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HUI XIAN REIT
匯賢產業信託

Hui Xian Real Estate Investment Trust

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance
(Chapter 571 of the Laws of Hong Kong))*

(Stock Code: 87001)

Managed by Hui Xian Asset Management Limited

PAYMENT OF BASE FEE AND VARIABLE FEE TO THE MANAGER BY WAY OF UNITS IN HUI XIAN REAL ESTATE INVESTMENT TRUST AND CASH

PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2015

Reference is made to the announcement issued by the Manager dated 9 January 2015 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ended 31 December 2015 shall be paid to the Manager in the form of cash as to 25% and in the form of Units as to 75%.

The Board announces that the Manager received: (a) payment of the Base Fee in the amount of RMB62,648,219.18, of which RMB46,986,164.38 was paid in the form of Units by way of 15,108,091 Units issued to the Manager on 14 April 2016, and RMB15,662,054.80 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB21,133,419.58, of which RMB15,850,064.69 was paid in the form of Units by way of 5,096,483 Units issued to the Manager on 14 April 2016, and RMB5,283,354.89 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2015 to 31 December 2015. The aggregate 20,204,574 Units so issued to the Manager represent approximately 0.37% of the total number of 5,399,178,426 Units in issue immediately after the Issue.

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager shall be such number of Units as may be purchased for the relevant amount of the Base Fee or the relevant amount of the Variable Fee (as the case may be) at the price of RMB3.11 per Unit (being the prevailing Market Price as defined in the Trust Deed), rounded down to the nearest whole number. The above Issue of Units to the Manager is provided for in the Trust Deed and such issue does not require Unitholders' approval pursuant to a waiver granted by the Securities and Futures Commission.

The Manager held 25,003,142 Units immediately before the Issue. Immediately after the issue of the 20,204,574 Units to the Manager under the Issue, the Manager holds 45,207,716 Units, representing approximately 0.84% of the 5,399,178,426 Units in issue immediately after the Issue.

PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2015

Pursuant to the trust deed dated 1 April 2011 constituting Hui Xian REIT (as amended by three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively) (the “**Trust Deed**”), Hui Xian Asset Management Limited, as manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) (the “**Manager**”), is entitled to receive, commencing on and from and including 29 April 2011:

- (i) the base fee (the “**Base Fee**”) of 0.3% per annum of the Property Values (as defined in the Trust Deed) at the relevant time. With effect from the date of the first supplemental deed to the Trust Deed (i.e. 24 May 2013), the Base Fee is payable in arrears after each half-yearly period of each financial year.
- (ii) the variable fee (the “**Variable Fee**”) which is an annual amount equal to 3% per annum of the net property income of each real estate of Hui Xian REIT for that financial year (before deduction therefrom of the Variable Fee and, where the Property Manager (as defined in the Trust Deed) is a subsidiary of the Manager, the Property Manager's fee), provided however that in respect of Oriental Plaza, and if the Manager so elects, any other real estate(s) of Hui Xian REIT subsequently acquired after Oriental Plaza, 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 net property income of the relevant real estate (before deduction therefrom of the Variable Fee and such Property Manager's fee). The Manager has not made any election as stated above. With effect from the date of the first supplemental deed to the Trust Deed (i.e. 24 May 2013), the Variable Fee is payable in arrears after each half-yearly period of each financial year.

Pursuant to the Trust Deed, the Manager may elect, annually on or before 15 January of each financial year, to receive the Base Fee and the Variable Fee in the form of cash and/or in the form of units of Hui Xian REIT (the “**Units**”) in respect of that financial year. Reference is made to the announcement issued by the Manager dated 9 January 2015 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ended 31 December 2015 shall be paid to the Manager in the form of cash as to 25% and in the form of Units as to 75%.

For the purpose of calculating the Variable Fee, the aggregate net property income of all real estate of Hui Xian REIT (namely, Oriental Plaza, Sofitel Shenyang Lido, and Chongqing Metropolitan Oriental Plaza) for the period from 1 July 2015 to 31 December 2015 amounted to approximately RMB1,024 million.

The board of directors (the “**Board**”) of the Manager announces that the Manager received: (a) payment of the Base Fee in the amount of RMB62,648,219.18, of which RMB46,986,164.38 was paid in the form of Units by way of 15,108,091 Units issued to the Manager on 14 April 2016, and RMB15,662,054.80 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB21,133,419.58, of which RMB15,850,064.69 was paid in the form of Units by way of 5,096,483 Units issued to the Manager on 14 April 2016, and RMB5,283,354.89 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2015 to 31 December 2015. The aggregate 20,204,574 Units so issued to the Manager represent approximately 0.37% of the total number of 5,399,178,426 Units in issue immediately after the Issue (as hereinafter defined).

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager (the “**Issue**”) shall be such number of Units as may be purchased for the relevant amount of the Base Fee or the relevant amount of the Variable Fee (as the case may be) at the price of RMB3.11 per Unit (being the prevailing Market Price as defined in the Trust Deed), rounded down to the nearest whole number. The Market Price shall be, according to the Trust Deed, the volume weighted average price for a Unit for all trades in Units on The Stock Exchange of Hong Kong Limited for the period of 10 trading days immediately preceding the date on which the relevant Units were issued to the Manager. The number of Units under the Issue was determined on a basis which is consistent with the relevant provisions of the Trust Deed.

WAIVER OF REQUIREMENTS FOR UNITHOLDERS’ APPROVAL AND VALUATION

The Issue of 20,204,574 Units in aggregate as payment of part of the Base Fee and part of the Variable Fee to the Manager is provided for in the Trust Deed and pursuant to a waiver granted by the Securities and Futures Commission as disclosed in the offering circular (the “**Offering Circular**”) dated 11 April 2011 issued in connection with the initial public offering and listing of Units (the “**Waiver**”). The Issue does not require approval of the unitholders of Hui Xian REIT (the “**Unitholders**”) and does not require a valuation of the real estate held under Hui Xian REIT.

As mentioned in the Offering Circular, the Waiver was granted on the conditions, among others, that the number of Units issued to the Manager by way of payment of the Base Fee and Variable Fee for each financial year will be counted as part of the 20% (or such lower percentage as permitted by the Code on Real Estate Investment Trusts (the “**REIT Code**”) from time to time) of the outstanding Units that the Manager may issue in each financial year without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code, and that the maximum number of Units to be so issued in respect of each financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units issued in the relevant financial year for the purposes of

financing any acquisition of real estate by Hui Xian REIT. Accordingly, the Issue will be counted as part of the 20% of outstanding Units that the Manager may issue in the financial year ended 31 December 2015 without Unitholders' approval pursuant to paragraph 12.2 of the REIT Code.

TOTAL NUMBER OF UNITS ISSUED TO THE MANAGER IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The 38,217,562 Units, being the total number of Units issued to the Manager as payment of the Manager's fees in respect of the financial year ended 31 December 2015, represent less than 3% of the Units outstanding as at 31 December 2014 (being the last day of the financial year immediately preceding the financial year in respect of which the payment of the Manager's fees were made). No Units were issued in the financial year ended 31 December 2015 for the purposes of financing any acquisition of real estate by Hui Xian REIT.

UNITHOLDING INTERESTS OF THE MANAGER

The Manager held 25,003,142 Units immediately before the Issue. Immediately after the issue of the 20,204,574 Units to the Manager under the Issue, the Manager holds 45,207,716 Units, representing approximately 0.84% of the 5,399,178,426 Units in issue immediately after the Issue.

GENERAL

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

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

Hong Kong, 14 April 2016

As at the date of this announcement, the Directors of the Manager are Mr. KAM Hing Lam (Chairman and non-executive Director); Mr. CHEUNG Ling Fung, Tom and Mr. LEE Chi Kin, Casey (executive Directors); Mr. IP Tak Chuen, Edmond, Mr. LIM Hwee Chiang and Mr. YIN Ke (non-executive Directors); and Mr. CHENG Hoi Chuen, Vincent, Professor LEE Chack Fan and Dr. CHOI Koon Shum, Jonathan (independent non-executive Directors).