



Press Release

Sunlight REIT reports annual results FY2007/08

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Portfolio enjoys rental growth and improved occupancy Distributable income continues to rise on positive rental reversions

Results highlights

- ◇ Occupancy increased from 93.8% to 97.5%
 - ◇ Passing rental improved by 10.9%
 - ◇ Net property income reached HK\$318.7 million
 - ◇ Portfolio valuation grew by 6.2% to HK\$10.2 billion
 - ◇ Distribution per unit (DPU) of 24.2 HK cents exceeded the guaranteed DPU by 9.6%
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Hong Kong, 17 September 2008 – **Sunlight REIT** (HKSE: 435) announced its annual results for the year ended 30 June 2008 today.

Sunlight REIT reported an annual distributable income of HK\$258.7 million for the year ended 30 Jun 2008. In accordance with the current policy of distributing 100% of annual distributable income for each financial year to unitholders, the Board of Directors of the Manager is recommending a final distribution of 16.76 HK cents per unit. Together with the interim distribution of 7.44 HK cents per unit, total distribution per unit (“DPU”) for the full year amounted to 24.20 HK cents, which has exceeded the guaranteed DPU of 22.08 HK cents as indicated in the Offering Circular.

Total revenue and total property operating expenses for the year were HK\$431.3 million and HK\$112.6 million respectively, resulting in net property income of HK\$318.7 million and a cost-to-income ratio of 26.1%. As Sunlight REIT was listed on 21 December 2006, this is the first set of result covering the full financial year and as such, there are no directly comparable year-on-year figures.

Savills Valuation and Professional Services Limited, the independent valuer of Sunlight REIT, valued the Portfolio at HK\$10,151.0 million as of 30 June 2008, representing an increase of 6.2% from the valuation as of 30 June 2007. Based on the latest valuation, office properties accounted for 51.4%, while retail properties accounted for 48.6% of the total appraised value.

Operating highlights of FY2007/08:

Decent rental reversion continued to underpin rental growth during the year under review. The office portfolio registered an encouraging 16.3% passing rental growth to HK\$17.1 per sq. ft. while the retail portion witnessed an average passing rental growth of 8.9% to HK\$40.3 per sq. ft.

Unit rental committed in respect of the new leases during the year also showed a marked improvement over that of the previous period. The Manager secured new leases (including both new letting and renewal) amounting to a total of 495,209 sq. ft. and the average unit rental achieved for the office portfolio and retail portfolio was HK\$19.7 per sq. ft. and HK\$47.1 per sq. ft. respectively.



SUNLIGHT REIT

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Press Release

Total occupancy of the Portfolio improved from 93.8% in 2007 to 97.5% as at 30 June 2008; office and retail occupancy levels stood at 97.7% and 97.1% respectively, compared with 91.9% and 97.7% in the previous year.

Enhancing return on assets is one of the keys to Sunlight REIT's sustainable growth. Following the complete refurbishment of the atrium, the second phase of improvement work at Sheung Shui Centre Shopping Arcade Property will begin in early 2009. Plans have also been drawn up for renovation of the Bonham Trade Centre Property, with work due to commence in late 2008; the retail podium will be reconfigured to provide a more efficient corridor access with a new look that is expected to help the Manager to capture spill over demand from Central.

Mr. Keith Wu, CEO of Henderson Sunlight Asset Management, concluded, "The coming year will be significant to Sunlight REIT - the pipeline agreement comes online, the asset enhancement programme will be in full force and the majority of our office leases will be renegotiated, all of which are key drivers to enhance the income profile of Sunlight REIT in the medium to long term."
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Remarks: Attached passing rental and occupancy performance of 20 properties.

About Sunlight REIT and Henderson Sunlight Asset Management Limited:

Listed on The Stock Exchange of Hong Kong Limited on 21 December 2006, Sunlight REIT (HKSE: 435) offers investors the opportunity to invest in a diversified portfolio comprising 20 quality office and retail properties in Hong Kong at a total valuation of HK\$10,151 million (as of 30 June 2008). Sunlight REIT has 12 Grade A and B office properties which are located in both core and decentralised business areas, while its retail properties are located strategically in regional transportation hubs, new towns and other urban areas with high population density. Total GRA of Sunlight REIT's portfolio is 1,294,389 sq.ft.

Henderson Sunlight Asset Management Limited (the "Manager") was incorporated in Hong Kong on 18 August 2005. It is an indirect wholly-owned subsidiary of Henderson Land Development Company Limited. The Manager has the general power of management over the assets of Sunlight REIT. Its main responsibility is to manage Sunlight REIT and its property portfolio in the sole interest of the unitholders in accordance with the trust deed governing Sunlight REIT and the Manager's investment strategy.

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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Press Release

Trends in Occupancy and Passing Rental

	Occupancy (%) ^{Note 1}		Passing Rental (HK\$) ^{Note 2}	
	30/06/2007	30/06/2008	30/06/2007	30/06/2008
Office Properties				
248 Queen's Road East Property	94.0	99.5	14.5	17.5
Bonham Trade Centre Property	87.1	95.0	13.7	15.3
135 Bonham Strand Trade Centre Property	98.6	97.6	13.3	15.2
235 Wing Lok Street Trade Centre Property	83.1	94.2	9.9	11.9
Winsome House Property	100.0	100.0	22.1	29.2
Everglory Centre Property	95.2	87.2	15.6	16.7
Righteous Centre Property	89.2	100.0	20.5	23.0
Sun Fai Commercial Centre Property	85.0	100.0	14.6	15.2
Wai Ching Commercial Building Property	75.1	94.5	7.0	7.3
On Loong Commercial Building Property	100.0	100.0	15.9	17.5
Java Road 108 Commercial Centre Property	94.2	100.0	14.3	16.4
Yue Fai Commercial Centre Property	84.8	91.2	12.6	13.2
Office Average	91.9	97.7	14.7	17.1
Retail Properties				
Metro City Phase 1 Property	96.8	98.2	28.0	31.5
Sheung Shui Centre Shopping Arcade Property	99.4	93.5	60.5	65.9
Kwong Wah Plaza Property	98.3	99.3	24.1	28.6
Beverley Commercial Centre Property	89.8	100.0	26.6	28.4
Royal Terrace Property Property	97.3	97.3	26.2	26.4
Supernova Stand Property Property	100.0	100.0	41.6	42.2
Glory Rise Property	90.0	100.0	33.6	27.6
Palatial Stand Property	100.0	100.0	11.3	11.0
Retail Average	97.7	97.1	37.0	40.3
Overall	93.8	97.5	22.1	24.5

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.