



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



2015

Interim Report

HUI XIAN REIT

Hui Xian Real Estate Investment Trust (“Hui Xian REIT”) (Stock Code: 87001) is a real estate investment trust constituted by a deed of trust entered into on 1 April 2011 between Hui Xian (Cayman Islands) Limited, as settlor of Hui Xian REIT, Hui Xian Asset Management Limited, and DB Trustees (Hong Kong) Limited (“Trustee”) (as amended by three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively) (“Trust Deed”). Units of Hui Xian REIT were first listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 29 April 2011.

REIT MANAGER

Hui Xian REIT is managed by Hui Xian Asset Management Limited (the “Manager”), a company incorporated in Hong Kong for the sole purpose of managing Hui Xian REIT. The Manager is a direct wholly-owned subsidiary of World Deluxe Enterprises Limited, which in turn is ultimately owned as to 40% by CITIC Securities International Company Limited, 30% by Cheung Kong Property Holdings Limited and 30% by ARA Asset Management Limited.





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FINANCIAL HIGHLIGHTS

For the period from 1 January 2015 to 30 June 2015

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014	Percentage Change
Total Revenue (<i>RMB million</i>)	1,515	1,383	9.5%
Net Property Income (<i>RMB million</i>)	1,033	940	9.8%
Amount Available for Distribution (<i>RMB million</i>)	745	663	12.4%
Distributions to Unitholders (<i>RMB million</i>)	730	663	10.1%
Distribution per Unit (<i>RMB</i>)	0.1363	0.1271	7.2%
Payout Ratio	98%	100%	N/A
Annualised Distribution Yield	7.90%⁽¹⁾	7.65% ⁽²⁾	N/A

	As at 30 Jun 2015	As at 31 Dec 2014	Percentage Change
Gross Asset Value (<i>RMB million</i>)	46,525	42,228	10.2%
Net Asset Value Attributable to Unitholders (<i>RMB million</i>)	28,487	28,564	-0.3%
Net Asset Value per Unit (<i>RMB</i>)	5.3190	5.3919	-1.4%
Debts to Gross Asset Value	17.6%	9.2%	N/A

Notes:

- (1) Based on the closing price of the units of Hui Xian REIT ("Units") on 30 June 2015 and the annualised actual distribution amount for the period from 1 January 2015 to 30 June 2015.
- (2) Based on the closing price of the Units on 30 June 2014 and the annualised actual distribution amount for the period from 1 January 2014 to 30 June 2014.

CHAIRMAN'S STATEMENT

I am pleased to report the interim results of Hui Xian REIT for the six months ended 30 June 2015 ("Reporting Period"). The amount available for distribution for the Reporting Period increased 12.4% year-on-year to RMB745 million due to (i) 6.6% year-on-year organic growth from the existing leasing and hotel portfolio, and (ii) additional income of RMB38 million from the newly acquired Metropolitan Oriental Plaza from 2 March to 30 June 2015.

RESULTS AND DISTRIBUTION

Total revenue for the Reporting Period was RMB1,515 million, an increase of 9.5% year-on-year. Net property income ("NPI") was RMB1,033 million, an increase of 9.8% year-on-year.

Gross asset value amounted to RMB46,525 million, a 10.2% growth compared to that as at 31 December 2014. Net asset value attributable to unitholders was RMB28,487 million compared with RMB28,564 million as at 31 December 2014.

The amount available for distribution for the Reporting Period increased 12.4% year-on-year to RMB745 million due to the organic growth of the existing leasing and hotel portfolio, plus the new income stream generated from Metropolitan Oriental Plaza during the period March to June 2015.

The distributions to unitholders of Hui Xian REIT ("Unitholders") for the Reporting Period was RMB730 million and the payout ratio was 98%.

The distribution per unit ("DPU") for the Reporting Period was RMB0.1363, an increase of 7.2% year-on-year. This represented an annualised distribution yield of 7.90% based on the closing unit price of RMB3.48 on 30 June 2015.

MAJOR ACQUISITION COMPLETED

The acquisition of Metropolitan Plaza, Chongqing was completed on 2 March 2015 and the project has immediately contributed to Hui Xian REIT's revenue. Areas under Hui Xian REIT's management have now increased to over one million square metres across three cities in China.

CHAIRMAN'S STATEMENT

Strategically located in Chongqing's Jiefangbei Central Business District ("CBD"), this 164,000-square metre mixed-use project has been officially rebranded as "Metropolitan Oriental Plaza" and is the second project under Hui Xian REIT's "Oriental Plaza" brand.

BUSINESS ENVIRONMENT IN CHINA

China's gross domestic product ("GDP") expanded by 7.0% year-on-year in the first half of 2015. Industrial production and fixed asset investment rose by 6.3% and 11.4% respectively compared to a year earlier. Total retail sales of consumer goods reached RMB14.2 trillion, a year-on-year increase of 10.4%.

BUSINESS REVIEW

During the Reporting Period, total revenue and NPI of Hui Xian REIT's portfolio increased 9.5% and 9.8% respectively compared to the same period in 2014.

(I) Existing Leasing and Hotel Portfolio

The existing leasing portfolio covers Beijing Oriental Plaza's retail, office and serviced apartment businesses, and the existing hotel portfolio includes Grand Hyatt Beijing and Sofitel Shenyang Lido.

(A) Retail Portfolio

In the first half of 2015, Beijing's GDP grew 7.0% from a year earlier to RMB1.1 trillion. Disposable income per capita of the capital city's urban residents rose by 8.3% year-on-year.

During the first half of 2015, the capital city's retail sales grew 6.0% year-on-year to RMB479.6 billion. Retail sales of luxury goods had generally weakened in China compared to previous years, mainly reflecting the effect of the Central Government's policy of restriction on spending. Meanwhile, the emerging middle class throughout China also presents new opportunities to some affordable luxury and mass market brands. In addition, China has recently lowered import tariffs for selected consumer goods to boost domestic consumption. Quality retail space in prime locations and well-managed shopping malls are still in high demand.

Against this backdrop, The Malls at Beijing Oriental Plaza remains popular due to its excellent location attracting a high volume of traffic, as well as a well-balanced tenant mix. The retail portfolio's NPI was RMB482 million, an increase of 4.6% year-on-year. The average monthly passing rent was RMB1,191 per square metre, up by 9.3% year-on-year. Rental reversion was 12.8%; and the average occupancy rate was 95.7%.

(B) Office Portfolio

Business activities in Beijing remained stable in the first half of 2015 and leasing demand for quality offices was solid.

Offering over 300,000 square metres of Grade A office space, The Tower Offices at Beijing Oriental Plaza continued to enjoy steady rental growth and high occupancy rate during the Reporting Period.

The office portfolio's NPI was RMB409 million, an increase of 6.8% year-on-year. The average monthly passing rent was RMB267 per square metre, a year-on-year growth of 6.2%. The average monthly spot rent was RMB312 per square metre, up by 13.6% year-on-year. Rental reversion was 10.6%. The average occupancy rate was 96.3%.

(C) Serviced Apartment Portfolio

In Beijing, leasing demand for well-located luxury serviced apartments was steady during the first half of 2015.

The Tower Apartments at Beijing Oriental Plaza houses over 600 fully-furnished units over two blocks. The NPI of serviced apartment portfolio was RMB34 million, an increase of 11.1% year-on-year. The average occupancy rate was 92.2% compared to 84.5% a year ago.

(D) Hotel Portfolio

Hui Xian REIT's hotel portfolio includes two five-star hotels and they posted mixed performances during the Reporting Period. Sofitel Shenyang Lido's NPI is slightly higher than that of last year while Grand Hyatt Beijing's NPI recorded a year-on-year decline. The combined NPI for two hotels was RMB57 million, a drop of 13.9% year-on-year.

Given the continuous softening in market demand, Sofitel Shenyang Lido's average room rate per night dropped 5.4% year-on-year to RMB519. Nevertheless, the hotel was able to improve its average occupancy rate during the Reporting Period to 35.9% from 33.1% a year earlier. As a result, the revenue per available room ("RevPAR") slightly increased 2.5% year-on-year to RMB186.

The Beijing hotel market remained soft and the average occupancy rate of Grand Hyatt Beijing was flat at 55.5%, while the average room rate decreased by 3.6% year-on-year to RMB1,540. The RevPAR saw a year-on-year drop of 3.6% to RMB855.

In the first half of 2015, Grand Hyatt Beijing completed a room renovation programme. Each of the hotel's 825 rooms and suites, as well as the Club Lounge, have been refurbished with a new look and upgraded facilities.

(II) New Investment

Upon the completion of the acquisition on 2 March 2015, Metropolitan Oriental Plaza provided approximately four months of contribution during the Reporting Period. The NPI of Metropolitan Oriental Plaza during the period March to June 2015 was RMB51 million; performance is in line with management's expectation.

During the first half of 2015, Chongqing's GDP increased 11.0% year-on-year, 4.0 percentage points higher than the national average. The city's retail sales were up 11.8% from a year ago to RMB310.5 billion.

Metropolitan Oriental Plaza's mall has kick-started a massive rebranding campaign and has rolled out a series of thematic marketing events. The phased asset enhancement plan and a large-scale tenant mix optimisation programme have also commenced. The average occupancy rate was 85.0% and the average monthly passing rent was RMB264 per square metre.

The Chongqing office market was stable in the first half of 2015. From March to June 2015, the average monthly passing rent and monthly spot rent of Metropolitan Oriental Plaza's office tower were RMB124 per square metre and RMB140 per square metre respectively. The average occupancy rate was 96.4%.

STRONG FINANCIAL POSITION

Hui Xian REIT has continued to adopt a prudent financial management strategy throughout the Reporting Period. As at 30 June 2015, bank balances and cash on hand amounted to RMB5,426 million and debts amounted to RMB8,209 million. Debts to gross asset value ratio was 17.6%. Hui Xian REIT has sufficient financial capacity to capture new investment opportunities.

OUTLOOK

Metropolitan Oriental Plaza, which was acquired during the Reporting Period, had been successfully integrated into Hui Xian REIT's portfolio. We will escalate efforts to improve the mall's tenant mix and offerings, making it Chongqing's leading one-stop shopping and entertainment destination.

2015 marked the fifteenth anniversary of our flagship asset, Beijing Oriental Plaza. We will continue to drive organic growth through active asset management and enhancement, further strengthening Beijing Oriental Plaza's leading market position.

We will continue to proactively seek yield-accretive investment opportunities which can expand our portfolio scale and provide attractive long-term cash flows for the Unitholders.

CHAIRMAN'S STATEMENT

On behalf of the Manager, I would like to thank all the Unitholders and the Trustee for their continued support and commitment for Hui Xian REIT.

H L KAM

Chairman

Hui Xian Asset Management Limited

(as manager of Hui Xian Real Estate Investment Trust)

Hong Kong, 20 July 2015

MANAGEMENT DISCUSSION AND ANALYSIS

PORTFOLIO HIGHLIGHTS

Hui Xian REIT's portfolio spans across retail, office, serviced apartment and hotel businesses, including:

- (1) its investment in Hui Xian (B.V.I.) Limited, which in turn holds Hui Xian Investment Limited ("Hui Xian Investment"), the foreign joint venture partner of 北京東方廣場有限公司 (Beijing Oriental Plaza Company Limited[#]) ("BOP"), which is a sino-foreign cooperative joint venture established in the People's Republic of China ("PRC"). BOP holds the land use rights and building ownership rights of **Beijing Oriental Plaza**,
- (2) its investment in Chongqing Overseas Investment Limited, which holds Chongqing Investment Limited. Chongqing Investment Limited owns the entire interest in the Chongqing Metropolitan Oriental Plaza Co., Ltd[#] (重慶大都會東方廣場有限公司), which is the registered legal owner of the land use rights and building ownership rights of **Metropolitan Oriental Plaza** (formerly Metropolitan Plaza), and
- (3) its investment in Shenyang Investment (BVI) Limited ("Shenyang Investment BVI"), which in turns holds Shenyang Investment (Hong Kong) Limited ("Shenyang Investment HK"), the foreign joint venture partner of 瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd[#]) ("Shenyang Lido"). Shenyang Investment HK is entitled to 70% of the distributions of Shenyang Lido, which is a sino-foreign cooperative joint venture established in the PRC. Shenyang Lido holds the land use rights and building ownership rights in **Sofitel Shenyang Lido**.

The English name is shown for identification purpose only.

MANAGEMENT DISCUSSION AND ANALYSIS

Hui Xian REIT's portfolio:

Property	City	Sector	Gross Floor Area (sq m)
(1) Beijing Oriental Plaza	Beijing		
<i>The Malls</i>		Retail	130,195
<i>The Tower Offices</i>		Office	309,552
<i>The Tower Apartments</i>		Serviced Apartments	81,603
<i>Grand Hyatt Beijing</i>		Hotel	125,420
<i>Car parking spaces & other ancillary facilities</i>		Carpark (1,901 car parking spaces)	140,289
(2) Metropolitan Oriental Plaza	Chongqing		
<i>Mall and car parking spaces</i>		Retail (including 353 car parking spaces)	109,743
<i>Office</i>		Office	54,617
(3) Sofitel Shenyang Lido	Shenyang	Hotel	78,746
Total			1,030,165

OPERATIONS REVIEW

(I) Existing Leasing and Hotel Portfolio

The existing leasing portfolio includes retail, office and serviced apartment businesses of Beijing Oriental Plaza, and the hotel portfolio consists of Grand Hyatt Beijing and Sofitel Shenyang Lido. The combined NPI was RMB982 million.

(A) Retail Portfolio

Beijing's GDP in the first half of 2015 expanded 7.0% year-on-year to RMB1.1 trillion according to Beijing Municipal Bureau of Statistics. Disposable income per capita of Beijing's urban residents was up 8.3% year-on-year to RMB26,171.

Beijing's retail sales in the first half of 2015 registered a year-on-year growth of 6.0% to RMB479.6 billion. While some luxury brands continued to experience sales volatility in China mainly due to the Central Government's anti-extravagance campaign, the rapidly expanding middle class with increasing disposable income presents opportunities for retailers, especially the affordable luxury and mass market segments. China is in the process of shifting to a consumer-driven economy. Starting from 1 June 2015, China has lowered import tariffs for selected consumer goods. This policy adjustment is perceived as a move to further boost domestic spending and support the economy. These developments are positive to China's retail market, which help driving demand for quality retail space in prime locations.

The existing retail portfolio comprises The Malls at Beijing Oriental Plaza, a 3-level mall offering over 130,000 square metres of retail space. Leasing demand for The Malls was solid during the Reporting Period. The NPI of the retail portfolio increased 4.6% year-on-year to RMB482 million. The average occupancy rate of 95.7%. The average monthly passing rent was up 9.3% year-on-year to RMB1,191 per square metre. Rental reversion was 12.8%.

The Malls boasts a wide selection of goods and services, including fast and high fashion, fast food chains, casual and fine dining restaurants, watches and jewellery, showrooms, banks, personal care stores and a cinema.

The Malls regularly adjusts the tenant mix to keep up with the ever-changing retail landscape. During the Reporting Period, it welcomed a number of new brands, such as RIMOWA, TOMS, INNIU, d'zzit, La Fée Maraboutée and MARC O'POLO. A number of tenants upgraded their shops and some further expanded their existing stores; these included adidas, DKNY, DVF, DAZZLE, La Perla, Shanghai Tang and Paris Baguette.

Gross Revenue	RMB586 million, +4.7%YoY
Net Property Income	RMB482 million, +4.6%YoY
Average Occupancy Rate	95.7%
Average Monthly Passing Rent	RMB1,191 per square metre, +9.3%YoY
Average Monthly Spot Rent	RMB879 per square metre, -46.9%YoY

(B) Office Portfolio

Business activities in Beijing remained strong during the Reporting Period, driving the demand for prime offices. Limited supply in core areas also gave support to the leasing market.

The existing office portfolio consists of The Tower Offices at Beijing Oriental Plaza, which comprises eight Grade A office blocks offering a total of over 300,000 square metres. The NPI was RMB409 million, representing an increase of 6.8% year-on-year.

The Tower Offices has a solid and a well-diversified tenant base, comprising companies from the finance and banking, accounting, high technology, law, media and advertising, consumer products, education sectors, as well as government-related organisations.

During the Reporting Period, leasing demand for The Tower Offices remained firm. The average occupancy rate was 96.3%. The average monthly passing rent was RMB267 per square metre, an increase of 6.2% year-on-year. The average monthly spot rent was RMB312 per square metre, up by 13.6% over the same period last year. Rental reversion was 10.6%.

Office tenants responded positively to newly-installed PM2.5 air-purification systems, which help improve the indoor air quality.

Gross Revenue	RMB536 million, +6.8%YoY
Net Property Income	RMB409 million, +6.8%YoY
Average Occupancy Rate	96.3%
Average Monthly Passing Rent	RMB267 per square metre, +6.2%YoY
Average Monthly Spot Rent	RMB312 per square metre, +13.6%YoY

(C) Serviced Apartment Portfolio

During the Reporting Period, Beijing's high-end serviced apartment leasing market remained stable. Tightened housing budgets from multinational companies for expatriates and ongoing air quality concern continued to put downward pressure on rentals and occupancy rates.

The existing serviced apartment portfolio includes The Tower Apartments at Beijing Oriental Plaza, which houses over 600 fully-furnished units in two blocks. The NPI was up 11.1% year-on-year to RMB34 million. The average occupancy rate in the first half of 2015 surged to 92.2% from 84.5% a year earlier.

Gross Revenue	RMB68 million, +5.8%YoY
Net Property Income	RMB34 million, +11.1%YoY
Average Occupancy Rate	92.2%

(D) Hotel portfolio

China's hospitality industry continued to face challenges in the first half of 2015, primarily due to the Central Government's ongoing policy of restriction on luxury spending. Competition amongst luxury hotels remained intense.

The existing hotel portfolio covers two five-star hotels: (i) Grand Hyatt Beijing at Beijing Oriental Plaza; and (ii) Sofitel Shenyang Lido. The NPI of the two hotels combined was down by 13.9% year-on-year to RMB57 million.

Grand Hyatt Beijing, Beijing

Beijing saw its tourist numbers slightly dropped 0.7% year-on-year to 2 million during the first half of 2015 according to Beijing Municipal Bureau of Statistics.

The number of conferences and corporate events held at Grand Hyatt Beijing in the first half of 2015 has increased compared to the same period last year. However, corporations were very price-sensitive and conservative on the travelling budget. As a result, the scale of the events held was smaller and the number of rooms take-up lower.

MANAGEMENT DISCUSSION AND ANALYSIS

Grand Hyatt Beijing's average occupancy rate was 55.5%, same as last year. The average room rate per night was RMB1,540, a year-on-year decrease of 3.6%. RevPAR was RMB855, down by 3.6% year-on-year.

The asset enhancement programme for the rooms was completed in the first half of 2015. The renovated rooms, with new design and upgraded amenities, have been well-received by the hotel guests.

Sofitel Shenyang Lido, Shenyang

The Central Government's ongoing anti-extravagance policy and an abundant supply of new high-end hotels continued to impact both the hotels' occupancy levels and room rates.

Sofitel Shenyang Lido's average room rate per night decreased 5.4% year-on-year to RMB519. RevPAR was slightly up by 2.5% year-on-year to RMB186 and the average occupancy rate improved to 35.9%. The hotel has been launching aggressive sales activities while containing operating costs.

Gross Revenue	RMB246 million, -4.5%YoY
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Net Property Income	RMB57 million, -13.9%YoY
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Grand Hyatt Beijing

- Average Occupancy Rate 55.5%
- Average room rate per night RMB1,540, -3.6%YoY
- RevPAR RMB855, -3.6%YoY

Sofitel Shenyang Lido

- Average Occupancy Rate 35.9%
 - Average room rate per night RMB519, -5.4%YoY
 - RevPAR RMB186, +2.5%YoY
-

(II) New Investment – Metropolitan Oriental Plaza, Chongqing

Metropolitan Plaza, a mixed-use property project in Chongqing, has been added to Hui Xian REIT's portfolio on 2 March 2015, subsequent to the takeover, was renamed "Metropolitan Oriental Plaza". Strategically located at Jiefangbei — Chongqing's CBD, tourist destination and retail hub — the development encompasses a mall and an office building. The project's NPI was RMB51 million during the period 2 March to 30 June 2015.

Chongqing is one of the four direct-controlled municipalities which reports directly to the Government. As one of China's fastest growing economies, Chongqing's GDP in the first half of 2015 increased 11.0% year-on-year, higher than the national average of 7.0%. Retail sales during the first half of 2015 were up by 11.8% year-on-year to RMB310.5 billion.

The shopping mall of Metropolitan Oriental Plaza is one of the most established and popular shopping destinations in Chongqing. It offers a diverse mix of retail, dining and entertainment options, including a cinema and the city's first ice-skating rink. The first major thematic campaign — "Metropolitan Oriental Plaza, Pride of Chongqing" was officially launched in June 2015, with an objective to boost the mall's retail sales and traffic flow. A large-scale tenant mix optimisation programme and an asset enhancement plan have commenced to upgrade the mall's retail offerings as well as physical environment. The average occupancy rate was 85.0% and the average monthly passing rent was RMB264 per square metre.

The office tower at Metropolitan Oriental Plaza is one of the few Grade A office buildings in Chongqing that has single asset title ownership. We believe that single asset title ownership is a key competitive advantage as it allows for efficient and high quality building management and maintenance.

From March to June 2015, the average occupancy rate stood at 96.4%. Tenants include consulates and multinational corporations of different industries such as retail, insurance and financial services, electronics and healthcare. Amongst the tenants are the British Consulate-General and the Canadian Consulate General, PricewaterhouseCoopers, KPMG, Siemens, Deutsche Bank, HSBC, Dragonair, 3M

MANAGEMENT DISCUSSION AND ANALYSIS

and Johnson & Johnson Medical Companies. The average monthly passing rent and the average monthly spot rent were RMB124 per square metre and RMB140 per square metre respectively.

From 2 March to 30 June 2015

Gross Revenue	RMB79 million
Net Property Income	RMB51 million
<i>Mall</i>	
• Average Occupancy Rate	85.0%
• Average Monthly Passing Rent	RMB264 per square metre
<i>Office</i>	
• Average Occupancy Rate	96.4%
• Average Monthly Passing Rent	RMB124 per square metre
• Average Monthly Spot Rent	RMB140 per square metre

FINANCIAL REVIEW

Net Property Income

The net property income was RMB1,033 million for the six months ended 30 June 2015.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB730 million (“2015 Interim Distribution”) to Unitholders for the six months ended 30 June 2015. The 2015 Interim Distribution represents 98% of Hui Xian REIT’s total amount available for distribution during the period from 1 January 2015 to 30 June 2015 and will be paid in RMB. The distribution amount includes certain profit elements in the capital nature of Hui Xian REIT. The amount of capital nature items is RMB135 million.

Distribution per Unit

The DPU for the period from 1 January 2015 to 30 June 2015 is RMB0.1363 based on the number of outstanding Units on 30 June 2015. This represents an annualised distribution yield of 7.90% based on the closing unit price of RMB3.48 on 30 June 2015.

Closure of Register of Unitholders

The record date for the 2015 Interim Distribution will be 7 August 2015, Friday (“Record Date”). The Register of Unitholders will be closed from 5 August 2015, Wednesday to 7 August 2015, Friday, both days inclusive, during which period no transfer of Units will be registered. The interim distribution is expected to be payable on 24 September 2015, Thursday to Unitholders whose names appear on the Register of Unitholders on the Record Date.

Subject to obtaining authorisation from the Securities and Futures Commission of Hong Kong (“SFC”), a distribution reinvestment arrangement will be made available to Unitholders under which eligible Unitholders will be entitled to have a scrip distribution in lieu of a cash distribution. Eligible Unitholders can elect to receive their distribution in the form of cash, in the form of new Units of Hui Xian REIT (subject to any fractional entitlement being disregarded), or a combination of both.

In order to qualify for the 2015 Interim Distribution, all properly completed transfer forms (accompanied by the relevant Unit certificates) must be lodged for registration with Hui Xian REIT’s Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 4 August 2015, Tuesday.

Debt Positions

In January 2015, Hui Xian Investment Limited (“Hui Xian Investment”) drew down an unsecured 3-year term loan of HK\$1,200 million offered by Bank of China (Hong Kong) Limited, DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to refinance the credit facility granted by the same lenders in December 2011.

In March 2015, Hui Xian Investment drew down a new unsecured 3-year term loan of HK\$5,000 million offered by Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to finance the general corporate funding needs of the Hui Xian REIT group.

MANAGEMENT DISCUSSION AND ANALYSIS

In May 2015, Hui Xian Investment accepted and agreed a revolving credit facility of RMB1,300 million offered by Hui Xian Holdings Limited (“Hui Xian Holdings”). The facility is on substantially the same terms and conditions of a revolving credit facility with Hui Xian Holdings expired in October 2014. As at 30 June 2015, the outstanding loan drew down by Hui Xian Investment under the revolving credit facility was fully repaid.

In June 2015, Hui Xian Investment drew down a new unsecured 5-year term loan of HK\$600 million offered by Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch. The purpose of the facility was to finance the general working capital requirement of the Hui Xian REIT group.

All facilities under Hui Xian REIT are unsecured and unsubordinated and rank pari passu with all other unsecured and unsubordinated obligations of Hui Xian Investment.

As at 30 June 2015, Hui Xian REIT’s total debts amounted to RMB8,209 million (31 December 2014: RMB3,867 million). Based on Hui Xian REIT’s net assets attributable to Unitholders of RMB28,487 million as at 30 June 2015 (31 December 2014: RMB28,564 million), Hui Xian REIT’s debts to net asset value ratio stood at 28.8% (31 December 2014: 13.5%). Meanwhile, the debts to gross asset value ratio was 17.6% as at 30 June 2015 (31 December 2014: 9.2%).

Bank Balances and Asset Positions

As at 30 June 2015, Hui Xian REIT’s bank balances and cash amounted to RMB5,426 million (31 December 2014: RMB4,795 million). The bank balances and cash are mainly denominated in RMB. No currency hedge was employed.

Hui Xian REIT is indirectly interested in a 130,195 square metre shopping mall, eight blocks of Grade A office, two blocks of serviced apartments towers and an 825-room 5-star hotel in a 787,059 square metre building complex at 1 East Chang’an Avenue, Beijing, PRC which are collectively named as Beijing Oriental Plaza. Hui Xian REIT’s interests in Beijing Oriental Plaza are held through its special purpose vehicle, Hui Xian Investment, which is the foreign joint venture partner of BOP. BOP holds the land use rights and building ownership rights of Beijing Oriental Plaza.

Knight Frank Petty Limited (“Knight Frank”) valued the eight blocks of office towers, the shopping mall and car parking spaces at RMB30,430 million as at 30 June 2015 (31 December 2014: RMB30,760 million), translating into a decrease of 1.1% over the valuation as of 31 December 2014. Together with the hotel and serviced apartment premises, gross property value of BOP was RMB35,954 million as at 30 June 2015, as compared to RMB36,366 million as at 31 December 2014.

Hui Xian REIT also indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of Sofitel Shenyang Lido. Standing on the famous Qingnian Street, Sofitel Shenyang Lido with 30-storey 78,746 square metre is located in the heart of the newly established Central Business District in southern Shenyang.

Knight Frank valued the hotel premises of Shenyang Lido at RMB930 million as at 31 December 2014. Gross property value of hotel premises as at 30 June 2015 was RMB869 million (31 December 2014: RMB903 million).

On 2 March 2015, Hui Xian REIT completed its acquisition of all issued shares of Chongqing Investment Limited (formerly known as Chesgold Limited), which in turn indirectly owns the entire interest of Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping mall and a Grade A office building. Metropolitan Oriental Plaza is located at the Jiefangbei, Yuzhong District, Chongqing, which is a well-established central business district.

As at 30 June 2015, the shopping mall and office building are valued by Knight Frank at RMB4,104 million. Gross property value of the properties was RMB4,104 million.

Net Assets Attributable to Unitholders

As at 30 June 2015, net assets attributable to Unitholders amounted to RMB28,487 million (31 December 2014: RMB28,564 million) or RMB5.3190 per Unit, representing a 52.8% premium to the closing unit price of RMB3.48 on 30 June 2015 (31 December 2014: RMB5.3919 per Unit, representing a 54.9% premium to the closing unit price of RMB3.48 on 31 December 2014).

Pledge of Assets

Hui Xian REIT does not pledge its properties to any financial institutions or banks. The Trustee (as trustee of Hui Xian REIT) and certain special purpose vehicles of Hui Xian REIT provide guarantees for the credit facilities of the Group.

Commitments

As at 30 June 2015, except for capital commitment in respect of the asset enhancement programme for the hotels, Hui Xian REIT did not have any significant commitments.

Employees

As at 30 June 2015, Hui Xian REIT, by its subsidiaries and branches, employed a total of approximately 740 employees in the PRC, of which approximately 710 employees performed hotel operation functions and services, and approximately 30 employees handled legal, regulatory and other administrative matters and carried out and provided commercial functions and services, including leasing and some other property management functions and services, other than the hotel operation functions and services.

Save as disclosed above, Hui Xian REIT is managed by the Manager and did not directly employ any staff as at 30 June 2015.

CORPORATE GOVERNANCE

The Manager was established for the purpose of managing Hui Xian REIT. The Manager is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Manager emphasise a quality board of directors, sound internal control, transparency and accountability to all Unitholders. The Manager has adopted a compliance manual which sets out the key processes, systems and measures applied by the Manager in order to comply with the Trust Deed, the REIT Code and other applicable legislation, rules and regulations. The compliance manual also contains a corporate governance policy which regulates, among others, the activities of the board of directors of the Manager.

Throughout the six months ended 30 June 2015, both the Manager and Hui Xian REIT have in material terms complied with the provisions of the compliance manual, the corporate governance policy, the Trust Deed, the REIT Code and applicable provisions of the SFO and the Listing Rules.

Authorisation Structure

Hui Xian REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager is licensed by the SFC under Section 116 of the SFO to conduct the regulated activity of asset management. As at the date of this report, Mr. CHEUNG Ling Fung, Tom (chief executive officer and executive director of the Manager), Mr. LEE Chi Kin, Casey (executive director of the Manager), Ms. LAI Wai Yin, Agnes (chief financial officer of the Manager), Mr. CHING Sung, Eric (deputy chief investment officer of the Manager) and Ms. TANG Hiu Tung, Daisy (senior corporate finance and corporate development manager of the Manager) are the responsible officers of the Manager as required by section 125 of the SFO and 5.4 of the REIT Code.

The Trustee, DB Trustees (Hong Kong) Limited, is registered as a trust company under Section 77 of the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong). It is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

Roles of the Trustee and the Manager

The Trustee and the Manager are independent of each other. The Trustee is primarily responsible under the Trust Deed for the safe custody of the assets of Hui Xian REIT and holds the assets in trust for the benefit of the Unitholders.

The Manager's role under the Trust Deed is to manage Hui Xian REIT and its assets in accordance with the Trust Deed in the sole interest of Unitholders and to fulfil the duties imposed on it under general law as manager of Hui Xian REIT and, in particular, to ensure that the financial and economic aspects of Hui Xian REIT are professionally managed in the sole interests of Unitholders.

The Trust Deed was further amended pursuant to special resolutions passed at the extraordinary general meeting of Unitholders held on 11 May 2015. Further details of the amendments are set out in the announcement and circular both dated 1 April 2015 published by the Manager.

Board of Directors of the Manager

The board of directors of the Manager currently comprises nine members (one of whom has appointed an alternate), three of whom are independent non-executive directors ("INEDs").

The Board is responsible for corporate governance and the overall management of the Manager. It establishes goals for the management and monitors the achievement of these goals. The Board is also responsible for the strategic business direction and risk management of Hui Xian REIT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of directors. The Board has established a framework for the management of the Manager and Hui Xian REIT, including a system of internal control and a business risk management process.

The directors of the Manager in the six months ended 30 June 2015 were Mr. KAM Hing Lam (chairman and non-executive director); Mr. CHEUNG Ling Fung, Tom; Mr. LEE Chi Kin, Casey (executive directors); Mr. IP Tak Chuen, Edmond, Mr. LIM Hwee Chiang; Mr. YIN Ke (with Mr. PANG Shuen Wai, Nichols as Mr. YIN's alternate) (non-executive directors) and Mr. CHENG Hoi Chuen, Vincent, Professor LEE Chack Fan and Dr. CHOI Koon Shum, Jonathan (INEDs).

There were no changes to the composition of the Board or any of its committees in the six months ended 30 June 2015.

Board Committees

The Manager has established the following Board committees:

- (1) Audit Committee, whose role is to monitor and evaluate the effectiveness of the Manager's internal control. It also reviews the quality and reliability of information prepared for inclusion in financial reports and is responsible for the nomination of external auditors and internal auditors, reviewing the adequacy of existing audits in respect of cost, scope and performance, in respect of both the Manager and Hui Xian REIT and its special purpose vehicles;
- (2) Disclosures Committee, which is responsible for reviewing matters relating to the disclosure of information to Unitholders and public announcements; and
- (3) Designated (Finance) Committee, which is responsible for reviewing matters relating to hedging strategies, financing and re-financing arrangements, and transactions involving derivative instruments for hedging purposes.

Conflicts of Interests

All conflicts of interests are managed by the Board in accordance with the articles of association of the Manager and applicable laws, rules and regulations. In general, the Manager ensures that all conflicts of interests relating to Hui Xian REIT are either managed or avoided. The Manager has established the following measures to deal with conflicts of interests issues:

- (1) unless with the approval from the SFC, the Manager does not manage any REIT other than Hui Xian REIT nor does it manage any real estate assets other than those in which Hui Xian REIT has an ownership interest or investment;
- (2) the Manager has established internal control systems to ensure that connected party transactions between Hui Xian REIT and its connected persons are monitored and undertaken according to procedures and/or on terms in compliance with the REIT Code (or where applicable, in compliance with the waiver conditions imposed by the SFC) and that other potential conflicts of interest situation that may arise are monitored;
- (3) all conflicts of interests are required to be managed by the full Board, including the INEDs; and
- (4) any director of the Manager who has a material interest in a matter which is the subject of a resolution proposed at a board meeting of the Manager is required to abstain from voting on the resolution concerned and not to be counted in the quorum at the board meeting at which such resolution is proposed.

Review of the Interim Report

The interim results of Hui Xian REIT for the six months ended 30 June 2015 have been reviewed by the Audit Committee and the interim report has been reviewed by the Disclosures Committee of the Manager in accordance with their respective terms of reference. Hui Xian REIT's condensed consolidated financial statements for the six months ended 30 June 2015 have not been audited but have been reviewed by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, Hui Xian REIT's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Code governing dealings in Units by Directors, or the Manager and interests of the significant holders of Units

The Manager has adopted a Code Governing Dealings in Units by the Directors or the Manager (the "Units Dealing Code") which governs dealings in the Units by the Directors, the Manager as well as certain senior executives, officers or employees of the Manager, subsidiaries of the Manager or the special purpose vehicles of Hui Xian REIT ("Management Persons").

Specific enquiry having been made with each of the Directors, the Manager and the Management Persons, all of them confirmed that they have complied with the required standard set out in the Units Dealing Code in the six months ended 30 June 2015.

Changes in Information of Directors

Mr. KAM Hing Lam was appointed as Executive Director of Cheung Kong Property Holdings Limited ("Cheung Kong Property") with effect from 26 February 2015. He was also appointed as Deputy Managing Director and Member of Executive Committee of Cheung Kong Property with effect from 26 February 2015 and 3 June 2015 respectively. Cheung Kong Property has been listed on the main board of the Hong Kong Stock Exchange since 3 June 2015.

CORPORATE GOVERNANCE

He was appointed as Executive Director of CK Hutchison Holdings Limited (“CK Hutchison”) with effect from 9 January 2015. He was also appointed as Deputy Managing Director of CK Hutchison (with effect from 9 January 2015) and Member of Executive Committee (for the period from 26 February 2015 to 3 June 2015) of CK Hutchison, which has been listed on the main board of the Hong Kong Stock Exchange since 18 March 2015.

He was re-designated as Director and ceased to be Member of the Executive Committee of Cheung Kong (Holdings) Limited, both with effect from 3 June 2015, whose listing status was replaced by CK Hutchison on 18 March 2015.

With effect from 8 June 2015, he was re-designated as a Director of Hutchison Whampoa Limited, which was delisted from the main board of the Hong Kong Stock Exchange on 3 June 2015.

Mr. IP Tak Chuen, Edmond was appointed as Director of Cheung Kong Property with effect from 5 January 2015 and was re-designated as Executive Director with effect from 26 February 2015. He was also appointed as Deputy Managing Director and Member of Executive Committee of Cheung Kong Property with effect from 26 February 2015 and 3 June 2015 respectively. Cheung Kong Property has been listed on the main board of the Hong Kong Stock Exchange since 3 June 2015.

He was appointed as Director of CK Hutchison with effect from 11 December 2014 and was re-designated as Executive Director with effect from 9 January 2015. He was also appointed as Deputy Managing Director of CK Hutchison (with effect from 9 January 2015) and Member of Executive Committee (for the period from 26 February 2015 to 3 June 2015) of CK Hutchison, which has been listed on the main board of the Hong Kong Stock Exchange since 18 March 2015.

He was re-designated as Director and ceased to be Member of the Executive Committee of Cheung Kong (Holdings) Limited, both with effect from 3 June 2015, whose listing status was replaced by CK Hutchison on 18 March 2015.

In addition, Mr. IP resigned as Non-executive Director of ARA Asset Management (Fortune) Limited as a manager of Fortune Real Estate Investment Trust (listed in Hong Kong and Singapore) with effect from 1 June 2015 and resigned as Non-executive Director of AVIC International Holding (HK) Limited with effect from 23 June 2015.

Mr. YIN Ke ceased to be the Chairman of CITIC Securities International Company Limited with effect from 19 December 2014 but remains as the Chief Executive Officer and Executive Director of that company. He was appointed as an external director of Shandong Heavy Industry Group with effect from 10 May 2015. He was appointed as a Member of the SFC Advisory Committee with effect from 1 June 2015.

Mr CHENG Hoi Chuen, Vincent has been appointed as Independent Non-executive Director and member of both the Audit Committee and the Remuneration Committee of CK Hutchison.

Professor LEE Chack Fan was appointed as the Chancellor of the Chu Hai College of Higher Education on 1 July 2015.

Professor LEE retired as the Director of School of Professional and Continuing Education, the University of Hong Kong with effect from 30 June 2015. He also ceased to be a member of Board of the West Kowloon Cultural District Authority.

Dr. CHOI Koon Shum, Jonathan has been appointed as Honorary Ambassador of Foreign Investment Promotion for Korea by Korean Government and Hong Kong, China's representative of APEC Business Advisory Council by the Chief Executive of HKSAR respectively. He was conferred "Friendship Order" by Vietnam Government.

New Units Issued

In the six months ended 30 June 2015, (i) 11,268,011 new Units were issued to the Manager as payment of acquisition fee for acquisition of Metropolitan Oriental Plaza; (ii) 17,605,343 new Units were issued to the Manager as payment of part of the Manager's fees; and (iii) 29,222,017 new Units were issued to Unitholders pursuant to the distribution reinvestment arrangement in respect of the final distribution for the period from 1 July 2014 to 31 December 2014.

The total number of Units in issue as at 30 June 2015 was 5,355,686,880 Units.

Buy-Back, Sale or Redemption of Units

There was no buy-back, sale or redemption of the Units of Hui Xian REIT by the Manager on behalf of Hui Xian REIT or any of the special purpose vehicles that are owned and controlled by Hui Xian REIT in the six months ended 30 June 2015.

Public Float of the Units

As far as the Manager is aware, more than 25% of the issued and outstanding Units of Hui Xian REIT were held in public hands as at 30 June 2015.

CONNECTED PARTY TRANSACTIONS

Waivers from Strict Compliance with Certain Requirements under the REIT Code

At the time of authorisation of Hui Xian REIT under section 104 of the SFO in April 2011 and subsequently, waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions involving Hui Xian REIT (the "Waivers") were granted by the SFC. Some of the Waivers were subsequently modified and/or extended, with the approval of Unitholders where required. The terms and conditions pursuant to which the Waivers were granted were disclosed in the 2011 Interim Report of Hui Xian REIT and the announcements dated 10 November 2011, 22 May 2012, 7 May 2013, 5 May 2014, 28 November 2014, 15 May 2015 and 3 June 2015 and published by the Manager for Hui Xian REIT.

Throughout the six months ended 30 June 2015, Hui Xian REIT has complied with the relevant terms and conditions of the Waivers.

Connected Party Transactions

Set out below is a summary of the information in respect of the connected party transactions entered into in the six months ended 30 June 2015, other than those transactions that are exempted from disclosure and/or excluded pursuant to the waivers granted by the SFC.

CONNECTED PARTY TRANSACTIONS

Connected Party Transactions – Income

The following table sets out information on connected party transactions from which Hui Xian REIT derived its income in the six months ended 30 June 2015:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2015 <i>RMB'000</i>
北京屈臣氏個人用品連鎖商店有限公司 (Beijing Watson's Personal Care Stores Co., Limited*)	Associated company of a significant holder ¹	Leasing and licensing	2,002
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	Associated company of a significant holder ¹	Leasing and licensing	742
和記環球電訊(廣東)有限公司 (Hutchison Global Communications (Guangdong) Limited*)	Associated company of a significant holder ¹	Leasing and licensing	349
北京網聯無限技術發展有限公司 (Beijing Net-Infinity Technology Development Co., Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	7,745

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2015 RMB'000
Cheung Kong (Holdings) Limited Beijing Office	Associated company of a significant holder ¹	Leasing and licensing	42
長實(中國)投資有限公司 (CKH (China) Investment Co., Limited*)	Associated company of a significant holder ¹	Leasing and licensing	42
和記黃埔地產(重慶兩江新區)有限公司 (Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited*)	Associated company of a significant holder ¹	Leasing and licensing	179
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan) Limited*)	Associated company of a significant holder ¹	Leasing and licensing	848
和記黃埔地產(重慶經開園)有限公司 (Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited*)	Associated company of a significant holder ¹	Leasing and licensing	98

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2015 RMB'000
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	642
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	294
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	823
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	907

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2015 RMB'000
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	29
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Leasing and licensing	147
李嘉誠基金會(香港)北京辦事處 (Li Ka Shing Foundation (Hong Kong) Beijing Office*)	Associate of a director of a significant holder	Leasing and licensing	1,148
Bank of China Limited	Associated company of a significant holder ¹	Leasing and licensing	13,270
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	Subsidiary of the Manager	Leasing and licensing	203
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Public utility charges ²	2,494

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2015 <i>RMB'000</i>
Bank of China Limited	Associated company of a significant holder ¹	Interest income	6,343
Bank of China (Hong Kong) Limited	Associated company of a significant holder ¹	Interest income	8,842
Total			47,189

Notes:

- 1 Significant holder being Hui Xian Cayman.
- 2 The relevant public utility charges have been reimbursed by Harbour Plaza Chongqing Co. Ltd. at cost.

The terms "associated company", "controlling entity", "holding company" and "significant holder" have the same meanings as they are defined under the REIT Code and SFO.

- * The English name is shown for identification purpose only.

Connected Party Transactions – Expenses

The following table sets out information on connected party transactions in which Hui Xian REIT incurred its expenses in the six months ended 30 June 2015:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for the six months ended 30 June 2015 RMB'000
北京港基世紀物業 管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	Associated company of a significant holder ¹	Property management fee	6,209
北京高衛世紀物業 管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	Associated company of a significant holder ¹	Property management fee	8,097
家利物業管理(深圳) 有限公司 (Cayley Property Management (Shenzhen) Ltd.*)	Associated company of a significant holder ¹	Property management fee	8,604
廣州屈臣氏食品飲料 有限公司北京飲料 分公司 (Guangzhou Watson's Food & Beverages Company Limited Beijing Beverages Branch*)	Associated company of a significant holder ¹	Beverages	230

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for the six months ended 30 June 2015 RMB'000
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	Associated company of a significant holder ¹	Beverages	1
上海和黃白猫有限公司 (Shanghai Hutchison Whitecat Company Limited)*	Associated company of a significant holder ¹	Cleaning supplies	338
Hutchison Hotel Hong Kong Limited	Associated company of a significant holder ¹	Hotel services	71
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Hotel services	45
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Leasing expenses	169
和記黃埔地產管理有限公司 重慶分公司 (Hutchison Whampoa Property Management Ltd Chongqing Branch*)	Associated company of a significant holder ¹	Transitional administrative service fee	765

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for the six months ended 30 June 2015 RMB'000
和記黃埔企業有限公司 (Hutchison Whampoa Enterprises Limited*)	Associated company of a significant holder ¹	Trademark license fee ²	-
中銀保險有限公司 北京分公司 (Bank of China Insurance Co., Ltd. Beijing Branch*)	Associated company of a significant holder ¹	Insurance expense	221
中國人壽財產保險股份有限公司北京市分公司 (China Life Property and Casualty Insurance Company Limited Beijing Branch*)	Associated company of a significant holder ¹	Insurance expense	772
中國人壽財產保險股份有限公司重慶市分公司 (China Life Property and Casualty Insurance Company Limited Chongqing Branch*)	Associated company of a significant holder ¹	Insurance expense	78
Bank of China (Hong Kong) Limited	Associated company of a significant holder ¹	Interest expense	13,771

CONNECTED PARTY TRANSACTIONS

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for the six months ended 30 June 2015 <i>RMB'000</i>
The Hongkong and Shanghai Banking Corporation Limited	Associate of a director of a significant holder	Interest expense	7,295
Hui Xian Holdings Limited	Holding company of a significant holder ¹	Interest expense	2,111
Bank of China (Hong Kong) Limited	Associated company of a significant holder ¹	Loan commitment and agency fee	229
The Hongkong and Shanghai Banking Corporation Limited	Associate of a director of a significant holder	Loan commitment and agency fee	63
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	Subsidiary of the Manager	Property Manager's fee	22,767
Total			71,836

Notes:

1 Significant holder being Hui Xian Cayman.

2 The relevant trademarks are licensed by Hutchison Whampoa Enterprises Limited to 重慶大都會東方廣場有限公司 (Chongqing Metropolitan Oriental Plaza Co., Ltd.*) at no cost.

* The English name is shown for identification purpose only.

Terms and Remuneration of Services provided by the Manager, the Trustee and the Principal Valuer

Pursuant to note 2 to 8.10 of the REIT Code, services provided by the Manager, the Trustee and the principal valuer to Hui Xian REIT as contemplated under the constitutive documents of Hui Xian REIT shall not be deemed connected party transactions. Such services are therefore not disclosed in the above sections. The aggregate amount of fees (in cash and/or units) payable by Hui Xian REIT to the Trustee and to the Manager under the Trust Deed for the six months ended 30 June 2015 were RMB2,066,000 and RMB120,520,000 respectively. Particulars of the services provided by the Trustee and the Manager are set out in notes 1(b) and 1(c) respectively to the Condensed Consolidated Financial Statements of Hui Xian REIT for the six months ended 30 June 2015 on pages 57 to 59 of this Interim Report. For the six months ended 30 June 2015, the valuation fee and technical due diligence fee payable to the principal valuer of Hui Xian REIT were RMB138,000 and RMB14,000 respectively.

DISCLOSURE OF INTERESTS

Interests of Connected Persons

As at 30 June 2015, each of the following persons was a connected person of Hui Xian REIT under the REIT Code and, so far as the Manager is aware, held or was interested in the units of Hui Xian REIT ("Units") as follows:

Name	As at 30 June 2015		As at 31 December 2014
	No. of Units held	Percentage of Units held ¹	No. of Units held
Hui Xian (Cayman Islands) Limited ²	1,125,000,000	21.01%	1,500,000,000
Other Subsidiaries of Cheung Kong Property Holdings Limited ³	1,152,650,598	21.52%	949,572,371
Subsidiary of Bank of China Limited ⁴	86,689,500	1.62%	12,627,000
Subsidiaries of China Life Insurance (Group) Company ⁵	643,218,500	12.01%	569,156,000
Subsidiary of Orient Overseas (International) Limited ⁶	148,125,000	2.77%	118,500,000
The Hongkong and Shanghai Banking Corporation Limited	236	0.00%	30,248,209
Subsidiary of CITIC Securities International Company Limited ⁷	8,000,000	0.15%	6,000,000
Subsidiary of ARA Asset Management Limited ⁸	11,304,889	0.21%	9,804,889

Notes:

The terms associate, associated company, connected person, controlling entity and significant holder are as defined in the REIT Code or the SFO.

1. Based on the total number of Units in issue as at 30 June 2015 of 5,355,686,880 Units.
2. Hui Xian Cayman, a significant holder of Hui Xian REIT within the meaning of the REIT Code, was a wholly-owned subsidiary of Hui Xian Holdings, which was a subsidiary of Cheung Kong Property as at 30 June 2015. Please refer to Hui Xian Holdings' deemed interest under the SFO in paragraph 3(i) below.
3. These subsidiaries of Cheung Kong Property, each being an associate of Hui Xian Cayman, were subsidiaries of either Cheung Kong (Holdings) Limited ("Cheung Kong") or Hutchison Whampoa Limited ("HWL") before the completion (which took place on 3 June 2015) of the reorganisation of Cheung Kong group involving a reorganisation proposal, a merger proposal and a spin-off proposal, ("CK Reorganisation") and became subsidiaries of Cheung Kong Property after completion of the CK Reorganisation. The subsidiaries of Cheung Kong Property which were subsidiaries of Cheung Kong were Noblecrown Investment Limited ("Noblecrown") (held 681,908,489 Units as at 30 June 2015 and 556,742,864 Units as at 31 December 2014), Wisdom Ally Limited ("Wisdom Ally") (held 91,484,651 Units as at 30 June 2015 and 82,468,924 Units as at 31 December 2014) and Wealth Finder Limited ("Wealth Finder") (held 12,075,963 Units as at 30 June 2015 and 10,575,963 Units as at 31 December 2014). Heathcliff Developments Limited ("Heathcliff Developments") (held 367,181,495 Units as at 30 June 2015 and 299,784,620 Units as at 31 December 2014) was a subsidiary of HWL and became a subsidiary of Cheung Kong Property after completion of the CK Reorganisation.

Separately, by virtue of the deemed application of Part XV of the SFO and based on information available to the Manager as at 30 June 2015:

- (i) Hui Xian Holdings was taken to be interested in the Units held by Hui Xian Cayman and Noblecrown was taken to be interested in the Units that Hui Xian Holdings was interested in, as Hui Xian Holdings was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Hui Xian Cayman while Noblecrown was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Hui Xian Holdings;
- (ii) each of Cheung Kong Property and the intermediate holding companies through which Cheung Kong Property was interested in the share capital of Noblecrown and Heathcliff Developments (namely, Mighty State Limited, Novel Trend Holdings Limited, Paola Holdings Limited and Burgeon Force Limited) was taken to have an interest in the Units that Noblecrown and Heathcliff Developments were interested in;
- (iii) Noblecrown, of which Wisdom Ally and Wealth Finder were subsidiaries, was taken to have an interest in the Units held by Wisdom Ally and Wealth Finder respectively; and
- (iv) Cheung Kong Property, in view of its interest in the above intermediate holding companies through which Noblecrown and Heathcliff Developments were held, was taken to have an interest in the Units held by Wisdom Ally and Wealth Finder.

DISCLOSURE OF INTERESTS

4. The subsidiary being Lucky Star International Holdings Inc., an associated company of Hui Xian Holdings and Hui Xian Cayman.
5. The subsidiaries being Po Lian Enterprises Limited and China Life Insurance (Overseas) Co. Ltd, each of them was an associated company of Hui Xian Holdings and Hui Xian Cayman.
6. The subsidiary being Far Gain Investment Limited, a controlling entity of Hui Xian Holdings.
7. The subsidiary being CSI REITs Investment Management Company Limited, a wholly-owned subsidiary of CITIC Securities International Company Limited, which owned 40% of the voting power at general meetings of the Manager.
8. The subsidiary being ARA Hui Xian (Holdings) Limited, a wholly-owned subsidiary of ARA Asset Management Limited, which owned 30% of the voting power at general meetings of the Manager.

Interests of the Manager

As at 30 June 2015, the Manager held 22,049,648 Units in Hui Xian REIT (31 December 2014: 14,847,021 Units).

Interests of the Directors and Senior Executives of the Manager

As at 30 June 2015, each of the following persons was a director or senior executive of the Manager and thus a connected person of Hui Xian REIT under the REIT Code and, so far as the Manager is aware, held or was interested in the Units in Hui Xian REIT as follows:

Name	As at 30 June 2015 Number of Units held	As at 31 December 2014 Number of Units held
KAM Hing Lam	831,073¹	799,760 ¹
IP Tak Chuen, Edmond	400,000²	400,000 ²
CHEUNG Ling Fung, Tom	61,561³	59,242 ³
TONG BARNES Wai Che, Wendy	112,856⁴	112,856 ⁴

Notes:

1. These Units were held by Mr. KAM Hing Lam, chairman and non-executive director of the Manager, as a bare trustee and this is a voluntary disclosure made by Mr. KAM.
2. These Units were held by Mr. IP Tak Chuen, Edmond, non-executive director of the Manager, as beneficial owner.
3. These Units were held by Mr. CHEUNG Ling Fung, Tom, executive director and chief executive officer of the Manager, as beneficial owner.
4. These Units were held by Mrs. TONG BARNES Wai Che, Wendy, deputy chief executive officer of the Manager, as beneficial owner.

Save as disclosed above, the Manager is not aware of any connected persons of Hui Xian REIT holding any Units as at 30 June 2015.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF HUI XIAN ASSET MANAGEMENT LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Hui Xian Real Estate Investment Trust (“Hui Xian REIT”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 46 to 88, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in net assets attributable to unitholders and non-controlling interest, condensed consolidated statement of cash flows and distribution statement for the six months period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. Hui Xian Asset Management Limited as manager of Hui Xian REIT is responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 July 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	NOTES	2015 RMB million (unaudited)	2014 RMB million (unaudited)
Revenue	5	1,515	1,383
Rental related income	6	32	28
Other income	7	93	72
(Decrease) increase in fair value of investment properties		(138)	590
Hotel inventories consumed		(23)	(24)
Staff costs		(52)	(54)
Depreciation and amortisation		(142)	(141)
Other operating expenses	8	(416)	(371)
Finance costs	9	(84)	(48)
Exchange gain (loss)		30	(24)
Manager's fees	10	(121)	(74)
Real estate investment trust expenses	11	(5)	(3)
Profit before taxation and transactions with unitholders		689	1,334
Income tax expense	12	(237)	(395)
Profit for the period, before transactions with unitholders		452	939
Distribution to unitholders		(730)	(663)
(Loss) profit and total comprehensive (expense) income for the period, after transactions with unitholders		(278)	276

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	<i>NOTES</i>	2015 RMB million (unaudited)	2014 <i>RMB million</i> (unaudited)
Attributable to:			
Non-controlling interest		(6)	(6)
Unitholders		(272)	282
		(278)	276
Basic earnings per unit (<i>RMB</i>)	13	0.0858	0.1819

DISTRIBUTION STATEMENT

For the six months ended 30 June 2015

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Profit for the period, before transactions with unitholders	452	939
Non-controlling interest	6	6
Profit for the period attributable to unitholders, before transactions with unitholders	458	945
Adjustments (<i>Note (i)</i>):		
Manager's fees	100	59
Deferred tax	(25)	155
Distributable depreciation and amortisation	89	74
Decrease (increase) in fair value of investment properties	138	(590)
Unrealised exchange gain	(33)	—
	269	(302)
Distributable income	727	643
Additional items (<i>Note (ii)</i>):		
Depreciation and amortisation arising from fair value adjustment	10	10
Other cash distributions	8	10
	18	20
Amount available for distribution	745	663
Payout ratio (<i>Note (iv)</i>)	98%	100%
Distributions to unitholders	730	663
Distribution per unit (<i>RMB</i>) (<i>Note (iii)</i>)	0.1363	0.1271

Notes:

- (i) Adjustments for the period include:
- (a) For the six months ended 30 June 2015, Manager's fees paid and payable in units of RMB100 million (11,268,011 units issued and 17,547,135 units estimated to be issued) out of the total Manager's fees of RMB121 million. The difference of RMB21 million are payable in cash.

For the six months ended 30 June 2014, Manager's fees paid and payable in units of RMB59 million out of the total Manager's fees of RMB74 million. The difference of RMB15 million are paid or payable in cash.

- (b) Deferred tax charge of RMB9 million (2014: RMB8 million) in relation to accelerated tax depreciation and deferred tax credit of RMB34 million (2014: deferred tax charge of RMB147 million) in relation to change in fair value of investment properties.
- (c) Distributable depreciation and amortisation of the Beijing Oriental Plaza attributable to unitholders of RMB89 million (2014: RMB74 million) represented depreciation and amortisation of RMB107 million (2014: RMB106 million) less capital expenditure of RMB18 million (2014: RMB32 million).
- (d) Decrease in fair value of investment properties of RMB138 million (2014: increase in fair value of RMB590 million).
- (e) Unrealised exchange gain on bank loans of RMB33 million (2014: nil).

Pursuant to the Trust Deed, interim/annual distributable income is defined as the amount calculated by the Manager as representing the consolidated profit attributable to unitholders for the relevant financial period/year, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) which have been recorded in the consolidated statement of comprehensive income for the relevant financial period/year.

- (ii) Additional items refer to any additional amount (include capital) to be distributed as determined by the Manager pursuant to clause 11.4.2 of the Trust Deed. Additional items for the period include:
- (1) Depreciation and amortisation attributable to unitholders arising from fair value adjustment upon acquisition of Shenyang Lido Business Co. Ltd of RMB10 million (2014: RMB10 million).
- (2) Other cash distributions of RMB8 million (2014: RMB10 million).
- (iii) The distribution per unit of RMB0.1363 for six months ended 30 June 2015 is calculated based on 98% of Hui Xian REIT's amount available for distribution of RMB744,927,112 over 5,355,686,880 units, representing issued units as at 30 June 2015. The distribution per unit of RMB0.1271 for the six months ended 30 June 2014 was calculated based on Hui Xian REIT's amount available for distribution of RMB662,869,672 over 5,217,013,997 units, representing issued units as at 30 June 2014.
- (iv) In accordance with the Trust Deed, Hui Xian REIT is required to distribute to unitholders not less than 90% of its distributable income for each financial year.

Distributions to unitholders for the period ended 30 June 2015 represent a payout ratio of 98% (2014: 100.0%) of Hui Xian REIT's distributable income for the period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTES	30.6.2015 RMB million (unaudited)	31.12.2014 RMB million (audited)
Non-current assets			
Investment properties	14	34,534	30,760
Property, plant and equipment	15	2,234	2,284
Land and related costs	16	4,087	4,150
Total non-current assets		40,855	37,194
Current assets			
Hotel inventories	17	26	25
Land and related costs	16	128	128
Trade and other receivables	18	90	86
Bank balances and cash	19	5,426	4,795
Total current assets		5,670	5,034
Total assets		46,525	42,228
Current liabilities			
Trade and other payables	20	504	469
Tenants' deposits		269	261
Tax payable		107	144
Manager's fee payable		81	76
Distribution payable		730	687
Bank loans	21	1,101	1,104
Total current liabilities		2,792	2,741
Total assets less current liabilities	26	43,733	39,487

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTES	30.6.2015 RMB million (unaudited)	31.12.2014 RMB million (audited)
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	21	7,108	2,763
Tenants' deposits		462	429
Deferred tax liabilities		7,411	7,460
Total non-current liabilities, excluding net assets attributable to unitholders		14,981	10,652
Total liabilities, excluding net assets attributable to unitholders			
		17,773	13,393
Non-controlling interest		265	271
Net assets attributable to unitholders			
		28,487	28,564
Units in issue ('000)	22	5,355,687	5,297,592
Net asset value per unit (RMB) attributable to unitholders	24	5.3190	5.3919

The condensed consolidated financial statements on page 46 to 88 were approved and authorised for issue by the Board of Directors of the Manager on 20 July 2015 and were signed on its behalf by:

CHEUNG Ling Fung, Tom
DIRECTOR

LEE Chi Kin, Casey
DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND NON-CONTROLLING INTEREST

For the six months ended 30 June 2015

	Issued units	Retained profits	Total	Non- controlling interest
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Net assets as at 1 January 2015 (audited)	26,922	1,642	28,564	271
Units issued for settlement of Manager's acquisition fee (<i>Note 1(c) and Note 22</i>)	39	—	39	—
Units issued for settlement of Manager's fees (<i>Note 22</i>)	59	—	59	—
Units issued pursuant to the distribution reinvestment arrangement in respect of 2014 final distribution (<i>Note 22</i>)	97	—	97	—
	27,117	1,642	28,759	271
Profit for the period, before transactions with unitholders	—	458	458	(6)
Interim distribution payable to unitholders	—	(730)	(730)	—
Total comprehensive expense for the period	—	(272)	(272)	(6)
Net assets as at 30 June 2015 (unaudited)	27,117	1,370	28,487	265

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS AND NON-CONTROLLING INTEREST
For the six months ended 30 June 2015

	Issued units <i>RMB million</i>	Retained profits <i>RMB million</i>	Total <i>RMB million</i>	Non- controlling interest <i>RMB million</i>
Net assets as at 1 January 2014 (audited)	26,476	1,487	27,963	285
Units issued for settlement of Manager's fees	60	—	60	—
Units issued pursuant to the distribution reinvestment arrangement in respect of 2013 final distribution	121	—	121	—
	26,657	1,487	28,144	285
Profit for the period, before transactions with unitholders	—	945	945	(6)
Interim distribution payable to unitholders	—	(663)	(663)	—
Total comprehensive income for the period	—	282	282	(6)
Net assets as at 30 June 2014 (unaudited)	26,657	1,769	28,426	279

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	NOTE	2015 RMB million (unaudited)	2014 RMB million (unaudited)
Net cash from operating activities		632	737
Net cash (used in) from investing activities			
Acquisition of subsidiaries	23	(3,772)	—
Other investing activities		369	110
		(3,403)	110
Net cash from financing activities			
Repayment of loans from a unitholder		(480)	(530)
Distribution payments to unitholders		(590)	(525)
Other financing cash flows		(66)	(40)
Net proceeds from new bank loan raised		4,358	636
Loans from a unitholder		480	530
		3,702	71
Net increase in cash and cash equivalents		931	918
Cash and cash equivalents at the beginning of the period		4,475	3,267
Cash and cash equivalents at the end of the period, represented by bank balances and cash		5,406	4,185

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL

Hui Xian Real Estate Investment Trust (“Hui Xian REIT”) is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Laws of Hong Kong). Hui Xian REIT was established on 1 April 2011 and had not carried on any operation prior to 29 April 2011 (date of listing), and its units were listed on The Stock Exchange of Hong Kong Limited (the “HKSE”) since that date. Hui Xian REIT is governed by the Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended by three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 (the “Trust Deed”) made between Hui Xian Asset Management Limited (the “Manager”) and DB Trustees (Hong Kong) Limited (the “Trustee”), and the Code on Real Estate Investment Trusts (the “REIT Code”) issued by the Securities and Futures Commission (the “SFC”).

The principal activity of Hui Xian REIT and its controlled entities (the “Group”) is to own and invest in high quality commercial properties with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit.

The condensed consolidated financial statements are presented in Renminbi, which is also the functional currency of Hui Xian REIT.

The Group has entered into various service agreements in relation to the management of Hui Xian REIT and its property operations. The fee structures of these services are as follows:

1. GENERAL (continued)

(a) Property Manager's fee

Under the operations management agreement entered by Beijing Oriental Plaza Company Limited and Beijing Hui Xian Enterprise Services Limited (the "Beijing Property Manager") on 29 April 2011, (the "Operations Management Agreement"), the Beijing Property Manager will receive a property manager's fee of 1% per annum of net property income ("NPI") (before deduction therefrom of the Variable Fee (as defined in Note 1(c)) and the Property Manager's fee) and reimbursements for the employment costs and remuneration of the employees of the Beijing Property Manager for provision of business advisory and management services, marketing and lease management services and property management co-ordination services.

NPI means the amount equivalent to the gross revenue less property operating expenses.

Under the Chongqing Property Manager Agreement entered into by Chongqing Metropolitan Oriental Plaza Co., Ltd ("Chongqing Company") and the Chongqing branch of Beijing Hui Xian Enterprise Services Limited ("Chongqing Property Manager") on 2 March 2015, the Chongqing Property Manager will be fully reimbursed by Chongqing Company for (i) employment costs and remuneration of the personnel provided or procured by the Chongqing Property Manager engaged solely and exclusively for the provision of its services relating to Metropolitan Plaza and Metropolitan Tower (collectively referred to as "Metropolitan Oriental Plaza"); and (ii) management expenses incurred by the Chongqing Property Manager on Metropolitan Oriental Plaza, including but not limited to the costs and expenses incurred under contracts entered into with third party service providers by the Chongqing Property Manager (as agent for the Chongqing Company) at the request of the Chongqing Company for the provision of cleaning, maintenance, security, car park management and other services for Metropolitan Oriental Plaza.

1. GENERAL (continued)

(b) Trustee's fees

The Trustee is entitled to receive a one-off inception fee of not more than RMB100,000 and, in each financial year, an annual fee of such amount as is agreed between the Manager and the Trustee from time to time of not more than 0.02% of the fair values of the real estate properties (the "Property Values") as at the end of such financial year (which may be increased without obtaining unitholders' approval to a maximum of 0.06% per annum of the Property Values by giving at least one month's prior written notice to the Manager and the unitholders), subject to a minimum amount of RMB56,000 per month.

(c) Manager's fees

Under the Trust Deed, the Manager is entitled to receive the following remuneration for the provision of asset management services:

Base Fee

Under the Trust Deed, the Manager will receive a base fee from Hui Xian REIT at 0.3% per annum of the Property Values. For the period from the date of listing until 31 December 2011, the base fee, only to the extent that it is referable to Beijing Oriental Plaza, shall be paid to the Manager as to 80% in the form of units and as to 20% in the form of cash. Thereafter, the Manager may elect whether the base fee is to be paid in cash or in units.

On 9 January 2015, the Manager has elected to receive 75% (2014: 80%) base fee in units and 25% (2014: 20%) in cash in respect of the financial year ending 31 December 2015.

1. GENERAL (continued)

(c) Manager's fees (continued)

Variable Fee

Under the Trust Deed, the Manager will receive a variable fee ("Variable Fee") of 3% per annum of the NPI of that real estate (before deduction therefrom of the Variable Fee and, where the property manager is a subsidiary of the Manager, the property manager's fee) provided however that in respect of Beijing Oriental Plaza, and if the Manager so elects, any other real estate(s) of the trust subsequently acquired and for so long as the property manager is a wholly-owned subsidiary of the Manager and with effect from the date on which the property manager is appointed or the date of such election by the Manager, whichever is later, such 3% rate shall be split into 2 portions comprising a variable fee payable to the Manager which is equal to 2% per annum, and a property manager's fee payable to the property manager which is equal to 1% per annum, of the NPI of the relevant real estate (before deduction therefrom of the variable fee and such property manager fee).

The Manager may elect whether the variable fee is to be paid in cash or in units in accordance with the provisions in the Trust Deed.

On 9 January 2015, the Manager has elected to receive 75% (2014: 80%) variable fee in units and 25% (2014: 20%) in cash in respect of the financial year ending 31 December 2015.

1. GENERAL (continued)

(c) Manager's fees (continued)

Acquisition Fee

Under the Trust Deed, the Manager will receive an acquisition fee ("Acquisition Fee") from Hui Xian REIT at not exceeding 1% of the acquisition price of any real estate in the form of land acquired directly or indirectly by Hui Xian REIT (pro-rated if applicable to the proportion of Hui Xian REIT's interest in the real estate acquired). The Acquisition Fee will be paid to the Manager in the form of cash or, at the election of the Manager, entirely in the form of units or partly in cash and partly in the form of units.

The Manager has elected to receive the acquisition fee in units in respect of the acquisition of Metropolitan Oriental Plaza for the six months ended 30 June 2015.

No Acquisition Fee is received by the Manager for the six months ended 30 June 2014.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKSE and with Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting" and the relevant disclosure requirements set out in Appendix C of the REIT Code issued by the SFC.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except as described below.

In the current period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The Manager concluded that the application of the above new and revised HKFRSs had no material impact on the results and the financial position of the Group.

4. SEGMENT REPORTING

Hui Xian REIT determines its operating segments based on internal reports that are regularly reviewed by the chief operating decision maker (i.e. the Manager) for the purpose of allocating resources to segments and assessing their performance.

The following are identified operating and reportable segments:

The Malls:	Renting of the shopping mall and car parking spaces in Oriental Plaza, Beijing, the People's Republic of China (the "PRC").
The Tower Offices:	Renting of office buildings in Oriental Plaza, Beijing, the PRC.
The Tower Apartments:	Operation of serviced apartment towers in Oriental Plaza, Beijing, the PRC.
The Hotels:	Operation of Grand Hyatt Beijing in Oriental Plaza, Beijing, the PRC and Sofitel Shenyang Lido, Shenyang, the PRC.
The Chongqing Property:	Renting of the shopping mall, car parking spaces and office in Metropolitan Oriental Plaza in Chongqing, the PRC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. SEGMENT REPORTING (continued)

(a) Segment revenue and results

Six months ended 30 June 2015 (unaudited)

	The Malls	The Tower Offices	The Tower Apartments	The Hotels	The Chongqing Property	Consolidated
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Segment revenue	586	536	68	246	79	1,515
Segment profit	482	409	34	57	51	1,033
Decrease in fair value of investment properties						(138)
Finance costs						(84)
Depreciation and amortisation						(137)
Unallocated income						90
Unallocated expense						(75)
Profit before taxation and transactions with unitholders						689

4. SEGMENT REPORTING (continued)**(a) Segment revenue and results** (continued)**Six months ended 30 June 2014 (unaudited)**

	The Malls	The Tower Offices	The Tower Apartments	The Hotels	The Chongqing Property	Consolidated
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Segment revenue	559	502	64	258	–	1,383
Segment profit	460	383	31	66	–	940
Increase in fair value of investment properties						590
Finance costs						(48)
Depreciation and amortisation						(136)
Unallocated income						70
Unallocated expense						(82)
Profit before taxation and transactions with unitholders						1,334

Segment profit represents the profit earned by each segment without allocation of the change in fair value of investment properties, certain Manager's fees and real estate investment trust expenses, certain depreciation and amortisation expenses, certain other operating expenses, and other income that are not directly related to each segmental activities and finance costs. This is the measure reported to the Manager for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. SEGMENT REPORTING (continued)

(b) Segment assets

The following is an analysis of the Group's assets by operating segment:

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
The Malls	15,475	15,905
The Tower Offices	15,006	14,906
The Tower Apartments	2,038	2,071
The Hotels	4,589	4,697
The Chongqing Property	4,272	—
Total segment assets	41,380	37,579
Bank balances and cash	5,099	4,603
Other assets	46	46
Consolidated total assets	46,525	42,228

For the purposes of monitoring segment performances and resources allocation, all investment properties, land and related costs, hotel inventories, certain bank balances and cash, certain property, plant and equipment (mainly buildings), trade and certain other receivables are allocated to operating segments. Other corporate assets (including remaining bank balances and cash, certain equipment and certain other receivables) are unallocated.

4. SEGMENT REPORTING (continued)

(c) Geographical information

All of the Group's revenue is derived from activities and customers located in the PRC and the Group's non-current assets are all located in Beijing, Chongqing and Shenyang, the PRC.

The Group did not have any major customers as no single customer contributed more than 10% of the Group's revenue during the period.

(d) Other segment information

Six months ended 30 June 2015 (unaudited)

	The Malls	The Tower Offices	The Tower Apartments	The Hotels	The Chongqing Property	Consolidated
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Depreciation of property, plant and equipment	–	1	1	3	–	5

Six months ended 30 June 2014 (unaudited)

	The Malls	The Tower Offices	The Tower Apartments	The Hotels	The Chongqing Property	Consolidated
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Depreciation of property, plant and equipment	–	1	1	3	–	5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

5. REVENUE

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Gross rental from investment properties	1,201	1,061
Income from hotel operation	246	258
Income from serviced apartments operation	68	64
Total	1,515	1,383

The gross rental from investment properties includes contingent rents of RMB7 million (2014: RMB9 million).

The direct operating expense from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB291 million (2014: RMB246 million).

6. RENTAL RELATED INCOME

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Service income	25	20
Early termination compensation	4	5
Others	3	3
Total	32	28

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

7. OTHER INCOME

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Interest income from banks	91	70
Others	2	2
Total	93	72

8. OTHER OPERATING EXPENSES

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Advertising and promotion	10	7
Audit fee	1	1
Business tax	86	79
Insurance	3	3
Lease agency fee	14	13
Property manager's fee (Note 1(a))	23	18
Property management fees	31	18
Repairs and maintenance	52	38
Other miscellaneous expenses (Note)	73	80
Stamp duty	2	2
Urban land use tax	1	1
Urban real estate tax	60	56
Utilities	60	55
Total	416	371

Note: Other miscellaneous expenses comprise mainly cleaning and security expenses, guest supplies and labour service fees.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

9. FINANCE COSTS

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Interest expense on unsecured bank loans	82	46
Interest expense on loans from a unitholder	2	2
	84	48

10. MANAGER'S FEES

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Base Fee (Note 1(c))	60	55
Variable Fee (Note 1(c))	22	19
Acquisition Fee (Note 1(c))	39	—
	121	74

11. REAL ESTATE INVESTMENT TRUST EXPENSES

	2015 <i>RMB million</i> (unaudited)	2014 <i>RMB million</i> (unaudited)
Trustee's fee (Note 1(b))	2	2
Legal and professional fees	2	1
Public relations — related expenses	1	—
	5	3

12. INCOME TAX EXPENSE

	2015	2014
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(unaudited)
The income tax expense comprises:		
Current tax		
— PRC Enterprise Income Tax	228	211
Withholding tax	61	31
Deferred taxation	(52)	153
	237	395

No provision for Hong Kong profits tax was made as the Group's profits neither arose in, nor was derived from, Hong Kong.

PRC Enterprise Income Tax was provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the Group's PRC subsidiaries.

The Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law also required withholding tax to be levied on distribution of profits earned by a PRC entity to non-PRC tax residents for profits generated after 1 January 2008. The applicable withholding tax rate is 5%. At the end of the reporting period, deferred taxation was provided for in full in respect of the temporary differences attributable to such profits.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. EARNINGS PER UNIT

The earnings per unit is calculated by dividing the profit for the period attributable to unitholders before transactions with unitholders of RMB458 million (2014: RMB945 million) by 5,331,292,148 units (2014: 5,195,185,905 units) being the weighted average number of units in issue during the period of 5,322,470,108 units (2014: 5,186,320,492 units), plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 January 2015 to 30 June 2015 of 8,822,040 units (2014: for the period from 1 January 2014 to 30 June 2014 of 8,865,413 units).

14. INVESTMENT PROPERTIES

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
FAIR VALUE		
At the beginning of the period/year	30,760	30,080
Additions	—	15
Additions through acquisition of a subsidiary	3,912	—
(Decrease) increase in fair value recognised in profit or loss	(138)	665
At the end of the period/year	34,534	30,760

- (a) The Group's investment properties held under operating leases are located in Beijing and Chongqing, the PRC under medium-term leases and are measured using the fair value model.

14. INVESTMENT PROPERTIES (continued)

- (b) Investment properties were revalued on 30 June 2015 and 31 December 2014 by Knight Frank Petty Limited, independent valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations. The valuations of properties have been principally arrived at by using the income capitalisation approach which is a method of valuation whereby valuation is the sum of capitalised value of the term income and the appropriately deferred reversionary income for the remaining term of the land use rights of the properties. The capitalised value of the term income is derived by capitalising the rental income derived from existing tenancies for their respective unexpired terms of contractual tenancies, while the capitalised value of reversionary income is derived by capitalising the current market rents for the remaining terms of the land use rights of the properties. Capitalisation rates are estimated with reference to the yield generally accepted by the market for comparable properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

15. PROPERTY, PLANT AND EQUIPMENT

Other than set out in note 23, during the six months ended 30 June 2015, the Group acquired property, plant and equipment of RMB27 million (2014: RMB21 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

16. LAND AND RELATED COSTS

The carrying amount of prepaid lease payments and other related costs for land use rights held in the PRC under medium-term leases is analysed as follows:

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Non-current asset	4,087	4,150
Current asset	128	128
	4,215	4,278

17. HOTEL INVENTORIES

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Food and beverage	6	6
Other consumables	20	19
	26	25

18. TRADE AND OTHER RECEIVABLES

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Trade receivables	56	48
Deposits and prepayments	10	14
Advance to suppliers	7	2
Interest receivables	12	17
Other receivables	5	5
	90	86

Aging analysis of the Group's trade receivables by invoice dates at the end of the reporting period is as follows:

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Less than or equal to 1 month	40	45
1-3 months	5	2
Over 3 months	11	1
	56	48

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. BANK BALANCES AND CASH

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Cash and cash equivalents	5,406	4,475
Time deposits (with original maturity of more than three months)	20	320
	5,426	4,795

20. TRADE AND OTHER PAYABLES

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Trade payables	61	67
Rental received in advance	193	206
Consideration payable	60	—
Others (<i>Note</i>)	190	196
	504	469

Note: Others comprise mainly accrued salaries, accrued staff welfare and certain operating expense payables.

20. TRADE AND OTHER PAYABLES (continued)

Aging analysis of the Group's trade payables by invoice dates at the end of the reporting period is as follows:

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Less than or equal to 3 months	43	43
Over 3 months	18	24
	61	67

21. BANK LOANS

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Unsecured term loans	8,300	3,885
Loan front-end fees	(91)	(18)
	8,209	3,867
The maturities of the above bank loans are as follows:		
Within one year	1,101	1,104
More than one year but not exceeding two years	1,824	2,137
More than two years but not exceeding five years	5,284	626
	8,209	3,867
Less: Amounts shown under current liabilities	(1,101)	(1,104)
Amount due after one year	7,108	2,763

21. BANK LOANS (continued)

In relation to the credit facility of HK\$600 million (equivalent to RMB473 million) granted to the Group on 18 June 2015 to finance the general working capital requirement of the Group, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$600 million (equivalent to RMB473 million) (31 December 2014: nil). It bears interest at floating interest rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 1.95% and is repayable in full in June 2020.

In relation to the credit facility of HK\$5,000 million (equivalent to RMB3,943 million) granted to the Group on 12 December 2014 to finance the general corporate funding needs of the Group, including funding the repayment of any amounts outstanding under existing loan facilities and financing acquisition of Hui Xian REIT, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$5,000 million (equivalent to RMB3,943 million) (31 December 2014: nil). It bears interest at floating interest rate of HIBOR plus 1.55% and is repayable in full in March 2018.

In relation to the credit facility of HK\$1,200 million (equivalent to RMB946 million) granted to the Group on 24 December 2014 to refinance the credit facility granted by the same lenders in December 2011, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$1,200 million (equivalent to RMB946 million) (31 December 2014: HK\$1,200 million (equivalent to RMB947 million)). It bears interest at floating interest rate of HIBOR plus 1.80% and is repayable in full in January 2018.

Bank loans are guaranteed by the Trustee (in its capacity as Trustee of Hui Xian REIT) and certain subsidiaries of the Group.

22. UNITS IN ISSUE

As at 30 June 2015, Hui Xian REIT had 5,355,686,880 (31 December 2014: 5,297,591,509) issued units.

During the period, movements of units in issue are as below:

	<i>Number of units</i>	<i>RMB million</i>
Balance at 1 January 2014	5,164,525,496	26,476
Payment of Manager's fees through issuance of new units during the year	34,168,123	120
Units issued pursuant to the distribution reinvestment arrangement in respect of 2013 final and 2014 interim distributions	98,897,890	326
Balance at 31 December 2014	5,297,591,509	26,922
Units issued for settlement of Manager's acquisition fee	11,268,011	39
Payment of Manager's fees through issuance of new units during the period	17,605,343	59
Units issued pursuant to the distribution reinvestment arrangement in respect of 2014 final distribution	29,222,017	97
Balance at 30 June 2015	5,355,686,880	27,117

On 2 March 2015, 11,268,011 units at RMB3.47 per unit were issued to the Manager as settlement of Manager's acquisition fee for the acquisition of Metropolitan Oriental Plaza during the period.

On 26 March 2015, 17,605,343 units at RMB3.38 per unit were issued to the Manager as settlement of Manager's fee for period from 1 July 2014 to 31 December 2014.

On 13 May 2015, 29,222,017 scrip units at issue price of RMB3.31 per unit were issued to unitholders pursuant to the distribution reinvestment arrangement in respect of 2014 final distribution.

23. ACQUISITION OF ASSETS AND ASSUMPTION OF LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 2 March 2015, the Group completed the acquisition of Metropolitan Oriental Plaza through acquisition of the entire equity interest in Chongqing Investment Limited (formerly known as Chesgold Limited) (“Chongqing Investment”) from Cheerjoy Limited (“Cheerjoy”) and Joinpower Holdings Ltd. (“Joinpower”) at a consideration of RMB3,910 million for acquisition of investment properties plus consideration for acquisition of certain assets and liabilities of Chongqing Investment and Chongqing Company as at completion date. Chongqing Investment holds the entire equity interest in Chongqing Company which holds the Metropolitan Oriental Plaza. The acquisition is accounted for as purchase of assets rather than a business combination as the subsidiaries are vehicles formed for property holding. Net assets acquired through acquisition of subsidiaries on 2 March 2015 mainly comprised investment properties of RMB3,912 million and bank balances and cash of RMB127 million.

	<i>Total</i>
	<i>RMB million</i>
<hr/>	
Net cash outflow arising on acquisition:	
Cash paid	3,899
Bank balances and cash acquired	(127)
	<hr/>
	3,772
	<hr/>

Note: Cheerjoy and Joinpower are associated companies of Hui Xian (Cayman Islands) Limited (“Hui Xian Cayman”), a significant unitholder of Hui Xian REIT and are subsidiaries of either Cheung Kong (Holdings) Limited (“Cheung Kong”) or Hutchison Whampoa Limited (“HWL”) before 3 June 2015 and have become subsidiaries of Cheung Kong Property Holdings Limited (“Cheung Kong Property”) pursuant to the reorganisation of the Cheung Kong group completed on 3 June 2015.

24. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per unit is calculated based on the net assets attributable to unitholders as at 30 June 2015 of RMB28,487 million (31 December 2014: RMB28,564 million) and the total number of 5,355,686,880 units in issue as at 30 June 2015 (31 December 2014: 5,297,591,509 units).

25. NET CURRENT ASSETS

As at 30 June 2015, the Group's net current assets, defined as total current assets less total current liabilities, amounted to RMB2,878 million (31 December 2014: RMB2,293 million).

26. TOTAL ASSETS LESS CURRENT LIABILITIES

As at 30 June 2015, the Group's total assets less current liabilities amounted to RMB43,733 million (31 December 2014: RMB39,487 million).

27. CAPITAL COMMITMENTS

	30.6.2015 <i>RMB million</i> (unaudited)	31.12.2014 <i>RMB million</i> (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	8	31

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with connected and related parties:

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
Rent and rental related income			
北京屈臣氏個人用品連鎖商店有限公司 (Beijing Watson's Personal Care Stores Co., Limited*)	(a)	2,002	1,954
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	(a)	742	—
和記環球電訊(廣東)有限公司 (Hutchison Global Communications (Guangdong) Limited*)	(a)	349	348
北京網聯無限技術發展有限公司 (Beijing Net-Infinity Technology Development Co., Ltd.*)	(a)	7,745	8,083
Cheung Kong (Holdings) Limited Beijing Office	(a)	42	42
長實(中國)投資有限公司 (CKH (China) Investment Co., Limited*)	(a)	42	—
和記黃埔地產(重慶兩江新區)有限公司 (Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited*)	(b)	179	—
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan) Limited*)	(b)	848	—
和記黃埔地產(重慶經開園)有限公司 (Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited*)	(b)	98	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(b)	642	802
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(b)	294	467
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(b)	823	818
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(b)	907	958
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(b)	29	26
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	147	—
東方海外貨櫃航運(中國)有限公司北京分公司 (Orient Overseas Container Line (China) Co., Ltd. Beijing Branch*)	(c)	—	278
東方海外物流(中國)有限公司北京分公司 (OOCL Logistics (China) Ltd. Beijing Branch*)	(c)	—	216
北京尚乘財策諮詢有限公司 (AMTD Beijing Investment Advisory Co., Ltd.*)	(d)	—	420
李嘉誠基金會(香港)北京辦事處 (Li Ka Shing Foundation (Hong Kong) Beijing Office*)	(e)	1,148	—
Bank of China Limited	(f)	13,270	12,711
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(f)	203	170

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
Public utility charges			
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b) & (k)	2,494	—
Interest income from banks			
Bank of China Limited	(j)	6,343	26,924
Bank of China (Hong Kong) Limited	(j)	8,842	14,634
Property management fee			
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(b)	6,209	3,792
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(b)	8,097	5,136
家利物業管理(深圳)有限公司 (Cayley Property Management (Shenzhen) Ltd.*)	(b)	8,604	—
Internet services fee			
北京網聯無限技術發展有限公司 (Beijing Net-Infinity Technology Development Co., Ltd.*)	(a)	—	168
Beverages			
屈臣氏酒窖(廣州)有限公司 (Watson's Wine Cellar (Guangzhou) Company Limited*)	(a)	—	7
廣州屈臣氏食品飲料有限公司北京飲料分公司 (Guangzhou Watson's Food & Beverages Company Limited Beijing Beverages Branch*)	(a)	230	202

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	(a)	1	—
Cleaning supplies			
上海和黃白貓有限公司 (Shanghai Hutchison Whitecat Company Limited*)	(a)	338	136
Hotel services			
Hutchison Hotel Hong Kong Limited	(b)	71	59
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	45	—
Leasing expenses			
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	169	—
Transitional administrative service fee			
和記黃埔地產管理有限公司重慶分公司 (Hutchison Whampoa Property Management Ltd Chongqing Branch*)	(b)	765	—
Trademark license fee			
和記黃埔企業有限公司 (Hutchison Whampoa Enterprises Limited*)	(a) & (l)	—	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
Insurance expense			
中銀保險有限公司北京分公司 (Bank of China Insurance Co., Ltd. Beijing Branch*)	(i)	221	215
中國人壽財產保險股份有限公司北京市分公司 (China Life Property and Casualty Insurance Company Limited Beijing Branch*)	(i)	772	754
中國人壽財產保險股份有限公司重慶市分公司 (China Life Property and Casualty Insurance Company Limited Chongqing Branch*)	(i)	78	—
Interest expense			
Bank of China (Hong Kong) Limited	(f) & (i)	13,771	7,977
The Hongkong and Shanghai Banking Corporation Limited	(e) & (f)	7,295	—
Hui Xian Holdings Limited	(g)	2,111	1,586
Loan commitment and agency fee			
Bank of China (Hong Kong) Limited	(f) & (i)	229	—
The Hongkong and Shanghai Banking Corporation Limited	(e) & (f)	63	—
Trustee's fee			
DB Trustees (Hong Kong) Limited		2,066	1,822
Manager's fees			
Hui Xian Asset Management Limited		120,520	74,060

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2015 to 30.6.2015 RMB'000 (unaudited)	1.1.2014 to 30.6.2014 RMB'000 (unaudited)
Property Manager's fee			
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(j)	22,767	17,899
Valuation fee			
Knight Frank Petty Limited	(h)	138	98
American Appraisal China Limited	(h)	—	16
Technical due diligence fee			
Knight Frank Petty Limited	(h)	14	—

Balances with connected and related parties as at 30 June 2015 and 31 December 2014 are as follows:

Name of Connected/Related Party	Notes	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
Bank loans			
Bank of China (Hong Kong) Limited	(f) & (i)	1,324,536	551,107
The Hongkong and Shanghai Banking Corporation Limited	(e) & (f)	700,647	315,536
Deposits placed with the Group for the lease of the Group properties			
北京屈臣氏個人用品連鎖商店有限公司 (Beijing Watson's Personal Care Stores Co., Limited*)	(a)	1,092	1,092

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

	Notes	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	(a)	545	—
和記環球電訊(廣東)有限公司 (Hutchison Global Communications (Guangdong) Limited*)	(a)	181	181
北京網聯無限技術發展有限公司 (Beijing Net-Infinity Technology Development Co., Ltd.*)	(a)	840	1,139
Cheung Kong (Holdings) Limited Beijing Office	(a)	21	21
長實(中國)投資有限公司 (CKH (China) Investment Co., Limited*)	(a)	28	28
和記黃埔地產(重慶兩江新區)有限公司 (Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited*)	(b)	123	—
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan) Limited*)	(b)	488	—
和記黃埔地產(重慶經開園)有限公司 (Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited*)	(b)	69	—
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(b)	323	323
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(b)	202	214
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(b)	409	409
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(b)	436	479

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

	Notes	30.6.2015 RMB'000 (unaudited)	31.12.2014 RMB'000 (audited)
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(b)	14	14
李嘉誠基金會 (香港) 北京辦事處 (Li Ka Shing Foundation (Hong Kong) Beijing Office*)	(e)	631	—
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(j)	117	85

Notes:

- (a) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT, and are subsidiaries of either Cheung Kong or HWL.
- (b) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT and (i) were subsidiaries or associated companies of either Cheung Kong or HWL before the completion of the CK Reorganisation⁵ on 3 June 2015; and (ii) have become subsidiaries of Cheung Kong Property pursuant to the CK Reorganisation⁵.
- (c) These companies are subsidiaries of a controlling entity⁴ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT.
- (d) The company ceased to be an associated company¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT with effect from 9 October 2014.
- (e) These companies are associates³ of Mr. Li Tzar Kuoi, Victor, a director of Noblecrown Investment Limited, a significant unitholder² of Hui Xian REIT.
- (f) The bank loans represent part of the outstanding bank loans (Note 21) for the six months ended 30 June 2015. The interest expense represents the respective interest expense under part of the outstanding bank loans for the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

- (g) Hui Xian Holdings Limited (“Hui Xian Holdings”) is 100% holding company of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT, and is therefore an associate of Hui Xian Cayman. On 15 May 2015, Hui Xian Holdings and Hui Xian Investment Limited (“Hui Xian Investment”), a subsidiary of Hui Xian REIT, entered into a renewal facility agreement which is substantially the same as the facilities agreement dated 8 April 2011 and amended by a supplemental agreement dated 29 December 2011 (“Renewal Facility Agreement”). Pursuant to the terms of Renewal Facility Agreement, Hui Xian Holdings granted Hui Xian Investment a revolving credit facility of RMB1,300 million. Hui Xian Investment had subsequently drawn down RMB480 million on 1 June 2015 and the amount has been fully repaid on 30 June 2015.
- (h) Knight Frank Petty Limited is the principal valuer of Hui Xian REIT for the six months ended 30 June 2015 and for the year ended 31 December 2014 and American Appraisal China Limited was the principal valuer of Hui Xian REIT for the year ended 31 December 2013.
- (i) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT.
- (j) This company is a subsidiary of the Manager.
- (k) The relevant public utility charges have been reimbursed by this company at cost.
- (l) The relevant trademarks are licensed by this company to Chongqing Company at no cost.
- ¹ As defined in the REIT Code, a company shall be deemed to be an associated company of another company if one of them owns or controls 20% or more of the voting rights of the other or if both are associated companies of another company.
- ² As defined in the REIT Code, a unitholder is a significant holder if it holds 10% or more of the outstanding units.
- ³ As defined in the SFO, a company is an associate of a person if the person is a director of that company.
- ⁴ As defined in the SFO, a company is a controlling entity of another company if it has the right to nominate any of the directors of that company.
- ⁵ “CK Reorganisation” refers to the reorganisation of the Cheung Kong group involving a reorganisation proposal, a merger proposal and a spin-off proposal, which was completed on 3 June 2015.
- * The English name is shown for identification purpose only.

SUMMARY FINANCIAL INFORMATION

The summary of the condensed consolidated statement of comprehensive income, distributions and the condensed consolidated statement of financial position of Hui Xian REIT are set out as below:

SUMMARY OF CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014	1.1.2013 to 30.6.2013	1.1.2012 to 30.6.2012	29.4.2011 to 30.6.2011
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Revenue					
Gross rental from investment properties	1,201	1,061	968	841	271
Income from hotel operation	246	258	287	405	113
Income from serviced apartments operation	68	64	64	63	20
	1,515	1,383	1,319	1,309	404
Profit before taxation and transactions with unitholders	689	1,334	824	1,041	219
Income tax expense	(237)	(395)	(262)	(312)	(70)
Profit for the period, before transactions with unitholders	452	939	562	729	149
Profit for the period attributable to unitholders, before transactions with unitholders	458	945	569	730	149
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Basic earnings per unit	0.0858	0.1819	0.1117	0.1455	0.0298

SUMMARY OF DISTRIBUTIONS

	1.1.2015 to 30.6.2015 RMB million	1.1.2014 to 30.6.2014 RMB million	1.1.2013 to 30.6.2013 RMB million	1.1.2012 to 30.6.2012 RMB million	29.4.2011 to 30.6.2011 RMB million
Distributions to unitholders	730	663	616	592	202
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Distribution per unit	0.1363	0.1271	0.1203	0.1178	0.0403

SUMMARY OF CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.6.2015 RMB million	31.12.2014 RMB million	31.12.2013 RMB million	31.12.2012 RMB million	31.12.2011 RMB million
Non-current assets	40,855	37,194	36,775	37,098	32,931
Current assets	5,670	5,034	3,952	2,290	1,064
Total assets	46,525	42,228	40,727	39,388	33,995
Current liabilities	2,792	2,741	1,623	2,358	1,377
Non-current liabilities, excluding net assets attributable to unitholders	14,981	10,652	10,856	8,699	6,646
Total liabilities, excluding net assets attributable to unitholders	17,773	13,393	12,479	11,057	8,023
Non-controlling interest	265	271	285	417	—
Net assets attributable to unitholders	28,487	28,564	27,963	27,914	25,972
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Net asset value per unit attributable to unitholders	5.3190	5.3919	5.4144	5.4988	5.1845

PERFORMANCE TABLE

	Notes	30.6.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Net assets attributable to unitholders (RMB million)		28,487	28,564	27,963	27,914	25,972
Net asset value per unit attributable to unitholders (RMB)		5.3190	5.3919	5.4144	5.4988	5.1845
Market capitalisation (RMB million)		18,638	18,436	19,935	21,067	17,834
Units issued (units)		5,355,686,880	5,297,591,509	5,164,525,496	5,076,415,649	5,009,521,491
Debts to net asset value ratio	1	28.8%	13.5%	11.5%	7.0%	0.8%
Debts to total asset value ratio	2	17.6%	9.2%	7.9%	5.0%	0.6%
		1.1.2015 to 30.6.2015	1.1.2014 to 31.12.2014	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	29.4.2011 to 31.12.2011
Highest traded unit price (RMB)		3.57	3.88	4.32	4.26	5.10
Highest premium of the traded unit price to net asset value per unit	3	N/A	N/A	N/A	N/A	N/A
Lowest traded unit price (RMB)		3.35	3.29	3.70	3.48	2.65
Highest discount of the traded unit price to net asset value per unit		37.0%	39.0%	31.7%	36.7%	48.9%
Distribution per unit (RMB)		0.1363	0.2567	0.2455	0.2392	0.1467
Annualised distribution yield per unit	4	7.90%	7.38%	6.36%	5.76%	N/A

PERFORMANCE TABLE

Notes:

1. Debts to net asset value ratio is calculated based on total debts over net assets attributable to unitholders as at the end of the reporting period.
2. Debts to total asset value ratio is calculated based on total debts over total assets as at the end of the reporting period.
3. The highest traded unit price is lower than the net asset value per unit attributable to unitholders at the end of the reporting period. Accordingly, premium of the traded unit price to net asset value per unit has not been recorded.
4. Annualised distribution yield per unit is calculated by dividing the annualised distribution per unit by the closing unit price as at the end of the reporting period.

INVESTOR CALENDAR

Interim results announcement for the six months ended 30 June 2015 announcing, among other information, the interim distribution for the six months ended 30 June 2015 ("2015 Interim Distribution") and the distribution reinvestment arrangement ("DRA")	20 July 2015 (Monday)
Units quoted ex-2015 Interim Distribution	3 August 2015 (Monday)
Ten consecutive trading days to determine unit price for new units to be issued from scrip distribution under the DRA ("Scrip Units")	3 August 2015 (Monday) to 14 August 2015 (Friday) (both dates inclusive)
Closure of register of Unitholders (for ascertaining entitlement to the 2015 Interim Distribution)	5 August 2015 (Wednesday) to 7 August 2015 (Friday) (both dates inclusive)
Record date for 2015 Interim Distribution	7 August 2015 (Friday)
Announcement in relation to the DRA	17 August 2015 (Monday)
Despatch of circular and election form for the DRA	21 August 2015 (Friday)
Latest time for return of election form for the DRA ¹	by 4:30 p.m., 9 September 2015 (Wednesday)
Payment of the 2015 Interim Distribution for cash distribution election	24 September 2015 (Thursday)
Despatch of new unit certificates for scrip distribution election	24 September 2015 (Thursday)

MANAGER

Hui Xian Asset Management Limited
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Tel: (852) 2121 1128
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BOARD OF DIRECTORS OF THE MANAGER

Chairman and Non-executive Director

KAM Hing Lam

Executive Directors

CHEUNG Ling Fung, Tom
(Chief Executive Officer)
LEE Chi Kin, Casey

Non-executive Directors

IP Tak Chuen, Edmond
LIM Hwee Chiang
YIN Ke (with PANG Shuen Wai, Nichols
being his alternate director)

Independent Non-executive Directors

CHENG Hoi Chuen, Vincent
LEE Chack Fan
CHOI Koon Shum, Jonathan

BOARD COMMITTEES

Audit Committee

CHENG Hoi Chuen, Vincent *(Chairman)*
LEE Chack Fan
CHOI Koon Shum, Jonathan
IP Tak Chuen, Edmond
YIN Ke (with PANG Shuen Wai, Nichols
being his alternate director)

Disclosures Committee

CHEUNG Ling Fung, Tom *(Chairman)*
IP Tak Chuen, Edmond
LEE Chack Fan

Designated (Finance) Committee

YIN Ke *(Chairman)*
(with PANG Shuen Wai, Nichols
being his alternate director)
CHEUNG Ling Fung, Tom
CHOI Koon Shum, Jonathan

COMPANY SECRETARY OF THE MANAGER

Fair Wind Secretarial Services Limited

TRUSTEE

DB Trustees (Hong Kong) Limited

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL VALUER

Knight Frank Petty Limited

LEGAL ADVISER

Woo Kwan Lee & Lo

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Services Limited

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PROPERTY MANAGER

北京匯賢企業管理有限公司

(Beijing Hui Xian Enterprise
Services Limited*)

STOCK CODE

87001

WEBSITE

www.huixianreit.com

* The English name is shown for identification purpose only.

Board	the board of directors of the Manager
BOP	北京東方廣場有限公司 (Beijing Oriental Plaza Company Limited*), a sino-foreign co-operative joint venture established in the PRC
Director(s)	director(s) of the Manager
DPU	distribution per unit
GDP	gross domestic product
Hui Xian Cayman	Hui Xian (Cayman Islands) Limited
Hui Xian Holdings	Hui Xian Holdings Limited
Hui Xian Investment	Hui Xian Investment Limited
Hui Xian REIT	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO
Hui Xian REIT Group	Hui Xian REIT and other companies or entities held or controlled by Hui Xian REIT
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Manager	Hui Xian Asset Management Limited, a company incorporated in Hong Kong and a corporation licensed to carry on the regulated activity of asset management under the SFO
PRC	People's Republic of China
REIT Code	Code on Real Estate Investment Trusts
RevPAR	revenue per available room
RMB	Renminbi

GLOSSARY

SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong)
Shenyang Investment BVI	Shenyang Investment (BVI) Limited
Shenyang Investment HK	Shenyang Investment (Hong Kong) Limited
Shenyang Lido	瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd*), a sino-foreign co-operative joint venture established in the PRC
Stock Exchange	The Stock Exchange of Hong Kong Limited
Trust Deed	Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended by three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively, as may be modified or supplemented from time to time
Trustee	DB Trustees (Hong Kong) Limited, the trustee of Hui Xian REIT
Unit(s)	unit(s) of Hui Xian REIT
Unitholder(s)	any person(s) registered as holding a Unit or Units

* The English name is shown for identification purpose only.