



HUI XIAN REIT
匯賢產業信託

Hui Xian Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance

(Chapter 571 of the Laws of Hong Kong))

(Stock Code: 87001)

Managed by Hui Xian Asset Management Limited

COMPLETION OF CONNECTED PARTY TRANSACTION ACQUISITION OF SHENYANG INVESTMENT BVI

Reference is made to the announcement issued by Hui Xian Asset Management Limited in its capacity as manager of Hui Xian REIT dated 10 November 2011 in relation to the Acquisition. The Board is pleased to announce that the Acquisition has been completed on 1 January 2012.

Since completion of the Acquisition took place on 1 January 2012 which was not a banking day, a promissory note was issued by the Trustee (as the trustee of Hui Xian REIT) on that day under which it promised to pay to Yick Ho, the vendor under the Acquisition, on 3 January 2012 an amount equal to the Consideration for the Acquisition (plus interest for two days). On 3 January 2012, the promissory note was settled in full by the Hui Xian REIT Group partly by drawing down a new HK\$1,200,000,000 banking facility and partly by the internal resources of the Hui Xian REIT Group.

ACQUISITION OF SHENYANG INVESTMENT BVI

Reference is made to the announcement issued by Hui Xian Asset Management Limited in its capacity as manager of Hui Xian REIT dated 10 November 2011 in relation to the acquisition of the entire issued share capital of, and shareholder's loans owing at Completion by, Shenyang Investment BVI at a Consideration of RMB980,000,000 (the "**Acquisition Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Acquisition Announcement.

Completion

The Board is pleased to announce that the Acquisition has been completed on 1 January 2012. Pursuant to the SP Agreement, the Consideration was to be payable by the Trustee (as trustee of Hui Xian REIT) to Yick Ho in cash in a single lump sum at Completion. Since 1 January 2012 was not a banking day, at Completion, the Trustee (as the trustee of Hui Xian REIT) issued a promissory note (the "**Promissory Note**") to Yick Ho in the sum of RMB980,000,000 (being the amount of the Consideration) plus interest for the two-day period from 2 January 2012 to 3 January 2012 (both days inclusive) (together, the "**Relevant Amount**") which would be due and payable to Yick Ho on 3 January 2012. Yick Ho instructed the Trustee (as trustee of Hui Xian REIT) to settle the Relevant Amount owing under the Promissory Note by paying in HK dollars, which amount was mutually agreed to be determined by converting the Relevant Amount into HK dollars at an agreed exchange rate by reference to the China Yuan Official Central Parity Rate between HK dollars and RMB published on 29 December 2011. On 3 January 2012, the Trustee has duly paid the Relevant Amount owing under the Promissory Note to Yick Ho, as financed partly by Hui Xian Investment's drawdown in full of the new HK\$1,200,000,000 banking facility and partly by the Hui Xian REIT Group's internal resources.

As mentioned in the Acquisition Announcement, under the SP Agreement, Yick Ho agreed in respect of the consolidated net asset value of the Shenyang Investment BVI group at Completion (excluding the carrying value of the Property and deferred tax asset or liability in respect of capital allowance/depreciation and change in valuation of the Property (if any), and without taking into account the Sale Loan which would be assigned to the Trustee (as trustee of Hui Xian REIT) and would become intra-Hui Xian REIT group after Completion), to the effect that: (i) if such consolidated net asset value at Completion would be negative, Yick Ho would make good the shortfall by a cash payment to the Trustee (as trustee of Hui Xian REIT) equal to 70% of the shortfall; (ii) if such consolidated net asset value at Completion would be positive, no adjustment sum would be payable by Hui Xian REIT to Yick Ho. Since such consolidated net asset value at Completion was positive, there was no shortfall that needed to be made good by Yick Ho.

Waivers from certain requirements under the REIT Code

As mentioned in the paragraph headed “Regulatory Implications — waivers from certain requirements under the REIT Code” in the Acquisition Announcement, in connection with the Acquisition, the Manager has applied to the SFC in relation to the modifications of, and waivers from, strict compliance with certain requirements of the REIT Code, a summary of which was set out in the Acquisition Announcement. The SFC has granted to Hui Xian REIT the following waivers from strict compliance with certain provisions in the REIT Code subject to Completion taking place and the conditions set out below:

Waiver in respect of the employment of employees by Shenyang Lido and/or its branch

The SFC has granted a waiver from strict compliance with the requirements under 7.5(c)(i) of the REIT Code, so as to allow the engagement of employees by Hui Xian REIT through Shenyang Lido and/or its branch, subject to the condition that there shall not be any material change in the circumstances based on which the waiver was sought and granted.

Waiver in relation to the number of layers of special purpose vehicles

The SFC has allowed the use of three layers of special purpose vehicles by Hui Xian REIT pursuant to the Note to 7.5(d) of the REIT Code subject to the condition that there will be no change to the maximum number of layers of special purpose vehicles used by Hui Xian REIT without further approval of the SFC.

Waiver in relation to nomination right for directors in Shenyang Lido

The SFC has granted a waiver from strict compliance with 7.5(f) of the REIT Code, so as to allow certain directors of Shenyang Lido not to be appointed by the Trustee, subject to the condition that there shall not be any material change in the circumstances based on which the waiver was sought and granted.

Further details relating to the application for the above waivers were set out in the Acquisition Announcement.

On behalf of the Board
Hui Xian Asset Management Limited
as manager of Hui Xian Real Estate Investment Trust
Kam Hing Lam
Chairman of the Manager

Hong Kong, 3 January 2012

As at the date of this announcement, the Directors of the Manager are Mr. Kam Hing Lam (Chairman and non-executive Director); Mr. Chu Stephen Henry and Mr. Pang Shuen Wai, Nichols (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).