
THE MANAGER

Overview

Sunlight REIT is organised and managed in a manner which is consistent with the provisions and requirements of the REIT Code, subject as described in the section headed “Modifications, Waivers and Licensing Conditions” in this Offering Circular. The Manager is functionally independent of the Trustee and possesses the skill and resources to discharge its functions in relation to Sunlight REIT effectively and responsibly. In discharging such functions, the Manager is required to observe high standards of corporate governance. For details of the corporate governance policies and procedures of the Manager, see the section headed “Corporate Governance” in this Offering Circular.

The Manager

The Manager, Henderson Sunlight Asset Management Limited, was incorporated in Hong Kong on 18 August 2005 and is an indirect wholly-owned subsidiary of HLD. In order to assist the Manager to fulfill its role as manager of Sunlight REIT, HLD has made certain commitments to the Manager, details of which are set out in the section headed “Strategy — Investment and Acquisition Growth Strategy” in this Offering Circular. The Manager has a paid-up capital of HK\$38,800,000 and its registered office is located at 30th Floor, 248 Queen’s Road East, Wanchai, Hong Kong.

The Manager has general power of management over the assets of Sunlight REIT. The Manager’s main responsibility is to manage Sunlight REIT and the Deposited Property in accordance with the Trust Deed in the sole interest of the Unitholders. Under its current licensing conditions, the Manager cannot manage any other REIT. The Manager will establish the investment, strategic direction and risk management policies of Sunlight REIT and will manage the assets of Sunlight REIT in accordance with the Manager’s investment strategy as stated in the section headed “Strategy” in this Offering Circular and in accordance with the provisions of the Trust Deed and the compliance procedures set forth in this Offering Circular. The Manager is licensed by the SFC to conduct the regulated activity of asset management, as required by the REIT Code.

The Manager will be responsible for ensuring compliance with the applicable provisions of the REIT Code, the SFO and all other relevant legislation, the Listing Rules, the Trust Deed and all relevant contracts. The Manager will also be responsible for all regular communications with Unitholders in relation to Sunlight REIT.

The Manager may, subject to the provisions of the Trust Deed, instruct the Trustee in writing to borrow or raise moneys on behalf of Sunlight REIT by the Trustee directly or through REIT Group Companies (upon such terms and conditions as the Manager thinks fit and in particular charging or mortgaging all or any of the assets forming for the time being a part of, or being considered for acquisition to form part of the Deposited Property) whenever the Manager considers, amongst other things, that such borrowings or raisings are necessary or desirable in the interests of Unitholders to do so or considers it necessary to enable Sunlight REIT to meet any liabilities. However, the Manager must not direct the Trustee to incur a borrowing or money raising if to do so would mean that Sunlight REIT’s total borrowings or other raisings for the account of Sunlight REIT (directly or indirectly through REIT Group Companies) exceed 45% (or such other higher or lower percentage as may be permitted by the REIT Code or as may be specifically permitted by the relevant authorities) of the total gross asset value of the Deposited Property.

THE MANAGER

The Board

The Board is responsible for the overall governance of the Manager, including establishing goals for management and monitoring the achievement of these goals. The Board has established a framework for the management of Sunlight REIT, including a system of internal controls and business risk management processes.

The Board currently comprises six Directors, consisting of the Chief Executive Officer, two non-executive Directors (including the Chairman) and three independent non-executive Directors. Mr. Wu Shiu Kee, Keith, the Chief Executive Officer, together with Mr. Leung Kwok Hoe, Kevin, the Investment and Investor Relations Manager and Mr. Leung Pei Sai, Bruce, the Asset Management Manager are currently licensed by the SFC as responsible officers of the Manager for the purposes of the SFO.

For further information on the Board and its committees, see the section headed “Corporate Governance” in this Offering Circular.

Directors

The following sets forth information regarding the Directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Non-executive Directors		
Mr. Kan Fook Yee	70	Chairman and Non-executive Director
Mr. Kwok Ping Ho	54	Non-executive Director
Executive Director and responsible officer		
Mr. Wu Shiu Kee, Keith	43	Chief Executive Officer and Executive Director
Independent Non-executive Directors		
Mr. Kwan Kai Cheong	57	Independent Non-executive Director
Mr. Ma Kwong Wing	61	Independent Non-executive Director
Dr. Tse Kwok Sang	50	Independent Non-executive Director

THE MANAGER

Information on the business and working experience of the Directors is set out below:

Chairman and Non-executive Director

Mr. Kan Fook Yee, aged 70, is the Chairman of the Manager. Mr. Kan has over 30 years of experience in the real estate and property field and also had a legal practice as a Barrister-at-law in Hong Kong. Mr. Kan joined the board of HLD in 1997 as a non-executive director and the board of Henderson China Holdings Limited in 1997 as an executive director, and was redesignated as a non-executive director in February 2003. Mr. Kan resigned from both directorships in May 2006.

Mr. Kan received his estate surveying training while working with the Government and continued with his service in the Government for a short period after he became a qualified estate surveyor. Mr. Kan then joined the private sector as a property manager. In 1976, Mr. Kan set up his sole proprietor practice in estate surveying, valuation and property consultancy. The practice grew in size and increased its exposure amongst local and international firms of surveyors in Hong Kong. In 1983, the business formed a joint-venture partnership with an international firm, Knight Frank & Rutley (the United Kingdom international surveying practice and property consultancy firm) and its Australian partner, Baillieu Real Estate (an Australian property consultancy firm), forming Knight Frank Kan and Baillieu. Under the leadership of Mr. Kan as a senior partner, it became one of the few international surveying practice and property consultancy firms in Hong Kong, and besides property valuation and consultancy, expanded into the areas of property management and agency. Within a few years, Knight Frank Kan and Baillieu grew substantially in size. At all times, Mr. Kan was responsible to his partners for the overall performance of the practice and for the performances of each business area. In 1996, the firm underwent an equity restructuring, pursuant to which Mr. Kan transferred his majority interest to an incoming partner and renamed itself as Knight Frank (Hong Kong). In 1997, Mr. Kan joined the boards of HLD and Henderson China Holdings Limited. He became non-executive director of both companies in 2003. Mr. Kan then became more active in his legal practice which was set up in October 2002. In May 2006, he resigned from both directorships of HLD and Henderson China Holdings Limited and in August 2006 closed his legal practice.

During his long career in the property business, Mr. Kan was a highly respected member of the surveying profession, and was elected the Founding President of the Hong Kong Institute of Surveyors in 1984. Mr. Kan holds an LL.B. degree from the University of London and an LL.M. degree from The University of Hong Kong. Mr. Kan is also a fellow of the Chartered Institute of Arbitrators and the Hong Kong Institute of Surveyors. He was a fellow of the Royal Institute of Chartered Surveyors until he resigned in 2005.

Mr. Kan is also currently a director of Beijing-Hong Kong Exchange of Personnel Centre, F.Y. Kan Investment Limited, Just Best Limited, FYK Property Development Strategics Limited, World Circus Development Limited, Hong Kong Former Senior Civil Servants Association Limited, The University of Hong Kong School of Professional and Continuing Education Alumni Limited and certain REIT Group Companies. Mr. Kan is also currently an independent non-executive director of Winfoong International Limited, a company listed on the Main Board of the Hong Kong Stock Exchange.

THE MANAGER

In addition, Mr. Kan is currently a member of the National People's Congress and is also an adviser to the Heung Yee Kuk, a statutory advisory body established under the Heung Yee Kuk Ordinance (Chapter 1097 of the Laws of Hong Kong).

Mr. Kan believes that his directorships in the other companies listed above and his position in the other organisations listed above, do not affect his abilities to perform his duties as Chairman and a non-executive Director of the Manager.

Chief Executive Officer and Executive Director

Mr. Wu Shiu Kee, Keith, aged 43, is the Chief Executive Officer, an Executive Director and a responsible officer of the Manager. Mr. Wu has over 18 years of experience in the property, corporate finance and research related fields.

From 1997 to 2005, Mr. Wu was an executive director of Lai Sun Development Company Limited ("Lai Sun Development"), a company listed on the Main Board of the Hong Kong Stock Exchange, where he was responsible for overseeing corporate finance related matters of the group companies of Lai Sun Development including the initial public offerings of Lai Fung Holdings Limited and SUNDAY Communications Limited in 1997 and 2000 respectively. As a member of its executive committee, Mr. Wu was involved in the property leasing and sale activities of the group companies of Lai Sun Development with responsibility for approving or amending proposals tabled by the sales and leasing team providing strategic direction and approving material development plans and tenders. As director and owner representative of the Ritz Carlton Hotel (Hong Kong) and of Furama Hotel Enterprises Limited, Mr. Wu was responsible for managing the disposal and refinancing of the group companies of Lai Sun Development's hotel portfolio, in particular, Mr. Wu played a leading role in the disposal of Furama Danang Hotel, Vietnam during 2004 to 2005. Mr. Wu was also responsible for investor relations, origination and execution of corporate transactions, as well as managing Lai Sun Development's in-house equity securities portfolio.

Prior to joining Lai Sun Development, Mr. Wu was director and Head of Hong Kong/China Research at Peregrine Brokerage Limited between 1996 and 1997, where he oversaw the equity research team for Hong Kong and the PRC; director and Head of Hong Kong/China Research at Crosby Securities (Hong Kong) Limited between 1995 and 1996, where he oversaw its equity analyst team covering Hong Kong and the PRC markets; director and general manager of Dao Heng Fund Management Ltd. between 1991 and 1995, where he was responsible for heading up an investment team to manage funds and launch new investment unit trust products; senior research manager at Citicorp Vickers Hong Kong Limited between 1989 and 1991; assistant research manager at Hoare Govett Asia Ltd. between 1988 and 1989; and economic officer with Hang Seng Bank Ltd. between 1987 and 1988.

Mr. Wu holds a Bachelor of Science degree in Economics and Statistics (High Distinction) from the University of Toronto in Canada and an M.S. degree in Engineering-Economic Systems (being renamed Management Science and Engineering) from Stanford University, the United States.

THE MANAGER

Mr. Wu is also currently a 30 per cent shareholder and a director of TeamOne Economist Limited (“TeamOne”), which carries on the business of economic consultancy, in which Mr. Wu has no active involvement. The Manager has confirmed that it has no intention to engage TeamOne to provide services to the Manager or to Sunlight REIT and that there are no actual or perceived conflicts of interests arising from Mr. Wu’s interest and position in TeamOne. He is also a 50 per cent shareholder and a director of Jade Honest Investment Limited, which holds a corporate debenture of a social club in Hong Kong, and a 50 per cent shareholder and a director of Le Mans Limited, a company which carried on a restaurant business in the past and has now ceased business. The time spent by Mr. Wu on each of these three companies is nominal. Mr. Wu is also a director of certain REIT Group Companies.

Mr. Wu believes that his directorships in the other companies listed above do not affect his abilities to perform his duties as Chief Executive Officer and an executive Director of the Manager.

Non-executive Director

Mr. Kwok Ping Ho, aged 54, has been an executive director of HLD since December 1993 and an executive director of HIL since September 1988. Mr. Kwok has over 25 years of experience in the finance and business management areas which include responsibilities in the corporate investment, finance and treasury and project management activities of both the HLD Group and the HIL group of companies since 1987, including group re-organisation, privatisation proposals and corporate acquisitions.

Mr. Kwok has also been actively involved in the project assessment, negotiation and project management of a number of large scale property development projects in Hong Kong and in the PRC, including, amongst others, the ifc project (International Finance Centre), the West Kowloon Cultural District project (for the proposed development of a cultural complex along with extensive office, retail and hotel components, as well as a monorail system) and the Gateway Office Tower II project in Shanghai (37-storey office building comprising 70,000 square metres), the latter of which was completed at the end of 2005. Prior to that, Mr. Kwok was involved in the corporate banking and project finance, credit and marketing activities of a number of well-known financial institutions, including Standard Chartered Bank, Hong Kong, Sun Hung Kai Bank Limited, Hong Kong and Lloyds Bank International Limited, head office as well as overseas postings.

Mr. Kwok holds a Bachelor of Science (Engineering) (Civil Engineering Group) Honours degree from the University of London, an M.Sc. degree in Administrative Sciences from the City University Graduate Business School, London and a Post-Graduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong. Mr. Kwok is also an Associate Member of the Chartered Institute of Bankers (A.C.I.B.) of London, United Kingdom and had previously been a part-time lecturer for the MBA programme of The University of Hong Kong.

Mr. Kwok is also currently a director of Ambergates Investments Limited, Camleigh Investment Limited, China Investment Group Limited (*alternate director to Mr. Lee Ka Kit*), Evercot Enterprise Company Limited, Fullwise Finance Limited, Goodwill Investment Property Management Limited, Hency Finance Limited, Henderson (China) Investment Company Limited, Henderson China Holdings Limited,

THE MANAGER

Henderson Club Limited, Henderson Cyber Finance Limited, Henderson Cyber Management Services Limited, Henderson Investment Agency Limited, Henderson Investment Credit (1997) Limited, Henderson Investment Credit (2000) Limited, Henderson Investment Credit (2004) Limited, Henderson Investment Finance (2000) Limited, Henderson Investment Limited, Henderson Land Credit (2001) Limited, Henderson Land Credit (2004) Limited, Henderson Land Credit (2006) Limited, Henderson Land Development Company Limited, Henderson Land Finance (2000) Limited, Henderson Provident Fund Limited, Henderson Real Estate Finance Limited, Henson International Finance Limited, Hong Kong World City Arts and Culture Limited, Join Fortune Development Limited, Jones Hugh Investment Limited, Jones Hugh Properties Limited, Noble View Enterprises Limited, Shung King Development Company Limited, St. Helena Holdings Co. Limited, Transmart Enterprises Limited, Triworld Investment Limited, Union Crown International Limited, Union Stable Investment Limited, West Chelsea Holdings Co. Limited, Wide Union Limited, World City Museums Limited, World City Theatres Limited and certain REIT Group Companies. Currently, Mr. Kwok is also a member of the management committee of the Union Hospital, Hong Kong.

Mr. Kwok believes that his directorships in the other companies listed above and his position in the other organisations listed above, do not affect his abilities to perform his duties as a non-executive Director of the Manager.

Independent Non-executive Directors

Mr. Kwan Kai Cheong, aged 57, is an independent non-executive Director appointed on 17 February 2006. Mr. Kwan holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and is a member of the Institute of Chartered Accountants in Australia. He is also a Fellow of the Hong Kong Institute of Directors and completed the Stanford Executive Program in 1992. He worked for Merrill Lynch & Co. Inc. for over 10 years during the period from 1982 to 1993. His last position with Merrill Lynch & Co. Inc. was president of the Asia Pacific region. Mr. Kwan joined the Pacific Concord Holding Limited group of companies in March 1993 and retired from the group in August 2002 as joint managing director. Mr. Kwan is presently president of Morrison & Company Limited, which is a business consultancy firm.

Mr. Kwan is also currently an executive director of China Medical Science Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange and also an independent non-executive director of several listed companies in Hong Kong, namely Hutchison Telecommunications International Limited, Hutchison Harbour Ring Limited, Soundwill Holdings Limited, J F Household Furnishings Limited and T.S. Telecom Technologies Limited, the last two companies mentioned being listed on the Growth Enterprise Market of the Hong Kong Stock Exchange.

Mr. Kwan is also currently a director of Beauty Rich Enterprises Ltd., CCB-Principal Asset Management Limited, Cemax Limited, Champ World Company Limited, Concord Bank Limited, Concord Land Development Company Limited, Concord Oil & Petrochemicals (Holdings) Limited, Concord Property Development Limited (*alternate director to Dr. George Shih Chang Wang*), Globalnet Asia Pacific Limited, Pacific Concord Holding Limited and Yaohan International Holdings Limited (currently in liquidation).

THE MANAGER

Mr. Kwan believes that his directorships in the other companies listed above and his position in the other organisations listed above, do not affect his abilities to perform his duties as an independent non-executive Director of the Manager.

Mr. Ma Kwong Wing, aged 61, is an independent non-executive Director appointed on 17 February 2006. Mr. Ma is a Fellow of the Association of Chartered Certified Accountants (“ACCA”) and a Certified Public Accountant of the HKICPA. Mr. Ma is also a Fellow of the Hong Kong Institute of Chartered Secretaries, a Fellow of The Institute of Chartered Secretaries and Administrators, an Associate of the Chartered Institute of Bankers and The Hong Kong Institute of Bankers and a Member of the Hong Kong Securities Institute.

Mr. Ma served with Hang Seng Bank Limited (“Hang Seng”) for over 30 years in various business areas and functions. He was appointed Company Secretary of Hang Seng in 1988 and Assistant General Manager (while remaining Company Secretary) in January 1993. He retired from Hang Seng in October 2005. These positions enabled him to oversee, amongst others, the compliance functions of Hang Seng ensuring that Hang Seng complied with laws, regulations and guidelines which are applicable to it and its related subsidiaries. During his time with Hang Seng, Mr. Ma also held directorships in Hang Seng’s subsidiaries for property holding and also in Hang Seng Bank (Trustee) Limited, Hang Seng’s subsidiary for trust business.

Mr. Ma is also currently a director of Fook Pui Investment Company Limited, Great Guide Investment Limited and Wealth King Investment Limited. In addition, Mr. Ma is a director of Tai Kwong Yuen Limited and Buddhist Tai Kwong Yuen Foundation Limited, both of which are charitable bodies under Section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong).

Mr. Ma is also a Member of the Executive Board and the Honorary Secretary of The Hong Kong Heart Foundation Limited, a charitable body under Section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) and serves as Secretary (on an honorary basis) to the Board of Trustees of the Ho Leung Ho Lee Foundation, which is a charitable trust.

Mr. Ma believes that his directorships in the other companies listed above and his position in the other organisations listed above, do not affect his abilities to perform his duties as an independent non-executive Director of the Manager.

Dr. Tse Kwok Sang, aged 50, is an independent non-executive Director appointed on 17 February 2006. Dr. Tse is currently Associate Professor of Finance, Associate Dean (Development), and the director of the Centre for Asian Entrepreneurship and Business Values of the Faculty of Business and Economics of The University of Hong Kong. Before joining The University of Hong Kong in January 1997, Dr. Tse was Assistant Professor of Finance at the Hong Kong University of Science and Technology; prior to that he was Assistant Professor of Finance & Insurance at Indiana University (1989 — 1995). Dr. Tse has published widely on the subject of real estate finance and economics, financial regulations and capital markets and investments. Dr. Tse has served on the examination panel of the Estate Agents Authority of

THE MANAGER

Hong Kong since 1999 and has been a member of the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption since 2004. Dr. Tse has also been engaged in a consulting capacity by the Estate Agents Authority of Hong Kong on the feasibility of an alternative funding mechanism for the authority, by the Hong Kong Monetary Authority to help develop a “Crisis Indicator” for gauging the Hong Kong economy, by Merrill Lynch (Asia Pacific) Ltd. on equity valuation to analysts, by the State of Indiana, the United States to prepare the Housing Affordability Report for the Housing Finance Authority of the State of Indiana, 1991.

Dr. Tse holds a B.Sc. degree in Chemistry from The University of Hong Kong, an MBA degree, an M.Sc in Statistics degree and a Ph.D. in Finance, all from Michigan State University, the United States. Dr. Tse has also been an associate of the Society of Actuaries (ASA) since 1991.

Currently, Dr. Tse is also an independent non-executive director of Ajia Partners Asia Absolute Return Master Fund Limited and Ajia Partners Asia Absolute Return Fund Limited, the latter being listed on the Irish Stock Exchange.

Dr. Tse believes that his directorships in the other companies listed above and his positions in the other organisations listed above, do not affect his abilities to perform his duties as an independent non-executive Director of the Manager.

Independence of Independent Non-executive Directors

In assessing the independence of an independent non-executive Director, the Board will take into account the following factors, none of which is necessarily conclusive. Independence is more likely to be questioned if the Director:

- (i) holds more than 1% of the total issued Units or more than 1% of the total issued share capital of the Manager. Any candidate for appointment as an independent non-executive Director who holds an interest of more than 1% must satisfy the Board, prior to such appointment, that he or she is independent. A candidate holding an interest of 5% or more will normally not be considered independent. When calculating the 1% limit, the Board must take into account the total number of Units held legally or beneficially by the Director, together with the total number of Units which may be issued to the Director or his nominee upon the exercise of any outstanding options, convertible securities and other rights (whether contractual or otherwise) to call for the issue of Units;
- (ii) has received an interest in the Units as a gift, or by means of other financial assistance, from a connected person or Sunlight REIT itself (however, subject to the limit set out in paragraph (i) above). The Director will still be considered independent if he or she receives an interest in Units as part of his or her Director’s fee or pursuant to any option schemes established by Sunlight REIT or the Manager;

THE MANAGER

- (iii) is a director, partner or principal of a professional adviser which currently provides (or has, within one year immediately prior to the date of his proposed appointment, provided) services, or is an employee of such professional adviser who is or has been involved in providing such services during the same period, to:
 - (a) Sunlight REIT or any connected person of Sunlight REIT; or
 - (b) any person who was a significant holder (as defined in the REIT Code) or, where there was no such significant holder, any person who was the chief executive officer or a Director (other than an independent non-executive Director) of the Manager within one year immediately prior to the date of the proposed appointment, or any of their associates;
- (iv) has a material interest in any principal business activity of, or is involved in any material business dealings with Sunlight REIT or with any connected persons of Sunlight REIT;
- (v) is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the Unitholders as a whole;
- (vi) is or was connected with a Director or the Chief Executive Officer of the Manager or with a significant holder of Sunlight REIT within two years immediately prior to the date of his or her proposed appointment;
- (vii) is, or has at any time during the two years immediately prior to the date of his or her proposed appointment been, an executive or director (other than an independent non-executive director) of the Manager or of any other connected persons of Sunlight REIT; and
- (viii) is financially dependent on Sunlight REIT or any connected persons of Sunlight REIT.

The factors set out above are for guidance only and are not intended to be exhaustive. The Board may take into account any factors relevant to a particular candidate in assessing independence.

Investors should refer to the full details of the assessment of the independence of independent non-executive Directors set out in the corporate governance policy of the Manager (a copy of which is available for inspection in accordance with Appendix VIII to this Offering Circular).

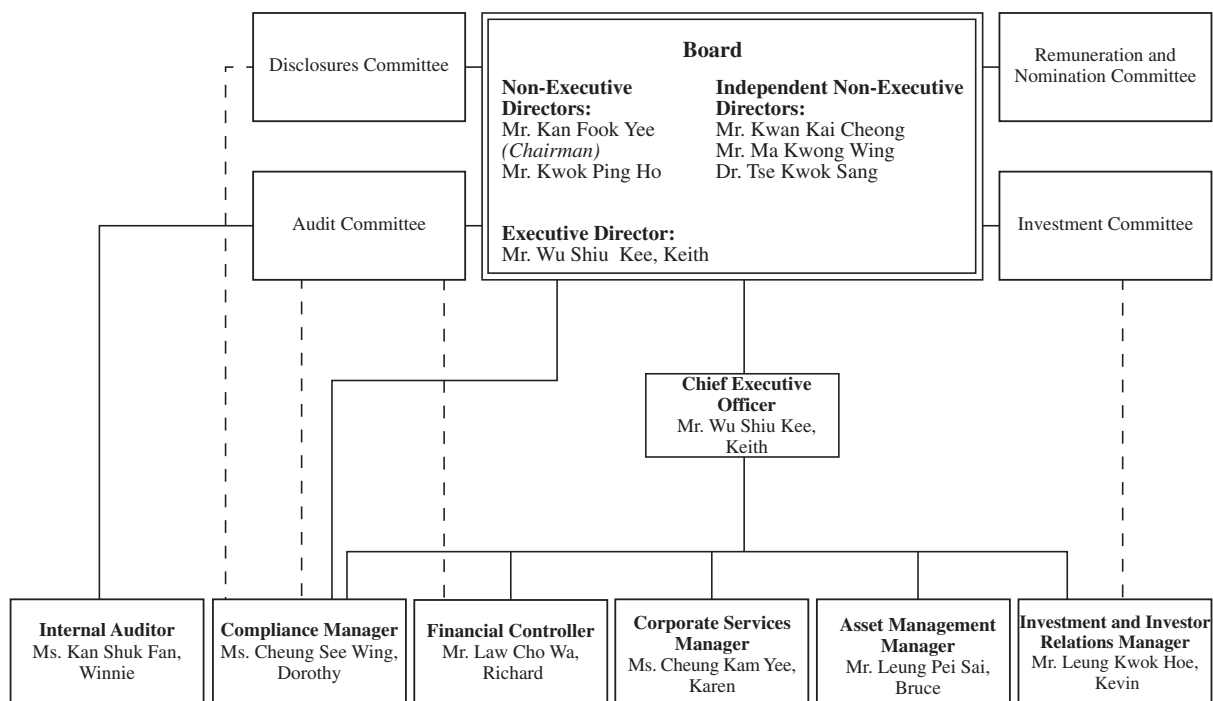
THE MANAGER

Organisational and Reporting Structure of the Manager

The Manager has separated its operational management functions into the following principal functional divisions:

- (i) investment and investor relations;
- (ii) asset management;
- (iii) corporate services;
- (iv) financial control;
- (v) internal audit; and
- (vi) compliance,

as shown in the organisational structure below:



Note: Dotted lines represent ad-hoc reporting on a case-by-case basis

THE MANAGER

Roles of the Executive Officers of the Manager

The **Chief Executive Officer**, Mr. Wu Shiu Kee, Keith is an Executive Director of the Manager. The Chief Executive Officer is responsible for implementation of the strategy and objectives as set by the Board and takes charge of the day-to-day management of the business of the Manager. He takes leadership of the management team of the Manager to ensure that Sunlight REIT is operated in accordance with the investment strategy as determined by the Manager.

The Executive Officers report directly to the Chief Executive Officer (except for the Internal Auditor who will report directly to the Audit Committee, and the Compliance Manager who will also report directly to the Board), who will supervise the business and operations of the Manager on a day-to-day basis.

The **Investment and Investor Relations Manager**, Mr. Leung Kwok Hoe, Kevin, is responsible for, amongst other matters,

- (i) formulating and implementing the Manager's investment management plans (including acquisition and divestment strategies, financing strategies and overall management policies) for Sunlight REIT;
- (ii) formulating and implementing fund investment strategy and policy;
- (iii) identifying, researching and evaluating potential acquisitions or divestments consistent with Sunlight REIT's investment strategy with a view to enhancing the property portfolio or divestments where a property is no longer strategic or fails to enhance the value of the property portfolio; and
- (iv) developing a research platform that facilitates the investment management function and managing the research function output of the research group to be used as inputs into the investment process.

The Investment and Investor Relations Manager will also be responsible for all communications with Unitholders and other key stakeholders of Sunlight REIT as well as media and investor market relations, developing public relation strategies and assisting the Chief Executive Officer and the Corporate Services Manager in the communication of strategy and results to Unitholders.

The **Asset Management Manager**, Mr. Leung Pei Sai, Bruce, is responsible for, amongst other matters,

- (i) driving the performance for Sunlight REIT's entire property portfolio in line with the strategy and objectives of Sunlight REIT;
- (ii) planning and developing strategies for recommendation to the Chief Executive Officer and to the Board to meet profit targets for Sunlight REIT and to enhance profitability; and

THE MANAGER

- (iii) directing the development and implementation of marketing strategies and business development plans. The Asset Management Manager will primarily be responsible for,
 - (a) the operational aspects of the property portfolio of Sunlight REIT, including strategic asset planning, marketing and development, leasing and property and tenancy management, and oversight of the delegates of the Manager, including the Property Manager; and
 - (b) overseeing property maintenance and asset improvement aspects of the property portfolio of Sunlight REIT and conducting property due diligence on properties proposed to be acquired by Sunlight REIT while playing a supporting role to the Chief Executive Officer and to the Board in formulating the asset enhancement strategies and plans of Sunlight REIT.

The **Corporate Services Manager**, Ms. Cheung Kam Yee, Karen, is responsible for, amongst other matters,

- (i) company secretarial functions;
- (ii) analysing and seeking external legal advice on the business and operations of the Manager;
- (iii) human resources management, procurement and administrative support;
- (iv) supporting the Manager's core asset management and investment management functions through the provision of ancillary back-office services such as legal and corporate secretarial support; and
- (v) ensuring the optimal efficiency and operation of the information technology systems.

The **Financial Controller**, Mr. Law Cho Wa, Richard, is responsible for, amongst other matters, effective and efficient financial management, including statutory reporting, financial and management accounting, taxation, and cash flow management, reviewing and making recommendations on any financing matters, overseeing preparation of budgets, maintaining the integrity of the accounting systems and maintaining capital expenditure controls including overseeing the development of the annual plan and monitoring approved expenditures against the same.

The **Internal Auditor**, Ms. Kan Shuk Fan, Winnie, is responsible for, amongst other things, reviewing whether the internal control policies and procedures described in the Compliance Manual are operating as expected (including making recommendations to the Audit Committee for improvements to internal controls) and for reporting to the Board through the Audit Committee on any deficiencies discovered.

THE MANAGER

The **Compliance Manager**, Ms. Cheung See Wing, Dorothy, is responsible for, amongst other things, ensuring that the Manager has implemented adequate internal systems and controls to ensure compliance by the Manager with the Compliance Manual, the Trust Deed, the REIT Code, the Listing Rules, the codes of conduct published by the SFC which are applicable to the Manager, the SFO, and other applicable laws, rules and regulations and is kept up-to-date with any changes in applicable laws, rules and regulations that relate to compliance matters.

Executive Officers

Information on the working experience of the Executive Officers is set out below:

Mr. Leung Kwok Hoe, Kevin, aged 36, is the Investment and Investor Relations Manager and one of the responsible officers of the Manager for the purposes of the SFO. Mr. Leung has over 12 years of experience in the finance and treasury, investment and fund management fields.

Prior to joining the Manager in April 2006, Mr. Leung had since July 2004 been the investment manager and a responsible officer of The Link Management Limited, where he was involved in the finance, property and financing aspects of the initial public offering of units of The Link Real Estate Investment Trust ("Link REIT") in November 2005. Mr. Leung was also responsible for the structuring and negotiation of the HK\$12.5 billion debt financing and interest rate hedging.

Following the initial public offering of Link REIT, Mr. Leung was responsible for investor relations, treasury, and the investment management functions of its large and diversified portfolio. As investment manager, Mr. Leung was responsible for, amongst other things, maintaining the research platform which provided historical and forward-looking analysis on the movement of the property portfolio, as well as providing feasibility analysis and making recommendation on new investment opportunities and related funding strategies. In relation to treasury operations, Mr. Leung was responsible for managing the term and revolving debt structure, as well as daily cash management. In addition, Mr. Leung was responsible for communicating with both the equity and debt investment communities and enforcing guidelines in relation to dissemination of information to investors. Prior to joining The Link Management Limited, Mr. Leung had over 10 years of experience in investment management and had worked with a number of international investment and fund management companies including Tiger Asia Capital Limited (Hong Kong/South Korea), Kingsway Fund Management Limited and HSBC Asset Management (Hong Kong) Limited.

Mr. Leung holds a Bachelor of Economics degree and a Bachelor of Law degree from the University of Sydney, Australia, and a Master of Applied Science in Biopharmaceutical from the University of New South Wales, Australia. Mr. Leung is also a Chartered Financial Analyst.

Mr. Leung Pei Sai, Bruce, aged 42, is the Asset Management Manager and one of the responsible officers of the Manager for the purposes of the SFO, who joined the Manager in May 2006. Mr. Leung has over 16 years of sales and leasing experience in the property industry. Mr. Leung joined HLD in July 2003 as the Assistant General Manager of the Portfolio Leasing Department, responsible for the leasing and marketing activities of major retail and office properties including, amongst others, Miramar Shopping Centre, Miramar Tower and Metro City Phases I, II and III.

THE MANAGER

Prior to joining HLD, Mr. Leung was a director of China Golden View Holdings Limited between 2002 and 2003 where he was responsible for business development, site acquisition and marketing for its investment property portfolio in Guangzhou, the PRC. Prior to that, Mr. Leung was the director of Retail Services, Greater China at CB Richard Ellis between 1999 to 2002 where he was responsible for leading a sizeable agency team in Hong Kong and China, and concluded a number of major leasing transactions in China including the Xintiandi in Shanghai, Pacific Century Centre in Beijing, Guang Ming Plaza in Guangzhou and Peace Square in Dalian. During that period, Mr. Leung was also involved in the successful revamping and repositioning of a number of retail premises in Hong Kong such as the Sanlitun in Wanchai.

Mr. Leung holds a Diploma (Honours) in Applied Biology from the Hong Kong Baptist University and a Hong Kong Estate Agent's Licence (Individual).

Ms. Cheung Kam Yee, Karen, aged 31, is the Corporate Services Manager, who joined the Manager in March 2006. Ms. Cheung has over six years of leasing, accounting and audit experience. This includes a period of two and a half years when Ms. Cheung served as a senior leasing officer of the portfolio leasing department of HLD where she was responsible for the leasing matters of Metro Harbour Plaza and Sunshine City Plaza. Prior to joining the HLD Group in August 2003, Ms. Cheung was a senior accountant at Wong Brothers & Co., Certified Public Accountants.

Ms. Cheung holds a Bachelor of Arts degree in Accountancy (Honours) from the Hong Kong Polytechnic University where she also obtained a Post-Graduate Diploma in Corporate Administration. Ms. Cheung is an associate member of the ACCA, the HKICPA, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

Mr. Law Cho Wa, Richard, aged 41, is the Financial Controller, who joined the Manager in May 2006. Prior to joining the Manager, Mr. Law worked in the company secretarial department of the HLD Group where he was primarily responsible for company secretarial and compliance matters. Among his other duties, he was the Company Secretary of Henderson China Holdings Limited, which was privatised by HLD in 2005. Mr. Law has over 19 years of experience in financial and management reporting, auditing, company secretarial practice, compliance, finance and general management.

Prior to his transfer to the HLD Group in April 2005, Mr. Law worked for Hong Kong Ferry (Holdings) Company Limited, an associated company of HLD, for over 12 years. He was the Company Secretary and Group Accounting Manager of Hong Kong Ferry (Holdings) Company Limited responsible for the finance, accounting and company secretarial functions. Prior to that, Mr. Law was an assistant accounting manager of Allied Group Limited between 1990 and 1992 where he was responsible for financial and management reporting, accounting and treasury functions of a listed subsidiary. From 1987 to 1990, Mr. Law worked in the audit department and the corporate advisory services department of Ernst & Young in Hong Kong.

Currently, Mr. Law is an independent non-executive director as well as the chairman of the audit committee of Capital Publications Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange since 2002.

THE MANAGER

Mr. Law holds a Master of Business Administration from The University of Hong Kong and a Post-graduate Diploma in Corporate Administration from The Hong Kong Polytechnic University. Mr. Law is a fellow member of the ACCA, the HKICPA, The Institute of Chartered Secretaries and Administrators, and The Hong Kong Institute of Chartered Secretaries.

Ms. Kan Shuk Fan, Winnie, aged 35, is the Internal Auditor. Ms. Kan has over 12 years of experience in the audit and finance field. Prior to joining the Manager in May 2006, Ms. Kan was a senior internal auditor of the Airport Authority Hong Kong, where she was responsible for planning and conducting audits on compliance, operational control and reporting functions and facilitating design and operation of the internal control system. Prior to joining Airport Authority Hong Kong in 2001, Ms. Kan worked in the audit department and Financial Advisory Services department of KPMG Hong Kong.

Ms. Kan holds a Bachelor of Arts (Honours) degree in Accountancy from the City University of Hong Kong, a Master of Business Administration from the University of Manchester and a Bachelor of Laws (Honours) degree from the Manchester Metropolitan University.

Ms. Kan is a fellow member of the ACCA and a Certified Public Accountant of the HKICPA. She is a Certified Internal Auditor and a Certified Information Systems Auditor awarded by The Institute of Internal Auditors and the Information Systems Audit and Control Association (ISACA) respectively.

Ms. Cheung See Wing, Dorothy, aged 39, is the Compliance Manager, who joined the Manager in May 2006. Prior to joining the Manager, Ms. Cheung was a director of INCU Corporate Finance Limited, where she was responsible for corporate finance advisory work and advising clients on compliance with the Listing Rules. Prior to that, Ms. Cheung was an associate director of Phoenix Capital Asia Limited and New Horizon Associates Limited between 2000 and 2002. From 1999 to 2000, Ms. Cheung was a manager in the corporate finance division of China Motion Telecom Holdings Limited. Prior to that, Ms. Cheung was in charge of the company secretarial and legal department of Tomei International (Holdings) Limited, where she was involved in corporate finance projects and various company secretarial and legal functions.

Ms. Cheung holds a Bachelor of Arts (Honours) degree in Accountancy and a Higher Diploma in Legal Studies from the City University of Hong Kong and a Master of Business Administration from McGill University, Canada. Ms. Cheung is also an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

Management Fees payable to the Manager

The Manager is entitled to the following Management Fees commencing on and from the Listing Date:

(i) **Base Fee**

In each financial year, Base Fee not exceeding 0.4% per annum (the Manager currently charges 0.4% Base Fee per annum) of the Property Values as per the published audited accounts of Sunlight REIT for the relevant financial year, which accrues on a daily basis and is payable quarterly in arrears

THE MANAGER

within 30 days after the last day of every calendar quarter based on the published audited accounts of Sunlight REIT for the immediately preceding financial year (or, in respect of the first financial year, the aggregate acquisition value of the Properties as stated in this Offering Circular), subject to adjustment according to the provisions of the Trust Deed; and

(ii) **Variable Fee**

In each financial year, Variable Fee of 3% per annum of NPI of Sunlight REIT (before the deduction therefrom of the Variable Fee) as per audited accounts of Sunlight REIT for the relevant financial year, which accrues on a daily basis and is payable quarterly in arrears within 30 days after the last day of every calendar quarter based on the unaudited management accounts of Sunlight REIT for the relevant quarter, subject to adjustment according to the provisions of the Trust Deed.

The Base Fee and Variable Fee payable to the Manager for a broken period shall be pro-rated on a time basis.

Forms of Payment of Base Fee and Variable Fee

For the period from the Listing Date to 30 June 2011, the Base Fee and the Variable Fee referable to the Properties shall be paid to the Manager in the form of Units. Afterwards, each of the Base Fee and the Variable Fee referable to the Properties shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect). The Base Fee and the Variable Fee referable to relevant real estate other than the Properties shall be paid in the form of cash and/or Units (as the Manager may elect). The Manager shall make the elections for the payment of the Base Fee and the Variable Fee in cash and/or Units and (if applicable) the respective percentages of each of the Base Fee and the Variable Fee to be paid in cash and in Units, annually on or before 15 July of each year by way of notice in writing to the Trustee, and a public announcement, such election to be irrevocable during the financial year in respect of which it was made. In the event that the Manager fails to make such an election in respect of any financial year, the most recent valid election made by the Manager in respect of a prior financial year (if any) shall apply and, to the extent that there is no such prior financial year election by the Manager, the Base Fee and the Variable Fee shall be paid in cash.

When the Base Fee or the Variable Fee is paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee and/or the Variable Fee attributable at the prevailing Market Price as at (i) in the case of quarterly payments, the last day of the relevant calendar quarter; and (ii) in the case of adjustments after the end of a financial year, the trading day of the Hong Kong Stock Exchange immediately following the date of the announcement of the audited annual results of Sunlight REIT for such financial year, rounded down to the nearest whole number of Units and with any remaining amount to be paid in cash. The maximum number of Units that may be issued to the Manager in a financial year as payment for the Base Fee and the Variable Fee (including any adjustments thereto) shall be limited to such number of Units as represents 3% of the number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units, if any, issued in that financial year for the purposes of financing any acquisition of real estate. If the relevant thresholds for issue of Units without Unitholders' approval are exceeded (including the threshold of 20% or such other percentage as permitted by the REIT Code) and the Unitholders' approval is not obtained, then payment of that excess part of the Base Fee will be paid to the Manager in the form

THE MANAGER

of cash. Where the adjustment made to the Base Fee or the Variable Fee in accordance with the provisions of the Trust Deed is positive and the relevant amount of the Base Fee or the Variable Fee (as the case may be) has been elected to be paid in Units, Sunlight REIT shall pay the difference to the Manager in Units based on the prevailing Market Price as at the time referred to above. Where the adjustment made to the Base Fee or the Variable Fee in accordance with the provisions of the Trust Deed is negative, notwithstanding that the relevant amount of the Base Fee or the Variable Fee (as the case may be) has been elected to be paid in Units, the Manager shall pay the difference to Sunlight REIT in cash. Where any part of the Management Fees is to be paid in Units in respect of the last calendar quarter of a financial year, such Units will not be issued until after the Record Date for the final distribution for that financial year. Where any part of the Management Fees is to be paid in Units in respect of the last calendar quarter of a distribution period for which an interim distribution will be paid, such Units will not be issued until after the Record Date for such interim distribution. Where any such distribution period is shorter than three months, all Units to be issued by way of payment of the Base Fee or the Variable Fee to the extent referable to such distribution period will not be issued until after the Record Date for such distribution.

Other Fees payable to the Manager

The Manager is also entitled to:

Acquisition Fee

Other than in respect of the acquisition of the Properties in connection with the Offering, Acquisition Fee not exceeding the rate of 1.0% (the Manager currently charges a 1.0% Acquisition Fee) of the acquisition price for any real estate purchased directly or indirectly by Sunlight REIT (pro-rated if applicable to the proportion of Sunlight REIT's interest in the real estate acquired) which shall be paid as soon as practicable after (and in any event within 14 days after) the completion of the acquisition.

The Acquisition Fee will be paid to the Manager in the form of cash or, at the election of the Manager and with the prior approval of Unitholders by an Ordinary Resolution, entirely in the form of Units or partly in cash and partly in the form of Units. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the same issue price of Units used to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance such acquisition, at the issue price that is equal to the highest of:

- (a) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of entry into of the agreement for the acquisition of the real estate,
- (b) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of the announcement in respect of the acquisition of the real estate, and

THE MANAGER

- (c) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of completion of the acquisition of the real estate,

in each case rounded down to the nearest whole number of Units and with any remaining amount to be paid in cash.

Divestment Fee

Divestment Fee not exceeding the rate of 0.5% (the Manager currently charges a 0.5% Divestment Fee) of the sale price of any real estate directly or indirectly sold or divested by Sunlight REIT (pro-rated if applicable to the proportion of Sunlight REIT's interest in the real estate sold) which shall be paid as soon as practicable after (and in any event within 14 days after) the completion of the divestment.

The Divestment Fee will be paid to the Manager in the form of cash or, at the election of the Manager and with the prior approval of Unitholders by an Ordinary Resolution, entirely in the form of Units or partly in cash and partly in the form of Units. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased at the issue price that is equal to the highest of:

- (a) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of entry into of the agreement for the divestment of the real estate;
- (b) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of the announcement in respect of the divestment of the real estate; and
- (c) the average closing price of the Units for the 10 trading days on the Hong Kong Stock Exchange immediately prior to the date of completion of the divestment of the real estate,

in each case rounded down to the nearest whole number of Units and with any remaining amount to paid in cash.

The Manager may lower the rate of the Base Fee, Acquisition Fee or Divestment Fee to some smaller percentage than the relevant maximum percentage prescribed above from time to time by written notice to the Trustee. The Manager may increase the rate of the Base Fee, Acquisition Fee or Divestment Fee to a higher percentage that the Manager proposes to charge from time to time provided it is within the relevant permitted level prescribed above by giving at least one month's prior written notice to all Unitholders and the Trustee. Any increase of any of the maximum percentages prescribed above or any change to the structure of the Manager's remuneration may only be permitted by Special Resolution at a Unitholders' meeting duly convened under the provisions of the Trust Deed.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate for Sunlight REIT shall be paid by the Manager to such persons out of the Acquisition Fee or Divestment Fee received by the Manager and not additionally out of the assets of Sunlight REIT or the assets of the relevant Property Company.

The Manager may sell Units issued to it as fees in the market from time to time.

THE MANAGER

Expenses incurred by the Manager

Subject to the REIT Code and all applicable laws, rules and regulations, the Manager is entitled to apply, or to be reimbursed from, the Deposited Property (at such times and over such periods as the Trustee and the Manager may determine in any particular case) for all liabilities, fees, costs, charges and expenses, that may be properly suffered or incurred by the Manager in the performance of its obligations or the exercise of its powers under the Trust Deed, or otherwise arising out of or in connection with the Trust Deed or other constitutive documents (as defined in the REIT Code) of Sunlight REIT (including but not limited to the costs of insurance in relation to the liabilities of the directors and officers of the REIT Group Companies and all costs, fees and expenses (including but not limited to all roadshow, advertising, promotion and marketing-related expenses) in connection with any offering or issue of Units).

Retirement or Removal of the Manager

The Manager may retire, at any time after giving 90 days' written notice to the Trustee provided that, and subject to:

- (i) the Manager selecting a new manager duly qualified under the REIT Code, licensed under the SFO and acceptable to the Trustee, the SFC and for so long as Sunlight REIT is listed on the Hong Kong Stock Exchange and if so required by applicable laws, rules and regulations, the Hong Kong Stock Exchange; and
- (ii) the requirement in the REIT Code that such retirement will not adversely affect the interests of the Unitholders in any material respect.

The retirement of the Manager will not be effective until the appointment of the new manager is effective pursuant to a deed of retirement and appointment among the Trustee, the Manager and the new manager.

The Manager may be removed by prior notice (except in relation to (v) below which requires 30 days' prior notice) given in writing by the Trustee:

- (i) if for good and sufficient reason(s), the Trustee, is of the opinion, and states in writing with such reason that a change of Manager is desirable in the interests of the Unitholders;
- (ii) if the Unitholders representing at least 75% in value of the Units issued and outstanding (excluding those held or deemed to be held by the Manager, as well as any Unitholders who may have an interest in retaining the Manager) deliver to the Trustee a written request to dismiss the Manager or a Special Resolution is passed to dismiss the Manager;
- (iii) if the Manager goes into liquidation, becomes bankrupt or if a receiver is appointed over any of its assets or any part thereof (or any such analogous process occurs or any analogous person is appointed in respect of the Manager);
- (iv) if the Manager ceases to carry on business;

THE MANAGER

- (v) if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by the Trust Deed; or
- (vi) if the SFC withdraws its approval of the Manager to act as the manager of Sunlight REIT (including without limitations to the foregoing where the SFC revokes the Manager's licence to conduct the regulated activity of asset management in respect of Sunlight REIT).

In the event that the Manager is removed and no new manager duly qualified under the REIT Code and acceptable to the SFC is willing to take the place of the existing Manager within 60 days of the removal of the Manager (or such longer period as the Trustee considers appropriate), the Trustee may terminate Sunlight REIT.

Exclusion of Liability of the Manager

In the absence of fraud, negligence, wilful default or breach of the Trust Deed, the constitutive documents (as defined in the REIT Code) of Sunlight REIT, the REIT Code or any relevant laws and regulations, by the Manager (including its directors, employees, agents and delegates), the Manager shall not incur any liability by reason of any error of judgement or any matter or thing done or suffered or omitted to be done by it in good faith under the Trust Deed.

In the absence of fraud, negligence, wilful default or breach of the Trust Deed, the constitutive documents (as defined in the REIT Code) of Sunlight REIT, the REIT Code or any relevant laws and regulations, by the Manager (including its directors, employees, agents and delegates), the Manager shall have no liability for any act or omission of the Trustee, the Unit Registrar or the approved valuer.

The Manager has taken out prospectus liability insurance in relation to the publication of this Offering Circular, the premium for which has been paid for by the Manager itself and not by Sunlight REIT. Such insurance was arranged by HSBC Insurance Brokers Limited (a Trustee Connected Person (as defined in the section headed "Connected Party Transactions" in this Offering Circular) and an affiliate of The Hongkong and Shanghai Banking Corporation Limited, one of the Joint Global Coordinators) acting as agent for the Manager.

Right of Indemnity of the Manager

Subject as expressly provided in the Trust Deed and without prejudice to any right of indemnity at law given to the Manager, the Manager and any director, employee, servant and agent of the Manager shall be indemnified out of, and shall be entitled for the purpose of indemnity to have recourse to, the Deposited Property or any part thereof against any actions, costs, claims, damages, expenses or demands to which it may be put as the Manager and as director, employee, servant and agent of the Manager save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Trust Deed, other constitutive documents (as defined in the REIT Code) of Sunlight REIT, the REIT Code or relevant law and regulations by the Manager or any director, employee, servant, agent or delegate of the Manager.

THE MANAGER

Manager's Right of Delegation

The Manager may, in managing Sunlight REIT and in carrying out and performing its duties and obligations under the Trust Deed, so far as permitted by applicable regulatory requirements at its absolute discretion, delegate to any person, the selection of which shall be at its sole discretion, the performance of any act or the exercise of any power to manage and administer the authorised investments as defined in the Trust Deed and the exercise of any of the rights, trusts and discretions granted to the Manager by the Trust Deed as it thinks fit (including authorise the delegate to sub-delegate), such as certain back-office support services.

The Manager shall be solely responsible for such delegate or agent and shall be fully liable to Sunlight REIT for all losses, liabilities, damages, costs and expenses suffered or incurred by Sunlight REIT as a result of the appointment of such delegate or agent as if the relevant act or omission had been performed by the Manager itself.

The Manager/Property Manager and the rest of the HLD Group share the use of one mainframe computer. However, the Manager has its own IT personnel and infrastructure, including personal computers and IT peripherals. The data of the Manager/Property Manager and that of the rest of the HLD Group are kept under two separate databases on two separate systems. Users from the Manager/Property Manager and the rest of the HLD Group have individual user names and passwords for accessing their respective data. Users are provided with security guidelines for the use of IT infrastructure and systems. The disaster recovery plan of the HLD Group also covers the system and database of the Manager on the mainframe computer.