

Press Release

**Sunlight Real Estate Investment Trust (“Sunlight REIT”)
Interim Results for the Six Months Ended 31 December 2023**

Hong Kong, 27 February 2024 — Henderson Sunlight Asset Management Limited (the “**Manager**”) announces the interim results of Sunlight REIT for the six months ended 31 December 2023 (the “**Reporting Period**”).

Sunlight REIT recorded a 7.9% year-on-year increase in revenue to HK\$419.2 million for the Reporting Period, mainly attributable to a full six-month contribution from West 9 Zone Kids. Net property income grew 5.1% to HK\$323.2 million, implying a cost-to-income ratio of 22.9%.

Reflecting the sharp increase in interest expense to HK\$111.3 million, distributable income was down 18.1% year on year to HK\$162.3 million. The Board has resolved to declare an interim distribution per unit of HK 9.0 cents, representing a payout ratio of 94.4% and an annualized distribution yield of 8.3% based on the closing price of HK\$2.18 on the last trading day of the Reporting Period.

The appraised value of Sunlight REIT’s portfolio was HK\$18,480.6 million at 31 December 2023. Gross assets and net assets were HK\$19,083.4 million and HK\$13,544.6 million respectively, translating to a net asset value of HK\$7.95 per unit.

Operating Highlights

The overall occupancy rate of Sunlight REIT’s portfolio at 31 December 2023 was 93.1%, largely unchanged from six months ago. For the Reporting Period, the office and retail portfolios registered rental reversions of 3.3% and 0.8% respectively, giving rise to an overall rental reversion of 1.5%.

In respect of the operating performance of key office properties, Dah Sing Financial Centre saw a steady improvement in occupancy, reflecting a gradual pick-up in new letting activities supported by stronger motivation of corporate tenants to relocate or expand. On the Kowloon side, occupancy rates of Righteous Centre and The Harvest were 97.5% and 100% respectively, demonstrating the resilience of the Mong Kok district as a convenient transportation hub for service-related business.

On the retail front, Sheung Shui Centre Shopping Arcade recorded a rental reversion of 4.8% but a lower occupancy rate of 90.7% as compared to six months ago, mainly due to an early lease surrender from a kindergarten tenant which occupied 7.5% of its gross rentable area (“**GRA**”). Meanwhile, with the completion of its phase one renovation, the occupancy rate of Metro City Phase I Property rebounded to 94.7%, while its rental reversion came in at 4.1%.

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Press Release

Sunlight REIT's Interim Results for the Six Months Ended 31 December 2023
Page 2 of 3

Mr. Au Siu Kee, Alexander, Chairman of the Manager, said, "Based on the current leasing progress, we remain guardedly optimistic about the near-term prospects for our shopping destinations in Sheung Shui, Tseung Kwan O and Yuen Long. In the meantime, substantial resources will continue to be devoted to asset recycling as we strive to create value for unitholders amid a still challenging economic environment."

Remarks: Attached financial highlights of 2023/24 interim results of Sunlight REIT.

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About Sunlight REIT

Listed on The Stock Exchange of Hong Kong Limited since 21 December 2006, Sunlight REIT (stock code: 435) is a real estate investment trust authorized by the Securities and Futures Commission and constituted by the trust deed dated 26 May 2006 (as amended and restated) (the "**Trust Deed**"). It offers investors the opportunity to invest in a diversified portfolio of 11 office and six retail properties in Hong Kong with a total GRA of approximately 1.3 million sq. ft.. The office properties are located in both core and decentralized business areas, while the retail properties are situated in regional transportation hubs, new towns and urban areas with high population density.

About the Manager

The Manager of Sunlight REIT is an indirect wholly-owned subsidiary of Henderson Land Development Company Limited. Its main responsibility is to manage Sunlight REIT and all of its assets in accordance with the Trust Deed in the sole interest of its unitholders.

Press Release

Sunlight REIT's Interim Results for the Six Months Ended 31 December 2023
Page 3 of 3

Financial Highlights of 2023/24 Interim Results:

(in HK\$' million, unless otherwise specified)

	Six months ended 31 December 2023	Six months ended 31 December 2022	Change (%)
Revenue	419.2	388.5	7.9
Net property income	323.2	307.6	5.1
Profit/(loss) after taxation ^{Note}	79.7	(274.4)	N/A
Distributable income	162.3	198.2	(18.1)
Distribution per unit (HK cents)	9.0	11.0	(18.2)
Payout ratio (%)	94.4	93.7	N/A
	At 31 December 2023	At 30 June 2023	Change (%)
Portfolio valuation	18,480.6	18,512.2	(0.2)
Net asset value	13,544.6	13,669.2	(0.9)
Net asset value per unit (HK\$)	7.95	8.06	(1.4)
Gearing ratio (%)	26.3	26.1	N/A

Note: Included a fair value decrease of investment properties of HK\$ 53.0 million (versus a fair value decrease of HK\$448.4 million for the six months ended 31 December 2022).

Disclaimer: The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Sunlight REIT in Hong Kong or any other jurisdiction.

This press release is issued by Strategic Financial Relations Limited on behalf of the Manager. For further information, please contact:

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