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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

MODIFIED AND EXTENDED WAIVER IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS AND NOTICE OF EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

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

Hercules
Hercules Capital Limited

The Manager proposes to seek Unitholders' approval, by way of an Ordinary Resolution at the EGM, for the Modified and Extended Waiver and the Modified and Extended Annual Caps in respect of the Relevant Connected Party Transactions which may from time to time be entered into between Hui Xian REIT Group on the one hand and the Cheung Kong Connected Persons Group or the Manager Group (as the case may be) on the other hand.

Details of the Modified and Extended Waiver and the Modified and Extended Annual Caps are set out in the Circular to the Unitholders which is expected to be issued by uploading on the websites of the Stock Exchange and of Hui Xian REIT on 3 May 2012 (Thursday) (that is, the same date as this announcement), and to be despatched to the Unitholders on or around 4 May 2012 (Friday) together with the notice of the EGM and the form of proxy for the EGM. The EGM is convened to be held at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on 22 May 2012 (Tuesday) at 12:15 p.m. (or so soon thereafter as the annual general meeting of the Unitholders convened to be held at 12:00 noon on the same date and at the same place shall have been concluded or adjourned). For the purpose of determining which Unitholders are entitled to attend and vote at the AGM and the EGM, the register of Unitholders will be closed from 18 May 2012 (Friday) to 22 May 2012 (Tuesday), both days inclusive, during which period no transfer of Units will be effected.

Background

Before the first listing of the Units on the Stock Exchange, at the time of authorisation of Hui Xian REIT under section 104 of the SFO in April 2011, a number of waivers were granted by the SFC in relation to certain continuing connected party transactions of Hui Xian REIT, including the Existing CKH/Manager Waiver for a period up to and including 31 December 2013. At the time of the first listing of the Units on the Stock Exchange, Oriental Plaza was the only landed property in which Hui Xian REIT was interested. The land use rights and building ownership rights in Oriental Plaza are held by BOP.

Upon the completion of the acquisition of the entire issued share capital of, and shareholder's loans owing by, Shenyang Investment BVI by the Trustee (as trustee of Hui Xian REIT) on 1 January 2012 (details of which are set out in the announcements dated 10 November 2011 and 3 January 2012 respectively issued by the Manager in its capacity as manager of Hui Xian REIT), Shenyang Investment BVI, Shenyang Investment HK and Shenyang Lido have become special purpose vehicles of Hui Xian REIT. Shenyang Lido holds the land use rights and building ownership rights in the Shenyang Property.

If transactions or arrangements in relation to the Shenyang Property or Shenyang Lido will be conducted between the Hui Xian REIT Group on the one hand and the Cheung Kong Connected Persons Group and/or the Manager Group on the other hand, continuing connected party transactions of Hui Xian REIT will arise. The Existing CKH/Manager Waiver, which was granted by the SFC in April 2011 in relation to certain continuing connected party transactions in respect of Oriental Plaza and BOP, does not cover transactions and arrangements in respect of properties or companies other than Oriental Plaza and BOP.

Modified and Extended Waiver in respect of the Relevant Connected Party Transactions

Accordingly, the Manager proposes to seek Unitholders' approval, by way of an Ordinary Resolution at the EGM, for the modification and extension of the Existing CKH/Manager Waiver and the modification and revision of the annual caps for the years ending 31 December 2012 and 2013 respectively and the setting of new annual caps for the year ending 31 December 2014 to cover the Relevant Connected Party Transactions which may from time to time be entered into between Hui Xian REIT Group on the one hand and the Cheung Kong Connected Persons Group or the Manager Group (as the case may be) on the other hand, in relation to any properties or companies in which Hui Xian REIT may directly or indirectly be interested.

Details of the Relevant Connected Party Transactions in relation to Oriental Plaza and BOP and the Existing CKH/Manager Waiver are set out on pages 244 to 247 and pages 251 to 253 of the Offering Circular. In accordance with the waiver conditions of the Existing CKH/Manager Waiver, the waiver conditions may be modified from time to time, provided that:

- (a) the approval of Unitholders other than those who have a material interest in the relevant transaction within the meaning of paragraph 8.11 of the REIT Code 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 is made, on each occasion of such extension, 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 in (a) above becomes effective.

Details of the Modified and Extended Waiver and the Modified and Extended Annual Caps are set out in the Circular. Under the Modified and Extended Waiver, the scope of the Existing CKH/Manager Waiver is proposed to be modified and extended and the period of the Modified and Extended Waiver is proposed to cover for a period up to and including 31 December 2014.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the Modified and Extended Waiver and the Modified and Extended Annual Caps. Unitholders' attention is drawn to the "Letter from the Independent Board Committee in relation to the Modified and Extended Waiver" set out in the Circular, which contains the Independent Board Committee's recommendation to the Independent Unitholders in respect of the Modified and Extended Waiver and the Modified and Extended Annual Caps.

Hercules Capital Limited, being the Independent Financial Adviser, has been appointed as independent financial adviser to provide its opinion on the Modified and Extended Waiver and the Modified and Extended Annual Caps to the Independent Board Committee, the Independent Unitholders and the Trustee. Unitholders' attention is drawn to the "Letter from the Independent Financial Adviser in relation to the Modified and Extended Waiver" 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 these matters.

Circular and Notice of EGM

The Circular is expected to be issued by uploading on the websites of the Stock Exchange and of Hui Xian REIT on 3 May 2012 (Thursday) (that is, the same date as this announcement), and to be despatched to the Unitholders on or around 4 May 2012 (Friday) together with the notice of the EGM and the form of proxy for the EGM. The EGM is convened to be held at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on 22 May 2012 (Tuesday) at 12:15 p.m. (or so soon thereafter as the annual general meeting of the Unitholders convened to be held at 12:00 noon on the same date and at the same place shall have been concluded or adjourned). Unitholders' attention is, in particular, drawn to the "Notice of Extraordinary General Meeting" set out in the Circular, which contains the full text of the proposed Ordinary Resolution in relation to the approval of the Modified and Extended Waiver and the Modified and Extended Annual Caps.

Closure of Register of Unitholders

For the purpose of determining which Unitholders are entitled to attend and vote at the AGM and the EGM, the register of Unitholders will be closed from 18 May 2012 (Friday) to 22 May 2012 (Tuesday), both days inclusive, during which period no transfer of Units will be effected. In order to qualify to attend and vote at the EGM, 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 17 May 2012 (Thursday).

DEFINITIONS

“AGM”	the annual general meeting of the Unitholders convened to be held on 22 May 2012 (Tuesday)
“Board”	the board of Directors
“BOP”	北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd*), a Sino-foreign co-operative joint venture established in the PRC and an indirectly owned special purpose vehicle of Hui Xian REIT
“Cheung Kong”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Cheung Kong Connected Persons Group”	Cheung Kong and entities or persons which are from time to time connected persons of Hui Xian REIT as a result of their connection with Cheung Kong, including certain members of the Cheung Kong Group, HWL and certain subsidiaries of HWL
“Cheung Kong Group”	Cheung Kong and its subsidiaries
“Circular”	the circular to be dated 4 May 2012 (Friday) and to be despatched to the Unitholders on or around 4 May 2012 (Friday), containing, among other things, details of the Modified and Extended Waiver and the Modified and Extended Annual Caps, the recommendations of the Independent Board Committee to the Independent Unitholders and the notice of the EGM
“connected person(s)”	has the meaning ascribed to it under the REIT Code
“Director(s)”	the director(s) of the Manager
“EGM”	an extraordinary general meeting of the Unitholders convened to be held on 22 May 2012 (Tuesday) to approve the Modified and Extended Waiver and the Modified and Extended Annual Caps

“Existing CKH/ Manager Waiver”	the waiver granted by the SFC in April 2011 in relation to certain continuing connected party transactions in respect of Oriental Plaza and BOP between the Hui Xian REIT Group on the one hand and the Cheung Kong Connected Persons Group or the Manager Group (as defined on page 242 of the Offering Circular) on the other hand for a period up to and including 31 December 2013 (details which are set out on pages 244 to 247 and pages 251 to 253 of the Offering Circular respectively)
“Hui Xian Cayman”	Hui Xian (Cayman Islands) Limited, a company incorporated in the Cayman Islands with limited liability, which is directly wholly-owned by Hui Xian Holdings
“Hui Xian Holdings”	Hui Xian Holdings Limited, a company incorporated in Hong Kong with limited liability
“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”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“HWL Group”	HWL and its subsidiaries
“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the Modified and Extended Waiver and the Modified and Extended Annual Caps, comprising all the independent non-executive Directors, namely, Mr. Cheng Hoi Chuen, Vincent, Professor Lee Chack Fan and Dr. Choi Koon Shum, Jonathan
“Independent Financial Adviser”	Hercules 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: (i) Hui Xian Holdings and Hui Xian Cayman; and (ii) those Unitholders who have a material interest in the Modified and Extended Waiver within the meaning of paragraph 8.11 of the REIT Code (including the Unitholders stated in the table on page 12 of the Circular)
“Manager”	Hui Xian Asset Management Limited, the manager of Hui Xian REIT

“Manager Group”	the Manager and entities or persons which are from time to time connected persons of Hui Xian REIT as a result of their connection with the Manager, including the Property Manager but excluding the Cheung Kong Connected Persons Group
“Modified and Extended Annual Caps”	the proposed modified and revised annual caps for the Relevant Connected Party Transactions for the years ending 31 December 2012 and 2013 respectively and the proposed new annual caps for the Relevant Connected Party Transactions for the year ending 31 December 2014 as set out in the Circular
“Modified and Extended Waiver”	the proposed modified and extended waiver for the Relevant Connected Party Transactions (including the setting of the Modified and Extended Annual Caps) as described in the Circular
“Offering Circular”	the offering circular dated 11 April 2011 issued in connection with the initial public offering of the Units
“Ordinary Resolution”	a resolution of Unitholders passed by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy at a duly convened meeting by way of a poll, but with a quorum of two or more Unitholders holding 10% of Units in issue
“Oriental Plaza”	the composite development known as Oriental Plaza situated at No. 1 East Chang An Ave., Dong Cheng District, Beijing, the PRC
“PRC”	the People’s Republic of China
“Property Manager”	北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*), a wholly-owned subsidiary of the Manager and the property manager of Oriental Plaza
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC (as amended from time to time)
“Relevant Connected Party Transactions”	continuing connected party transactions in relation to any properties or companies in which Hui Xian REIT may directly or indirectly be interested, involving (A) as between the Hui Xian REIT Group and the Cheung Kong Connected Persons Group, (1) leasing and licensing arrangements, (2) property management and club facilities arrangements, and (3) use of internet and telecommunication services; and (B) as between the Hui Xian REIT Group and the Manager Group, (1) leasing and licensing arrangements, and (2) property management and club facilities arrangements which are more particularly described in the Circular
“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)
“Shenyang Investment BVI”	Shenyang Investment (BVI) Limited, a direct wholly-owned special purpose vehicle of Hui Xian REIT
“Shenyang Investment HK”	Shenyang Investment (Hong Kong) Limited (瀋陽投資 (香港) 有限公司), a company directly wholly-owned by Shenyang Investment BVI and therefore an indirect wholly-owned special purpose vehicle of Hui Xian REIT
“Shenyang Lido”	瀋陽麗都商務有限公司 (Shenyang Lido Business Co., Ltd.*), a Sino-foreign cooperative joint venture established in the PRC, of which Shenyang Investment HK is entitled to 70% distributions, and therefore an indirect non wholly-owned special purpose vehicle of Hui Xian REIT
“Shenyang Property”	the building located at 瀋陽市和平區青年大街 386 號 (No. 386, Qingnian Street, He Ping District, Shenyang)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	DB Trustees (Hong Kong) Limited, the trustee of Hui Xian REIT
“unit(s)”	unit(s) in the Hui Xian REIT
“Unitholder(s)”	any person(s) registered as holding Unit(s)

By order of the Board of Directors of
Hui Xian Asset Management Limited
as the manager of Hui Xian Real Estate Investment Trust
Kam Hing Lam
 Chairman of the Manager

Hong Kong, 3 May 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).

* *for identification purposes only*