

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HUI XIAN REIT
匯賢產業信託

Hui Xian 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: 87001)

Managed by Hui Xian Asset Management Limited
匯賢房託管理有限公司

**(A) POLL RESULTS OF THE EXTRAORDINARY GENERAL
MEETING HELD ON 28 NOVEMBER 2014
IN RELATION TO
(1) CONNECTED PARTY TRANSACTIONS RELATING TO THE
PROPOSED ACQUISITION OF THE CHONGQING PROPERTY
(2) CERTAIN CONTINUING CONNECTED
PARTY TRANSACTIONS
AND
(3) POSSIBLE ISSUANCE OF MANAGER
ACQUISITION FEE UNITS
AND
(B) GRANT OF WAIVERS**

At the EGM held on 28 November 2014, both of the Ordinary Resolutions to approve (1) the Transactions and Annual Caps Revisions; and (2) the election by the REIT Manager to receive the Manager's Acquisition Fee in the form of new Units were duly passed by way of a poll.

Reference is made to (i) the circular (the “**Circular**”) dated 10 November 2014 issued by Hui Xian Asset Management Limited (滙賢房託管理有限公司) (the “**REIT Manager**”), as manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”), to the unitholders of Hui Xian REIT (the “**Unitholders**”) in relation to (1) connected party transactions relating to the proposed Acquisition of the Chongqing Property; (2) certain continuing connected party transactions; and (3) the possible issuance of Manager Acquisition Fee Units and (ii) the notice of extraordinary general meeting dated 10 November 2014 in respect of the extraordinary general meeting of Unitholders held on 28 November 2014 at 12:00 noon (the “**EGM**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise stated in this announcement.

At the EGM held on 28 November 2014, each of the resolution to approve (i) the Transactions and Annual Caps Revisions (“**Ordinary Resolution (1)**”); and (ii) the election by the REIT Manager to receive the Manager’s Acquisition Fee in the form of new Units (“**Ordinary Resolution (2)**”) was proposed as an Ordinary Resolution and was decided on a poll.

Pursuant to the REIT Code and the Trust Deed, in view of their interest in the relevant matters:

- (i) Cheung Kong, HWL and their respective associates had abstained from voting on the Ordinary Resolution (1).
- (ii) The REIT Manager and its associates had abstained from voting on both Ordinary Resolution (1) and Ordinary Resolution (2).
- (iii) Cheung Kong, ARA Asset Management Limited, CITIC Securities International Company Limited and their respective subsidiaries had abstained from voting on the Ordinary Resolution (2).

As at the date of the EGM, to the best of the REIT Manager’s knowledge, information and belief, save as disclosed above, the REIT Manager is not aware of any Unitholders who are required to abstain from voting at the EGM.

As at the date of the EGM, the number of Units in issue was 5,297,591,509. Based on the above, as at the date of the EGM, as far as the REIT Manager is aware, the total number of Units which were ineligible to vote for or against Ordinary Resolution (1) and Ordinary Resolution (2) were 2,465,782,361 and 2,181,802,630, respectively. Accordingly, the total number of Units entitling the Independent Unitholders to vote for or against Ordinary Resolution (1) and Ordinary Resolution (2) were 2,831,809,148 and 3,115,788,879, respectively.

Computershare Hong Kong Investor Services Limited was appointed as the scrutineer for the poll at the EGM. The poll results in respect of the Ordinary Resolutions proposed at the EGM are as follows:-

<i>Brief description of the Ordinary Resolutions</i>		<i>Number of votes (%)</i>	
		For	Against
(1)	To approve (a) the Acquisition, the Sale and Purchase Agreement, the Transaction Documents and the transactions contemplated thereunder and (b) the Cheung Kong Annual Cap Revision, the Manager Annual Cap Revision and the Manager Leasing Annual Cap Revision, and authorise the REIT Manager, the Trustee and any Director to do or procure to be done all such acts and things as the REIT Manager, the Trustee or such Director may consider desirable, expedient, necessary or in the interest of Hui Xian REIT to implement or give effect to the matters referred to above	838,072,761 (approximately 79.10%)	221,521,544 (approximately 20.90%)
(2)	To approve the election by the REIT Manager to receive the Manager's Acquisition Fee in the form of new Units to be issued to it in accordance with the Trust Deed and authorise the REIT Manager, the Trustee and any Director to do or procure to be done all such acts and things as the REIT manager, the Trustee or such Director may consider desirable, expedient, necessary or in the interest of Hui Xian REIT to implement or give effect to the matters referred to above	824,349,696 (approximately 78.53%)	225,434,720 (approximately 21.47%)

As more than 50% of the votes were cast in favour of each of the Ordinary Resolutions, all the Ordinary Resolutions were duly passed as Ordinary Resolutions by way of a poll at the EGM.

In connection with Ordinary Resolution (1), the REIT Manager has applied to the SFC to modify the 2014 Extended Cheung Kong Waiver and the 2014 Extended Manager Waiver. On 28 November 2014, the SFC approved the modifications to (a) the 2014 Extended Cheung Kong Waiver and (b) the 2014 Extended Manager Waiver. The conditions of the modified 2014 Extended Cheung Kong Waiver and the modified 2014 Extended Manager Waiver are as follows:

I. Conditions of the 2014 Extended Cheung Kong Waiver as modified by the Cheung Kong Annual Cap Revision (the “Modified 2014 Extended Cheung Kong Waiver”)in respect of certain continuing connected party transactions between Hui Xian REIT Group and Cheung Kong Connected Persons Group

(i) Due approval by Unitholders

Due approval by the Independent Unitholders and adoption of the Ordinary Resolution to approve the Cheung Kong Annual Cap Revision as set out in the notice of EGM dated 10 November 2014, without any material amendment thereto.

(ii) Extensions or modifications

The Modified 2014 Extended Cheung Kong Waiver has been granted for a period of three financial years ending 31 December 2017. The Modified 2014 Extended Cheung Kong Waiver may be extended beyond 31 December 2017, and/or the terms and conditions of the Modified 2014 Extended Cheung Kong Waiver may be modified from time to time, provided that:

- (a) the approval of the Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the Modified 2014 Extended Cheung Kong Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Hui Xian REIT after the date on which the approval referred to in (a) above is obtained.

For the avoidance of doubt, any material change to the transactions covered by the Modified 2014 Extended Cheung Kong Waiver (including without limitation the scope or nature of such transactions) as set out in the Circular must be approved by Independent Unitholders pursuant to (a) above, and details of the proposed changes shall be disclosed in the manner as referred to in (b) above.

(iii) Annual caps

The annual value of the connected party transactions shall not exceed the respective annual cap amounts set out in the following table:

Categories of connected party transactions	For the year ending 31 December 2015 (RMB'000)	For the year ending 31 December 2016 (RMB'000)	For the year ending 31 December 2017 (RMB'000)
Leasing and licensing transactions	113,300	113,300	113,300
Property management and club facilities transactions	66,507	72,407	78,648
Usage of internet and telecommunication services	7,500	7,500	7,500

In respect of the above leasing and licensing transactions first entered into or renewed on or after the date that the Modified 2014 Extended Cheung Kong Waiver becomes effective, an independent valuation shall be conducted for each of such leasing and licensing transactions except where they are conducted on standard or published rates.

(iv) Disclosure in semi-annual and annual reports

Details of the connected party transactions shall be disclosed in the semi-annual and annual reports of Hui Xian REIT as required under 8.14 of the REIT Code.

(v) Auditors' review procedures

In respect of each relevant financial period, the REIT Manager shall engage and agree with the auditors of Hui Xian REIT to perform certain review procedures on connected party transactions. The auditors shall then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report shall be provided to the SFC), confirming whether all such connected party transactions:

- (a) have received the approval of the Board (including the independent non-executive Directors);
- (b) have been entered into in accordance with the pricing policies of Hui Xian REIT;
- (c) have been entered into and carried out in accordance with the terms of the agreements (if any) governing the transactions; and
- (d) the total value in respect of which has not exceeded the respective annual limits (where applicable).

(vi) Review by the independent non-executive Directors

The independent non-executive Directors shall review the relevant connected party transactions annually and confirm in Hui Xian REIT's annual report for the relevant financial period that such transactions have been entered into:

- (a) in the ordinary and usual course of business of Hui Xian REIT;
- (b) on normal commercial terms (to the extent that there are sufficient comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them, if any, on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

(vii) Auditors' access to books and records

The REIT Manager shall allow, and shall procure the counterparty to the relevant connected party transactions to allow, the auditors of Hui Xian REIT sufficient access to their records for the purpose of reporting on the transactions.

(viii) Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the independent non-executive Directors will not be able to confirm the matters set out in the above.

(ix) Subsequent increase in annual caps with Independent Unitholders' approval

If necessary, for example, where there are further asset acquisitions by Hui Xian REIT thereby increasing the scale of its operations generally, or where there are changes in market or operating conditions, the REIT Manager may, from time to time in the future, seek to increase one or more of the annual limits set out in the above, provided that:

- (a) the approval of the Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposal to increase the cap amounts shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice are issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) the requirements referred to in paragraphs (iii) to (viii) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

(x) *8.14 of the REIT Code*

The REIT Manager shall comply with all requirements under 8.14 of the REIT Code where there is any material change to the terms of the relevant connected party transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval. Details of the relevant connected party transactions shall be disclosed in Hui Xian REIT's semi-annual and annual reports in the relevant financial year as required under 8.14 of the REIT Code.

II. Conditions of the 2014 Extended Manager Waiver as modified by the Manager Annual Cap Revision and the Manager Leasing Annual Cap Revision (the "Modified 2014 Extended Manager Waiver") in respect of certain continuing connected party transactions between Hui Xian REIT Group and the REIT Manager Group

(i) *Due approval by Unitholders*

Due approval by the Independent Unitholders and adoption of the Ordinary Resolution to approve the Manager Annual Cap Revision and Manager Leasing Annual Cap Revision as set out in the notice of EGM dated 10 November 2014 without any material amendment thereto.

(ii) *Extensions or modifications*

The Modified 2014 Extended Manager Waiver has been granted for a period of three financial years ending 31 December 2017. The Modified 2014 Extended Manager Waiver may be extended beyond 31 December 2017, and/or the terms and conditions of the Modified 2014 Extended Manager Waiver may be modified from time to time, provided that:

- (a) the approval of the Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the Modified 2014 Extended Manager Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Hui Xian REIT after the date on which the approval referred to in (a) above is obtained.

For the avoidance of doubt, any material change to the transactions covered by the Modified 2014 Extended Manager Waiver (including without limitation the scope or nature of the transactions) as set out in the Circular must be approved by Independent Unitholders pursuant to (a) above, and details of the proposed changes shall be disclosed in the manner as referred to in (b) above.

(iii) *Annual caps*

The annual value of the connected party transactions shall not exceed the respective annual cap amounts set out in the following table:

Categories of connected party transactions	For the year ending 31 December 2015 (RMB'000)	For the year ending 31 December 2016 (RMB'000)	For the year ending 31 December 2017 (RMB'000)
Leasing and licensing transactions	667	734	802
Property management and club facilities transactions	76,813 (Note)	84,394 (Note)	92,234 (Note)

Note: including 1% per annum of the net property income in respect of Beijing Oriental Plaza (before deduction therefrom of the Variable Fee (as defined in the Trust Deed) and the Property Manager's fee)

In respect of the above leasing and licensing transactions first entered into or renewed on or after the date that the Modified 2014 Extended Manager Waiver becomes effective, an independent valuation shall be conducted for each of such leasing and licensing transactions except where they are conducted on standard or published rates.

(iv) *Disclosure in semi-annual and annual reports*

Details of the connected party transactions shall be disclosed in the semi-annual and annual reports of Hui Xian REIT as required under 8.14 of the REIT Code.

(v) *Auditors' review procedures*

In respect of each relevant financial period, the REIT Manager shall engage and agree with the auditors of Hui Xian REIT to perform certain review procedures on connected party transactions. The auditors shall then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report shall be provided to the SFC), confirming whether all such connected party transactions:

- (a) have received the approval of the Board (including the independent non-executive Directors);
- (b) have been entered into in accordance with the pricing policies of Hui Xian REIT;
- (c) have been entered into and carried out in accordance with the terms of the agreements (if any) governing the transactions; and
- (d) the total value in respect of which has not exceeded the respective annual limits (where applicable).

(vi) Review by the independent non-executive Directors

The independent non-executive Directors shall review the relevant connected party transactions annually and confirm in Hui Xian REIT's annual report for the relevant financial period that such transactions have been entered into:

- (a) in the ordinary and usual course of business of Hui Xian REIT;
- (b) on normal commercial terms (to the extent that there are sufficient comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them, if any, on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

(vii) Auditors' access to books and records

The REIT Manager shall allow, and shall procure the counterparty to the relevant connected party transactions to allow, the auditors of Hui Xian REIT sufficient access to their records for the purpose of reporting on the transactions.

(viii) Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the independent non-executive Directors will not be able to confirm the matters set out in the above.

(ix) Subsequent increase in annual caps with Independent Unitholders' approval

If necessary, for example, where there are further asset acquisitions by Hui Xian REIT thereby increasing the scale of its operations generally, or where there are changes in market or operating conditions, the REIT Manager may, from time to time in the future, seek to increase one or more of the annual limits set out in the above, provided that:

- (a) the approval of the Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposal to increase the cap amounts shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) the requirements referred to in paragraphs (iii) to (viii) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

(x) *8.14 of the REIT Code*

The REIT Manager shall comply with all requirements under 8.14 of the REIT Code where there is any material change to the terms of the relevant connected party transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval. Details of the relevant connected party transactions shall be disclosed in Hui Xian REIT's semi-annual and annual reports in the relevant financial year as required under 8.14 of the REIT Code.

Waivers in respect of certain connected party transactions between Hui Xian REIT Group and HK Bank Connected Persons Group

The SFC has granted a waiver from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain transactions between Hui Xian REIT Group and the HK Bank Connected Persons Group, namely the HK Bank Leasing and Licensing Transactions, the HK Bank Banking and Financial Services Transactions and the HK Bank Corporate Finance Transactions as described below ("HK Bank CPTs").

(I) Excluded transactions

The following transactions will not be deemed connected party transactions of Hui Xian REIT for the purposes of Chapter 8 of the REIT Code:

- (a) where the HK Bank Connected Persons Group acts for a third party as nominee, custodian, agent or trustee and conducts agency transactions with Hui Xian REIT Group;
- (b) where a collective investment scheme (including another REIT) transacts with Hui Xian REIT Group, and a company within the HK Bank Connected Persons Group acts as the trustee of such collective investment scheme but the transaction is not a proprietary transaction of the HK Bank Connected Persons Group; and
- (c) where a member of the HK Bank Connected Persons Group (including HK Bank and its proprietary subsidiaries where HK Bank or any of its proprietary subsidiaries is the trustee of another collective investment scheme and is acting in that capacity) acquires, purchases, subscribes, sells or disposes of Units on terms which are the same as available to the public or other Unitholders as a whole, and where applicable, are subject to the application and allocation rules set out in the Listing Rules. For the avoidance of doubt, any dealing by the HK Bank Connected Persons Group in Units on the Hong Kong Stock Exchange will not be a connected party transaction.

(II) Waiver general conditions and undertakings

In support of the application for waivers request in respect of the HK Bank CPTs, the REIT Manager has undertaken with the SFC certain conditions, including the following general conditions on an ongoing basis:

- (a) the connected party transactions will be carried out at arm's length on normal commercial terms and in the interest of the Unitholders as a whole;
- (b) the REIT Manager must implement internal controls and compliance procedures to ensure that the connected party transactions are regularly monitored and undertaken on terms in compliance with the REIT Code;
- (c) the connected party transaction waivers will be given on the basis that they only apply to connected party transactions which arise solely as a result of and for so long as Mr. Li Tzar Kuoi, Victor is a director of Noblecrown Investment Limited. If other connected party transactions arise as a result of their circumstances, these will be governed by Chapter 8 of the REIT Code in the normal way; and
- (d) the waivers do not need to be renewed on a regular basis, provided that: (i) the SFC reserves its right to review or revise the terms of the waivers or impose any conditions as it deems appropriate from time to time; and (ii) the full Board (including the independent non-executive Directors) considers that it is fair and reasonable and in the best interests of the Unitholders to continue with the waivers granted without Unitholders' approval and disclose such confirmation in the annual report of Hui Xian REIT. In addition, the Audit Committee will make a statement in the annual report of Hui Xian REIT that it has reviewed the terms of the connected party transaction waivers and is satisfied that (on the basis of the terms of the waivers and the internal controls and procedures in place) it is fair and reasonable that the waivers be continued without Unitholders' approval.

(III) Waiver for the HK Bank Leasing and Licensing Transactions

As part of the ordinary course of business of Hui Xian REIT Group, members of the Hui Xian REIT Group may from time to time enter into leases or licences in respect of the REIT Properties with members of the HK Bank Connected Persons Group (the "HK Bank Leasing and Licensing Transactions").

Pursuant to such waiver, the connected party transactions falling within the category listed above are exempt from strict compliance with the disclosure and Unitholders' approval requirements set out in 8.10, 8.11, 8.14 and 8.15 of the REIT Code, subject to the following terms and conditions:

- (a) the transactions are carried out at arm's length on normal commercial terms;

- (b) a statement will be made by the Audit Committee in the annual report of Hui Xian REIT that it has reviewed the terms of the transactions and is satisfied that these transactions have been entered into in the ordinary and usual course of business at arm's length on normal commercial terms, are fair and reasonable and are in the interests of the Unitholders of Hui Xian REIT;
- (c) an independent valuation is required for such transactions unless they are entered into at arm's length on normal commercial terms consistent with the terms offered to the public (including at published rates) or otherwise at market rates taking into account the circumstances of the particular tenant, the particular property, the relevant trade mix and/or similar tenants or properties;
- (d) the aggregate annual rent paid by the HK Bank Connected Persons Group to Hui Xian REIT during a financial year, together with the material terms of any lease or licence with any member of the HK Bank Connected Persons Group under which the annual rent (per lease) or annual licence fee (per licence) exceeds HK\$1 million, is disclosed in the annual report in accordance with 8.15 of the REIT Code; and
- (e) the auditor of Hui Xian REIT to report to the REIT Manager confirming that the transactions:
 - (i) have been duly approved by the Board in accordance with the internal procedures of the REIT Manager; and
 - (ii) have been entered into in accordance with the terms of the agreements governing the transactions.

(IV) Waiver for the HK Bank Banking and Financial Services Transactions

The REIT Manager may engage the HK Bank Connected Persons Group to provide ordinary banking and financial services to Hui Xian REIT Group from time to time (the "HK Bank Banking and Financial Services Transactions"). The SFC has granted a waiver so that the HK Bank Banking and Financial Services Transactions will not be subject to any requirements for announcement, or Unitholders' approvals under Chapter 8 of the REIT Code. In addition, the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to the HK Bank Banking and Financial Services Transactions shall be modified as described below.

For the purpose of this part, the HK Bank Banking and Financial Services Transactions means:

- (i) deposits and other "banking business" (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) with a HK Bank Connected Persons Group member which is a "licensed corporation" or "registered institution" (as defined in the SFO) or overseas equivalent (together "HK Bank Connected Persons Group intermediaries") and conducted on arm's length commercial terms;

- (ii) loans extended by a HK Bank Connected Persons Group intermediary being a transaction in the ordinary and usual course of business of Hui Xian REIT Group and provided to, or arranged for, Hui Xian REIT Group on arm's length commercial terms; and
- (iii) related financial services constituting regulated activities (as defined in the SFO) and other banking or financial services required in the ordinary and usual course of business by Hui Xian REIT Group (including insurance, retirement benefit schemes under the Occupational Retirement Scheme Ordinance (Chapter 426 of the Laws of Hong Kong), mandatory provident fund schemes, credit cards, asset management and other such services).

For the avoidance of doubt, the HK Bank Banking and Financial Services Transactions do not include the HK Bank Corporate Finance Transactions which are defined in the sub-part headed "Waiver for the HK Bank Corporate Finance Transactions" set out below.

Notwithstanding the above, a summary disclosure of the HK Bank Banking and Financial Services Transactions provided by the HK Bank Connected Persons Group to Hui Xian REIT Group in each financial year has to be disclosed in the annual report of Hui Xian REIT. Such information shall include the nature of the transactions, types of transactions or services and identities of the connected persons of the same transactions. The Audit Committee shall confirm in the annual report that it has reviewed the terms of any such transactions and is satisfied that these transactions have been entered into:

- (a) in the ordinary and usual course of business of Hui Xian REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement and the REIT Manager's internal procedures governing them on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

In addition, the auditors of Hui Xian REIT shall be engaged to perform certain agreed review procedures and report in the auditors' report to the REIT Manager (and a copy of such report shall be provided to the SFC) confirming that all such transactions (a) have followed the REIT Manager's internal procedures for such transactions and are in accordance with the terms disclosed in the offering document; (b) have received the approval of the Board (including the independent non-executive Directors); (c) are in accordance with the pricing policies of Hui Xian REIT; (d) have been entered into and carried out in accordance with the terms of the agreements governing the transactions; and (e) the total value in respect of which has not exceeded the respective cap amount (where applicable).

(V) Waiver for the HK Bank Corporate Finance Transactions

The SFC has granted a waiver from strict compliance with the requirement under 8.9 and 8.11 of the REIT Code to seek Unitholders' prior approval and to make announcements and circulars (in accordance with Chapter 10 of the REIT Code) in respect of certain "corporate finance transactions" between Hui Xian REIT Group and the HK Bank Connected Persons Group (the "HK Bank Corporate Finance Transactions"). In addition, the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to the HK Bank Corporate Finance Transactions shall be modified as described in conditions (2) (A) to (F) below.

(1) Scope of the HK Bank Corporate Finance Transactions

For the purpose of this part, the "HK Bank Corporate Finance Transactions" means:

- (i) underwriting, securitisation, issue of debt instruments or other securities, or other related arrangements where the HK Bank Connected Persons Group is involved in an underwriting or arranging capacity or acts as listing agent and/or financial adviser and/or bookrunner and/or global co-ordinator to Hui Xian REIT, provided that these transactions are carried out at arm's length on normal commercial terms, the primary objective of which is the offering or distribution of securities to parties outside of the HK Bank Connected Persons Group;
- (ii) lending and borrowing of funds or other related arrangements in connection with any facility agreement by which the Hui Xian REIT Group will finance the acquisition of real estate;
- (iii) "financial advisory transactions", namely the provision of financial advisory services to the Hui Xian REIT Group relating to investment or proposed investment of the Hui Xian REIT Group from time to time, including without limitation, any direct or indirect acquisition or disposal or proposed direct or indirect acquisition or disposal of real estate and excludes transactions set out in (i) and (ii) above, provided that the aggregate fees that the HK Bank Connected Persons Group derived from all "financial advisory transactions" and "corporate advisory transactions" (as described in (iv) below) conducted for the Hui Xian REIT Group during a financial year shall be capped at 0.2% of the latest published net asset value of Hui Xian REIT; and
- (iv) "corporate advisory transactions", namely the provision of "corporate finance advice" to the Hui Xian REIT Group and excludes transactions set out in (i) and (ii) above, provided that the aggregate fees that the HK Bank Connected Persons Group derived from all "corporate advisory transactions" and "financial advisory transactions" (as described in (iii) above) conducted for the Hui Xian REIT Group during a financial year shall be capped at 0.2% of the latest published net asset value of Hui Xian REIT.

For the avoidance of doubt, “corporate finance advice” means advice concerning:

- (a) compliance with or in respect of the REIT Code, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs;
- (b) (i) any offer to dispose of securities to the public, (ii) any offer to acquire securities from the public, or (iii) acceptance of any offer referred to in (i) or (ii), but only in so far as the advice is generally given to holders of securities or a class or securities; or
- (c) corporate restructuring in respect of securities (including the issue, cancellation or variation of any rights attaching to any securities).

(2) Waiver Conditions

The above waiver is granted on the following conditions:

- (A) each transaction is carried out on normal commercial terms;
- (B) the Circular and any circular for Hui Xian REIT includes clear disclosure of this waiver and, with respect to the HK Bank Corporate Finance Transactions under (i) and (ii) of this waiver, full disclosure of the material terms of the relevant agreements;
- (C) the annual report includes disclosure of the aggregate fees paid to the HK Bank Connected Persons Group in respect of the HK Bank Corporate Finance Transactions conducted for Hui Xian REIT Group in the relevant financial year;
- (D) the annual report includes disclosure in respect of any HK Bank Corporate Finance Transactions whose fees exceed HK\$1 million: (a) the occurrence and nature of the transaction, (b) the parties to the transaction, and (c) the date of the transaction;
- (E) the REIT Manager will confirm in the annual report that (A) above and the general conditions as set out in (II) above have been complied with in respect of the HK Bank Corporate Finance Transactions;
- (F) the annual report includes a statement by the Audit Committee that it has reviewed the terms of such transactions and is satisfied that they have been entered into:
 - (a) in the ordinary and usual course of business of Hui Xian REIT;

- (b) on normal commercial terms (to extent that there are sufficient comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and
 - (c) in accordance with the relevant agreement and the REIT Manager's internal procedures governing them on terms that are fair and reasonable and in the interests of the Unitholders as a whole;
- (G) underwriting or other related agreements are to be in respect of a particular transaction carried out at arm's length on normal commercial terms, the primary objective of which is the offering or distribution of securities to parties outside of the HK Bank Connected Persons Group;
- (H) the aggregate fees that the HK Bank Connected Persons Group generates from all "financial advisory transactions" and "corporate advisory transactions" conducted for Hui Xian REIT Group during the financial year shall be capped at 0.2% of the latest net asset value of Hui Xian REIT as disclosed in the latest published audited accounts of Hui Xian REIT. If the aggregate fees that the HK Bank Connected Persons Group generated from the financial advisory transactions and corporate advisory transactions during the financial year exceed the above cap, the requirements in respect of connected party transactions as set out in Chapter 8 of the REIT Code (including obtaining Unitholders' approval) will apply;
- (I) where a transaction involving the HK Bank Connected Persons Group is required to be announced pursuant to the provisions of the REIT Code and to which the waivers granted by the SFC in respect of connected party transactions do not apply, then disclosure of the role played by the HK Bank Connected Persons Group and the relevant terms of engagement shall be made in the relevant announcement in accordance with normal market practice and the requirements of the REIT Code; and
- (J) the auditors of Hui Xian REIT shall be engaged to perform certain agreed review procedures and report in the auditors' report to the REIT Manager (and a copy of such report shall be provided to the SFC) confirming that:
 - (a) the transactions have received the approval of the Board (including the independent non-executive Directors) and have followed the REIT Manager's internal procedures for such transactions;
 - (b) the transactions have been entered into and carried out in accordance with the terms of the agreements governing the transactions; and
 - (c) the aggregate fees that the HK Bank Connected Persons Group generates from all corporate advisory transactions and financial advisory transactions conducted for Hui Xian REIT during the relevant financial year do not exceed the cap as described above.

Further, for the avoidance of doubt, where by virtue of the nature of the transaction, other than the involvement of the HK Bank Connected Persons Group in its capacity as described above under the HK Bank Corporate Finance Transactions, an announcement has to be made pursuant to the REIT Code (and is not exempted by any waivers from announcements under the REIT Code granted by the SFC) such announcement shall disclose the role of the HK Bank Connected Persons Group and the relevant terms of engagement in accordance with the relevant provisions of the REIT Code.

Notwithstanding the foregoing, the SFC reserves the right to review or revise any of the terms and the conditions of any of the waivers if there is any subsequent change of circumstances that affects any of them. In the event of future amendments to the REIT Code imposing more stringent requirements than those applicable at the date of the waivers granted by the SFC on transactions of the kind to which the transactions belong (including, but not limited to, a requirement that such transaction be made conditional on approval by the independent Unitholders), the REIT Manager shall take immediate steps to ensure compliance with such requirements within a reasonable period of time.

Further information relating to the HK Bank CPTs

Reference is made to the announcements of Hui Xian REIT dated 10 November 2011 and 3 January 2012 in relation to a loan facility in the aggregate principal amount of HK\$1,200,000,000 granted by a group of banks including HK Bank (the “**Pre-Existing Facility**”). The Pre-Existing Facility was drawn down in full on 3 January 2012 and the relevant loan commitment of HK Bank thereunder was HK\$400,000,000. The loan drawn under the Pre-Existing Facility will be due for final maturity in early 2015.

At the time of entering into of the credit agreement in relation to the Pre-Existing Facility and the time of drawdown, HSBC was an independent third party and not a connected person of Hui Xian REIT within the meaning of the REIT Code. For the reasons set out in the announcement of Hui Xian REIT dated 11 November 2014, HK Bank became a connected person of Hui Xian REIT as a result of Noblecrown Investment Limited becoming a significant Unitholder of Hui Xian REIT in late April 2014. A summary disclosure of particulars of the Pre-Existing Facility will be made in the next published annual report of Hui Xian REIT.

Waiver in respect of direct employment arrangements of the Chongqing Company after Completion

Based on the Vendors’ representations, as at 30 September 2014, Chongqing Company employed a total of approximately 315 employees in the PRC handling administrative and property management functions and services in connection with the Chongqing Company and the Chongqing Property. It is intended that, prior to and/or after Completion, the Chongqing Company will separately directly employ a number of employees (currently expected to be not more than 50) for the purpose of performing certain legal, regulatory and commercial functions (the “**Core Function Employees**”) and no later than Completion will (as far as practicable) terminate the employment of all its existing employees. It is intended that the Chongqing Company will enter

into the Chongqing Property Manager Agreement with the Chongqing Property Manager to take effect upon Completion pursuant to which the Chongqing Property Manager will be appointed as the property manager in respect of the Chongqing Property and will provide business advisory and management services, marketing and lease management services and property management co-ordination services in respect of the Chongqing Property.

(a) The Core Function Employees

Certain obligations and functions of the Chongqing Company are required by the relevant PRC laws and regulations to be performed by the Chongqing Company. Those obligations and functions include legal and regulatory functions (for example, obtaining government approvals, handling and responding to government enquiries, regulatory compliance, executing legal documents and bringing or defending legal proceedings or other proceedings) as well as certain commercial functions (for example handling the Chongqing Company's bank accounts, remitting dividends to Target Company (which is offshore PRC) and selecting and appointing service providers) (collectively the “**Core Functions**”). The fact that the Chongqing Property Manager will be engaged to provide services to Chongqing Company pursuant to the Chongqing Property Manager Agreement will not relieve Chongqing Company from obligations to discharge the relevant obligations nor will it pass such obligations onto the Chongqing Property Manager.

If the Chongqing Company directly employs of the Core Function Employees (currently expected to be not more than 50) to perform the Core Functions instead of arranging the Chongqing Property Manager or appointing another service provider company as their employer, in the event that the appointment of the Chongqing Property Manager or other service provider is discontinued for whatever reason, the Chongqing Company will still have staff performing Core Functions thereby reducing the disruption to the day to day management of Chongqing Company.

In light of the above, it will be in the interests of the Chongqing Company to directly employ the Core Function Employees.

(b) The Remaining Employees

As mentioned in the Circular, the implementation of the employment termination arrangements with the Existing Employees may take time and may not be fully in place on the date of Completion. In such case, there may be a necessity for the Chongqing Company to continue to directly employ those employees whose labour contracts or employment relationship with the Chongqing Company have not been effectively terminated on or before the date of Completion (“**Remaining Employees**”) and who may remain for a period of time after Completion until their employment with the Chongqing Company has been effectively terminated (the “**Remaining Period**”).

Further, the above direct employment arrangement of Hui Xian REIT will not be materially prejudicial to Hui Xian REIT for the following reasons:

- (1) The REIT Manager does not expect that there will be any risks that the direct employees will cause significant liabilities or losses to the Hui Xian REIT. As mentioned above, the number of Core Function Employees is expected to be not more than 50. In addition, the Vendors undertook in the Sale and Purchase Agreement to procure that all labour contracts and employment relationship between the Chongqing Company and its employees be effectively terminated prior to the date of Completion. Accordingly, as at Completion, it is expected that the number of employees under direct employment of the Chongqing Company will be less than the current number of employees. Further, the REIT Manager will, after Completion, procure that the Chongqing Company uses its best efforts to terminate the labour contracts or the employer-employee relationship with the Remaining Employees. It is therefore expected that the number of Remaining Employees under the direct employment of Chongqing Company will decrease with the passage of time after Completion.
- (2) Even if an employer outside the Hui Xian REIT Group or the Chongqing Property Manager is engaged to employ the Core Function Employees and the Remaining Employees, the costs and liabilities in relation to their employment are expected to be passed to Hui Xian REIT. Additional costs and other potential liability may also arise as a result of the involvement of an outside employer. Thus, the proposed direct employment arrangement of Hui Xian REIT mentioned above would not result in any material adverse financial liability to Hui Xian REIT as compared with other arrangements involving (or relying more heavily on) outside employer companies.
- (3) The staff costs in respect of the Core Function Employees and the Remaining Employees should not have any material impact on the revenue of the Chongqing Company. As mentioned in (1) above, it is expected that the arrangements between Chongqing Company and the Chongqing Property Manager or the alternative employer company will provide to the effect that the Chongqing Company will reimburse the Chongqing Property Manager or the alternative employer company (as the case may be) of the salaries and employment expenses relating to such employees. Accordingly, the staff costs will continue to be borne by the Chongqing Company irrespective of the arrangement.

The Chongqing Company will as far as practicable terminate the employment of all employees of the Chongqing Company and the Chongqing Property Manager Agreement and the New Chongqing Property Management Agreement will all take effect on Completion, and accordingly most of the functions currently performed by employees of the Chongqing Company will have been outsourced to either the Chongqing Property Manager or the New Chongqing Property Management Company. The REIT Manager intends after Completion to continue to explore the possibility for some of the Core Functions (where practicable) to be outsourced or otherwise replaced by external service providers or agents. Further, the REIT Manager will, after Completion, procure that the Chongqing Company uses its best efforts to terminate the labour contracts or the employer-employee relationship with the Remaining Employees.

On the basis set out above, the REIT Manager has applied to the SFC for, and the SFC has granted, a waiver from strict compliance with the requirements under 7.5(c) of the REIT Code so as to allow the Chongqing Company to directly employ (i) the Core Function Employees after Completion; and (ii) the Remaining Employees during the Remaining Period, subject to the Completion and the condition that there shall not be any material change in the circumstances set out or represented to the SFC in the above waiver application and the Circular based on which the waiver is sought and granted.

Submission in relation to the number of layers of Special Purpose Vehicles

The expected holding structure of the Chongqing Property involves three layers of special purpose vehicles. Please refer to the section headed “(C) *Information in relation to the Chongqing Property and the Target Group – 3. Current and Expected Holding Structures*” of the Circular for further information of the expected holding structure of the Chongqing Property.

The REIT Manager has made a submission to the SFC regarding 7.5(d) of the REIT Code for the SFC’s permission of Hui Xian REIT’s holding of the Chongqing Property through three layers of Special Purpose Vehicles upon Completion, which has been allowed by the SFC, subject to the Completion and the condition that there will be no change to the maximum number of layers of special purpose vehicles used by Hui Xian REIT without further approval of the SFC.

By order of the Board
Hui Xian Asset Management Limited
滙賢房託管理有限公司
(as Manager of Hui Xian Real Estate Investment Trust)
Kam Hing Lam
Chairman of the REIT Manager

Hong Kong, 28 November 2014

As at the date of this announcement, the Directors of the REIT Manager are Mr. Kam Hing Lam (Chairman and non-executive Director); Mr. Cheung Ling Fung, Tom and Mr. Lee Chi Kin, Casey (executive Directors); Mr. Ip Tak Chuen, Edmond, Mr. Lim Hwee Chiang and Mr. Yin Ke (with Mr. Pang Shuen Wai, Nichols being his alternate director)(non-executive Directors); and Mr. Cheng Hoi Chuen, Vincent, Professor Lee Chack Fan and Dr. Choi Koon Shum, Jonathan (independent non-executive Directors).