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**SUNLIGHT REIT**

## **Sunlight Real Estate Investment Trust**

(a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

**(Stock Code: 435)**

**Managed by**

**Henderson Sunlight Asset Management Limited**

**恒基陽光資產管理有限公司**

### **(1) CONTINUING CONNECTED PARTY TRANSACTIONS**

### **(2) NOTICE OF EGM AND CLOSURE OF REGISTER OF UNITHOLDERS**

Reference is made to the 2021 Announcement and the 2021 Circular.

#### **PROPERTY MANAGEMENT TRANSACTIONS**

On 30 April 2024, the Manager (in its capacity as manager of Sunlight REIT) entered into i) the Sixth Supplemental Agreement with the Property Manager to renew the Property Management Agreement for the Extended Term, and ii) the Renewed Master Services Agreement with HLD for setting out the framework terms governing the Service Transactions for the Extended Term. All the Connected DMC Managers will continue to be appointed under the relevant Connected Deeds of Mutual Covenant.

At the date of this announcement, the HLD Group holds an aggregate of approximately 21.24% of Units in issue. The Manager is an indirect wholly-owned subsidiary of HLD. Therefore, members of the HLD Related Group are connected persons of Sunlight REIT, and the Property Management Transactions constitute continuing connected party transactions of Sunlight REIT under the REIT Code.

As some of the applicable percentage ratios (as calculated pursuant to Rule 14.07 of the Listing Rules) in respect of the New Caps of the Property Management Transactions exceed 5% on an aggregate basis, the Property Management Transactions are subject to the announcement, reporting, annual review and Independent Unitholders' approval requirements pursuant to the REIT Code and/or Chapter 14A of the Listing Rules.

The Manager proposes to seek Unitholders' approval of the Property Management Transactions and the New Caps thereof, by way of an Ordinary Resolution voted upon by the Independent Unitholders at the EGM.

Details of the above will be set out in the Circular which will be despatched together with the form of proxy for the EGM to the Unitholders on or before Tuesday, 7 May 2024. The EGM will be held at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 29 May 2024 at 10:45 a.m. (or if later, immediately after the conclusion or the adjournment of the annual general meeting of Unitholders convened for the same place and day). In order to determine the entitlement of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which period no transfer of Units will be effected.

#### **TRANSACTIONS UNDER THE RENEWED JOINT EFFORT CARPARKING AGREEMENT AND THE RENEWED MASTER LEASING AGREEMENT**

On 30 April 2024, the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement were entered into to renew the term of the Existing Joint Effort Carparking Agreement and the Existing Master Leasing Agreement, respectively for the Extended Term.

As the applicable percentage ratios in respect of the New Caps of the transactions under each of the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement are more than 0.1% but less than 5%, such transactions are subject to the announcement and reporting requirements but exempt from the independent unitholders' approval requirement pursuant to the REIT Code.

#### **CONTINUING CONNECTED PARTY TRANSACTIONS**

Reference is made to the 2021 Announcement and the 2021 Circular. The term of each of the Property Management Agreement, the Existing Master Services Agreement, the Existing Joint Effort Carparking Agreement and the Existing Master Leasing Agreement will expire on 30 June 2024, whereas the current term of appointment of all the Connected DMC Managers is not fixed under the Connected Deeds of Mutual Covenant.

On 30 April 2024, the Sixth Supplemental Agreement, the Renewed Master Services Agreement, the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement were entered into to renew the Property Management Agreement, the Existing Master Services Agreement, the Existing Joint Effort Carparking Agreement and the Existing Master Leasing Agreement, respectively, for the Extended Term.

As a result of the Change of Financial Year End Date and Rule 14A.52 of the Listing Rules requires the period for the agreement for a continuing connected transaction not to exceed three years except in special circumstances where the nature of the transaction requires a longer period, the Extended Term is two and a half years ending on 31 December 2026.

## **1. Property Management Transactions**

### ***(A) Renewed Property Management Agreement***

Pursuant to the Property Management Agreement, the Property Manager has been engaged to provide certain property and lease management services and marketing services in respect of the properties of Sunlight REIT since the date of listing of Sunlight REIT. The current term of the Property Management Agreement will expire on 30 June 2024.

On 30 April 2024, the Property Manager and the Manager (in its capacity as manager of Sunlight REIT) entered into the Sixth Supplemental Agreement to renew the Property Management Agreement for the Extended Term with certain amendments made to reflect the Change of Financial Year End Date (including (i) amending the definition of “Financial Year”; and (ii) clarifying the timing for submission of the annual business plan and budget for the 2024 financial year of Sunlight REIT in light of the Change of Financial Year End Date). The terms and conditions of the transactions under the Renewed Property Management Agreement (including without limitation, the rates of fees) are substantially identical to those under the Property Management Agreement.

The principal terms of the Renewed Property Management Agreement are set out below:

#### *(i) Date*

The Sixth Supplemental Agreement was entered into on 30 April 2024.

#### *(ii) Parties*

- The Property Manager, an indirect wholly-owned subsidiary of HLD; and
- The Manager (in its capacity as manager of Sunlight REIT).

The Property Holding Companies have also acceded to and become parties to the Property Management Agreement. If the Renewed Property Management Agreement and the New Caps thereof are approved by the Independent Unitholders at the EGM, the Manager will procure the Property Holding Companies to accede to the Sixth Supplemental Agreement.

#### *(iii) Subject matter*

The Property Manager shall provide, including without limitation, the following services in respect of the properties of the Sunlight REIT Group:

- (1) property management services, including co-ordinating tenants fitting out requirements, recommending third party contracts for provision of property management service, maintenance services, supervising the performance of service providers and contractors, arranging for adequate insurances and ensuring compliance with building and safety regulations;
- (2) lease management services, including administration of rental collection, management of rental arrears, initiating lease renewals and negotiation of terms; and
- (3) marketing and marketing co-ordination services.

(iv) *Condition*

The Sixth Supplemental Agreement is conditional upon the approval of the Independent Unitholders. If this condition is not fulfilled on or before 30 June 2024 (or such later date as may be agreed between the Manager and the Property Manager), the Sixth Supplemental Agreement shall lapse forthwith and be of no further effect.

(v) *Duration*

The appointment of the Property Manager will be extended for the Extended Term, unless terminated pursuant to the terms of the Renewed Property Management Agreement.

(vi) *Consideration and other terms*

1. *Property and lease management services*

The fee payable to the Property Manager for the property and lease management services pursuant to the Renewed Property Management Agreement during the Extended Term will not exceed 3% per annum of the Gross Property Revenue of each relevant property managed by it, which shall be paid by the relevant Property Holding Company.

The Manager and the Property Manager may mutually agree to revise the rate of such fee in respect of any property of the Sunlight REIT Group from time to time provided that it does not exceed 3% per annum of the Gross Property Revenue of such property.

Such fees are calculated each month and the relevant Property Holding Company will, on the recommendation of the Manager, arrange for payment of the fees to the Property Manager, within 14 days after receipt of the Property Manager's invoice. These fees will be reconciled with the audited accounts of the Property Holding Company for the relevant financial year within 14 days after the completion of the preparation of such audited accounts (or such other period as may be agreed between the parties), and any adjustment to the fees shall be paid to the Property Manager by the relevant Property Holding Company or refunded to the relevant Property Holding Company by the Property Manager within 30 days after the completion of the preparation of the said audited accounts.

In respect of lease renewal, where any memorandum of lease renewal prepared by the Property Manager is entered into, an administrative fee not exceeding HK\$600 in respect of each such memorandum can be charged by the Property Manager to the relevant tenants or licensees.

2. *Marketing services*

The commissions payable to the Property Manager for its marketing services provided pursuant to the Renewed Property Management Agreement during the Extended Term will be as follows:

- (a) one month's base rent or licence fee, for securing a tenancy or licence of three years or more;

- (b) one-half month's base rent or licence fee, for securing a tenancy or licence of one year or more but less than three years;
- (c) one-half month's base rent or licence fee, for securing a renewal of tenancy or licence of one year or more;
- (d) the lower of one-half month's base rent or licence fee, or 10% of the total rent or licence fee for securing a tenancy, licence or renewal of tenancy or licence for a duration of less than 12 months; and
- (e) one-fourth month's base rent or licence fee (as reviewed), for handling each rent or licence review during the term of a tenancy or licence provided for in the tenancy or licence agreement.

The Manager and the Property Manager may mutually agree from time to time to revise the rate(s) of commission payable to the Property Manager by the relevant Property Holding Company for the marketing services provided that the revised rate(s) shall not exceed the relevant rate(s) as specified in paragraphs (a) to (e) above.

If the tenancy, licence or renewal of tenancy or licence is secured by a third party agent appointed by the relevant Property Holding Company, having regard to the work done by the Property Manager in connection with such tenancy, licence or renewal of tenancy or licence and upon the recommendation of the Manager, the relevant Property Holding Company may, at its absolute discretion, pay the Property Manager the commissions for such tenancy, licence or renewal of tenancy or licence provided that any such commission shall be at rates not exceeding a half of those specified in (a) to (e) above (as the case may be).

The relevant Property Holding Company will, on the recommendation of the Manager, pay the relevant commission to the Property Manager after a binding tenancy or licence agreement (or, in the case of a rent or licence fee review, a document evidencing the tenant's or licensee's agreement to the rent or licence fee as reviewed) has been signed by the tenant or licensee and within 14 days after receipt of the Property Manager's invoice.

The Property Manager will also be fully reimbursed by the relevant Property Holding Company for the employment costs, secondment costs and remuneration of employees of the Property Manager and other persons who are engaged by or under secondment to the Property Manager solely and exclusively for the management of the relevant property of Sunlight REIT and persons providing technical services who are engaged by or under the secondment to the Property Manager solely and exclusively for the management of one or more properties of Sunlight REIT. For the avoidance of doubt, all other operating costs of the Property Manager will be borne by itself.

The consideration in relation to the transactions under the Renewed Property Management Agreement is on normal commercial terms and was determined after arm's length negotiation by reference to other similar transactions in the market (where applicable).

(vii) *Historical amounts and the New Caps*

For each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023, the aggregate amounts paid by the Sunlight REIT Group to the Property Manager in respect of the transactions under the Property Management Agreement were as follows:

	Financial year ended 30 June 2021 HK\$	Financial year ended 30 June 2022 HK\$	Financial year ended 30 June 2023 HK\$	Six months ended 31 December 2023 HK\$
1. Property and lease management services	19,758,000	19,257,000	18,523,000	10,066,000
2. Marketing services	11,674,000	8,693,000	9,485,000	4,744,000
3. Reimbursement of employment costs and remuneration	14,583,000	17,193,000	16,687,000	9,193,000
<b>Total</b>	<b>46,015,000</b>	<b>45,143,000</b>	<b>44,695,000</b>	<b>24,003,000</b>

It is expected that the maximum aggregate amount payable by the Sunlight REIT Group to the Property Manager in respect of the transactions under the Renewed Property Management Agreement for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 will not exceed the New Caps set out below:

Six months ending 31 December 2024	Financial year ending 31 December 2025	Financial year ending 31 December 2026
HK\$33,530,000	HK\$60,630,000	HK\$62,860,000

The above New Caps for the transactions under the Renewed Property Management Agreement for the six months ending 31 December 2024 and the two financial years ending 31 December 2026 have been determined by taking into account (i) the historical and current commissions referable to the tenancies and licences of Sunlight REIT's property portfolio; (ii) the relevant lease expiry profile; (iii) an assumed annual growth of 3% of reimbursed costs; (iv) the prevailing market conditions; (v) no variation to the terms governing the services and fees charged under Renewed Property Management Agreement and (vi) the additional property and lease management services and marketing services that the Property Manager may provide in relation to the Possible Newly Acquired Property (as defined below), supplemented by a buffer of approximately 10% for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 for possible adjustments in, among other things, reimbursement amount and service fees.

For the avoidance of doubt, Sunlight REIT has no concrete target or plan for any acquisition of property as at the date of this announcement.

The increase in the New Caps, as compared with the historical transaction amounts, is mainly attributable to the assumption that Sunlight REIT will acquire a property of a certain size and grade located in Hong Kong (the “Possible Newly Acquired Property”) at the commencement of the six months ending 31 December 2024. Based on such assumption, the New Caps include the following additional transaction amounts in relation to the Possible Newly Acquired Property for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026, which are estimated based on the historical transaction amounts of a similar existing property of Sunlight REIT: (a) additional property and lease management service fee of approximately HK\$1.3 million, HK\$2.6 million and HK\$2.4 million respectively; (b) additional marketing service fee of approximately HK\$0.9 million, HK\$1.0 million and HK\$1.7 million respectively; and (c) additional reimbursement of employment costs and remuneration of approximately HK\$1.8 million, HK\$3.7 million and HK\$3.8 million respectively, representing an annual growth of approximately 3% from 2024 (based on the annualised amount for the six months ending 31 December 2024) to 2025, and from 2025 to 2026.

The increase in the New Cap for the six months ending 31 December 2024, as compared to the historical transaction amount for the six months ended 31 December 2023, is also attributable to an estimated increase in marketing services to be provided by the Property Manager given that substantially more tenancy renewals and new letting activities are expected during the six months ending 31 December 2024.

The New Caps for the transactions under the Renewed Property Management Agreement comprise the following breakdown of the estimated amounts (which include the estimated amounts in relation to the Possible Newly Acquired Property as disclosed above) of (i) the property and lease management services; (ii) the marketing services; and (iii) the reimbursement of employment costs and remuneration, as supplemented by a buffer for contingencies of approximately 10%, for the relevant period or year:

	Six months ending 31 December 2024	Financial year ending 31 December 2025	Financial year ending 31 December 2026
	HK\$	HK\$	HK\$
1. Property and lease management services	11,310,000	22,464,000	22,068,000
2. Marketing services	7,758,000	9,444,000	11,172,000
3. Reimbursement of employment costs and remuneration	11,406,000	23,208,000	23,904,000
<i>Sub-total</i>	30,474,000	55,116,000	57,144,000
4. Buffer for contingencies	3,056,000	5,514,000	5,716,000
<b>Total</b>	<b>33,530,000</b>	<b>60,630,000</b>	<b>62,860,000</b>

***(B) Renewed Master Services Agreement***

Pursuant to the Existing Master Services Agreement, members of the Sunlight REIT Group may from time to time enter into the Service Transactions with members of the HLD Related Group in the ordinary course of business in accordance with the terms set out in the Existing Master Services Agreement. The current term of the Existing Master Services Agreement will expire on 30 June 2024.

On 30 April 2024, HLD and the Manager (in its capacity as manager of Sunlight REIT) entered into the Renewed Master Services Agreement to renew the Existing Master Services Agreement for the Extended Term. The terms and conditions of the transactions under the Renewed Master Services Agreement are substantially identical to those under the Existing Master Services Agreement.

The principal terms of the Renewed Master Services Agreement are set out below:

*(i) Date*

30 April 2024

*(ii) Parties*

- HLD; and
- the Manager (in its capacity as manager of Sunlight REIT).

*(iii) Subject matter*

With respect to the Service Transactions to be agreed to be provided during the term of the Renewed Master Services Agreement, the relevant members of the HLD Related Group and of the Sunlight REIT Group (or the Property Manager as agent for, or at the costs of, the relevant members of the Sunlight REIT Group) shall enter into separate definitive service agreement(s) (“**Definitive Service Agreement(s)**”) setting out the detailed terms (including the fee and the payment terms).

*(iv) Condition*

The Renewed Master Services Agreement is conditional upon the approval of the Independent Unitholders. If this condition cannot be fulfilled on or before 30 June 2024 (or such later date as may be agreed between the Manager and HLD), the Renewed Master Services Agreement shall lapse forthwith and be of no further effect.

*(v) Duration*

The Renewed Master Services Agreement is for the duration of two and a half years from 1 July 2024 to 31 December 2026, unless terminated in accordance with the terms of the Renewed Master Services Agreement.

*(vi) Consideration and other terms*

The terms of, and the fee payable under, the Definitive Service Agreements shall be negotiated on a case-by-case and an arm’s length basis, and shall be on normal



commercial terms which (a) from the Sunlight REIT Group’s perspective, shall be no less favourable than those which the relevant members of the Sunlight REIT Group could obtain from independent contractors or suppliers of comparable services, and (b) from the HLD Related Group’s perspective, shall be no more favourable than those which the relevant members of the HLD Related Group made available to their independent third party customers.

Sunlight REIT Group shall, except if the transaction amount is HK\$30,000 or below, invite competitive tenders or obtain not less than three quotations (among which not more than one quotation shall be from a connected person of Sunlight REIT) from contractors or suppliers, so that a comparison of prices of a sufficient number of independent contractor(s) or supplier(s) of comparable services in the market will be conducted for management review with a view to ensuring that the terms of Services provided by the HLD Related Group (including the fees payable to the HLD Related Group for the Services) in connection with the Service Transactions are reasonable having regard to the scale, scope and quality of services required, and the reputation, experience and track record of performance of the service providers within the HLD Related Group and other relevant contractors or suppliers.

(vii) *Historical amounts and the New Caps*

For each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023, the aggregate amounts paid by the Sunlight REIT Group to the HLD Related Group in respect of the Service Transactions were as follows:

	Financial year ended 30 June 2021	Financial year ended 30 June 2022	Financial year ended 30 June 2023	Six months ended 31 December 2023
	HK\$	HK\$	HK\$	HK\$
Security service fee*	3,855,000	590,000	695,000	Nil

\* *The aggregate amounts paid by the Sunlight REIT Group to the HLD Related Group in respect of the Service Transactions for each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023 comprised security service fee only.*

As at the date of this announcement, there is no subsisting service agreement entered into between the Sunlight REIT Group and the HLD Related Group pursuant to the Existing Master Services Agreement.

It is expected that the maximum aggregate amount payable by the Sunlight REIT Group to the HLD Related Group in respect of the Service Transactions for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 will not exceed the New Caps set out below:

<u>Six months ending 31 December 2024</u>	<u>Financial year ending 31 December 2025</u>	<u>Financial year ending 31 December 2026</u>
HK\$1,500,000	HK\$5,290,000	HK\$7,740,000

The above New Caps for the Service Transactions for the six months ending 31 December 2024 and the two financial years ending 31 December 2026 have been determined by taking into account (i) potential security contracts which may be entered into with the HLD Related Group in relation to two existing properties of Sunlight REIT and the Possible Newly Acquired Property with increment of service fees ranging from 5% to 20% annually (the “**Potential Security Contracts**”); (ii) the assumption of other additional services with increment of 5% annually, such other additional services may include, for instance, potential new contracts for management and operations of properties (which, for the avoidance of doubt, do not fall within the scope of services to be provided by the Property Manager under the Renewed Property Management Agreement), potential repair and maintenance works or consultancy services (the “**Additional Services**”) which the HLD Related Group may enter into with the Sunlight REIT Group during the relevant financial periods; and (iii) supplemented by a buffer of approximately 10% for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 for contingencies.

The Potential Security Contracts comprise:

- (a) a potential new security service contract relating to an existing property owned by Sunlight REIT (for which the tender procedure is in progress and a tender was received from a member of the HLD Related Group) (the “**Potential Security Contract A**”) and a potential new security service contract relating to the Possible Newly Acquired Property (the “**Potential Security Contract B**”), in each case, for an initial term of one year commencing in July 2024 and a renewal term of one and a half years from July 2025. In respect of the initial term, the service fee payable under the Potential Security Contract A is estimated based on the tender received from such member of the HLD Related Group, whereas the service fee payable under the Potential Security Contract B is based on the pricing terms of an existing security service contract for a property of Sunlight REIT of similar size and grade; and in respect of the renewal term, an annual increment of service fee of 5% to 15% is applied to both the Potential Security Contract A and the Potential Security Contract B; and
- (b) a potential new security service contract relating to a major property owned by Sunlight REIT (for which an existing security service contract has been entered into with an independent third party service provider expiring in June 2025) for a term of one and a half years commencing in July 2025 (the “**Potential Security Contract C**”). The service fee for the first year of the term of the Potential Security Contract C is estimated based on an increase of 20% as compared to the service fee for the year ending 30 June 2025 under the abovementioned existing security contract, and an annual increment of service fee of 5% is applied for the remaining half year of the term.

In assuming the abovementioned increment of service fees ranging from 5% to 20% annually, the Manager has taken into consideration the historical increment of security service fee of 20% for the year ending 30 June 2024 pursuant to a security contract entered into for a property of Sunlight REIT in July 2023 (as compared to the service fee in relation to the same property for the year ended 30 June 2023) and the prevailing market conditions, including the expected recovery of the economy and the labour shortage in recent years.

The HLD Related Group was not engaged by the Sunlight REIT Group to carry out any Additional Services for the three financial years ended 30 June 2023 and for the six months ended 31 December 2023. In determining the New Caps for the Service Transactions, Additional Services mainly relating to the consultancy and repair and maintenance works are assumed to be provided by the HLD Related Group to the Sunlight REIT Group, and are estimated to be in the amount of HK\$0.5 million for the six months ending 31 December 2024 and an annual increment of 5% for the two financial years ending 31 December 2026, which have been determined primarily based on the historical amounts charged by independent third party service providers.

The New Caps for the transactions under the Renewed Master Services Agreement comprise the following breakdown of the estimated amounts of (i) the security service fee; and (ii) the fee for the Additional Services, as supplemented by a buffer for contingencies of approximately 10% for the relevant period or year:

	Six months ending 31 December 2024	Financial year ending 31 December 2025	Financial year ending 31 December 2026
	HK\$	HK\$	HK\$
1. Security service fee	860,000	3,753,000	5,929,000
2. Fee for Additional Services	500,000	1,050,000	1,103,000
<i>Sub-total</i>	1,360,000	4,803,000	7,032,000
3. Buffer for contingencies	140,000	487,000	708,000
<b>Total</b>	<b>1,500,000</b>	<b>5,290,000</b>	<b>7,740,000</b>

**(C) Connected Deeds of Mutual Covenant**

As disclosed previously in the 2021 Announcement and the 2021 Circular, in respect of certain properties owned by the Property Holding Companies, there are Deeds of Mutual Covenant which bind the relevant DMC Manager appointed thereunder and all the owners of the relevant development or building which is erected on the lot of land on which the property owned by the Property Holding Companies forms part and their successors-in-title, irrespective of whether they are original parties to the Deed of Mutual Covenant. Accordingly, although the Property Holding Companies are not original parties to such Deeds of Mutual Covenant, they are bound by and have the benefits of the terms thereof.

The DMC Managers currently appointed under certain Deeds of Mutual Covenant are members of the HLD Group (such DMC Managers, together with the DMC Managers which may be appointed under the Deeds of Mutual Covenant in relation to the other existing properties or properties to be acquired by Sunlight REIT and which are members of the HLD Related Group, are referred to as the “**Connected DMC Managers**”) and they were so appointed prior to the relevant properties being acquired by the Sunlight REIT Group. Such Connected DMC Managers have agreed to undertake management of the relevant entire development, building, lot of land, and/or the common areas and facilities thereof. For the avoidance of doubt, the services provided by the Connected DMC Managers mainly involve the maintenance and

management of common areas and facilities as shared among different owners of the relevant building or property and they are different from the property management services provided by the Property Manager to the Sunlight REIT Group under the Renewed Property Management Agreement as mentioned under the section headed “*Continuing Connected Party Transactions – 1. Property Management Transactions – (A) Renewed Property Management Agreement - (iii) Subject matter*” above. DMC Management Fees are required to be paid to the Connected DMC Managers by the Property Holding Companies in the capacity as owners of the relevant properties.

The principal terms of the services provided by the Connected DMC Managers under the relevant Connected Deeds of Mutual Covenant are summarised below:

(i) *Date, Parties* <sup>Note (1)</sup>, *Property and Duration*

<b>Property owned by the relevant Property Holding Company</b>	<b>Date of the Connected Deed of Mutual Covenant</b>	<b>Connected DMC Manager</b>	<b>Property Holding Company</b>	<b>Term of the appointment of the Connected DMC Manager under the Connected Deed of Mutual Covenant</b>
1. MCPI Property	26 April 1997	Metro City Management Limited	MCPI Company	Initially for a term of two years from the date of the first occupation permit in respect of any part of the estate and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant.
2. SSC Property	3 March 1994	Sheung Shui Centre Management Limited	SSC Company	Initially for a term not exceeding two years from the date of the Connected Deed of Mutual Covenant and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant.
3. Supernova Stand Property	15 December 2001	Hang Yick Properties Management Limited	Supernova Stand Company	Initially for a term not exceeding two years from the date of the Connected Deed of Mutual Covenant and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant.

Property owned by the relevant Property Holding Company	Date of the Connected Deed of Mutual Covenant	Connected DMC Manager	Property Holding Company	Term of the appointment of the Connected DMC Manager under the Connected Deed of Mutual Covenant
4. Kwong Wah Plaza Property	3 July 1998 (supplemented by a sub-Deed of Mutual Covenant dated 30 September 1999)	Hang Yick Properties Management Limited	Kwong Wah Plaza Companies	Initially for a term of two years from the date of issue of the occupation permit and thereafter until the Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant.
5. Winsome House Property	3 July 1999	Hang Yick Properties Management Limited	Winsome House Company	
6. Wai Ching Commercial Building Property	22 June 1998	Hang Yick Properties Management Limited	Wai Ching Commercial Building Company	
7. Sun Fai Commercial Centre Property	22 June 1998	Hang Yick Properties Management Limited	Sun Fai Commercial Centre Company	
8. 135 Bonham Strand Trade Centre Property	23 June 2000	Hang Yick Properties Management Limited	135 Bonham Strand Trade Centre Company	Initially for a term of two years from the date of issue of the occupation permit (which is 3 January 2000). <i>Note (2)</i>
9. Beverley Commercial Centre Property	8 November 1982	Hang Yick Properties Management Limited	Beverley Commercial Centre Company	Initially for a term of five years from the date of issue of the occupation permit and thereafter until a management committee has been appointed under the Multi-Storey Building (Owners Incorporation) Ordinance or any statutory modification thereof for the time being in force. <i>Note (3)</i>

Notes: (1) In addition to the Connected DMC Manager and the relevant Property Holding Company, there are numerous other parties which are bound by the relevant Connected Deed of Mutual Covenant, including the first owner of the relevant building and the current owners of the portions of the relevant building not owned by the Sunlight REIT Group. Such other parties are not named in the above table.

(2) Although the initial term of Hang Yick Properties Management Limited as the DMC Manager of 135 Bonham Strand Trade Centre has ended and the Deed of Mutual Covenant does not provide for any subsequent term of the DMC Manager, after the expiry of the initial term, Hang Yick Properties Management Limited has continued to act as the DMC Manager with no specified term. As 135 Bonham Strand Trade Centre is not wholly-owned by the Sunlight REIT Group, the Sunlight REIT Group is not entitled to enter into any agreement with the DMC Manager to fix the current term of such appointment.

- (3) *Although the management committee of Incorporated Owners of Beverley Commercial Centre has been appointed, Hang Yick Properties Management Limited has continued to act as the DMC Manager of Beverley Commercial Centre. As Beverley Commercial Centre is not majority-owned by the Sunlight REIT Group, the Sunlight REIT Group is not entitled to pass any resolution in the general meeting of the owners' corporation to fix the current term of such appointment.*

The above Connected Deeds of Mutual Covenant were entered into prior to acquisition of the relevant properties by the Sunlight REIT Group. The Sunlight REIT Group is not entitled to vary the provisions of such Connected Deeds of Mutual Covenant in respect of such properties (as all the buildings or developments of which any such properties form part are not wholly-owned by the Sunlight REIT Group). As shown in the above table and the notes thereto, the current term of appointment of all the Connected DMC Managers is not fixed and will continue until the relevant Connected DMC Manager resigns or is removed pursuant to the terms of the relevant Connected Deed of Mutual Covenant or the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong). With regard to the duration of the appointment of the Connected DMC Managers and the continuing connected party transactions with the Connected DMC Managers during the term of their appointment, Sunlight REIT has complied and will comply with all applicable connected party transaction requirements under the Listing Rules and the REIT Code. The proposed New Caps in respect of the continuing connected party transactions under the Connected Deeds of Mutual Covenant to be considered and, if thought fit, approved by the Independent Unitholders at the EGM, which are set out in paragraph (iii) below, are in respect of the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 only.

(ii) *Services provided by, and fees payable to, the Connected DMC Managers*

Pursuant to the Connected Deeds of Mutual Covenant, the Connected DMC Manager undertakes the management and maintenance of the entire development or building which is erected on the lot of land on which the property held by the Property Holding Company forms part, such lot of land and/or the common areas and facilities thereof. The scope of such management services may include the management, operation, servicing, maintenance, repair, renovation, replacement, security and insurance of the development, building, lot of land and/or the common areas and facilities thereof.

The relevant Property Holding Companies as well as the other owners of the relevant building or development shall bear and pay due proportion of the building management fees and expenses to the Connected DMC Managers in accordance with the Connected Deeds of Mutual Covenant. The management fees and expenses payable by the relevant Property Holding Company to the relevant Connected DMC Manager ("**DMC Management Fee**") are generally calculated based on a Specified Portion of (i) annual budgeted Management Expenses prepared by the Connected DMC Manager, and (ii) total remuneration receivable by the Connected DMC Manager from all owners of the relevant building or development (such remuneration amount not to exceed 10% to 15% of the total budgeted Management Expenses) ("**DMC Manager's Remuneration**"). However, if any Management Expenses incurred are solely relating to a specific portion or part of the building or development, such expenses shall be shared among the owners of the relevant portion or part of the building or development only, based on the proportion of management units or undivided shares allocated to their respective properties. The pro-rated DMC Management Fee shall generally be charged to the Property Holding Company on a monthly basis for its immediate payment.

In respect of the management and maintenance of the Beverley Commercial Centre Property, the monthly DMC Management Fee is calculated based on (i) a fixed sum of monthly expense specified under the Deed of Mutual Covenant to be payable in respect of the shops owned by Beverley Commercial Centre Company; and (ii) a Specified Portion of the Management Expenses incurred by the Connected DMC Manager in the management of in the management of the shops and offices of the entire development (which is inclusive of the DMC Manager's Remuneration).

While the DMC Manager's Remuneration forms part of the DMC Management Fee, the majority portion of the DMC Management Fee payable to the Connected DMC Manager represents the Management Expenses which are expenditure for the management and maintenance of the relevant building or development (including costs in engaging third party service providers to manage and maintain the relevant property).

All the terms of the Connected Deeds of Mutual Covenant were determined prior to acquisition of the relevant properties by the Sunlight REIT Group. Therefore, the Sunlight REIT Group was not involved in the negotiation or determination of these terms. Having taken into account that (i) the rate of Connected DMC Manager's maximum remuneration receivable under the Connected Deeds of Mutual Covenant in the range of 10% to 15% of total budgeted Management Expenses of the relevant property or building is in line with the prevailing market rate, and (ii) other owners of the relevant property or building unrelated to the Sunlight REIT Group or the HLD Group are also liable to pay the Connected DMC Manager the DMC Management Fee calculated on the same basis pursuant to the Connected Deeds of Mutual Covenant, the Manager considers that the terms of the appointment of the Connected DMC Manager (including without limitation, the determination and rates of the DMC Management Fee) are on normal commercial terms.

(iii) *Historical amounts and the New Caps*

For each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023, the aggregate amounts paid by the Sunlight REIT Group to the Connected DMC Managers pursuant to the Connected Deeds of Mutual Covenant were as follows:

	Financial year ended <u>30 June 2021</u> HK\$	Financial year ended <u>30 June 2022</u> HK\$	Financial year ended <u>30 June 2023</u> HK\$	Six months ended <u>31 December 2023</u> HK\$
1. DMC Management Fee for existing properties	12,847,000	13,329,000	13,743,000	7,345,000
2. Ad hoc repair work	<u>Nil</u>	<u>Nil</u>	<u>239,000</u>	<u>Nil</u>
<b>Total</b>	<b><u>12,847,000</u></b>	<b><u>13,329,000</u></b>	<b><u>13,982,000</u></b>	<b><u>7,345,000</u></b>

It is expected that the maximum aggregate amount payable by the Sunlight REIT Group to the Connected DMC Managers pursuant to the Connected Deeds of Mutual Covenant for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 will not exceed the New Caps set out below:

<u>Six months ending 31 December 2024</u>	<u>Financial year ending 31 December 2025</u>	<u>Financial year ending 31 December 2026</u>
HK\$10,710,000	HK\$22,010,000	HK\$23,260,000

The above New Caps for the Connected Deeds of Mutual Covenant have been determined by taking into account (i) the estimated amount of the DMC Management Fee for existing properties under the management of the Connected DMC Managers based on the historical amounts paid and an assumed annual growth of 5% for each of the six months ending 31 December 2024 and the two financial years ending 31 December 2026 reflecting expected market conditions in the future, (ii) possible additional fee in relation to ad hoc repair work for certain properties of Sunlight REIT, (iii) amounts of the DMC Management Fee payable by the Sunlight REIT Group in relation to the possible engagement of Connected DMC Manager for management of an additional premise which is currently owned by Sunlight REIT and managed by the Property Manager (the “**Additional Premise**”), which are based on the estimated management expenses (such as utilities and cleaning service fee) that are determined by reference to the relevant existing management expenses and (iv) a buffer of approximately 10% for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 for contingencies.

The New Caps for the transactions under the Connected Deeds of Mutual Covenant comprise the following breakdown of the estimated amounts of the DMC Management Fee for the relevant period or year:

	<u>Six months ending 31 December 2024</u> HK\$	<u>Financial year ending 31 December 2025</u> HK\$	<u>Financial year ending 31 December 2026</u> HK\$
1. DMC Management Fee for existing properties	7,746,000	15,940,000	16,868,000
2. Ad hoc repair work	1,000,000	2,050,000	2,153,000
3. Fees for the Additional Premise	<u>984,000</u>	<u>2,017,000</u>	<u>2,118,000</u>
<i>Sub-total</i>	9,730,000	20,007,000	21,139,000
4. Buffer for contingencies	<u>980,000</u>	<u>2,003,000</u>	<u>2,121,000</u>
<b>Total</b>	<b><u>10,710,000</u></b>	<b><u>22,010,000</u></b>	<b><u>23,260,000</u></b>



**2. Renewed Joint Effort Carparking Arrangement**

Pursuant to the Existing Joint Effort Carparking Agreement, a joint effort arrangement has been conducted between the Sunlight REIT Group and the HLD Group in relation to MCPI Property (which is wholly-owned by the Sunlight REIT Group) and Metro City Phase II and Metro City Phase III (which are wholly-owned by the HLD Group), pursuant to which free parking has been provided to customers of the Shopping Arcades (“**Existing Joint Effort Carparking Arrangement**”). The current term of the Existing Joint Effort Carparking Agreement will expire on 30 June 2024.

Under the Existing Joint Effort Carparking Arrangement, customers whose spending exceeds the prescribed levels in any of the Shopping Arcades are offered free parking for a certain number of hours at any of such phases. For customers who are also members of Henderson Club (a free club membership scheme launched by the HLD Group), certain extra hour(s) of free parking may be redeemed, subject to the amendments to the terms of such membership scheme from time to time. The Existing Joint Effort Carparking Arrangement is a joint benefit and promotional arrangement aimed to attract and reward customers spending at the Shopping Arcades.

As between the Sunlight REIT Group and the HLD Group, the Existing Joint Effort Carparking Arrangement involves a scheme of sharing of fees and costs based on an agreed formula. Such formula takes into account the notional parking income that could have been received by each of the HLD Group and the Sunlight REIT Group through the implied value of the Parking Coupons utilised by the customers in respect of parking at their respective premises, and an agreed basis of the free parking expenses shared between the HLD Group and the Sunlight REIT Group with reference to the proportion of gross floor areas of the respective Shopping Arcades owned by them.

On 30 April 2024, the Property Manager (as agent of MCPI Company) and HLAL (as agent of the Phases II & III Owners, whose holding company is HLD) entered into the Renewed Joint Effort Carparking Agreement to renew the Existing Joint Effort Carparking Agreement for the Extended Term (the “**Renewed Joint Effort Carparking Arrangement**”). The terms and conditions of the Renewed Joint Effort Carparking Arrangement are substantially identical to those under the Existing Joint Effort Carparking Arrangement.

The principal terms of the Renewed Joint Effort Carparking Agreement are summarised below:

*(i) Date*

30 April 2024

*(ii) Parties*

- the Property Manager (as agent of MCPI Company); and
- HLAL (as agent of the Phases II & III Owners, whose holding company is HLD)

*(iii) Subject matter*

MCPI Company and the Phases II & III Owners have agreed to offer Parking Coupons to customers of one or more of the Shopping Arcades. The parties will share the implied value and expenses of the Parking Coupons based on a specified formula stated below.

(iv) *Duration*

The Renewed Joint Effort Carparking Agreement is for the duration of two and a half years from 1 July 2024 to 31 December 2026, unless terminated in accordance with the terms of the Renewed Joint Effort Carparking Agreement.

(v) *Consideration and other terms*

Within 10 days after the end of each calendar month (or at such other period as may be agreed between HLAL and the Property Manager), HLAL and the Property Manager shall notify the other party of the aggregate implied value of the Parking Coupons utilized at Phase I Car Park or Phases II & III Car Parks (as the case may be) during that calendar month (or such other period as may be agreed between HLAL and the Property Manager) for the purpose of calculating the amount to be paid by the Phases II & III Owners to MCPI Company or by MCPI Company to the Phases II & III Owners (as the case may be) in accordance with the following formula (or in such other manner as HLAL and the Property Manager may agree in writing from time to time):

<b>Amount to be paid by either</b>	<b>Formula</b>
the Phases II & III Owners to MCPI Company	= $A - (C \times 12.5\%)$ , if the result is a positive number
MCPI Company to the Phases II & III Owners	= $B - (C \times 87.5\%)$ , if the result is a positive number

*where:*

A	= the implied value of Parking Coupons utilized at Phase I Car Park
B	= the implied value of Parking Coupons utilized at Phases II & III Car Parks
C	= $A + B$

The 12.5% and 87.5% used in the above formula represent the approximate percentage of the gross floor areas of the Shopping Arcades at MCPI Property and that at Metro City Phases II and III, respectively, over the aggregate of such gross floor areas.

In addition to the above, the costs of any extra parking hour(s) redeemed by members of the Henderson Club at Phase I Car Park in accordance with the terms and conditions of the Henderson Club will be reimbursed by the HLD Group to MCPI Company on a monthly basis in arrears.

Any amount payable under the Renewed Joint Effort Carparking Agreement shall be paid within 30 days from the date of invoice (or such other period as agreed between the parties).

The consideration under the Renewed Joint Effort Carparking Agreement is on normal commercial terms determined after arm's length negotiation between the parties.

(vi) *Historical amounts and the New Caps*

For each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023, the aggregate amounts paid by the HLD Group to MCPI Company pursuant to the Existing Joint Effort Carparking Agreement were approximately HK\$2,592,000, HK\$3,016,000, HK\$2,640,000 and HK\$1,925,000 respectively, while no amounts were paid by the MCPI Company to the HLD Group pursuant to the Existing Joint Effort Carparking Arrangement.

It is expected that the maximum aggregate amount payable by the HLD Group to MCPI Company pursuant to the Renewed Joint Effort Carparking Agreement for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 will not exceed the New Caps set out below:

<u>Six months ending 31 December 2024</u>	<u>Financial year ending 31 December 2025</u>	<u>Financial year ending 31 December 2026</u>
HK\$2,084,000	HK\$4,509,000	HK\$5,252,000

The above New Caps for the Renewed Joint Effort Carparking Agreement for the six months ending 31 December 2024 and the two financial years ending 31 December 2026 have been determined by reference to the historical transaction amounts, the estimated amount of free parking joint promotions and the possible growth in such arrangement. Estimated annual increments of the amount payable by the HLD Group to MCPI Company pursuant to the Renewed Joint Effort Carparking Agreement of approximately 15% (effective in July in each year during the Extended Term, as compared with the immediately preceding 12 months) are adopted in determining the above New Caps to reflect an expected increase in the customers of the Shopping Arcades after the control of COVID epidemic and possible review of parking fees.

The transactions under the Renewed Joint Effort Carparking Arrangement are different from those under the Property Management Transactions by nature and do not form part of the property management transactions between the Sunlight REIT Group and the HLD Related Group, for the following reasons:

- (a) The Renewed Joint Effort Carparking Arrangement is undertaken for the joint benefit and promotion of the Sunlight REIT Group and the HLD Group (which can be income or expense in nature to the Sunlight REIT Group), whereas the Property Management Transactions involve only the provision of services by the HLD Related Group to the Sunlight REIT Group (which is expense in nature to the Sunlight REIT Group).
- (b) The calculation of transaction amounts under the Renewed Joint Effort Carparking Arrangement is based on a fair sharing of fees and costs among the parties; whereas the service fees charged by the HLD Related Group under the Property Management Transactions are not based on their costs and does not involve any sharing of fees or costs.

### 3. Renewed Master Leasing Agreement

Pursuant to the Existing Master Leasing Agreement, members of the Sunlight REIT Group may from time to time enter into the Leasing Transactions with members of the HLD Related Group in the ordinary course of business in accordance with the terms set out therein. The current term of the Existing Master Leasing Agreement will expire on 30 June 2024.

On 30 April 2024, HLD and the Manager (in its capacity as manager of Sunlight REIT) entered into the Renewed Master Leasing Agreement to renew the Existing Master Leasing Agreement for the Extended Term. The terms and conditions of the transactions under the Renewed Master Leasing Agreement are substantially identical to those under the Existing Master Leasing Agreement.

The principal terms of the Renewed Master Leasing Agreement are set out below:

(i) *Date*

30 April 2024

(ii) *Parties*

- HLD; and
- the Manager (in its capacity as manager of Sunlight REIT)

(iii) *Subject matter*

With respect to the Leasing Transactions to be agreed to be provided during the term of the Renewed Master Leasing Agreement, the relevant members of the HLD Related Group and of the Sunlight REIT Group shall enter into separate definitive leasing agreement(s) (“**Definitive Leasing Agreement(s)**”) setting out the detailed terms (including the fee and the payment terms).

(iv) *Duration*

The Renewed Master Leasing Agreement is for the duration of two and a half years from 1 July 2024 to 31 December 2026, unless terminated in accordance with the terms of the Master Leasing Agreement.

(v) *Consideration and other terms*

The terms of, and the rental or licence fee payable under, the Definitive Leasing Agreements shall be negotiated on a case-by-case and an arm’s length basis, and shall be on normal commercial terms which, (i) from the Sunlight REIT Group’s perspective, shall be no more favourable than those which Sunlight REIT Group made available to its independent third party lessees, tenants or licensees; and (ii) from the HLD Related Group’s perspective, shall be no less favourable than those which the relevant members of the HLD Related Group could obtain from independent landlords or lessors of comparable premises.

In respect of the Leasing Transactions with a total license fee not exceeding HK\$50,000 (“**Small Licences**”), such licence fee shall be determined based on the standard pre-determined rates (subject to periodic review by the Manager) at which the relevant Property Holding Company licenses out to any parties, including independent third party licensees. In respect of the Leasing Transactions which are not Small Licences, the rental or licence fee shall be determined based on the valuation of the rental value of the subject premises to be leased, let or licensed obtained from an independent property valuer. The management/service fees chargeable by the Sunlight REIT Group to the relevant member of the HLD Related Group in respect of the Leasing Transactions shall be at the same rate as those chargeable by the Sunlight REIT Group to other tenants or licensees of the same building or property which are not members of the HLD Related Group.

(vi) *Historical amounts and the New Caps*

For each of the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2023, the aggregate amounts received by the Sunlight REIT Group from the HLD Related Group in respect of the Leasing Transactions were approximately HK\$10,922,000, HK\$10,651,000, HK\$10,474,000 and HK\$5,329,000 respectively.

It is expected that the maximum aggregate amount receivable by the Sunlight REIT Group from the HLD Related Group in respect of the Leasing Transactions for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026 will not exceed the New Caps set out below:

<u>Six months ending 31 December 2024</u>	<u>Financial year ending 31 December 2025</u>	<u>Financial year ending 31 December 2026</u>
HK\$9,680,000	HK\$19,620,000	HK\$20,250,000

The above New Caps for the Leasing Transactions for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026, which mainly consist of rental, building management and air-conditioning fees payable by the HLD Related Group, have been determined by taking into account the historical transaction amounts, the current lease expiry profile, possible adjustments in rental, licence fees and charges reflecting market conditions in the future, and potential new tenancies and licences which the HLD Related Group may enter into with the Sunlight REIT Group during the relevant financial periods.

The New Caps for the Leasing Transactions comprise the following breakdown:

	Six months ending 31 December 2024 HK\$	Financial year ending 31 December 2025 HK\$	Financial year ending 31 December 2026 HK\$
Existing tenancies and licenses	5,075,000	10,306,000	10,615,000
Potential new tenancies and licences	4,605,000	9,314,000	9,635,000
<b>Total</b>	<b>9,680,000</b>	<b>19,620,000</b>	<b>20,250,000</b>

#### 4. Reasons for and Benefits of the Continuing Connected Party Transactions and the Views of the Board and the Trustee

##### *The Board's views*

The Board considers that the Renewed Joint Effort Carparking Arrangement and the Renewed Master Leasing Agreement are necessary to support the normal operations of Sunlight REIT as the Renewed Joint Effort Carparking Arrangement will facilitate the joint benefit and promotional arrangement with the HLD Group to attract and reward customers spending at MCPI Property whereas the Renewed Master Leasing Agreement will enable the systematic organisation of the Leasing Transactions, which have been and (where applicable) may in the future be, entered into in connection with the properties of the Sunlight REIT Group. The Board (including all independent non-executive Directors) considers that (i) the transactions under the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement are consistent with Sunlight REIT's investment objectives and strategy and in compliance with the Trust Deed and the REIT Code; and are entered into at arm's length, on normal commercial terms and in the ordinary and usual course of business of Sunlight REIT; and (ii) the terms of the transactions thereunder and the New Caps thereof are fair and reasonable and are in the interests of Sunlight REIT and the Unitholders as a whole and they do not require the approval of independent Unitholders under the Trust Deed or the REIT Code.

The Board (including all independent non-executive Directors) considers that the Property Management Transactions form an integral part of the normal operations of Sunlight REIT. In particular, the Property Manager has been a key and important delegate of the Manager in relation to the management of the properties of Sunlight REIT since its listing. Hence, the Board is of the view that the extension for a further term of two and a half years for each of the Property Management Agreement and the Existing Master Services Agreement, and the continued appointment of the Connected DMC Managers under the Connected Deeds of Mutual Covenant will ensure business continuity of Sunlight REIT. The Board considers that (i) the Property Management Transactions are consistent with Sunlight REIT's investment objectives and strategy and in compliance with the Trust Deed and the REIT Code; and are entered into at arm's length, on normal commercial terms and in the ordinary and usual course of business of Sunlight REIT; and (ii) the terms of the Property Management Transactions and the New Caps thereof are fair and reasonable, and are in the interests of Sunlight REIT, the Independent Unitholders and the Unitholders as a whole. The opinion of the independent non-executive Directors in respect of the Property Management Transactions and the New Caps thereof, which is formed after taking into account the advice provided by the Independent Financial Adviser, will be set out in the Circular.

None of the Directors has a material interest in the Continuing Connected Party Transactions and therefore, none of them is required to abstain from voting on the relevant board resolutions of the Manager for approving the Continuing Connected Party Transactions. However, as Mr. AU Siu Kee, Alexander and Mr. KWOK Ping Ho, both being non-executive Directors of the Manager, are an independent non-executive director and an executive director of HLD respectively, they have voluntarily abstained from voting on the relevant board resolutions of the Manager for approving the Continuing Connected Party Transactions to avoid any potential conflict of interests.

*The Trustee's views*

Based and in sole reliance on the opinion of the Board and the information and assurances provided by the Manager including those in this announcement and the unanimous approval of the transactions under the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement by the Board (including the independent non-executive Directors but excluding Mr. AU Siu Kee, Alexander and Mr. KWOK Ping Ho, both of whom have voluntarily abstained from voting on the relevant Board resolutions, as stated above), the Trustee, having taken into account its duties under the Trust Deed and the REIT Code is of the view that:

- (i) the transactions under the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement are consistent with Sunlight REIT's investment objectives and strategy, on normal commercial terms and in compliance with the Trust Deed and the REIT Code; and
- (ii) the terms of the transactions under the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement and the New Caps thereof are fair and reasonable and in the interests of Sunlight REIT and the Unitholders as a whole and they do not require the approval of independent Unitholders under the Trust Deed or the REIT Code.

Accordingly, the Trustee has no objection to the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement and the New Caps thereof.

The above views of the Trustee are included in this announcement solely to comply with paragraph 8.7D of the REIT Code.

The Circular will include the Trustee's view, on the basis set out therein, that (a) the Property Management Transactions are consistent with Sunlight REIT's investment objectives and strategy, on normal commercial terms, and in compliance with the Trust Deed and the REIT Code; (b) the terms of the Property Management Transactions and the New Caps are fair and reasonable and in the interests of Sunlight REIT, the Independent Unitholders and the Unitholders as a whole; and (c) Independent Unitholders' approval is required for the Property Management Transactions and the New Caps thereof and, based on (a) to (c) above and subject to such Independent Unitholders' approval, the Trustee has no objection to the Property Management Transactions and the New Caps thereof.

## **5. Implications of the Continuing Connected Party Transactions under the REIT Code**

At the date of this announcement, the HLD Group holds an aggregate of approximately 21.24% of Units in issue while the SKFE Group holds an aggregate of approximately 21.82% of Units in issue. The Manager is an indirect wholly-owned subsidiary of HLD. Therefore, members of the HLD Related Group are connected persons of Sunlight REIT, and the Continuing Connected Party Transactions constitute continuing connected party transactions of Sunlight REIT under the REIT Code.

As some of the applicable percentage ratios (as calculated pursuant to Rule 14.07 of the Listing Rules) in respect of the New Caps of the Property Management Transactions exceed 5% on an aggregate basis, the Property Management Transactions are subject to the announcement, reporting, annual review and Independent Unitholders' approval requirements pursuant to the REIT Code and/or Chapter 14A of the Listing Rules.

By virtue of the HLD Group's material interest in the Property Management Transactions, the HLD Group (which held 364,031,990 Units, representing approximately 21.24% of Units in issue at the date of this announcement) will abstain from voting on the Ordinary Resolution to approve the Property Management Transactions and the New Caps thereof (except for voting pursuant to a proxy under a specific direction given by Independent Unitholder(s) to vote for or against the Ordinary Resolution on his or their behalf).

For the avoidance of doubt, members of the SKFE Group are not the counterparties of the Property Management Transactions, nor are they associates (as defined in Rule 14A.13 of the Listing Rules) of HLD or of any counterparties of the Property Management Transactions. Accordingly, the SKFE Group (which held 374,072,708 Units, representing approximately 21.82% of Units in issue at the date of this announcement) does not have a material interest in the Property Management Transactions or the New Caps thereof, and is not required to abstain from voting on the Ordinary Resolution to approve the Property Management Transactions and New Caps thereof.

As the applicable percentage ratios in respect of the New Caps of the transactions under each of the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement are more than 0.1% but less than 5%, such transactions are subject to the announcement and reporting requirements but exempt from the independent unitholders' approval requirement pursuant to the REIT Code.

## **6. Internal Controls**

The Manager has established an internal control system to ensure that connected party transactions between the Sunlight REIT Group and its connected persons are monitored and that such transactions are undertaken on terms in compliance with the REIT Code. As required by the REIT Code, all connected party transactions must, among other things, be carried out at arm's length, on normal commercial terms and in the interests of the Unitholders.

In respect of the Continuing Connected Party Transactions, the following internal control measures are in place to ensure that such transactions satisfy the foregoing criteria:

- (a) The Manager maintains a register to record all connected party transactions which are entered into by members of the Sunlight REIT Group and where applicable, the bases,



including (with respect to the Service Transactions only) any competitive tenders and quotations from independent third parties obtained to support such bases, on which they are entered into. The Manager or (in respect of the DMC Management Fees under the Connected Deeds of Mutual Covenant) the Property Manager will verify that the amounts payable by the Sunlight REIT Group are calculated in accordance with the relevant agreements.

- (b) The register of connected party transactions is reviewed by the compliance department of the Manager on a monthly basis to ensure the relevant annual caps are not exceeded.
- (c) As a general rule, the Manager will demonstrate to the audit committee of the Board that all connected party transactions are carried out at arm's length, on normal commercial terms and in the interests of the Unitholders as a whole. In particular, the audit committee is provided with a summary of the connected party transactions including their transaction amounts on a quarterly basis.
- (d) The internal audit department of the Manager will review all connected party transactions entered into by the Sunlight REIT Group on a half-yearly basis.

## **7. Review and Reporting**

The Continuing Connected Party Transactions to be conducted during the Extended Term will be subject to the following review and reporting processes pursuant to paragraph 8.7A of the REIT Code and Rules 14A.55 to 14A.59, Rule 14A.71 and Rule 14A.72 of the Listing Rules (as modified under the REIT Code):

*(a) Annual review by the independent non-executive Directors*

The independent non-executive Directors shall review the transactions annually and confirm in Sunlight REIT's annual report for the relevant financial year that each transaction has been entered into: (i) in the ordinary and usual course of business of Sunlight REIT; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of Sunlight REIT, the Independent Unitholders and the Unitholders as a whole.

*(b) Annual review by the auditors of Sunlight REIT*

In respect of each relevant financial year, the Manager shall engage the auditors of Sunlight REIT to perform certain review procedures and report on the Continuing Connected Party Transactions annually. The auditors of Sunlight REIT must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that any such Continuing Connected Party Transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of Sunlight REIT; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing it; and (iv) have exceeded the applicable annual cap.

(c) *Auditors' access to records*

The Manager shall allow, and ensure that the counterparties to the transactions allow, the auditors of Sunlight REIT sufficient access to their records for the purpose of reporting on the Continuing Connected Party Transactions.

(d) *Notification to the SFC*

The Manager shall promptly notify the SFC and publish an announcement if the independent non-executive Directors and/or the auditors of Sunlight REIT cannot confirm the matters set out in (a) and/or (b) above. The SFC may require Sunlight REIT to re-comply the announcement and unitholders' approval requirements and may impose additional conditions.

(e) *Annual reports*

A brief summary of the transactions containing the information specified in Rules 14A.71 and 14A.72 of the Listing Rules (as modified under the REIT Code) shall be included in Sunlight REIT's annual reports.

## **8. Information on the Parties to the Continuing Connected Party Transactions**

Sunlight REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed, and is authorised under section 104 of the SFO. The Sunlight REIT Group is principally engaged in the business of ownership of and investment in income-generating office and retail properties in Hong Kong.

Each of MCPI Company, SSC Company, Supernova Stand Company, Kwong Wah Plaza Companies, Winsome House Company, Wai Ching Commercial Building Company, Sun Fai Commercial Centre Company, 135 Bonham Strand Trade Centre Company and Beverley Commercial Centre Company is a special purpose vehicle owned and controlled by Sunlight REIT and is principally engaged in property investment.

The Manager is an indirect wholly-owned subsidiary of HLD and is principally engaged in managing Sunlight REIT.

HLD is an investment holding company the shares in which are listed on the Main Board of the Stock Exchange. The HLD Group is principally engaged in the business of property development and investment, construction, project management, property management, hotel operation, department store operation and investment holding. HLD is also the holding company of the Phases II & III Owners which are principally engaged in property investment.

The Property Manager is an indirect wholly-owned subsidiary of HLD and is principally engaged in the provision of property management services to the properties of Sunlight REIT.

Metro City Management Limited, Hang Yick Properties Management Limited and Sheung Shui Centre Management Limited are wholly-owned subsidiaries of HLD and are principally engaged in property management.

HLAL is a wholly-owned subsidiary of HLD and is principally engaged in provision of leasing agency services to members of the HLD Group.

## **9. The Independent Board Committee and the Independent Financial Adviser**

The Independent Board Committee comprising all four independent non-executive Directors has been formed to review the terms of the Continuing Connected Party Transactions and to advise the Independent Unitholders on how to vote in respect of the Property Management Transactions and the New Caps thereof at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Independent Unitholders and the Trustee in respect of the Property Management Transactions and the New Caps thereof.

### **CIRCULAR AND THE EGM**

A circular containing, among other things, (i) a letter from the Board containing further information on the Property Management Transactions (including the New Caps thereof); (ii) the recommendations from the Independent Board Committee to the Independent Unitholders in connection with the Property Management Transactions and the New Caps thereof; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the Property Management Transactions and the New Caps thereof; and (iv) a notice convening the EGM, will be despatched to the Unitholders on or before Tuesday, 7 May 2024 together with the form of proxy for the EGM to the Unitholders.

The EGM will be held at The Ballroom, 18<sup>th</sup> Floor, The Mira Hong Kong, 118 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 29 May 2024 at 10:45 a.m. (or if later, immediately after the conclusion or the adjournment of the annual general meeting of Unitholders convened for the same place and day).

### **CLOSURE OF REGISTER OF UNITHOLDERS**

For the purpose of determining eligibility of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which period no transfer of Units will be effected. In order to qualify to attend and vote at the EGM, all transfers of Units accompanied by the relevant unit certificates and the duly completed transfer forms must be lodged with the unit registrar of Sunlight REIT, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 May 2024.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“135 Bonham Strand Trade Centre Company”	Tinselle Investment Limited, the registered owner of 135 Bonham Strand Trade Centre Property and a special purpose vehicle owned and controlled by Sunlight REIT
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“135 Bonham Strand Trade Centre Property”	various portions in 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong
“2021 Announcement”	the announcement of Sunlight REIT dated 31 March 2021 in relation to, among other things, the Existing Continuing Connected Party Transactions
“2021 Circular”	the circular of Sunlight REIT dated 9 April 2021 in relation to, among other things, the Existing Property Management Transactions
“Associate(s)”	has the meaning ascribed to it under the REIT Code
“Beverley Commercial Centre Company”	Newcorp Development Limited (新萬發展有限公司), the registered owner of Beverley Commercial Centre Property and a special purpose vehicle owned and controlled by Sunlight REIT
“Beverley Commercial Centre Property”	various shops units on the ground floor of Beverley Commercial Centre at 87-105 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong
“Board”	the board of Directors
“Change of Financial Year End Date”	the change of financial year end date of Sunlight REIT from 30 June to 31 December with effect from 7 February 2024
“Charge-out Collections”	in respect of a property, and in relation to the relevant period, all items of air-conditioning charges, management fees, promotional charges, government rates, government rents, utility charges, cleaning and other charges which are payable by tenants or licensees to the relevant Property Holding Company
“Circular”	the circular to be issued and despatched to Unitholders on or before Tuesday, 7 May 2024, containing, among other things, (i) details of the Property Management Transactions together with the recommendations of the Independent Board Committee to the Independent Unitholders, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee in respect of the Property Management Transactions; and (ii) the EGM Notice
“Connected Deed(s) of Mutual Covenant”	the Deed(s) of Mutual Covenant pursuant to which a Connected DMC Manager has been currently appointed

“Connected DMC Manager(s)”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions – 1. Property Management Transactions – (C) Deeds of Mutual Covenant</i> ” of this announcement
“connected person(s)”	has the meaning ascribed to it under the REIT Code
“Continuing Connected Party Transactions”	the Property Management Transactions and the transactions contemplated under the Renewed Joint Effort Carparking Agreement and the Renewed Master Leasing Agreement
“Deed(s) of Mutual Covenant”	in respect of a property owned by a Property Holding Company, the deed(s) which defines and regulates the rights, interests and obligations of the owners of the building or development of which the property forms part and the DMC Manager and sets out provisions relating to, among others, the management and maintenance of such building development
“Definitive Leasing Agreement(s)”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions - 3. Renewed Master Leasing Agreement - (iii) Subject matter</i> ” of this announcement
“Definitive Service Agreement(s)”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions - 1. Property Management Transactions - (B) Renewed Master Services Agreement - (iii) Subject matter</i> ” of this announcement
“Director(s)”	the director(s) of the Manager
“DMC Management Fee(s)”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions – 1. Property Management Transactions - (C) Connected Deeds of Mutual Covenant - (ii) Services provided by, and fees payable to, the Connected DMC Managers</i> ” of this announcement
“DMC Manager(s)”	the manager(s) of the relevant building or development appointed under the Deed(s) of Mutual Covenant
“DMC Manager’s Remuneration”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions – 1. Property Management Transactions - (C) Connected Deeds of Mutual Covenant - (ii) Services provided by, and fees payable to, the Connected DMC Managers</i> ” of this announcement

“EGM”	the extraordinary general meeting of Unitholders to be convened by the EGM Notice to consider and, if thought fit, approve the Property Management Transactions and the New Caps thereof, or any adjournment thereof
“EGM Notice”	the notice of the EGM as set out in the Circular
“Evercot Enterprise Company Limited”	a company incorporated in Hong Kong with limited liability of which HLD is the holding company
“Existing Continuing Connected Party Transactions”	the Existing Property Management Transactions and the transactions contemplated under the Existing Joint Effort Carparking Agreement and the Existing Master Leasing Agreement
“Existing Joint Effort Carparking Agreement”	the agreement dated 31 March 2021 entered into between HLAL (as agent of the Phases II & III Owners) and the Property Manager (as agent of MCPI Company) in relation to the offering of Parking Coupons
“Existing Joint Effort Carparking Arrangement”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions – 2. Renewed Joint Effort Carparking Arrangement</i> ” of this announcement
“Existing Master Leasing Agreement”	the master agreement dated 31 March 2021 entered into between HLD and the Manager for setting out the framework terms governing the Leasing Transactions
“Existing Master Services Agreement”	the master agreement dated 31 March 2021 entered into between HLD and the Manager for setting out the framework terms governing the Service Transactions
“Existing Property Management Transactions”	the existing transactions under the Property Management Agreement, the Existing Master Services Agreement and the Connected Deeds of Mutual Covenant
“Extended Term”	the period of two and a half years commencing on 1 July 2024 and ending on 31 December 2026
“Gross Property Revenue”	in respect of a property, and in relation to the relevant period, the amount equivalent to the Gross Revenue less the Charge-out Collections

“Gross Revenue”	<p>in respect of a property, and in relation to the relevant period, all income accruing or resulting from the operation of such property for the relevant period, including but not limited to base rental income, turnover rent, licence fees, Charge-out Collections and other sums (after deduction for all rebates, refunds, credits or discounts and rebates for rent free periods) due from tenants, licensees and concessionaires, business interruption insurance payments, carpark income, atrium income, interest income, advertising and other income attributable to the operation of such property but, shall exclude the following:</p> <ul style="list-style-type: none"> <li>(i) proceeds derived or arising from the sale and/or disposal of the property and/or the operating equipment, or any part thereof;</li> <li>(ii) all proceeds from insurances taken out (but excluding business interruption insurance payments which shall form part of the Gross Revenue);</li> <li>(iii) all rental and other refundable security deposits;</li> <li>(iv) all taxes (whether in force at present or in the future), charged to tenants, licensees and users of the property for the sale or supply of services or goods, which taxes are accountable by the relevant Property Holding Company to the tax authorities; and</li> <li>(v) any Adjustment Payments (as defined in the Offering Circular) (which had been fully paid)</li> </ul>
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HLAL”	Henderson Leasing Agency Limited (恒基租務代理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of HLD
“HLD”	Henderson Land Development Company Limited (恒基兆業地產有限公司), a company incorporated in Hong Kong with limited liability, the shares in which are listed on the Main Board of the Stock Exchange
“HLD Group”	HLD and its subsidiaries

“HLD Related Group”	HLD and its subsidiaries and Associates (which for the avoidance of doubt, exclude the Sunlight REIT Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the Property Management Transactions, comprising Mr. KWAN Kai Cheong, Dr. TSE Kwok Sang, Mr. KWOK Tun Ho, Chester and Ms. Helen ZEE, all being independent non-executive Directors
“Independent Financial Adviser”	Ballas Capital Limited (博思融資有限公司), a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and appointed as the independent financial adviser to advise the Independent Board Committee, the Independent Unitholders and the Trustee in respect of the Property Management Transactions and the New Caps thereof
“Independent Unitholders”	Unitholders other than those who have a material interest in the Property Management Transactions
“Join Fortune Development Limited”	a company incorporated in Hong Kong with limited liability of which HLD is the holding company
“Kwong Wah Plaza Companies”	Seiren Investment Limited (實盈置業有限公司) and Sound Bright Investment Limited (聲亮投資有限公司), the registered owners of Kwong Wah Plaza Property, and special purpose vehicles owned and controlled by Sunlight REIT
“Kwong Wah Plaza Property”	various portions in Kwong Wah Plaza at 11-15 Tai Tong Road, Yuen Long, New Territories, Hong Kong
“Leasing Transactions”	entering into by members of the HLD Related Group of leases, tenancies or licences in respect of premises owned by the Sunlight REIT Group (including office and retail space, car parks and building areas)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Expenses”	the total costs and charges (inclusive of sum payable to independent third party service providers) for the management of the relevant building or development



“Manager”	Henderson Sunlight Asset Management Limited (恒基陽光資產管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HLD, acting as the manager of Sunlight REIT
“MCPI Company”	Sunlight Crownwill Limited, a company incorporated in the British Virgin Islands with limited liability, the registered owner of MCPI Property and a special purpose vehicle owned and controlled by Sunlight REIT
“MCPI Property”	the commercial development (including car park spaces therein) of Metro City Phase I at 1 Wan Hang Road, Tseung Kwan O, Hong Kong
“Metro City Phase II”	the commercial development (including car park spaces therein) of Metro City Phase II at 8 Yan King Road, Tseung Kwan O, Hong Kong
“Metro City Phase III”	the commercial development (including car park spaces therein) of Metro City Phase III at 8 Yan King Road, Tseung Kwan O, Hong Kong
“Millap Limited”	a company incorporated in Hong Kong with limited liability of which HLD is the holding company
“New Caps”	the proposed maximum aggregate amounts payable or receivable by the Sunlight REIT Group in respect of (i) the Property Management Transactions under the Renewed Property Management Agreement, the Renewed Master Services Agreement and the Connected Deeds of Mutual Covenant; (ii) the Renewed Joint Effort Carparking Arrangement; and (iii) the Renewed Master Leasing Agreement respectively for the six months ending 31 December 2024 and each of the two financial years ending 31 December 2026, as set out in this announcement
“Offering Circular”	the offering circular dated 8 December 2006 issued in connection with the initial public offering of the Units
“Ordinary Resolution”	a resolution of Unitholders passed by a simple majority of the votes of those Unitholders present and entitled to vote, whether in person or by proxy, at a duly convened meeting, where the votes shall be taken by way of a poll, but with a quorum of two or more Unitholders holding together not less than 10% of Units in issue

“Parking Coupons”	the parking coupons to be offered to the patrons of the Shopping Arcades for enjoying certain number of hour(s) of free parking at any of the Phase I Car Park and Phases II & III Car Parks
“Phase I Car Park”	the car park spaces in MCPI Property
“Phases II & III Car Parks”	the car park spaces in Metro City Phase II and Metro City Phase III
“Phases II & III Owners”	Evercot Enterprise Company Limited, Shung King Development Company Limited, Join Fortune Development Limited, Millap Limited, Egeria Investment Limited, Kwong Kay Investment Company Limited, being the owners of Metro City Phase II and Metro City Phase III
“Property Holding Company(ies)”	the property holding company(ies) in the Sunlight REIT Group, each a special purpose vehicle owned and controlled by Sunlight REIT
“Property Management Agreement”	the agreement dated 29 November 2006 entered into between the Manager and the Property Manager (as supplemented and amended by supplemental agreements dated 28 April 2009, 25 June 2012, 12 May 2015, 15 May 2018 and 31 March 2021 respectively and acceded to by the Property Holding Companies) relating to the provision of certain property and lease management services and marketing services in respect of the properties of Sunlight REIT
“Property Management Transactions”	the Renewed Property Management Agreement, the Renewed Master Services Agreement and the Connected Deeds of Mutual Covenant, and the respective transactions thereunder
“Property Manager”	Henderson Sunlight Property Management Limited (恒基陽光物業管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HLD, acting as the property manager of Sunlight REIT
“REIT(s)”	real estate investment trust(s) authorised by the SFC under the REIT Code

“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time
“Renewed Joint Effort Carparking Agreement”	the agreement dated 30 April 2024 and entered into by HLAL (as agent of the Phases II & III Owners) and the Property Manager (as agent of MCPI Company) in relation to the offering of Parking Coupons for the Extended Term
“Renewed Joint Effort Carparking Arrangement”	has the meaning given to it under the section headed “ <i>Continuing Connected Party Transactions – 2. Renewed Joint Effort Carparking Arrangement</i> ” of this announcement
“Renewed Master Leasing Agreement”	the master agreement dated 30 April 2024 and entered into between HLD and the Manager for setting out the framework terms governing the Leasing Transactions for the Extended Term
“Renewed Master Services Agreement”	the master agreement dated 30 April 2024 and entered into between HLD and the Manager for setting out the framework terms governing the Service Transactions for the Extended Term
“Renewed Property Management Agreement”	the Property Management Agreement as supplemented by the Sixth Supplemental Agreement
“Service Transactions”	provision of Services by the relevant member of the HLD Related Group to the Sunlight REIT Group
“Services”	services including (i) cleaning services; (ii) maintenance services; (iii) renovation services (including physical improvements or repairs and project management of renovation or enhancement work); (iv) security services; (v) utilities services; (vi) car park management services; (vii) legal and other professional and consultancy services; and (viii) such other services in the ordinary and usual course of management and operation of the properties of the Sunlight REIT Group as may be agreed between HLD and the Manager from time to time in writing as to be governed by the Renewed Master Services Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time

“Shopping Arcades”	the shopping arcades in MCPI Property, Metro City Phase II and Metro City Phase III
“Shung King Development Company Limited”	a company incorporated in Hong Kong with limited liability of which HLD is the holding company
“Sixth Supplemental Agreement”	the sixth supplemental agreement to the Property Management Agreement dated 30 April 2024 entered into by the Manager and the Property Manager for the purpose of, among other things, extending the term of the appointment of the Property Manager
“SKFE Group”	Shau Kee Financial Enterprises Limited (a company ultimately controlled by the private family trusts of Dr. LEE Shau Kee) and its subsidiaries
“Small Licences”	has the meaning given to it in the section headed “ <i>Continuing Connected Party Transactions – 3. Renewed Master Leasing Agreement - (v) Consideration and other terms</i> ” of this announcement
“Specified Portion”	the proportion as the number of management units or undivided shares allocated to the property owned by the relevant Property Holding Company bears to the total management units or undivided shares allocated to the entire building or development
“SSC Company”	Bayman Limited, a company incorporated in the British Virgin Islands with limited liability, the registered owner of SSC Property and a special purpose vehicle owned and controlled by Sunlight REIT
“SSC Property”	the commercial development (including all shops, the restaurant and the kindergarten) and carparks in the podium and basement of Sheung Shui Centre at 3 Chi Cheong Road, Sheung Shui, New Territories, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Fai Commercial Centre Company”	Yu Loy Development Company Limited (裕來地產發展有限公司), the registered owner of Sun Fai Commercial Centre Property and a special purpose vehicle owned and controlled by Sunlight REIT

“Sun Fai Commercial Centre Property”	various portions in Sun Fai Commercial Centre at 576 Reclamation Street, Mong Kok, Kowloon, Hong Kong
“Sunlight REIT”	Sunlight Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorized under section 104 of the SFO
“Sunlight REIT Group”	Sunlight REIT, the special purpose vehicles owned and controlled by Sunlight REIT in accordance with the REIT Code and the Trust Deed and other companies or entities held or controlled by Sunlight REIT
“Supernova Stand Company”	United Glory Development Limited (安協發展有限公司), the registered owner of Supernova Stand Property and a special purpose vehicle owned and controlled by Sunlight REIT
“Supernova Stand Property”	Shops 1 to 9 on ground floor and commercial common area and facilities in Supernova Stand at 28 Mercury Street, Causeway Bay, Hong Kong
“Trust Deed”	the trust deed dated 26 May 2006 constituting Sunlight REIT, as amended and restated from time to time
“Trustee”	HSBC Institutional Trust Services (Asia) Limited (滙豐機構信託服務(亞洲)有限公司), in its capacity as the trustee of Sunlight REIT
“Unit(s)”	unit(s) in Sunlight REIT
“Unitholder(s)”	any person(s) registered as holding a Unit
“Wai Ching Commercial Building Company”	Gain Fortune Development Limited (盈福發展有限公司), the registered owner of Wai Ching Commercial Building Property and a special purpose vehicle owned and controlled by Sunlight REIT
“Wai Ching Commercial Building Property”	various portions in Wai Ching Commercial Building at 77 Wai Ching Street, Yau Ma Tei, Kowloon, Hong Kong
“Winsome House Company”	Grand Faith Development Limited (旺信發展有限公司), the registered owner of Winsome House Property and a special purpose vehicle owned and controlled by Sunlight REIT

“Winsome House Property”

various portions in Winsome House at 73 Wyndham Street, Central, Hong Kong

“%”

percentage

By order of the Board  
**HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED**  
恒基陽光資產管理有限公司  
(as manager of Sunlight Real Estate Investment Trust)  
**CHUNG Siu Wah**  
*Company Secretary*

Hong Kong, 30 April 2024

*At the date of this announcement, the Board comprises : (1) Chairman and Non-Executive Director : Mr. AU Siu Kee, Alexander; (2) Chief Executive Officer and Executive Director : Mr. WU Shiu Kee, Keith; (3) Non-Executive Director : Mr. KWOK Ping Ho; and (4) Independent Non-Executive Directors: Mr. KWAN Kai Cheong, Dr. TSE Kwok Sang, Mr. KWOK Tun Ho, Chester and Ms. Helen ZEE.*