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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

CONNECTED PARTY TRANSACTION — NOVATION OF THE RELEVANT DOCUMENTS IN RELATION TO THE ACQUISITION OF THE CHONGQING PROPERTY

NOVATION

The Manager wishes to announce that at the request of the HWL Guarantor, for itself and on behalf of the CKH Guarantor, the Novation Deed was entered on 3 June 2015, by and among, the Vendors, the Guarantors, the Manager, the Trustee and CK Property in order for CK Property to take up the rights of, and to assume the obligations of the Guarantors under each of the Relevant Documents, respectively, upon and with effect from and including the date of the CK Property Listing and so as to novate and constitute each Relevant Document an agreement between CK Property as guarantor of each of the Vendors (in place of the Guarantors) and the other parties to that Relevant Document (other than the Guarantors) on the same terms and conditions of that Relevant Document as novated by the Novation Deed.

REIT CODE IMPLICATIONS

Each of the Manager and the Trustee, respectively, considers that the novation contemplated by the Novation Deed is in, and without prejudice to, the Unitholders' interests.

The Guarantors, the Vendors and CK Property are connected persons of Hui Xian REIT and hence, the entering into of the Novation Deed is a connected party transaction. However, the Manager is of the view that for the reasons set forth in this announcement and that the underlying transactions of the Relevant Documents have been previously approved by independent Unitholders in accordance with the REIT Code, the entering into of the Novation Deed is not required to be approved by independent Unitholders in the circumstances and that the Novation Deed and the transactions contemplated thereunder are only subject to the reporting and announcement requirements under Chapters 8 and 10 of the REIT Code.

Reference is made to the circular issued by Hui Xian Asset Management Limited (the “**Manager**”), in its capacity as manager of Hui Xian Real Estate Investment Trust, dated 10 November 2014 in relation to the acquisition of the Chongqing Property (the “**Circular**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

Background

The Acquisition was completed on 2 March 2015 in accordance with the terms of the Sale and Purchase Agreement and, in particular, the Deed of Income Guarantee and the Deed of Tax Covenant, both dated 2 March 2015, were executed by the respective parties to such deeds and delivered to the Manger at Completion. The obligations of Cheerjoy under each of the Sale and Purchase Agreement, the Deed of Income Guarantee and the Deed of Tax Covenant (collectively, the “**Relevant Documents**”) have been guaranteed by Cheung Kong Holdings (China) Limited (i.e. the CKH Guarantor as defined in the Circular) and those of Joinpower under the Relevant Documents have been guaranteed by Hutchison Properties Limited (i.e. the HWL Guarantor as defined in the Circular).

The Manager has made reference to a joint announcement issued by Cheung Kong and HWL on 9 January 2015 in relation to, among other things, a spin-off proposal whereby the property business of each of Cheung Kong group and HWL group would be reorganised to form part of Cheung Kong Property Holdings Limited (“**CK Property**”) (the “**Reorganisation**”), a wholly-owned subsidiary of CK Hutchison Holdings Limited (“**CKH Holdings**”), which would be immediately following completion of the Reorganisation be listed on the Stock Exchange (the “**CK Property Listing**”).

As at the date of this announcement immediately prior to the completion of the Reorganisation, Cheerjoy was a wholly-owned subsidiary of the CKH Guarantor which, in turn, was a wholly-owned subsidiary of Cheung Kong; and Joinpower was a wholly-owned subsidiary of the HWL Guarantor which, in turn, was a wholly-owned subsidiary of HWL.

The Manager has further made reference to the announcement dated 3 June 2015 jointly issued by, among others, CKH Holdings and CK Property and has been informed that (1) the Reorganisation was completed on 3 June 2015; (2) the CK Property Listing was completed on 3 June 2015; and (3) as result of the Reorganisation, Cheerjoy has ceased to be a wholly-owned subsidiary of Cheung Kong and Joinpower has ceased to be a wholly-owned subsidiary of HWL and both of them have become a wholly-owned subsidiary of CK Property. As a result of the CK Property Listing, CK Property has been spun off from CKH Holdings and become a company whose shares are listed on the Stock Exchange separately.

Novation of Relevant Documents

At the request of the HWL Guarantor, for itself and on behalf of the CKH Guarantor, a deed of novation (the “**Novation Deed**”) was entered into on 3 June 2015, by and among, the Vendors, the Guarantors, the Manager, the Trustee and CK Property in order for CK Property to take up the rights of, and to assume the obligations of the Guarantors under each of the Relevant Documents, respectively, upon and with effect from and including the date of the CK Property Listing and so as to novate and constitute each Relevant Document an agreement between CK Property as guarantor of each of the Vendors (in place of the Guarantors) and the other parties to that Relevant Document (other than the Guarantors) on the same terms and conditions of that Relevant Document as novated by the Novation Deed.

The Manager considers that the novation of each Relevant Document under the Novation Deed is technical in nature and is for the sole purpose of realignment of interests under the new corporate holding structure involving the Vendors as a result of the Reorganisation, without any change to the underlying terms and conditions of that Relevant Document as between the parties thereto, except for a substitution of CK Property in place of the Guarantors.

The Manager further considers that the novation contemplated by the Novation Deed is in, and without prejudice to, the Unitholders’ interests and that, for the reason that it only takes effect from and including the date of the CK Property Listing when CK Property has become a substantive listed company on the Stock Exchange, the consequence of the implementation of such novation is no less favourable and beneficial to the Unitholders than having the Guarantors as the original parties to the Relevant Documents.

The Manager confirms that there are no other agreements or arrangements similar to the Relevant Documents in relation to the Acquisition which would require a novation to be made.

REIT Code Implications

Although the Guarantors, the Vendors and CK Property are connected persons of Hui Xian REIT and hence, the entering into of the Novation Deed is a connected party transaction, the Manager is of the view that for the reasons given in the preceding paragraphs and that the underlying transactions of the Relevant Documents have been previously approved by independent Unitholders in accordance with the REIT Code, the entering into of the Novation Deed is not required to be approved by independent Unitholders in the circumstances and that the Novation Deed and the transactions contemplated thereunder are only subject to the reporting and announcement requirements under Chapters 8 and 10 of the REIT Code.

All applicable reporting and announcement requirements under the REIT Code in respect of the Novation Deed and the transactions contemplated thereunder are or will be complied with, including the requirement for this announcement to be issued pursuant to 8.14 and (where applicable) 8.16 of the REIT Code, and the requirement for a summary disclosure of particulars of the Novation Deed to be made in the next published annual report or semi-annual report of Hui Xian REIT pursuant to 8.15 and (where applicable) 8.16 of the REIT Code.

After due consideration of the terms of the Novation Deed, the Board of Directors (including all the independent non-executive Directors) are satisfied that the Novation Deed is at arm's length, on normal commercial terms, and are fair and reasonable and in the interests of Hui Xian REIT, the independent Unitholders and the Unitholders as a whole notwithstanding that the Novation Deed and the transactions contemplated thereunder are a connected party transaction under the REIT Code.

The Trustee has confirmed that it has no objection for the Manager to enter into the Novation Deed and the novation contemplated thereunder and that such novation is in, and without prejudice to, the Unitholders' interests.

This is a mandatory announcement pursuant to 8.14, 10.3 and 10.4(d) of the REIT Code.

By order 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, 3 June 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 as 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).