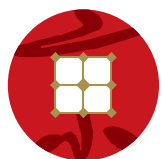


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**HUI XIAN** REIT  
匯賢產業信託

## **Hui Xian Real Estate Investment Trust**

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

*(Chapter 571 of the Laws of Hong Kong))*

**(Stock Code: 87001)**

**Managed by Hui Xian Asset Management Limited**

### **(1) MODIFIED AND EXTENDED WAIVERS IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS; (2) NOTICE OF ANNUAL GENERAL MEETING; AND (3) CLOSURE OF REGISTER OF UNITHOLDERS**

**Independent Financial Adviser to  
the Independent Board Committee, the Independent Unitholders and the Trustee**



The Manager proposes to seek Independent Unitholders' approval, by way of Ordinary Resolutions at the AGM, for the modification of the Existing CK Waiver and the extension of each of the Existing CK/Manager Waivers for a further period up to and including 31 December 2023, and the waivers so modified and extended (as the case may be) will be:

- (i) the 2020 CK Waiver (including the proposed annual caps relating thereto); and
- (ii) the 2020 Manager Waiver (including the proposed annual caps relating thereto).

The Circular which contains, among other things, (i) details of the 2020 CK/Manager Waivers; (ii) the recommendations of the Independent Board Committee to the Independent Unitholders in relation to the 2020 CK/Manager Waivers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2020 CK/Manager Waivers; and (iv) the notice of the AGM, is expected to be despatched together with the form of proxy of the AGM to the Unitholders on 3 April 2020.

The AGM will be held at Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Tuesday, 12 May 2020 at 12:00 noon. In order to determine the list of Unitholders qualified to attend and vote at the AGM, the register of Unitholders will be closed from Thursday, 7 May 2020 to Tuesday, 12 May 2020, both days inclusive, during which period no transfer of Units will be effected.

## **MODIFICATION AND EXTENSION OF WAIVERS IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS**

### **The Existing CK/Manager Waivers**

At the time of authorisation of Hui Xian REIT under section 104 of the SFO in April 2011 before the first listing of the Units on the Stock Exchange, waivers were granted by the SFC in relation to certain connected party transactions between the Hui Xian REIT Group on the one hand, and (i) the Cheung Kong Connected Persons Group (as defined in the Offering Circular) or (ii) the Manager Group (as the case may be) on the other hand, for a period up to and including 31 December 2013.

The Manager applied for, and the SFC granted, subsequent modifications and/or extensions (as the case may be) of the aforesaid connected party transactions waivers in 2012, 2014, 2015 and 2017 and the current relevant waivers set out below were granted on 12 May 2017 for a period up to and including 31 December 2020:

- (i) the “**Existing CK Waiver**”, which is a waiver from strict compliance with the disclosure and Unitholders’ approval requirements under Chapter 8 of the REIT Code, in relation to any properties or companies in which Hui Xian REIT may directly or indirectly be interested, in respect of (a) leasing and licensing transactions; (b) property management and club facilities transactions; (c) the use of internet and telecommunication services and information technology support services; and (d) the purchase of consumer goods and services, each conducted between (1) the Hui Xian REIT Group and (2) the CK Connected Persons Group; and
- (ii) the “**Existing Manager Waiver**”, which is a waiver from strict compliance with Chapter 8 of the REIT Code, in relation to any properties or companies in which Hui Xian REIT may directly or indirectly be interested, in respect of (a) leasing and licensing transactions and (b) property management and club facilities transactions, each conducted between (1) the Hui Xian REIT Group and (2) the Manager Group.

Details of the Existing CK/Manager Waivers, the relevant annual cap amounts and the relevant conditions to such waivers were disclosed in the announcement of Hui Xian REIT dated 20 April 2017 and the circular of Hui Xian REIT dated 21 April 2017 respectively.

## Proposed modification and extension of the Existing CK/Manager Waivers

Each of the Existing CK/Manager Waivers will expire on 31 December 2020. In accordance with the waiver conditions of each of the Existing CK/Manager Waivers, each of them may be extended beyond 31 December 2020, provided that:

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

The CK Connected Persons Group had in the past purchased from the Hui Xian REIT Group certain consumer goods and services (such as banquets, food and beverages and laundry services etc.) and it is expected that the CK Connected Persons Group may from time to time continue to purchase, and the Hui Xian REIT Group may from time to time in the ordinary course of business continue to provide, consumer goods and services, including the aforesaid consumer goods and services (“**Consumer Goods/Services Sales Transactions**”) to the CK Connected Persons Group on terms no more favourable than those made available to independent third parties. In the past, the income derived from the Consumer Goods/Services Sales Transactions for every twelve-month period had not exceeded HK\$1 million. Taking into account the steady growth of income derived from the Consumer Goods/Services Sales Transactions, the re-opening of certain food and beverage facilities in late 2019 since their closure for refurbishment in May 2019 and the completion of the refurbishment of Hyatt Regency Liberation Square Chongqing in 2020, it is envisaged that the revenue receivable by the Hui Xian REIT Group from the CK Connected Persons Group under the Consumer Goods/Services Sales Transactions will increase, and hence the Manager proposes to modify the scope of the Existing CK Waiver by adding a new category of transaction covering the Consumer Goods/Services Sales Transactions to be provided by members of the Hui Xian REIT Group to members of the CK Connected Persons Group.

In view of the abovementioned reasons and the expiry of the Existing CK/Manager Waivers on 31 December 2020, the Manager proposes to seek Independent Unitholders’ approval, by way of Ordinary Resolutions at the AGM:

- (i) to modify the Existing CK Waiver by including an additional category of transactions in respect of the sale of consumer goods and services to the CK Connected Persons Group;
- (ii) to extend each of the Existing CK/Manager Waivers (as modified, where applicable, as described in (i) above) for a further period up to and including 31 December 2023; and
- (iii) to set the new annual caps for the three years ending 31 December 2023 for the transactions under each of the Existing CK/Manager Waivers (as modified, where applicable, as described in (i) above).

(the Existing CK/Manager Waivers so modified and extended (as the case may be) referred in this announcement as the “**2020 CK Waiver**” and “**2020 Manager Waiver**” respectively.)

Details of the 2020 CK/Manager Waivers and the conditions thereunder (including the Proposed Annual Caps) are set out in the Circular.

### **Independent Board Committee and Independent Financial Adviser**

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the 2020 CK/Manager Waivers (including the Proposed Annual Caps). Crescendo Capital Limited has been appointed as the independent financial adviser to provide its opinion on these matters to the Independent Board Committee, the Independent Unitholders and the Trustee.

Unitholders’ attention is drawn to the “*Letter from the Independent Board Committee*” set out in the Circular, which contains the Independent Board Committee’s recommendation to the Independent Unitholders in respect of the 2020 CK/Manager Waivers (including the Proposed Annual Caps), and the “*Letter from the Independent Financial Adviser*” set out in the Circular, which contains the Independent Financial Adviser’s advice to the Independent Board Committee, the Independent Unitholders and the Trustee in respect of the 2020 CK/Manager Waivers (including the Proposed Annual Caps).

### **Opinion of the Independent Financial Adviser**

The Independent Financial Adviser confirms that it is of the view that having considered the principal factors and reasons stated in the “*Letter from the Independent Financial Adviser*” included in the Circular, (i) the connected party transactions under the 2020 CK/Manager Waivers are conducted in the ordinary and usual course of business of Hui Xian REIT and the terms of which are at arm’s length and on normal commercial terms; and (ii) the 2020 CK/Manager Waivers and the Proposed Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

### **Opinion of the Independent Board Committee**

Having taken into account the opinion of, and the principal factors and reasons considered by, the Independent Financial Adviser, the Independent Board Committee considers that (i) the connected party transactions under the 2020 CK/Manager Waivers are conducted in the ordinary and usual course of business of Hui Xian REIT and the terms of which are at arm’s length and on normal commercial terms; and (ii) the 2020 CK/Manager Waivers and the Proposed Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

## **Opinion of the Board**

Having regard to the reasons for, the scope of and the waiver terms and conditions for the 2020 CK/Manager Waivers and the Proposed Annual Caps, the Board considers that:

- (a) the 2020 CK/Manager Waivers and the Proposed Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Hui Xian REIT and the Independent Unitholders as a whole;
- (b) for those relevant connected party transactions subsisting as at the Latest Practicable Date, each such transaction has been entered into: (i) in the ordinary and usual course of business of Hui Xian REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole; and
- (c) for those relevant connected party transactions to be entered into after the Latest Practicable Date, each such transaction will be: (i) in the ordinary and usual course of business of Hui Xian REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

## **Opinion of the Trustee**

Based on (i) the information and assurances provided by the Manager; (ii) the opinion of the Independent Financial Adviser; and (iii) the "*Letter from the Independent Board Committee*" set out in the Circular, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the 2020 CK/Manager Waivers and the Proposed Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

The Trustee's view is not to be taken as a recommendation or representation by the Trustee of the merits of the 2020 CK/Manager Waivers and the Proposed Annual Caps. The Trustee has not made any assessment of the merits or impact of the 2020 CK/Manager Waivers and the Proposed Annual Caps, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code.

Unitholders who are in any doubt as to the merits or impact of the 2020 CK/Manager Waivers (including the Proposed Annual Caps) should seek their own financial or other professional advice.

## **CIRCULAR AND NOTICE OF AGM**

The Circular which contains, among other things, (i) details of the 2020 CK/Manager Waivers; (ii) the recommendations of the Independent Board Committee to the Independent Unitholders in relation to the 2020 CK/Manager Waivers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2020 CK/Manager Waivers; and (iv) the notice of the AGM, is expected to be despatched together with the form of proxy of the AGM to the Unitholders on 3 April 2020.



The AGM will be held at Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Tuesday, 12 May 2020 at 12:00 noon.

Unitholders' attention is drawn to the "*Notice of Annual General Meeting*" set out in the Circular, which contains, inter alia, the full text of the proposed Ordinary Resolutions in relation to the approval of the 2020 CK/Manager Waivers and the Proposed Annual Caps.

## **CLOSURE OF REGISTER OF UNITHOLDERS**

In order to determine the list of Unitholders qualified to attend and vote at the AGM, the register of Unitholders will be closed from Thursday, 7 May 2020 to Tuesday, 12 May 2020, both days inclusive, during which period no transfer of Units will be effected. To qualify to attend and vote at the AGM, all transfers of Units accompanied by the relevant Unit certificates and the duly completed transfer forms must be lodged with the Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 May 2020.

## **DEFINITIONS**

"2020 CK/Manager Waivers"	collectively, the 2020 CK Waiver and the 2020 Manager Waiver
"2020 CK Waiver"	the proposed modified and extended waiver for the Existing CK Waiver for a further period up to and including 31 December 2023, details of which are set out in the Circular
"2020 Manager Waiver"	the proposed extended waiver for the Existing Manager Waiver for a further period up to and including 31 December 2023, details of which are set out in the Circular
"AGM"	the annual general meeting of Unitholders convened by and referred to in the notice of AGM as set out on pages N-1 to N-3 of the Circular
"Board"	the board of Directors
"Cheung Kong Group"	Cheung Kong (Holdings) Limited (a wholly-owned subsidiary of CKH Holdings) and its subsidiaries
"Circular"	the circular of Hui Xian REIT to be issued and despatched to the Unitholders on 3 April 2020 containing, among other things, details of the 2020 CK/Manager Waivers, the recommendations of the Independent Board Committee to the Independent Unitholders in relation to the 2020 CK/Manager Waivers, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2020 CK/Manager Waivers and the notice of the AGM

“CK Asset”	CK Asset Holdings Limited (formerly known as CK Property Holdings Limited), a company incorporated in the Cayman Islands with limited liability, which shares are listed on the Main Board of the Stock Exchange (Stock Code: 1113)
“CK Asset Group”	CK Asset and its subsidiaries
“CK Connected Persons Group”	the group of connected persons covered under the Existing CK Waiver, being “CK Asset and entities and persons which are from time to time connected persons of Hui Xian REIT as a result of (i) their connection with CK Asset, including certain members of the CK Asset Group, or (ii) their being a member of the Cheung Kong Group or the HWL Group”
“CKH Holdings”	CK Hutchison Holdings Limited, which shares are listed on the Main Board of the Stock Exchange (Stock Code: 1)
“connected person”	has the meaning ascribed to it under the REIT Code
“Director(s)”	the director(s) of the Manager
“Existing CK/ Manager Waivers”	collectively, the Existing CK Waiver and the Existing Manager Waiver
“Existing CK Waiver”	the waiver with respect to the connected party transactions conducted and to be conducted with the CK Connected Persons Group as described in the section headed “The Existing CK/ Manager Waivers” in this announcement
“Existing Manager Waiver”	the waiver with respect to the connected party transactions conducted and to be conducted with the Manager Group as described in the section headed “The Existing CK/Manager Waivers” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“HWL Group”	Hutchison Whampoa Limited (a wholly-owned subsidiary of CKH Holdings) and its subsidiaries

“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the 2020 CK/Manager Waivers (including the Proposed Annual Caps), comprising all the INEDs, namely, Mr. CHENG Hoi Chuen, Vincent, Professor LEE Chack Fan, and Dr. CHOI Koon Shum, Jonathan
“Independent Financial Adviser”	Crescendo Capital Limited, which is licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Unitholders”	Unitholders other than those Unitholders who have a material interest in the relevant waiver within the meaning of 8.11 of the REIT Code
“INEDs”	the independent non-executive Directors
“Latest Practicable Date”	20 March 2020, being the latest practicable date prior to the printing of the Circular for ascertaining certain information contained therein
“Manager”	Hui Xian Asset Management Limited 滙賢房託管理有限公司, as manager of Hui Xian REIT
“Manager Group”	the Manager and persons which are connected persons of Hui Xian REIT as a result of their connection with the Manager, but excluding the CK Connected Persons Group
“Offering Circular”	the offering circular of Hui Xian REIT dated 11 April 2011 issued in connection with the initial public offering and listing of the Units on the Main Board of the Stock Exchange
“Ordinary Resolution”	a resolution proposed and passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy
“Proposed Annual Caps”	collectively, (i) the proposed annual caps for the years ending 31 December 2021, 2022 and 2023 for the connected party transactions to be covered under the 2020 CK Waiver; and (ii) the proposed annual caps for the years ending 31 December 2021, 2022 and 2023 for the connected party transactions to be covered under the 2020 Manager Waiver, particulars of which are set out in the Circular
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC (as amended, supplemented and/or otherwise modified from time to time)



“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the trust deed dated 1 April 2011 constituting Hui Xian REIT as amended, modified or supplemented from time to time
“Trustee”	DB Trustees (Hong Kong) Limited 德意志信託 ( 香港 ) 有限公司 , as the trustee of Hui Xian REIT, or such other person as may from time to time be appointed as the trustee of Hui Xian REIT
“Unit(s)”	the unit(s) of Hui Xian REIT
“Unit Registrar”	Computershare Hong Kong Investor Services Limited, as unit registrar of Hui Xian REIT
“Unitholder(s)”	holder(s) of Units

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

Hong Kong, 2 April 2020

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