



SUNLIGHT REIT

Henderson Sunlight Asset Management Limited

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Press Release

Sunlight Real Estate Investment Trust ("Sunlight REIT") Annual Results for the Year Ended 30 June 2015

Pruning for Better Yields

***High occupancy rate with positive rental reversion
contributed to an increase in DPU of 10.0% YoY***

Hong Kong, 10 September 2015 — As the manager of Sunlight REIT, Henderson Sunlight Asset Management Limited (the "**Manager**") is pleased to announce the final results of Sunlight REIT for the year ended 30 June 2015 (the "**Year**").

Thanks to the portfolio's high occupancy rate and positive rental reversion, Sunlight REIT delivered an encouraging set of results for the Year with net property income of HK\$586.6 million, up 9.6% year-on-year. The Board has declared a final distribution of HK 11.5 cents per unit, bringing the total distribution per unit ("**DPU**") for the Year to HK 22.0 cents, representing a year-on-year increase of 10.0%. The implied payout ratio was 95.9%, compared with 94.8% for the year ended 30 June 2014.

Supported by firm commercial property prices, the appraised value of the portfolio of Sunlight REIT rose by 10.7% from a year ago to HK\$17,035.3 million at 30 June 2015. Accordingly, the net asset value of Sunlight REIT increased by 13.9% to reach HK\$13,097.1 million at 30 June 2015, which is equivalent to HK\$7.99 per unit.

Operating Highlights

As at 30 June 2015, the average occupancy of the overall portfolio of Sunlight REIT was 98.5% (30 June 2014: 98.6%), with the occupancies of its office and retail portfolios standing at 98.7% and 98.1% respectively. The average passing rent of the office portfolio was HK\$29.4 per sq. ft., up 6.9% year-on-year, while the corresponding figures for the retail portfolio were HK\$66.8 per sq. ft. and 8.4% respectively.

Rental reversions for the office and retail portfolios were 18.3% and 20.3% respectively. In particular, it was encouraging to report the satisfactory rental performances of Sunlight REIT's top three properties, namely Sunlight Tower (formerly known as 248 Queen's Road East), Sheung Shui Centre Shopping Arcade and Metro City Phase I Property, as demonstrated by rental reversions of 19.2%, 27.3% and 15.3% respectively during the Year.

The Manager has been seeking to improve the overall quality of Sunlight REIT's portfolio and is pleased to report that three non-core properties, namely Everglory Centre, Yue Fai Commercial Centre Property (excluding 1/F) and Royal Terrace Property, were successfully disposed of for an aggregate consideration of HK\$919.5 million. The Manager believes that the sales proceeds can be efficiently allocated to other accretive investments that may add value to the benefit of unitholders.

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Mr. Wu Shiu Kee, Keith, Chief Executive Officer of the Manager said, "Since inception, Sunlight REIT has achieved compound average annual growth rates of 9.6% and 11.0% in net property income and net asset value respectively. This is an enviable track record considering a competitive environment in which it has been operating. The path of development ahead will unavoidably be littered with obstacles, but the Manager is, as always, determined to rise to the challenge. We continue to view the future with confidence, and are dedicated to creating value for our stakeholders in the years to come."

Remarks: Attached highlights of the FY2014/15 Financial Results of Sunlight REIT.

- End -

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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 modified, supplemented and amended from time to time) (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 ten office and six retail properties in Hong Kong with an aggregate gross rentable area of approximately 1,206,827 square feet. The office properties are primarily located in core business areas, including Central, Wan Chai and Sheung Wan and in decentralised business areas such as Mongkok/Yau Ma Tei and North Point. 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 (恒基陽光資產管理有限公司) is the manager of Sunlight REIT. An indirect wholly-owned subsidiary of Henderson Land Development Company Limited (恒基兆業地產有限公司), the Manager's responsibility is to manage Sunlight REIT in the sole interest of the unitholders in accordance with 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.

This press release is issued by Cornerstones Communications Ltd. on behalf of Henderson Sunlight Asset Management Limited. For further information, please contact:

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Highlights of FY2014/15 Final Results:

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

	2015	2014	Change (%)
For the year ended 30 June:			
Revenue	754.4	688.9	9.5
Net property income	586.6	535.1	9.6
Cost-to-income ratio (%)	22.2	22.3	N/A
Profit after taxation	1,902.7	1,230.0	54.7
Total distributable income	375.2	342.8	9.4
Distribution per unit (HK cents)	22.0	20.0	10.0
Payout ratio (%)	95.9	94.8	N/A
At 30 June:			
Portfolio valuation	17,035.3	15,390.6	10.7
Net asset value	13,097.1	11,494.9	13.9
Net asset value per unit (HK\$)	7.99	7.06	13.2
Gearing ratio (%)	22.0	24.3	N/A