

Press Release

Sunlight REIT Reports Interim Results FY2009/10

* * *

Expiring financial structures masks an otherwise decent operating performance

Hong Kong, 9 February 2010 – Henderson Sunlight Asset Management Limited (the “Manager”), as the manager of Sunlight Real Estate Investment Trust (“Sunlight REIT”; HKSE: 435), is pleased to announce Sunlight REIT’s interim results for the six months ended 31 December 2009.

The unaudited distributable income of Sunlight REIT for the period amounted to HK\$88.9 million, representing a year-on-year decrease of 12.0%. The distribution per unit (“DPU”) for the period was HK 6.88 cents, representing a year-on-year decline of 25.9% as compared with HK 9.29 cents declared for the six months ended 31 December 2008.

The decline in distributable income and DPU were mainly attributed to the effects of factors not related to the operating performance of the portfolio. These factors include a change in the payment structure of the Manager’s fees (from 100% in units to 50% in cash and 50% in units) pursuant to the Trust Deed’s amendment approved by unitholders at the EGM on 28 April 2009 and the subsequent announcement dated 19 June 2009 in respect of the election of the Manager’s fees, and a decline to the extent of the distribution waivers predetermined at the time of the listing offered by Henderson Land Development Company Limited and Shau Kee Financial Enterprises Limited from the previous 100% to 60% in the current financial year. Excluding the effect of these non-property elements, the DPU for the period was HK 4.92 cents, as compared with HK 4.93 cents declared for the six months ended 31 December 2008.

Knight Frank Petty Limited, the newly appointed independent valuer of Sunlight REIT, valued the portfolio of Sunlight REIT at HK\$9,701.0 million as at 31 December 2009. This represents an increase of 3.6% and 6.3% from the valuations performed by Savills Valuation and Professional Services Limited as at 30 June 2009 (HK\$9,364.0 million) and 31 December 2008 (HK\$9,125.0 million) respectively.

Operating Highlights

Although the reporting period was characterized by asset price volatility and pressure particularly on office rentals, Sunlight REIT demonstrated its resilience reporting a net property income of HK\$180.2 million for the period, representing a marginal growth of 0.7% from the same period last year. Cost-to-income ratio was 24.8%, a slight increase slightly from 24.0% recorded in the previous interim period largely due to the reduction in government rates concession

In terms of occupancy, Sunlight REIT recovered from the lower level witnessed in the first half of 2009. Overall occupancy stood at 94.9% as at 31 December 2009 as compared to 92.7% as at 30 June 2009 (31 December 2008 : 95.4%). Sectorally, occupancy of the office portfolio has rebounded to 93.2% as at 31 December 2009 from 91.7% registered as at 30 June 2009 (31 December 2008 : 94.4%), while the retail portfolio achieved an occupancy of 98.3%, the highest level since listing, which compares favourably to 95.0% recorded as at 30 June 2009 (31 December 2008: 97.5%).

Passing rent of the office portfolio continued to edge higher, registering a year-on-year growth of 5.2% to HK\$20.4 per sq. ft. as at 31 December 2009. The average unit rent committed for all new and renewing leases during the period was HK\$16.9 per sq. ft.. Meanwhile, average passing rent for the retail portfolio rose 2.7% year-on-year to HK\$41.9 per sq. ft. as at 31 December 2009, with the average unit rental committed for the period reaching HK\$36.9 per sq. ft..



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

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

t +852 3669 2888 f +852 2285 9980

www.sunlightreit.com

Press Release

Mr. Keith Wu, CEO of the Manager, commenting on the operating results: "Given the downward adjustment in market rent which took place and the lingering economic uncertainties globally, the prime focus of Sunlight REIT from an operation perspective is to capitalise on the prevailing gradual market recovery to maintain a high level of office occupancy and to achieve income sustainability."

Remarks: Attached passing rental and occupancy performance of 20 properties.

About Sunlight REIT

Listed on The Stock Exchange of Hong Kong Limited on 21 December 2006, Sunlight Real Estate Investment Trust (HKSE: 435) offers investors the opportunity to invest in a diversified portfolio of 12 office and 8 retail properties totaling 1,294,389 sq. ft. in gross rentable area with an appraised value of HK\$9,701 million (as of 31 December 2009). The office properties are located in both core and decentralised business areas, while the retail properties are located in regional transportation hubs, new towns and other urban areas with high population density.

About the Manager

Henderson Sunlight Asset Management Limited is the manager of Sunlight REIT. Being an indirect wholly-owned subsidiary of Henderson Land Development Company Limited, the Manager's main responsibility is to manage Sunlight REIT and its property portfolio in the sole interest of the unitholders in accordance with the terms of the trust deed dated 26 May 2006 constituting Sunlight REIT (as amended by the supplemental deeds dated 1 June 2006, 28 November 2006 and 28 April 2009 respectively) governing the investment strategy of Sunlight REIT.

Disclaimer:

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Sunlight REIT in Hong Kong or any other jurisdiction.

Press Release

Trends in Occupancy and Passing Rental

	Occupancy (%) ^{Note 1}		Passing Rent (HK\$) ^{Note 2}	
	31/12/2009	30/06/2009	31/12/2009	30/06/2009
Office Property				
248 Queen's Road East Property	91.7	92.4	25.0	24.2
Bonham Trade Centre Property	97.6	87.5	16.2	16.1
Winsome House Property	91.4	96.3	30.2	30.0
Righteous Centre Property	99.3	94.4	22.8	23.7
135 Bonham Strand Trade Centre Property	94.1	94.1	15.8	15.9
235 Wing Lok Street Trade Centre Property	94.5	89.8	11.5	11.8
Java Road 108 Commercial Centre Property	82.6	76.2	16.4	17.4
Yue Fai Commercial Centre Property	97.1	98.8	13.7	13.4
On Loong Commercial Building Property	96.7	95.7	19.7	19.4
Everglory Centre Property	90.3	90.4	15.1	16.8
Sun Fai Commercial Centre Property	90.0	96.7	16.0	15.8
Wai Ching Commercial Building Property	94.5	86.2	7.4	7.6
Office Average	93.2	91.7	20.4	20.3
Retail Properties				
Sheung Shui Centre Shopping Arcade Property	98.8	95.3	68.8	65.4
Metro City Phase I Property	97.1	94.6	31.9	32.5
Kwong Wah Plaza Property	100.0	96.2	29.6	29.7
Royal Terrace Property	100.0	100.0	25.0	26.8
Beverley Commercial Centre Property	100.0	100.0	32.6	30.8
Glory Rise Property	100.0	100.0	28.2	28.2
Supernova Stand Property	100.0	100.0	42.4	42.2
Palatial Stand Property	100.0	75.2	9.6	9.7
Retail Average	98.3	95.0	41.9	41.3
Overall	94.9	92.7	27.5	27.2

Notes:

1. Calculated on the basis of occupied GRA as a proportion of total GRA of the relevant building on the relevant date.

2. Calculated on the basis of average rental per sq. ft. for all occupied GRA on the relevant date.