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SUNLIGHT REIT

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

OPERATIONAL STATISTICS OF SUNLIGHT REAL ESTATE INVESTMENT TRUST FOR THE QUARTER ENDED 31 MARCH 2016

Henderson Sunlight Asset Management Limited (the “**Manager**”), as manager of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”), is pleased to announce the operational statistics of Sunlight REIT for the third quarter of the financial year ending 30 June 2016 (“**FY2015/16**”).

At 31 March 2016, the overall portfolio occupancy of Sunlight REIT was 95.9%, compared with 98.6% recorded at 31 December 2015. Office occupancy experienced a mild drop to 98.3% (31 December 2015: 99.3%), while occupancy of the retail portfolio declined to 91.0% (31 December 2015: 97.1%), mainly due to the transient vacancy at Sheung Shui Centre Shopping Arcade (“**SSC**”) where approximately 20% of its gross rentable area (“**GRA**”) has been vacated in preparation for the upcoming asset enhancement works. Excluding this area, the occupancy of the retail portfolio at 31 March 2016 was 97.2%.

Passing rent of the overall portfolio was HK\$43.9 per sq. ft. at 31 March 2016. Rental reversion, calculated on the basis of leases that have been renewed during the quarter, were 13.8% and 10.9% for the office and retail portfolio respectively. During the quarter, no lease renewal was recorded at Metro City Phase I Property.

Amidst the evident slowdown in the momentum of rental reversion, the Manager is encouraged by the fine performance of the office portfolio. In particular, the Sheung Wan office portfolio, comprising Bonham Trade Centre, 135 Bonham Strand Trade Centre Property and 235 Wing Lok Street Trade Centre, have exhibited decent rental reversion of 19.2%, 17.9% and 15.7% respectively, demonstrating the sustained demand for inexpensive grade B office space at decentralised locations.

On SSC, the Manager is pleased to report that over 50% of the new rentable space (associated with the asset enhancement project) has already been pre-committed, and that the revamped area is expected to re-open in October 2016. Meanwhile, Kwong Wah Plaza Property, a major beneficiary of the thriving Yuen Long district, posted an encouraging rental reversion of 24.9% and a 1.8% growth in passing rent from the preceding quarter.

Key operational statistics for the third quarter of FY2015/16

Property	Occupancy (%) ¹		Passing Rent (HK\$/sq. ft.) ²		Rental Reversion (%) ³
	at 31 Mar 16	at 31 Dec 15	at 31 Mar 16	at 31 Dec 15	
Office					
Sunlight Tower	98.5	99.7	35.0	34.6	14.2
Bonham Trade Centre	98.4	99.7	27.2	26.8	19.2
Righteous Centre	100.0	98.9	41.2	41.2	16.3
Winsome House Property	100.0	100.0	40.3	40.1	5.4
135 Bonham Strand Trade Centre Property	100.0	100.0	25.5	25.3	17.9
235 Wing Lok Street Trade Centre	98.9	97.9	19.7	19.3	15.7
Java Road 108 Commercial Centre	94.2	94.2	23.1	22.5	16.1
On Loong Commercial Building	96.0	100.0	29.7	28.6	11.0
Sun Fai Commercial Centre Property	93.6	98.5	22.3	21.9	1.8
Wai Ching Commercial Building Property	95.6	100.0	12.5	12.5	19.7
Sub-total/Average	98.3	99.3	31.2	30.8	13.8
Retail					
Sheung Shui Centre Shopping Arcade	78.3	98.3	130.6 ⁴	114.5	4.2
Metro City Phase I Property	99.8	98.2	50.8	51.0	N/A
Kwong Wah Plaza Property	98.6	99.3	49.7	48.8	24.9
Beverley Commercial Centre Property	98.2	98.2	51.8	51.8	(1.9)
Supernova Stand Property	100.0	100.0	47.8	47.6	N/A
Palatial Stand Property	13.2	38.0	16.2	13.1	N/A
Sub-total/Average	91.0	97.1	71.6	70.1	10.9
Total/Average	95.9	98.6	43.9	43.6	13.4

Notes :

1. Calculated on the basis of occupied GRA as a proportion of total GRA of the relevant building on the relevant date.
2. Calculated on the basis of average rent per sq. ft. for all occupied GRA on the relevant date.
3. Calculated on the basis of change in effective rent of the leases renewed during the relevant period.
4. The area vacated for asset enhancement works has been excluded in calculation of the relevant passing rent.

By order 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)
CHUNG Siu Wah
 Company Secretary

Hong Kong, 12 April 2016

At the date of this announcement, the board of directors of the Manager 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, Dr. TSE Kwok Sang and Mr. KWOK Tun Ho, Chester.