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Sunlight Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under
section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code : 435)

Managed by
Henderson Sunlight Asset Management Limited
(恒基陽光資產管理有限公司)

- (1) DESPATCH OF CIRCULAR RELATING TO**
(a) MAJOR ACQUISITION AND CONNECTED PARTY TRANSACTIONS
RELATING TO THE PROPOSED ACQUISITION OF
THE PRINCE EDWARD EAST PROPERTY
(b) PROPOSED ISSUANCE OF THE SUBSCRIPTION UNITS
(c) APPLICATION BY THE HENDERSON CONCERT GROUP FOR
WHITEWASH WAIVER

(2) VALUATION REPORT ON THE
EXISTING PROPERTIES OF SUNLIGHT REIT

(3) CLOSURE OF REGISTER OF UNITHOLDERS

Financial adviser to the REIT Manager



Independent Financial Adviser to the Independent Board Committee,
the Independent Unitholders and the Trustee



The Circular of Sunlight REIT containing, among other things, (a) further information regarding the Transactions and the application by the Henderson Concert Group for the Whitewash Waiver; and (b) a notice to convene the EGM, has been published on the websites of the Stock Exchange and of Sunlight REIT, and will be despatched to the Unitholders on 25 July 2014.

In accordance with the REIT Code and the Takeovers Code, the valuation report in relation to the valuation of the Existing Properties as at 30 June 2014 issued by the Independent Property Valuer is contained, in its summary form, in Appendix VI to the Circular. Based on such valuation report, the aggregate appraised value of the Existing Properties as at 30 June 2014 was HK\$15,390.6 million.

Pursuant to a notice of EGM included in the Circular, the EGM is convened to be held on Friday, 15 August 2014 at 11:00 a.m. at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong. For the purpose of determining eligibility of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Wednesday, 13 August 2014 to Friday, 15 August 2014, both days inclusive, during which period no transfer of Units will be effected.

This announcement is made pursuant to 10.3 and 10.4 of the REIT Code.

Reference is made to (a) the announcement of Sunlight REIT dated 20 June 2014 in relation to, among other things, (i) the major acquisition and connected party transactions relating to the proposed acquisition of the Prince Edward East Property, (ii) the proposed issuance of the Subscription Units, and (iii) the application by the Henderson Concert Group for the Whitewash Waiver (the “**First Announcement**”); and (b) the announcement of Sunlight REIT dated 11 July 2014 in relation to the extension of the time limit for despatching the Circular. Terms used in this announcement shall have the same meanings as defined in the First Announcement, unless otherwise defined herein.

DESPATCH OF THE CIRCULAR

The Circular of Sunlight REIT containing, among other things, (a) further information regarding the Transactions and the application by the Henderson Concert Group for the Whitewash Waiver; and (b) a notice to convene the EGM, has been published on the websites of the Stock Exchange and of Sunlight REIT, and will be despatched to the Unitholders on 25 July 2014.

VALUATION REPORT ON THE EXISTING PROPERTIES OF SUNLIGHT REIT

In accordance with the REIT Code and the Takeovers Code, the valuation report in relation to the valuation of the Existing Properties of Sunlight REIT as at 30 June 2014 issued by the Independent Property Valuer is contained, in its summary form, in Appendix VI to the Circular. Based on such valuation report, the aggregate appraised value of the Existing Properties as at 30 June 2014 was HK\$15,390.6 million.

APPLICATION BY THE HENDERSON CONCERT GROUP FOR WHITEWASH WAIVER

As disclosed in the Circular, as at 22 July 2014 (being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining certain information contained therein (the “**Latest Practicable Date**”)), the Henderson Concert Group owned in aggregate 597,502,964 Units, representing approximately 36.71% of the total number of Units in issue. Assuming all the Conditions Precedent are fulfilled (or waived, if applicable), 201,025,641 Subscription Units will be issued to the Subscriber upon Subscription Completion and, if the

payment of the Manager's Acquisition Fee in the form of new Units is approved by Unitholders at the EGM, 5,128,205 Manager Acquisition Fee Units will be issued to the REIT Manager within 14 days after Acquisition Completion. As such, assuming that there are no other changes in the total number of Units in issue and no other changes in holdings of Units, the aggregate holding of the Henderson Concert Group (of which the Subscriber and the REIT Manager are members) in Units will, upon Subscription Completion, increase to 798,528,605 Units, or 803,656,810 Units if the Manager Acquisition Fee Units are included, representing approximately 43.67% of the total number of Units in issue as enlarged by the issuance of the Subscription Units, or 43.83% if the Manager Acquisition Fee Units are included. The issuance of the new Units (whether taking into account the Manager Acquisition Fee Units or not) will result in an increase in the aggregate Unitholding of the Henderson Concert Group by more than 2% above the lowest percentage Unitholding during the period of 12 months prior to the date of Completions. Accordingly, in the absence of the Whitewash Waiver, the Henderson Concert Group would, as a result of the Transactions, become obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Units not already owned or agreed to be acquired by it.

An application to the Executive for the Whitewash Waiver has been made by HLD and SKFE on behalf of the Henderson Concert Group, pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code, from the mandatory general offer obligation which would otherwise arise as a result of the issuance of the Subscription Units and, where applicable, the issuance of the Manager Acquisition Fee Units. The Executive has indicated that it will grant the Whitewash Waiver, subject to, among other things, the approval of the Independent Unitholders at the EGM by way of a poll. Members of the Manager Connected Persons Group and of the Henderson Concert Group, and any other parties who are involved in, or interested in, the Transactions or the Whitewash Waiver, or have a material interest in the Transactions or the Whitewash Waiver, in each case, where such interest is different from that of all other Unitholders, will be required to abstain from voting at the EGM in respect of the EGM resolution for the approval of the Transactions and the Whitewash Waiver. Pursuant to the requirements of REIT Code and the Trust Deed, HLD and SKFE will, and will procure the Manager Connected Persons Group, the SKFE Connected Persons Group¹ and other members of the Henderson Concert Group to, abstain from voting on the EGM resolution approving the Transactions and the Whitewash Waiver, and the EGM resolution approving the REIT Manager's election to receive the Manager's Acquisition Fee entirely in the form of new Units (collectively, the "**EGM Resolutions**") at the EGM, except for voting pursuant to a proxy under a specific direction given by Independent Unitholder(s) to vote for or against the EGM Resolutions on his or their behalf.

Subscription Completion (and, indirectly, Acquisition Completion) is conditional upon, among other things, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Unitholders at the EGM. If this condition is not satisfied, the Acquisition and the Subscription will not proceed to Completions. **In no event will a mandatory general offer obligation of the Henderson Concert Group arise under the Takeovers Code as a result of the issuance of the Subscription Units and, where applicable, the issuance of the Manager Acquisition Fee Units.**

¹ "SKFE Connected Persons Group" means SKFE and entities or persons which are from time to time connected persons of Sunlight REIT as a result of their connection with SKFE, including the SKFE Group.

IMPACT OF ISSUANCE OF THE SUBSCRIPTION UNITS AND THE MANAGER ACQUISITION FEE UNITS ON UNITHOLDING STRUCTURE

The following table sets forth the Unitholdings: (i) as at the Latest Practicable Date (based on the register of interests kept by the REIT Manager pursuant to Schedule C to the Trust Deed as at such date and other information relating to the Henderson Concert Group provided to the REIT Manager but excluding the interests in the Subscription Units and the Manager Acquisition Fee Units which were not yet issued); (ii) immediately after the issuance of the Subscription Units; and (iii) immediately after the issuance of the Subscription Units and the Manager Acquisition Fee Units, assuming that there are no changes in the total number of Units in issue other than the issuance of the Subscription Units (and in respect of (iii), the Manager Acquisition Fee Units) and that there are no other changes in holdings of Units:

	(i) As at the Latest Practicable Date		(ii) Immediately after the issuance of the Subscription Units			(iii) Immediately after the issuance of the Subscription Units and the Manager Acquisition Fee Units		
	Number of Units	Unit-holding (%) (approximate)	Newly issued Units	Total number of Units held	Unit-holding (%) (approximate)	Newly issued Units	Total number of Units held	Unit-holding (%) (approximate)
The Subscriber (Note 1)	67,378,972	4.14	201,025,641	268,404,613	14.68	—	268,404,613	14.64
The REIT Manager (Note 1)	77,319,863	4.75	—	77,319,863	4.23	5,128,205	82,448,068	4.50
Cobase Limited (Note 1)	76,533,345	4.70	—	76,533,345	4.19	—	76,533,345	4.17
SKFE Group	374,072,708	22.98	—	374,072,708	20.46	—	374,072,708	20.40
AU Siu Kee, Alexander (Note 2)	1,530,000	0.09	—	1,530,000	0.08	—	1,530,000	0.08
LEE King Yue (Note 3)	50,000	0.00	—	50,000	0.00	—	50,000	0.00
LEE Pui Ling, Angelina (Note 3)	2,307	0.00	—	2,307	0.00	—	2,307	0.00
LAM Ko Yu, Alexander (Note 4)	15,769	0.00	—	15,769	0.00	—	15,769	0.00
WU Shiu Kee, Keith (Note 5)	<u>600,000</u>	<u>0.04</u>	<u>—</u>	<u>600,000</u>	<u>0.03</u>	<u>—</u>	<u>600,000</u>	<u>0.03</u>
Subtotal of the Henderson Concert Group	597,502,964	36.71	201,025,641	798,528,605	43.67	5,128,205	803,656,810	43.83
Silchester LLP & Silchester Trust (Note 6)	257,791,150	15.84	—	257,791,150	14.10	—	257,791,150	14.06
Other Unitholders	<u>772,286,379</u>	<u>47.45</u>	<u>—</u>	<u>772,286,379</u>	<u>42.23</u>	<u>—</u>	<u>772,286,379</u>	<u>42.12</u>
Total	<u><u>1,627,580,493</u></u>	<u><u>100.00</u></u>	<u><u>201,025,641</u></u>	<u><u>1,828,606,134</u></u>	<u><u>100.00</u></u>	<u><u>5,128,205</u></u>	<u><u>1,833,734,339</u></u>	<u><u>100.00</u></u>

Notes:

1. The REIT Manager, the Subscriber and Cobase Limited are wholly-owned subsidiaries of HLD.
2. Mr. AU Siu Kee, Alexander is an independent non-executive director of HLD, and the Chairman and a non-executive director of the REIT Manager.
3. Mr. LEE King Yue is an executive director of HLD, and Mrs. LEE Pui Ling, Angelina is a non-executive director of HLD.
4. Mr. LAM Ko Yu, Alexander is the brother of Mr. LAM Ko Yin, Colin (who is the Vice Chairman and an executive director of HLD and a director of SKFE). For reasons of confidentiality, before the First Announcement was issued, enquiries to ascertain the Unitholding of members of the Henderson Concert Group did not cover Mr. LAM Ko Yu, Alexander. After the issuance of the First Announcement, more extensive enquiries were made as to the Unitholding of the Henderson Concert Group, and the above holding of 15,769 Units by Mr. LAM Ko Yu, Alexander was identified and is disclosed above in addition to the Unitholdings previously disclosed in the First Announcement.
5. Mr. WU Shiu Kee, Keith is the Chief Executive Officer and an executive director of the REIT Manager.
6. As at 30 June 2014, in accordance with the notices given to the REIT Manager pursuant to Part XV of the SFO, Silchester International Investors LLP ("**Silchester LLP**") in its capacity as investment manager, was interested in 257,791,150 Units, and Silchester International Investors International Value Equity Trust ("**Silchester Trust**") beneficially owned 113,294,922 Units. The REIT Manager has subsequently been notified informally (in the context of preparation of the 2013/14 annual report of Sunlight REIT) that at 30 June 2014, (i) Silchester LLP was interested in 250,899,150 Units (representing approximately 15.42% of the total number of Units then in issue); and (ii) Silchester Trust beneficially owned 113,196,922 Units (representing approximately 6.95% of the total number of Units then in issue), and such interest has been included as part of the interest of Silchester LLP as reported in (i).
7. Some percentage figures may not add up due to rounding differences.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising Mr. KWAN Kai Cheong, Mr. MA Kwong Wing and Dr. TSE Kwok Sang, being all the independent non-executive Directors), having taken into account the opinion of the Independent Financial Adviser, Investec Capital Asia Limited, and the principal factors and reasons considered by it, concurs with the opinion of the Independent Financial Adviser and recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolutions. Please refer to the "*Letter from the Independent Board Committee*" in the Circular for details of the recommendations of the Independent Board Committee.

The Independent Financial Adviser considers that:

- (i) the Transactions, including the terms of the Acquisition and the Subscription, (a) are on normal commercial terms; (b) have been entered into on arm's length terms and are consistent with the investment objectives and strategies of Sunlight REIT; and (c) are fair and reasonable and in the interests of Sunlight REIT, the Independent Unitholders, and the Unitholders as a whole;
- (ii) the issuance of the Manager Acquisition Fee Units is (a) on normal commercial terms and on arm's length terms; and (b) fair and reasonable and in the interests of Sunlight REIT, the Independent Unitholders, and the Unitholders as a whole; and
- (iii) the Whitewash Waiver is fair and reasonable and in the interests of Sunlight REIT, the Independent Unitholders, as well as the Unitholders as a whole,

and accordingly, recommends the Independent Board Committee to advise the Independent Unitholders, and the Independent Financial Adviser itself also recommends the Independent Unitholders, to vote at the EGM in favour of the EGM Resolutions.

Please refer to the “*Letter from the Independent Financial Adviser*” in the Circular for details of the Independent Financial Adviser’s opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion.

THE EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

Pursuant to a notice of EGM included in the Circular, the EGM is convened to be held on Friday, 15 August 2014 at 11:00 a.m. at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong.

For the purpose of determining eligibility of Unitholders to attend and vote at the EGM, the register of Unitholders will be closed from Wednesday, 13 August 2014 to Friday, 15 August 2014, both days inclusive, during which period no transfer of Units will be effected. In order to qualify to attend and vote at the EGM, all transfers of Units accompanied by the relevant Unit certificates and the duly completed transfer forms must be lodged with the Unit Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 12 August 2014.

GENERAL

Further announcement(s) will be made by the REIT Manager in relation to the Transactions and the Whitewash Waiver, as and when appropriate in accordance with applicable regulatory requirements.

Unitholders and potential investors of Sunlight REIT are reminded that Acquisition Completion and Subscription Completion are conditional upon all the Acquisition Conditions Precedent and the Subscription Conditions Precedent being fulfilled (and/or waived, if applicable) respectively, and the Transactions may or may not proceed. In particular, the Executive may or may not grant the Whitewash Waiver and the Independent Unitholders may or may not approve the Transactions and the Whitewash Waiver. Unitholders and potential investors of Sunlight REIT are advised to exercise caution when dealing in the Units.

On behalf of the Board
HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED
恒基陽光資產管理有限公司
(as manager of Sunlight Real Estate Investment Trust)
WU Shiu Kee, Keith
Chief Executive Officer and Executive Director

Hong Kong, 24 July 2014

As at the date of this announcement, the Board comprises : (1) Chairman and Non-executive Director : Mr. AU Siu Kee, Alexander; (2) Chief Executive Officer and Executive Director : Mr. WU Shiu Kee, Keith; (3) Non-executive Director : Mr. KWOK Ping Ho; and (4) Independent Non-executive Directors : Mr. KWAN Kai Cheong, Mr. MA Kwong Wing and Dr. TSE Kwok Sang.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.