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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

恒基陽光資產管理有限公司

OPERATIONAL STATISTICS OF SUNLIGHT REAL ESTATE INVESTMENT TRUST FOR THE QUARTER ENDED 31 MARCH 2017

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 third quarter of the financial year ending 30 June 2017 (“**FY2016/17**”).

At 31 March 2017, the overall portfolio occupancy of Sunlight REIT was 97.7%, compared with 95.8% recorded at 31 December 2016. Office occupancy rose to 98.6% (31 December 2016: 96.2%), while occupancy of the retail portfolio also registered a mild improvement to 95.8% (31 December 2016: 95.0%).

Passing rent of the overall portfolio was HK\$44.9 per sq. ft. at 31 March 2017, representing a slight decrease of 1.1% from HK\$45.4 per sq. ft. at 31 December 2016. Rental reversion, calculated on the basis of leases that have been renewed and commenced during the quarter, were 8.1% and 2.3% for the office and retail portfolio respectively.

The performance of Sunlight REIT’s office portfolio continued to be satisfactory. In particular, the Manager is delighted to report the successful lease renewal with the largest tenant of Sunlight Tower for a further three years with a rental reversion of 11.9%, which implies that the subject tenancy will be extended to the financial year ending 30 June 2021. Meanwhile, the Sheung Wan office properties, comprising Bonham Trade Centre, 135 Bonham Strand Trade Centre Property and 235 Wing Lok Street Trade Centre, all registered satisfactory rental reversion during the quarter, illustrating the sustained demand for inexpensive office space at decentralised locations.

On the retail front, the occupancy of Sheung Shui Centre Shopping Arcade (“**SSC**”) dropped to 91.9%, mainly due to the early termination of a tenancy agreement (involving 2.6% of the gross rentable area of SSC) during the quarter; all outstanding rent and related expenses in respect of the subject tenancy had been settled by the tenant. As regards the reconfiguration work of SSC, over 85% of the revamped area was already leased out at 31 March 2017, with the average achieved unit rent approximately 21% higher than pre-renovation level.

Key operational statistics for the third quarter of FY2016/17

Property	Occupancy (%) ¹		Passing Rent (HK\$/sq. ft.) ²		Rental Reversion (%) ³
	at 31 Mar 17	at 31 Dec 16	at 31 Mar 17	at 31 Dec 16	
Office					
Sunlight Tower	99.0	96.0	36.3	36.2	5.0
Bonham Trade Centre	99.7	97.4	28.3	28.2	9.7
Righteous Centre	97.0	96.3	42.1	42.2	11.7
Winsome House Property	97.2	97.2	41.9	42.0	N/A
135 Bonham Strand Trade Centre Property	100.0	95.1	26.4	26.4	13.2
235 Wing Lok Street Trade Centre	97.9	95.2	20.4	20.3	10.3
Java Road 108 Commercial Centre	96.1	96.1	23.9	23.8	10.7
On Loong Commercial Building	94.0	94.0	30.5	30.4	9.1
Sun Fai Commercial Centre Property	100.0	98.5	21.7	21.8	0.0
Wai Ching Commercial Building Property	100.0	94.5	13.7	13.7	N/A
Sub-total/Average	98.6	96.2	32.3	32.2	8.1
Retail					
Sheung Shui Centre Shopping Arcade	91.9	93.7	119.2	120.6	4.3
Metro City Phase I Property	98.0	96.5	53.3	53.7	1.7
Kwong Wah Plaza Property	99.3	95.9	49.2	49.5	(2.8)
Beverley Commercial Centre Property	94.9	94.3	47.1	48.7	(15.8)
Supernova Stand Property	100.0	100.0	54.0	47.8	15.0
Palatial Stand Property	75.2	75.2	12.0	12.0	N/A
Sub-total/Average	95.8	95.0	71.3	72.4	2.3
Total/Average	97.7	95.8	44.9	45.4	3.5

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 and commenced during the relevant period.

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, 11 April 2017

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.