

## Press Release

### Sunlight REIT's FY2009/10 Final Results

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#### **Expiring financial structures mask an otherwise encouraging performance Key operating indicators continued to demonstrate upward momentum**

Hong Kong, 9 September 2010 – Henderson Sunlight Asset Management Limited (the “Manager”), as the manager of Sunlight Real Estate Investment Trust (“Sunlight REIT”; Stock Code: 435), is pleased to announce Sunlight REIT’s final results for the year ended 30 June 2010.

Sunlight REIT’s net property income for the year ended 30 June 2010 amounted to HK\$369.9 million, representing a year-on-year growth of approximately 5.5%. The cost-to-income ratio of 24.3% denotes a further improvement from 25.7% recorded in the previous year. Annual distributable income fell 30.9% to HK\$186.5 million (2009: HK\$269.8 million), principally due to the cessation of rental support provided by the vendors of our portfolio, and the reduction of the extent of distribution waivers<sup>1</sup> from the previous 100% to 60% in the financial year under review. Total distribution per unit (“DPU”) for the full year amounts to HK 14.39 cents (2009: HK 24.56 cents), which implies a final distribution per unit of HK 7.51 cents.

Knight Frank Petty Limited, the independent valuer of Sunlight REIT, valued the portfolio of Sunlight REIT at HK\$10,722.1 million as at 30 June 2010. This represents an increase of 14.5% and 10.5% from the valuations as at 30 June 2009 (HK\$9,364.0 million) and 31 December 2009 (HK\$9,701.0 million) respectively.

#### **Operating Highlights**

A key objective of the Manager for the year under review was to capitalise on the economic recovery from the global financial crisis to achieve a more satisfactory level of occupancy. In this regard, we are pleased to report that the overall occupancy of the portfolio improved to 96.8% as at 30 June 2010 (30 June 2009: 92.7%), largely driven by the recovery of the office portfolio whose occupancy increased from 91.7% to 95.9% during this year. The retail portfolio, on the other hand, was practically fully let, registering an occupancy of 98.8% as at 30 June 2010 (30 June 2009: 95.0%).

Overall passing rent improved across the board, registering a growth of 2.6% to HK\$27.9 per sq. ft. as at 30 June 2010. The office portfolio managed to achieve an average passing rent of HK\$20.4 per sq. ft., marginally higher than that in the previous year despite an 11.8% drop in committed rent to HK\$17.9 per sq. ft.. In contrast, our retail portfolio continued to deliver encouraging performance, as committed rent and passing rent increased by 6.2% to HK\$42.6 per sq. ft. and by 5.1% to HK\$43.4 per sq. ft. respectively.

Mr. Keith Wu, CEO of the Manager, commenting on the operating results: “Notwithstanding the volatility in global financial markets and in asset prices, the performance of Sunlight REIT has continued to progress well as it benefited from having a diversified defensive portfolio which was carefully positioned by the Manager to capitalise on the recovery from the economic downturn.”

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

<sup>1</sup> Pursuant to two Deeds of Distribution Waiver dated 2 December 2006 as disclosed in Sunlight REIT’s Offering Circular dated 8 December 2006, certain unitholders who subscribed for a total of 441,642,638 units have agreed to waive their entitlement, in varying extents, to receive distributions from Sunlight REIT in respect of any period up to 30 June 2011 and have agreed to, where applicable, make payments to Sunlight REIT in case they have disposed of these original units subscribed under the initial public offering of Sunlight REIT.



SUNLIGHT REIT

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### **About Sunlight REIT**

Listed on The Stock Exchange of Hong Kong Limited on 21 December 2006, Sunlight Real Estate Investment Trust (Stock Code: 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\$10,722.1 million (as at 30 June 2010). 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. An indirect wholly-owned subsidiary of Henderson Land Development Company Limited, the Manager's responsibility is to manage Sunlight REIT in the sole interest of the unitholders in accordance with the terms of the trust deed constituting Sunlight REIT dated 26 May 2006 (as amended).

### **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.

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### Trends in Occupancy and Passing Rental

	Occupancy (%) <sup>Note 1</sup>		Passing Rent (HK\$) <sup>Note 2</sup>	
	30/6/2010	30/06/2009	30/6/2010	30/06/2009
<b>Office Property</b>				
248 Queen's Road East	94.9	92.4	24.7	24.2
Bonham Trade Centre	98.2	87.5	16.4	16.1
Righteous Centre	96.7	94.4	23.0	23.7
Winsome House Property	97.1	96.3	29.7	30.0
135 Bonham Strand Trade Centre Property	96.0	94.1	16.2	15.9
235 Wing Lok Street Trade Centre	97.9	89.8	11.7	11.8
Java Road 108 Commercial Centre	86.4	76.2	15.6	17.4
Yue Fai Commercial Centre Property	97.6	98.8	14.0	13.4
On Loong Commercial Building Property	97.9	95.7	20.8	19.4
Everglory Centre	100.0	90.4	15.0	16.8
Sun Fai Commercial Centre Property	96.3	96.7	15.9	15.8
Wai Ching Commercial Building Property	95.6	86.2	7.0	7.6
<b>Office Average</b>	<b>95.9</b>	<b>91.7</b>	<b>20.4</b>	<b>20.3</b>
<b>Retail Properties</b>				
Sheung Shui Centre Shopping Arcade	99.8	95.3	70.2	65.4
Metro City Phase I Property	97.7	94.6	34.0	32.5
Kwong Wah Plaza Property	100.0	96.2	29.6	29.7
Royal Terrace Property	95.5	100.0	26.1	26.8
Beverley Commercial Centre Property	100.0	100.0	33.7	30.8
Glory Rise Property	100.0	100.0	28.7	28.2
Supernova Stand Property	100.0	100.0	42.4	42.2
Palatial Stand Property	100.0	75.2	10.4	9.7
<b>Retail Average</b>	<b>98.8</b>	<b>95.0</b>	<b>43.4</b>	<b>41.3</b>
<b>Overall</b>	<b>96.8</b>	<b>92.7</b>	<b>27.9</b>	<b>27.2</b>

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.