

STATEMENT OF DISTRIBUTIONS

Except as provided under the DPU Guarantees, none of the Vendors, Sunlight REIT, the Manager, the Property Manager, SKFE, HLD, the Trustee or the Underwriters guarantees the performance of Sunlight REIT, the repayment of capital or the payment of any (or any particular) return on the Units. See also the risk factors headed “Yield enhancement mechanisms, which will have the effect of increasing distributions per Unit, have been put in place for a limited period. When such mechanisms come to an end, distributions per Unit and/or the price of Unit may be adversely affected” and “Insufficient cash flows or distributable income of the REIT Group Companies or Sunlight REIT may adversely affect Sunlight REIT’s ability to pay or maintain distributions to Unitholders”

Sunlight REIT intends to achieve distributions per Unit (after taking into account the Distribution Waiver) of not less than HK\$0.1161 based on the Minimum Offer Price and HK\$0.1162 based on the Maximum Offer Price in respect of the period from the anticipated Listing Date to 30 June 2007, representing an annualised distribution yield of 9.01% based on the Minimum Offer Price and 8.49% based on the Maximum Offer Price (excluding other transaction costs). See the section headed “Profit Forecast” in this Offering Circular for a detailed calculation of the distribution yield based on the Minimum Offer Price and Maximum Offer Price.

In the event the distributions per Unit paid, after taking into account the Distribution Waiver, exceed the consolidated net profit per Unit for that period, part of the distribution will be paid out of the capital of Sunlight REIT.

The following table sets forth certain distribution data and forecasted yields for the period from the anticipated Listing Date to 30 June 2007.

	Forecast	
	For the period from anticipated Listing Date to 30 June 2007	
	Based on the Minimum Offer Price of HK\$2.45	Based on the Maximum Offer Price of HK\$2.60
Forecast DPU (after taking into account the Distribution Waiver) (HK\$)	0.1161	0.1162
Forecast annualised distribution yield⁽¹⁾		
Excluding Adjustments Payments, excluding effective return of equity and before taking into account the effect of the Distribution Waiver ⁽²⁾⁽³⁾⁽⁴⁾	2.27%	2.14%
Including Adjustment Payments, excluding effective return of equity and before taking into account the effect of the Distribution Waiver ⁽²⁾⁽³⁾⁽⁴⁾	4.68%	4.41%
Including Adjustment Payments, including effective return of equity and before taking into account the effect of the Distribution Waiver ⁽²⁾⁽³⁾⁽⁴⁾	6.34%	5.98%
Including Adjustment Payments, including effective return of equity and after taking into account the effect of the Distribution Waiver⁽²⁾⁽³⁾⁽⁴⁾	9.01%	8.49%

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Notes:

- (1) The forecast annualised distribution yields for the period from the anticipated Listing Date to 30 June 2007 are provided for illustrative purposes only and may differ from the annualised distribution yield after taxation set out in this table based on the number of Units outstanding for the period/year. Annualised distribution yields have been calculated with reference to the Minimum Offer Price and Maximum Offer Price only.
- (2) Anticipated Adjustment Payments are based on the assumptions set out in the section headed “Profit Forecast” of this Offering Circular.
- (3) The effective return of equity includes amortisation of upfront swap payments of HK\$29.9 million and amortisation of debt establishment fees of HK\$2.1 million for the period from the anticipated Listing Date to 30 June 2007.
- (4) See Note (8) to the profit forecast in the section headed “Profit Forecast” of this Offering Circular.

Bases and Assumptions

The above projected distribution yields are calculated based on the Maximum Offer Price and Minimum Offer Price (excluding other transaction costs). The yield obtained by investors who purchase Units in the secondary market at a market price that differs from the Maximum Offer Price or Minimum Offer Price (excluding other transaction costs), calculated using such secondary market purchase price, will accordingly differ from the distribution yields stated above.

DPU Guarantees

The Vendors of the Target Company Shares (other than HIL) have entered into DPU Guarantees with the Trustee and the Manager and HLD or HD or SKFE as guarantor (as the case may be). HIL, being a Vendor of the Target Company Shares, also entered into a DPU Guarantee with the Trustee and the Manager. Pursuant to the DPU Guarantees, those Vendors will, severally in the proportions of the respective Appraised Values of the Properties (or parts thereof or interest therein) sold by those Vendors to the REIT Group Companies, guarantee that the DPU of Sunlight REIT (after taking into account the Distribution Waiver) in respect of the period from the anticipated Listing Date until 30 June 2007 will not be less than HK\$0.1161 being equal to the forecast DPU (after taking into account the Distribution Waiver and assuming the Minimum Offer Price is HK\$2.45) for that period. They will also guarantee, on the same basis but subject to a cap in the event of Force Majeure, that the DPU of Sunlight REIT (after taking into account the Distribution Waiver) in respect of each of the years ending 30 June 2008 and 30 June 2009 will not be less than HK\$0.2208 (being equal to the forecast DPU (after taking into account the Distribution Waiver and assuming the Minimum Offer Price is HK\$2.45) for the period from the anticipated Listing Date until 30 June 2007 on an annualised basis). No forecast of profits or DPU whatsoever is made in respect of the years ending 30 June 2008 and 30 June 2009. There will be no guarantee of DPU for periods after 30 June 2009. These guarantees are subject to the terms of the DPU Guarantees, and assume that the Manager distributes 100% of Annual Distributable Income for the relevant periods and that there are no further issues of Units (save for the payment of the Manager’s Base Fee and Variable Fee, but not other fees, in Units) prior to the Record Dates for those relevant periods. If any additional Units are issued (other than payment of the Manager’s Base Fee and Variable Fee in Units), the

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Guaranteed DPU will be adjusted downwards. The guarantee may cease in some circumstances if the Manager makes any acquisition or disposal of properties for which the prior approval of the guarantors is not obtained. For further details about the DPU Guarantees, see the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — DPU Guarantees” in this Offering Circular.

The Manager has agreed to certain restrictions on, inter alia, the issue of new Units and the disposal of interests in properties under the DPU Guarantees, and adjustments to the Guaranteed DPU in some circumstances, as described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — DPU Guarantees” in this Offering Circular.

Investors should note that distributions may be made out of capital. No amounts will be payable under the DPU Guarantees if the actual DPU is equal to or greater than the Guaranteed DPU, even if the actual DPU includes distributions paid out of capital.

Distribution Waiver

The SKFE Subscribers and the HLD Subscribers have agreed, under the Deeds of Distribution Waiver, to waive certain proportions of their entitlements to receive distributions of Sunlight REIT in respect of periods from the Listing Date until 30 June 2011, further details of which are described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — Deeds of Distribution Waiver” in this Offering Circular.