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Sunlight Real Estate Investment Trust

(a Hong Kong collective investment scheme authorized 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

PAYMENT OF BASE FEE AND VARIABLE FEE TO HENDERSON SUNLIGHT ASSET MANAGEMENT LIMITED BY WAY OF UNITS AND CASH

Reference is made to the announcement of Sunlight REIT dated 29 May 2018 in relation to the Manager's election for the Base Fee and the Variable Fee for the financial year ending 30 June 2019 to be paid in the form of cash as to 50% and in the form of Units as to 50%.

The board of directors of the Manager announces that on 25 October 2018, the Manager received a total of 4,564,300 new Units as payment of 50% of (i) the Manager's Fees for the 4th Quarter of FY2017/18, (ii) the Adjustment and (iii) the Manager's Fees for the 1st Quarter of FY2018/19. The new Units represent approximately 0.28% of the 1,647,795,077 Units in issue immediately after such issue.

The Manager also received HK\$12,723,845.10 in cash in October 2018, being the aggregate of the cash portion of the Adjustment (HK\$792,642.18) and the Manager's Fees for the 1st Quarter of FY2018/19 (HK\$11,931,202.92). The cash portion of the Manager's Fees for the 4th Quarter of FY2017/18, which amounts to HK\$11,875,559.96, was received by the Manager in August 2018.

The Manager held 126,272,147 Units prior to receiving the new Units. With the new Units issued, the Manager holds a total of 130,836,447 Units, representing approximately 7.94% of the total Units in issue immediately after such issue.

Reference is made to the announcement of Sunlight REIT dated 29 May 2018 in relation to the Manager's election for the Base Fee and the Variable Fee for the financial year ending 30 June 2019 to be paid in the form of cash as to 50% and in the form of Units as to 50%.

The board of directors of the Manager announces that on 25 October 2018, the Manager received a total of 4,564,300 new Units, representing approximately 0.28% of the 1,647,795,077 Units in issue immediately after such issue.

Of the new Units received :

- (a) 2,177,401 Units, comprising 1,719,361 Units (being payment of 50% of the Base Fee of HK\$18,754,800.00) and 458,040 Units (being payment of 50% of the Variable Fee of HK\$4,996,305.01), were issued at HK\$5.454 (being the Q4 Market Price) per Unit as payment of the Manager's Fees for the 4th Quarter of FY2017/18;
- (b) 144,615 Units (being payment of 50% of the Adjustment of HK\$1,585,277.00) were issued at HK\$5.481 (being the Adjustment Market Price) per Unit as payment of the Adjustment; and
- (c) 2,242,284 Units, comprising 1,763,000 Units (being payment of 50% of the Base Fee of HK\$18,761,850.00) and 479,284 Units (being payment of 50% of the Variable Fee of HK\$5,100,546.08), were issued at HK\$5.321 (being the Q1 Market Price) per Unit as payment of the Manager's Fees for the 1st Quarter of FY2018/19.

The Manager also received HK\$12,723,845.10 in cash in October 2018, being the aggregate of the cash portion of the Adjustment (HK\$792,642.18) and the Manager's Fees for the 1st Quarter of FY2018/19 (HK\$11,931,202.92). The cash portion of the Manager's Fees for the 4th Quarter of FY2017/18, which amounts to HK\$11,875,559.96, was received by the Manager in August 2018. Together with the issue of the new Units as mentioned above, the payment obligation of the Manager's Fees for the periods concerned was satisfied in full.

The Manager held 126,272,147 Units prior to receiving the new Units. With the new Units issued, the Manager holds a total of 130,836,447 Units, representing approximately 7.94% of the total Units in issue immediately after such issue.

The basis of determination of the number of new Units issued (together with the relevant amounts paid in cash) as payment of the Base Fee, the Variable Fee and the Adjustment are consistent with the relevant provisions of the Trust Deed.

In accordance with the Trust Deed, the amount of the Manager's Fees was previously calculated quarterly on the basis of (i) the value of the relevant properties as per the latest published interim report/audited annual accounts of Sunlight REIT (with adjustments being made for the properties acquired/disposed of during the relevant periods, if applicable); and (ii) the Net Property Income as per the unaudited management accounts of Sunlight REIT prepared by the Manager for each quarter. Subsequent to the publishing of the audited accounts of Sunlight REIT for the financial year ended 30 June 2018, the Manager's Fees for that financial year were adjusted by way of the Adjustment determined by reference to the audited accounts, and the Adjustment has been paid to the

Manager in the form of cash as to 50% and in the form of Units as to 50% as mentioned above.

The payment of the Manager's Fees (including the Adjustment) by way of Units is provided for in the Trust Deed and does not require specific prior approval of Unitholders pursuant to a waiver granted by the SFC. The Manager is entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee and/or Variable Fee attributable at the Market Price. Under the waiver granted by the SFC, the issue of Units to the Manager as payment of all or part of the Manager's Fees for each financial year will be counted as part of the 20% of outstanding Units that the Manager may issue in each financial year without requiring Unitholders' approval pursuant to paragraph 12.2 of the REIT Code. In addition, in respect of each financial year, the maximum number of Units that may be issued to the Manager as payment of all or part of the Manager's Fees for that financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding at the last day of the immediately preceding financial year, plus the number of Units issued (if any) in the relevant financial year for the purpose of financing any acquisition of real estate by Sunlight REIT. The total number of Units issued to the Manager as payment of the Manager's Fees for the financial year ended 30 June 2018 is 8,756,278, which represents approximately 0.53% of the 1,637,777,762 Units in issue at 30 June 2017.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings :

“1st Quarter of FY2018/19”	the period from 1 July 2018 to 30 September 2018, being the first quarter of the financial year ending 30 June 2019 of Sunlight REIT
“4th Quarter of FY2017/18”	the period from 1 April 2018 to 30 June 2018, being the fourth quarter of the financial year ended 30 June 2018 of Sunlight REIT
“Adjustment”	adjustment of the Base Fee/Variable Fee for the financial year ended 30 June 2018 pursuant to the Trust Deed, which is required to be made after the publishing of the audited accounts of Sunlight REIT for that financial year as a result of previous quarterly payments of Manager's Fees having been calculated on the basis of unaudited management accounts
“Adjustment Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 22 August 2018 to 4 September 2018 (both days inclusive), being the period of 10 trading days immediately preceding 5 September 2018 (the trading day immediately following the date of announcement of the audited annual results of Sunlight REIT for the year ended 30 June 2018)

“Base Fee”	a base fee payable by Sunlight REIT to the Manager, which has the meaning given to that term in the Trust Deed, currently calculated at the rate of 0.4% per annum of the Property Value
“Manager”	Henderson Sunlight Asset Management Limited 恒基陽光資產管理有限公司, as the manager of Sunlight REIT
“Manager’s Fees”	the Base Fee and the Variable Fee, being components of the Manager’s remuneration, both of which have the meaning given to these terms in the Trust Deed
“Market Price”	has the meaning given to that term in the Trust Deed
“Net Property Income”	has the meaning given to that term in the Trust Deed
“Property Value”	has the meaning given to that term in the Trust Deed
“Q1 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 14 September 2018 to 28 September 2018 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 1st Quarter of FY2018/19
“Q4 Market Price”	volume weighted average price for a Unit for all trades on the Stock Exchange for the period from 15 June 2018 to 29 June 2018 (both days inclusive), being the period of 10 trading days immediately preceding the last day of the 4th Quarter of FY2017/18
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time
“SFC”	Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunlight REIT”	Sunlight Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Trust Deed”	the trust deed constituting Sunlight REIT dated 26 May 2006, as amended and supplemented by six supplemental deeds

“Unit”	one unit in Sunlight REIT
“Unitholder”	any person registered as holder of a Unit
“Variable Fee”	a variable fee payable by Sunlight REIT to the Manager, which has the meaning given to that term in the Trust Deed, currently calculated at the rate of 3.0% per annum of the Net Property Income (before deduction therefrom of the Variable Fee)

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, 25 October 2018

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.