

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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**

REFINANCING OF EXISTING TERM LOAN AND NEW REVOLVING CREDIT FACILITY

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 23 August 2011, through Sunlight REIT Finance Limited, a special purpose vehicle owned and controlled by Sunlight REIT, entered into credit facility agreements in respect of term loan and revolving credit facilities. The new facilities will be used for the purposes of refinancing the existing facilities and funding the general working capital requirements of Sunlight REIT. It is expected that the drawdown of the term loan under the new facilities will take place in September 2011.

BACKGROUND

Sunlight REIT, through its wholly owned special purpose vehicle Sunlight REIT Finance Limited, has currently in place total loan facilities of HK\$3,975 million comprising a HK\$3,950 million term loan facility and a HK\$25 million revolving credit facility (together, the **“Existing Facilities”**). The term loan facility was fully drawn at the time of listing of Sunlight REIT, while the revolving credit facility previously drawn has been fully repaid. The Existing Facilities will mature on 20 December 2011.

REFINANCING OF EXISTING TERM LOAN AND NEW REVOLVING CREDIT FACILITY

On 23 August 2011, Sunlight REIT Finance Limited entered into credit facility agreements (the **“New Facility Agreements”**) with a syndicate of banks (the **“Banks”**). Under the New Facility Agreements, the Banks participate in the provision of loan facilities in the aggregate principal amount of HK\$4,050 million. The facilities, comprising a HK\$3,950 million term

loan facility (the “**New Term Loan Facility**”) and a HK\$100 million revolving credit facility (the “**New RCF**”), will bear interest at HIBOR plus 100 basis points, with final maturity in 2014, three years from the date of the first drawdown.

The New Term Loan Facility and the New RCF will be subject to the granting of security by Sunlight REIT and its relevant special purpose vehicles, under a number of security documents including, among others, a mortgage over each of the properties held by Sunlight REIT and its special purpose vehicles, an assignment of proceeds under tenancies, charges over bank accounts of Sunlight REIT Treasury Limited, and a joint and several guarantee given by HSBC Institutional Trust Services (Asia) Limited (in the capacity as the trustee of Sunlight REIT) and Sunlight REIT Holding Limited.

USE OF PROCEEDS

The New Term Loan Facility will be used for the purpose of refinancing the term loan under the Existing Facilities while the New RCF will be used for funding the general working capital requirements of Sunlight REIT.

LIABILITY MANAGEMENT

It is expected that the drawdown of the New Term Loan Facility will take place in September 2011. Upon such drawdown, Sunlight REIT will have refinanced all its bank loan facilities which currently mature in December 2011 under the Existing Facilities. Under the New Term Loan Facility and the New RCF, the term of the facilities of Sunlight REIT in the sum of HK\$4,050 million will expire 36 months after such first drawdown.

As disclosed in its previous interim and annual reports, it has been the Manager’s policy to conduct interest rate swap transactions for Sunlight REIT in order to minimise financial market risks. The existing interest rate swaps of Sunlight REIT are of tenures different from the term of the Existing Facilities, and are not expiring at the same time as the Existing Facilities. Further details of the existing interest rate swap arrangements of Sunlight REIT will be disclosed in the annual report for financial year 2010/11 scheduled to be published in September 2011.

GENERAL

The Banks include the Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) and Hang Seng Bank Limited (“**Hang Seng**”). Being in the same group as the trustee of Sunlight REIT, both of HSBC and Hang Seng are connected persons of Sunlight REIT within the meaning of the Code on Real Estate Investment Trusts (the “**REIT Code**”). The transactions between Sunlight REIT and each of HSBC and Hang Seng in relation to the New Term Loan Facility and the New RCF thus constitute connected party transactions under the REIT Code. As such transactions fall within the nature of “ordinary banking and financial services” provided by the HSBC group to the Sunlight REIT group, pursuant to a waiver granted by the Securities and Futures Commission at the time of the initial public offering of units by Sunlight REIT, those transactions will not be subject to any requirements for announcement or unitholders’ approval under Chapter 8 of the REIT Code. Information relating to those transactions will be included in the interim and annual reports of Sunlight REIT for the relevant financial year.

The Manager considers that the execution of the New Facility Agreements is not required to be announced by Sunlight REIT under 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)
LO Yuk Fong, Phyllis
Company Secretary

Hong Kong, 23 August 2011

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.