



SUNLIGHT REIT

Sunlight Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised 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**

ANNOUNCEMENT

In order to enhance financial transparency and provide greater confidence to investors, the board of directors (the “**Board**”) of Henderson Sunlight Asset Management Limited (the “**Manager**”), as manager of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”), is pleased to announce the operational statistics of Sunlight REIT for the first quarter of the financial year ending 30 June 2008 (“**FY2007/08**”) as follows:

Passing rental trends steadily upward

In the last quarter, passing rental continued to climb steadily upward across both the office and retail properties. The gap between passing rental rates and market rental rates continues to narrow, particularly for the three flagship properties - 248 Queen’s Road East Property, Metro City Phase 1 Property and Sheung Shui Centre Shopping Arcade Property.

The office properties achieved an average passing rental growth of 5.5% to HK\$15.4 per sq. ft. as at 30 September 2007. The average unit rental for gross rentable area (“**GRA**”) committed during the quarter averaged HK\$19.3 per sq. ft.. Passing rental also improved across the retail properties, rising 4.1% from HK\$36.7 per sq. ft. to HK\$38.2 per sq. ft., while the average rental for GRA committed during the quarter averaged HK\$45.3 per sq. ft..

Continued improvement in overall occupancy

Occupancy levels for the portfolio as a whole continued to improve, attaining a level of 94.8% as at 30 September 2007 (30 June 2007: 93.8%). Office occupancy climbed from 91.9% as at 30 June 2007 to 93.5% as at 30 September 2007, while retail occupancy exhibited a slight drop from 97.7% to 97.5%.

Strong gains in occupancy levels of smaller properties

Notable increases in occupancy levels were seen in the smaller office properties, including Sun Fai Commercial Centre Property, Wai Ching Commercial Building Property, 235 Wing Lok Street Trade Centre Property and Yue Fai Commercial Centre Property. In particular, Sun Fai Commercial Centre Property registered a strong boost in occupancy, moving from 85.0% as at 30 June 2007 to 94.7% as at 30 September 2007. Among the retail properties, vigorous leasing activities at Beverly Commercial Centre Property resulted in occupancy advancing from 89.8% to 96.8%.

Trends in occupancy and passing rental for the first quarter of FY2007/08

| | Occupancy (%) ^{Note 1} | | Passing Rental (HK\$) ^{Note 2} | |
|---|---------------------------------|---------------------|---|---------------------|
| | As of 30/06/2007 | As of 30/09/2007 | As of 30/06/2007 | As of 30/09/2007 |
| Office | | | | |
| 248 Queen's Road East Property | 94.0 | 96.4 | 14.5 | 15.4 |
| Bonham Trade Centre Property | 87.1 | 86.8 | 13.7 | 14.1 |
| 135 Bonham Strand Trade Centre Property | 98.6 | 98.4 | 13.3 | 13.9 |
| 235 Wing Lok Street Trade Centre Property | 83.1 | 88.3 | 9.9 | 10.4 |
| Winsome House Property | 100.0 | 100.0 | 21.8 | 23.0 |
| Everglory Centre Property | 95.2 | 87.9 | 15.6 | 17.5 |
| Righteous Centre Property | 89.2 | 92.1 | 20.4 | 22.4 |
| Sun Fai Commercial Centre Property | 85.0 | 94.7 | 14.6 | 14.8 |
| Wai Ching Commercial Building Property | 75.1 | 77.8 | 7.0 | 7.0 |
| On Loong Commercial Building Property | 100.0 | 100.0 | 15.9 | 16.3 |
| Java Road 108 Commercial Centre Property | 94.2 | 94.2 | 14.3 | 15.0 |
| Yue Fai Commercial Centre Property | 84.8 | 86.2 | 12.4 | 12.5 |
| Office average | 91.9 | 93.5 | 14.6 | 15.4 |
| Retail | | | | |
| Metro City Phase 1 Property | 96.8 | 97.8 | 27.6 | 29.3 |
| Sheung Shui Centre Shopping Arcade Property | 99.4 | 97.7 | 60.3 | 62.9 |
| Kwong Wah Plaza Property | 98.3 | 96.7 | 24.1 | 25.1 |
| Beverley Commercial Centre Property | 89.8 | 96.8 | 26.6 | 27.1 |
| Royal Terrace Property | 97.3 | 97.3 | 26.2 | 26.4 |
| Supernova Stand Property | 100.0 | 100.0 | 41.6 | 41.6 |
| Glory Rise Property | 90.0 | 90.0 | 30.3 | 30.3 |
| Palatial Stand Property | 100.0 | 100.0 | 11.3 | 11.3 |
| Retail average | 97.7 | 97.5 | 36.7 | 38.2 |
| Overall | 93.8 | 94.8 | 22.0 | 22.9 |

Notes:

1. Occupancy is calculated on the basis of occupied GRA as a proportion of total GRA on the relevant date.
2. Passing rentals are calculated on the basis of average net rental for all leased GRA.

By order of the Board
Cheung Kam Yee
 Company Secretary

Hong Kong, 25 October 2007

As at the date of this announcement, the Board of the Manager comprises : (1) Chairman and Non-executive Director : Mr. KAN Fook Yee; (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, Mr. MA Kwong Wing and Dr. TSE Kwok Sang.