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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

PAYMENT OF BASE FEE AND VARIABLE FEE TO THE MANAGER BY WAY OF UNITS IN HUI XIAN REAL ESTATE INVESTMENT TRUST AND CASH

PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2014 TO 31 DECEMBER 2014

Reference is made to the announcement issued by the Manager dated 13 January 2014 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ending 31 December 2014 shall be paid to the Manager in the form of cash as to 20% and in the form of Units as to 80%.

The Board announces that the Manager has received: (a) payment of the Base Fee in the amount of RMB55,576,569.86, of which RMB44,461,255.89 was paid in the form of Units by way of 13,154,217 Units issued to the Manager on 26 March 2015, and RMB11,115,313.97 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB18,806,008.02, of which RMB15,044,806.42 was paid in the form of Units by way of 4,451,126 Units issued to the Manager on 26 March 2015, and RMB3,761,201.60 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2014 to 31 December 2014. The aggregate 17,605,343 Units so issued to the Manager represent approximately 0.33% of the total number of 5,326,464,863 Units in issue immediately after the Issue.

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager shall be such number of Units as may be purchased for the relevant amount of the Base Fee or the relevant amount of the Variable Fee (as the case may be) at the price of RMB3.38 per Unit (being the prevailing Market Price as defined in the Trust Deed), rounded down to the nearest whole number. The above Issue of Units to the Manager is provided for in the Trust Deed and such issue does not require Unitholders' approval pursuant to a waiver granted by the Securities and Futures Commission.

The Manager held 26,115,032 Units immediately before the Issue. Immediately after the Issue of the 17,605,343 Units, the Manager holds 43,720,375 Units, representing approximately 0.82% of the 5,326,464,863 Units in issue.

PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2014 TO 31 DECEMBER 2014

Pursuant to the trust deed dated 1 April 2011 constituting Hui Xian REIT (as amended by two supplemental deeds dated 24 May 2013 and 16 May 2014) (the “**Trust Deed**”), Hui Xian Asset Management Limited, manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) (the “**Manager**”), is entitled to receive, commencing on and from and including 29 April 2011:

- (i) The base fee (the “**Base Fee**”) which is defined in the Trust Deed as 0.3% per annum of the Property Values (as defined in the Trust Deed) at the relevant time. With effect from the amendments to the Trust Deed by the supplemental deed dated 24 May 2013, the Base Fee is payable in arrears after each half-yearly period of each financial year.
- (ii) The variable fee (the “**Variable Fee**”) which is defined in the Trust Deed as 3% per annum of the net property income of each real estate held by Hui Xian REIT for each financial year (before deduction therefrom of the Variable Fee and, where the Property Manager (as defined below) is a subsidiary of the Manager, the Property Manager's fee), provided however that in respect of Oriental Plaza and as from the date on which 北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited (*for identification purposes only*)) (the “**Property Manager**”) is appointed as the property manager of Oriental Plaza and for so long as the Property Manager is a subsidiary of the Manager, such rate shall be reduced to 2% (instead of 3% as stated above) per annum. With effect from the amendments to the Trust Deed by the supplemental deed dated 24 May 2013, the Variable Fee is payable in arrears after each half-yearly period of each financial year.

Pursuant to the Trust Deed, the Manager may elect, annually on or before 15 January of each financial year, to receive the Base Fee and the Variable Fee in the form of cash and/or in the form of units of Hui Xian REIT (the “**Units**”) in respect of that financial year. Reference is made to the announcement issued by the Manager dated 13 January 2014 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ending 31 December 2014 shall be paid to the Manager in the form of cash as to 20% and in the form of Units as to 80%.

For the purpose of calculating the Variable Fee, the aggregate net property income of all real estate held by Hui Xian REIT or its special purpose vehicles (namely, Oriental Plaza and the building located at No. 386, Qingnian Street, He Ping District, Shenyang) for the period from 1 July 2014 to 31 December 2014 amounted to approximately RMB931 million.

The board of directors (the “**Board**”) of the Manager announces that the Manager has received: (a) payment of the Base Fee in the amount of RMB55,576,569.86, of which RMB44,461,255.89 was paid in the form of Units by way of 13,154,217 Units issued to the Manager on 26 March 2015, and RMB11,115,313.97 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB18,806,008.02, of which RMB15,044,806.42 was paid in the form of Units by way of 4,451,126 Units issued to the Manager on 26 March 2015, and RMB3,761,201.60 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2014 to 31 December 2014. The aggregate 17,605,343 Units so issued to the Manager represent approximately 0.33% of the total number of 5,326,464,863 Units in issue immediately after the Issue.

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager (the “**Issue**”) shall be such number of Units as may be purchased for the relevant amount of the Base Fee or the relevant amount of the Variable Fee (as the case may be) at the price of RMB3.38 per Unit (being the prevailing Market Price as defined in the Trust Deed), rounded down to the nearest whole number. The Market Price shall be, according to the Trust Deed, the volume weighted average price for a Unit for all trades in Units on The Stock Exchange of Hong Kong Limited for the period of 10 trading days immediately preceding the date of issue of Units to the Manager. The number of Units under the Issue was determined on a basis which is consistent with the relevant provisions of the Trust Deed.

WAIVER OF REQUIREMENTS FOR UNITHOLDERS’ APPROVAL AND VALUATION

The Issue of 17,605,343 Units as aggregate payment of part of the Base Fee and part of the Variable Fee to the Manager is provided for in the Trust Deed and pursuant to a waiver granted by the Securities and Futures Commission as disclosed in the offering circular (the “**Offering Circular**”) dated 11 April 2011 issued in connection with the initial public offering and listing of Units (the “**Waiver**”). The Issue does not require approval of the unitholders of Hui Xian REIT (the “**Unitholders**”) and does not require a valuation of the real estate held under Hui Xian REIT.

As mentioned in the Offering Circular, the Waiver was granted on the conditions, among others, that the number of Units issued to the Manager by way of payment of the Base Fee and Variable Fee will be counted as part of the 20% (or such lower percentage as permitted by the Code on Real Estate Investment Trusts (the “**REIT Code**”) from time to time) of the outstanding Units that the Manager may issue in each financial year without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code, and that the maximum number of Units to be so issued in respect of each financial year shall be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units issued in the relevant financial year for the purposes of financing any acquisition of real estate by Hui Xian REIT. Accordingly, the Issue will be counted as part of the 20% of outstanding Units that the Manager may issue in the financial year ending 31 December 2014 without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code.

TOTAL NUMBER OF UNITS ISSUED TO THE MANAGER IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The 34,929,388 Units, being the total number of Units issued to the Manager so far as payment of the Manager's fees in respect of the financial year ending 31 December 2014, represent less than 3% of the Units outstanding as at 31 December 2013 (being the last day of the immediately preceding financial year). No Units were issued in the financial year ended 31 December 2014 for the purposes of financing any acquisition of real estate by Hui Xian REIT.

UNITHOLDING INTERESTS OF THE MANAGER

The Manager held 26,115,032 Units immediately before the Issue. Immediately after the Issue of the 17,605,343 Units, the Manager holds 43,720,375 Units, representing approximately 0.82% of the 5,326,464,863 Units in issue.

GENERAL

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

By order of the Board
Hui Xian Asset Management Limited
滙賢房託管理有限公司
as Manager of Hui Xian Real Estate Investment Trust
KAM Hing Lam
Chairman of the Manager

Hong Kong, 26 March 2015

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).