



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



2016 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 (the “Manager”), 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, 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 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 2016 to 30 June 2016 (“Reporting Period”)

	Six months ended 30 Jun 2016	Six months ended 30 Jun 2015	Percentage Change
Total Revenue ⁽¹⁾⁽²⁾ (RMB million)	1,575	1,547	+1.8%
Net Property Income (RMB million)	1,098	1,033	+6.3%
Amount Available for Distribution (RMB million)	805	745	+8.1%
Distributions to Unitholders (RMB million)	781	730	+7.0%
Distribution per Unit (RMB)	0.1439	0.1363	+5.6%
Payout Ratio	97%	98%	N/A
Annualised Distribution Yield	9.1% ⁽³⁾	7.9% ⁽⁴⁾	N/A

Notes:

- (1) Rental related income is reclassified to Revenue in the current period. The comparative figures have been changed to conform to the presentation in the current period.
- (2) Value-added tax (“VAT”) has been introduced to construction, real estate, financial services and consumer services sectors starting from 1 May 2016. For comparative illustration, the year-on-year growth of revenue net of business tax and VAT for both 2015 and 2016 would be 3.4%.
- (3) Based on the closing price of the units of Hui Xian REIT (“Units”) on 30 June 2016 and the annualised actual distribution amount for the period from 1 January 2016 to 30 June 2016.
- (4) Based on the closing price of the Units on 30 June 2015 and the annualised actual distribution amount for the period from 1 January 2015 to 30 June 2015.

CHAIRMAN'S STATEMENT

The first half of 2016 was a volatile and challenging time for the world economy. Lingering concerns about the slowdown of China's economy and the devaluation of RMB remained. Britain's vote to leave the European Union in June 2016 has further heightened global market uncertainty.

Despite the challenging macroeconomic environment, Hui Xian REIT achieved growth in the first half of 2016. The result was driven by a full six-month contribution during the Reporting Period from Chongqing Metropolitan Oriental Plaza ("New Investment") acquired in March 2015; and organic growth from Beijing Oriental Plaza and Sofitel Shenyang Lido acquired in 2011 and 2012 ("Initial Portfolio").

RESULTS AND DISTRIBUTION

Total revenue for the Reporting Period was RMB1,575 million, an increase of 1.8% year-on-year. The revenue stated in this report is not strictly comparable to the prior year's figure due to the introduction of value-added tax ("VAT") to construction, real estate, financial services and consumer services sectors starting from 1 May 2016.

Before the implementation date, business tax was included in the presentation of revenues in the financial statements. After 1 May 2016, the revenues and expenses presented in the financial statements are net of VAT and hence are reduced compare to that reported during the period before the implementation of new tax reform.

The year-on-year growth of revenue net of business tax and VAT for both 2015 and 2016 would be 3.4%.

Net property income ("NPI") was RMB1,098 million, a year-on-year rise of 6.3%.

The amount available for distribution for the Reporting Period was RMB805 million, a year-on-year growth of 8.1%.

CHAIRMAN'S STATEMENT

Amount Available for Distribution contributed from	2016 Interim Results RMB million	2015 Interim Results RMB million	Variance
Initial Portfolio	757	707	7.2%
New Investment	48	38	24.6%
Total	805	745	8.1%

The distributions to unitholders of Hui Xian REIT (“Unitholders”) for the Reporting Period was RMB781 million and the payout ratio was 97%. The distribution per unit (“DPU”) for the Reporting Period was RMB0.1439, an increase of 5.6% year-on-year. This represented an annualised distribution yield of 9.1% based on the closing unit price of RMB3.17 on 30 June 2016.

BUSINESS ENVIRONMENT IN CHINA

After witnessing a double-digit growth for nearly three decades, the Chinese economy has started showing signs of slowness. In the first half of 2016, the country’s gross domestic product (“GDP”) growth rate decelerated to 6.7% year-on-year to RMB34.1 trillion according to the National Bureau of Statistics of China.

China’s national per capita disposable income was up by 8.7% year-on-year in the first half of 2016, slower than the 9.0% recorded in 2015. The pace of minimum wage growth has also slowed down in 2016 and some provinces had announced that their minimum wages would be frozen for two years.

The Central Government’s ongoing anti-extravagance policy, together with the rising overseas shopping, had a severe impact on the luxury brands’ sales in China. Many luxury retailers reported reduced revenues and profits, and shrank their store networks.

While the country's total retail sales of consumer goods in the first half of 2016 grew by 10.3% year-on-year to RMB15,614 billion, its online retail sales recorded a surge of 28.2% to RMB2,237 billion. Online shopping, supported by convenient mobile payment and low logistics cost, is starting to bring structural change to China's retail industry and is revolutionizing the Chinese consumer behaviour. Consumer spending has been shifting from physical shops to online purchase, thus hitting sales and traffic at bricks and mortar stores.

Rising vacancy rate and plummeting rents in shopping malls are becoming increasingly common across China.

RMB EXCHANGE RATE

In the first half of 2016, we saw global currency fluctuation, including that of RMB. The RMB exchange rate against Hong Kong Dollars was down by approximately 2%* since the end of 2015. This would have affected the investment sentiment towards RMB-denominated assets.

All of the projects in Hui Xian REIT's current portfolio are located in China and they generate revenue in RMB. As a RMB-denominated REIT, Hui Xian REIT's financial statements are presented in RMB and its distribution to Unitholders is also in RMB. The RMB exchange rate fluctuation does not have any significant impact on the performance of Hui Xian REIT's projects. Nevertheless, as its current borrowings are in Hong Kong Dollars, the RMB exposure may appear when the exchange gain or loss is realised upon loan repayment.

*Based on the People's Bank of China RMB rate against Hong Kong Dollars on 30 June 2016 and 31 December 2015.

BUSINESS REVIEW

Hui Xian REIT's portfolio consists of (1) Initial Portfolio: Beijing Oriental Plaza's retail, office and serviced apartment businesses, and two hotels (Grand Hyatt Beijing and Sofitel Shenyang Lido) acquired in 2011 and 2012; and (2) New Investment: Chongqing Metropolitan Oriental Plaza acquired in March 2015.

(1) Initial Portfolio

(A) Retail Portfolio

The retail portfolio consists of The Malls at Beijing Oriental Plaza, featuring 130,000 square metre of retail space. The Malls continues to be popular among retailers and shoppers due to its unrivalled location, well-balanced tenant mix and heavy foot traffic, making it resilient in a challenging retail environment.

Two large areas at The Malls, totaling about 6,000 square metres, were scheduled to expire in the second half of 2015. We took the initiative to commence a large-scale asset enhancement and tenant mix optimisation programme in these two zones in anticipation of a more challenging retail landscape. The objective is to position The Malls as a comprehensive shopping destination which caters to every shopper's needs, with focus being affordable luxury and mass market brands.

The enhancement works in the two zones have been completed and the space fully let. One zone was converted into 16 stand-alone shops, while another was transformed into an open retail environment featuring a number of pop-up stores and eateries. The Malls' variety and diversity of choices were further broadened as a result.

The Malls recorded rental and NPI growth with average monthly passing rent being RMB1,258, up by 5.6% year-on-year; and NPI being RMB500 million, up by 3.7% year-on-year. The average occupancy rate was 96.0%.

(B) Office Portfolio

The office portfolio comprises The Tower Offices at Beijing Oriental Plaza, offering over 300,000 square metres of Grade A office space over eight blocks. Despite the volatile external environment, the office portfolio maintained a high occupancy level and achieved positive rental reversion during the Reporting Period.

The office portfolio's NPI was RMB435 million, an increase of 6.3% year-on-year. The average monthly passing rent was RMB277 per square metre, a year-on-year growth of 3.6%. The average monthly spot rent was RMB337 per square metre, up by 7.8% year-on-year. The average occupancy rate stood at 95.8%.

(C) Serviced Apartment Portfolio

The serviced apartment portfolio consists of The Tower Apartments at Beijing Oriental Plaza, providing over 600 fully-furnished units in two towers.

The NPI of serviced apartment portfolio was RMB37 million, an increase of 8.1% year-on-year. The average occupancy rate was 91.8%.

(D) Hotel Portfolio

The hotel portfolio includes Grand Hyatt Beijing and Sofitel Shenyang Lido. We continued to exercise stringent cost controls, resulting in an improvement in NPI during the Reporting Period. The combined NPI of the two five-star hotels increased 17.4% year-on-year to RMB67 million.

Beijing's foreign tourist arrivals continued to decline in the first half of 2016. Grand Hyatt Beijing's average occupancy rate was 55.4%, similar to that in 2015. The average room rate per night fell by 3.2% year-on-year to RMB1,491. Accordingly, the revenue per available room ("RevPAR") decreased 3.4% year-on-year to RMB826.

Sofitel Shenyang Lido's average occupancy rate improved to 41.8% from 35.9% a year earlier, while the average room rate per night dropped 4.0% year-on-year to RMB498. The RevPAR increased 11.7% year-on-year to RMB208.

CHAIRMAN'S STATEMENT

(2) New Investment

Since the takeover of the mixed-use project in Chongqing in March 2015, Hui Xian REIT rebranded it as “Chongqing Metropolitan Oriental Plaza”. We took this opportunity to launch a three-year intensive asset enhancement and revamp programme, objectives of which are to realise its full potential and establish a foundation for future growth.

During the Reporting Period, the NPI was RMB59 million compared to RMB51 million a year earlier.

Chongqing Metropolitan Oriental Plaza consists of a mall and an office tower. During the Reporting Period, the mall maintained an average occupancy rate of 73.7%. The average monthly passing rent was RMB236 per square metre.

The average monthly passing rent and monthly spot rent of the office tower were RMB125 per square metre and RMB135 per square metre respectively. The average occupancy rate was 91.5%.

STRONG FINANCIAL POSITION

Hui Xian REIT has continued to adhere to its prudent financial management strategy throughout the Reporting Period. As at 30 June 2016, bank balances and cash on hand amounted to RMB6,240 million and total debts amounted to RMB9,638 million. Debts to gross asset value ratio stood at 20.8%. Hui Xian REIT has ample financial capacity to capture new investment opportunities.

OUTLOOK

Whilst we are mindful of the weak macroeconomic environment, we remain positive about China's underlying economic fundamentals. We will continue to build on our solid foundation, and strive to further enhance the competitiveness of our three assets through active asset management. We will continue to pursue investment opportunities which could generate returns and bring long-term benefits for the Unitholders.

With its quality portfolio and strong financial position, we are confident that Hui Xian REIT is resilient and well placed to meet the challenges ahead.

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, 26 July 2016

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 重慶大都會東方廣場有限公司 (Chongqing Metropolitan Oriental Plaza Co., Ltd[#]), which is the registered legal owner of the land use rights and building ownership rights of Chongqing Metropolitan Oriental Plaza (formerly known as 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.

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 Apartment	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) Chongqing Metropolitan Oriental Plaza	Chongqing		
<i>Mall and car parking spaces</i>		Retail (including 370 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

(1) Initial Portfolio

The initial portfolio consists of retail, office and serviced apartment businesses of Beijing Oriental Plaza, and two hotels (Grand Hyatt Beijing and Sofitel Shenyang Lido).

MANAGEMENT DISCUSSION AND ANALYSIS

As stated in the Chairman's Statement, China has extended the policy of replacing business tax with VAT to construction, real estate, financial services and consumer services sectors starting 1 May 2016. Before the implementation date, business tax was included in the presentation of revenues in the financial statements. After 1 May 2016, the revenues and expenses presented in the financial statements are net of VAT and hence are reduced compare to that reported during the period before the implementation of new tax reform.

(A) Retail Portfolio

Beijing's GDP in the first half of 2016 grew 6.7% year-on-year according to Beijing Municipal Bureau of Statistics. The city's retail sales of consumer goods increased 3.8% year-on-year to RMB497.6 billion. Disposable income per capita of Beijing's urban residents increased 8.7% year-on-year to RMB28,448.

The retail portfolio includes The Malls at Beijing Oriental Plaza, a 3-level mall offering over 130,000-square metres of retail space. The Malls offers a wide selection of goods and services, including fast and high fashion, watches and jewellery shops, gifts and accessories stores, showrooms, banks, beauty and personal care stores, fast food chains, casual and fine dining restaurants, and a cinema.

During the Reporting Period, the large-scale asset enhancement programme in two zones at The Malls has been completed. The two zones with about 6,000 square metres are fully let — they feature a number of new shops, such as banila co, CASIO, Chow Tai Fook, initial, Lee, MOISELLE, RADO, Swatch and Ted Baker.

The Malls continued to enjoy stable rental growth, high occupancy and heavy visitor traffic during the Reporting Period. The Malls' average monthly passing rent was RMB1,258, up by 5.6%. Revenue was RMB600 million, a year-on-year increase of 1.0%. NPI was RMB500 million, up by 3.7%. Rental reversion was 2.9%. The average occupancy rate was 96.0%.

The Malls is well connected by public transportation networks and has direct access to Beijing's subway Lines 1 and 5. The extension works for Line 8 has also begun with a new stop close to The Malls. The interchange with Line 1 will also be there.

Gross Revenue	RMB600 million, +1.0%YoY
Net Property Income	RMB500 million, +3.7%YoY
Average Occupancy Rate	96.0%
Average Monthly Passing Rent	RMB1,258 per square metre, +5.6%YoY
Average Monthly Spot Rent	RMB1,587 per square metre, +81.5%YoY

(B) Office Portfolio

Beijing's office market remained stable in the first half of 2016. The capital city's new office supply remained at an optimum level. However, amidst the economic slowdown, corporations have become more cost-conscious as well as conservative in office expansion.

The office portfolio comprises eight towers of Grade A office towers, collectively known as The Tower Offices at Beijing Oriental Plaza. Spanning a total GFA about 300,000 square metres, The Tower Offices generates a steady revenue income from a diversified tenant base across a range of industries, including corporations from finance and banking, accounting, high technology, law, media and advertising, consumer products, education sectors, as well as government-related organisations.

Leasing demand for The Tower Offices remained resilient during the Reporting Period, with both rental and occupancy rates holding firm. The NPI was RMB435 million, an increase of 6.3% year-on-year. The average occupancy rate stood at 95.8%. The average monthly passing rent was RMB277 per square metre, an increase of 3.6% year-on-year. The average monthly spot rent was RMB337 per square metre, up by 7.8% over the same period in 2015. Rental reversion was 17.9%.

Gross Revenue	RMB565 million, +2.2%YoY
Net Property Income	RMB435 million, +6.3%YoY
Average Occupancy Rate	95.8%
Average Monthly Passing Rent	RMB277 per square metre, +3.6%YoY
Average Monthly Spot Rent	RMB337 per square metre, +7.8%YoY

(C) Serviced Apartment Portfolio

The leasing market for high-end serviced apartments in Beijing remained stable during the Reporting Period.

The serviced apartment portfolio consists of The Tower Apartments at Beijing Oriental Plaza, which provides over 600 fully-furnished units in two blocks. It was awarded as “Outstanding Serviced Apartment — Service” by “That’s Beijing 2016 Lifestyle Awards”.

The NPI rose by 8.1% year-on-year to RMB37 million. The average occupancy rate was 91.8%.

Gross Revenue	RMB69 million, +1.8%YoY
Net Property Income	RMB37 million, +8.1%YoY
Average Occupancy Rate	91.8%

(D) Hotel Portfolio

Hui Xian REIT’s hotel portfolio encompasses two five-star hotels: Grand Hyatt Beijing at Beijing Oriental Plaza; and Sofitel Shenyang Lido. During the Reporting Period, we continued to implement stringent cost control measures. The NPI of the two hotels combined increased 17.4% year-on-year to RMB67 million.

Grand Hyatt Beijing, Beijing

During the first half of 2016, Beijing's foreign tourist arrivals continued to fall by 0.9% year-on-year to 1.7 million according to Beijing Municipal Bureau of Statistics.

Grand Hyatt Beijing's average occupancy rate was 55.4%, similar to the corresponding period in 2015, while the average room rate per night was down by 3.2% year-on-year to RMB1,491. RevPAR fell by 3.4% year-on-year to RMB826.

Given the economic uncertainty, corporations were price-sensitive and conservative on meeting and travel spending. The number of events held at the hotel in the first half of 2016 dropped compared to a year ago.

Sofitel Shenyang Lido, Shenyang

Sofitel Shenyang Lido continued to implement proactive and flexible pricing strategies. The average occupancy rate in the first half of 2016 was up from 35.9% in 2015 to 41.8% despite keen competition from the large supply of new hotels opened in the past few years. However, the average room rate per night was down by 4.0% year-on-year to RMB498. RevPAR increased 11.7% year-on-year to RMB208.

Gross Revenue	RMB238 million, -3.4%YoY
Net Property Income	RMB67 million, +17.4%YoY
<i>Grand Hyatt Beijing</i>	
Average Occupancy Rate	55.4%
Average room rate per night	RMB1,491, -3.2%YoY
RevPAR	RMB826, -3.4%YoY
<i>Sofitel Shenyang Lido</i>	
Average Occupancy Rate	41.8%
Average room rate per night	RMB498, -4.0%YoY
RevPAR	RMB208, +11.7%YoY

(2) New Investment – Chongqing Metropolitan Oriental Plaza

Chongqing Metropolitan Oriental Plaza was acquired by Hui Xian REIT in March 2015. The project comprises a shopping mall and a Grade A office tower and its NPI was RMB59 million during the first half of 2016.

Centrally located at Jiefangbei, the shopping mall of Chongqing Metropolitan Oriental Plaza offers a wide variety of retail, dining and entertainment options.

An intensive three-year asset enhancement and revamp programme commenced after Hui Xian REIT took over the management. Such initiatives are expected to establish a foundation for future long-term growth. During the Reporting Period, the mall's average occupancy rate being 73.7% and the average monthly passing rent being RMB236 per square metre.

Chongqing Metropolitan Oriental Plaza's office tower is one of the few Grade A office buildings in Chongqing that has single asset title ownership. It is home to five consulates and a number of multinational corporations of different industries such as insurance and financial services, electronics, and healthcare. During the reporting period, the average occupancy rate was 91.5%. The average monthly passing rent and the average monthly spot rent were RMB125 per square metre and RMB135 per square metre respectively.

Gross Revenue	RMB103 million
Net Property Income	RMB59 million
<i>Mall</i>	
Average Occupancy Rate	73.7%
Average Monthly Passing Rent	RMB236 per square metre
<i>Office</i>	
Average Occupancy Rate	91.5%
Average Monthly Passing Rent	RMB125 per square metre
Average Monthly Spot Rent	RMB135 per square metre

FINANCIAL REVIEW

Net Property Income

The net property income was RMB1,098 million for the six months ended 30 June 2016.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB781 million (“2016 Interim Distribution”) to Unitholders for the six months ended 30 June 2016. The 2016 Interim Distribution represents 97% of Hui Xian REIT’s total amount available for distribution during the period from 1 January 2016 to 30 June 2016 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 RMB326 million.

Distribution per Unit

The DPU for the period from 1 January 2016 to 30 June 2016 is RMB0.1439 based on the number of outstanding Units on 30 June 2016. This represents an annualised distribution yield of 9.1% based on the closing unit price of RMB3.17 on 30 June 2016.

Closure of Register of Unitholders

The record date for the 2016 Interim Distribution will be 12 August 2016, Friday (“Record Date”). The Register of Unitholders will be closed from 10 August 2016, Wednesday to 12 August 2016, Friday, both days inclusive, during which period no transfer of Units will be registered. The interim distribution is expected to be payable on 29 September 2016, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

In order to qualify for the 2016 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 9 August 2016, Tuesday.

Debt Positions

In April 2016, 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., Hang Seng Bank Limited and The Bank of East Asia, Limited. The purpose of the facility was to refinance the credit facility granted by the same lenders in April 2013.

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 2016, Hui Xian REIT's total debts amounted to RMB9,638 million (31 December 2015: RMB9,435 million). Based on Hui Xian REIT's net assets attributable to Unitholders of RMB27,099 million as at 30 June 2016 (31 December 2015: RMB27,557 million), Hui Xian REIT's debts to net asset value ratio increased to 35.6% (31 December 2015: 34.2%). Meanwhile, the debts to gross asset value ratio was 20.8% as at 30 June 2016 (31 December 2015: 20.2%).

Bank Balances and Asset Positions

As at 30 June 2016, Hui Xian REIT's bank balances and cash amounted to RMB6,240 million (31 December 2015: RMB6,107 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 RMB29,760 million as at 30 June 2016 (31 December 2015: RMB29,960 million), translating into a decrease of 0.7% over the valuation as of 31 December 2015. Together with the hotel and serviced apartment premises, gross property value of BOP was RMB35,081 million as at 30 June 2016, as compared to RMB35,383 million as at 31 December 2015.

Hui Xian REIT indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of Sofitel Shenyang Lido. Standing on the famous Qingnian Street, 78,746 square metre, 30-storey Sofitel Shenyang Lido 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 RMB910 million as at 31 December 2015 while gross property value of hotel premises as at 30 June 2016 was RMB798 million (31 December 2015: RMB832 million).

Hui Xian REIT also indirectly owns the entire interest of Chongqing Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping mall and a Grade A office building. Chongqing Metropolitan Oriental Plaza is located at the Jiefangbei, Yuzhong District, Chongqing, which is a well-established central business district.

As at 30 June 2016, the shopping mall and office building are valued by Knight Frank at RMB3,990 million (31 December 2015: RMB4,100 million). Gross property value of the properties as at 30 June 2016 was RMB3,990 million (31 December 2015: RMB4,100 million).

Net Assets Attributable to Unitholders

As at 30 June 2016, net assets attributable to Unitholders amounted to RMB27,099 million (31 December 2015: RMB27,557 million) or RMB4.9918 per Unit, representing a 57.5% premium to the closing unit price of RMB3.17 on 30 June 2016 (31 December 2015: RMB5.1231 per Unit, representing a 53.8% premium to the closing unit price of RMB3.33 on 31 December 2015).

MANAGEMENT DISCUSSION AND ANALYSIS

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 2016, Hui Xian REIT did not have any significant commitments.

Employees

As at 30 June 2016, Hui Xian REIT, by subsidiaries and through its branches, employed a total of 840 employees in the PRC, of which 814 employees performed hotel operation functions and services, and 26 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 2016.

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 and revised from time to time 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 2016, 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 (executive director and chief executive officer 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 the Unitholders.

The Trust Deed was amended pursuant to special resolutions passed at general meetings of Unitholders held on 7 May 2013, 5 May 2014 and 11 May 2015. Further details of the amendments are set out in the announcements and circulars both dated 12 April 2013, 31 March 2014 and 1 April 2015 published by the Manager.

Board of Directors of the Manager

The Board of Directors of the Manager currently comprises nine members, 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 2016 were 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).

There were no changes to the composition of the Board or any of its committees in the six months ended 30 June 2016.

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;

CORPORATE GOVERNANCE

- (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 2016 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 2016 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 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 2016.

Changes in Information of Directors

Mr. CHEUNG Ling Fung, Tom was appointed as Director of Beijing Oriental Plaza Company Limited with effect from 3 June 2016.

Mr. IP Tak Chuen has ceased to be Non-executive Director of Real Nutraceutical Group Limited on 2 June 2016.

Dr. CHOI Koon Shum, Jonathan was appointed as Independent Non-executive Director of BOC Hong Kong (Holdings) Limited (Hong Kong-listed) with effect from 6 June 2016.

New Units Issued

In the six months ended 30 June 2016, (i) 20,204,574 new Units were issued to the Manager as payment of part of the Manager’s fees; and (ii) 29,499,170 new Units were issued to Unitholders who elected scrip distribution pursuant to the distribution reinvestment arrangement in respect of the final distribution for the period from 1 July 2015 to 31 December 2015.

The total number of Units in issue as at 30 June 2016 was 5,428,677,596 Units.

CORPORATE GOVERNANCE

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 were owned and controlled by Hui Xian REIT in the six months ended 30 June 2016.

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 2016.

WAIVERS AND CONNECTED PARTY TRANSACTIONS

A. CONNECTED PARTY TRANSACTIONS AND RELATED WAIVERS

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 from time to time thereafter, 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, 3 June 2015, 11 January 2016 and 6 May 2016 published by the Manager for Hui Xian REIT.

Throughout the six months ended 30 June 2016, 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 2016, other than those transactions that are exempted from disclosure and/or excluded pursuant to the Waivers granted by the SFC.

WAIVERS AND 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 2016:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the six months ended 30 June 2016 RMB'000
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 transaction	2,023
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 transaction	1,180
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 transaction	352
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 transaction	6,605
Cheung Kong (Holdings) Limited Beijing Office	Associated company of a significant holder ¹	Leasing and licensing transaction	42
長實(中國)投資有限公司 (CKH (China) Investment Limited*)	Associated company of a significant holder ¹	Leasing and licensing transaction	44

WAIVERS AND 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 2016 <i>RMB'000</i>
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 transaction	285
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 transaction	1,308
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 transaction	152
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 transaction	727
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 transaction	321
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 transaction	825

WAIVERS AND 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 2016 RMB'000
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 transaction	880
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 transaction	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 transaction	317
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 ²	Leasing and licensing transaction	1,162
Bank of China Limited	Associated company of a significant holder ¹	Leasing and licensing transaction	13,627
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 transaction	218
萊坊房地產經紀(上海)有限公司 北京分公司 (Knight Frank (Shanghai) Property Consultants Limited Beijing Branch*)	Subsidiary of the principal valuer	Leasing and licensing transaction	915

WAIVERS AND 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 2016 <i>RMB'000</i>
德意志銀行（中國）有限公司重慶分行 (Deutsche Bank (China) Co. Ltd Chongqing Branch*)	Associated company of the Trustee ⁴	Leasing and licensing transaction	567
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Public utilities charges ³	699
Bank of China Limited	Associated company of a significant holder ¹	Interest income	6,435
Bank of China (Hong Kong) Limited	Associated company of a significant holder ¹	Interest income	110
Total			38,823

Notes:

- 1 Significant holder being Hui Xian Cayman.
- 2 An associate of Mr. LI Tzar Kuoi, Victor, who is a director of Noblecrown Investment Limited, a significant holder of Hui Xian REIT.
- 3 The relevant public utilities charges have been reimbursed by Harbour Plaza Chongqing Co. Ltd at cost.
- 4 Trustee being DB Trustees (Hong Kong) Limited.

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.

WAIVERS AND CONNECTED PARTY TRANSACTIONS

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 2016:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for the six months ended 30 June 2016 <i>RMB'000</i>
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	7,911
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	10,120
家利物業管理(深圳)有限公司 (Cayley Property Management (Shenzhen) Limited.*)	Associated company of a significant holder ¹	Property management fee	12,177
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	Beverage	216
上海和黃白貓有限公司 (Shanghai Hutchison Whitecat Company Limited*)	Associated company of a significant holder ¹	Cleaning supplies	17
Hutchison Hotel Hong Kong Limited	Associated company of a significant holder ¹	Hotel services	100

WAIVERS AND 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 2016 RMB'000
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Hotel services	50
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	Associated company of a significant holder ¹	Leasing expenses	129
和記黃埔地產管理有限公司重慶分公司 (Hutchison Whampoa Property Management Limited Chongqing Branch*)	Associated company of a significant holder ¹	Transitional administrative service fee	46
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	—
萊坊地產經紀(上海)有限公司 北京分公司 (Knight Frank (Shanghai) Property Consultants Limited Beijing Branch*)	Subsidiary of the principal valuer	Commission expenses	479
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 expenses	215

WAIVERS AND 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 2016 RMB'000
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 expenses	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*)	Associated company of a significant holder ¹	Insurance expenses	117
Bank of China (Hong Kong) Limited	Associated company of a significant holder ¹	Interest expenses	24,646
The Hongkong and Shanghai Banking Corporation Limited	Associate of a director of a significant holder ³	Interest expenses	9,044
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	24,728
Total			90,749

WAIVERS AND CONNECTED PARTY TRANSACTIONS

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.
 3. An associate of Mr. LI Tzar Kuoi, Victor, who is a director of Noblecrown Investment Limited, a significant holder of Hui Xian REIT.
- * 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 2016 were RMB2,021,000 and RMB83,874,000 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 Consolidated Financial Statements of Hui Xian REIT for the six months ended 30 June 2016 on pages 56 to 58 of this Interim Report. For the six months ended 30 June 2016, the valuation fee payable to the principal valuer, Knight Frank Petty Limited, was RMB148,000.

B. WAIVERS NOT RELATED TO CONNECTED PARTY TRANSACTIONS

Waivers from Strict Compliance with 7.5(c) of the REIT Code

Bases taken into account by the SFC when granting the waiver on 24 June 2016 to Hui Xian REIT from strict compliance with 7.5(c) of the REIT Code with respect to certain proposed employment arrangement are summarised below.

Following a recent review of the organisational structure of the Hui Xian REIT group, to better complement the functions of 北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.) (“BOP”), a company which holds the land use rights and building ownership rights of Oriental Plaza (東方廣場) (“Beijing Oriental Plaza”), and to support the application of Hui Xian Investment Limited (“Hui Xian Investment”) for relevant benefits which are or may be available to it under the arrangements between the Mainland and Hong Kong and under PRC laws, the manager of Hui Xian REIT (the “Manager”) has applied to the SFC for a waiver from strict compliance with 7.5(c) of the REIT Code such that Hui Xian Investment will be allowed to directly employ not more than 10 employees (the “Hong Kong Company Employees”) to provide limited services such as accounting, treasury, strategic support, company secretarial, administrative, marketing and human resources services in respect of its investment in BOP and to provide treasury services for the benefit of the Hui Xian REIT group (the “Proposed Employment Arrangement”). A waiver from strict compliance with 7.5(c) of the REIT Code was granted by the SFC on 24 June 2016 to allow the Proposed Employment Arrangement subject to the condition that there shall not be any material change in the circumstances based on which the waiver was sought and granted, taking into account the following bases submitted by the Manager:

- (a) Subject to the approval/assessment by the relevant authorities, the Manager believes that the Proposed Employment Arrangement would assist in reinforcing that Hui Xian Investment has substantial operations in Hong Kong and support its application for the relevant benefits available to companies incorporated in Hong Kong under the arrangements between the Mainland and Hong Kong, including the Mainland and Hong Kong Closer Economic Partnership Arrangement and comprehensive double taxation arrangements and other

benefits or arrangements under PRC laws, such as the preferential withholding tax (which, as the Manager understands based on competent tax advice, would be at the rate of 5% instead of the standard withholding tax rate of 10% if certain criteria could be fulfilled, unless such preferential withholding tax treatment claimed by Hui Xian Investment is subsequently denied by the relevant PRC tax authorities upon the post-tax filing assessment of the eligibility of Hui Xian Investment by such PRC tax authorities) in respect of the dividends received from BOP by Hui Xian Investment, the absence of which would reduce the amount available for distribution to the unitholders of Hui Xian REIT. The Manager considers that it is not in the interest of Hui Xian REIT and its unitholders for such arrangement to be absent.

- (b) The Manager considers that no additional costs or liabilities will be incurred by the Hui Xian REIT group as a result of the Proposed Employment Arrangement and the employment of the Hong Kong Company Employees will not be materially prejudicial, whether financially or otherwise, to the Hui Xian REIT group. Hui Xian Investment will be reimbursed by the Manager for all costs associated with the employment of the Hong Kong Company Employees, and for employment costs, remuneration and expenses which are currently borne by the Manager. The Manager will also indemnify Hui Xian Investment for all employment costs, remuneration, expenses and liabilities that Hui Xian Investment may incur as a result of the employment of the Hong Kong Company Employees (to the extent that this is not covered by the reimbursement arrangement described above). The Manager considers that the Proposed Employment Arrangement will not have any adverse financial impact on Hui Xian REIT. The Manager expects that the total employment costs, remuneration and expenses of the Hong Kong Company Employees per annum will not exceed 0.03% of the net asset value of Hui Xian REIT, which the Manager considers minimal so far as Hui Xian REIT is concerned.
- (c) The Hong Kong Company Employees to be employed by Hui Xian Investment will initially be transferred from the existing personnel currently employed and/or procured by the Manager and there should not be any substantial change in the number of personnel providing services to Hui Xian Investment.

WAIVERS AND CONNECTED PARTY TRANSACTIONS

- (d) The activities of Hui Xian Investment will complement the functions of BOP and will be limited to supporting the functions of BOP and/or arranging financing for Hui Xian REIT and will be for the sole benefit of BOP and/or Hui Xian REIT. The Hong Kong Company Employees will provide limited services such as accounting, treasury, strategic support, company secretarial, administrative, marketing and human resources services. Hui Xian Investment will not be allowed to engage in any activities or businesses other than relating to the investment in Beijing Oriental Plaza or arranging financing for the Hui Xian REIT group. The scope of services to be provided by the Hong Kong Company Employees is expected to be limited given that: (1) the total number of Hong Kong Company Employees will not exceed 10; and (2) the intention is that the Hong Kong Company Employees will only provide (i) limited services to, and for the benefit of BOP or relating to Hui Xian Investment's investment in Beijing Oriental Plaza and/or (ii) treasury services for the benefit of the Hui Xian REIT group, and will not engage in any other businesses and activities.
- (e) The Manager expects that the Proposed Employment Arrangement will not constitute substantial changes to the existing structure of Hui Xian REIT, as (1) the services to be provided by the Hong Kong Company Employees will be on a limited basis only, (2) the Hong Kong Company Employees have been providing such services to Hui Xian Investment all along under the procurement of the Manager, and (3) the waiver granted is to allow the direct employment of up to 10 Hong Kong Company Employees only. It is also expected that there will be no other changes or alterations to the existing structure of Hui Xian REIT as a result of the granting of the waiver sought, apart from those relating to the Proposed Employment Arrangement.

DISCLOSURE OF INTERESTS

Interests of Connected Persons

Based on the information available to the Manager as at 30 June 2016, 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 as follows:

Name	As at 30 June 2016		As at 31 December 2015
	No. of Units held	Percentage of Units held ¹	No. of Units held
Hui Xian (Cayman Islands) Limited ²	750,000,000	13.82%	1,125,000,000
Other subsidiaries of Cheung Kong Property Holdings Limited ³	1,367,321,879	25.19%	1,163,157,092
Subsidiary of Bank of China Limited ⁴	151,852,000	2.80%	86,689,500
Subsidiaries of China Life Insurance (Group) Company ⁵	717,281,000	13.21%	643,218,500
Subsidiary of Orient Overseas (International) Limited ⁶	177,750,000	3.27%	148,125,000
The Hongkong and Shanghai Banking Corporation Limited ⁷	4,817,524	0.09%	241
Subsidiary of CITIC Securities Company Limited ⁸	12,000,000	0.22%	10,000,000
Subsidiary of ARA Asset Management Limited ⁹	14,304,889	0.26%	12,804,889

DISCLOSURE OF INTERESTS

Notes:

The terms 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 5,428,677,596 Units in issue as at 30 June 2016.
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 Limited ("Hui Xian Holdings"), which was a subsidiary of Cheung Kong Property Holdings Limited ("Cheung Kong Property") as at 30 June 2016. Please refer to Hui Xian Holding's 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 Noblecrown Investment Limited ("Noblecrown") (held 807,205,364 Units as at 30 June 2016 and 681,908,489 Units as at 31 December 2015), Wisdom Ally Limited ("Wisdom Ally") (held 110,593,432 Units as at 30 June 2016 and 100,491,145 Units as at 31 December 2015), Wealth Finder Limited ("Wealth Finder") (held 15,075,963 Units as at 30 June 2016 and 13,575,963 Units as at 31 December 2015) and Heathcliff Developments Limited ("Heathcliff Developments") (held 434,447,120 Units as at 30 June 2016 and 367,181,495 Units as at 31 December 2015).

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 2016:

- (i) Hui Xian Holdings was taken to be interested in the Units held by Hui Xian Cayman and Noblecrown and Heathcliff Developments were 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 together with Heathcliff Developments were 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 Stated Limited, Novel Trend Holdings Limited, Paola Holdings Limited and Burgeon Force Limited) were 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.
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 Hongkong and Shanghai Banking Corporation Limited was an associate of Mr. LI Tzar Kuoi, Victor who was a director of Noblecrown Investment Limited, a significant holder of Hui Xian REIT within the meaning of the REIT Code.
8. The subsidiary being CSI REITs Investment Management Company Limited, a wholly-owned subsidiary of CITIC Securities Company Limited, which owned 40% of the voting power at general meetings of the Manager.
9. 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 2016, the Manager held 24,942,429 Units in Hui Xian REIT (31 December 2015: 25,003,142 Units).

Interests of the Directors, Senior Executives and Officers of the Manager

As at 30 June 2016, each of the following persons was a director, senior executive or officer 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	As at
	30 June 2016	31 December 2015
	Number of Units held	Number of Units held
KAM Hing Lam	831,073¹	831,073 ¹
IP Tak Chuen, Edmond	400,000²	400,000 ²
CHEUNG Ling Fung, Tom	66,897³	64,088 ³
TONG BARNES Wai Che, Wendy	142,856⁴	142,856 ⁴

DISCLOSURE OF INTERESTS

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 of Hui Xian REIT as at 30 June 2016.

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 45 to 86, which comprise the condensed consolidated statement of financial position as of 30 June 2016 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 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

26 July 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	NOTES	2016 RMB million (unaudited)	2015 RMB million (unaudited)
Revenue	5, 29	1,575	1,547
Other income	6	107	93
Fair value gain from top-up amount asset	23	2	—
Decrease in fair value of investment properties		(334)	(138)
Hotel inventories consumed		(20)	(23)
Staff costs		(57)	(52)
Depreciation and amortisation		(142)	(142)
Other operating expenses	7	(376)	(416)
Finance costs	8	(109)	(84)
Exchange (loss) gain		(190)	30
Manager's fees	9	(84)	(121)
Real estate investment trust expenses	10	(4)	(5)
Profit before taxation and transactions with unitholders		368	689
Income tax expense	11	(205)	(237)
Profit for the period, before transactions with unitholders		163	452
Distribution to unitholders		(781)	(730)
Loss and total comprehensive expense for the period, after transactions with unitholders		(618)	(278)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	NOTES	2016 RMB million (unaudited)	2015 RMB million (unaudited)
Profit for the period, before transactions with unitholders attributable to:			
Non-controlling interest		(7)	(6)
Unitholders		170	458
		163	452
Basic earnings per unit (RMB)	12	0.0315	0.0858

DISTRIBUTION STATEMENT

For the six months ended 30 June 2016

	2016 <i>RMB million</i> (unaudited)	2015 <i>RMB million</i> (unaudited)
Profit for the period, before transactions with unitholders	163	452
Non-controlling interest	7	6
Profit for the period attributable to unitholders, before transactions with unitholders	170	458
Adjustments (<i>Note (i)</i>):		
Manager's fees	59	100
Deferred tax	(71)	(25)
Distributable depreciation and amortisation	106	89
Decrease in fair value of investment properties	334	138
Fair value gain from top-up amount asset	(2)	—
Unrealised exchange gain	—	(33)
	426	269
Distributable income	596	727
Additional items (<i>Note (ii)</i>):		
Depreciation and amortisation arising from fair value adjustment	10	10
Net unrealised exchange loss on bank loans and loan front-end fee	190	—
Other cash distributions	9	8
	209	18
Amount available for distribution	805	745
Payout ratio (<i>Note (iii)</i>)	97%	98%
Distributions to unitholders	781	730
Distribution per unit (<i>RMB</i>) (<i>Note (iv)</i>)	0.1439	0.1363

DISTRIBUTION STATEMENT

For the six months ended 30 June 2016

Notes:

(i) Adjustments for the period include:

- (a) For the six months ended 30 June 2016, Manager's fees paid and payable in units of RMB59 million (18,579,767 units estimated to be issued) out of the total Manager's fees of RMB84 million. The difference of RMB25 million is payable in cash.

For the six months ended 30 June 2015, Manager's fees paid and payable in units of RMB100 million out of the total Manager's fees of RMB121 million. The difference of RMB21 million was paid or payable in cash.

- (b) Deferred tax charge of RMB13 million (2015: RMB9 million) in relation to accelerated tax depreciation and deferred tax credit of RMB84 million (2015: RMB34 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 RMB106 million (2015: RMB89 million) represented depreciation and amortisation of RMB106 million (2015: RMB107 million) less zero capital expenditure (2015: RMB18 million).
- (d) Decrease in fair value of investment properties of RMB334 million (2015: RMB138 million).
- (e) For the six months ended 30 June 2015, there was an unrealised exchange gain on bank loans of RMB33 million. Net unrealised exchange loss on bank loans and loan front-end fee for the six months ended 30 June 2016 is shown in Note (ii)(2) below.
- (f) Fair value gain from top-up amount asset of RMB2 million (2015: 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 (2015: RMB10 million).
- (2) Net unrealised exchange loss on bank loans and loan front-end fee of RMB190 million (2015: nil).
- (3) Other cash distributions of RMB9 million (2015: RMB8 million).

(iii) 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 six months period ended 30 June 2016 represent a payout ratio of 97% (2015: 98%) of Hui Xian REIT's distributable income for the period.

(iv) The distribution per unit of RMB0.1439 for the six months ended 30 June 2016 is calculated based on 97% of Hui Xian REIT's amount available for distribution of RMB805,569,982 over 5,428,677,596 units, representing issued units as at 30 June 2016. The distribution per unit of RMB0.1363 for the six months ended 30 June 2015 was 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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	NOTES	30.6.2016 RMB million (unaudited)	31.12.2015 RMB million (audited)
Non-current assets			
Investment properties	13	33,689	34,060
Property, plant and equipment	14	2,104	2,161
Land and related costs	15	4,002	4,022
Top-up amount asset	23	—	39
Total non-current assets		39,795	40,282
Current assets			
Hotel inventories	16	24	24
Land and related costs	15	129	128
Trade and other receivables	17	129	163
Top-up amount asset	23	41	—
Bank balances and cash	18	6,240	6,107
Total current assets		6,563	6,422
Total assets		46,358	46,704
Current liabilities			
Trade and other payables	19	405	479
Tenants' deposits		262	249
Tax payable		111	104
Manager's fee payable		84	81
Distribution payable		781	719
Bank loans	20	1,130	1,443
Total current liabilities		2,773	3,075
Total assets less current liabilities	26	43,585	43,629

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	NOTES	30.6.2016 RMB million (unaudited)	31.12.2015 RMB million (audited)
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	20	8,508	7,992
Tenants' deposits		492	489
Deferred tax liabilities		7,237	7,335
<hr/>			
Total non-current liabilities, excluding net assets attributable to unitholders		16,237	15,816
<hr/>			
Total liabilities, excluding net assets attributable to unitholders			
		19,010	18,891
<hr/>			
Non-controlling interest		249	256
<hr/>			
Net assets attributable to unitholders			
<hr/>			
Units in issue ('000)	21	5,428,678	5,378,974
<hr/>			
Net asset value per unit (RMB) attributable to unitholders	24	4.9918	5.1231

The condensed consolidated financial statements on pages 45 to 86 were approved and authorised for issue by the Board of Directors of the Manager on 26 July 2016 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 2016

	NOTES	Net assets attributable to unitholders RMB million	Non- controlling interest RMB million	Total RMB million
Net assets as at 1 January 2016 (audited)		27,557	256	27,813
Units issued for settlement of Manager's fees	21	63	—	63
Units issued pursuant to the distribution reinvestment arrangement in respect of 2015 final distribution	21	90	—	90
Profit for the period, before transactions with unitholders		170	(7)	163
Interim distribution payable to unitholders		(781)	—	(781)
Net assets as at 30 June 2016 (unaudited)		27,099	249	27,348

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

For the six months ended 30 June 2016

	NOTES	Net assets attributable to unitholders RMB million	Non- controlling interest RMB million	Total RMB million
Net assets as at				
1 January 2015 (audited)		28,564	271	28,835
Units issued for settlement of Manager's acquisition fee	1(c)	39	—	39
Units issued for settlement of Manager's fees		59	—	59
Units issued pursuant to the distribution reinvestment arrangement in respect of 2014 final distribution		97	—	97
Profit for the period, before transactions with unitholders		458	(6)	452
Interim distribution payable to unitholders		(730)	—	(730)
Net assets as at 30 June 2015 (unaudited)		28,487	265	28,752

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	NOTE	2016 RMB million (unaudited)	2015 RMB million (unaudited)
Net cash from operating activities		801	632
Net cash used in investing activities			
Acquisition of subsidiaries	22	—	(3,772)
Other investing activities		(211)	369
		(211)	(3,403)
Net cash (used in) from financing activities			
Repayment of loans from a unitholder		—	(480)
Distribution payments to unitholders		(629)	(590)
Other financing cash flows		(99)	(66)
Proceeds from new bank loan raised, net of loan front-end fee		(9)	4,358
Loans from a unitholder		—	480
		(737)	3,702
Net (decrease) increase in cash and cash equivalents		(147)	931
Cash and cash equivalents at the beginning of the period		6,087	4,475
Cash and cash equivalents at the end of the period, represented by bank balances and cash		5,940	5,406

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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 11 January 2016, the Manager has elected to receive 70% (2015: 75%) base fee in units and 30% (2015: 25%) in cash in respect of the financial year ending 31 December 2016.

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 11 January 2016, the Manager has elected to receive 70% (2015: 75%) variable fee in units and 30% (2015: 25%) in cash in respect of the financial year ending 31 December 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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 (prorated 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.

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 and top-up amount asset that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

Certain comparative amounts in the condensed consolidated statement of comprehensive income and condensed consolidated statement of changes in net assets attributable to unitholders and non-controlling interest have been reclassified to conform with the presentation in the current period (see Note 29).

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, 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 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKFRS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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.

4. SEGMENT REPORTING (continued)

(a) Segment revenue and results

Six months ended 30 June 2016 (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	600	565	69	238	103	1,575
Segment profit	500	435	37	67	59	1,098
Decrease in fair value of investment properties						(334)
Finance costs						(109)
Depreciation and amortisation						(138)
Increase in fair value of top-up amount asset						2
Unallocated income						103
Unallocated expense						(254)
Profit before taxation and transactions with unitholders						368

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

4. SEGMENT REPORTING (continued)

(a) Segment revenue and results (continued)

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 (Note 29)	594	553	68	246	86	1,547
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

Segment profit represents the profit earned by each segment without allocation of the changes in fair value of investment properties and top-up amount asset, 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.

4. SEGMENT REPORTING (continued)**(b) Segment assets**

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

	30.6.2016	31.12.2015
	RMB million	RMB million
	(unaudited)	(audited)
The Malls	14,854	15,062
The Tower Offices	14,965	14,955
The Tower Apartments	1,971	2,004
The Hotels	4,413	4,501
The Chongqing Property	4,286	4,315
Total segment assets	40,489	40,837
Bank balances and cash	5,826	5,718
Other assets	43	149
Consolidated total assets	46,358	46,704

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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 2016 (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	1	1	4

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

5. REVENUE

	2016	2015
	RMB million	RMB million
	(unaudited)	(unaudited)
Gross rental from investment properties	1,237	1,201
Income from hotel operation	238	246
Income from serviced apartments operation	69	68
Rental related income (<i>Note 29</i>)	31	32
Total revenue	1,575	1,547

The gross rental from investment properties includes contingent rents of RMB7 million (2015: RMB7 million).

The direct operating expense from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB274 million (2015: RMB291 million).

6. OTHER INCOME

	2016	2015
	RMB million	RMB million
	(unaudited)	(unaudited)
Interest income from banks	102	91
Government subsidies	4	2
Others	1	—
Total	107	93

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

7. OTHER OPERATING EXPENSES

	2016	2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(unaudited)
Advertising and promotion	10	10
Audit fee	1	1
Business tax	62	86
Insurance	3	3
Lease agency fee	15	14
Property manager's fee (Note 1(a))	25	23
Property management fees	38	31
Repairs and maintenance	34	52
Other miscellaneous expenses (Note)	70	73
Stamp duty	1	2
Urban land use tax	1	1
Urban real estate tax	62	60
Utilities	51	60
Value added tax surcharges	3	—
	376	416

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

8. FINANCE COSTS

	2016	2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(unaudited)
Interest expense on unsecured bank loans	109	82
Interest expense on loans from a unitholder	—	2
	109	84

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

9. MANAGER'S FEES

	2016	2015
	RMB million	RMB million
	(unaudited)	(unaudited)
Base Fee (Note 1(c))	61	60
Variable Fee (Note 1(c))	23	22
Acquisition Fee (Note 1(c))	—	39
	84	121

10. REAL ESTATE INVESTMENT TRUST EXPENSES

	2016	2015
	RMB million	RMB million
	(unaudited)	(unaudited)
Trustee's fee (Note 1(b))	2	2
Legal and professional fees	1	2
Public relations – related expenses	1	1
	4	5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

11. INCOME TAX EXPENSE

	2016	2015
	<i>RMB million</i>	<i>RMB million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
The income tax expense comprises:		
Current tax		
– PRC Enterprise Income Tax	242	228
– Withholding tax	61	61
Deferred taxation	(98)	(52)
	205	237

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 Hui Xian REIT'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.

12. EARNINGS PER UNIT

The earnings per unit is calculated by dividing the profit for the period attributable to unitholders before transactions with unitholders of RMB170 million (2015: RMB458 million) by 5,403,295,133 units (2015: 5,331,292,148 units) being the weighted average number of units in issue during the period of 5,393,954,206 units (2015: 5,322,470,108 units), plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 January 2016 to 30 June 2016 of 9,340,927 units (2015: for the period from 1 January 2015 to 30 June 2015 of 8,822,040 units).

13. INVESTMENT PROPERTIES

	30.6.2016	31.12.2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(audited)
FAIR VALUE		
At the beginning of the period/year	34,060	30,760
Additions	24	24
Additions through acquisition of a subsidiary	—	3,912
Decrease in fair value recognised in profit or loss	(334)	(636)
Transferred to property, plant and equipment	(16)	—
Transferred to land and related costs	(45)	—
At the end of the period/year	33,689	34,060

- (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.
- (b) Investment properties were revalued on 30 June 2016 and 31 December 2015 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment of RMB5 million (2015: RMB27 million) and an amount of RMB16 million was transferred from investment properties.

15. LAND AND RELATED COSTS

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

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Non-current asset	4,002	4,022
Current asset	129	128
	4,131	4,150

During the six months ended 30 June 2016, an amount of RMB45 million was transferred from investment properties.

16. HOTEL INVENTORIES

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Food and beverage	5	6
Other consumables	19	18
	24	24

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

17. TRADE AND OTHER RECEIVABLES

	30.6.2016	31.12.2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(audited)
Trade receivables	76	60
Deposits and prepayments	9	18
Advance to suppliers	22	10
Interest receivables	14	10
Top-up amount receivable (<i>Note 23</i>)	—	58
Other receivables	8	7
	129	163

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

	30.6.2016	31.12.2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(audited)
Less than or equal to 1 month	65	49
1–3 months	7	7
Over 3 months	4	4
	76	60

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

18. BANK BALANCES AND CASH

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Cash and cash equivalents	5,940	6,087
Time deposits (with original maturity of more than three months)	300	20
	6,240	6,107

19. TRADE AND OTHER PAYABLES

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Trade payables	74	70
Rental received in advance	185	222
Others (<i>Note</i>)	146	187
	405	479

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

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

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Less than or equal to 3 months	55	59
Over 3 months	19	11
	74	70

20. BANK LOANS

	30.6.2016 <i>RMB million</i> (unaudited)	31.12.2015 <i>RMB million</i> (audited)
Unsecured term loans	9,722	9,530
Loan front-end fees	(84)	(95)
	9,638	9,435
The maturities of the above bank loans are as follows:		
Within one year	1,130	1,443
More than one year but not exceeding two years	5,421	834
More than two years but not exceeding five years	3,087	7,158
	9,638	9,435
Less: Amounts shown under current liabilities	(1,130)	(1,443)
Amount due after one year	8,508	7,992

In relation to the credit facility of HK\$1,200 million (equivalent to RMB1,026 million) granted to the Group on 19 April 2016 to refinance the credit facility granted by the same lenders in April 2013, the total amount of the credit facility utilised by the Group as at 30 June 2016 was HK\$1,200 million (equivalent to RMB1,026 million) (31 December 2015: HK\$1,200 million (equivalent to RMB1,005 million)). It bears interest at floating interest rate of Hong Kong Interbank Offered Rate plus 1.10% and is repayable in full in April 2019.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

21. UNITS IN ISSUE

As at 30 June 2016, Hui Xian REIT had 5,428,677,596 (31 December 2015: 5,378,973,852) issued units.

At the end of each reporting period, movements of units in issue are as below:

	Number of units
Balance at 1 January 2015	5,297,591,509
Units issued for settlement of Manager's acquisition fee (<i>Note 1(c)</i>)	11,268,011
Payment of Manager's fees through issuance of new units during the year	35,618,331
Units issued pursuant to the distribution reinvestment arrangement in respect of 2014 final and 2015 interim distributions	34,496,001
Balance at 31 December 2015	5,378,973,852
Payment of Manager's fees through issuance of new units during the period	20,204,574
Units issued pursuant to the distribution reinvestment arrangement in respect of 2015 final distribution	29,499,170
Balance at 30 June 2016	5,428,677,596

On 14 April 2016, 20,204,574 units at RMB3.11 per unit with total amount of RMB63 million were issued to the Manager as settlement of Manager's fee for period from 1 July 2015 to 31 December 2015.

On 23 May 2016, 29,499,170 scrip units at issue price of RMB3.05 per unit with total amount of RMB90 million were issued to unitholders pursuant to the distribution reinvestment arrangement in respect of 2015 final distribution.

22. 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 was 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 RMB128 million.

	Total <i>RMB million</i>
Net cash outflow arising on acquisition	
Cash paid	3,963
Bank balances and cash acquired	(128)
	3,835

Out of the total net cash outflow arising on acquisition which amounted to RMB3,835 million, RMB3,772 million was paid during the six months ended 30 June 2015 and the remaining balance was settled in the second half of 2015.

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.

23. TOP-UP AMOUNT ASSET

On 2 March 2015, the Group completed the acquisition of Metropolitan Oriental Plaza through the acquisition of the entire equity interest in Chongqing Investment (Note 22). Pursuant to a deed of guarantee executed by Cheerjoy and Joinpower on 2 March 2015 (the "Guarantee"), Cheerjoy and Joinpower had guaranteed to the Group that the Chongqing Company's Total Income (as defined in the Guarantee) shall not be less than RMB299.28 million per annum ("Guaranteed Income Level") in respect of the five financial years ending 31 December 2015, 2016, 2017, 2018 and 2019 ("Relevant Period"). If the Total Income of the Chongqing Company in respect of a financial year in the Relevant Period is less than the Guaranteed Income Level, each of Cheerjoy and Joinpower will top-up such shortfall by paying to the Group an amount equal to 50% of such shortfall. The total top-up amount payable by Cheerjoy and Joinpower for the entire Relevant Period shall not exceed RMB100 million.

The top-up amount receivable from Cheerjoy and Joinpower in respect of the period from 2 March 2015 to 31 December 2015, which represents the shortfall of the Total Income and Guaranteed Income Level of the Chongqing Company, was RMB58 million in aggregate.

Top-up amount asset is accounted for as a financial derivative and is measured at fair value at the end of the reporting period. The Group applies a valuation model that has taken into account the expected future cash flows based on market rents and discount rate. A fair value gain of RMB2 million (2015: nil) was credited to the condensed consolidated statement of comprehensive income during the six months ended 30 June 2016. The fair value measurement of the top-up amount asset is classified as Level 3 in the fair value hierarchy. If a lower market rent or a lower discount rate has been used, the fair value of the top-up amount asset would be higher. There would be an opposite impact on the fair value of the top-up amount asset if a higher market rent or a higher discount rate has been used.

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 2016 of RMB27,099 million (31 December 2015: RMB27,557 million) and the total number of 5,428,677,596 units in issue as at 30 June 2016 (31 December 2015: 5,378,973,852 units).

25. NET CURRENT ASSETS

As at 30 June 2016, the Group's net current assets, defined as total current assets less total current liabilities, amounted to RMB3,790 million (31 December 2015: RMB3,347 million).

26. TOTAL ASSETS LESS CURRENT LIABILITIES

As at 30 June 2016, the Group's total assets less current liabilities amounted to RMB43,585 million (31 December 2015: RMB43,629 million).

27. CAPITAL COMMITMENTS

	30.6.2016	31.12.2015
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	1	21

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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	1.1.2016 to	1.1.2015 to
		30.6.2016	30.6.2015
		RMB'000	RMB'000
		(unaudited)	(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)	2,023	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*)	(a)	1,180	742
和記環球電訊(廣東)有限公司 (Hutchison Global Communications (Guangdong) Limited*)	(a)	352	349
北京網聯無限技術發展有限公司 (Beijing Net-Infinity Technology Development Co., Ltd.*)	(a)	6,605	7,745
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)	44	42
和記黃埔地產(重慶兩江新區)有限公司 (Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited*)	(b)	285	179
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan Limited*)	(b)	1,308	848
和記黃埔地產(重慶經開園)有限公司 (Hutchison Whampoa Properties (Chongqing Jingkaiyuan Limited*)	(b)	152	98
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(b)	727	642

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2016 to 30.6.2016 RMB'000 (unaudited)	1.1.2015 to 30.6.2015 RMB'000 (unaudited)
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(b)	321	294
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(b)	825	823
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(b)	880	907
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(b)	29	29
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	317	147
李嘉誠基金會(香港)北京辦事處 (Li Ka Shing Foundation (Hong Kong) Beijing Office*)	(c)	1,162	1,148
Bank of China Limited	(g)	13,627	13,270
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(h)	218	203
萊坊房地產經紀(上海)有限公司北京分公司 (Knight Frank (Shanghai) Property Consultants Limited Beijing branch*)	(k)	915	864
德意志銀行(中國)有限公司重慶分行 (Deutsche Bank (China) Co., Ltd. Chongqing Branch*)	(l)	567	382
Public utilities charges			
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b) & (l)	699	2,494
Interest income from banks			
Bank of China Limited	(g)	6,435	6,343
Bank of China (Hong Kong) Limited	(g)	110	8,842

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2016 to 30.6.2016 RMB'000 (unaudited)	1.1.2015 to 30.6.2015 RMB'000 (unaudited)
Property management fee			
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(b)	7,911	6,209
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(b)	10,120	8,097
家利物業管理(深圳)有限公司 (Cayley Property Management (Shenzhen) Ltd.*)	(b)	12,177	8,604
Beverages			
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)	216	230
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)	17	338
Hotel services			
Hutchison Hotel Hong Kong Limited	(b)	100	71
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	50	45
Leasing expenses			
重慶海逸酒店有限公司 (Harbour Plaza Chongqing Co. Ltd.*)	(b)	129	169

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2016 to 30.6.2016 RMB'000 (unaudited)	1.1.2015 to 30.6.2015 RMB'000 (unaudited)
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)	46	765
Trademark license fee			
和記黃埔企業有限公司 (Hutchison Whampoa Enterprises Limited*)	(a) & (j)	—	—
Commission expenses			
萊坊房地產經紀(上海)有限公司北京分公司 (Knight Frank (Shanghai) Property Consultants Limited Beijing branch*)	(k)	479	—
Insurance expense			
中銀保險有限公司北京分公司 (Bank of China Insurance Co., Ltd. Beijing Branch*)	(g)	215	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*)	(g)	754	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*)	(g)	117	78
Interest expense			
Bank of China (Hong Kong) Limited	(d) & (g)	24,646	13,771
The Hongkong and Shanghai Banking Corporation Limited	(c) & (d)	9,044	7,295
Hui Xian Holdings Limited	(e)	—	2,111

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Name of Connected/Related Party	Notes	1.1.2016 to 30.6.2016 RMB'000 (unaudited)	1.1.2015 to 30.6.2015 RMB'000 (unaudited)
Loan commitment and agency fee			
Bank of China (Hong Kong) Limited	(d) & (g)	—	229
The Hongkong and Shanghai Banking Corporation Limited	(c) & (d)	—	63
Trustee's fee			
DB Trustees (Hong Kong) Limited		2,021	2,066
Manager's fees			
Hui Xian Asset Management Limited		83,874	120,520
Property Manager's fee			
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(h)	24,728	22,767
Valuation fee			
Knight Frank Petty Limited	(f)	148	138
Technical due diligence fee			
Knight Frank Petty Limited	(f)	—	14

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For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

Balances with connected and related parties as at 30 June 2016 and 31 December 2015 are as follows:

	Notes	30.6.2016 RMB'000 (unaudited)	31.12.2015 RMB'000 (audited)
Bank loans			
Bank of China (Hong Kong) Limited	(d) & (g)	2,286,696	2,238,406
The Hongkong and Shanghai Banking Corporation Limited	(c) & (d)	763,094	746,182
Bank balances			
Bank of China (Hong Kong) Limited	(g)	30,314	48,162
Bank of China Limited	(g)	1,017,393	653,953
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
重慶屈臣氏個人用品商店有限公司 (Chongqing Watson's Personal Care Stores Co., Limited*)	(a)	572	572
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	840
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)	31	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	123

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

	Notes	30.6.2016 RMB'000 (unaudited)	31.12.2015 RMB'000 (audited)
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan) Limited*)	(b)	615	488
和記黃埔地產(重慶經開園)有限公司 (Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited*)	(b)	69	69
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(b)	365	325
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(b)	237	202
北京港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	436
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*)	(c)	768	632
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(h)	110	117
萊坊房地產經紀(上海)有限公司北京分公司 (Knight Frank (Shanghai) Property Consultants Limited Beijing branch*)	(k)	451	451

Notes:

- (a) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT, and are subsidiaries of CK Hutchison Holdings Limited (2015: subsidiaries of either Cheung Kong or HWL before 3 June 2015 and became subsidiaries of CK Hutchison Holdings Limited pursuant to the reorganisation of the Cheung Kong group completed on 3 June 2015).

28. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

- (b) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT and are subsidiaries or associated companies of Cheung Kong Property (2015: subsidiaries or associated companies of either Cheung Kong or HWL before 3 June 2015 and become subsidiaries or associated companies of Cheung Kong Property pursuant to the reorganisation of the Cheung Kong group completed on 3 June 2015).
- (c) These companies are associates³ of Mr. Li Tzar Kuoi, Victor, a director of Noblecrown Investment Limited, a significant unitholder² of Hui Xian REIT.
- (d) The bank loans represent part of the outstanding bank loans (Note 20) at the end of the reporting period. The interest expense represents the respective interest expense under part of the outstanding bank loans for the period.
- (e) 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. There is no draw down during the six months ended 30 June 2016.
- (f) Knight Frank Petty Limited is the principal valuer of Hui Xian REIT.
- (g) These companies are associated companies¹ of Hui Xian Cayman, a significant unitholder² of Hui Xian REIT.
- (h) This company is a subsidiary of the Manager.
- (i) The relevant public utilities charges have been reimbursed by this company at cost.
- (j) The relevant trademarks are licensed by this company to Chongqing Company at no cost.
- (k) This company is a subsidiary of the principal valuer, Knight Frank Petty Limited.
- (l) This company is an associated company of DB Trustees (Hong Kong) Limited, the trustee of Hui Xian REIT.

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.

* The English name is shown for identification purpose only.

29. COMPARATIVE FIGURES

During the current period, the Group modified the presentation of the condensed consolidated statement of changes in net assets attributable to unitholders and non-controlling interest such that the issued units and reserves are presented together as net assets attributable to unitholders. Comparative figures have been changed to conform to the presentation in the current period.

Rental related income, which was presented in a separate line in the condensed consolidated statement of comprehensive income in prior periods, is reclassified to Revenue in the current period. Accordingly, the comparative figures of Revenue in the condensed consolidated statement of comprehensive income and segment reporting (Note 4) have been changed to conform to the presentation in the current period. Rental related income for the six months ended 30 June 2016 amounted to RMB31 million (2015: RMB32 million).

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

	1.1.2016 to 30.6.2016 RMB million	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
Revenue					
Gross rental from investment properties	1,237	1,201	1,061	968	841
Income from hotel operation	238	246	258	287	405
Income from serviced apartments operation	69	68	64	64	63
Rental related income	31	32	28	23	28
	1,575	1,547	1,411	1,342	1,337
Profit before taxation and transactions with unitholders	368	689	1,334	824	1,041
Income tax expense	(205)	(237)	(395)	(262)	(312)
Profit for the year/period, before transactions with unitholders	163	452	939	562	729
Profit for the year/period attributable to unitholders, before transactions with unitholders	170	458	945	569	730
	RMB	RMB	RMB	RMB	RMB
Basic earnings per unit	0.0315	0.0858	0.1819	0.1117	0.1455

SUMMARY FINANCIAL INFORMATION

SUMMARY OF DISTRIBUTIONS

	1.1.2016 to 30.6.2016	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
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Distributions to unitholders	781	730	663	616	592
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Distribution per unit	0.1439	0.1363	0.1271	0.1203	0.1178

SUMMARY OF CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.6.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
	<i>RMB million</i>				
Non-current assets	39,795	40,282	37,194	36,775	37,098
Current assets	6,563	6,422	5,034	3,952	2,290
Total assets	46,358	46,704	42,228	40,727	39,388
Current liabilities	2,773	3,075	2,741	1,623	2,358
Non-current liabilities, excluding net assets attributable to unitholders	16,237	15,816	10,652	10,856	8,699
Total liabilities, excluding net assets attributable to unitholders	19,010	18,891	13,393	12,479	11,057
Non-controlling interest	249	256	271	285	417
Net assets attributable to unitholders	27,099	27,557	28,564	27,963	27,914
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Net asset value per unit attributable to unitholders	4.9918	5.1231	5.3919	5.4144	5.4988

PERFORMANCE TABLE

	Notes	30.6.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Net assets attributable to unitholders (RMB million)		27,099	27,557	28,564	27,963	27,914
Net asset value per unit attributable to unitholders (RMB)		4.9918	5.1231	5.3919	5.4144	5.4988
Market capitalisation (RMB million)		17,209	17,912	18,436	19,935	21,067
Units issued (units)		5,428,677,596	5,378,973,852	5,297,591,509	5,164,525,496	5,076,415,649
Debts to net asset value ratio	1	35.6%	34.2%	13.5%	11.5%	7.0%
Debts to total asset value ratio	2	20.8%	20.2%	9.2%	7.9%	5.0%
		1.1.2016 to 30.6.2016	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012
Highest traded unit price (RMB)		3.33	3.57	3.88	4.32	4.26
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)		2.98	2.94	3.29	3.70	3.48
Highest discount of the traded unit price to net asset value per unit		40.3%	42.6%	39.0%	31.7%	36.7%
Distribution per unit (RMB)		0.1439	0.2700	0.2567	0.2455	0.2392
Annualised distribution yield per unit	4	9.13%	8.11%	7.38%	6.36%	5.76%

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

On or around

Interim results announcement for the six months ended 30 June 2016 announcing, among other information, the interim distribution for the six months ended 30 June 2016 (“2016 Interim Distribution”) and the distribution reinvestment arrangement (“DRA”)	26 July 2016 (Tuesday)
Units quoted ex-2016 Interim Distribution	8 August 2016 (Monday)
Ten consecutive trading days to determine unit price for new units to be issued from scrip distribution under the DRA (“Scrip Units”)	8 August 2016 (Monday) to 19 August 2016 (Friday) (both dates inclusive)
Closure of register of Unitholders (for ascertaining entitlement to the 2016 Interim Distribution)	10 August 2016 (Wednesday) to 12 August 2016 (Friday) (both dates inclusive)
Record date for 2016 Interim Distribution	12 August 2016 (Friday)
Announcement in relation to the DRA	22 August 2016 (Monday)
Despatch of circular and election form for the DRA	26 August 2016 (Friday)
Latest time for return of election form for the DRA ¹	by 4:30 p.m., 12 September 2016 (Monday)
Payment of the 2016 Interim Distribution for cash distribution election	29 September 2016 (Thursday)
Despatch of new unit certificates for scrip distribution election	29 September 2016 (Thursday)

On or around

Expected first day of dealings in Scrip Units
(subject to the granting of listing approval by the
Stock Exchange) 30 September 2016 (Friday)

1. A distribution reinvestment arrangement is available to eligible Unitholders who may elect to receive the 2016 Interim Distribution for the six months ended 30 June 2016 wholly in cash or in the form of new units or a combination of both. An announcement containing details of the distribution reinvestment arrangement was published on 22 August 2016 (Monday) and a circular together with the relevant election form will be delivered by post to the Unitholders on 26 August 2016 (Friday). The election form for scrip distribution must be lodged with and received by the Computershare Hong Kong Investor Services Limited (at its address at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) not later than 4:30 pm on 12 September 2016 (Monday). Please refer to the relevant circular and election form for the details of such distribution reinvestment arrangement. Unitholders should note that any election form arrived or received after the deadline set out above will be treated and taken as invalid.

CORPORATE INFORMATION

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Tel: (852) 2121 1128
Fax: (852) 2121 1138

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

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

Disclosures Committee

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

Designated (Finance) Committee

YIN Ke *(Chairman)*
CHEUNG Ling Fung, Tom
CHOI Koon Shum, Jonathan

COMPANY SECRETARY OF THE MANAGER

Fair Wind Secretarial Services Limited

TRUSTEE

DB Trustees (Hong Kong) Limited

CORPORATE INFORMATION

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL VALUER

Knight Frank Petty Limited

LEGAL ADVISER

Woo Kwan Lee & Lo

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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.

GLOSSARY

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

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