
UNDERWRITING

Hong Kong Underwriters

Joint Global Coordinators

The Hongkong and Shanghai Banking Corporation Limited

Deutsche Bank AG, Hong Kong Branch

Macquarie Securities Limited

Co-managers

The Bank of East Asia, Limited

BCOM Securities Company Limited

BOCI Asia Limited

First Shanghai Securities Limited

ICEA Capital Limited

KGI Capital Asia Limited

Taifook Securities Company Limited

Underwriting Arrangement and Expenses

Hong Kong Public Offering

Pursuant to the Hong Kong Public Offering, Sunlight REIT is offering the Hong Kong Public Offering Units for subscription on, and subject to, the terms and conditions of this Offering Circular and the **WHITE** and **YELLOW** Application Forms. Subject to the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Units to be offered pursuant to the Offering as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for the Hong Kong Public Offering Units which are being offered but are not taken up under the Hong Kong Public Offering on the terms and conditions of this Offering Circular, the Application Forms and the Hong Kong Underwriting Agreement.

Grounds for Termination by the Underwriters

The Joint Global Coordinators (on behalf of the Hong Kong Underwriters) may, in their absolute discretion, and without any liability on their part, give a notice to the Manager, SKFE and HLD electing to terminate the Hong Kong Underwriting Agreement at any time at or prior to 8:00 a.m. on the Listing Date if:

- (a) any of the following shall have come to the notice of any of the Joint Global Coordinators or the Hong Kong Underwriters at any time after the date of the Hong Kong Underwriting Agreement:
 - (i) that any statement contained in this Offering Circular or any of the Application Forms was, is or has become untrue, incorrect or misleading in any material respect; or

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- (ii) any matter has arisen or has been discovered which would, if this Offering Circular or the Application Forms were issued at that time, constitute a material omission therefrom; or
- (iii) that any of the warranties given by the Manager, Sunlight REIT, SKFE, HLD, HIL or HD is (or would if repeated at that time be) untrue or breached; or
- (iv) any material breach of any of the obligations of any party (other than the Joint Global Coordinators or the Hong Kong Underwriters or the International Underwriters, or any of them) to the Hong Kong Underwriting Agreement or certain other documents including the Trust Deed, the International Underwriting Agreement, the Facility Agreements, the Sale and Purchase Agreements, the Property Sale and Purchase Agreements, the Deeds of Tax Covenant, the Deeds of Undertaking and Indemnity, Deeds of Adjustment Payments, the DPU Guarantees, the Deeds of Distribution Waiver and the interest rate swap agreements; or
- (v) any material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise) or in the earnings, business, operations or trading position or prospects of the REIT Group Companies taken as a whole (assuming that the reorganisation described in the section headed “Material Agreements and Other Documents Relating to Sunlight REIT” had been completed) or Sunlight REIT, or any loss of or interference with the Properties in a material respect from fire, explosion, flood, criminal damage or other calamity (whether or not covered by insurance) or from any material labour dispute or court or governmental action, order or decree which, in the judgment of the Joint Global Coordinators, make it impracticable or inadvisable to proceed with the International Offering and/or the Hong Kong Public Offering; or
- (vi) any matter or circumstance has arisen resulting in any forecast which appears in any of this Offering Circular, any of the Application Forms, the Formal Notice, the offering circular or draft offering circular to be issued by the Manager in relation to the International Offering and other written material in connection with the Offering, becoming incapable of being met or, in the opinion of the Joint Global Coordinators, unlikely to be met; or
- (vii) that (A) the Trustee or the Manager seeks to retire, or is removed, as the responsible entity of Sunlight REIT, (B) any certificate given by the Trustee or the Manager or any of their respective officers to any of the Joint Global Coordinators under or in connection with the Hong Kong Underwriting Agreement or the Offering is false or misleading in any material respect, (C) the Trustee or the Manager or any of their respective directors or senior executive officers is prosecuted for an indictable criminal offence or (D) any of the Trustee or the Manager is subject to a specified event of insolvency; or
- (viii) any person (other than any of the Joint Global Coordinators, the Hong Kong Underwriters, the International Underwriters or any tenants of any of the Properties) has withdrawn or sought to withdraw its consent to being named in this Offering Circular or any of the Application Forms, or to the issue of this Offering Circular or the Application Forms; or

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- (ix) that the SFC communicates its intention not to authorise Sunlight REIT pursuant to section 104 of the SFO or the Hong Kong Stock Exchange communicates its intention not to grant a listing of the Units, in either case substantially on the basis set out in this Offering Circular or any of the Application Forms; or
 - (x) any material amendment is made to any document expressed to be in the agreed form on the date of the Hong Kong Underwriting Agreement,
- (b) after execution of the Hong Kong Underwriting Agreement, there develops, occurs, or is introduced or comes into force:
- (i) any calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls;
 - (ii) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the United States, the United Kingdom, the People's Republic of China, Singapore or Japan (collectively the "Relevant Jurisdictions"); or
 - (iii) any event or series of events beyond the reasonable control of the Hong Kong Underwriters (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, state of emergency, acts of wars (whether or not war is declared) or escalation of hostilities, acts of God, acts of terrorism, riot, accident, public disorder, economic sanctions, outbreak of diseases or epidemics (including SARS and H5N1 and such related/mutated forms) or interruption or delay in transportation) in or affecting any of the Relevant Jurisdictions; or
 - (iv) the imposition or declaration of (A) any suspension or limitation on trading in shares or securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange or the London Stock Exchange or (B) any moratorium on banking activities or foreign exchange trading or securities settlement or clearing services in or affecting any of the Relevant Jurisdictions;
 - (v) any tax law or other change or development involving a change or prospective change in taxation in or affecting any of the Relevant Jurisdictions having a material adverse effect, or prospective material adverse effect, on the Hong Kong Public Offering and/or the Offering, Sunlight REIT or the Units (or the transfer of any Units) or an investment in the Units; or
 - (vi) any downgrading or the issue or giving of any notice of any intended or potential downgrading in the sovereign rating accorded to Hong Kong by any of Standard & Poor's, Moody's Investors Service, or Fitch IBCA or Duff & Phelps, or the MSCI Real Estate Sub-Index as at 5:00 p.m. on the Business Day immediately preceding the Listing Date has fallen by more than 15% below the relevant index as at 5:00 p.m. on the Business Day immediately before the date of the Hong Kong Underwriting Agreement;

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and which, in the opinion of the Joint Global Coordinators acting in good faith and after consultation with SKFE, HLD and the Manager where practicable in the circumstances, (A) is materially adverse to, or is likely to materially and prejudicially affect, the business or financial or trading position or prospects of Sunlight REIT or the REIT Group Companies as a whole, or (B) makes it impracticable or inadvisable to proceed with the Hong Kong Public Offering and/or the Offering or the delivery of Units on the Listing Date or (C) is likely to result in the successful completion of the Offering being materially prejudiced.

Undertakings

Sunlight REIT and the Manager

Each of the Manager and Sunlight REIT has undertaken to the Joint Global Coordinators and the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement that except:

- (a) pursuant to the Offering (including the Over-allotment Option); or
- (b) pursuant to the SKFE Subscription Agreement or the HLD Subscription Agreement; or
- (c) with the prior written consent of the Joint Global Coordinators (on behalf of themselves and the Hong Kong Underwriters); or
- (d) pursuant to payment of Units to the Manager in lieu of its fee on the terms set out in the Trust Deed and described in this Offering Circular,

neither Sunlight REIT nor any of the REIT Group Companies shall, during a period of six months from the Listing Date and whether conditionally or unconditionally (i) allot, issue, offer, sell, contract to sell, hedge, grant any option or right to subscribe or purchase over or in respect of, or otherwise dispose of, any Units or any securities exchangeable or convertible into Units or which carry rights to subscribe for or purchase Units or (ii) deposit Units with a depositary in connection with the issue of depositary receipts or (iii) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any economic consequence of ownership of any Units or (iv) offer or agree or announce any intention to do any of the foregoing.

SKFE

Pursuant to the Hong Kong Underwriting Agreement, SKFE has undertaken to the Joint Global Coordinators, the Hong Kong Underwriters and Sunlight REIT that, within the period of six months from the Listing Date, without the prior written consent of the Joint Global Coordinators (on behalf of themselves and the Hong Kong Underwriters), it shall not (and shall procure that its subsidiaries shall not) whether conditionally or unconditionally:

- (a) dispose of (i) any Units or any direct or indirect interest therein (including, without limitation, by granting or creating any option, mortgage, pledge, charge or other security interest) or (ii) any securities exchangeable or convertible into any Units; or

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- (b) enter into any swap or other derivative transaction or other arrangement that transfers, in whole or in part, any economic consequence of ownership of any Units or any securities exchangeable or convertible into any Units; or
- (c) dispose of any direct or indirect interest in any company or entity holding any Units or any securities exchangeable or convertible into any Units,

or offer or agree to do any of the foregoing or announce any intention to do so.

provided that this restriction does not (a) apply to or affect any sale or transfer of Units by Uplite Limited pursuant to the exercise of the Over-allotment Option; or (b) apply to the Unit Borrowing Agreement with the Stabilising Manager; or (c) apply to any Units acquired other than under the SKFE Subscription Agreement or pursuant to a unit repayment under the Unit Borrowing Agreement; or (d) apply to a disposal of an amount of Units made by SKFE or any of its wholly owned subsidiaries (except where SKFE, HLD and their wholly owned subsidiaries' combined holding is less than 27.7% of the total number of Units in issue) which, when aggregated with all other disposals of Units made by SKFE, HLD or any of their respective wholly owned subsidiaries during the six months from the Listing Date, does not exceed 2% of the total number of Units in issue upon completion of the Offering, and in calculating the number of Units so disposed of there shall be deducted and off-set therefrom any Units acquired by any of those companies otherwise than other the SKFE Subscription Agreement or pursuant to a unit repayment under the Unit Borrowing Agreement; or (e) prohibit the disposal of any Units by SKFE to any wholly-owned subsidiaries of SKFE provided that each such subsidiary has executed and delivered to the Joint Global Coordinators, the Hong Kong Underwriters and Sunlight REIT an undertaking to the effect of the above restrictions and provided that such subsidiary undertakes to transfer such Units back to SKFE in the event of the subsidiary ceasing to be a wholly-owned subsidiary of SKFE.

HLD

Pursuant to the Hong Kong Underwriting Agreement, HLD has undertaken to the Joint Global Coordinators, the Hong Kong Underwriters and Sunlight REIT that, within the period of six months from the Listing Date, without the prior written consent of the Joint Global Coordinators (on behalf of themselves and the Hong Kong Underwriters), it shall not (and shall procure that its subsidiaries shall not) whether conditionally or unconditionally:

- (a) dispose of (i) any Units or any direct or indirect interest therein (including, without limitation, by granting or creating any option, mortgage, pledge, charge or other security interest) or (ii) any securities exchangeable or convertible into any Units; or
- (b) enter into any swap or other derivative transaction or other arrangement that transfers, in whole or in part, any economic consequence of ownership of any Units or any securities exchangeable or convertible into any Units; or
- (c) dispose of any direct or indirect interest in any company or entity holding any Units or any securities exchangeable or convertible into any Units,

or offer or agree to do any of the foregoing or announce any intention to do so.

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provided that this restriction does not (a) apply to or affect any sale or transfer of Units by Cobase Limited pursuant to the exercise of the Over-allotment Option; or (b) apply to the Unit Borrowing Agreement with the Stabilising Manager; or (c) apply to any Units acquired other than under the HLD Subscription Agreement or pursuant to a unit repayment under the Unit Borrowing Agreement; or (d) apply to payment of Units to the Manager in lieu of its fee pursuant to the terms of the Trust Deed; or (e) apply to a disposal of an amount of Units made by HLD or any of its wholly owned subsidiaries (except where SKFE, HLD and their wholly owned subsidiaries' combined holding is less than 27.7% of the total number of Units in issue) which, when aggregated with all other disposals of Units made by HLD, SKFE or any of their respective wholly owned subsidiaries during the six months from the Listing Date, does not exceed 2% of the total number of Units in issue upon completion of the Offering, and in calculating the number of Units so disposed of there shall be deducted and off-set therefrom any Units acquired by any of those companies otherwise than other the HLD Subscription Agreement or pursuant to a unit repayment under the Unit Borrowing Agreement; or (f) prohibit the disposal of any Units by HLD to any wholly-owned subsidiaries of HLD provided that each such subsidiary has executed and delivered to the Joint Global Coordinators, the Hong Kong Underwriters and Sunlight REIT an undertaking to the effect of the above restrictions and provided that such subsidiary undertakes to transfer such Units back to HLD in the event of the subsidiary ceasing to be a wholly-owned subsidiary of HLD.

Commissions and Expenses

Under the terms and conditions of the Hong Kong Underwriting Agreement, the fees and commissions to which the Underwriters are entitled will comprise a gross underwriting commission of 3% on the aggregate Offer Price (which excludes brokerage, Hong Kong Stock Exchange trading fee and SFC transaction levy) of all the Units initially offered under the Hong Kong Public Offering. Sunlight REIT, or, failing which, the Manager (as manager of Sunlight REIT) shall pay, the expenses of the Hong Kong Public Offering (including underwriting fees and expenses, consultancy fees and expenses, legal and other professional fees and expenses and printing costs).

Underwriters' Interest in Sunlight REIT

Save for its obligations under the Underwriting Agreements or as otherwise disclosed in this Offering Circular, none of the Underwriters owns any Units or has any shareholding interest or other ownership interest in Sunlight REIT, the Trustee or the Manager or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for Units or securities in Sunlight REIT, the Trustee or the Manager.

The International Offering

In connection with the International Offering, the Manager expects to enter into the International Underwriting Agreement with SKFE, HLD, HD, HIL, the Joint Global Coordinators and the International Underwriters on 13 December 2006. Under the International Underwriting Agreement, the International Underwriters will severally agree to subscribe or procure subscribers for the International Offering Units initially being offered in the International Offering.