

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

AMENDMENT TO INTEREST RATE SWAPS

The Board announces that on 26 May 2009, the Finance Company, a special purpose vehicle owned and controlled by Sunlight REIT, entered into the Interest Rate Swap Amendment with HSBC, the swap counterparty.

INTRODUCTION

The board of directors of Henderson Sunlight Asset Management Limited announces that on 26 May 2009, the Finance Company entered into the Interest Rate Swap Amendment with HSBC, the swap counterparty.

BACKGROUND RELATING TO THE INTEREST RATE SWAPS

In connection with the IPO, the Interest Rate Swaps were entered into by the Sunlight REIT Group for the period from the Listing Date until 30 June 2011. The Interest Rate Swaps, of which HSBC is the swap counterparty, have been held by the Finance Company, a special purpose vehicle of Sunlight REIT, which is the borrower under the Facility Agreements. The Interest Rate Swaps are of a total notional amount of HK\$3,950,000,000, being the outstanding principal amount of the term loan under the Facility Agreements.

Currently, under the Interest Rate Swaps, HSBC pays the Finance Company on a quarterly basis an aggregate amount calculated at 3-month HIBOR plus 45 basis points on the notional amount of HK\$3,950,000,000, and the Finance Company applies the same amount to meet the interest payments payable in respect of the term loan under the Facility Agreements during the period from the Listing Date until 30 June 2011. In return, the Finance Company pays HSBC amounts calculated by applying fixed interest rates on the notional amount under the Interest Rate Swaps.

Details relating to the Interest Rate Swaps were described in the Offering Circular.

AMENDMENTS TO THE INTEREST RATE SWAPS

On 26 May 2009, the Finance Company and HSBC agreed to amend the Interest Rate Swaps. As a result of the Interest Rate Swap Amendment, during the one-year period from 30 June 2009 to but excluding 30 June 2010 :

- (i) the quarterly payments to be made by HSBC to the Finance Company as described above will be amended as monthly payments calculated at 1-month HIBOR plus 45 basis points on the notional amount of HK\$3,950,000,000; and
- (ii) the fixed interest rate on the notional amount for calculating the amount to be paid by the Finance Company to HSBC will be amended from 3.5% per annum to 3.36% per annum.

All the other terms and conditions of the Interest Rate Swaps are not affected by the Interest Rate Swap Amendment. In particular, the Interest Rate Swap Amendment does not affect payments between the Finance Company and HSBC for the period from 30 June 2010 until 30 June 2011.

The term loan under the Facility Agreements bears interest at HIBOR plus 45 basis points. The Finance Company may elect the length of the interest period under that loan. Currently, interest periods of 3 months have been elected and thus the HIBOR used to calculate interest has been 3-month HIBOR. In tandem with the Interest Rate Swap Amendment, the Finance Company will, under the term loan, elect interest periods of 1 month (instead of 3 months) for the period from 30 June 2009 to but excluding 30 June 2010, so that the payments by HSBC under the amended Interest Rate Swaps could continue to be applied to meet the interest payments in respect of the term loan.

EFFECT OF AND REASONS FOR THE INTEREST RATE SWAP AMENDMENT

With the Interest Rate Swap Amendment entered into, the net interest expenses payable by the Finance Company in respect of the term loan under the Facility Agreements will be reduced by 0.14% per annum during the period from 30 June 2009 to but excluding 30 June 2010. On the basis that the outstanding principal amount of the term loan will be HK\$3,950,000,000, the Interest Rate Swap Amendment is expected to reduce the aggregate net interest expense payments of the Sunlight REIT Group during the one-year period from 30 June 2009 to but excluding 30 June 2010 by HK\$5,530,000 (before any expenses).

The Sunlight REIT Group entered into the Interest Rate Swap Amendment so as to benefit from savings in net interest expenses payable as mentioned above.

GENERAL

HSBC, being in the same group as the Trustee, is a connected person of Sunlight REIT within the meaning of the REIT Code. The Interest Rate Swap Amendment, which constitutes a connected party transaction of Sunlight REIT, is among the “ordinary banking and financial services” provided by the HSBC group to the Sunlight REIT Group as mentioned in the Offering Circular. As such, pursuant to a waiver granted by the SFC at the time of the IPO, the Interest Rate Swap Amendment will not be subject to any

requirements for announcement or Unitholders' approvals under Chapter 8 of the REIT Code. Summarised information relating to the Interest Rate Swap Amendment will be included in the next published annual report of Sunlight REIT.

This announcement is made on a voluntary basis by the Manager.

DEFINITIONS

“Board”	the board of Directors
“Director(s)”	the director(s) of the Manager
“Facility Agreements”	the term loan facility agreement, the revolving credit facility agreement and, as relevant, the security documents and other agreements relating to the secured credit facilities extended to the Finance Company by a group of banks at the time of the IPO, as described in the Offering Circular
“Finance Company”	Sunlight REIT Finance Limited, a special purpose vehicle owned and controlled by Sunlight REIT
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Interest Rate Swaps”	the original interest rate swap agreements entered into by the Sunlight REIT Group shortly before the IPO, as described in the Offering Circular
“Interest Rate Swap Amendment”	the transaction agreed between the Finance Company and HSBC on 26 May 2009, which amends the Interest Rate Swaps held by the Finance Company
“IPO”	the initial public offering of units by Sunlight REIT in December 2006
“Listing Date”	the date on which the Units were first listed on The Stock Exchange of Hong Kong Limited, being 21 December 2006
“Manager”	Henderson Sunlight Asset Management Limited, as the manager of Sunlight REIT
“Offering Circular”	the offering circular dated 8 December 2006 issued in connection with the IPO

“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
“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 Group”	Sunlight REIT, the special purpose vehicles and other companies or entities held or controlled by Sunlight REIT
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, as the trustee of Sunlight REIT
“Unit”	one unit in Sunlight REIT
“Unitholder”	any person registered as holding a Unit

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, 27 May 2009

As at the date of this announcement, the Board 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.