

Press Release

Sunlight REIT's Annual Results for the Year Ended 30 June 2014

Ahead of the Curve

Hong Kong, 16 September 2014 — Henderson Sunlight Asset Management Limited (the “**Manager**”), as the manager of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”; Stock Code: 435), is pleased to announce Sunlight REIT's final results for the year ended 30 June 2014.

On the back of decent rental reversions and a stable occupancy profile, Sunlight REIT announced a respectable set of results for FY2013/14. Net property income for the year amounted to HK\$535.1 million, up 9.1% year-on-year, while total distributable income saw a higher year-on-year growth of 11.7%, partly aided by savings in interest expenses.

The board of directors of the Manager has declared a final distribution of HK 10.4 cents per unit, which puts total distribution per unit (“**DPU**”) for the full year at HK 20.0 cents (FY2012/13: HK 17.7 cents). This implies a payout ratio of 94.8% and a distribution yield of 6.1% based on the closing unit price of HK\$ 3.27 on the last trading day of the financial year.

Sunlight REIT's portfolio was appraised at HK\$15,390.6 million at 30 June 2014, representing a 6.8% appreciation from the HK\$14,408.8 million recorded a year earlier. Consequently, the net asset value of Sunlight REIT rose 9.1% to HK\$ 11,494.9 million, or HK\$7.06 per unit.

Operating Highlights

Echoing the theme “Ahead of the Curve”, FY2013/14 was a year in which the Manager continued to adopt a proactive operational strategy to reinforce Sunlight REIT's core property operations and capital structure. The overall portfolio of Sunlight REIT registered an average occupancy of 98.6% at 30 June 2014, largely unchanged from the 98.8% achieved a year ago. The occupancies of the office and retail components stood at 98.7% and 98.2% (30 June 2013: 99.0% and 98.4%) respectively.

Rental reversions for the office and retail portfolios were 23.4% and 28.8% respectively. In particular, it was encouraging to report the fine rental performances of Sunlight REIT's top three properties, namely 248 Queen's Road East, Sheung Shui Centre Shopping Arcade and Metro City Phase I Property, as demonstrated by rental reversions of approximately 28.9%, 36.2% and 17.9% respectively during the year.

Asset enhancement initiatives have always been given precedence on the Manager's operational agenda. The refurbishment works of Metro City Phase I Property were progressing well. The first stage of works to upgrade the façade and atrium and to remodel the entrance has largely been completed. Furthermore, 248 Queen's Road East, has also been slated for improvement works for its lobby and entrance after completion of a partial conversion of its air-conditioning system.

Mr. Wu Shiu Kee, Keith, Chief Executive Officer of Sunlight REIT said, “The year ahead is conceivably full of challenges. However, Sunlight REIT has weathered tough times over the years, with an impressive track record of income growth and stable distribution. As the Manager, we are confident that our foresight would help Sunlight REIT in continuously generating a high-quality recurrent income stream, as the underlying potential of its portfolio is further unlocked. Meanwhile, in driving the performance of Sunlight REIT, we will demonstrate our commitment to being a responsible corporate citizen, paying full regard to the people and environment that we interact with in our day-to-day operations.”

Remarks: attached highlights of the FY2013/14 Financial Results of Sunlight REIT.

~End~



SUNLIGHT REIT

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Press Release

Sunlight REIT

Annual Results 2014/ Page 2 of 3

About Sunlight REIT

Sunlight Real Estate Investment Trust ("**Sunlight REIT**"; Stock Code: 435) is a real estate investment trust authorised by the Securities and Futures Commission and constituted by the trust deed dated 26 May 2006 (as amended) (the "**Trust Deed**"), and has been listed on The Stock Exchange of Hong Kong Limited since 21 December 2006. Sunlight REIT offers investors the opportunity to invest in a diversified portfolio of twelve office and seven retail properties in Hong Kong with an aggregate gross rentable area of approximately 1,287,303 square feet. The office properties are primarily located in core business areas, including Central, Wan Chai, Sheung Wan and Tsim Sha Tsui and in decentralised business areas such as North Point, Mongkok/Yau Ma Tei and Aberdeen. The retail properties are primarily situated at regional transportation hubs and New Towns including Sheung Shui, Tseung Kwan O and Yuen Long, as well as in urban areas with high population density.

About the Manager

Henderson Sunlight Asset Management Limited is the manager of Sunlight REIT. An indirect wholly-owned subsidiary of Henderson Land Development Company Limited, the Manager's responsibility is to manage Sunlight REIT in the sole interest of the unitholders in accordance with the terms of the Trust Deed.

Disclaimer:

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Sunlight REIT in Hong Kong or any other jurisdiction.

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Press Release

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Annual Results 2014/ Page 3 of 3

Highlights of FY2013/14 Final Results:

(in HK\$' million, unless otherwise specified)

	2014	2013	Change (%)
For the year ended 30 June:			
Turnover	688.9	630.2	9.3
Net property income	535.1	490.6	9.1
Cost-to-income ratio (%)	22.3	22.2	N/A
Profit after taxation	1,230.0	1,674.6	(26.5)
Total distributable income	342.8	307.0	11.7
Distribution per unit (HK cents)	20.0	17.7	13.0
Payout ratio (%)	94.8	93.1	N/A
At 30 June:			
Portfolio valuation	15,390.6	14,408.8	6.8
Net asset value	11,494.9	10,531.7	9.1
Net asset value per unit (HK\$)	7.06	6.52	8.3
Gearing ratio (%)	24.3	25.9	N/A