



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

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Press Release

Sunlight Real Estate Investment Trust ("Sunlight REIT") Annual Results for the Year Ended 30 June 2020

Extending Care

Hong Kong, 8 September 2020 — Henderson Sunlight Asset Management Limited (the "**Manager**") is pleased to report the final results of Sunlight REIT for the year ended 30 June 2020 (the "**Year**").

Despite unprecedented challenges during the Year, Sunlight REIT managed to deliver reasonably respectable results, registering a 0.3% year-on-year ("**YoY**") rise in net property income ("**NPI**") to HK\$684.7 million. Annual distributable income was HK\$467.0 million, virtually unchanged from last year.

The Board has resolved to declare a final distribution of HK 13.6 cents per unit. Coupled with an interim distribution of HK 13.2 cents per unit, the total distribution per unit for the Year would amount to HK 26.8 cents, down 1.8% YoY. The implied payout ratio is 95.2%, compared with 96.4% in the preceding year.

At 30 June 2020, the value of Sunlight REIT's property portfolio was appraised at HK\$18,918.0 million, 5.4% lower than a year ago; accordingly, its net asset value declined by 7.6% to HK\$14,771.2 million, or HK\$8.89 per unit.

Operating Highlights

At 30 June 2020, average occupancy rate of the entire portfolio of Sunlight REIT increased to 95.7% (30 June 2019: 95.3%). Contrary to the office portfolio which registered an improvement in occupancy rate to 95.6% (30 June 2019: 94.0%), occupancy rate of the retail properties dropped to 95.8% (30 June 2019: 98.1%), reflecting the emerging negative impact of an economic recession and weakening consumer confidence. Average passing rent of the office portfolio was HK\$36.5 per sq. ft., up 2.8% YoY, while that of the retail portfolio was HK\$74.8 per sq. ft., down 1.3% as compared to a year ago. Average rental reversion of the portfolio for the Year was 6.0%.

Of the top three properties of Sunlight REIT, performance of the two shopping malls, namely Sheung Shui Centre Shopping Arcade ("**SSC**") and Metro City Phase I Property ("**MCPI**") were inevitably affected by weak local consumer sentiment and a virtually standstill of inbound tourism. NPI of SSC declined by 6.2%, while the corresponding figure of MCPI remained stable. Gratifyingly, NPI of Sunlight Tower registered a YoY growth of 4.5%.

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Mr. Wu Shiu Kee, Keith, Chief Executive Officer of the Manager said, "The near-term prospects for Sunlight REIT are expected to be challenging. However, with a defensive portfolio, firm financial footing supported by clear strategic priorities, we believe that Sunlight REIT is well positioned to capitalize on new opportunities and expand its footprint for the long-term benefits of unitholders."

Remarks: Attached highlights of FY2019/20 Final Results of Sunlight REIT.

- End -

About Sunlight REIT

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 supplemented by six supplemental deeds) (the "**Trust Deed**"), and has been listed on The Stock Exchange of Hong Kong Limited on 21 December 2006. Sunlight REIT offers investors the opportunity to invest in a diversified portfolio of 11 office and five retail properties in Hong Kong with a total gross rentable area of over 1.2 million sq. ft.. The office properties are primarily located in core business areas, including Wan Chai and Sheung Wan, as well as in decentralized business areas such as Mong Kok and North Point. The key retail properties are situated in regional transportation hubs and new towns including Sheung Shui, Tseung Kwan O and Yuen Long.

About the Manager

The Manager of Sunlight REIT is an indirect wholly-owned subsidiary of Henderson Land Development Company Limited (恒基兆業地產有限公司). 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.

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Highlights of FY2019/20 Final Results:
 (in HK\$' million, unless otherwise specified)

	2020	2019	Change (%)
For the year ended 30 June:			
Revenue	854.6	850.7	0.5
Net property income	684.7	682.5	0.3
(Loss)/profit after taxation	(751.4)	1,591.1	N/A
Annual distributable income	467.0	467.3	(0.1)
Distribution per unit (HK cents)	26.8	27.3	(1.8)
Payout ratio (%)	95.2	96.4	N/A
At 30 June:			
Portfolio valuation	18,918.0	20,002.5	(5.4)
Net asset value	14,771.2	15,991.9	(7.6)
Net asset value per unit (HK\$)	8.89	9.68	(8.2)
Gearing ratio (%)	21.6	20.4	N/A

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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