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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
恒基陽光資產管理有限公司

OPERATIONAL STATISTICS OF SUNLIGHT REAL ESTATE INVESTMENT TRUST FOR THE QUARTER ENDED 30 SEPTEMBER 2016

Henderson Sunlight Asset Management Limited (the “**Manager**”), as manager of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”), is pleased to announce the operational statistics of Sunlight REIT for the first quarter of the financial year ending 30 June 2017 (“**FY2016/17**”).

At 30 September 2016, the overall portfolio occupancy of Sunlight REIT was 95.2%, compared with 95.9% recorded at 30 June 2016. Office occupancy fell marginally to 97.5% (30 June 2016: 98.0%), while occupancy of the retail portfolio registered a slight drop to 90.4% (30 June 2016: 91.7%). Excluding the area vacated for renovation at Sheung Shui Centre Shopping Arcade (“**SSC**”), the occupancies for the overall portfolio and the retail portfolio were 97.3% and 96.7% respectively.

Passing rent of the overall portfolio was HK\$44.7 per sq. ft. at 30 September 2016, representing an increase of 1.1% from HK\$44.2 per sq. ft. at 30 June 2016. Rental reversion, calculated on the basis of leases that have been renewed during the quarter, were 9.8% and 6.5% for the office and retail portfolio respectively.

During the quarter, the Manager is pleased to report a 12.2% rental reversion at Sunlight Tower, while the performance of the grade B office properties was also encouraging. For instance, Bonham Trade Centre posted a satisfactory rental reversion of 11.8%, illustrating the sustained demand of inexpensive office space in decentralised locations.

The rental performance of the retail portfolio continued to be satisfactory, despite an evident slowdown in the pace of rental reversion. Metro City Phase I Property reported a quarter-on-quarter growth of 3.1% in passing rent and a rental reversion of 11.8%, confirming the resilience of consumer staples. Meanwhile, pre-letting of the renovated area at SSC is making reasonable headway, with more than 70% of the space already committed. Based on current progress, the Manager anticipates that a soft opening will be launched in early December 2016. Despite the still difficult retail environment, the Manager remains confident in the performance and prospects of SSC following this revitalisation initiative, both in terms of footfall circulation and income contribution to Sunlight REIT.

Key operational statistics for the first quarter of FY2016/17

Property	Occupancy (%) ¹		Passing Rent (HK\$/sq. ft.) ²		Rental Reversion (%) ³
	at 30 Sep 16	at 30 Jun 16	at 30 Sep 16	at 30 Jun 16	
Office					
Sunlight Tower	99.2	99.7	35.5	35.3	12.2
Bonham Trade Centre	97.3	95.1	28.0	27.7	11.8
Righteous Centre	95.8	98.1	41.9	41.5	6.2
Winsome House Property	94.3	97.1	42.1	41.0	12.5
135 Bonham Strand Trade Centre Property	98.5	98.7	26.2	26.0	5.8
235 Wing Lok Street Trade Centre	96.4	96.4	20.1	19.9	9.8
Java Road 108 Commercial Centre	92.3	94.2	23.6	23.3	4.9
On Loong Commercial Building	96.0	94.0	30.1	30.3	4.7
Sun Fai Commercial Centre Property	94.8	97.1	20.9	22.2	3.5
Wai Ching Commercial Building Property	94.5	100.0	13.6	13.2	13.0
Sub-total/Average	97.5	98.0	31.8	31.6	9.8
Retail					
Sheung Shui Centre Shopping Arcade	78.0 ⁴	77.6 ⁴	132.9 ⁵	131.7 ⁵	6.9
Metro City Phase I Property	96.8	98.4	53.4	51.8	11.8
Kwong Wah Plaza Property	96.3	100.0	50.4	50.0	(2.4)
Beverley Commercial Centre Property	93.1	96.6	50.5	51.3	(14.3)
Supernova Stand Property	100.0	100.0	47.8	47.8	N/A
Palatial Stand Property	75.2	75.2	12.0	12.0	N/A
Sub-total/Average	90.4	91.7	73.2	71.6	6.5
Total/Average	95.2	95.9	44.7	44.2	7.6

Notes :

1. Calculated on the basis of occupied gross rentable area ("GRA") as a proportion of total GRA of the relevant building on the relevant date.
2. Calculated on the basis of average rent per sq. ft. for all occupied GRA on the relevant date.
3. Calculated on the basis of change in effective rent of the leases renewed during the relevant period.
4. Excluding the area vacated for renovation at SSC, the occupancy of SSC, the retail portfolio and the overall portfolio at 30 September 2016 were 99.0%, 96.7% and 97.3% respectively (30 June 2016: 98.5%, 98.2% and 98.1% respectively).
5. Calculation of passing rent for SSC (and thus for the overall portfolio) have been affected by the renovation and closure of an area representing approximately 20% of its GRA.

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, 12 October 2016

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.