

METRO CITY PHASE I PROPERTY

Description

Metro City Phase I Property, which was completed in 1996, is a three-storey commercial/car parking podium with all shop units on the ground floor and level 2 and car-parking spaces situated on the ground floor, level 1 and level 2. The Property is a part of Metro City Phase I, a development comprising six residential blocks and a shopping arcade. It is situated at the centre of Po Lam Area of Tseung Kwan O, directly connected by footbridges to the Po Lam MTR Station and Metro City Phase III which also link to Metro City Phase II. Metro City Phase I is an integral part of the Metro City Shopping Centre development, one of the largest regional shopping malls in Kowloon East comprising approximately 1.5 million sq.ft. of retail space. The catchment area of Metro City Phase I Property includes local residents within Metro City and various nearby public housing estates, Home Ownership Scheme developments and private residential developments. With future new developments, the population in Tseung Kwan O is estimated to grow from the current 338,100 to approximately 480,000 in its full development. As at 30 September 2006, Metro City Phase I Property had a total Gross Rentable Area of approximately 188,889 sq.ft. (excluding car-parking spaces). Shop units size ranges from 50 sq.ft. to 24,857 sq.ft.

Metro City Phase I Property provides a comfortable environment for shoppers through the use of high ceilings and a skylight offering natural light and a spacious feeling. Upon Completion, Sunlight REIT will own approximately 26% of the undivided shares in the entire development of Metro City Phase I (which includes the entire commercial development and all the car parks, which will be owned by REIT Group Companies, and the six residential blocks not owned by Sunlight REIT). Please refer to the paragraph headed “Other owners” of “The Properties and Business” section for details of the ownership in the remaining interest in Metro City Phase I. Metro City Phase I Property had an average occupancy rate of approximately 81.1% for the three months ended 30 September 2006 and the Property had a total of 100 individual leases as at 30 September 2006.

Metro City Phase I Property has parking facilities comprising 452 car-parking spaces, 20 motor cycle-parking spaces and 14 bicycle-parking spaces. The parking facilities will, on Completion, be subject to the overall management by the Property Manager.

In order to improve the comfort of patrons and shoppers to the mall, the owners of Metro City Phase I Property and the shopping arcades at Metro City Phases II and III are considering upgrading the existing four footbridges owned by MTR Corporation Limited connecting Po Lam MTR Station to Metro City Phases I, II and III to become enclosed and air-conditioned footbridges, subject to approval by the Safety & Security Coordination Committee and MTR Corporation Limited. The owners of such shopping arcades may, after the Listing Date, appoint MTR Corporation Limited to carry out the works (which would in turn tender out the works and charge a project management fee), with the costs currently expected to be borne severally by such owners in specified proportions. The total construction cost and related expenses for upgrading the footbridge connecting Po Lam MTR Station to Metro City Phase I Property is currently estimated to be approximately HK\$6 million.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Other than the footbridge and making normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Metro City Phase I Property. Upon Completion, Metro City Phase I Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility” in this Offering Circular.

The shopping arcades of Metro City Phases II and III are currently owned by subsidiaries of HLD. In order to maintain a balanced initial portfolio of properties between office and retail properties in Sunlight REIT, which account for approximately 48% and 52% respectively on the basis of the Appraised Value of the total portfolio (HK\$4,371 million for office properties and HK\$4,719 million for retail properties), the shopping arcades of Metro City Phases II and III, which were valued at HK\$6,050 million and HK\$1,652 million respectively as at 30 June 2006, will not be included in the initial portfolio of Sunlight REIT. Any future acquisition by Sunlight REIT would depend on the then prevailing market conditions, their availability for sale, their strategic fit in meeting the investment criteria and the mix of properties in the portfolio at that time.

Metro City Phase I is held under a Government Grant for a term from 29 November 1993 to 30 June 2047. As at 30 September 2006, Metro City Phase I Property was valued at HK\$1,811,000,000 by the Independent Property Valuer. See “Appendix V — Independent Property Valuer’s Valuation Report” to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of Gross Rentable Area
Year ended 30 Jun 2004	93.2%	HK\$22.3
Year ended 30 Jun 2005	95.6%	HK\$21.4
Year ended 30 Jun 2006	85.0% ⁽¹⁾	HK\$23.2
Three months ended 30 Sep 2006	81.1% ⁽²⁾	HK\$23.8

Notes:

- (1) Increased vacancy at Metro City Phase I Property for the year ended 30 June 2006 was due to removal of a large tenant in September 2005.
- (2) A drop in average occupancy rate was recorded for the three months ended 30 September 2006 as compared with FY2006. However, the average monthly effective rental per leased square foot of Gross Rentable Area for the three-month period was actually higher than the corresponding figure for FY2006. This reflects that the existing manager of the Property, in view of the steadily rising office and retail rentals, has opted for a strategy to tolerate an increase in vacancy in order to achieve higher rental income.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The largest tenants (in terms of Rental Income) in Metro City Phase I Property include Cosmos Inc. Limited, Hang Seng Bank Limited and Bank of Communications Co., Ltd. The leases of the 10 largest tenants (in terms of Rental Income) are generally for terms of two to three years with four tenants having options to renew the leases at expiry. None of the 10 largest tenants are connected persons of Sunlight REIT, except Hang Seng Bank Limited.

Information on the 10 largest tenants in terms of Rental Income as well as all other tenants and vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006 is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>Cosmos Inc. Limited</i>	30 Apr 2009 ⁽²⁾	24,857	} 13.1	} 9.3
	6 Jan 2007 ⁽²⁾	—		
<i>Hang Seng Bank Limited</i>	16 Feb 2009	7,628	4.0	8.6
<i>Bank of Communications Co., Ltd.</i>	21 May 2008	3,612	1.9	7.0
<i>Upper Talent Limited</i>	31 Jul 2009	13,645	7.2	4.8
<i>Quality HealthCare Medical Centre Limited</i>	28 Jun 2009 ⁽²⁾	2,593	} 1.4	} 3.1
	17 Sep 2007 ⁽²⁾	—		
<i>Japan Home Centre (H.K.) Limited</i>	31 Aug 2009	7,107	3.8	2.9
<i>Tenant MCI⁽³⁾</i>	29 Sep 2009	8,243	4.4	2.8
<i>Centaline Property Agency Limited</i>	31 Jul 2007	1,252	0.7	2.5
<i>Ricacorp Properties Limited</i>	22 Feb 2007	644	0.3	2.0
<i>Happy Right Industries Limited</i>	20 Oct 2007	2,245	1.2	1.9
	Sub total	71,826	38.0	44.9
Other tenants		86,733	45.9	55.1
Vacant space ⁽⁴⁾		30,330	16.1	—
	Total	188,889	100.0	100.0

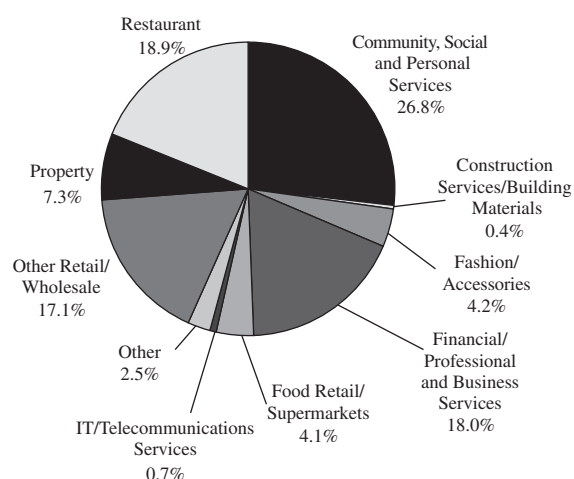
Notes:

- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) Tenant holds one lease and one licence for lightbox expiring on different dates.
- (3) This tenant, who is an individual, has not been identified.
- (4) A shop of Gross Rentable Area of 1,423 sq.ft. has been occupied by the leasing agent as leasing office of the Property free of rent. Upon Completion, the leasing office will be handed over to the Property Manager with no rent charged. The Property Manager will not take up additional space in the Property free of rent as long as it acts as Property Manager of the Property unless it complies with the applicable requirements of the REIT Code in relation to connected party transactions.

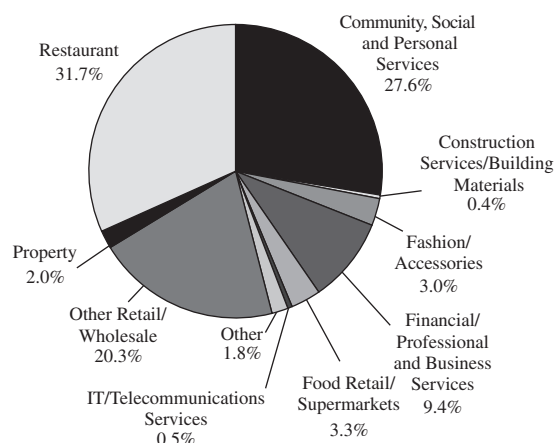
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The charts below show the mix of the tenants of Metro City Phase I Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

**Rental Income by Tenants' Trades
(For the month ended 30 September 2006)**



**Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)**



Expiries and Renewals

The following table sets forth information on leases at Metro City Phase I Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	88	124,241	58	85,859	65.9	69.1
Year ended 30 Jun 2005	63	103,251	40	80,250	63.5	77.7
Year ended 30 Jun 2006	70	107,855	46	48,092	65.7	44.6
Three months ended 30 Sep 2006	16	40,993	7	25,610	43.8	62.5
Average/weighted average	59 ⁽¹⁾	94,085 ⁽¹⁾	38 ⁽¹⁾	59,953 ⁽¹⁾	63.7 ⁽²⁾	63.7 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Metro City Phase I Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	30	30,853	16.3	760,000	19.7
Year ending 30 Jun 2008	51	48,532	25.7	1,510,742	39.2
Year ending 30 Jun 2009 and beyond	19	79,174	41.9	1,581,147	41.1
Vacant space ⁽³⁾	—	30,330	16.1	—	—
Total	100	188,889	100.0	3,851,889	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.
- (3) A shop of Gross Rentable Area of 1,423 sq.ft. has been occupied by the leasing manager as leasing office of the Property free of rent. Please refer to Note (4) to the table headed “Tenant Profile” for this Property.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for details of the transaction relating to this Property in the past five years.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

SHEUNG SHUI CENTRE SHOPPING ARCADE

Description

Sheung Shui Centre Shopping Arcade, which was completed in 1993, comprises a two-storey shopping arcade, a third-floor kindergarten and basement carpark. Sheung Shui Centre Shopping Arcade's parking facilities comprise 269 car-parking spaces, 28 lorry-parking spaces, six loading and unloading spaces and 226 bicycle-parking spaces. The parking facilities will, on Completion of Sunlight REIT, be subject to the overall management by the Property Manager. As at 30 September 2006, Sheung Shui Centre Shopping Arcade had a total Gross Rentable Area of approximately 122,339 sq.ft. excluding car park spaces.

Sheung Shui Centre Shopping Arcade is situated within the residential and commercial hub of Sheung Shui district. It is a part of Sheung Shui Centre, a development that comprises six residential blocks and a shopping arcade. The Property is connected to the Sheung Shui KCR Station by a covered footbridge. Sheung Shui KCR Station will also be connected to the new Lok Ma Chau Spur Line, the second link between Hong Kong and PRC which is expected to be completed in 2007. Sheung Shui Centre Shopping Arcade is also close to several large public and private residential estates.

Upon Completion, Sunlight REIT will own approximately 26% of the undivided shares in the entire development of Sheung Shui Centre (which includes the entire Commercial Development and all car parks, which will be owned by REIT Group Companies, and the six residential blocks not owned by Sunlight REIT). The remaining 74% are owned by numerous residential and other owners. Please refer to the paragraph headed "Other owners" of "The Properties and Business" section for details of the ownership in the remaining interest in Sheung Shui Centre.

The tenant base of Sheung Shui Centre Shopping Arcade is diverse, including food & beverage, fashion & accessories, daily necessities, telecommunications and banks. Sheung Shui Centre Shopping Arcade had an average occupancy rate of approximately 93.2% for the three months ended 30 September 2006 and the Property had 125 individual leases as at 30 September 2006.

Other than making normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Sheung Shui Centre Shopping Arcade. Upon Completion, Sheung Shui Centre will be subject to a mortgage and other security granted under the Facility, as described in the section headed "Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility" in this Offering Circular.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Sheung Shui Centre Shopping Arcade is held under a Government Grant for a term from 16 October 1989 to 30 June 2047. As at 30 September 2006, Sheung Shui Centre Property was valued at HK\$2,190,000,000 by the Independent Property Valuer. See “Appendix V — Independent Property Valuer’s Valuation Report” to this Offering Circular.

Average Occupancy Rate and Average Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of Gross Rentable Area
Year ended 30 Jun 2004	97.3%	HK\$43.3
Year ended 30 Jun 2005	98.3%	HK\$46.3
Year ended 30 Jun 2006	96.9%	HK\$46.6
Three months ended 30 Sep 2006	93.2% ⁽¹⁾	HK\$53.3

Note:

- (1) A drop in average occupancy rate was recorded for the three months ended 30 September 2006 as compared with FY2006. However, both the average monthly effective rental per leased square foot of Gross Rentable Area and the average monthly rental receivable for the three-month period are actually higher than the corresponding figures for FY2006. This reflects that the existing manager of the Property, in view of the steadily rising office and retail rentals, has opted for a strategy to tolerate an increase in vacancy in order to achieve higher rental income.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The largest tenants (in terms of Rental Income) in Sheung Shui Centre Shopping Arcade include Forever Sky (Asia) Limited, Bank of Communications Co., Ltd. and The Bank of East Asia Limited. The leases of the 10 largest tenants (in terms of Rental Income) are generally for terms of two to three years with four tenants having an option to renew the leases at expiry. None of the 10 largest tenants are connected persons of Sunlight REIT, except The Hongkong and Shanghai Banking Corporation Ltd. Information on the 10 largest tenants in terms of Rental Income as well as all other tenants and vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006, is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>Forever Sky (Asia) Limited</i>	13 Mar 2010	20,261	16.6	7.9
<i>Bank of Communications Co., Ltd.</i>	10 Mar 2008	3,935	3.2	5.5
<i>The Bank of East Asia Limited</i>	30 Apr 2009	3,863	3.1	4.4
<i>Maxim's Caterers Limited</i>	26 Oct 2006 ⁽²⁾	4,367	} 3.7	} 3.8
	26 Oct 2006 ⁽²⁾	214		
<i>The Hongkong and Shanghai Banking Corporation Ltd.</i>	3 Nov 2008 ⁽³⁾	3,266	} 3.8	} 3.8
	3 Nov 2008 ⁽³⁾	1,360		
<i>The Dairy Farm Company Limited</i>	30 Nov 2006 ⁽⁴⁾	1,130	} 4.0	} 3.3
	30 Nov 2006 ⁽⁴⁾	2,619		
	14 Oct 2007 ⁽⁴⁾	1,171		
<i>Euro Dragon Limited</i>	19 Jul 2007	6,206	5.1	3.1
<i>A. S. Watson Group (HK) Limited</i>	19 Sept 2009	3,292	2.7	2.5
<i>Tenant SSI⁽⁵⁾</i>	27 Jun 2007 ⁽⁶⁾	506	} 1.2	} 2.3
	28 Mar 2008 ⁽⁶⁾	370		
	31 Jul 2007 ⁽⁶⁾	543		
<i>Goldtop Century Limited</i>	7 Aug 2007	2,374	1.9	2.1
	Sub total	55,477	45.3	38.7
Other tenants		59,934	49.0	61.3
Vacant space ⁽⁷⁾		6,928	5.7	—
	Total	122,339	100.0	100.0

Notes:

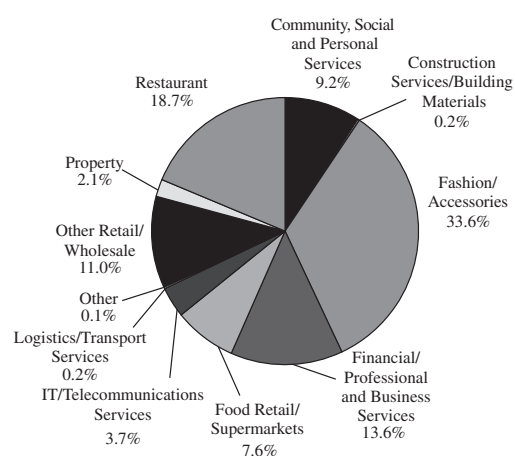
- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) Tenant holds two separate leases expired on the same date. Tenant did not renew the two leases upon expiry. As at the Latest Practicable Date, two separate new leases have been entered into with two respective tenants at higher rents.
- (3) Tenant holds two separate leases expiring on the same date.
- (4) Tenant holds three separate leases expiring on two different dates. As at the Latest Practicable Date, negotiations for renewal of two leases expiring on 30 November 2006 at a higher rent were in progress, although there is no certainty as to whether renewal can ultimately be agreed upon, and if so, on what terms.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

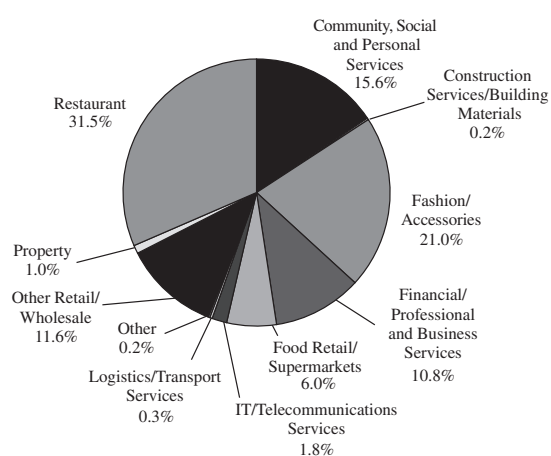
- (5) This tenant, who is an individual, has not been identified.
- (6) Tenant holds three separate leases expiring on three different dates.
- (7) A shop of Gross Rentable Area of 299 sq.ft. has been occupied by the leasing agent as leasing office of the Property free of rent. Upon Completion, the leasing office will be handed over to the Property Manager with no rent charged. The Property Manager will not take up additional space in the Property free of rent as long as it acts as Property Manager of the Property unless it complies with the applicable requirements of the REIT Code in relation to connected party transactions.

The charts below show the mix of the tenants of Sheung Shui Centre Shopping Arcade by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Sheung Shui Centre Shopping Arcade that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases	Number of expired leases renewed	Renewed Gross Rentable Area	Renewal rate by number of leases expired	Renewal rate by leased area
		sq.ft.		sq.ft.	%	%
Year ended 30 Jun 2004	84	90,651	57	76,860	67.9	84.8
Year ended 30 Jun 2005	61	42,172	32	23,650	52.5	56.1
Year ended 30 Jun 2006	77	54,045	40	35,034	51.9	64.8
Three months ended 30 Sep 2006	19	23,900	14	21,096	73.7	88.3
Average/weighted average	60 ⁽¹⁾	52,692 ⁽¹⁾	36 ⁽¹⁾	39,160 ⁽¹⁾	59.3 ⁽²⁾	74.3 ⁽³⁾

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

The following table sets forth details of expiries in respect of leases at Sheung Shui Centre Shopping Arcade which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	36	43,538	35.6	1,926,869	32.0
Year ending 30 Jun 2008	63	50,701	41.4	2,627,523	43.6
Year ending 30 Jun 2009 and beyond	26	21,172	17.3	1,466,131	24.4
Vacant space ⁽³⁾	—	6,928	5.7	—	—
Total	125	122,339	100.0	6,020,523	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.
- (3) A shop of Gross Rentable Area of 299 sq.ft. has been leased to the leasing agent as leasing office of the Property free of rent. Please refer to Note (7) to the table headed “Tenant Profile” for this Property.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for details of the transaction relating to this Property in the past five years.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

KWONG WAH PLAZA PROPERTY

Description

Kwong Wah Plaza Property is part of Kwong Wah Plaza, which was completed in 1998. Kwong Wah Plaza is a 17-storey commercial building (including basement). Kwong Wah Plaza is located in the town centre of Yuen Long and is situated at a corner site bounded by Tai Tong Road and Fau Tsoi Street. The building is close to the Tai Tong Road Light Railway Train Station and Yuen Long Station of KCR West Rail which links the Northwest New Territories and Kowloon. Kwong Wah Plaza's neighbouring developments are occupied by a variety of trades such as restaurants, retail shops, pharmacies, banks and wet market and enjoy steady pedestrian flow. Public transport facilities include buses and minibuses.

Upon Completion, Sunlight REIT will own the three-storey shopping arcade including a basement and a large portion of office spaces on the upper floors, totalling approximately 80% of the undivided shares in Kwong Wah Plaza. Please refer to the paragraph headed "Other owners" of the "Properties and Business" section for details of the ownership in the remaining interest in Kwong Wah Plaza. As at 30 September 2006, Kwong Wah Plaza Property had a total Gross Rentable Area of approximately 64,842 sq.ft. Office units range in size from 447 sq.ft. to 5,501 sq.ft. (the latter comprising a whole floor). Shop units range in size from 422 sq.ft. to 9,964 sq.ft.

Building features of Kwong Wah Plaza include loading/unloading area, split-type air-conditioning system for all office units, satellite TV antenna system and private washrooms in some office units. Kwong Wah Plaza Property had an average occupancy rate of approximately 99.1% for the three months ended 30 September 2006 and the Property had 36 individual leases as at 30 September 2006.

Other than making normal recurring maintenance capital expenditures, the Manager has no current plan to renovate, improve or redevelop Kwong Wah Plaza Property. Upon Completion, Kwong Wah Plaza Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed "Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility" in this Offering Circular.

Kwong Wah Plaza is held under a Government Grant for the residue of the term from 25 May 1993 to 30 June 2047. As at 30 September 2006, Kwong Wah Plaza Property was valued at HK\$458,000,000 by the Independent Property Valuer. See "Appendix V — Independent Property Valuer's Valuation Report" to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of Gross Rentable Area
Year ended 30 Jun 2004	96.3%	HK\$18.0
Year ended 30 Jun 2005	97.7%	HK\$18.8
Year ended 30 Jun 2006	97.4%	HK\$20.4
Three months ended 30 Sep 2006	99.1%	HK\$22.1

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The largest tenants (in terms of Rental Income) in Kwong Wah Plaza Property include A.S. Watson Group (HK) Limited, Gold Harvest Video Amusement Company Limited and Be A Lady Limited. The leases of the 10 largest tenants (in terms of Rental Income) are generally for terms of two to three years with no option to renew the lease at expiry. None of the 10 largest tenants are connected persons of Sunlight REIT. Information on the 10 largest tenants in terms of Rental Income as well as all other tenants and vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006 is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>A. S. Watson Group (HK) Limited</i>	12 Jan 2008	9,430	14.5	15.9
<i>Gold Harvest Video Amusement Company Limited</i>	31 Dec 2007 ⁽²⁾	9,964	} 15.4	} 14.9
	31 Dec 2007 ⁽²⁾	—		
<i>Be A Lady Limited</i>	11 May 2008 ⁽³⁾	1,349	} 5.9	} 9.4
	11 May 2008 ⁽³⁾	1,391		
	18 Jul 2008 ⁽³⁾	1,073		
<i>Tenant KW1⁽⁴⁾</i>	14 Nov 2006 ⁽⁵⁾	1,001	} 4.4	} 7.6
	5 Sept 2007 ⁽⁵⁾	1,825		
<i>Circle K Convenience Stores Limited</i>	7 Apr 2007	1,259	1.9	6.6
<i>Yicon Consultants Limited</i>	31 Aug 2009	5,061	7.8	6.3
<i>Tenant KW2⁽⁴⁾</i>	15 Aug 2008	1,045	1.6	6.2
<i>American International Assurance Company (Bermuda) Limited</i>	19 Jun 2007	5,250	8.1	4.3
<i>Midland Leasing (IV) Limited</i>	2 May 2007 ⁽²⁾	447	} 0.7	} 3.0
	2 May 2007 ⁽²⁾	—		
<i>Bing Han (H.K.) Enterprises Limited</i>	9 Jul 2008	3,199	4.9	2.8
	Sub total	42,294	65.2	77.0
Other tenants		21,641	33.4	23.0
Vacant space		907	1.4	—
	Total	64,842	100.0	100.0

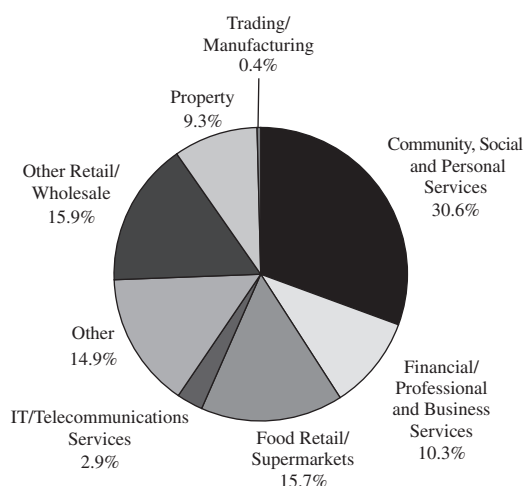
Notes:

- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) Tenants hold one lease and one license for signages expiring on the same date.
- (3) Tenant holds three separate leases expiring on two different dates.
- (4) These tenants, who are individuals, have not been identified.
- (5) Tenant holds two separate leases expiring on two different dates. As at the Latest practicable Date, the lease expired on 14 November 2006 was renewed at a higher rent for a further term of two years commencing from 15 November 2006.

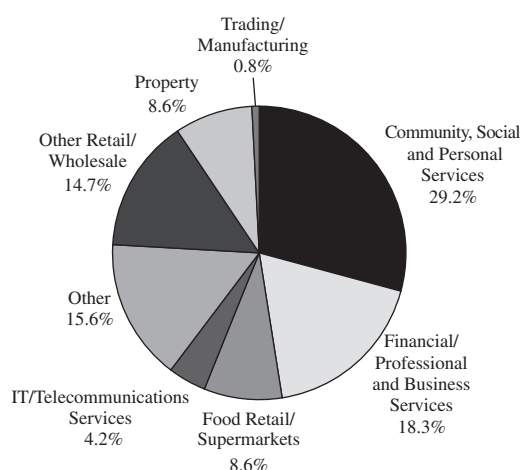
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The charts below show the mix of the tenants of Kwong Wah Plaza Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Kwong Wah Plaza Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	20	23,577	9	10,416	45.0	44.2
Year ended 30 Jun 2005	25	45,402	14	33,058	56.0	72.8
Year ended 30 Jun 2006	17	22,946	8	10,267	47.1	44.7
Three months ended 30 Sep 2006	7	8,881	3	6,106	42.9	68.8
Average/weighted average	17 ⁽¹⁾	25,202 ⁽¹⁾	9 ⁽¹⁾	14,962 ⁽¹⁾	49.3 ⁽²⁾	59.4 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Kwong Wah Plaza Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	14	15,747	24.3	321,362	22.3
Year ending 30 Jun 2008	15	34,027	52.5	826,299	57.2
Year ending 30 Jun 2009 and beyond	7	14,161	21.8	296,472	20.5
Vacant space	—	907	1.4	—	—
Total	36	64,842	100.0	1,444,133	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for the details of the transaction relating to this Property in the past five years.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

BEVERLEY COMMERCIAL CENTRE PROPERTY

Description

Beverley Commercial Centre, which was completed in 1982, is located in an established commercial and tourist area in Tsimshatsui district, a core business area in Hong Kong. Beverley Commercial Centre Property is a part of Beverley Commercial Centre, a development comprising 20-storey commercial building including a basement. The Property is situated within a few minutes' walking distance from the Tsimshatsui MTR Station, the Hung Hom KCR Station and the Cross Harbour Tunnel entrance. It is also close to the Hong Kong Polytechnic University. Beverley Commercial Centre Property is a retail centre for fashionable goods.

Upon Completion, Sunlight REIT will own approximately 9% of the undivided shares in the entire development of Beverley Commercial Centre with the remaining approximately 91% being owned by numerous commercial and other owners. To the best of the Managers knowledge, the remaining interest in Beverley Commercial Centre is owned by third parties who are not connected persons of Sunlight REIT. Beverley Commercial Centre Property comprises 60 shops on the ground floor. As at 30 September 2006, Beverley Commercial Centre Property had a total Gross Rentable Area of approximately 7,934 sq.ft. Shop units size range from 93 sq.ft. to 236 sq.ft. Beverley Commercial Centre Property had an average occupancy rate of approximately 75.4% for the three months ended 30 September 2006 and the Property had 32 individual leases as at 30 September 2006.

Certain improvement works to the common areas of Beverley Commercial Centre have taken place pursuant to requirements in several Fire Safety Directions and Fire Safety Improvement Directions. Please refer to the section headed “The Properties and Business — GENERAL — Legal and Regulatory Compliance — *Beverley Commercial Centre Property*” in this Offering Circular for further details. Under the relevant Sale and Purchase Agreement, any contribution required to be made by the owner of Beverley Commercial Centre Property in respect of the cost for those works is to be made by the relevant Vendor, and a deed of undertaking and indemnity will also be given by SKFE in favour of the Trustee (as trustee of Sunlight REIT) and the relevant Property Company as detailed in the section headed “The Properties and Business — GENERAL — Legal and Regulatory Compliance — *Beverley Commercial Centre Property*” and the section headed “Material Agreements and Other Documents Relating to Sunlight REIT” in this Offering Circular. Other than the aforesaid works and the normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Beverley Commercial Centre Property. Upon Completion, Beverley Commercial Centre Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility” in this Offering Circular.

Beverley Commercial Centre Property is held under 10 several Government Grants, all of which expire on 24 December 2052. As at 30 September 2006, Beverley Commercial Centre Property was valued at HK\$56,000,000 by the Independent Property Valuer. See “Appendix V — Independent Property Valuer's Valuation Report” in this Offering Circular.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of Gross Rentable Area
Year ended 30 Jun 2004	41.7% ⁽¹⁾	HK\$21.0
Year ended 30 Jun 2005	92.8%	HK\$19.8
Year ended 30 Jun 2006	82.8% ⁽²⁾	HK\$21.8
Three months ended 30 Sep 2006	75.4% ⁽²⁾	HK\$26.1

Notes:

- (1) Due to the outbreak of SARS in first half of 2003, declining occupancy rates in Beverley Commercial Centre Property were recorded in the second half of 2003. The occupancy rate rebounded to 75.5% as at 30 June 2004.
- (2) A drop in average occupancy rate was recorded for FY2006 and three months ended 30 September 2006 as compared with FY2005 because the existing manager of the Property, in view of the steadily rising office and retail rentals, has opted for a strategy to tolerate an increase in vacancy in order to achieve higher rental income. The average monthly effective rentals per leased square foot of Gross Rentable Area actually increased during FY2006 and the three-month period ended 30 September 2006.

Tenant Profile

The largest tenant (in terms of Rental Income) in Beverley Commercial Centre Property includes IOI Limited. The leases of the 10 largest tenants (in terms of Rental Income) are generally for terms of two years and do not have any option to renew the leases at expiry. None of the 10 largest tenants are connected persons of Sunlight REIT. Information on the 10 largest tenants in terms of Rental Income as well as all other tenants and vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006, is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
Tenant BC1 ⁽²⁾	9 Aug 2008	542	6.8	9.3
Tenant BC2 ⁽²⁾	15 Oct 2007 ⁽³⁾	93	6.1	7.5
	15 Oct 2007 ⁽³⁾	294		
	31 Mar 2008 ⁽³⁾	93		
Tenant BC3 ⁽²⁾	30 Nov 2007	521	6.6	6.8
Tenant BC4 ⁽²⁾	31 May 2007	292	3.7	6.4
Tenant BC5 ⁽²⁾	31 Mar 2008	376	4.7	4.8
IOI Limited	31 Aug 2007	250	3.2	4.4
Tenant BC6 ⁽²⁾	15 Aug 2007	200	2.5	3.8
Tenant BC7 ⁽²⁾	27 Mar 2008	236	3.0	3.7
Tenant BC8 ⁽²⁾	23 Mar 2008	194	2.4	3.6
Tenant BC9 ⁽²⁾	9 Apr 2007	321	4.0	3.2
	Sub total	3,412	43.0	53.5
Other tenants		2,465	31.1	46.5
Vacant space		2,057	25.9	—
	Total	7,934	100.0	100.0

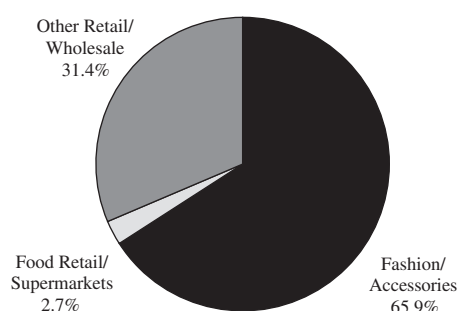
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Notes:

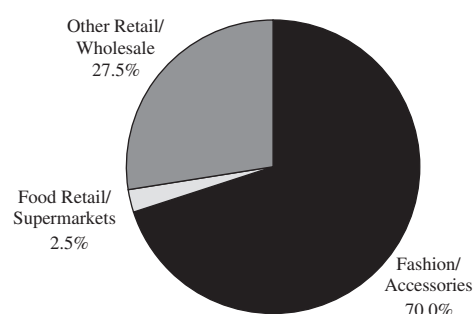
- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the property for the month ended 30 September 2006.
- (2) These tenants, who are individuals, have not been identified.
- (3) Tenant holds three separate leases expiring on two different dates.

The charts below show the mix of the tenants of Beverley Commercial Centre Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Beverley Commercial Centre Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	12	1,767	4	706	33.3	40.0
Year ended 30 Jun 2005	11	2,351	4	906	36.4	38.5
Year ended 30 Jun 2006	40	7,030	7	892	17.5	12.7
Three months ended 30 Sep 2006	5	805	—	—	—	—
Average/weighted average	17 ⁽¹⁾	2,988 ⁽¹⁾	4 ⁽¹⁾	626 ⁽¹⁾	22.1 ⁽²⁾	20.9 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Beverley Commercial Centre Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	10	1,648	20.8	44,693	28.7
Year ending 30 Jun 2008	20	3,594	45.3	93,747	60.2
Year ending 30 Jun 2009 and beyond	2	635	8.0	17,244	11.1
Vacant space	—	2,057	25.9	—	—
Total	32	7,934	100.0	155,684	100.0

Notes:

- (1) There are no options to renew under the leases of the Property.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

The land searches (in respect of change of legal and/or beneficial ownership registered in the Land Registry) conducted on 24 November 2006 do not show any sale and purchase transactions relating to this Property in the five years prior to the date of the searches, and to the best of its knowledge, the Manager is not aware of any transactions involving direct or indirect sale and purchase of this Property during such period, in each case other than intra-group transactions, transactions among entities under the ownership or control of Dr. Lee Shau Kee, his family members or family trust(s).

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

GLORY RISE PROPERTY

Description

Glory Rise Property is part of the Glory Rise, which was completed in 2003. Glory Rise is a 26-storey retail/residential building with city views and is located in an established residential and commercial area in North Point with significant pedestrian flow. The Property is close to the North Point MTR Station, bus terminal, tram station and ferry pier. The Island Eastern Corridor and the Eastern Harbour Crossing are within easy reach. Glory Rise Property comprises six ground floor shops, three retail units on the first floor and the advertising spaces in Glory Rise.

Upon Completion, Sunlight REIT will own approximately 16% of the undivided shares in the entire development of Glory Rise (which includes the retail and residential portions), with the remaining 84% being owned by various residential and other owners. Please refer to the paragraph headed “Other owners” of “The Properties and Business” section for details of the remaining interest in Glory Rise. As at 30 September 2006, Glory Rise Property had a total Gross Rentable Area of approximately 7,086 sq.ft. Shop units located on ground and the first floors range in size from 199 sq.ft. to 1,448 sq.ft. Glory Rise Property had an average occupancy rate of approximately 60% for the three months ended 30 September 2006 and the Property had four individual leases as at 30 September 2006.

Other than normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Glory Rise Property. Upon Completion, Glory Rise Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility” in this Offering Circular.

Glory Rise Property is held under four Government Grants all for the residue of the renewed term from 5 September 1996 to 4 September 2071. As at 30 September 2006, Glory Rise Property was valued at HK\$65,000,000 by the Independent Property Valuer. See “Appendix V — Independent Property Valuer’s Valuation Report” to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of Gross Rentable Area
Year ended 30 Jun 2004	43.5% ⁽¹⁾	HK\$40.2
Year ended 30 Jun 2005	64.6% ⁽²⁾	HK\$30.4
Year ended 30 Jun 2006	71.1% ⁽²⁾	HK\$38.3
Three months ended 30 Sep 2006	60.0% ⁽³⁾	HK\$39.7

Notes:

- (1) The Occupation Permit for Glory Rise was issued in January 2003 and the first lease at Glory Rise Property commenced on 1 April 2003.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

- (2) The moderate growth in average occupancy rate for Glory Rise Property throughout the period from FY2004 to FY2006 was principally related to the stagnant property market after SARS in 2003 and that the three units on the first floor of Glory Rise Property were intended to be leased to tenants engaging in business preferred by landlord. The two units out of three were leased to tenants using the premises as tutorial and piano centre.
- (3) A drop in average occupancy rate was recorded for the three months ended 30 September 2006 as compared with FY2006. However, the average monthly effective rental per leased square foot of Gross Rentable Area for the three-month period was actually higher than the corresponding figure for FY2006. This reflects that the existing manager of the Property, in view of the steadily rising office and retail rentals, has opted for a strategy to tolerate an increase in vacancy in order to achieve higher rental income. Further, the drop of average occupancy rate for the three months ended 30 September 2006 is because the tenants of two units of an aggregate Gross Rentable Area of 1,628 sq.ft., which constituted approximately 22.9% of the total Gross Rentable Area, did not renew the leases and moved out from the units upon expiry of the leases. As at the Latest Practicable Date, negotiations with potential new tenants at a higher rent were in progress, although there is no certainty as to whether new leases can ultimately be agreed upon, and if so, on what terms.

Tenant Profile

The leases of the four tenants, being all the tenants in Glory Rise Property, are generally for terms of one to two years (except for Moretide Investments Limited which has a lease for a six-year term) and do not have any option to renew the leases at expiry. None of the four tenants except Henderson Real Estate Agency Ltd are connected person of Sunlight REIT. Information on the four tenants as well as vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006, is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>Moretide Investments Limited</i>	15 Apr 2009	1,625	22.9	49.5
<i>Henderson Real Estate Agency Ltd</i>	31 Jan 2007	816	11.5	36.4
<i>Tenant GR1⁽²⁾</i>	24 Sept 2008	201	2.9	10.0
<i>Knowledge Learning Centre Limited</i>	14 Dec 2007	660	9.3	4.1
	Sub total	3,302	46.6	100.0
Other tenants		—	—	—
Vacant space		3,784	53.4	—
	Total	7,086	100.0	100.0

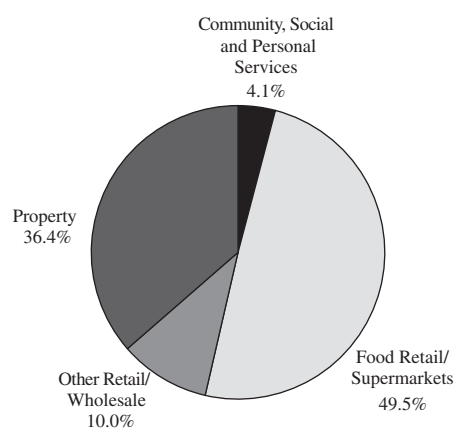
Notes:

- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) This tenant, who is an individual, has not been identified.

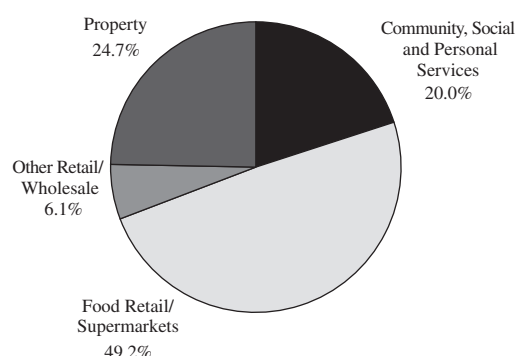
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The charts below show the mix of the tenants of Glory Rise Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Glory Rise Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	—	—	—	—	—	—
Year ended 30 Jun 2005	1	199	—	—	—	—
Year ended 30 Jun 2006	4	1,768	3	1,060	75.0	60.0
Three months ended 30 Sep 2006	3	1,829	1	201	33.3	11.0
Average/weighted average	2 ⁽¹⁾	949 ⁽¹⁾	1 ⁽¹⁾	315 ⁽¹⁾	50.0 ⁽²⁾	33.2 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Glory Rise Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	1	816	11.5	58,000	36.4
Year ending 30 Jun 2008	1	660	9.3	6,500	4.0
Year ending 30 Jun 2009 and beyond	2	1,826	25.8	95,013	59.6
Vacant space	—	3,784	53.4	—	—
Total	4	7,086	100.0	159,513	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for the details of the transaction relating to this Property in the past five years.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

SUPERNOVA STAND PROPERTY

Description

Supernova Stand Property is part of Supernova Stand, which was completed in 2001. Supernova Stand is a residential/retail composite building and is located in an established commercial and residential area in the Eastern District of Hong Kong Island. The entire building is a 27-storey modern retail/residential block with shops on the ground floor, and is close to the Fortress Hill MTR Station, bus stops and tram terminals. There is high pedestrian flow in areas surrounding the property.

Upon Completion, Sunlight REIT will own approximately 16% of the undivided shares in the entire development of Supernova Stand (which includes the retail and residential portions), with the remaining percentage being owned by various residential owners. Please refer to the paragraph headed “Other owners” of the “Properties and Business” section for details of the remaining interest in Supernova Stand. Supernova Stand Property comprises nine shops on the ground floor, eight of which are leased to the same tenant — a supermarket operator. As at 30 September 2006, Supernova Stand Property had a total Gross Rentable Area of approximately 4,226 sq.ft. Such shops range in size from 299 to 658 sq.ft. Supernova Stand Property had an average occupancy rate of approximately 88.4% for the three months ended 30 September 2006 and the Property had one lease as at 30 September 2006.

Other than making normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Supernova Stand Property. Upon Completion, Supernova Stand Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility” in this Offering Circular.

Supernova Stand Property is held under one Government Grant which expires on 23 February 2895. As at 30 September 2006, Supernova Stand Property was valued at HK\$46,000,000 by the Independent Property Value. See Appendix V — the Independent Property Valuer’s Valuation Report to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of
		Gross Rentable Area
Year ended 30 Jun 2004	88.4%	HK\$39.2
Year ended 30 Jun 2005	88.4%	HK\$41.1
Year ended 30 Jun 2006	88.4%	HK\$43.6
Three months ended 30 Sep 2006	88.4%	HK\$43.6

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The sole tenant in Supernova Stand Property is The Dairy Farm Company Limited which has a term of three years with an option to renew the leases for a further three years at expiry. The Dairy Farm Company Limited engages in the food retail/supermarket business and is not a connected person of Sunlight REIT. Information on the tenant as well as vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006 is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>The Dairy Farm Company Limited</i>	20 Jan 2008	3,737	88.4	100.0
Vacant space		489	11.6	—
	Total	4,226	100.0	100.0

Note:

- (1) Calculated on the basis of the tenant's percentage contribution to Rental Income of the property for the month ended 30 September 2006.

Expiries and Renewals

The following table sets forth information on leases at Supernova Stand Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	—	—	—	—	—	—
Year ended 30 Jun 2005	1	3,737	1	3,737	100.0	100.0
Year ended 30 Jun 2006	—	—	—	—	—	—
Three months ended 30 Sep 2006	—	—	—	—	—	—
Average/weighted average	— ⁽¹⁾	934 ⁽¹⁾	— ⁽¹⁾	934 ⁽¹⁾	100.0 ⁽²⁾	100.0 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
 (2) Weighted average weighted by number of leases expired.
 (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Supernova Stand Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	—	—	—	—	—
Year ending 30 Jun 2008	1	3,737	88.4	162,750	100.0
Year ending 30 Jun 2009 and beyond	—	—	—	—	—
Vacant space	—	489	11.6	—	—
Total	1	4,226	100.0	162,750	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

The land searches (in respect of change of legal and/or beneficial ownership registered in the Land Registry) conducted on 24 November 2006 do not show any sale and purchase transactions relating to this Property in the five years prior to the date of the searches, and to the best of its knowledge, the Manager is not aware of any transactions involving direct or indirect sale and purchase of this Property during such period, in each case other than intra-group transactions, transactions among entities under the ownership or control of Dr. Lee Shau Kee, his family members or family trust(s).

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

PALATIAL STAND PROPERTY

Description

Palatial Stand Property is part of Palatial Stand, which was completed in 2001. Palatial Stand is a 23-storey retail/residential composite building and is located in an established residential and commercial area in the Hung Hom District. The Property is close to the Hung Hom KCR Station, a mass transportation terminal linking Kowloon, the New Territories and China. It is situated within 15 minutes' walking distance to Hung Hom Ferry Pier. It is also close to the Cross Harbour Tunnel, an important transportation tunnel linking Hong Kong Island and Kowloon.

Upon Completion, Sunlight REIT will own approximately 21% of the undivided shares in the entire development of Palatial Stand (which includes the retail and residential portions), with the remaining 79% being owned by various residential and other owners. Please refer to the paragraph headed "Other owners" of "The Properties and Business" section for details of the remaining interest in Palatial Stand. Palatial Stand Property comprises shops on the whole of the ground floor and offices on the first floor. As at 30 September 2006, Palatial Stand Property had a total Gross Rentable Area of approximately 8,625 sq.ft. Shops and offices on the ground floor and the first floor range in size from 327 sq.ft. to 1,831 sq.ft. Palatial Stand Property had an average occupancy rate of approximately 100% for the three months ended 30 September 2006 and the Property had five individual leases as at 30 September 2006.

Other than making normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Palatial Stand Property. Upon Completion, Palatial Stand Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed "Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility" in this Offering Circular.

Palatial Stand Property is held under seven Government Grants all for the residue of the term from 14 September 1897 to 13 September 2047. As at 30 September 2006, Palatial Stand Property was valued at HK\$20,000,000 by the Independent Property Valuer. See "Appendix V — Independent Property Valuer's Valuation Report" to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of
		Gross Rentable Area
Year ended 30 Jun 2004	51.1% ⁽¹⁾	HK\$8.1
Year ended 30 Jun 2005	61.5% ⁽¹⁾	HK\$6.8
Year ended 30 Jun 2006	90.1%	HK\$6.5
Three months ended 30 Sep 2006	100.0%	HK\$8.4

Note:

- (1) A unit which constituted 20% of the total Gross Rentable Area of the Property and three shops which constituted an aggregate 17% of the total Gross Rentable Area of the Property were vacant since 2001 and were leased respectively in January 2005 and February 2006.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The leases of the five tenants, being all the tenants in Palatial Stand Property, are generally for terms of two to three years with one tenant having an option to renew the leases at expiry. None of the five tenants are connected persons of Sunlight REIT. Information on the five tenants as well as the vacant space, in each case as at 30 September 2006 and for the month ended 30 September 2006 is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>Sage World International Limited</i>	9 Sept 2009	2,141	24.8	35.9
<i>China Freight (Hong Kong) Limited</i>	31 Jan 2007	3,566	41.3	23.6
<i>Tenant PS1⁽²⁾</i>	20 Feb 2009	1,455	16.9	19.7
<i>Dragon Ease Investment Limited</i>	31 Mar 2008	1,136	13.2	13.2
<i>Tenant PS2⁽²⁾</i>	16 Aug 2007	327	3.8	7.6
	Sub total	8,625	100.0	100.0
Other tenants		—	—	—
Vacant space		—	—	—
	Total	8,625	100.0	100.0

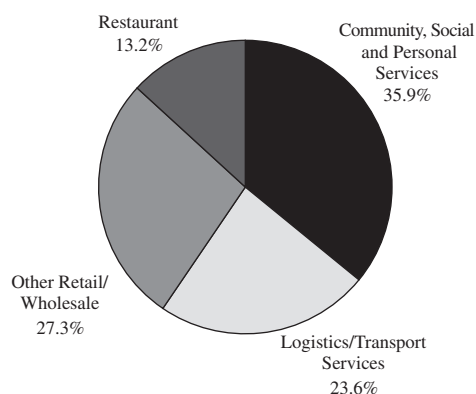
Notes:

- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) These tenants, who are individuals, have not been identified.

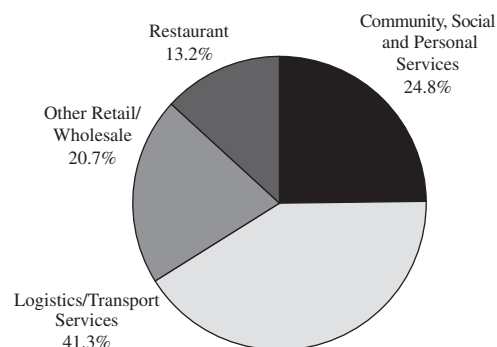
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The charts below show the mix of the tenants of Palatial Stand Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Palatial Stand Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	1	1,136	—	—	—	—
Year ended 30 Jun 2005	2	2,158	1	1,831	50.0	84.8
Year ended 30 Jun 2006	—	—	—	—	—	—
Three months ended 30 Sep 2006	2	2,468	2	2,468	100	100
Average/weighted average	1 ⁽¹⁾	1,441 ⁽¹⁾	1 ⁽¹⁾	1,075 ⁽¹⁾	60.0 ⁽²⁾	74.6 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Palatial Stand Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	1	3,566	41.3	19,375	23.6
Year ending 30 Jun 2008	2	1,463	17	17,074	20.8
Year ending 30 Jun 2009 and beyond	2	3,596	41.7	45,723	55.6
Vacant space	—	—	—	—	—
Total	5	8,625	100.0	82,172	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for details of the transactions relating to this Property in the past five years.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

ROYAL TERRACE PROPERTY

Description

Royal Terrace Property is part of Royal Terrace which was completed in 2002, and is a 36-storey residential/retail building with mountain views of Hong Kong Island. Royal Terrace Property is located in an established residential area in Quarry Bay in the Eastern District of Hong Kong Island. Royal Terrace is situated within five minutes' walking distance to the Quarry Bay MTR Station. Royal Terrace Property is also close to Taikoo Place. As at 30 September 2006, Royal Terrace Property had a total Gross Rentable Area of approximately 9,565 sq.ft. (excluding car-parking spaces).

Upon Completion, Sunlight REIT will own approximately 9.65% of the undivided shares in the entire development of Royal Terrace (which includes the retail and residential portions), with the remaining approximately 90.35% being owned by numerous residential and other owners. Please refer to the paragraph headed "Other owners" of the "Properties and Business" section for details of the remaining interest in Royal Terrace. Royal Terrace Property comprises the entire ground floor shops, signage space and island, 49 car-parking spaces and 10 motor-cycle-parking spaces. Royal Terrace Property had an average occupancy rate of approximately 100% for the three months ended 30 September 2006 and the Property had seven individual leases as at 30 September 2006.

Other than making normal recurring maintenance capital expenditures, the Manager has no current plans to renovate, improve or redevelop Royal Terrace Property. Upon Completion, Royal Terrace Property will be subject to a mortgage and other security granted under the Facility, as described in the section headed "Material Agreements and Other Documents Relating to Sunlight REIT — The Loan Facility" in this Offering Circular.

Royal Terrace Property is held under a Government Grant for the residue of the renewed term from 27 April 2006 to 26 April 2081. As at 30 September 2006, Royal Terrace Property was valued at HK\$73,000,000 by the Independent Property Valuer. See "Appendix V — Independent Property Valuer's Valuation Report" to this Offering Circular.

Average Occupancy Rate and Average Monthly Rental

Year	Average occupancy rate	Average monthly rental per leased square foot of
		Gross Rentable Area
Year ended 30 Jun 2004	73.3%	HK\$21.5
Year ended 30 Jun 2005	84.1%	HK\$17.4
Year ended 30 Jun 2006	93.6%	HK\$21.4
Three months ended 30 Sep 2006	100%	HK\$23.1

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

Tenant Profile

The leases of the six tenants, being all the tenants in Royal Terrace Property, are generally for terms of two to three years with two tenants having options to renew the lease at expiry. None of the six tenants except Henderson Real Estate Agency Ltd are connected persons of Sunlight REIT. Information on the six tenants as well as the vacant space as at 30 September 2006 and for the month ended 30 September 2006 is as follows:

Tenant	Expiry date	Gross Rentable Area sq.ft.	Percentage of total Gross Rentable Area %	Percentage of Rental Income ⁽¹⁾ %
<i>Tenant RT1⁽²⁾</i>	20 Feb 2007	3,618	37.8	41.2
<i>A. S. Watson Group (HK) Ltd</i>	9 Nov 2006 ⁽³⁾	2,939	30.7	21.0
<i>Henderson Real Estate Agency Ltd</i>	31 Aug 2007	907	9.5	19.5
<i>Japan Home Centre (H.K.) Ltd</i>	1 May 2007	1,107	11.6	9.2
<i>Tenant RT2⁽²⁾</i>	28 Feb 2007 ⁽⁴⁾	256	} 5.9	} 5.7
	28 Feb 2007 ⁽⁴⁾	306		
<i>Tenant RT3⁽²⁾</i>	14 Mar 2007	432	4.5	3.4
	Sub total	9,565	100.0	100.0
Vacant space		—	—	—
	Total	9,565	100.0	100.0

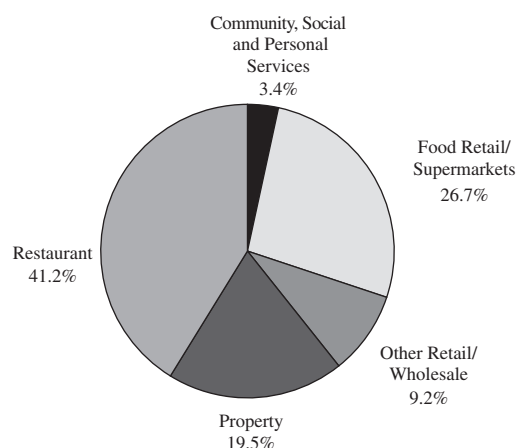
Notes:

- (1) Calculated on the basis of each tenant's percentage contribution to Rental Income of the Property for the month ended 30 September 2006.
- (2) These tenants, who are individuals, have not been identified.
- (3) As at the Latest Practicable Date, the lease was renewed for a further term of three years commencing from 10 November 2006.
- (4) Tenant holds two separate leases expiring on the same date.

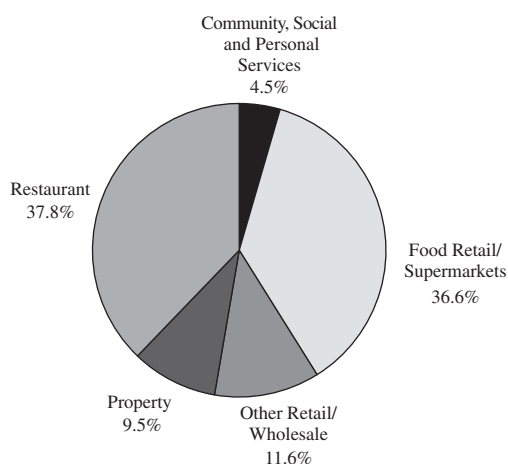
THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The charts below show the mix of the tenants of Royal Terrace Property by the principal nature of their business, as a percentage of Rental Income and Gross Rentable Area.

Rental Income by Tenants' Trades
(For the month ended 30 September 2006)



Gross Rentable Area by Tenants' Trades
(As at 30 September 2006)



Expiries and Renewals

The following table sets forth information on leases at Royal Terrace Property that have expired and those that have been renewed by the existing tenants during the periods indicated:

	Number of leases expired	Gross Rentable Area of expired leases sq.ft.	Number of expired leases renewed	Renewed Gross Rentable Area sq.ft.	Renewal rate by number of leases expired %	Renewal rate by expired leased area %
Year ended 30 Jun 2004	2	4,050	—	—	—	—
Year ended 30 Jun 2005	2	1,363	1	1,107	50.0	81.2
Year ended 30 Jun 2006	2	562	—	—	—	—
Three months ended 30 Sep 2006	—	—	—	—	—	—
Average/weighted average	2 ⁽¹⁾	1,494 ⁽¹⁾	— ⁽¹⁾	277 ⁽¹⁾	16.7 ⁽²⁾	18.5 ⁽³⁾

Notes:

- (1) Simple average of the figures for the four periods.
- (2) Weighted average weighted by number of leases expired.
- (3) Weighted average weighted by Gross Rentable Area of expired leases.

THE PROPERTIES AND BUSINESS — RETAIL PROPERTIES

The following table sets forth details of expiries in respect of leases at Royal Terrace Property which are scheduled to take place during the periods indicated:

Period	Number of leases expiring ⁽¹⁾	Gross Rentable Area of leases expiring sq.ft.	Expiring leases as a percentage of total Gross Rentable Area %	Monthly Rental Income of leases expiring ⁽²⁾ HK\$	Expiring leases as a percentage of total monthly Rental Income %
From 30 Sep 2006 to 30 Jun 2007	6	8,658	90.5	177,948	80.5
Year ending 30 Jun 2008	1	907	9.5	43,043	19.5
Year ending 30 Jun 2009 and beyond	—	—	—	—	—
Vacant space	—	—	—	—	—
Total	7	9,565	100.0	220,991	100.0

Notes:

- (1) Assuming that the options to renew are not exercised.
- (2) Monthly Rental Income in respect of leases expiring for the periods mentioned is the sum of monthly Rental Income of such expiring leases as at 30 September 2006.

Five-Year Transaction History

Please refer to the paragraph headed “Five-Year Transaction History” of “The Properties and Business” section for the details of the transaction relating to this Property in the past five years.