
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Units in **Hui Xian REIT**, you should at once hand this Circular, together with the relevant Election Form, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

Directors of the Manager:

Non-executive Directors

Mr. Kam Hing Lam (*Chairman*)

Mr. Ip Tak Chuen, Edmond

Mr. Lim Hwee Chiang

Mr. Yin Ke

(with Mr. Pang Shuen Wai, Nichols as his alternate)

Registered Office of the Manager:

Unit 303,

Cheung Kong Center

2 Queen's Road Central

Hong Kong

Executive Directors

Mr. Cheung Ling Fung, Tom

Mr. Lee Chi Kin, Casey

Independent Non-executive Directors

Mr. Cheng Hoi Chuen, Vincent

Professor Lee Chack Fan

Dr. Choi Koon Shum, Jonathan

To: Unitholders of Hui Xian REIT

Dear Sir/Madam,

DISTRIBUTION REINVESTMENT ARRANGEMENT IN RESPECT OF THE 2013 FINAL DISTRIBUTION OF HUI XIAN REIT

On 24 February 2014, the board of directors (the “**Board**”) of Hui Xian Asset Management Limited (the “**Manager**”), as manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”), announced, among other things, that the Board has approved a distribution reinvestment arrangement (“**Distribution Reinvestment Arrangement**”) for the final distribution for the period from 1 July 2013 to 31 December 2013 (“**2013 Final Distribution**”) of RMB0.1252 per unit of Hui Xian REIT (“**Unit**”). The Distribution Reinvestment Arrangement will be made available to Unitholders (including Unitholders with registered addresses outside Hong Kong (“**Overseas Unitholders**”) who have complied with all applicable registration or other legal requirements, governmental or regulatory procedures or similar formalities of the relevant jurisdictions) whose names appeared on the register of Unitholders on 12 March 2014 (Wednesday) (the “**Record Date**”) (the “**Eligible Unitholders**”). Under the Distribution Reinvestment Arrangement, Eligible Unitholders will be entitled to have a scrip distribution alternative in lieu of a cash distribution. Eligible Unitholders can elect to receive their 2013 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 distribution is on or about 30 April 2014 (Wednesday).

The register of Unitholders of Hui Xian REIT was closed from 10 March 2014 (Monday) to 12 March 2014 (Wednesday) (both days inclusive) (the “**Book Closure Period**”). The Record Date is the last day of the Book Closure Period which was on 12 March 2014 (Wednesday). In order to qualify for the 2013 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 (“**Unit Registrar**”) for registration not later than 4:30 p.m. on 7 March 2014 (Friday). Eligible Unitholders whose names appeared on the register of Unitholders on the Record Date may elect to receive:

1. only cash distribution of RMB0.1252 per Unit; or
2. only scrip distribution of new Units of Hui Xian REIT (the “**Scrip Units**”) at an issue price of RMB3.38 per Scrip Unit, subject to any fractional entitlement being disregarded as mentioned below; or
3. partly in cash distribution and partly in Scrip Units.

Further details of the Distribution Reinvestment Arrangement are set out in the Appendix to this circular.

Scrip Units issued to a Unitholder pursuant to an election to receive some or all of their 2013 Final Distribution in Scrip Units may be allocated in odd lots (of fewer than a board lot of 1,000 Units). No special dealing arrangements will be put in place by Hui Xian REIT to facilitate the trading or disposal of Scrip Units issued in odd lots. Unitholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to elect to receive Scrip Units in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, must

be solely the responsibility of each Unitholder. Hui Xian REIT does not accept any responsibility for your decision.

The scrip distribution alternative will enable you to increase your holding of Units without incurring dealing costs or stamp duty. To the extent that Eligible Unitholders elect to receive Scrip Units, Hui Xian REIT will benefit by retaining cash which would otherwise be payable by way of distribution.

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

By order of the board of directors of
Hui Xian Asset Management Limited
(as manager of Hui Xian Real Estate Investment Trust)
Kam Hing Lam
Chairman of the Manager

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The purpose of this Appendix is to provide Unitholders with further details in respect of the Distribution Reinvestment Arrangement.

1. ISSUE PRICE

The issue price of RMB3.38 per Scrip Unit (“**Issue Price**”) represents the volume weighted average price for a Unit for all trades in the Units on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the ten consecutive trading days starting from, and including, 6 March 2014 (Thursday), being the first day the Units were traded ex-2013 Final Distribution, less a 5% discount.

2. WHO IS ELIGIBLE

Subject to paragraph 6 below, Unitholders whose names appeared on the register of Unitholders on the Record Date (i.e. 12 March 2014 (Wednesday)) may participate in the Distribution Reinvestment Arrangement and will be entitled to elect to receive Scrip Units in respect of all or part of their holdings of Units (see paragraph 3 below) as an alternative to receiving a distribution of RMB0.1252 per Unit in cash in respect of the 2013 Final Distribution.

Hui Xian REIT’s Units were quoted ex-2013 Final Distribution on 6 March 2014 (Thursday). This means that if you bought the Units on or after that date, you are not entitled to receive the 2013 Final Distribution.

However, if you bought or sold Units in Hui Xian REIT before 6 March 2014 (Thursday), being the date on which the Units were quoted ex-2013 Final Distribution, and this has not been reflected in the number of Units shown in Box B on your Election Form (as defined hereafter), you should, without delay, consult the licensed securities dealer or other agent through whom the sale or transfer was effected for advice on the action you should take.

3. BASIS OF ALLOTMENT

Your entitlement to Scrip Units is based on:

- (a) the Issue Price (i.e. RMB3.38 per Scrip Unit);
- (b) 2013 Final Distribution (i.e. RMB0.1252 per Unit); and
- (c) the number of Units held by you on the Record Date (i.e. 12 March 2014 (Wednesday)).

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 2013 Final Distribution per Unit = Maximum distribution available for election for Scrip Units

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

The number of Scrip Units to be received by each Eligible Unitholder pursuant to his election will be truncated (but not rounded off) to the nearest whole Unit. Since fractions of Units cannot be issued, if

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you 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 you and the maximum distribution available for Unit election in respect of your unitholding. Fractional entitlements to Scrip Units will be disregarded and the benefit thereof will accrue to Hui Xian REIT.

You may elect to receive Scrip Units in respect of all or part of your holding of Units. No fraction of a Unit will be issued. If you choose to take only part of your distribution as Scrip Units, you will receive the balance in cash.

The Scrip Units issued in respect of the 2013 Final Distribution will, when they are issued, rank *pari passu* in all respects with the existing Units in issue except that such Scrip Units themselves will not rank for the 2013 Final Distribution.

4. ACTION TO BE TAKEN

A form of election (“**Election Form**”) for Eligible Unitholders to elect the cash distribution and/or scrip distribution is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) To receive only cash distribution

If you wish to receive only cash for the 2013 Final Distribution, you do not need to take any action.

(b) To receive only scrip distribution

If you wish to receive only Scrip Units for the 2013 Final Distribution, please just SIGN, DATE and RETURN the Election Form.

(c) To receive a combination of cash distribution and scrip distribution

If you wish to receive your entitlement to the 2013 Final Distribution partly in cash and partly in Scrip Units, please ENTER in Box C of the Election Form the number of Units which were registered in your name on the Record Date for which you require the 2013 Final Distribution to be paid in Scrip Units. Then SIGN, DATE and RETURN the Election Form.

If you need to return an Election Form, you should return it 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 14 April 2014 (Monday)**.

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The latest time for return of the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- a. in force in Hong Kong at local time at or before 12:00 noon and no longer in force after 12:00 noon on 14 April 2014 (Monday). Instead, the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;
- b. in force in Hong Kong at local time between 12:00 noon and 4:30 p.m. on 14 April 2014 (Monday). Instead, the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

No acknowledgement of receipt of the Election Form will be issued.

No elections in respect of the 2013 Final Distribution may, after the relevant Election Forms are signed and returned to the Unit Registrar, be in any way withdrawn, revoked, superseded or altered.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in your 2013 Final Distribution being paid wholly in the form of cash.

If you sign the Election Form but do not specify the number of Units in respect of which you wish to receive your distribution in Scrip Units or, if you elect to receive your distribution in Scrip Units in respect of a greater number of Units than your registered holding, then in either case you will be deemed to have exercised your election of Scrip Units in respect of all the Units registered in your name.

5. CONDITION OF THE DISTRIBUTION REINVESTMENT ARRANGEMENT

The Distribution Reinvestment Arrangement described in this circular is conditional upon the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the Scrip Units to be issued in respect of the 2013 Final Distribution. If this condition is not satisfied, the Distribution Reinvestment Arrangement described in this circular will not become effective, the Election Forms will be void and the 2013 Final Distribution will then be paid wholly in cash.

6. OVERSEAS UNITHOLDERS

Unitholders with registered address outside Hong Kong or are otherwise subject to the laws of jurisdictions outside Hong Kong should consult their professional advisers as to whether any government or other consents are required or other formalities need to be observed to permit them to participate in the Distribution Reinvestment Arrangement.

No Unitholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Units unless in the relevant territory such invitation could lawfully be made to such person without Hui Xian REIT being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Unitholder with registered address outside Hong Kong or is otherwise subject to the laws of jurisdictions other than Hong Kong who wishes to receive Scrip Units under the Distribution Reinvestment Arrangement to comply with the laws of the relevant jurisdiction(s), including applicable procedures or any other similar formalities. It is also the responsibility of any person who receives Scrip Units in lieu of a cash distribution to comply with any restrictions on the resale of the Units which apply outside Hong Kong.

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7. LISTING AND CLEARING AND SETTLEMENT

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the Scrip Units to be issued pursuant to the Distribution Reinvestment Arrangement.

Subject to the granting of listing of, and permission to deal in, the Scrip Units issued pursuant to the Distribution Reinvestment Arrangement on the Hong Kong Stock Exchange, the Scrip Units will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”). Unitholders should seek the advice of their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the general rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Units are listed on the Hong Kong Stock Exchange. On no other stock exchanges is any part of the Units listed or dealt in or on which listing or permission to deal is being or proposed to be sought.

8. GENERAL

If all Unitholders are Eligible Unitholders and all of them elect to take up their maximum number of Scrip Units under the Distribution Reinvestment Arrangement, a maximum of 191,301,358 Scrip Units would be issued, representing an increase of approximately 3.70% of Units of Hui Xian REIT issued and outstanding as at Record Date (i.e. 12 March 2014 (Wednesday)).

9. TIMETABLE OF EVENTS

Set out below is a table summarising the events in relation to the 2013 Final Distribution of Hui Xian REIT in the form of an expected timetable:

Events	Date
Hui Xian REIT’s Units quoted ex-2013 Final Distribution	6 March 2014 (Thursday)
Closure of the register of Unitholders	10 March 2014 (Monday) to 12 March 2014 (Wednesday) (both days inclusive)
Record Date	12 March 2014 (Wednesday)
Final Date for receipt by Unit Registrar of Election Forms	14 April 2014 (Monday) not later than 4:30 pm
Payment of 2013 Final Distribution for cash distribution election	on or about 30 April 2014 (Wednesday)
Despatch of new Unit certificates for scrip distribution election	on or about 30 April 2014 (Wednesday)
Expected first day of dealings in Scrip Units (subject to the granting of listing approval by the Hong Kong Stock Exchange)	2 May 2014 (Friday)

Notes:

1. All times refer to Hong Kong local time.
2. If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning in force at or at any time prior to 4:30 p.m. on 14 April 2014 (Monday), the deadline for return of the Election Form will be changed. Further information is set out in paragraph 4 headed “Action to be taken” in this Appendix.

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Further copies of this circular and replacement Election Forms may be obtained from the Unit Registrar.

Address of Unit Registrar:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

Telephone: (852) 2862 8555

Email: hkinfo@computershare.com.hk

Should you have any queries in relation to the Distribution Reinvestment Arrangement, please call our Unit Registrar's enquiry hotline at (852) 2862 8555.