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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
匯賢房託管理有限公司

CONNECTED PARTY TRANSACTIONS RENEWAL OF LOAN FACILITY GRANTED BY HUI XIAN HOLDINGS LIMITED

The 2011 Facilities Agreement entered into between Hui Xian Holdings (as lender) and Hui Xian Investment which is wholly-owned by Hui Xian REIT (as borrower) had expired in October 2014.

The Renewal Facility Agreement has been entered into on 15 May 2015 on substantially the same terms and conditions as the 2011 Facilities Agreement, under which Hui Xian Holdings agreed to grant to Hui Xian Investment a RMB1,300 million revolving credit facility at the interest rate of 2.7% per annum above the HSBC Standard RMB Rate for supporting the making of distributions by Hui Xian REIT in Renminbi, which is unsecured and available for multiple drawings until one month before the final maturity date on the expiry of 30 months from the date of such agreement.

As Hui Xian Holdings is an associate of a significant holder of Hui Xian REIT and thus a connected person of Hui Xian REIT under the REIT Code, transactions under the Renewal Facility Agreement between Hui Xian REIT Group and Hui Xian Holdings constitute connected party transactions of Hui Xian REIT. Application has been made to the SFC for a waiver from strict compliance with announcement or unitholders' approval requirements under Chapter 8 of the REIT Code in respect of transactions contemplated under the Renewal Facility Agreement, and such waiver has been granted by the SFC on terms set out in this announcement.

Reference is made to the facilities agreement dated 8 April 2011 between Hui Xian Holdings Limited (“**Hui Xian Holdings**”) and Hui Xian Investment Limited (“**Hui Xian Investment**”), a special purpose vehicle wholly-owned by Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”), as amended by a supplemental agreement dated 29 December 2011 (the “**2011 Facilities Agreement**”). Under the 2011 Facilities Agreement, Hui Xian Holdings granted to Hui Xian Investment revolving credit facilities in the aggregate amount of RMB1,400 million comprising:—

- (a) a RMB100 million revolving credit facility for financing the general working capital requirements and general corporate funding of Hui Xian REIT and its subsidiaries, which was available for multiple drawings on a revolving basis until one month before the final maturity date of 8 October 2012; and
- (b) a RMB1,300 million revolving credit facility for supporting the making of distributions by Hui Xian REIT in Renminbi, which was available for multiple drawings on a revolving basis until one month before the final maturity date of 8 October 2014.

Loans under the 2011 Facilities Agreement bore interest at the rate of 2.7% per annum above the HSBC Standard RMB Rate, and the above facilities were secured by a joint and several unconditional and irrevocable guarantee by DB Trustees (Hong Kong) Limited (the “**Trustee**”) (in its capacity as trustee for Hui Xian REIT) and Hui Xian (B.V.I.) Limited (a subsidiary of Hui Xian REIT) (“**Hui Xian BVI**”).

Hui Xian Holdings is an “associate” of a “significant holder” (within the meaning given in the Code on Real Estate Investment Trusts (“**REIT Code**”)) of Hui Xian REIT because of Hui Xian Holdings’ relationship with its wholly-owned subsidiary, Hui Xian (Cayman Islands) Limited. Hui Xian Holdings is thus a connected person of Hui Xian REIT under the REIT Code. The transactions under the 2011 Facilities Agreement between Hui Xian Asset Management Limited on behalf of Hui Xian REIT or other companies or entities held or controlled by Hui Xian REIT (collectively, “**Hui Xian REIT Group**”) and Hui Xian Holdings constituted connected party transactions of Hui Xian REIT under the REIT Code. Details of the relevant waiver from connected party transaction requirements in respect of transactions under the 2011 Facilities Agreement were set out on page 104 of the 2011 Interim report of Hui Xian REIT issued in August 2011 and the announcement of Hui Xian REIT published on 10 November 2011.

As the 2011 Facilities Agreement had expired in October 2014, Hui Xian Holdings and Hui Xian Investment have entered into a facility agreement on 15 May 2015 (the “**Renewal Facility Agreement**”) to renew the facilities arrangement under the 2011 Facilities Agreement. Under the Renewal Facility Agreement, Hui Xian Holdings has agreed to grant to Hui Xian Investment a RMB1,300 million revolving credit facility for supporting the making of distributions by Hui Xian REIT in Renminbi, which is available for multiple drawings on a revolving basis until one month before the final maturity date falling on the expiry of 30 months from the date of such agreement. Loans under the Renewal Facility Agreement bear interest at the rate of 2.7% per annum above the HSBC Standard RMB Rate, and the revolving facility is unsecured and unconditionally and irrevocably guaranteed by the Trustee (in its capacity as trustee for Hui Xian REIT) and Hui Xian BVI on a joint and several basis. Apart from the term of availability and the final maturity date, the Renewal Facility Agreement is on substantially the same terms and conditions as the facility under the 2011 Facilities Agreement for supporting the making of distributions by Hui Xian REIT in Renminbi.

Apart from the entering into of the Renewal Facility Agreement, there have been no transactions between Hui Xian Holdings and Hui Xian REIT Group since the 2011 Facilities Agreement expired.

Waiver for Connected Party Transactions in respect of the Renewal Facility Agreement

Application has been made to the Securities and Futures Commission (the “SFC”) for a waiver from strict compliance with connected party transaction requirements under Chapter 8 of the REIT Code in respect of the Renewal Facility Agreement, and such waiver has been approved by the SFC. The waiver granted by the SFC is set out as follows:

The transactions between Hui Xian REIT Group and Hui Xian Holdings as contemplated under the Renewal Facility Agreement (the “**Facility Transactions**”) will not be subject to any requirements for announcement or unitholders’ approval under Chapter 8 of the REIT Code, and, in addition, the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to the Facility Transactions shall be modified as described below:

- (i) a summary disclosure of the Facility Transactions in each financial year will be disclosed in the semi-annual and annual reports of Hui Xian REIT. Such information shall include the nature of the transactions, types of transactions or services and identities of the connected persons of the same transactions;
- (ii) the independent non-executive directors (the “**INEDs**”) of Hui Xian Asset Management Limited (as manager of Hui Xian REIT) (the “**Manager**”) shall confirm in the annual report that they have reviewed the terms of any such transactions and are satisfied that these transactions have been entered into:
 - (a) in the ordinary and usual course of business of Hui Xian REIT;
 - (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and
 - (c) in accordance with the relevant agreement and the Manager’s internal procedures governing them on terms that are fair and reasonable and in the interests of the unitholders of Hui Xian REIT as a whole;
- (iii) the auditors of Hui Xian REIT shall be engaged to perform certain agreed review procedures and report in the auditors’ report in respect of Hui Xian REIT to the Manager (and a copy of such report shall be provided to the SFC) confirming that all such transactions:
 - (a) have followed the Manager’s internal procedures for such transactions and are in accordance with the terms disclosed in this announcement;

- (b) have received the approval of the board of directors of the Manager (including the INEDs); and
- (c) have been entered into and carried out in accordance with the terms of the agreements governing the transactions;
- (iv) the Manager shall allow, and shall procure the counterparty to the relevant connected party transactions to allow, the auditors of Hui Xian REIT sufficient access to their records for the purpose of reporting on the transactions; and
- (v) the Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors of Hui Xian REIT and/or the INEDs will not be able to confirm the matters set out in paragraphs (ii) and (iii) above.

General

The board of directors of the Manger (including the INEDs) are satisfied that the transactions as contemplated under the Renewal Facility Agreement, as a whole, are carried out at arm's length, on normal commercial terms, are fair and reasonable, and are in the interest of Hui Xian REIT and its unitholders as a whole. A summary disclosure of the connected party transactions as contemplated under the Renewal Facility Agreement in each relevant financial year will be disclosed in the annual report of Hui Xian REIT to the extent as required to be disclosed pursuant to the requirements of Chapter 8 of the REIT Code as modified by the waiver terms.

The Trustee has confirmed that it has no objection for the Manager to proceed with the transactions as contemplated under the Renewal Facility Agreement.

Currently, Hui Xian REIT has not entered into any hedging or interest rate swap transactions.

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, 15 May 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).