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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

INTERIM RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

HUI XIAN REIT

Hui Xian Real Estate Investment Trust (“Hui Xian REIT”) 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, and DB Trustees (Hong Kong) Limited (“Trustee”) as amended by a supplemental deed dated 24 May 2013 (“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 (the “Manager”), 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 International Company Limited, 30% by Cheung Kong (Holdings) Limited and 30% by ARA Asset Management Limited.

The Manager is pleased to announce the interim results of Hui Xian REIT and its special purpose vehicles for the period from 1 January 2013 to 30 June 2013 (the “Reporting Period”) as follows:

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

For the period from 1 January 2013 to 30 June 2013

	Six months ended 30 Jun 2013	Six months ended 30 Jun 2012	Percentage Change
Total Revenue (<i>RMB million</i>)	1,319	1,309	0.7%
Net Property Income (<i>RMB million</i>)	870	828 ⁽¹⁾	5.1%
Amount Available for Distribution (<i>RMB million</i>)	616	592	4.1%
Distribution per Unit (<i>RMB</i>)	0.1203	0.1178	2.1%
Annualised Distribution Yield	6.16% ⁽²⁾	6.45% ⁽³⁾	N/A
Payout Ratio	100%	100%	N/A

	As at 30 Jun 2013	As at 31 Dec 2012	Percentage Change
Gross Asset Value (<i>RMB million</i>)	40,029	39,388	1.6%
Net Asset Value Attributable to Unitholders (<i>RMB million</i>)	28,040	27,914	0.4%
Net Asset Value per Unit (<i>RMB</i>)	5.4763	5.4988	-0.4%
Debts to Gross Asset Value	6.1%	5.0%	N/A

Notes:

(1) The amount has been restated to conform with current period's presentation.

(2) Based on the closing price of the units of Hui Xian REIT ("Units") on 28 June 2013 and the annualised actual distribution amount for the period from 1 January 2013 to 30 June 2013.

(3) Based on the closing price of the Units on 30 June 2012 and the annualised actual distribution amount for the period from 1 January 2012 to 30 June 2012.

I am pleased to report the interim results of Hui Xian REIT for the six months ended 30 June 2013 (“Reporting Period”). The amount available for distribution for the Reporting Period increased 4.1% year-on-year to RMB 616 million. Distribution per unit (“DPU”) grew 2.1% year-on-year to RMB 0.1203, representing an annualised distribution yield of 6.16% based on the closing unit price of RMB 3.94 on 28 June 2013.

Results and Distribution

Total revenue for the six months ended 30 June 2013 was RMB 1,319 million, an increase of 0.7% compared to the same period in 2012. Net property income increased 5.1% year-on-year to RMB 870 million. Gross asset value grew 1.6% to RMB 40,029 million, while net asset value attributable to unitholders increased 0.4% to RMB 28,040 million.

The amount available for distribution during the Reporting Period increased 4.1% year-on-year to RMB 616 million. 100% of this amount will be distributed to the unitholders of Hui Xian REIT (“Unitholders”).

The DPU for the six months ended 30 June 2013 increased 2.1% year-on-year to RMB 0.1203, which represented an annualised distribution yield of 6.16% based on the closing price of the Units of RMB 3.94 on 28 June 2013.

Distribution Reinvestment Arrangement

The Manager recommends that a distribution reinvestment arrangement be made available to Unitholders, subject to obtaining authorisation from the Securities and Futures Commission of Hong Kong (“SFC”) of relevant documents. Under the distribution reinvestment arrangement, 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, or in the form of new Units of Hui Xian REIT, or a combination of both. Subject to obtaining SFC’s authorisation, an announcement providing further information on the distribution reinvestment arrangement will be published and a circular containing the relevant details together with the relevant election form will be sent to all qualified Unitholders.

China Business Environment

Despite a weaker global economic environment, China’s economy maintained its growth momentum in the first half of 2013. The country’s gross domestic product (“GDP”) increased 7.6% year-on-year to RMB 24.8 trillion, and its total retail sales of consumer goods rose 12.7% year-on-year to RMB 11.1 trillion. Beijing, China’s capital and economic centre, recorded a GDP growth of 7.7% year-on-year to RMB 911 billion in the first half of 2013.

Although recent data indicated that China’s economic growth rate has moderated compared to previous decades, the country’s economic drivers are still on track for steady and sustainable growth.

Business Review

During the Reporting Period, Hui Xian REIT delivered strong performance across its retail, office and serviced apartment sectors while the hotel sector’s business was adversely affected by external factors. Total revenue increased 0.7% year-on-year to RMB 1,319 million. Net property income recorded 5.1% year-on-year growth to RMB 870 million.

Hui Xian REIT’s portfolio consists of the 800,000-square metre mixed-use development in Beijing — Oriental Plaza (which comprises The Malls, The Tower Offices, The Tower Apartments and Grand Hyatt Beijing) and Sofitel Shenyang Lido, a five-star hotel in Shenyang.

Net Property Income	Jan –Jun 2013 (RMB million)	Jan –Jun 2012 (RMB million)*	Percentage Change (%)
Retail	426	362	17.5%
Office	328	275	19.2%
Serviced apartment	32	30	9.1%
Hotels	84	161	-47.8%
TOTAL	870	828	5.1%

* The amounts have been restated to conform with current period's presentation.

Retail Portfolio

In the first six months of 2013, Beijing's retail sales and disposable income per capita increased 8.8% and 9.4% respectively compared to the same period in 2012.

Performance of Hui Xian REIT's retail sector — The Malls at Oriental Plaza — was strong during the Reporting Period. With a well-balanced tenant mix offering both luxury and mass-market brands, we saw leasing demand from popular retailers which were keen to establish or expand their presence in The Malls.

During the Reporting Period, the average monthly passing rent increased 8.5% year-on-year to RMB 1,012 per square metre. Rental reversion was 14.4%. The average occupancy rate was 99.5%. Net property income increased 17.5% year-on-year to RMB 426 million.

Office Portfolio

Beijing's Grade A office market has experienced an exceptionally strong growth over the past few years. The rental growth had slightly softened in the first half of 2013.

During the Reporting Period, The Tower Offices at Oriental Plaza continued to see encouraging leasing demands from multinational and domestic companies, both new and existing. These quality and diversified office tenants provide Hui Xian REIT with a stable income contribution.

The average monthly passing rent increased 23.1% year-on-year to RMB 226 per square metre. The average monthly spot rent was RMB 269 per square metre; this 10.4% year-on-year decrease was primarily due to a higher percentage of lease renewal than new signed leases in the first half of 2013. Rental reversion was 36.7%, while the average occupancy rate was 91.7%. Net property income was RMB 328 million, an increase of 19.2% over the same period last year.

Serviced Apartment Portfolio

Despite the decrease in the number of senior executives seconded to Beijing by multinational companies, there was continued leasing demand for well-located serviced apartments in the capital city. Comprising two blocks offering over 600 serviced apartments, the average occupancy rate of The Tower Apartments at Oriental Plaza was 80.8%. Net property income increased 9.1% year-on-year to RMB 32 million.

Hotel Portfolio

China's hotel industry continued to face challenges during the first half of 2013. In 2012/13, the country experienced its coldest winter in 28 years. The outbreak of human avian flu in various provinces had also led to decreases in business and leisure travels, as well as cancellations of conferences and events. Furthermore, the Central Government's new policy of restrictions on entertainment and hospitality, and the transition of leadership also caused an impact on the corporate entertainment and banquets, business meetings as well as government-driven events.

Hui Xian REIT's hotel portfolio comprises of two five-star hotels: Grand Hyatt Beijing at Oriental Plaza and Sofitel Shenyang Lido. Against the backdrop mentioned above, net property income of the two hotels combined was RMB 84 million, down 47.8% year-on-year.

The competition amongst five-star hotels in Beijing was intense in 2013 with some hotels aggressively reducing their room rates. Grand Hyatt Beijing's average room rate per night slightly decreased 1.5% year-on-year to RMB 1,888 during the Reporting Period. Revenue per available room ("RevPAR") decreased 24.0% year-on-year to RMB 936 and the average occupancy rate was 49.6%.

On 1 January 2013, the 590-room hotel in Shenyang was rebranded as Sofitel Shenyang Lido. It has since been managed by the French company, Sofitel Luxury Hotels.

Shenyang's hotel market has become increasingly competitive as the city saw an influx of five-star hotels opening before the 12th National Games of the People's Republic of China to be held at the end of August 2013. The stiff competition further increased pressure on both hotel room rates and occupancy level. During the Reporting Period, Sofitel Shenyang Lido's average occupancy rate was 40.7%. The average room rate per night decreased 11.0% year-on-year to RMB 735; and RevPAR was down by 44.2% year-on-year to RMB 299.

Asset Enhancement

Both Grand Hyatt Beijing and Sofitel Shenyang Lido have implemented asset enhancement programmes to improve the hotels' competitiveness. During the renovation period, room availability and occupancy level would be affected.

Grand Hyatt Beijing has commenced its three-year asset enhancement programme in the beginning of 2013. A total of 156 refurbished guest rooms with contemporary features were unveiled during the first half of 2013. The newly renovated rooms have been well received by the market.

Following the change of the hotel management company in early 2013, a two-year renovation programme adding a Sofitel's touch to the Shenyang hotel is now underway.

Strong Financial Position

Hui Xian REIT maintained a healthy balance sheet during the Reporting Period. As at 30 June 2013, bank balances and cash on hand amounted to RMB 2,679 million and debts amounted to RMB 2,447 million. Debts to gross asset value ratio was 6.1%. We believe that Hui Xian REIT has strong financial capacity to pursue acquisition opportunities when they arise.

Outlook

We believe that the outlook for growth in the retail, office and serviced apartment sectors will remain positive, while the hotel sector may still be subjected to market volatility. Going forward, we will continue to devote significant efforts to drive organic growth from our current portfolio. Our top priorities are to achieve rental growth and improve the assets' operational performance, especially those of the two hotels, through active asset management.

Asset enhancement programmes for Grand Hyatt Beijing and Sofitel Shenyang Lido will continue throughout the second half of the year.

We have also been actively pursuing yield-accretive acquisition opportunities in China which can bring long-term benefits for both Hui Xian REIT and Unitholders.

While we continue to be cautious about the overall economic environment, we are confident in China's strong economic fundamentals as well as our well-positioned portfolio.

On behalf of the Manager, I would like to extend our appreciation to the Trustee and Unitholders for their continued support and confidence in Hui Xian REIT.

KAM Hing Lam
Chairman
Hui Xian Asset Management Limited
(as manager of Hui Xian Real Estate Investment Trust)
Hong Kong, 23 July 2013

MANAGEMENT DISCUSSION AND ANALYSIS

PORTFOLIO HIGHLIGHTS

Hui Xian REIT's portfolio spans across retail, office, serviced apartment and hotel businesses:

(1) its investment in Hui Xian (B.V.I.) Limited, which in turn holds Hui Xian Investment Limited, the foreign joint venture partner of 北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.[#]) ("BOP"), which is a sino-foreign cooperative joint venture established in the PRC. BOP holds the land use rights and building ownership rights of **Oriental Plaza**, and

(2) its investment in Shenyang Investment (BVI) Limited ("Shenyang Investment BVI"), which in turns holds Shenyang Investment HK, the foreign joint venture partner of Shenyang Lido. Shenyang Investment HK is entitled to 70% of the distributions of Shenyang Lido Business Co. Ltd)) ("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**.

Hui Xian REIT's portfolio by sectors:

Sector	Property	City	Gross Floor Area (sq m)
(1) Retail	<ul style="list-style-type: none"> The Malls at Oriental Plaza: <i>A shopping mall</i> 	Beijing	130,195
(2) Office	<ul style="list-style-type: none"> The Tower Offices at Oriental Plaza: <i>8 Grade A office towers</i> 	Beijing	309,552
(3) Serviced apartment	<ul style="list-style-type: none"> The Tower Apartments at Oriental Plaza: <i>2 serviced apartment towers (over 600 units)</i> 	Beijing	81,603
(4) Hotels	<ul style="list-style-type: none"> 2 hotels: 		204,166
	<ul style="list-style-type: none"> ➤ Grand Hyatt Beijing at Oriental Plaza: <i>5-star hotel (825 rooms)</i> ➤ Sofitel Shenyang Lido: <i>5-star hotel (590 rooms)</i> 	Beijing Shenyang	125,420 78,746
(5) Car parking spaces & other ancillary facilities	<ul style="list-style-type: none"> 1,901 car parking spaces at Oriental Plaza 	Beijing	140,289
Total			865,805

OPERATIONS REVIEW

(1) Retail Portfolio

During the first half of 2013, Beijing's GDP grew 7.7% year-on-year. The capital's retail sales increased 8.8% year-on-year to RMB 397 billion, while the disposable income per capita was up 9.4% year-on-year to RMB 19,867.

Hui Xian REIT's retail portfolio includes The Malls at Oriental Plaza, a 130,000 square metre shopping centre located in the Wangfujing area of Beijing. Net property income of the retail portfolio increased 17.5% year-on-year to RMB 426 million, accounting for 48.9% of the total net property income of Hui Xian REIT during the Reporting Period.

[#] The English name is shown for identification purpose only.

The average monthly passing rent increased 8.5 % year-on-year to RMB 1,012 per square metre. The average occupancy rate for the first six months of 2013 was 99.5%. Rental reversion was 14.4%.

It was reported that China's retail sales of luxury items and high-end restaurants were affected by the Central Government's new policy of restrictions on entertainment and hospitality. The Malls at Oriental Plaza recorded healthy growth in both rental income and occupancy rate during the Reporting Period, primarily attributed to the well-balanced tenant mix. It offers a diverse spectrum of products and services, ranging from high and fast fashion, high-end and casual dining, watches and jewellery, showrooms, banks, personal care stores to cinema.

Considering the uncertain global environment, retailers turned more conservative in new store openings and were also more selective in the retail space's quality and location. Situated in one of Beijing's busiest shopping areas, The Malls' leasing demand continued to be strong. A number of new shops were opened during the first half of 2013, including IWC, EVISU and Pacific Coffee. A few existing tenants also expanded and upgraded their stores. For instance, Audi added over 1,000 square metres and launched its first digital car showroom, Audi City, in Asia.

To further elevate the retail experience and draw footfall, The Malls commenced asset enhancement works in Zone 1 in the second quarter of the year. It is expected to be completed by the third quarter of 2013.

Gross Revenue	RMB 528 million, +14.6% YOY
Net Property Income	RMB 426 million, +17.5% YoY
Average Occupancy Rate	99.5%
Average Monthly Passing Rent	RMB 1,012 per square metre, +8.5% YoY
Average Monthly Spot Rent	RMB 1,688 per square metre, +70.6 % YoY

(2) Office Portfolio

After experiencing rapid growth in the past few years, Beijing's Grade A office market rental growth softened in the first half of 2013. The recent uncertain macroeconomic environment has prompted some corporations to take more a cautious approach to renting office space; while landlords were also more willing to provide rental incentives.

Hui Xian REIT's office portfolio comprises The Tower Offices at Oriental Plaza, providing over 309,000 square metres of Grade A office space in eight blocks. Net property income of our office portfolio during the Reporting Period surged 19.2% year-on-year to RMB 328 million, accounting for 37.7% of the total net property income of Hui Xian REIT.

The Tower Offices houses a quality tenant base of over 490 international and domestic corporations from a broad range of industries, including finance and banking, accounting, high technology, law, media and advertising, consumer goods, education and government-related organisations. The strong and diversified tenant mix gives us significant security of rental income.

The average monthly passing rent increased 23.1% year-on-year to RMB 226 per square metre. The average monthly spot rent decreased 10.4% year-on-year to RMB 269 per square metre, mainly due to the higher tenant retention rate. The average occupancy rate for the Reporting Period was 91.7%. Rental reversion was 36.7%.

Gross Revenue	RMB 440 million, +15.5% YoY
Net Property Income	RMB 328 million, +19.2% YoY
Average Occupancy Rate	91.7%
Average Monthly Passing Rent	RMB 226 per square metre, +23.1% YoY
Average Monthly Spot Rent	RMB 269 per square metre, -10.4% YoY

(3) Serviced Apartment Portfolio

Despite the decrease in the number of senior executives seconded to Beijing by multinational companies, there was continued leasing demand for well-located serviced apartments in the capital city. Hui Xian REIT's serviced apartment portfolio comprises The Tower Apartments at Oriental Plaza providing over 600 fully-furnished serviced apartments in two towers. Net property income increased 9.1% year-on-year to RMB 32 million, contributing to 3.7% of the total net property income of Hui Xian REIT during the Reporting Period. The average occupancy rate during the Reporting Period was 80.8%.

Gross Revenue	RMB 64 million, +1.5% YoY
Net Property Income	RMB 32 million, +9.1% YoY
Average Occupancy Rate	80.8%

(4) Hotel Portfolio

Throughout the first half of 2013, China's hotel industry was impacted by a number of external events, including the general unfavourable economic conditions, unusually cold winter and the outbreak of human avian flu in various provinces. The Central Government's policy of restrictions on entertainment and hospitality, and leadership transition also affected the industry. All these led to the reduction of business and individual travel, corporate conferences and entertainment, banquets, as well as government-driven events.

Hui Xian REIT's hotel portfolio consists of two five-star hotels: Grand Hyatt Beijing at Oriental Plaza and Sofitel Shenyang Lido. Together, they provide 1,415 guest rooms and suites. Net property income of the two hotels combined was RMB 84 million, a 47.8% decrease year-on-year. The hotel sector contributed 9.7% of the total net property income of Hui Xian REIT in the first half of 2013.

Grand Hyatt Beijing, Beijing

Affected by various events mentioned above, foreign visitor arrivals to Beijing dropped 15.0% year-on-year to 1.85 million in the first half of 2013.

Beijing's hospitality market remained highly competitive in 2013 and some hotels had aggressively reduced room rates to attract customers. For the 825-room Grand Hyatt Beijing, the average room rate per night was slightly down by 1.5% year-on-year to RMB 1,888 during the Reporting Period. Revenue per available room ("RevPAR") decreased 24.0% year-on-year to RMB 936. The average occupancy rate for the Reporting Period was 49.6%.

Grand Hyatt Beijing hosted a number of major conferences and events in the first half of 2013. However, the scale and guest room take-up rate for some events were downsized compared to previous years as the corporations were more conservative towards business travelling spending.

The three-year asset enhancement programme which began at Grand Hyatt Beijing in the beginning of 2013 is making good progress. 156 newly renovated rooms have been completed. They have been well received by the market.

Sofitel Shenyang Lido, Shenyang

In Northeast China, where Shenyang was located, temperatures have been at a 43-year low during the 2012/13 winter. The city's business activities and tourism were affected by the unusually cold weather as well as the closure of airport and highways due to heavy snow and icy rain.

Hui Xian REIT's 590-room Shenyang hotel project was rebranded as Sofitel Shenyang Lido on 1 January 2013. With the new hotel management company — the Sofitel Luxury Hotels — came on board, the two-year asset enhancement programme is now in progress.

Shenyang will be the host city for the 12th National Games of the People's Republic of China in August 2013. A number of five-star hotels came on stream before the Games, adding over 1,430 upscale hotel rooms to the city. The competition amongst the hotels has become fierce, putting downward pressure on room rates and occupancy. Sofitel Shenyang Lido's average room rate per night decreased 11.0% year-on-year to RMB 735. RevPAR was down by 44.2% year-on-year to RMB 299, and the average occupancy rate for the Reporting Period was 40.7 %.

Gross Revenue	RMB 287 million, -29.1% YoY
Net Property Income	RMB 84 million, -47.8% YoY
<i>Grand Hyatt Beijing</i> <ul style="list-style-type: none">• Average occupancy rate• Average room rate per night• RevPAR	<ul style="list-style-type: none">• 49.6%• RMB 1,888, -1.5% YoY• RMB 936, -24.0% YoY
<i>Sofitel Shenyang Lido</i> <ul style="list-style-type: none">• Average occupancy rate• Average room rate per night• RevPAR	<ul style="list-style-type: none">• 40.7%• RMB 735, -11.0% YoY• RMB 299, -44.2% YoY

FINANCIAL REVIEW

Net Property Income

The net property income was RMB 870 million for the six months ended 30 June 2013.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB 616 million ("2013 Interim Distribution") to Unitholders for the six months ended 30 June 2013. The 2013 Interim Distribution represents 100% of Hui Xian REIT's total amount available for distribution during the period from 1 January 2013 to 30 June 2013 and will be paid in RMB.

Distribution per Unit

The distribution per Unit for the period from 1 January 2013 to 30 June 2013 is RMB 0.1203 based on the number of outstanding Units on 30 June 2013. This represents an annualised distribution yield of 6.16% based on the closing unit price of RMB 3.94 on 28 June 2013.

Closure of Register of Unitholders

The record date for the 2013 Interim Distribution will be 9 August 2013, Friday ("Record Date"). The Register of Unitholders will be closed from 7 August 2013, Wednesday to 9 August 2013, Friday, both days inclusive, during which period no transfer of Units will be effected. The interim distribution is expected to be payable on 26 September 2013, Thursday to Unitholders whose names appear on the Register of Unitholders on the Record Date.

Subject to obtaining authorisation from the 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.

In order to qualify for the 2013 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 6 August 2013, Tuesday.

Debt Positions

In January 2012, Hui Xian Investment Limited ("Hui Xian Investment"), a special purpose vehicle wholly-owned by Hui Xian REIT, drew down an unsecured 3-year term loan of HK\$1,200 million offered by The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited and DBS Bank Ltd. (the "2011 Credit Facility"). The purpose of the 2011 Credit Facility was to finance the general corporate needs of the Hui Xian REIT group.

In April 2013, Hui Xian Investment drew down a new 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 "2013 Credit Facility"). The purpose of the 2013 Credit Facility was to finance the outstanding loans from Hui Xian Holdings Limited and the general corporate needs of the Hui Xian REIT group.

As at 30 June 2013, the outstanding loans drew down by Hui Xian Investment under a revolving credit facility arrangement with Hui Xian Holdings Limited amounted to RMB 555 million (31 December 2012: RMB1,005 million) for the purpose of filling up the timing gap between dividend distributions.

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.

Based on Hui Xian REIT's net assets attributable to Unitholders of RMB28,040 million as at 30 June 2013 (31 December 2012: RMB 27,914 million), Hui Xian REIT's debts to net asset value ratio stood at 8.7% (31 December 2012: 7.0%). Meanwhile, the debts to gross asset value ratio was 6.1 % as at 30 June 2013 (31 December 2012: 5.0%).

Bank Balances and Asset Positions

As at 30 June 2013, Hui Xian REIT's bank balances and cash amounted to RMB 2,679 million (31 December 2012: RMB 2,063 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 Oriental Plaza. Hui Xian REIT's interests in 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 Oriental Plaza.

American Appraisal China Limited ("American Appraisal"), Hui Xian REIT's principal valuer, valued the eight blocks of office towers, the shopping mall and car parking spaces at RMB 29,820 million as at 30 June 2013 (31 December 2012: RMB 29,660 million), translating into an increase of 0.5% over the valuation as of 31 December 2012. Together with the hotel and serviced apartment premises, gross property value of BOP was RMB 35,644 million as at 30 June 2013, as compared to RMB 35,577 million as at 31 December 2012.

On 1 January 2012, Hui Xian REIT completed its acquisition of all issued shares of Shenyang Investment BVI, which in turn indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of Sofitel Shenyang Lido (formerly Sheraton Shenyang Lido Hotel). Standing on the famous Qingnian Street, the 30-storey 78,746 square metre Sofitel Shenyang Lido is located in the heart of the newly established Central Business District in southern Shenyang.

American Appraisal valued the hotel premises of Shenyang Lido at RMB 1,620 million as at 31 December 2012. Gross property value of hotel premises as at 30 June 2013 was RMB 1,534 million (31 December 2012: RMB 1,580 million).

Net Assets Attributable to Unitholders

As at 30 June 2013, net assets attributable to Unitholders amounted to RMB 28,040 million (31 December 2012: RMB 27,914 million) or RMB 5.4763 per Unit, representing a 39.0% premium to the closing unit price of RMB 3.94 on 28 June 2013 (31 December 2012: RMB 5.4988 per Unit, representing a 32.5% premium to the closing unit price of RMB 4.15 on 31 December 2012).

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 2011 Credit Facility and the 2013 Credit Facility.

Commitments

As at 30 June 2013, except for capital commitment in respect of the asset enhancement programme for the hotels, Hui Xian REIT did not have any significant commitments.

Employees

As at 30 June 2013, BOP, by itself and through its branch, employed a total of approximately 150 employees in the PRC, of which approximately 90 employees performed hotel operation functions and services, and approximately 60 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.

As at 30 June 2013, Shenyang Lido by itself and through its branch employed a total of approximately 400 employees in the PRC.

Save as disclosed above, Hui Xian REIT is managed by the Manager and did not directly employ any staff as at 30 June 2013.

CORPORATE GOVERNANCE

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures with built-in checks and balances have been put in place to promote the operation of Hui Xian REIT in a transparent manner. In particular, the Manager has adopted a Compliance Manual which sets out the key processes, systems and measures the Manager will apply in order to comply with the Trust Deed, the Code on Real Estate Investment Trusts ("REIT Code") and other applicable legislation, rules and regulations. The Compliance Manual also contains a Corporate Governance Policy which regulates the activities of the board of directors of the Manager.

Throughout the six months ended 30 June 2013, 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 Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 announcement, Mr. CHEUNG Ling Fung, Tom (Executive Director and the Chief Executive Officer of the Manager), Mr. LEE Chi Kin, Casey (Executive Director of the Manager), Mr. HUI Tung Keung, Tommy (the Chief Operating Officer of the Manager) and Ms. LAI Wai Yin, Agnes (the Chief Financial Officer 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 (Chapter 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.

Review of the Interim Results

The interim results of Hui Xian REIT for the six months ended 30 June 2013 have been reviewed by the Audit Committee and the Disclosures Committee of the Manager in accordance with their terms of reference. Hui Xian REIT's condensed consolidated financial statements for the six months ended 30 June 2013 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.

New Units Issued

In the six months ended 30 June 2013, (i) an aggregate of 13,989,152 new Units were issued to the Manager as payment of part of the manager's fees; and (ii) an aggregate of 29,805,761 new Units were issued to Unitholders pursuant to the distribution reinvestment arrangement in respect of the final distribution for the period from 1 July 2012 to 31 December 2012.

The total number of Units in issue as at 30 June 2013 was 5,120,210,562 Units.

Purchase, Sale or Redemption of Units

There were no repurchase, 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 are owned and controlled by Hui Xian REIT in the six months ended 30 June 2013.

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 2013.

Issuance of the Interim Report 2013

The Interim Report of Hui Xian REIT for the six months ended 30 June 2013 will be published on the respective websites of the Stock Exchange and Hui Xian REIT and will be sent to Unitholders on or before 31 August 2013.

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, 23 July 2013

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 and Mr. Lee Chi Kin, Casey (executive Directors); Mr. Ip Tak Chuen, Edmond, Mr. Lim Hwee Chiang and Mr. Yin Ke (with Mr. Pang Shuen Wai, Nichols being his alternate director) (non-executive Directors); and Mr. Cheng Hoi Chuen, Vincent, Professor Lee Chack Fan and Dr. Choi Koon Shum, Jonathan (independent non-executive Directors).

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013

	<u>NOTES</u>	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Revenue	5	1,319	1,309
Rental related income	6	23	28
Other income	7	47	7
Increase in fair value of investment properties		160	450
Hotel inventories consumed		(25)	(37)
Staff costs		(38)	(44)
Depreciation and amortisation		(151)	(152)
Other operating expenses	8	(391)	(413)
Finance costs	9	(41)	(23)
Manager's fees	10	(74)	(78)
Real estate investment trust expenses	11	(5)	(6)
Profit before taxation and transactions with unitholders		824	1,041
Income tax expense	12	(262)	(312)
Profit for the period, before transactions with unitholders		562	729
Distribution to unitholders		(616)	(592)
(Loss) profit and total comprehensive (expense) income for the period, after transactions with unitholders		(54)	137
Attributable to:			
Non-controlling interest		(7)	(1)
Unitholders		(47)	138
		(54)	137
Basic earnings per unit (RMB)	13	0.1117	0.1455

FINANCIAL INFORMATION

DISTRIBUTION STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Profit for the period, before transactions with unitholders	562	729
Non-controlling interest	<u>7</u>	<u>1</u>
Profit for the period attributable to unitholders, before transactions with unitholders	<u>569</u>	<u>730</u>
Adjustments (Note (i)):		
Manager's fees	59	55
Deferred tax	47	119
Distributable depreciation and amortisation	82	105
Increase in fair value of investment properties	<u>(160)</u>	<u>(450)</u>
	<u>28</u>	<u>(171)</u>
Distributable income	<u>597</u>	<u>559</u>
Discretionary distributions (Note (ii)):		
Depreciation and amortisation arising from fair value adjustment	19	18
Other cash distributions	<u>-</u>	<u>15</u>
	<u>19</u>	<u>33</u>
Amount available for distribution	<u>616</u>	<u>592</u>
Distribution to unitholders	<u>616</u>	<u>592</u>
Distribution per unit (RMB) (Note (iii))	<u>0.1203</u>	<u>0.1178</u>

FINANCIAL INFORMATION

Notes:

- (i) Adjustments for the current and prior periods include:
- (a) For the six months ended 30 June 2013, Manager's fees paid and payable in units of RMB59 million (7,274,791 units issued and 7,622,461 units estimated to be issued) out of the total Manager's fees of RMB74 million. The difference of RMB15 million are paid or payable in cash.
- For the six months ended 30 June 2012, Manager's fees paid and payable in units of RMB55 million out of the total Manager's fees of RMB78 million. The difference of RMB23 million are paid or payable in cash.
- (b) Deferred tax charge of RMB7 million (2012: RMB7 million) in relation to accelerated tax depreciation and deferred tax charge of RMB40 million (2012: RMB112 million) in relation to increase in fair value of investment properties.
- (c) Distributable depreciation and amortisation of Beijing Oriental Plaza attributable to unitholders of RMB82 million (2012: RMB105 million) represented depreciation and amortisation of RMB103 million (2012: RMB105 million) less capital expenditure of RMB21 million (2012: nil).
- (d) Increase in fair value of investment properties of RMB160 million (2012: RMB450 million).

In accordance with the Trust Deed, Hui Xian REIT (as defined in Note 1) is required to distribute to unitholders not less than 90% of its distributable income for each financial period and it is the Manager's stated policy to distribute 100% of Hui Xian REIT's annual distributable income for the period from the listing date to 31 December 2011 and the financial year ended 31 December 2012 and thereafter at least 90% of Hui Xian REIT's annual distributable income for each financial year. For the six months ended 30 June 2013, the Manager had determined to distribute 100% of Hui Xian REIT's interim distributable income. Pursuant to the Trust Deed, interim/annual distributable income is defined as the amount calculated by the Manager as representing the consolidated profit for the period 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) Discretionary distribution refers to any additional amount (include capital) which the Manager has determined to be distributed pursuant to clause 11.4.2 of the Trust Deed. Discretionary distributions for the current/prior periods include:
- (1) Depreciation and amortisation attributable to unitholders arising from fair value adjustment upon acquisition of Shenyang Lido Business Co. Limited by the Group of RMB19 million (2012: RMB18 million).
- (2) Other cash distributions of nil (2012: RMB15 million).
- (iii) The distribution per unit of RMB0.1203 for six months ended 30 June 2013 is calculated based on Hui Xian REIT's amount available for distribution of RMB616,186,083 over 5,120,210,562 units, representing issued units as at 30 June 2013. The distribution per unit of RMB0.1178 for the six months ended 30 June 2012 was calculated based on Hui Xian REIT's amount available for distribution of RMB591,636,874 over 5,024,495,409 units, representing issued units as at 30 June 2012.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	<u>NOTES</u>	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Non-current assets			
Investment properties	14	29,820	29,660
Property, plant and equipment	15	2,576	2,640
Land and related costs	16	4,728	4,798
Total non-current assets		37,124	37,098
Current assets			
Hotel inventories		22	22
Land and related costs	16	141	141
Trade and other receivables	17	63	64
Bank balances and cash		2,679	2,063
Total current assets		2,905	2,290
Total assets		40,029	39,388
Current liabilities			
Trade and other payables	18	397	441
Tenants' deposits		198	197
Tax payable		32	37
Manager's fee payable		37	44
Distribution payable		623	634
Loans from a unitholder	19	555	1,005
Total current liabilities		1,842	2,358
Total assets less current liabilities	23	38,187	37,030
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	20	1,892	959
Tenants' deposits		410	377
Deferred tax liabilities		7,435	7,363
Total non-current liabilities, excluding net assets attributable to unitholders		9,737	8,699
Total liabilities, excluding net assets attributable to unitholders		11,579	11,057
Non-controlling interest		410	417
Net assets attributable to unitholders		28,040	27,914
Units in issue ('000)		5,120,211	5,076,416
Net asset value per unit (RMB) attributable to unitholders	21	5.4763	5.4988

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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 a Supplemental Deed dated 24 May 2013 (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 principal activity of Hui Xian REIT and its subsidiaries (the "Group") is to own and invest in high quality commercial properties in the People's Republic of China (the "PRC") 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.

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 Securities and Futures Commission.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values. Historical cost is generally based on fair value of the consideration given in exchange of goods.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

FINANCIAL INFORMATION

3. SIGNIFICANT ACCOUNTING POLICIES-continued

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has applied HKFRS 13 "Fair Value Measurement" which has no material impact on the condensed consolidated financial statements.

Except as described above, the Manager concluded that the application of other new and revised Hong Kong Financial Reporting Standards ("HKFRSs") had no material impact on the results and the financial position of the Group.

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. During the six months period ended 30 June 2012, the Group acquired Shenyang Investment (BVI) Limited. Subsequent to the acquisition of Shenyang Investment (BVI) Limited, the chief operating decision maker reviewed financial information and operating result of Sofitel Shenyang Lido (formerly known as Sheraton Shenyang Lido Hotel before 1 January 2013) on stand-alone basis and reported the operation of Sofitel Shenyang Lido as a separate segment in the interim financial report for the six months ended 30 June 2012. However, the structure of internal reports provided to the chief operating decision maker has been revised subsequent to 30 June 2012. Under the revised internal reports, the results and financial information of Grand Hyatt Beijing and Sofitel Shenyang Lido have been reported on a combined basis. Therefore, a new segment "The Hotels" has been presented to show the combined financial information and results of Grand Hyatt Beijing and Sofitel Shenyang Lido. Furthermore, certain expenses and income which previously presented as unallocated expenses and income have been reclassified and included in the appropriate segment's results. There is no material impact on segment results resulting from the restatement. The amounts reported for the six months ended 30 June 2012 have been restated subsequently to conform with the change made in the internal reports that are regularly reviewed by the chief operating decision maker for the six months period ended 30 June 2013.

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

The following are identified operating and reportable segments:

The Malls:	Renting of the shopping mall and car parking spaces in Oriental Plaza, Beijing, 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.

(a) Segment revenue and results

Six months ended 30 June 2013 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	Consolidated RMB million
Segment revenue	<u>528</u>	<u>440</u>	<u>64</u>	<u>287</u>	<u>1,319</u>
Segment profit	<u>426</u>	<u>328</u>	<u>32</u>	<u>84</u>	<u>870</u>
Increase in fair value of investment properties					160
Finance costs					(41)
Depreciation and amortisation					(146)
Unallocated income					42
Unallocated expense					(61)
Profit before taxation and transactions with unitholders					<u>824</u>

Six months ended 30 June 2012 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	Consolidated RMB million
Segment revenue	<u>460</u>	<u>381</u>	<u>63</u>	<u>405</u>	<u>1,309</u>
Segment profit	<u>362</u>	<u>275</u>	<u>30</u>	<u>161</u>	<u>828</u>
Increase in fair value of investment properties					450
Finance costs					(23)
Depreciation and amortisation					(147)
Unallocated income					6
Unallocated expense					(73)
Profit before taxation and transactions with unitholders					<u>1,041</u>

Segment profit represents the profit earned by each segment without allocation of the increase in fair value of investment properties, 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.

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(b) Segment assets

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

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
The Malls	15,273	14,867
The Tower Offices	14,586	14,829
The Tower Apartments	2,172	2,206
The Hotels	5,476	5,581
Total segment assets	37,507	37,483
Bank balances and cash	2,482	1,861
Other assets	40	44
Consolidated total assets	<u>40,029</u>	<u>39,388</u>

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 receivables 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.

(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 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 current and prior periods.

(d) Other segment information

Six months ended 30 June 2013 (unaudited)

	The <u>Malls</u> RMB million	The Tower <u>Offices</u> RMB million	The Tower <u>Apartments</u> RMB million	The <u>Hotels</u> RMB million	Segment <u>Total</u> RMB million
Depreciation of property, plant and equipment	<u>-</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>5</u>

Six months ended 30 June 2012 (unaudited)

	The <u>Malls</u> RMB million	The Tower <u>Offices</u> RMB million	The Tower <u>Apartments</u> RMB million	The <u>Hotels</u> RMB million	Segment <u>Total</u> RMB million
Depreciation of property, plant and equipment	<u>-</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>5</u>

FINANCIAL INFORMATION

5. REVENUE

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Gross rental from investment properties	968	841
Income from hotel operation	287	405
Income from serviced apartments operation	64	63
Total	<u>1,319</u>	<u>1,309</u>

The gross rental from investment properties includes contingent rents of RMB10 million (2012: RMB17 million).

The direct operating expense from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB237 million (2012: RMB232 million).

6. RENTAL RELATED INCOME

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Service income	18	21
Forfeited tenant deposits	1	3
Others	4	4
Total	<u>23</u>	<u>28</u>

7. OTHER INCOME

Amount mainly represents bank interest income.

8. OTHER OPERATING EXPENSES

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Advertising and promotion	9	8
Audit fee	1	-
Business tax	75	75
Insurance	3	3
Lease agency fee	14	16
Property manager's fee	14	15
Property management fees	17	22
Repairs and maintenance	42	42
Other miscellaneous expenses (Note)	98	114
Stamp duty	1	2
Urban land use tax	1	1
Urban real estate tax	56	56
Utilities	60	59
	<u>391</u>	<u>413</u>

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

FINANCIAL INFORMATION

9. FINANCE COSTS

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Interest expense on unsecured bank loans wholly repayable within five years	19	15
Interest expense on loans from a unitholder	22	8
	<u>41</u>	<u>23</u>

10. MANAGER'S FEES

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Base Fee	56	51
Variable Fee	18	17
Acquisition Fee	-	10
	<u>74</u>	<u>78</u>

11. REAL ESTATE INVESTMENT TRUST EXPENSES

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
Trustee's fee	2	2
Legal and professional fees	2	2
Public relations - related expenses	-	1
Trust administrative expenses	1	1
	<u>5</u>	<u>6</u>

12. INCOME TAX EXPENSE

	<u>2013</u> RMB million (unaudited)	<u>2012</u> RMB million (unaudited)
The income tax expense comprises:		
Current tax		
- PRC Enterprise Income Tax	190	170
Deferred taxation	72	142
	<u>262</u>	<u>312</u>

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 the Group's PRC subsidiaries.

FINANCIAL INFORMATION

12. INCOME TAX EXPENSE - continued

The Law of the People's Republic of China 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% as approved by the relevant tax authorities in the PRC pursuant to double taxation arrangement between Hong Kong and the PRC. At the end of the reporting period, deferred taxation was provided for in full in respect of the temporary differences attributable to such profits.

13. EARNINGS PER UNIT

The earnings per unit is calculated by dividing the profit for the period attributable to unitholders before transactions with unitholders of RMB569 million (2012: RMB730 million) by 5,093,096,532 units (2012: 5,017,354,364 units) being the weighted average number of units in issue during the period of 5,091,159,332 units (2012: 5,015,450,249 units), plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 April 2013 to 30 June 2013 of 1,937,200 units (2012: for the period from 1 April 2012 to 30 June 2012 of 1,904,115 units).

14. INVESTMENT PROPERTIES

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
FAIR VALUE		
At the beginning of the period/year	29,660	26,860
Increase in fair value recognised in profit or loss	160	2,800
At the end of the period/year	<u>29,820</u>	<u>29,660</u>

- (a) The Group's investment properties held under operating leases are located in Beijing, the PRC under medium-term leases and are measured using the fair value model.
- (b) Investment properties were revalued on 30 June 2013 and 31 December 2012 by American Appraisal China Limited, an independent valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations.

15. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired plant and machinery of RMB2 million and other fixed assets of RMB16 million.

During the six months ended 30 June 2012, the Group acquired hotel of RMB808 million, plant and machinery of RMB6 million and other fixed assets of RMB12 million through acquisition of a business.

FINANCIAL INFORMATION

16. LAND AND RELATED COSTS

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

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Non-current asset	4,728	4,798
Current asset	141	141
	<u>4,869</u>	<u>4,939</u>

17. TRADE AND OTHER RECEIVABLES

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Trade receivables	37	27
Deposits and prepayments	10	16
Advance to suppliers	2	8
Interest receivables	11	10
Other receivables	3	3
	<u>63</u>	<u>64</u>

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

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Less than or equal to 1 month	33	25
1 - 3 months	3	1
Over 3 months	1	1
	<u>37</u>	<u>27</u>

FINANCIAL INFORMATION

18. TRADE AND OTHER PAYABLES

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Trade payables	57	81
Rental received in advance	188	188
Others (Note)	152	172
	<u>397</u>	<u>441</u>

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:

	<u>30.6.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Less than or equal to 3 months	37	59
Over 3 months	20	22
	<u>57</u>	<u>81</u>

19. LOANS FROM A UNITHOLDER

The amounts represent loans of RMB50 million and RMB505 million (31 December 2012: RMB545 million and RMB460 million) drawn under a revolving credit facility granted from a unitholder, Hui Xian Holdings Limited ("Hui Xian Holdings"). The loans are unsecured, bear interest at a range of 5.6% to 5.7% (31 December 2012: 5.5% to 5.9%) per annum and repayable on 8 July 2013 and 10 July 2013 respectively (31 December 2012: 3 January 2013 and 24 March 2013 respectively).

20. BANK LOANS

	<u>30.06.2013</u> RMB million (unaudited)	<u>31.12.2012</u> RMB million (audited)
Unsecured term loans	1,912	973
Loan front-end fees	(20)	(14)
	<u>1,892</u>	<u>959</u>

The maturities of the above bank loans are as follows:

More than one year but not exceeding two years	946	-
More than two years but not exceeding five years	946	959
Amount due after one year	<u>1,892</u>	<u>959</u>

FINANCIAL INFORMATION

20. BANK LOANS - continued

In relation to the credit facility of HK\$1,200 million (equivalent to RMB956 million) granted to the Group on 22 April 2013 to finance the repayment of any outstanding amounts under the revolving credit facility granted from Hui Xian Holdings and to finance the general corporate funding needs of the Group, the total amount of the credit facility utilised by the Group as at 30 June 2013 was HK\$1,200 million (equivalent to RMB956 million) (31 December 2012: nil). It bears interest at floating interest rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 1.95% and is repayable in full in April 2016.

In relation to the credit facility of HK\$1,200 million (equivalent to RMB956 million) granted to the Group on 29 December 2011 to finance the general corporate funding needs of the Group, the total amount of the credit facility utilised by the Group as at 30 June 2013 was HK\$1,200 million (equivalent to RMB956 million) (31 December 2012: HK\$1,200 million (equivalent to RMB973 million)). It bears interest at floating interest rate of HIBOR plus 2% and is repayable in full in January 2015.

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

21. 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 2013 of RMB28,040 million (31 December 2012: RMB27,914 million) and the total number of 5,120,210,562 (31 December 2012: 5,076,415,649) units in issue as at 30 June 2013.

22. NET CURRENT ASSETS/LIABILITIES

At the end of the reporting period, the Group's net current assets, defined as total current assets less total current liabilities, amounted to RMB1,063 million (31 December 2012: net current liabilities of RMB68 million).

23. TOTAL ASSETS LESS CURRENT LIABILITIES

At the end of the reporting period, the Group's total assets less current liabilities amounted to RMB38,187 million (31 December 2012: RMB37,030 million).