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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

REFINANCING OF EXISTING TERM LOAN FACILITIES

The board of directors (the “**Board**”) of Henderson Sunlight Asset Management Limited (the “**Manager**”) announces that in March and April 2017, Sunlight Real Estate Investment Trust (“**Sunlight REIT**”), through its wholly-owned special purpose vehicles, entered into several bilateral facility agreements with certain lenders in relation to the granting of new term loan facilities to Sunlight REIT in the aggregate amount of HK\$3,625 million. It is expected that drawdown of all the new facilities will take place on or before 30 June 2017, and will be applied in full towards the refinancing of the existing term loans of Sunlight REIT.

BACKGROUND

Sunlight REIT, through its wholly-owned special purpose vehicle, entered into bilateral secured term loan facilities in the aggregate amount of HK\$3,925 million in 2013 (the “**Existing Facilities**”). These Existing Facilities bear a blended interest margin of 1.24% per annum over Hong Kong Interbank Offered Rate (“**HIBOR**”) with maturity dates spanning from 2017 to 2020.

As disclosed in the 2016/17 interim report of Sunlight REIT, a bilateral term loan facility agreement was signed with a bank in the first half of the financial year ending 30 June 2017, pursuant to which a three-year secured term loan facility of HK\$300 million (the “**First Refinancing Facility**”) has been granted to Sunlight REIT. This loan was fully drawn in March 2017 to refinance part of the Existing Facilities.

NEW TERM LOAN FACILITIES

In March and April 2017, Sunlight REIT, through its wholly-owned special purpose vehicles, entered into several bilateral facility agreements with certain lenders in relation to the granting of new term loan facilities to Sunlight REIT in the aggregate amount of HK\$3,625 million (the “**New Facilities**”). The New Facilities comprise (i) secured term loan facilities in the total amount of HK\$2,305 million (the “**New Secured Facilities**”) and (ii) unsecured term loan facilities in the total amount of HK\$1,320 million (the “**New Unsecured Facilities**”). It is expected that drawdown of all the New Facilities will take place on or before 30 June 2017, and will be applied in full towards the refinancing of the Existing Facilities.

The New Secured Facilities will be, on a pari passu basis with other secured indebtedness, subject to (a) the existing guarantee given by HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”) (in its capacity as the trustee of Sunlight REIT) and Sunlight REIT Holding Limited (“**Sunlight REIT Holding**”), on a joint and several basis; and (b) the sharing of a pool of securities given by Sunlight REIT group, including a mortgage over certain properties held by Sunlight REIT with an appraised value of approximately HK\$9,759 million at 31 December 2016. Similarly, the Trustee and Sunlight REIT Holding will also provide a joint and several guarantee to the respective lenders of the New Unsecured Facilities which will be unsecured.

Taking into account the First Refinancing Facility, the total term loan facilities of Sunlight REIT in the aggregate amount of HK\$3,925 million will be completely refinanced upon drawdown of the New Facilities, with a blended interest margin of 0.70% per annum over HIBOR and a weighted maturity period of 4.4 years. Currently, approximately 71.3% of Sunlight REIT’s borrowings is hedged to fixed rates with expiries spanning from 2017 through 2022. The Manager will continue to monitor the interest rate movements and refine the hedging profile of Sunlight REIT as and when appropriate. Details of the hedging arrangement will be disclosed in the relevant annual reports of Sunlight REIT.

GENERAL

The lenders of the New Facilities include The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) and Hang Seng Bank Limited (“**Hang Seng**”). Being in the same group as the Trustee, both of HSBC and Hang Seng are connected persons of Sunlight REIT within the meaning of the Code on Real Estate Investment Trusts (the “**REIT Code**”). The connected party transactions between Sunlight REIT and each of HSBC and Hang Seng in relation to the relevant New Facilities fall within the ordinary banking and financial services which are exempt from any announcement and unitholders’ approval requirements under Chapter 8 of the REIT Code pursuant to a waiver granted by the Securities and Futures Commission. To the best knowledge and information of the Manager after making reasonable enquiries, all lenders of the First Refinancing Facility and the New Facilities, except for HSBC and Hang Seng, are independent third parties and not connected persons (as defined in the REIT Code) of Sunlight REIT.

The Board is of the view that the terms of the New Facilities, which were arrived at after arm’s length negotiations and are on normal commercial terms, are fair and reasonable and in the interest of the unitholders of Sunlight REIT as a whole.

As the New Facilities will be applied in full towards the refinancing of the Existing Facilities, they will have no effect on the gearing of Sunlight REIT. Accordingly, the Manager does not expect the New Facilities to have any material impact on the financial position of Sunlight REIT.

This announcement is issued by the Manager on a voluntary basis with a view to keeping unitholders of Sunlight REIT and the market informed of the matters in this announcement.

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, 20 April 2017

At the date of this announcement, the Board 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.