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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**

PARTIAL REFINANCING OF EXISTING TERM LOAN AND NEW TERM LOAN FACILITIES

The board of directors (the “**Board**”) of Henderson Sunlight Asset Management Limited (the “**Manager**”) announces that Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) has on 8 April 2013, through Sunlight REIT Finance Limited, a special purpose vehicle owned and controlled by Sunlight REIT, entered into a credit facility agreement in respect of term loan facilities. The new facilities will be used for the purpose of refinancing part of the existing term loan of Sunlight REIT. It is expected that the drawdown of the term loan under the new facilities will take place on or before 30 June 2013.

BACKGROUND

Sunlight REIT, through its wholly-owned special purpose vehicle Sunlight REIT Finance Limited, has currently in place total loan facilities of HK\$4,025 million comprising a HK\$3,925 million term loan facility and a HK\$100 million revolving credit facility (together, the “**Existing Facilities**”). As at the date of this announcement, the existing term loan facility has been fully drawn and is outstanding (the “**Existing Term Loan**”), while no amount is outstanding under the revolving credit facility. The Existing Facilities will mature in September 2014.

REFINANCING IN PART OF THE EXISTING TERM LOAN

On 8 April 2013, Sunlight REIT Finance Limited entered into a credit facility agreement (the “**New Facility Agreement**”) with Bank of China (Hong Kong) Limited (“**BOCHK**”). Under the New Facility Agreement, BOCHK agreed to grant new term loan facilities (the “**New Term Loan Facilities**”) in the aggregate amount of HK\$2,000 million, comprising a five-year term loan facility of HK\$1,000 million bearing interest at HIBOR plus 120 basis points, and a seven-year term loan facility of HK\$1,000 million bearing interest at HIBOR plus 155 basis points.

The New Term Loan Facilities will be subject to the sharing of the existing guarantee and security on a pari passu basis with indebtedness under the Existing Facilities. Such existing security arrangements was provided for the Existing Facilities by Sunlight REIT and its relevant special purpose vehicles under a number of security documents including, among others, a mortgage over the properties held by Sunlight REIT, an assignment of proceeds under tenancies and a floating charge over bank accounts of a special purpose vehicle of Sunlight REIT. Meanwhile, the existing guarantee is a joint and several guarantee given by HSBC Institutional Trust Services (Asia) Limited (in its capacity as the trustee of Sunlight REIT) and Sunlight REIT Holding Limited.

USE OF PROCEEDS

The New Term Loan Facilities will be used for the purpose of refinancing part of the Existing Term Loan.

LIABILITY MANAGEMENT

The Manager has been actively exploring alternative financing channels with a view to diversifying the funding sources and the debt maturity profile of Sunlight REIT. Upon the drawdown of the New Term Loan Facilities, the final maturity of the outstanding loan of Sunlight REIT will fall due in 2014, 2018 and 2020 respectively. Looking ahead, the Manager will continue to monitor developments in the syndication lending and debt markets, and will explore the possibility of further diversifying the debt maturity profile of Sunlight REIT as and when opportunity arises.

It has been the Manager’s policy to conduct interest rate swap transactions for Sunlight REIT in order to minimise financial market risks. Currently, approximately 84% of Sunlight REIT’s existing indebtedness is, in effect, in fixed rate exposure, being covered under interest rate swap arrangements which contain no special or unusual features. Details of those interest rate swap transactions have been disclosed in the relevant annual reports and interim reports of Sunlight REIT, including the interim report for the six months ended 31 December 2012 sent to unitholders on 27 February 2013. The Manager will closely monitor the interest rate trends and ensure that interest rate risks of Sunlight REIT are being optimally managed.

The Manager does not expect the limitations on borrowing under paragraph 7.9 of the Code on Real Estate Investment Trusts (the “**REIT Code**”) to be exceeded as a result of drawdown of the New Term Loan Facilities.

GENERAL

The Manager considers that the execution of the New Facility Agreement is not required to be announced by Sunlight REIT under paragraph 10.3 or 10.4 of the REIT Code or the trust deed constituting Sunlight REIT. The Manager has issued this announcement on a voluntary basis, with a view to keeping unitholders of Sunlight REIT and the market informed of the matters in this announcement.

By order of the Board
Henderson Sunlight Asset Management Limited
(as manager of Sunlight Real Estate Investment Trust)
CHUNG Siu Wah
Company Secretary

Hong Kong, 8 April 2013

As at the date of this announcement, the Board 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 and Dr. TSE Kwok Sang.