

Press Release

Sunlight REIT Reports Annual Results FY2008/09

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Diversified portfolio and tenancy base delivered resilient results in challenging times

Hong Kong, 11 September 2009 – Henderson Sunlight Asset Management Limited, as a manager (the “Manager”) of Sunlight Real Estate Investment Trust (“Sunlight REIT”; HKSE: 435), is pleased to announce Sunlight REIT’s annual results for the year ended 30 June 2009.

Sunlight REIT reported an increased annual distributable income of HK\$[269.8] million (2008: HK\$258.7 million) for the year ended 30 June 2009, representing an increase of 4.3% from the previous year. 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 proposing a final distribution of 15.27 HK cents per unit. Together with the interim distribution of 9.29 HK cents per unit, total distribution per unit (“DPU”) for the full year amounted to 24.56 HK cents, up 1.5% from the previous year. .

Savills Valuation and Professional Services Limited, the principal valuer of Sunlight REIT, valued the Portfolio at HK\$9,364 million as at 30 June 2009. This represents a decrease of 7.8% from the valuation as at 30 June 2008 (HK\$10,151 million), but an increase of 2.6% from the valuation as at 31 December 2008 (HK\$9,125 million).

Operating Highlights of FY2008/09

In a year characterized by asset price volatility and pressure on commercial rentals, Sunlight REIT managed to buck the trend and registered an 11.4% growth in gross rental income to HK\$377.4 million. After deducting direct costs, net property income for the year grew 10% to HK\$350.7 million, giving rise to a cost-to-income ratio of [25.7]% which compares favourably to 26.1% recorded in the previous year.

During the year, passing rental continued to improve across the Portfolio, exhibiting a growth of 11.0% to HK\$27.2 per sq. ft. on the back of positive rental reversion from a low base. The office portfolio managed to achieve an average passing rental growth of 18.7% to HK\$20.3 per sq. ft. as at 30 June 2009, while passing rental at the retail portfolio recorded a year-on-year increase of 2.5% to HK\$41.3 per sq. ft..

Despite the volatility witnessed during the period, the average rental committed for all the new leases had remained reasonably stable as compared to the previous year. New leases (including both new letting and renewal) amounted to a total of 585,670 sq. ft. and the average unit rental achieved for the office portfolio and retail portfolio was HK\$20.3 per sq. ft. and HK\$40.1 per sq. ft. respectively.

Overall occupancy declined from 97.5% to 92.7% during the year as the portfolio was affected by the combined effect of economic uncertainties and transient vacancies due to the improvement works at 248 Queen’s Road East Property and Bonham Trade Centre Property. As at 30 June 2009, office and retail occupancy levels stood at 91.7% and 95.0% respectively, as compared with 97.7% and 97.1% a year earlier.

Mr. Keith Wu, CEO of Henderson Sunlight Asset Management, commenting on the results: “With the solid foundation being laid over the years, Sunlight REIT has been able to navigate well amidst the economic turbulence. A key supporting factor is our balanced portfolio comprising 20 office and retail properties located in both core and quality decentralised areas. Such diversification has helped cushion out adverse impacts on rentals brought about by the downturn of the domestic economy.

” With a proactive management strategy undergirded by a solid management team, we are confident that we will continue to add value for both our tenants and unitholders going forward.” Mr. Wu concluded.



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

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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\$9,364million (as of 30 June 2009). 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.

Media contacts:

Citigate Dewe Rogerson

Mill Seen

Office: +852 2533 4612

Mobile: +852 9224 9240

Email: mill.seen@citigate.com.hk

Daphne Chan

Office: +852 2533 4606

Mobile: +852 6096 8656

Email: daphne.chan@citigate.com.hk

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Trends in Occupancy and Passing Rental

	Occupancy (%) ^{Note 1}		Passing Rental (HK\$) ^{Note 2}	
	30/06/2008	30/06/2009	30/06/2008	30/06/2009
Office Property				
248 Queen's Road East Property	99.5	92.4	17.5	24.2
Bonham Trade Centre Property	95.0	87.5	15.3	16.1
Winsome House Property	100.0	96.3	29.2	30.0
Righteous Centre Property	100.0	94.4	23.0	23.7
135 Bonham Strand Trade Centre Property	97.6	94.1	15.2	15.9
235 Wing Lok Street Trade Centre Property	94.2	89.8	11.9	11.8
Java Road 108 Commercial Centre Property	100.0	76.2	16.4	17.4
Yue Fai Commercial Centre Property	91.2	98.8	13.2	13.4
On Loong Commercial Building Property	100.0	95.7	17.5	19.4
Everglory Centre Property	87.2	90.4	16.7	16.8
Sun Fai Commercial Centre Property	100.0	96.7	15.2	15.8
Wai Ching Commercial Building Property	94.5	86.2	7.3	7.6
Office Average	97.7	91.7	17.1	20.3
Retail Property				
Sheung Shui Centre Shopping Arcade Property	93.5	95.3	65.9	65.4
Metro City Phase I Property	98.2	94.6	31.5	32.5
Kwong Wah Plaza Property	99.3	96.2	28.6	29.7
Royal Terrace Property	97.3	100.0	26.4	26.8
Beverley Commercial Centre Property	100.0	100.0	28.4	30.8
Glory Rise Property	100.0	100.0	27.6	28.2
Supernova Stand Property	100.0	100.0	42.2	42.2
Palatial Stand Property	100.0	75.2	11.0	9.7
Retail Average	97.1	95.0	40.3	41.3
Overall	97.5	92.7	24.5	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.