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## **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**

#### **WITHDRAWAL OF TWO PROPERTIES FROM PROPOSED SALE**

The Board announces that, as at the closure of the tender period on 23 March 2010, tenders and other offers were received for the purchase of one or both of the Properties.

Having conducted a detailed analysis of the tenders and other offers received, the Board has decided not to accept any of the tenders or other offers, and that the Properties will be withdrawn from the proposed sale.

#### **BACKGROUND AND PROPOSED SALE OF THE PROPERTIES**

The Manager is always conscious to develop and implement an active asset enhancement and operational management strategy for the portfolio of Sunlight REIT. Operational efficiency and yield enhancement are relevant factors in the management of the portfolio. In this connection, two properties from the portfolio, namely the Palatial Stand Property and the Glory Rise Property, have earlier been identified by the Manager as subjects to be considered for possible sale.

A public tender programme for the possible sale of the Palatial Stand Property and the Glory Rise Property was initiated in February 2010. Tenders offering a separate price for the purchase of either one of the two Properties, or a combined tender for both Properties, were both invited. The tender period was scheduled to close at 12:00 noon on 23 March 2010.

During the tender period, the Manager also received private treaty offers (“**other offers**”) from potential buyers of the Properties. As at the close of the tender period, tenders and other offers were received for the purchase of one or both of the Properties.

## **RESULTS OF THE PUBLIC TENDER PROGRAMME AND REASONS FOR WITHDRAWAL OF THE PROPERTIES FROM PROPOSED SALE**

The Board announces that, having conducted a detailed analysis of the tenders and other offers received for the purchase of one or both of the Properties, the Board has decided not to accept any of the tenders or other offers, and that the Properties will be withdrawn from the proposed sale.

### **The Palatial Stand Property**

The highest price tendered or offered under a single-property bid for the Palatial Stand Property was at a level significantly higher than the most up-to-date valuation obtained from the Principal Valuer as well as its valuation as at 30 September 2006 at the time of initial public offering of units in Sunlight REIT. However, the Board re-appraised the long term potential of the Palatial Stand Property, having notably taken into account the positive effect on rental yield expected to be brought about by the Shatin to Central Link of the MTR scheduled to be completed in 2015. In that connection, the Board noted, in particular, that according to the information published by the MTR Corporation Limited and the Highways Department, the Ho Man Tin Station of the Shatin to Central Link of the MTR is proposed to be connected by a system of footbridges, one of which is proposed to be located in close proximity to the Palatial Stand Property. The Board also noted that subsequent to the commencement of the public tender programme in February 2010, comparable transactions were recorded and published involving sale and purchase of commercial properties in the relevant vicinity, with the reported sale prices lending further support to the improving prospects arising from new infrastructural developments as mentioned above. After taking the above into consideration, the Board decided not to accept any of the tenders or other offers received for the purchase of the Palatial Stand Property.

### **The Glory Rise Property**

A number of tender and other offers have been received for the purchase of either the Glory Rise Property or both of the Properties. The highest price tendered or offered under a single-property bid for the Glory Rise Property was at a level considerably higher than the most up-to-date valuation obtained from the Principal Valuer but only marginally higher than its valuation as at 30 September 2006 at the time of the initial public offering of units in Sunlight REIT. However, the tender or offer received for the purchase of the Glory Rise Property on its own contained fundamental terms which deviate materially from those required under the public tender programme, and was considered by the Board as not acceptable. It was therefore not a viable option for the Glory Rise Property to be sold individually, and thus the Glory Rise Property was withdrawn from the proposed sale.

## **DETAILS RELATING TO THE PROPERTIES**

### **Brief description of the Properties**

The Palatial Stand Property: Shops Nos. 1, 2, 3, 4, 5, 6, 7, 8 and its Roof on the Ground Floor, Offices Nos. 1 and 2 on the First Floor, Advertising Spaces 1, 2, 3, 4 and 5, Private Staircase and Landing and the Reserved Portion of Palatial Stand (俊暉華庭), No.118 Wuhu Street, Kowloon, Hong Kong.

The Glory Rise Property: Unit A with Rear Yard, Unit B with Rear Yard, Unit C, Unit D, Unit E with Rear Yard, Unit F with Rear Yard on the Ground Floor, and Unit 1, Unit 2 (together with A/C plinth on the Second Floor) and Unit 3 on the First Floor and the Advertising Spaces of Glory Rise (港逸軒), No.128 Chun Yeung Street, North Point, Hong Kong.

### **Valuation and Net Property Income**

The valuation of the Palatial Stand Property and the Glory Rise Property as assessed by the Principal Valuer as at 28 February 2010 were HK\$18.2 million and HK\$48 million respectively.

For the two years ended 30 June 2008 and 2009, the net property income from the Palatial Stand Property was approximately HK\$834,000 and HK\$929,000 respectively, which represented approximately 0.26% and 0.26% respectively of the consolidated net property income of Sunlight REIT for the corresponding period. For the two years ended 30 June 2008 and 2009, the net property income from the Glory Rise Property was approximately HK\$2.02 million and HK\$1.87 million respectively, which represented approximately 0.63% and 0.53% respectively of the consolidated net property income of Sunlight REIT for the corresponding period.

### **GENERAL**

In the interest of good disclosure practice, this announcement is made on a voluntary basis by the Manager.

### **DEFINITIONS**

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

“Board”	the board of Directors of the Manager
“Directors”	the directors of the Manager
“Glory Rise Property”	as described under the section “Details relating to the Properties – Brief description of the Properties – The Glory Rise Property” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Manager”	Henderson Sunlight Asset Management Limited, as the manager of Sunlight REIT
“Palatial Stand Property”	as described under the section “Details relating to the Properties – Brief description of the Properties – The Palatial Stand Property” in this announcement

“Principal Valuer”	Knight Frank Petty Limited, the principal valuer of Sunlight REIT
“Properties”	collectively, the Palatial Stand Property and the Glory Rise Property
“Sunlight REIT”	Sunlight Real Estate Investment Trust
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**LO Yuk Fong, Phyllis**  
*Company Secretary*  
**HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED**

Hong Kong, 25 March 2010

*As at the date of this announcement, the Board comprises : (1) Chairman and Non-executive Director : Mr. TSE Wai Chuen, Tony; (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.*