting Period, interest rate swaps with an aggregate notional amount of HK\$650 million were executed to mitigate interest rate risk.

## Credit Profile

### Total Borrowings (HK\$' million)

# 4,993

4,993 (31 Dec 2024)

### Interest Coverage Ratio

# 2.9x

2.7x (6 months ended 30 Jun 2024)

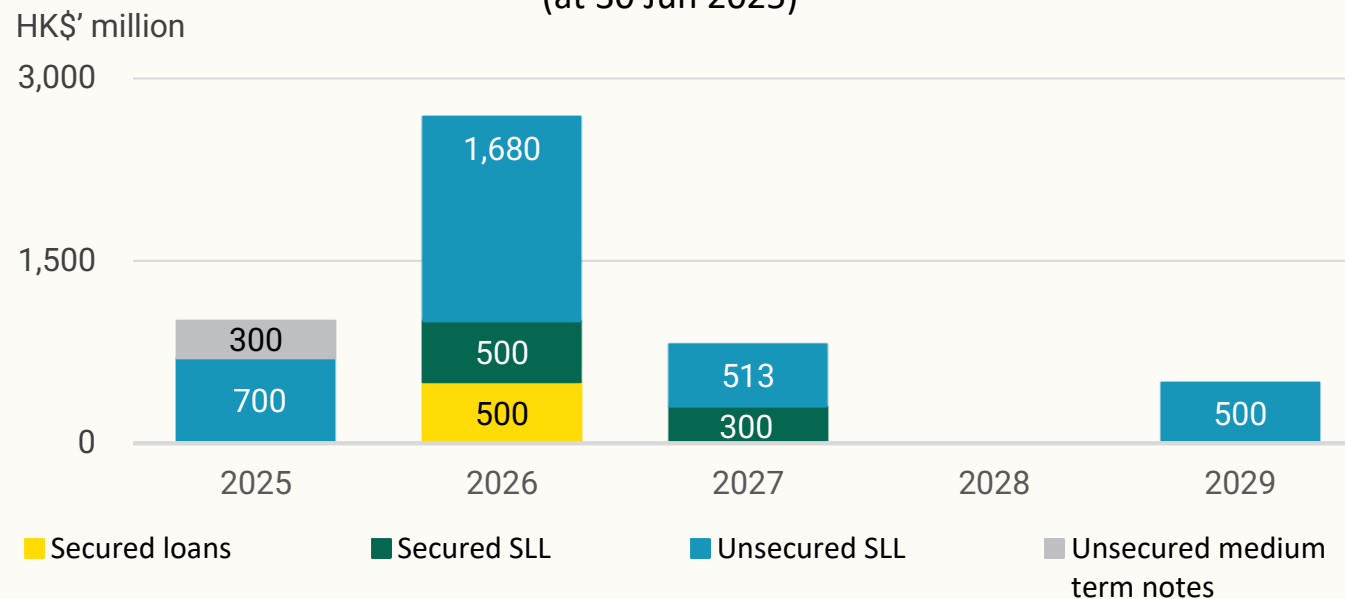
### Interest Margin

# HIBOR + 0.81% p.a.

HIBOR + 0.81% p.a. (30 Jun 2024)

### Maturity Profile of Total Borrowings

(at 30 Jun 2025)



- In August 2025, we entered into two new term loan facilities totalling HK\$700 million to refinance a term loan.
- Upon drawdown, secured loans and unsecured loans will be HK\$1,800M and HK\$3,193M respectively, with a weighted debt maturity period of 1.6 years.

# Portfolio Performance



# Operating Performance Summary

**Cost-to-income Ratio**

**21.4%**

21.0% (6 months ended 30 Jun 2024)

**Occupancy Rate**

**89.2%**

91.3% (31 Dec 2024)

**Passing Rent**

*HK\$/sq. ft.*

**43.3**

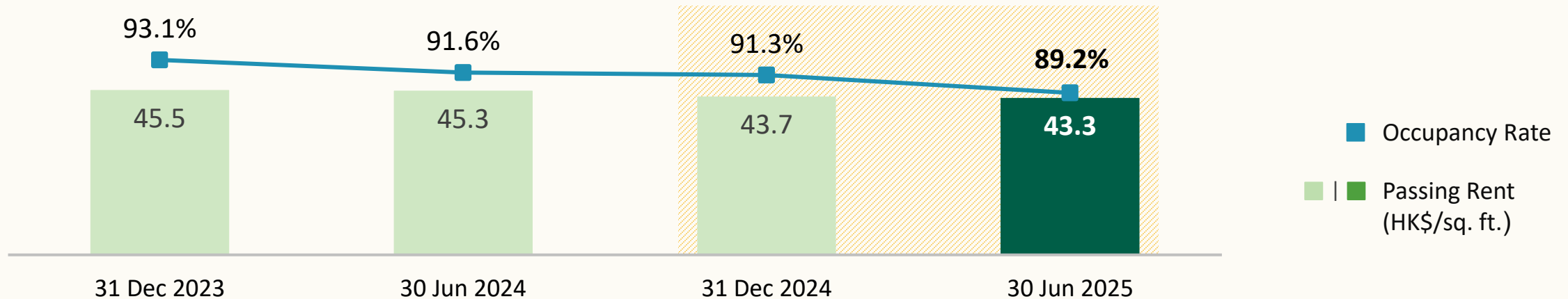
43.7 (31 Dec 2024)

**Rental Reversion**

**-7.7%**

-5.1% (6 months ended 31 Dec 2024)

**Occupancy Rate and Passing Rent**



# Operating KPIs

		Office		Retail	
		6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
<b>Rental and Car Park Income</b>	<i>HK\$' million</i>	<b>145.4</b>	153.2	<b>171.4</b>	183.6
<b>Rental Reversion</b>		<b>-8.5%</b>	-4.5%	<b>-7.1%</b>	2.9%
<b>Retention Rate</b>		<b>66%</b>		<b>70%</b>	
		<b>At 30 Jun 2025</b>	At 31 Dec 2024	<b>At 30 Jun 2025</b>	At 31 Dec 2024
<b>Occupancy Rate</b>		<b>90.0%</b>	92.0%	<b>87.6%</b>	90.1%
<b>Passing Rent</b>	<i>HK\$/sq. ft.</i>	<b>31.7</b>	32.1	<b>65.5</b>	65.6

- Reflecting the challenging operating environment, both office and retail portfolios registered negative rental reversions.
- The passing rent of the overall portfolio was relatively stable.

# Major Office Properties



	Occupancy Rate		Passing Rent HK\$/sq. ft.	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
① DSFC	90.6%	92.2%	36.3	36.9
② Strand 50	82.9%	89.2%	29.1	29.6
③ The Harvest	87.0%	83.4%	38.5	40.2
④ Righteous Centre	92.5%	94.8%	34.0	34.2

# Major Retail Properties



	Occupancy Rate		Passing Rent HK\$/ sq. ft.	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
① SSC	87.0%	91.4%	105.2	103.9
② MCPI	87.1%	91.7%	53.9	52.2
③ Kwong Wah Plaza	95.8%	97.3%	50.4	51.6
④ West 9 Zone Kids (W9Z)	79.5%	73.4%	42.8	48.2

# Property Valuation Summary

## Portfolio Valuation

HK\$' million

**17,630.5**

▼ 1.7%  
(vs 31 Dec 2024)

## Office Valuation

HK\$' million

**8,936.0**

▼ 1.4%  
(vs 31 Dec 2024)

## Retail Valuation

HK\$' million

**8,694.5**

▼ 2.0%  
(vs 31 Dec 2024)

	Appraised Value (HK\$' million)	
	At 30 Jun 2025	At 31 Dec 2024
<b>Office</b>		
Dah Sing Financial Centre (DSFC)	4,659.0	4,731.0
Sheung Wan/Central	2,547.0	2,587.0
Other Office Properties	1,730.0	1,747.0
<b>Retail</b>		
Sheung Shui Centre (SSC)	3,706.0	3,763.0
Metro City Phase I (MCPI)	2,981.5	3,048.6
Other Retail Properties	2,007.0	2,057.0
	Capitalization Rate (%)	
	At 30 Jun 2025	At 31 Dec 2024
<b>Office</b>	3.65 – 3.95	3.65 – 3.95
<b>Retail</b>	3.40 – 4.35	3.40 – 4.35

# Enhanced Customer Engagement and Stringent Cost Management

## Partnership of Customer Rewards Programme



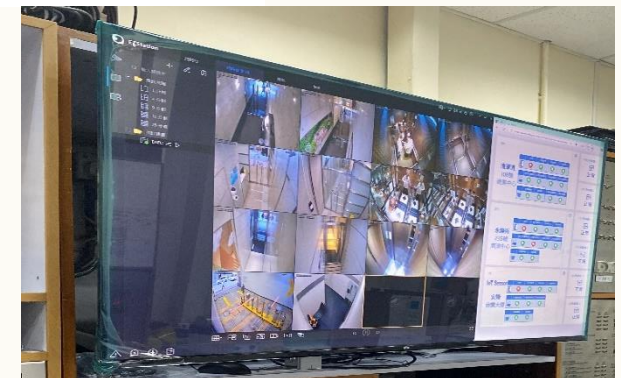
**H-COINS Membership Programme at SSC, MCPI and W9Z**

May 2025

## Smart Control System



**Remote access control system at Java Road 108 Commercial Centre**  
May 2025



**Integrated operations centre**

May 2025

# Prospects and Strategy



# Outlook and Strategy



## Outlook

- Hong Kong's commercial property market has yet to benefit from a more stable economic setting as the ongoing headwinds remain stiff.
- Leases due for expiry in the second half of 2025 are envisaged to stay under the pressure of negative rental reversion.
- Stringent cost management has become an imperative priority.



## CAPEX

- DSFC: Lift replacement scheme
- MCPI: Refurbishment works at the ground floor
- W9Z: Renovation project to be completed by the end of 2025



## Capital Management

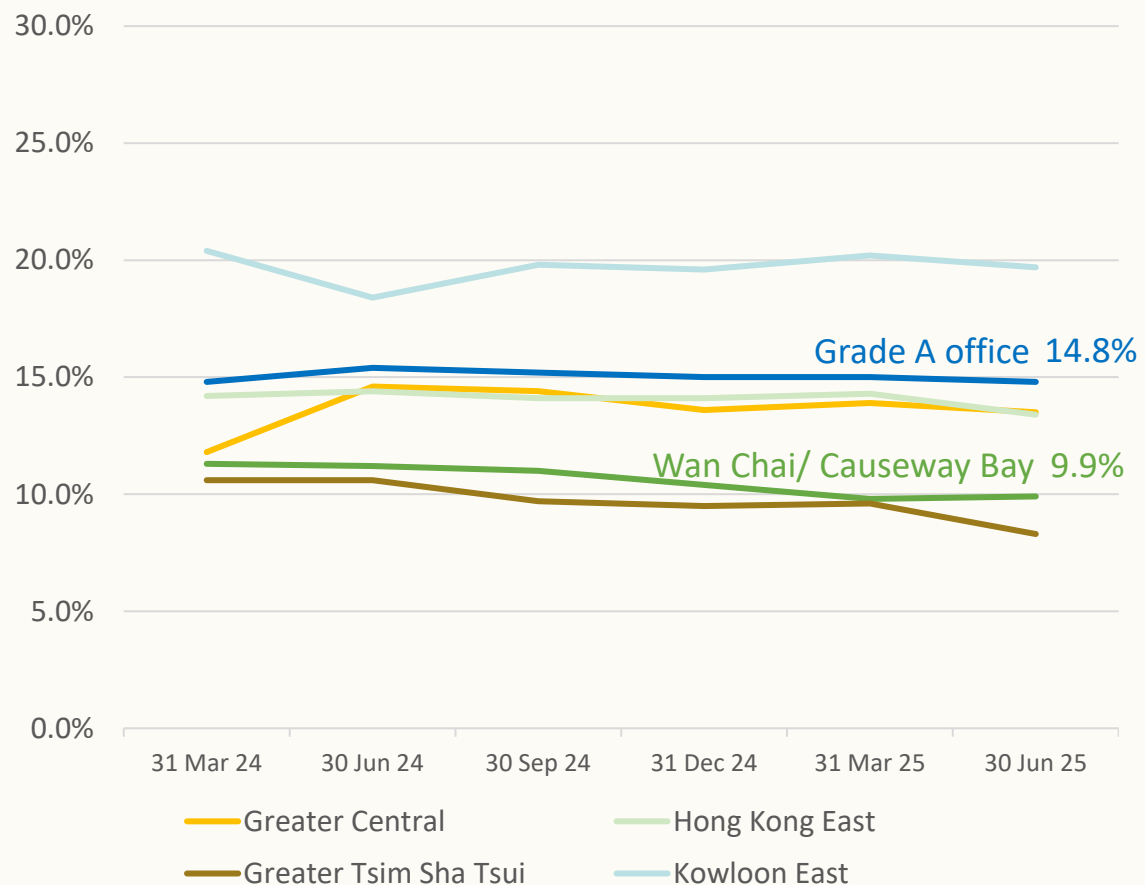
- Refinancing of borrowings maturing in the next 12 months is progressing smoothly with favourable indicative pricing, underscoring the financial strength of Sunlight REIT.

# Appendix

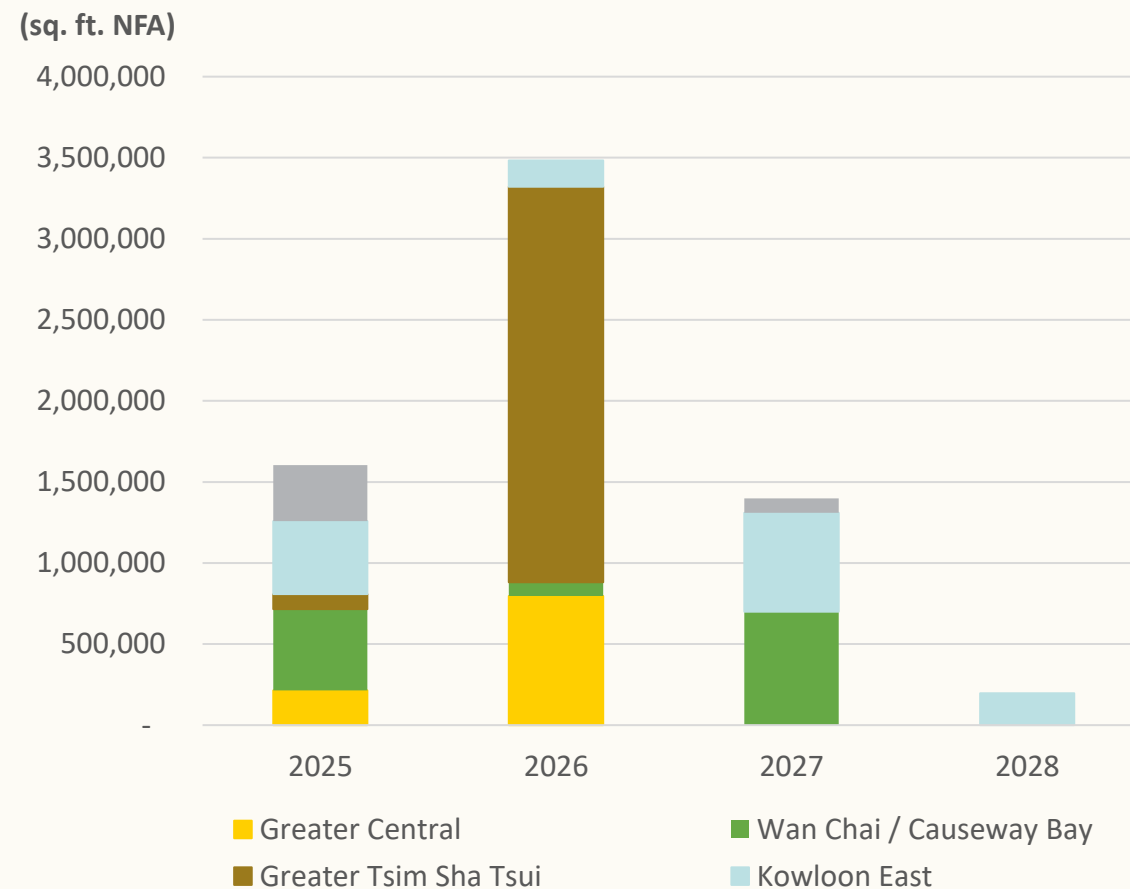


# Overview of HK Office Market

## Grade A office vacancy rate (by Quarter)

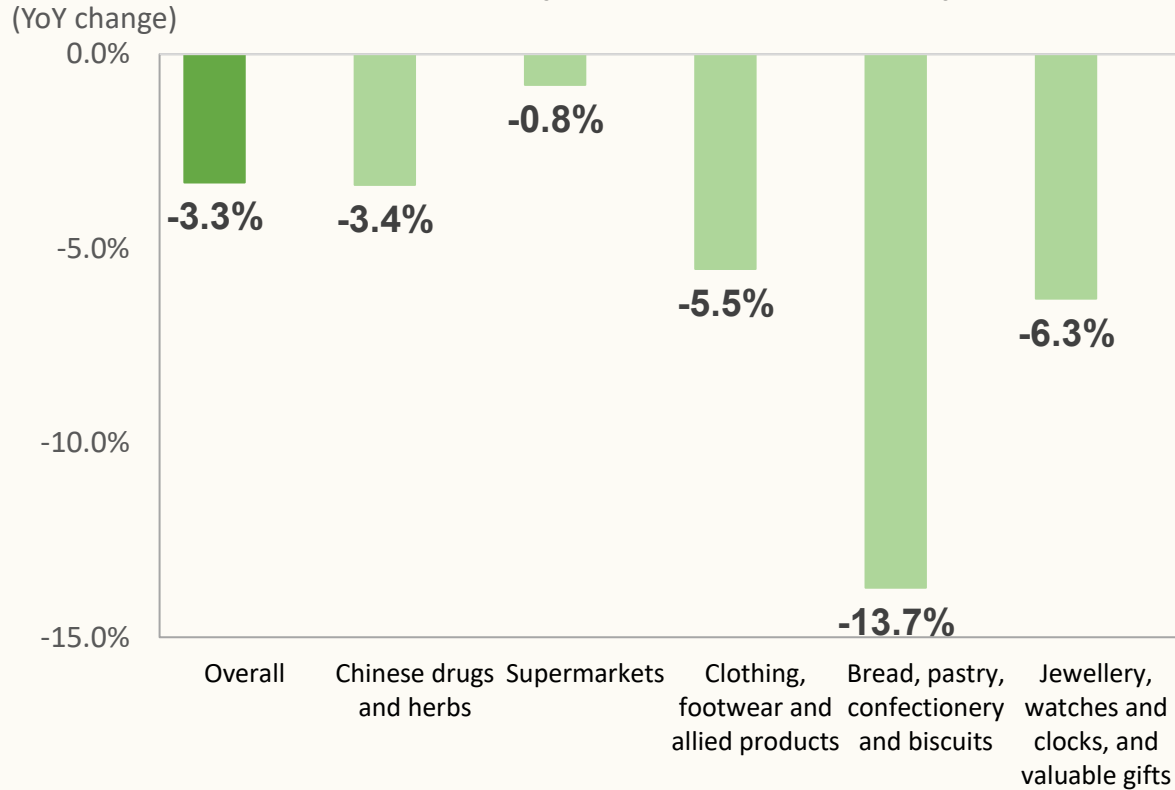


## Hong Kong Grade A office supply

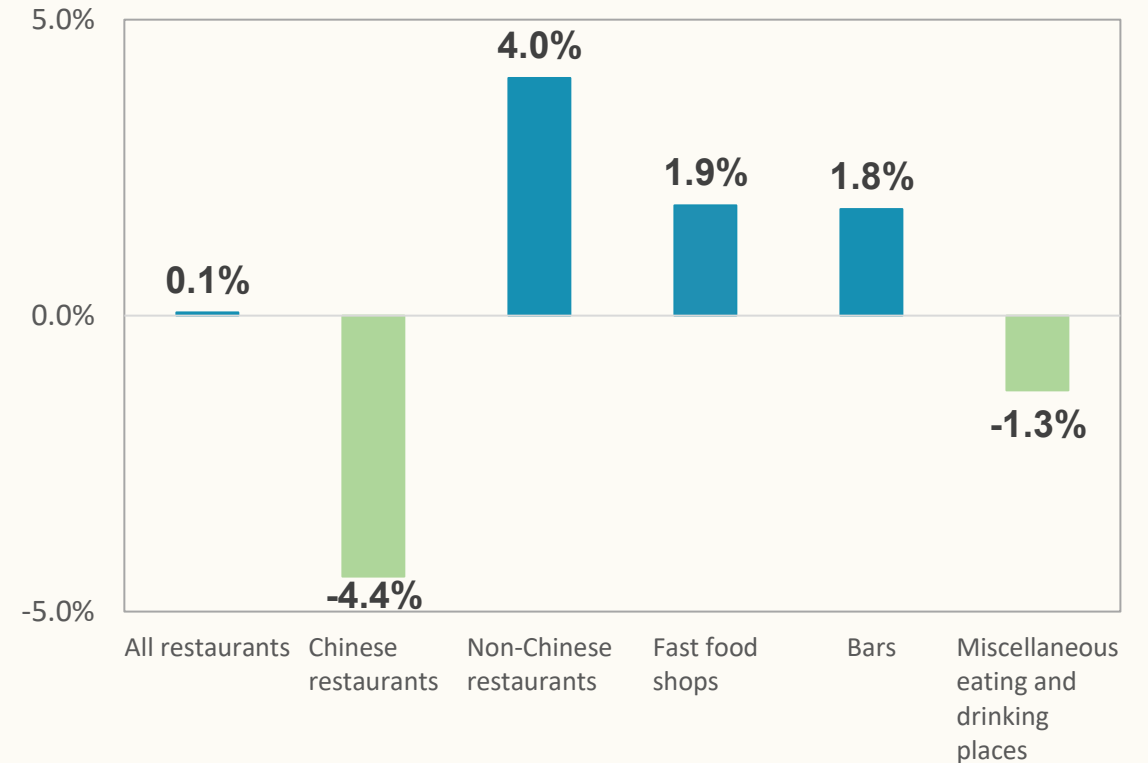


# Hong Kong Retail-related Statistics

## Retail Sales (2025 H1 vs 2024 H1)



## Restaurant Receipts (2025 H1 vs 2024 H1)



Source: Census and Statistics Department

# Major Sustainability Achievements



## Green Buildings and Energy Efficiency

- LEED v4.1 Operations and Maintenance: Existing Buildings Gold rating at MCPI
- Arc Certification
  - \* DSFC
  - \* Strand 50
  - \* Righteous Centre
  - \* W9Z



## Employee Engagement and Well-being

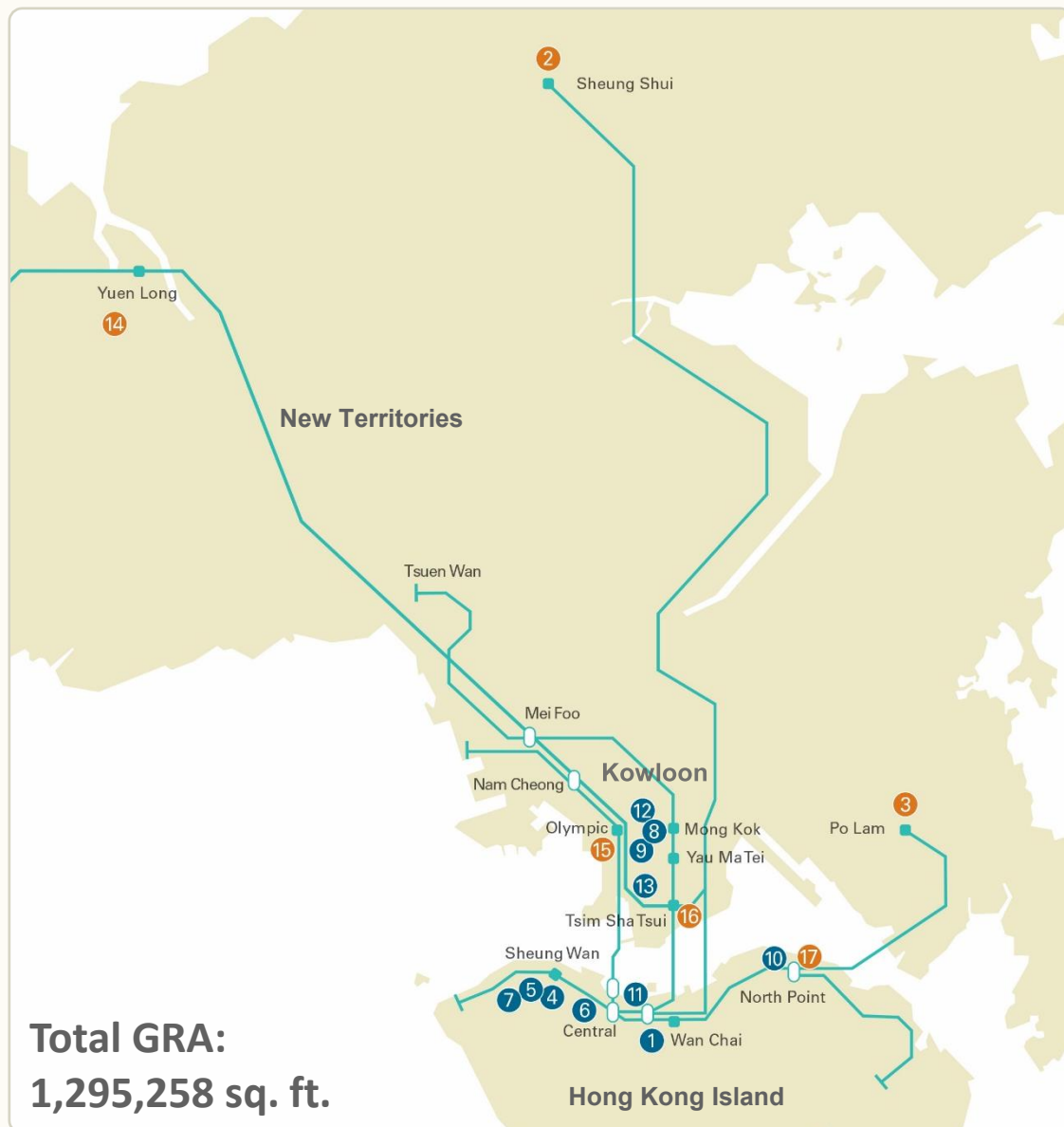
- Green Day



## Sustainable Finance

- Sustainability-linked loans constituted approximately 84% of total borrowings

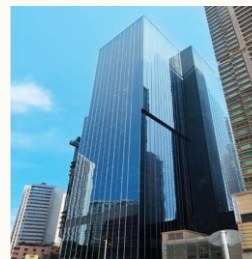
# Portfolio at a Glance



## 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

# Key Financial Information

Consolidated Statement of Profit or Loss		
<i>HK\$' million</i>	Six months ended 30 Jun 2025	Six months ended 30 Jun 2024
Revenue	391.2	411.0
Property operating expenses	(83.8)	86.1
<b>Net property income</b>	<b>307.4</b>	324.9
Other income	9.9	11.3
Administrative expenses	(51.9)	(54.4)
Change in fair value of investment properties	(314.3)	(64.3)
<b>Profit from operations</b>	<b>(48.9)</b>	217.5
Finance costs on interest-bearing liabilities	(94.7)	(108.5)
Income tax	(28.6)	(29.5)
<b>Profit / (loss) after taxation</b>	<b>(172.2)</b>	79.5

Financial Position		
<i>HK\$' million</i>	At 30 Jun 2025	At 31 Dec 2024
Non-current assets	17,685.4	18,004.6
Current assets	534.8	511.2
<b>Gross assets</b>	<b>18,220.2</b>	18,515.8
Current liabilities	(3,530.6)	(1,808.1)
Non-current liabilities	(2,055.5)	(3,697.6)
<b>Gross liabilities</b>	<b>(5,586.1)</b>	(5,505.7)
<b>Net assets</b>	<b>12,634.1</b>	13,010.1
No. of units in issue	1,738.4M	1,726.7M

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

# Key Office Portfolio Statistics

Property	Occupancy rate (%)		Passing rent (HK\$/sq. ft.)		Rental and car park income (HK\$'000)		Appraised value (HK\$'000)
	at 30 Jun 2025	at 31 Dec 2024	at 30 Jun 2025	at 31 Dec 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	at 30 Jun 2025
<b>Office</b>							
<b>Grade A</b>							
Dah Sing Financial Centre	90.6	92.2	36.3	36.9	75,260	79,294	4,659,000
<b>Grade B</b>							
Strand 50	82.9	89.2	29.1	29.6	17,528	18,798	1,164,000
135 Bonham Strand Trade Centre Property	87.5	92.8	26.4	26.7	8,972	9,304	530,000
Righteous Centre	92.5	94.8	34.0	34.2	9,634	10,885	524,000
Winsome House Property	91.5	94.3	36.5	36.9	8,321	8,263	522,000
The Harvest	87.0	83.4	38.5	40.2	6,376	7,335	491,000
235 Wing Lok Street Trade Centre	88.3	88.4	19.5	19.7	5,300	5,846	331,000
Java Road 108 Commercial Centre	100.0	98.1	23.9	23.8	5,396	5,112	254,000
On Loong Commercial Building	94.0	98.0	25.5	25.5	3,839	3,613	222,000
Sun Fai Commercial Centre Property	96.5	96.7	21.8	21.8	3,238	3,279	161,000
Wai Ching Commercial Building Property	97.2	87.5	16.6	16.8	1,529	1,502	78,000
<b>Sub-total / Average</b>	<b>90.0</b>	<b>92.0</b>	<b>31.7</b>	<b>32.1</b>	<b>145,393</b>	<b>153,231</b>	<b>8,936,000</b>

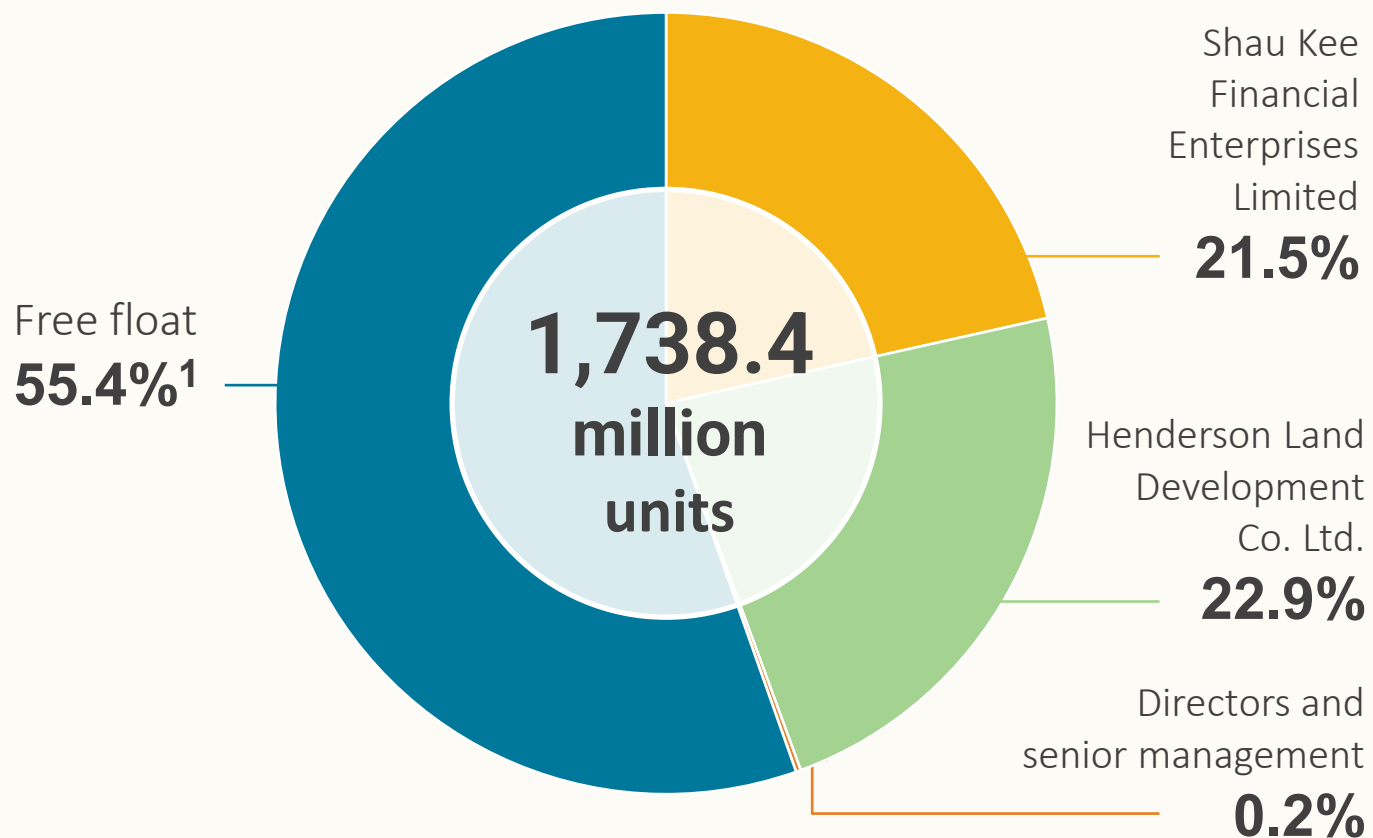
## Key Retail Portfolio Statistics

Property	Occupancy rate (%)		Passing rent (HK\$/sq. ft.)		Rental and car park income (HK\$'000)		Appraised value (HK\$'000)
	at 30 Jun 2025	at 31 Dec 2024	at 30 Jun 2025	at 31 Dec 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	at 30 Jun 2025
<b>Retail</b>							
<b>New Town</b>							
Sheung Shui Centre Shopping Arcade	87.0	91.4	105.2	103.9	74,620	75,903	3,706,000
Metro City Phase I Property	87.1	91.7	53.9	52.2	62,512	67,203	2,981,500
Kwong Wah Plaza Property	95.8	97.3	50.4	51.6	20,180	21,492	1,078,000
<b>Urban</b>							
West 9 Zone Kids	79.5	73.4	42.8	48.2	11,268	16,076	782,000
Supernova Stand Property	100.0	100.0	58.8	58.8	1,477	1,479	74,000
Beverly Commercial Centre Property	91.2	91.2	31.5	31.7	1,329	1,454	73,000
<b>Sub-total / Average</b>	<b>87.6</b>	<b>90.1</b>	<b>65.5</b>	<b>65.6</b>	<b>171,386</b>	<b>183,607</b>	<b>8,694,500</b>

# Sunlight REIT at a Glance

## Unitholding Structure

(at 30 Jun 2025)



## Market Capitalization

**HK\$3,929 million<sup>2</sup>**

## Unit Price

**HK\$2.26**

## Discount to NAV

**68.9%**

### Notes:

1. The unitholding of Silchester International Investors LLP was reduced to below 10% and counted as free float.
2. Based on the unit price at 30 June 2025.

## Contact Us

### REIT Manager

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