



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

30/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong

t +852 3669 2888 f +852 2285 9980

www.sunlightreit.com

Press Release

Sunlight Real Estate Investment Trust (“Sunlight REIT”) Interim Results for the Six Months Ended 31 December 2018

Hong Kong, 14 February 2019 — Henderson Sunlight Asset Management Limited (the “**Manager**”) is pleased to announce the interim results of Sunlight REIT for the six months ended 31 December 2018 (the “**Reporting Period**”).

Sunlight REIT continued to make healthy progress during the Reporting Period, as revenue and net property income (“**NPI**”) registered 6.4% and 9.2% year-on-year (“**YoY**”) growth to HK\$424.9 million and HK\$338.7 million respectively. Improvement in passing rent and initial contribution from The Harvest (formerly Fung Shun Commercial Building) were the main drivers behind this performance.

Distributable income rose 8.2% YoY to HK\$231.6 million. The Board has resolved to declare an interim distribution per unit of HK 13.2 cents, representing a payout ratio of 93.9% and an increase of 4.8% YoY.

The portfolio of Sunlight REIT was appraised at HK\$19,452.5 million at 31 December 2018, up 3.7% from 30 June 2018. Meanwhile, its net assets grew 4.2% to HK\$15,476.3 million, which translates to a net asset value of HK\$9.40 per unit.

Operating Highlights

The overall occupancy of Sunlight REIT’s portfolio was 96.7% at 31 December 2018 (30 June 2018: 98.2%). Office occupancy was 95.7% (30 June 2018: 97.8%), a slight decline mainly attributable to the higher vacancies recorded at Bonham Trade Centre in preparation for the upcoming asset enhancement, and at The Harvest upon expiry of the sale and lease back arrangement for the office portion with the previous owner. The retail portfolio maintained a satisfactory occupancy rate of 98.9% (30 June 2018: 99.2%). Passing rent of office and retail portfolio rose 2.7% and 2.0% from six months ago to HK\$34.7 per sq. ft. and HK\$75.4 per sq. ft. respectively.

Underpinned by an upsurge in office rents in decentralized areas and a decent rebound in visitor arrivals from China, Sunlight REIT achieved an overall rental reversion of 10.6% during the Reporting Period. In particular, the top three properties of Sunlight REIT, namely Sunlight Tower, Sheung Shui Centre Shopping Arcade and Metro City Phase I Property, recorded rental reversions of 12.8%, 10.1% and 13.0% respectively.

-cont’d-



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

30/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong

t +852 3669 2888 f +852 2285 9980

www.sunlightreit.com

Press Release

Sunlight REIT's Interim Results for the Six Months Ended 31 December 2018

Page 2 of 3

Mr. Wu Shiu Kee, Keith, Chief Executive Officer of the Manager, said, "Looking ahead, while market volatility will remain a notable feature in 2019, the Manager remains positive to the medium-term prospects of Sunlight REIT which is poised to benefit from the favourable rental reversionary trend and the ongoing asset enhancement initiatives. Given its strong financial war chest, Sunlight REIT is also well positioned to conduct unit buy-backs, as well as to capitalize on any attractive acquisition opportunities which may arise."

Remarks: Attached highlights of the FY2018/19 Interim 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 since 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 approximately 1.2 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 primarily 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.

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 responsibility is to manage Sunlight REIT in the sole interest of the unitholders in accordance with the Trust Deed.

Press Release

Sunlight REIT's Interim Results for the Six Months Ended 31 December 2018
 Page 3 of 3

Highlights of FY2018/19 Interim Results:

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

	Six months ended 31 December 2018	Six months ended 31 December 2017	Change (%)
Revenue	424.9	399.3	6.4
Net property income	338.7	310.2	9.2
Cost-to-income ratio (%)	20.3	22.3	N/A
Profit after taxation	859.1	935.1	(8.1)
Distributable income	231.6	214.1	8.2
Distribution per unit (HK cents)	13.2	12.6	4.8
Payout ratio (%)	93.9	96.6	N/A
	At 31 December 2018	At 30 June 2018	Change (%)
Portfolio valuation	19,452.5	18,754.8	3.7
Net asset value	15,476.3	14,857.0	4.2
Net asset value per unit (HK\$)	9.40	9.03	4.1
Gearing ratio (%)	21.0	21.8	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 Cornerstones Communications Ltd. on behalf of the Manager. For further information, please contact:

Cornerstones Communications Ltd.

Kylie Yeung / Sylvia Wong / Yesan Ma

T: (852) 2903 9293 / 2903 9299 / 2903 9287

F: (852) 2887 1712

E: sunlightreit@cornerstonescom.com