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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

- (1) PROPOSED EXPANSION OF THE SCOPE OF THE INVESTMENT POLICY AND OBJECTIVE OF SUNLIGHT REIT**
- (2) PROPOSED AMENDMENTS TO THE TRUST DEED**
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- (5) PROPOSED AMENDMENT OF PROPERTY MANAGEMENT AGREEMENT**

Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee

Hercules
Hercules Capital Limited

The Manager proposes to seek Unitholders' approval of the following at the Sunlight REIT EGM to be held on 28 April 2009 :

- (1) to expand the geographical scope of the investment policy and objective of Sunlight REIT such that investment in properties will no longer be geographically restricted to in Hong Kong, and to expand the types of properties in which Sunlight REIT may invest to specifically include other commercial properties including industrial/office properties and car parks as well;
- (2) to make certain amendments to the Trust Deed;
- (3) to grant to the Manager a general mandate to repurchase Units on-market representing up to a maximum of 10% of the aggregate number of Units in issue as at the date of the approval; and
- (4) to extend the Initial Waiver Period for a period of three years up to and including 30 June 2012, and set the New Annual Caps for the Relevant Connected Party Transactions (on the basis as described below in this announcement).

The parties to the Property Management Agreement propose to enter into a supplemental agreement, which will take effect on 1 July 2009, to amend certain terms of the Property Management Agreement.

The Sunlight REIT Circular is expected to be despatched by the Manager to the Unitholders on 3 April 2009.

PROPOSED EXPANSION OF THE SCOPE OF THE INVESTMENT POLICY AND OBJECTIVE OF SUNLIGHT REIT

As stated in the Offering Circular, the investment policy and objective of Sunlight REIT is to invest primarily in office and retail properties in Hong Kong. The Manager proposes to expand the geographical scope of the investment policy and objective of Sunlight REIT such that investment in properties will no longer be geographically restricted to in Hong Kong. The Manager also proposes to expand the types of properties in which Sunlight REIT may invest to specifically include other commercial properties including industrial/office properties and car parks as well. The Manager considers that such proposed changes will, among other things, give Sunlight REIT the flexibility to expand to markets outside Hong Kong, increase returns, attract overseas investors and invest in other commercial properties including industrial/office properties and car parks as well when the opportunities arise.

The Manager proposes to seek the necessary Unitholders' approval of such changes at the Sunlight REIT EGM by way of a Special Resolution.

PROPOSED AMENDMENTS TO THE TRUST DEED

The Manager proposes to seek the necessary Unitholders' approval of certain proposed amendments to the Trust Deed at the Sunlight REIT EGM by way of Special Resolutions, including :

- (1) to provide for the adoption of incentive schemes pursuant to which equity or equity-linked incentives may be provided to the respective management, executives or employees of the Manager or the Special Purpose Vehicles, and/or other participants;
- (2) to expand the circumstances in which Units and Convertible Instruments may be issued to Connected Persons without Unitholders' approval;
- (3) to allow the Manager to issue new Units in accordance with the pricing basis as set out in an Ordinary Resolution passed by Unitholders;
- (4) to clarify that public-relations expenses incurred to promote or enhance Sunlight REIT's interests are payable out of Sunlight REIT's assets;
- (5) to change the reference closing price of the Units on SEHK for the purposes of determining whether Units and Convertible Instruments are issued within the allowed maximum discount of 20%;

- (6) to allow communications to Unitholders required by the Trust Deed to be disseminated by such means as may be permitted or required by the REIT Code or the SFC and (to the extent the Listing Rules are applicable to REITs) by the Listing Rules or SEHK from time to time;
- (7) to allow the Manager to give notice of closure of the Register;
- (8) to provide that notices and other documents are deemed to have been served on the day following the day of posting and to provide when notices and other documents are deemed to be served by other means of communications;
- (9) to provide that the Unitholders entitled to receive notices of meeting to be those who were on the Register on the last business day before the notice was sent, and to amend the notice period for annual general meetings and other general meetings;
- (10) to clarify the calculation of the leverage ratio;
- (11) to set out the procedure for altering the closing date of the Register;
- (12) to exclude new Units issued pursuant to any reinvestment of distributions from the calculation of the 20% limit on the general mandate;
- (13) to allow deduction of tax and other amount required by law to be paid in relation to the distribution or Sunlight REIT's income before making the distribution;
- (14) to change the definition of "Special Purpose Vehicle" to match with that under the REIT Code;
- (15) to change the definition of "Income" to exclude interest and taxation rebates, so that interest and taxation rebates will not be taken into account in the calculation of the variable fee payable to the Manager under the Trust Deed;
- (16) to revise the adjustment of calculation of the fees payable to the Trustee and the Manager in the event of acquisition or disposal of properties by Sunlight REIT and fund raising and distribution by Sunlight REIT, and (in the case of the Manager) to revise the manner of making adjustment payments;
- (17) to change the calculation basis of the acquisition fee and the divestment fee for the Manager and additional fee for the Trustee by using the valuation of the real property interests purchased or sold by Sunlight REIT;
- (18) to allow the Manager to elect to receive the base fee and variable fee referable to the initial property portfolio of Sunlight REIT in part (up to 50% of the amount due and payable) in cash for the period from 1 July 2009 until 30 June 2011;
- (19) to set out explicitly that Sunlight REIT can repurchase or redeem its Units if it is permitted by the relevant codes and guidelines issued by the SFC from time to time and applicable law;

- (20) to provide additional clarity and details as to how the Manager should undertake a rights issue;
- (21) to provide a clearer provision for the Manager to issue Units pursuant to a distribution reinvestment arrangement; and
- (22) to effect other corrections so as to ensure internal consistency of the Trust Deed.

Further details of the proposed amendments to the Trust Deed are set out in the Sunlight REIT Circular and the Special Resolutions for approving such proposed amendments are set out in the notice of the Sunlight REIT EGM.

PROPOSED REPURCHASE MANDATE

The Manager proposes to seek Unitholders' approval to grant the Repurchase Mandate to the Manager to repurchase Units on-market on behalf of Sunlight REIT.

The Repurchase Mandate will, if granted, commence on the date of the passing of the Ordinary Resolution approving the Repurchase Mandate and remain effective until the earlier of :

- (a) the conclusion of the next annual general meeting of Sunlight REIT following the passing of such Ordinary Resolution;
- (b) the expiration of the period within which the meeting referred to in (a) above is required to be held under the Trust Deed; and
- (c) its revocation or variation by an ordinary resolution of the Unitholders at a general meeting of the Unitholders.

There were 1,528,453,243 Units in issue as at the Latest Practicable Date. Subject to the passing of the Ordinary Resolution approving the grant of the Repurchase Mandate, the Manager will be allowed to repurchase 10% of the number of Units issued as at the date of the resolution granting the Repurchase Mandate. On the basis that no Units will be issued prior to the date of the EGM, the Manager will be allowed under the Repurchase Mandate to repurchase a maximum of 152,845,324 Units for Sunlight REIT.

It is proposed that repurchases of Units under the Repurchase Mandate would be financed from available cash flow or working capital of Sunlight REIT. In repurchasing Units, the Manager will only apply funds legally available for such purposes in accordance with the Trust Deed and the applicable laws of Hong Kong.

There might be a material adverse impact on the working capital or gearing position of Sunlight REIT (as compared with the position disclosed in the audited financial statements for the year ended 30 June 2008 contained in the Annual Report 2007/08 of Sunlight REIT) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Manager does not propose to exercise the Repurchase Mandate to such an extent that it would, in the circumstances, have a material adverse impact on the working capital requirements of Sunlight REIT or the gearing levels which in the opinion of the Manager are from time to time appropriate for Sunlight REIT.

Although the Manager has no present intention of repurchasing the Units for Sunlight REIT, it believes that it is in the interests of Sunlight REIT and the Unitholders as a whole to seek a general mandate from the Unitholders to enable Sunlight REIT to make on-market repurchases of Units. Depending on market conditions and funding arrangements at the time, repurchases may lead to an enhancement of the net asset value per Unit and/or distribution per Unit and will only be made when the Manager believes that such repurchases will benefit Sunlight REIT and the Unitholders as a whole. Accordingly, the Manager proposes to seek Unitholders' approval at the Sunlight REIT EGM (by way of an Ordinary Resolution) of the grant to the Manager of a general mandate to exercise all the powers of the Manager to repurchase Units on-market representing up to a maximum of 10% of the aggregate number of Units in issue as at the date of the passing of such Ordinary Resolution. An explanatory statement as required under the SFC Repurchase Circular, giving certain information regarding the Repurchase Mandate, is set out in the Sunlight REIT Circular.

PROPOSED EXTENSION OF PERIOD OF WAIVER IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS

Existing Waivers Granted

Reference is made to the Offering Circular in relation to certain connected party transactions between Sunlight REIT Group on one part and the SKFE Connected Persons Group and/or the Manager Group on the other part.

Subject to certain conditions (including but not limited to the imposing of annual caps on the values of the relevant transactions), the SFC has issued modifications of and granted waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of, inter alia, the Relevant Connected Party Transactions for the Initial Waiver Period (the "**Waiver**").

Details of the Relevant Connected Party Transactions and the Waiver are more particularly set out in the Offering Circular.

Expiration of the Waiver

In accordance with the terms of the Waiver, the Waiver will expire on 30 June 2009 and may be extended beyond 30 June 2009, and/or the conditions of the Waiver may be modified from time to time, provided that :

- (a) the approval of Independent Unitholders is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Sunlight REIT after the date on which the approval in (a) above is obtained.

Extension of the Waiver

Accordingly, on the basis set out below, the Manager seeks to extend the Initial Waiver Period for a period of three years up to and including 30 June 2012. Save as disclosed in the Sunlight REIT Circular and save for the annual caps of the Relevant Connected Party Transactions set out in the section “Connected Party Transactions – Waiver Conditions” of the Offering Circular in connection with the Waiver, the Manager confirms that the waiver conditions will continue to apply to Sunlight REIT for the three financial years ending 30 June 2012. The Manager also confirms that the Relevant Connected Party Transactions with respect to which the Waiver Extension is sought are within the same categories as those described in the section headed “Waivers for Certain Transactions” of the Offering Circular. The Manager seeks to set the relevant annual caps for the three financial years ending 30 June 2012, for the Relevant Connected Party Transactions as set out below.

(1) Leasing and Licensing Arrangements

(a) *Connected Leasing Transactions*

Proposed New Annual Caps

The Manager anticipates that for the three financial years ending 30 June 2012, the maximum aggregate sums payable to the Sunlight REIT Group by the SKFE Connected Persons Group and the Manager Group under the Connected Leasing Transactions will be as follows :

Financial year ending 30 June 2010	Financial year ending 30 June 2011	Financial year ending 30 June 2012
HK\$10,200,000	HK\$10,300,000	HK\$10,500,000

Basis of Proposed New Annual Caps

The proposed annual caps for the Connected Leasing Transactions mainly consist of rental income and building management and air-conditioning fee income payable by the SKFE Connected Persons Group and/or the Manager Group. The proposed annual caps for the Connected Leasing Transactions for the three financial years ending 30 June 2012 are determined by taking into account the current lease expiry profile and possible growth in rental, licence fees and charges reflecting expected market conditions in the future, supplemented by a buffer for contingencies, for instance, unforeseen market fluctuations and potential new tenancies and licences which the SKFE Connected Persons Group and the Manager Group may enter into with the Sunlight REIT Group during the relevant financial periods.

(b) Connected Facilities Transactions

Proposed New Annual Caps

The Manager anticipates that for the three financial years ending 30 June 2012, the maximum aggregate sums payable by the Sunlight REIT Group to the SKFE Connected Persons Group and the Manager Group under the Connected Facilities Transactions will be as follows :

Financial year ending 30 June 2010	Financial year ending 30 June 2011	Financial year ending 30 June 2012
HK\$730,000	HK\$730,000	HK\$730,000

Basis of Proposed New Annual Caps

Although there have been no Connected Facilities Transactions carried out during the period from the Listing Date to 30 June 2007 and the year ended 30 June 2008, the actual expense incurred by the Sunlight REIT Group for facilities rental for the period from the Listing Date to 30 June 2007 and the year ended 30 June 2008 amounted to approximately HK\$79,000 and HK\$50,000 respectively. In tandem with its growing business activities, the Manager expected that the Sunlight REIT Group would have a greater demand on facilities for annual meetings, investor relations events and public relations activities and it is possible that such facilities rental transactions might be entered into with the SKFE Connected Persons Group and/or the Manager Group during the extended waiver period.

(2) Property Management and Operations

(a) Property Management Transactions in respect of Sunlight REIT's assets, third party services and deeds of mutual covenants

Proposed New Annual Caps

The Manager anticipates that for the three financial years ending 30 June 2012, the maximum aggregate sums payable by the Sunlight REIT Group to the SKFE Connected Persons Group and the Manager Group under the Property Management Transactions in respect of Sunlight REIT's assets, third party services and deeds of mutual covenants will be as follows :

Financial year ending 30 June 2010	Financial year ending 30 June 2011	Financial year ending 30 June 2012
HK\$25,200,000	HK\$27,200,000	HK\$30,100,000

Basis of Proposed New Annual Caps

The proposed annual caps for the relevant Property Management Transactions have been determined with general reference to the historical figures and factors as more particularly set out below :

(i) Property management in respect of Sunlight REIT's assets

Subject to approval by the SFC, provided that there is no variation to the terms and conditions governing the transactions under the Property Management Agreement (after the proposed amendments as described in this announcement under the section headed "Proposed Amendment of Property Management Agreement"), whether during the term of the Property Management Agreement or upon any renewal thereof or during the term of any such renewed agreement(s) :

- (A) the fees and reimbursements payable to the Manager Group or the SKFE Connected Persons Group under the Property Management Agreement will not be subject to any annual cap for the purpose of the waiver granted by the SFC (as may be extended and/or modified from time to time); and
- (B) the entering into by the Manager of a renewed Property Management Agreement during the period of the waiver granted by the SFC (as may be extended and/or modified from time to time) will be exempt from all reporting, disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code.

Accordingly, the proposed annual caps for the Property Management Transactions referred to above have not included the fees and reimbursements payable to the Manager Group or the SKFE Connected Persons Group under the Property Management Agreement.

(ii) Third party services and deeds of mutual covenant

The proposed annual caps for the three financial years ending 30 June 2012 have been determined after taking into account the periodic use of additional services and possible growth in costs and expenses reflecting expected market conditions in the future, supplemented by a buffer for contingencies, for instance, potential new contracts for management and operations of properties, additional landlord's fitting out provisions, or building facilities maintenance and improvement works which the SKFE Connected Persons Group and the Manager Group may enter into with the Sunlight REIT Group during the relevant financial periods.

As the transaction amounts for property management in respect of Sunlight REIT's assets are included in the actual transaction amounts of the relevant Property Management Transactions for the period from the Listing Date to 30 June 2007 and the year ended 30 June 2008 while such amounts are excluded from the proposed New Annual Caps of the relevant Property Management Transactions for the three years ending 30 June 2012, the New Annual Caps of the relevant Property Management Transactions for the three years ending 30 June 2012 are lower than the actual transaction amounts for the year ended 30 June 2008.

(b) Property Management Transactions in respect of joint effort arrangements

Proposed New Annual Caps

The Manager anticipates that for the three financial years ending 30 June 2012, the maximum aggregate sums payable by/to the Sunlight REIT Group to/from the SKFE Connected Persons Group and the Manager Group under the joint effort arrangements will be as follows :

Financial year ending 30 June 2010	Financial year ending 30 June 2011	Financial year ending 30 June 2012
HK\$1,400,000	HK\$1,500,000	HK\$1,600,000

Basis of Proposed New Annual Caps

The proposed annual caps for the joint effort arrangements for the three financial years ending 30 June 2012 have been determined by reference to the estimated amount of joint promotional and development activities for retail properties after taking into account (i) the possible growth in such joint activities as a result of market growth or better economies of scale in the future; and (ii) other potential new joint effort activities which the SKFE Connected Persons Group and the Manager Group may enter into with the Sunlight REIT Group during the relevant financial periods. The Manager also adopts an estimated annual increment of 10% in the New Annual Caps for the three years ending 30 June 2012 to reflect the general inflation and provide buffer for additional joint effort arrangements between the Sunlight REIT Group and the SKFE Connected Persons Group and the Manager Group.

Approvals Required

(1) Approval by Ordinary Resolution

Pursuant to the Waiver, the Manager is required to issue an announcement and to issue a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code to seek independent Unitholders' approval to extend the Initial Waiver Period and to increase one or more of the annual caps set out in the Waiver. Accordingly, the Manager intends to obtain the approval of the Independent Unitholders for the Waiver Extension and the New Annual Caps by way of an Ordinary Resolution.

(2) Restrictions on Voting

Paragraph 8.11 of the REIT Code provides that where a Unitholder has a material interest in the transaction tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting.

Further, under paragraph 3.2 of Schedule A to the Trust Deed, where a Unitholder has a material interest in the transaction tabled for approval at a meeting of Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units at, or being counted in the quorum for, such meeting.

Pursuant to the REIT Code and the Trust Deed, by virtue of their material interest in the Waiver Extension, the SKFE Connected Persons Group and the Manager Group shall abstain from voting on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

So far as the Manager is aware, as at the Latest Practicable Date, holdings of Units of the SKFE Connected Persons Group and the Manager Group are as follows :

Name	Number of Units held	Approximate Percentage of Unit holding
Uplite Limited	224,443,625	14.68%
Wintrade Limited	149,629,083	9.79%
Cobase Limited	40,541,958	2.65%
Richful Resources Limited	27,027,972	1.77%
Manager	16,800,000	1.1%
Au Siu Kee, Alexander	1,229,000	0.08%
Lee King Yue	50,000	0.003%
Lee Pui Ling, Angelina	2,307	0.0002%
Lee Yip Wah, Peter	11,000	0.0007%
Mao Kenneth Ruys	500,000	0.033%
Wong Wing Hoo, Billy	500,000	0.033%

Reference is also made to the section “Conflicts of Interests” in the Corporate Governance Section in Sunlight REIT’s 2008/09 Interim Report, the information contained therein has not changed in any material respect since the publication of that interim report.

As at the Latest Practicable Date, to the best of the Manager’s knowledge, information and belief after having made reasonable enquiries, save as disclosed above, the Manager is not aware of any Unitholder who is required to abstain from voting on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

General

Having regard to the reasons for, the terms of, and factors and other information in relation to the Waiver Extension and the New Annual Caps, the Board considers that :

- (a) the Waiver Extension and the New Annual Caps, and the basis of the New Annual Caps, are fair and reasonable having regard to the interests of Sunlight REIT and the Independent Unitholders as a whole; and
- (b) the Relevant Connected Party Transactions have been or will be entered into (i) in the ordinary and usual course of business of Sunlight REIT; and (ii) at arm’s length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Sunlight REIT and the Independent Unitholders as a whole.

Further, the Board notes that the Relevant Connected Party Transactions will also be subject to the other existing conditions of the Waiver.

Sunlight REIT IBC has been established by the Board to advise the Independent Unitholders on the Waiver Extension and the New Annual Caps. The Independent Financial Adviser has been appointed as independent financial adviser to provide its opinion on the Waiver Extension and the New Annual Caps to the Sunlight REIT IBC, the Independent Unitholders and the Trustee.

Unitholders' attention is drawn to the "Letter from the Independent Board Committee in relation to the Waiver Extension" set out in the Sunlight REIT Circular, which contains the Sunlight REIT IBC's recommendation to the Independent Unitholders, and the "Letter from the Independent Financial Adviser in relation to the Waiver Extension" set out in the Sunlight REIT Circular, which contains the Independent Financial Adviser's advice to the Sunlight REIT IBC, the Independent Unitholders and the Trustee.

PROPOSED AMENDMENT OF THE PROPERTY MANAGEMENT AGREEMENT

The initial term of appointment of the Property Manager under the Property Management Agreement will expire on 30 June 2009. The Manager and the Property Manager intend to further extend the appointment for three years to 30 June 2012 on the same terms and conditions of the Property Management Agreement, subject to certain proposed amendments as described below.

The parties to the Property Management Agreement propose to enter into a supplemental agreement, which will take effect on 1 July 2009, to amend the Property Management Agreement as follows :

(a) Reimbursement of Costs of Persons Engaged for the Management of More than One Property

Currently, the Property Management Agreement provides for the reimbursement of the Property Manager by the Property Companies for the employment costs, secondment costs and remuneration relating to the 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 any one single property of the Sunlight REIT Group in Hong Kong, subject to certain requirements of approval by the Manager. An amendment is to be made to expand such reimbursement arrangement to also cover technical persons engaged by or under secondment to the Property Manager solely and exclusively for the management of more than one property of the Sunlight REIT Group in Hong Kong. The Manager believes that this will provide the Property Manager with the flexibility to engage technical persons to provide services solely and exclusively for properties of the Sunlight REIT Group in Hong Kong, which may result in cost savings to Sunlight REIT compared with the existing arrangement whereby the Property Manager has to outsource such services to external service providers if necessary.

(b) Reimbursement of Out-of-pocket Expenses

An amendment to the Property Management Agreement is to be made to provide for the reimbursement of the Property Manager by the Property Companies for out-of-pocket expenses incurred by the Property Manager directly in connection with the preparation and registration of agreements in respect of tenancy and/or licences concerning the

properties of Sunlight REIT, such as stamp duty and registration and search fees. The Manager believes that it is fair and reasonable that the Property Manager should not be bearing these out-of-pocket expenses which are costs necessitated from leasing of the properties of Sunlight REIT.

(c) Commission for Rent Review

An amendment to the Property Management Agreement is to be made to provide for the payment of a commission equivalent to 1/4 of the month's base rent (as reviewed) in respect of each rent review during the term of a tenancy provided for in the tenancy agreement. The Manager believes that such commission arrangement will provide an incentive to the Property Manager to strive for the best outcome for the Property Companies in respect of such rent reviews.

(d) Fees of the Property Manager – Marketing Services

It is also currently provided in the Property Management Agreement that the Property Manager shall not be entitled to any commissions if a tenancy, renewal of tenancy, and/or licence in respect of the properties of the Company is secured by a third party agent appointed by the relevant Property Companies. An amendment is to be made to give the relevant Property Companies a discretion to pay commissions to the Property Manager in such circumstances, having regard to factors including but not limited to the work done by the Property Manager in connection thereto and such commission (if decided to be paid) shall not be more than what the Property Manager would have been entitled to receive had such tenancy, renewal of tenancy, or licence, been secured by it.

The Manager believes that the new arrangements will provide flexibility to and increase the incentive of the Property Manager to provide best quality marketing services efficiently.

Based on figures for the latest financial year, the total amount of fees and other sums expected to be paid by the Sunlight REIT Group to the Property Manager as a result of the above amendments to the Property Management Agreement in a financial year is substantially below the *de minimis* threshold of 5% of the latest published net asset value of Sunlight REIT, even if such fees and other sums are aggregated with other payments made by the Sunlight REIT Group to the Property Manager in a financial year. Accordingly, no Unitholders' approval is required for the amendments to the Property Management Agreement pursuant to paragraph 8.9 of the REIT Code. In the event that, in the future, such payments by the Sunlight REIT Group to the Property Manager in a financial year is to exceed the 5% *de minimis* threshold, Unitholders' approval will be sought.

GENERAL

The Sunlight REIT Circular is expected to be despatched by the Manager to the Unitholders on 3 April 2009.

A copy of the Trust Deed is available for inspection at 30th Floor, 248 Queen's Road East, Wan Chai, Hong Kong, the place of business of the Manager, at all times during 9:00 a.m. to 5.00 p.m. (Hong Kong time) ("**Business Hours**") on any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no.8 or above or a "black" rainstorm warning signal is in effect in Hong Kong at any time during Business Hours) on which licensed banks are open for general business in Hong Kong.

DEFINITIONS

“associate”	has the meaning ascribed to it under the REIT Code
“Authorisation”	authorisation of Sunlight REIT by the SFC under section 104 of the SFO
“Board”	the board of Directors
“Connected Facilities Transactions”	transactions involving the use of facilities of the SKFE Connected Persons Group and/or the Manager Group by the Sunlight REIT Group from time to time
“Connected Leasing Transactions”	transactions entered into by the Sunlight REIT Group with certain tenants and licensees which are members of the SKFE Connected Persons Group and/or the Manager Group from time to time
“Connected Person”	has the meaning ascribed to it under the Trust Deed
“Convertible Instruments”	any securities convertible or exchangeable into Units, or any options or warrants or similar rights for the subscription or issue of Units (or securities convertible or exchangeable into Units), issued by Sunlight REIT or any Special Purpose Vehicle
“Director(s)”	the director(s) of the Manager
“HLD”	Henderson Land Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of SEHK
“Independent Financial Adviser”	Hercules Capital Limited, which is licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Unitholders”	Unitholders other than those who have a material interest in the Waiver Extension within the meaning of paragraph 8.11 of the REIT Code
“Initial Waiver Period”	the initial period of the waivers for the Relevant Connected Party Transactions which will be expiring on 30 June 2009
“Latest Practicable Date”	25 March 2009
“Listing Date”	the date on which the Units were first listed on SEHK, being 21 December 2006

“Listing Rules”	the listing rules for the time being applicable to the listing of Units on SEHK (currently being the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), as the same may be amended, supplemented or replaced from time to time
“Manager”	Henderson Sunlight Asset Management Limited, as the manager of Sunlight REIT, or such other person as may from time to time be appointed as the manager of Sunlight REIT
“Manager Group”	the Manager and entities or persons which are from time to time connected persons of Sunlight REIT as a result of their connection with the Manager
“New Annual Caps”	the proposed new annual caps for the Relevant Connected Party Transactions for the years ending 30 June 2010, 2011 and 2012 respectively as set out in this announcement
“Offering Circular”	the offering circular dated 8 December 2006 issued by the Manager in connection with the initial public offering of the Units
“Ordinary Resolution”	a resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy and the votes shall be taken by way of poll
“Property Companies”	the companies from time to time acquired or established by the Trustee to hold properties which are indirectly acquired by Sunlight REIT, and “Property Company” means any one of the Property Companies
“Property Management Agreement”	the agreement dated 29 November 2006 entered into between the Manager and the Property Manager (and subsequently acceded to by the property holding companies) relating to the provision of certain property management and lease management as well as marketing services in respect of the properties acquired by Sunlight REIT in connection with the initial public offering of the Units and any other property(ies) in Hong Kong which may in the future be acquired by Sunlight REIT
“Property Management Transactions”	four types of transactions entered into by, or by others on behalf of, the Sunlight REIT Group on one part and the SKFE Connected Persons Group and/or the Manager Group on the other part namely (1) property management in respect of Sunlight REIT’s assets; (2) third party services; (3) deeds of mutual covenant; and (4) joint effort arrangements

“Property Manager”	Henderson Sunlight Property Management Limited, as the property manager of Sunlight REIT, or such other person as may from time to time be appointed as the property manager of Sunlight REIT
“Register”	the register of Unitholders
“REIT”	real estate investment trust
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time
“Relevant Connected Party Transactions”	continuing connected party transactions involving (1) leasing and licensing arrangements or (2) property management and operations between the Sunlight REIT Group on one part and the SKFE Connected Persons Group and/or the Manager Group on the other part, the period of waiver in respect of which is being sought to be extended at the Sunlight REIT EGM
“Repurchase Mandate”	a general mandate proposed to be granted to the Manager to repurchase Units representing up to a maximum of 10% of the aggregate number of Units in issue as at the date of the passing of the Ordinary Resolution approving such general mandate
“SEHK”	The Stock Exchange of Hong Kong Limited
“Settlor”	Uplite Limited, the settlor of Sunlight REIT
“SFC”	Securities and Futures Commission of Hong Kong
“SFC Repurchase Circular”	the circular dated 31 January 2008 issued by the SFC to management companies of SFC-authorized REITs in relation to on-market unit repurchases by SFC-authorized REITs
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
“SKFE”	Shau Kee Financial Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“SKFE Connected Persons Group”	the SKFE Holders and entities or persons which are from time to time connected persons of Sunlight REIT as a result of their connection with the SKFE Holders
“SKFE Holders”	wholly-owned subsidiaries of SKFE which are significant holders of Sunlight REIT

“Special Purpose Vehicles”	the special purpose vehicles owned and controlled by Sunlight REIT in accordance with the REIT Code
“Special Resolution”	a resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed and carried by 75% or more of the votes of those Unitholders present and entitled to vote in person or by proxy and the votes shall be taken by way of poll
“Sunlight REIT”	Sunlight Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO
“Sunlight REIT Circular”	a circular containing, among other things, further details of the proposed expansion of the scope of the investment policy and objective of Sunlight REIT, the proposed amendments to the Trust Deed, the proposed Repurchase Mandate and the Waiver Extension, the recommendations of the Sunlight REIT IBC to the Independent Unitholders, the letter of advice from the Independent Financial Adviser to the Sunlight REIT IBC, the Independent Unitholders and the Trustee and the notice of the Sunlight REIT EGM to be despatched by the Manager to the Unitholders
“Sunlight REIT EGM”	an extraordinary general meeting of the Unitholders to be convened to approve, among other things (if any), the proposed expansion of the scope of the investment policy and objective of Sunlight REIT, the proposed amendments to the Trust Deed, the proposed Repurchase Mandate and the Waiver Extension
“Sunlight REIT Group”	Sunlight REIT, the Special Purpose Vehicles and other companies or entities held or controlled by Sunlight REIT
“Sunlight REIT IBC”	the independent committee of the Board established to advise the Independent Unitholders on the Waiver Extension and the New Annual Caps, comprising all the independent non-executive Directors, namely, Mr. KWAN Kai Cheong, Mr. MA Kwong Wing and Dr. TSE Kwok Sang
“Trust Deed”	the trust deed dated 26 May 2006 constituting Sunlight REIT (as supplemented by two supplemental deeds dated 1 June 2006 and 28 November 2006 respectively) entered into between the Settlor, the Manager and the Trustee, as may be modified or supplemented from time to time
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, as the trustee of Sunlight REIT, or such other person as may from time to time be appointed as the trustee of Sunlight REIT

“Unit”	one unit in Sunlight REIT
“Unit Registrar”	Tricor Investor Services Limited, or such other person as may from time to time be appointed to keep and maintain the Register
“Unitholder”	any person registered as holding a Unit
“Waiver Extension”	the proposed extension of the Initial Waiver Period for the Relevant Connected Party Transactions (including the setting of the New Annual Caps) as described in this announcement

By order of the Board
LO Yuk Fong, Phyllis
Company Secretary

HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED
(as manager of Sunlight Real Estate Investment Trust)

Hong Kong, 2 April 2009

As at the date of this announcement, the Board of the Manager 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.