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

DISTRIBUTION REINVESTMENT ARRANGEMENT IN RESPECT OF THE 2019 FINAL DISTRIBUTION OF HUI XIAN REAL ESTATE INVESTMENT TRUST

The Board has approved, and is pleased to inform the Unitholders details of, the Distribution Reinvestment Arrangement, under which Eligible Unitholders can elect to receive their 2019 Final Distribution of RMB0.0932 per Unit (i) wholly in the form of cash; (ii) wholly in the form of Scrip Units at an issue price of RMB2.19 per Scrip Unit (subject to any fractional entitlement being disregarded); or (iii) partly in cash distribution and partly in Scrip Units.

Further details of the Distribution Reinvestment Arrangement will be set out in a circular which will be sent to the Unitholders on or about 16 April 2020 (Thursday) and, in the case of Eligible Unitholders only, together with the Election Form.

The Board has approved the Distribution Reinvestment Arrangement and the purpose of this announcement is to inform the Unitholders of the details of the Distribution Reinvestment Arrangement.

According to the Annual Results Announcement, the final distribution per Unit for the period from 1 July 2019 to 31 December 2019 was RMB0.0932 and the 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 2019 Final Distribution wholly in the form of cash, or wholly in the form of new Units, or a combination of both. The expected date for the payment of cash distribution and the despatch of new Unit certificates for Scrip Units is on or about 15 May 2020 (Friday).

The register of Unitholders was closed from 31 March 2020 (Tuesday) to 2 April 2020 (Thursday) (both days inclusive) (the "**Book Closure Period**"). The record date is the last day of the Book Closure Period which was on 2 April 2020 (Thursday) (the "**Record Date**"). In order to qualify for the 2019 Final Distribution, all properly completed transfer forms in respect of transfer of Units (accompanied by the relevant Unit certificates) had to be lodged with Hui Xian REIT's Unit Registrar for registration not later than 4:30 p.m. on 30 March 2020 (Monday). Eligible Unitholders may elect to receive:

1. only cash distribution of RMB0.0932 per Unit; or

2. only Scrip Units at an issue price of RMB2.19 per Scrip Unit (the "**Issue Price**"), subject to any fractional entitlement being disregarded as mentioned below; or

3. partly in cash distribution and partly in Scrip Units.

The Issue Price of RMB2.19 per Scrip Unit represents the volume weighted average price for a Unit for all trades in the Units on the Stock Exchange for the ten consecutive trading days starting from, and including, 27 March 2020 (Friday), being the first day the Units were traded ex-2019 Final Distribution, less a 2% discount. The formula used for calculating the entitlement of Unitholders is as follows:

Number of Units held by the relevant Eligible Unitholder on the Record Date x 2019 Final Distribution per Unit = Maximum distribution available for election for Scrip Units

$$\frac{\text{Maximum distribution available for election for Scrip Units}}{\text{Issue Price}} = \begin{array}{c}\text{Maximum number of}\\ \text{Scrip Units to be issued}\\ \text{(truncated (but not rounded off)}\\ \text{to the nearest whole Unit)}\end{array}$$

The number of Scrip Units to be received by each Eligible Unitholder pursuant to his/her election will be truncated (but not rounded off) to the nearest whole Unit. Since fractions of Units cannot be issued, if Eligible Unitholders elect to receive the maximum number of Scrip Units in lieu of cash distribution, a residual distribution entitlement may arise, representing the difference between the total cash equivalent of the Scrip Units based on the Issue Price to be issued to them and the maximum distribution available for Unit election in respect of their unitholding. Fractional entitlements to Scrip Units will be disregarded and the benefit thereof will accrue to Hui Xian REIT.

Eligible Unitholders may elect to receive Scrip Units in respect of all or part of their holding of Units. No fraction of a Unit will be issued. If Eligible Unitholders choose to take only part of their 2019 Final Distribution as Scrip Units, they will receive the balance in cash.

The Scrip Units to be issued in respect of the 2019 Final Distribution will, when they are issued, rank *pari passu* in all respects with the then existing Units in issue except that such Scrip Units themselves will not rank for the 2019 Final Distribution.

If all Unitholders were Eligible Unitholders and all of them were to elect to receive the 2019 Final Distribution only in Scrip Units under the Distribution Reinvestment Arrangement, a maximum of 250,246,785 Scrip Units would be issued, representing an increase of approximately 4.26% of Units issued and outstanding as at the Record Date.

Further details of the Distribution Reinvestment Arrangement will be set out in a circular which will be sent to the Unitholders on or about 16 April 2020 (Thursday), and in the case of Eligible Unitholders only, together with the Election Form. Eligible Unitholders who wish to receive only Scrip Units or partly in cash and partly in Scrip Units must complete, sign and return the Election Forms to the Unit Registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on 6 May 2020 (Wednesday)**.

The Distribution Reinvestment Arrangement is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Units to be issued in respect of the 2019 Final Distribution and application will be made to the Listing Committee of the Stock Exchange in this regard. If this condition is not satisfied, the Distribution Reinvestment Arrangement will not become effective, the Election Forms will be void and the 2019 Final Distribution will then be paid wholly in cash.

DEFINITIONS

"2019 Final Distribution"	the distribution for the period from 1 July 2019 to 31 December 2019, being RMB0.0932 per Unit
"Annual Results Announcement"	the 2019 annual results announcement dated 16 March 2020 issued by the Manager
"Board"	the board of directors of the Manager
"Distribution Reinvestment Arrangement"	the distribution reinvestment arrangement available to Unitholders under which Eligible Unitholders are entitled to have a scrip distribution alternative in lieu of a cash distribution in respect of the 2019 Final Distribution
"Election Form(s)"	the election form(s) for use in connection with the Distribution Reinvestment Arrangement

"Eligible Unitholders"	Unitholders whose names appeared on the register of Unitholders on the Record Date (including Unitholders with registered addresses outside Hong Kong who have complied with all applicable registration or other legal requirements, governmental or regulatory procedures or similar formalities of the relevant jurisdictions and except certain Unitholders with registered addresses outside Hong Kong who would be excluded because, having made legal enquiries and obtained legal advice regarding the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body in that place, the Manager considers that such exclusion would be necessary or expedient)
"Hui Xian REIT"	Hui Xian Real Estate Investment Trust
"Manager"	Hui Xian Asset Management Limited (滙賢房託管理有限公司), as manager of Hui Xian REIT
"Scrip Unit(s)"	new Unit(s) to be issued from scrip distribution
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Unit"	a unit of Hui Xian REIT, and "Units" will be construed accordingly
"Unitholder(s)"	holder(s) of the Units
"Unit Registrar"	Computershare Hong Kong Investor Services Limited, as unit registrar of Hui Xian REIT

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, 14 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).