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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

滙賢房託管理有限公司

INTERIM RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

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 three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively) (“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 Property 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 2015 to 30 June 2015 (“Reporting Period”) as follows:

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

For the period from 1 January 2015 to 30 June 2015

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014	Percentage Change
Total Revenue (<i>RMB million</i>)	1,515	1,383	9.5%
Net Property Income (<i>RMB million</i>)	1,033	940	9.8%
Amount Available for Distribution (<i>RMB million</i>)	745	663	12.4%
Distributions to Unitholders (<i>RMB million</i>)	730	663	10.1%
Distribution per Unit (<i>RMB</i>)	0.1363	0.1271	7.2%
Payout Ratio	98%	100%	N/A
Annualised Distribution Yield	7.90% ⁽¹⁾	7.65% ⁽²⁾	N/A

	As at 30 Jun 2015	As at 31 Dec 2014	Percentage Change
Gross Asset Value (<i>RMB million</i>)	46,525	42,228	10.2%
Net Asset Value Attributable to Unitholders (<i>RMB million</i>)	28,487	28,564	-0.3%
Net Asset Value per Unit (<i>RMB</i>)	5.3190	5.3919	-1.4%
Debts to Gross Asset Value	17.6%	9.2%	N/A

Notes:

(1) Based on the closing price of the units of Hui Xian REIT ("Units") on 30 June 2015 and the annualised actual distribution amount for the period from 1 January 2015 to 30 June 2015.

(2) Based on the closing price of the Units on 30 June 2014 and the annualised actual distribution amount for the period from 1 January 2014 to 30 June 2014.

I am pleased to report the interim results of Hui Xian REIT for the six months ended 30 June 2015. The amount available for distribution for the Reporting Period increased 12.4% year-on-year to RMB745 million due to (i) 6.6% year-on-year organic growth from the existing leasing and hotel portfolio, and (ii) additional income of RMB38 million from the newly acquired Metropolitan Oriental Plaza from 2 March to 30 June 2015.

Results and Distribution

Total revenue for the Reporting Period was RMB1,515 million, an increase of 9.5% year-on-year. Net property income (“NPI”) was RMB1,033 million, an increase of 9.8% year-on-year.

Gross asset value amounted to RMB46,525 million, a 10.2% growth compared to that as at 31 December 2014. Net asset value attributable to unitholders was RMB28,487 million compared with RMB28,564 million as at 31 December 2014.

The amount available for distribution for the Reporting Period increased 12.4% year-on-year to RMB745 million due to the organic growth of the existing leasing and hotel portfolio, plus the new income stream generated from Metropolitan Oriental Plaza during the period March to June 2015.

The distributions to unitholders of Hui Xian REIT (“Unitholders”) for the Reporting Period was RMB730 million and the payout ratio was 98%.

The distribution per unit (“DPU”) for the Reporting Period was RMB0.1363, an increase of 7.2% year-on-year. This represented an annualised distribution yield of 7.90% based on the closing unit price of RMB3.48 on 30 June 2015.

Major Acquisition Completed

The acquisition of Metropolitan Plaza, Chongqing was completed on 2 March 2015 and the project has immediately contributed to Hui Xian REIT’s revenue. Areas under Hui Xian REIT’s management have now increased to over one million square metres across three cities in China.

Strategically located in Chongqing’s Jiefangbei Central Business District (“CBD”), this 164,000-square metre mixed-use project has been officially rebranded as “Metropolitan Oriental Plaza” and is the second project under Hui Xian REIT’s “Oriental Plaza” brand.

Business Environment in China

China’s gross domestic product (“GDP”) expanded by 7.0% year-on-year in the first half of 2015. Industrial production and fixed asset investment rose by 6.3% and 11.4% respectively compared to a year earlier. Total retail sales of consumer goods reached RMB14.2 trillion, a year-on-year increase of 10.4%.

Business Review

During the Reporting Period, total revenue and NPI of Hui Xian REIT’s portfolio increased 9.5% and 9.8% respectively compared to the same period in 2014.

(I) Existing Leasing and Hotel Portfolio

The existing leasing portfolio covers Beijing Oriental Plaza’s retail, office and serviced apartment businesses, and the existing hotel portfolio includes Grand Hyatt Beijing and Sofitel Shenyang Lido.

(A) Retail Portfolio

In the first half of 2015, Beijing’s GDP grew 7.0% from a year earlier to RMB1.1 trillion. Disposable income per capita of the capital city’s urban residents rose by 8.3% year-on-year.

During the first half of 2015, the capital city’s retail sales grew 6.0% year-on-year to RMB479.6 billion. Retail sales of luxury goods had generally weakened in China compared to previous years, mainly reflecting the effect of the Central Government’s policy of restriction on spending. Meanwhile, the emerging middle class throughout China also presents new opportunities to some affordable luxury and mass market brands. In addition, China has recently lowered import tariffs for selected consumer goods to boost domestic consumption. Quality retail space in prime locations and well-managed shopping malls are still in high demand.

Against this backdrop, The Malls at Beijing Oriental Plaza remains popular due to its excellent location attracting a high volume of traffic, as well as a well-balanced tenant mix. The retail portfolio's NPI was RMB482 million, an increase of 4.6% year-on-year. The average monthly passing rent was RMB1,191 per square metre, up by 9.3% year-on-year. Rental reversion was 12.8%; and the average occupancy rate was 95.7%.

(B) Office Portfolio

Business activities in Beijing remained stable in the first half of 2015 and leasing demand for quality offices was solid.

Offering over 300,000 square metres of Grade A office space, The Tower Offices at Beijing Oriental Plaza continued to enjoy steady rental growth and high occupancy rate during the Reporting Period.

The office portfolio's NPI was RMB409 million, an increase of 6.8% year-on-year. The average monthly passing rent was RMB267 per square metre, a year-on-year growth of 6.2%. The average monthly spot rent was RMB312 per square metre, up by 13.6% year-on-year. Rental reversion was 10.6%. The average occupancy rate was 96.3%.

(C) Serviced Apartment Portfolio

In Beijing, leasing demand for well-located luxury serviced apartments was steady during the first half of 2015.

The Tower Apartments at Beijing Oriental Plaza houses over 600 fully-furnished units over two blocks. The NPI of serviced apartment portfolio was RMB34 million, an increase of 11.1% year-on-year. The average occupancy rate was 92.2% compared to 84.5% a year ago.

(D) Hotel Portfolio

Hui Xian REIT's hotel portfolio includes two five-star hotels and they posted mixed performances during the Reporting Period. Sofitel Shenyang Lido's NPI is slightly higher than that of last year while Grand Hyatt Beijing's NPI recorded a year-on-year decline. The combined NPI for two hotels was RMB57 million, a drop of 13.9% year-on-year.

Given the continuous softening in market demand, Sofitel Shenyang Lido's average room rate per night dropped 5.4% year-on-year to RMB519. Nevertheless, the hotel was able to improve its average occupancy rate during the Reporting Period to 35.9% from 33.1% a year earlier. As a result, the revenue per available room ("RevPAR") slightly increased 2.5% year-on-year to RMB186.

The Beijing hotel market remained soft and the average occupancy rate of Grand Hyatt Beijing was flat at 55.5%, while the average room rate decreased by 3.6% year-on-year to RMB1,540. The RevPAR saw a year-on-year drop of 3.6% to RMB855.

In the first half of 2015, Grand Hyatt Beijing completed a room renovation programme. Each of the hotel's 825 rooms and suites, as well as the Club Lounge, have been refurbished with a new look and upgraded facilities.

(II) New Investment

Upon the completion of the acquisition on 2 March 2015, Metropolitan Oriental Plaza provided approximately four months of contribution during the Reporting Period. The NPI of Metropolitan Oriental Plaza during the period March to June 2015 was RMB51 million; performance is in line with management's expectation.

During the first half of 2015, Chongqing's GDP increased 11.0% year-on-year, 4.0 percentage points higher than the national average. The city's retail sales were up 11.8% from a year ago to RMB310.5 billion.

Metropolitan Oriental Plaza's mall has kick-started a massive rebranding campaign and has rolled out a series of thematic marketing events. The phased asset enhancement plan and a large-scale tenant mix optimisation programme have also commenced. The average occupancy rate was 85.0% and the average monthly passing rent was RMB264 per square metre.

The Chongqing office market was stable in the first half of 2015. From March to June 2015, the average monthly passing rent and monthly spot rent of Metropolitan Oriental Plaza's office tower were RMB124 per square metre and RMB140 per square metre respectively. The average occupancy rate was 96.4%.

Strong Financial Position

Hui Xian REIT has continued to adopt a prudent financial management strategy throughout the Reporting Period. As at 30 June 2015, bank balances and cash on hand amounted to RMB5,426 million and debts amounted to RMB8,209 million. Debts to gross asset value ratio was 17.6%. Hui Xian REIT has sufficient financial capacity to capture new investment opportunities.

Outlook

Metropolitan Oriental Plaza, which was acquired during the Reporting Period, had been successfully integrated into Hui Xian REIT's portfolio. We will escalate efforts to improve the mall's tenant mix and offerings, making it Chongqing's leading one-stop shopping and entertainment destination.

2015 marked the fifteenth anniversary of our flagship asset, Beijing Oriental Plaza. We will continue to drive organic growth through active asset management and enhancement, further strengthening Beijing Oriental Plaza's leading market position.

We will continue to proactively seek yield-accretive investment opportunities which can expand our portfolio scale and provide attractive long-term cash flows for the Unitholders.

On behalf of the Manager, I would like to thank all the Unitholders and the Trustee for their continued support and commitment for Hui Xian REIT.

KAM Hing Lam
Chairman
Hui Xian Asset Management Limited
(as manager of Hui Xian Real Estate Investment Trust)
Hong Kong, 20 July 2015

MANAGEMENT DISCUSSION AND ANALYSIS

PORTFOLIO HIGHLIGHTS

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

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

(2) its investment in Chongqing Overseas Investment Limited, which holds Chongqing Investment Limited. Chongqing Investment Limited owns the entire interest in the Chongqing Metropolitan Oriental Plaza Co., Ltd# (重慶大都會東方廣場有限公司), which is the registered legal owner of the land use rights and building ownership rights of **Metropolitan Oriental Plaza** (formerly Metropolitan Plaza), and

(3) its investment in Shenyang Investment (BVI) Limited (“Shenyang Investment BVI”), which in turns holds Shenyang Investment (Hong Kong) Limited (“Shenyang Investment HK”), the foreign joint venture partner of 瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd #) (“Shenyang Lido”). Shenyang Investment HK is entitled to 70% of the distributions of 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:

Property	City	Sector	Gross Floor Area (sq m)
(1) Beijing Oriental Plaza <i>The Malls</i> <i>The Tower Offices</i> <i>The Tower Apartments</i> <i>Grand Hyatt Beijing</i> <i>Car parking spaces & other ancillary facilities</i>	Beijing	Retail	130,195
		Office	309,552
		Serviced Apartments	81,603
		Hotel	125,420
		Carpark (1,901 car parking spaces)	140,289
(2) Metropolitan Oriental Plaza <i>Mall and car parking spaces</i> <i>Office</i>	Chongqing	Retail (including 353 car parking spaces)	109,743
		Office	54,617
(3) Sofitel Shenyang Lido	Shenyang	Hotel	78,746
Total			1,030,165

The English name is shown for identification purpose only.

OPERATIONS REVIEW

(I) Existing Leasing and Hotel Portfolio

The existing leasing portfolio includes retail, office and serviced apartment businesses of Beijing Oriental Plaza, and the hotel portfolio consists of Grand Hyatt Beijing and Sofitel Shenyang Lido. The combined NPI was RMB982 million.

(A) Retail Portfolio

Beijing's GDP in the first half of 2015 expanded 7.0% year-on-year to RMB1.1 trillion according to Beijing Municipal Bureau of Statistics. Disposable income per capita of Beijing's urban residents was up 8.3% year-on-year to RMB26,171.

Beijing's retail sales in the first half of 2015 registered a year-on-year growth of 6.0% to RMB479.6 billion. While some luxury brands continued to experience sales volatility in China mainly due to the Central Government's anti-extravagance campaign, the rapidly expanding middle class with increasing disposable income presents opportunities for retailers, especially the affordable luxury and mass market segments. China is in the process of shifting to a consumer-driven economy. Starting from 1 June 2015, China has lowered import tariffs for selected consumer goods. This policy adjustment is perceived as a move to further boost domestic spending and support the economy. These developments are positive to China's retail market, which help driving demand for quality retail space in prime locations.

The existing retail portfolio comprises The Malls at Beijing Oriental Plaza, a 3-level mall offering over 130,000 square metres of retail space. Leasing demand for The Malls was solid during the Reporting Period. The NPI of the retail portfolio increased 4.6% year-on-year to RMB482 million. The average occupancy rate of 95.7%. The average monthly passing rent was up 9.3% year-on-year to RMB1,191 per square metre. Rental reversion was 12.8%.

The Malls boasts a wide selection of goods and services, including fast and high fashion, fast food chains, casual and fine dining restaurants, watches and jewellery, showrooms, banks, personal care stores and a cinema.

The Malls regularly adjusts the tenant mix to keep up with the ever-changing retail landscape. During the Reporting Period, it welcomed a number of new brands, such as RIMOWA, TOMS, INNIU, d'zzit, La Fée Maraboutée and Marc O'Polo. A number of tenants upgraded their shops and some further expanded their existing stores; these included adidas, DKNY, DVF, Dazzle, La Perla, Shanghai Tang and Paris Baguette.

Gross Revenue	RMB586 million, +4.7% YoY
Net Property Income	RMB482 million, +4.6% YoY
Average Occupancy Rate	95.7%
Average Monthly Passing Rent	RMB1,191 per square metre, +9.3% YoY
Average Monthly Spot Rent	RMB879 per square metre, -46.9% YoY

(B) Office Portfolio

Business activities in Beijing remained strong during the Reporting Period, driving the demand for prime offices. Limited supply in core areas also gave support to the leasing market.

The existing office portfolio consists of The Tower Offices at Beijing Oriental Plaza, which comprises eight Grade A office blocks offering a total of over 300,000 square metres. The NPI was RMB409 million, representing an increase of 6.8% year-on-year.

The Tower Offices has a solid and a well-diversified tenant base, comprising companies from the finance and banking, accounting, high technology, law, media and advertising, consumer products, education sectors, as well as government-related organisations.

During the Reporting Period, leasing demand for The Tower Offices remained firm. The average occupancy rate was 96.3%. The average monthly passing rent was RMB267 per square metre, an increase of 6.2% year-on-year. The average monthly spot rent was RMB312 per square metre, up by 13.6% over the same period last year. Rental reversion was 10.6%.

Office tenants responded positively to newly-installed PM2.5 air-purification systems, which help improve the indoor air quality.

Gross Revenue	RMB536 million, +6.8% YoY
Net Property Income	RMB409 million, +6.8% YoY
Average Occupancy Rate	96.3%
Average Monthly Passing Rent	RMB267 per square metre, +6.2% YoY
Average Monthly Spot Rent	RMB312 per square metre, +13.6% YoY

(C) Serviced Apartment Portfolio

During the Reporting Period, Beijing's high-end serviced apartment leasing market remained stable. Tightened housing budgets from multinational companies for expatriates and ongoing air quality concern continued to put downward pressure on rentals and occupancy rates.

The existing serviced apartment portfolio includes The Tower Apartments at Beijing Oriental Plaza, which houses over 600 fully-furnished units in two blocks. The NPI was up 11.1% year-on-year to RMB34 million. The average occupancy rate in the first half of 2015 surged to 92.2% from 84.5% a year earlier.

Gross Revenue	RMB68 million, +5.8% YoY
Net Property Income	RMB34 million, +11.1% YoY
Average Occupancy Rate	92.2%

(D) Hotel portfolio

China's hospitality industry continued to face challenges in the first half of 2015, primarily due to the Central Government's ongoing policy of restriction on luxury spending. Competition amongst luxury hotels remained intense.

The existing hotel portfolio covers two five-star hotels: (i) Grand Hyatt Beijing at Beijing Oriental Plaza; and (ii) Sofitel Shenyang Lido. The NPI of the two hotels combined was down by 13.9% year-on-year to RMB57 million.

Grand Hyatt Beijing, Beijing

Beijing saw its tourist numbers slightly dropped 0.7% year-on-year to 2 million during the first half of 2015 according to Beijing Municipal Bureau of Statistics.

The number of conferences and corporate events held at Grand Hyatt Beijing in the first half of 2015 has increased compared to the same period last year. However, corporations were very price-sensitive and conservative on the travelling budget. As a result, the scale of the events held was smaller and the number of rooms take-up lower.

Grand Hyatt Beijing's average occupancy rate was 55.5%, same as last year. The average room rate per night was RMB1,540, a year-on-year decrease of 3.6%. RevPAR was RMB855, down by 3.6% year-on-year.

The asset enhancement programme for the rooms was completed in the first half of 2015. The renovated rooms, with new design and upgraded amenities, have been well-received by the hotel guests.

Sofitel Shenyang Lido, Shenyang

The Central Government's ongoing anti-extravagance policy and an abundant supply of new high-end hotels continued to impact both the hotels' occupancy levels and room rates.

Sofitel Shenyang Lido's average room rate per night decreased 5.4% year-on-year to RMB519. RevPAR was slightly up by 2.5% year-on-year to RMB186 and the average occupancy rate improved to 35.9%. The hotel has been launching aggressive sales activities while containing operating costs.

Gross Revenue	RMB246 million, -4.5% YoY
Net Property Income	RMB57 million, -13.9% YoY
<i>Grand Hyatt Beijing</i>	
● Average Occupancy Rate	55.5%
● Average room rate per night	RMB1,540, -3.6% YoY
● RevPAR	RMB855, -3.6% YoY
<i>Sofitel Shenyang Lido</i>	
● Average Occupancy Rate	35.9%
● Average room rate per night	RMB519, -5.4% YoY
● RevPAR	RMB186, +2.5% YoY

(II) New Investment - Metropolitan Oriental Plaza, Chongqing

Metropolitan Plaza, a mixed-use property project in Chongqing, has been added to Hui Xian REIT's portfolio on 2 March 2015, subsequent to the takeover, was renamed "Metropolitan Oriental Plaza". Strategically located at Jiefangbei - Chongqing's CBD, tourist destination and retail hub - the development encompasses a mall and an office building. The project's NPI was RMB51 million during the period 2 March to 30 June 2015.

Chongqing is one of the four direct-controlled municipalities which reports directly to the Government. As one of China's fastest growing economies, Chongqing's GDP in the first half of 2015 increased 11.0% year-on-year, higher than the national average of 7.0%. Retail sales during the first half of 2015 were up by 11.8% year-on-year to RMB310.5 billion.

The shopping mall of Metropolitan Oriental Plaza is one of the most established and popular shopping destinations in Chongqing. It offers a diverse mix of retail, dining and entertainment options, including a cinema and the city's first ice-skating rink. The first major thematic campaign – "Metropolitan Oriental Plaza, Pride of Chongqing" was officially launched in June 2015, with an objective to boost the mall's retail sales and traffic flow. A large-scale tenant mix optimisation programme and an asset enhancement plan have commenced to upgrade the mall's retail offerings as well as physical environment. The average occupancy rate was 85.0% and the average monthly passing rent was RMB264 per square metre.

The office tower at Metropolitan Oriental Plaza is one of the few Grade A office buildings in Chongqing that has single asset title ownership. We believe that single asset title ownership is a key competitive advantage as it allows for efficient and high quality building management and maintenance.

From March to June 2015, the average occupancy rate stood at 96.4%. Tenants include consulates and multinational corporations of different industries such as retail, insurance and financial services, electronics and healthcare. Amongst the tenants are the British Consulate-General and the Canadian Consulate General, PricewaterhouseCoopers, KPMG, Siemens, Deutsche Bank, HSBC, Dragonair, 3M and Johnson & Johnson Medical Companies. The average monthly passing rent and the average monthly spot rent were RMB124 per square metre and RMB140 per square metre respectively.

From 2 March to 30 June 2015

Gross Revenue	RMB79 million
Net Property Income	RMB51 million
<i>Mall</i>	
● Average Occupancy Rate	85.0%
● Average Monthly Passing Rent	RMB264 per square metre
<i>Office</i>	
● Average Occupancy Rate	96.4%
● Average Monthly Passing Rent	RMB124 per square metre
● Average Monthly Spot Rent	RMB140 per square metre

FINANCIAL REVIEW

Net Property Income

The net property income was RMB1,033 million for the six months ended 30 June 2015.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB730 million (“2015 Interim Distribution”) to Unitholders for the six months ended 30 June 2015. The 2015 Interim Distribution represents 98% of Hui Xian REIT’s total amount available for distribution during the period from 1 January 2015 to 30 June 2015 and will be paid in RMB. The distribution amount includes certain profit elements in the capital nature of Hui Xian REIT. The amount of capital nature items is RMB135 million.

Distribution per Unit

The DPU for the period from 1 January 2015 to 30 June 2015 is RMB0.1363 based on the number of outstanding Units on 30 June 2015. This represents an annualised distribution yield of 7.90% based on the closing unit price of RMB3.48 on 30 June 2015.

Closure of Register of Unitholders

The record date for the 2015 Interim Distribution will be 7 August 2015, Friday (“Record Date”). The Register of Unitholders will be closed from 5 August 2015, Wednesday to 7 August 2015, Friday, both days inclusive, during which period no transfer of Units will be registered. The interim distribution is expected to be payable on 24 September 2015, Thursday to Unitholders whose names appear on the Register of Unitholders on the Record Date.

Subject to obtaining authorisation from the Securities and Futures Commission of Hong Kong (“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 2015 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 4 August 2015, Tuesday.

Debt Positions

In January 2015, Hui Xian Investment Limited (“Hui Xian Investment”) drew down an unsecured 3-year term loan of HK\$1,200 million offered by Bank of China (Hong Kong) Limited, DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to refinance the credit facility granted by the same lenders in December 2011.

In March 2015, Hui Xian Investment drew down a new unsecured 3-year term loan of HK\$5,000 million offered by Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to finance the general corporate funding needs of the Hui Xian REIT group.

In May 2015, Hui Xian Investment accepted and agreed a revolving credit facility of RMB1,300 million offered by Hui Xian Holdings Limited (“Hui Xian Holdings”). The facility is on substantially the same terms and conditions of a revolving credit facility with Hui Xian Holdings expired in October 2014. As at 30 June 2015, the outstanding loan drew down by Hui Xian Investment under the revolving credit facility was fully repaid.

In June 2015, Hui Xian Investment drew down a new unsecured 5-year term loan of HK\$600 million offered by Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch. The purpose of the facility was to finance the general working capital requirement of the Hui Xian REIT group.

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.

As at 30 June 2015, Hui Xian REIT's total debts amounted to RMB8,209 million (31 December 2014: RMB3,867 million). Based on Hui Xian REIT's net assets attributable to Unitholders of RMB28,487 million as at 30 June 2015 (31 December 2014: RMB28,564 million), Hui Xian REIT's debts to net asset value ratio stood at 28.8% (31 December 2014: 13.5%). Meanwhile, the debts to gross asset value ratio was 17.6% as at 30 June 2015 (31 December 2014: 9.2%).

Bank Balances and Asset Positions

As at 30 June 2015, Hui Xian REIT's bank balances and cash amounted to RMB5,426 million (31 December 2014: RMB4,795 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 Beijing Oriental Plaza. Hui Xian REIT's interests in Beijing 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 Beijing Oriental Plaza.

Knight Frank Petty Limited ("Knight Frank") valued the eight blocks of office towers, the shopping mall and car parking spaces at RMB30,430 million as at 30 June 2015 (31 December 2014: RMB30,760 million), translating into a decrease of 1.1% over the valuation as of 31 December 2014. Together with the hotel and serviced apartment premises, gross property value of BOP was RMB35,954 million as at 30 June 2015, as compared to RMB36,366 million as at 31 December 2014.

Hui Xian REIT also indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of Sofitel Shenyang Lido. Standing on the famous Qingnian Street, Sofitel Shenyang Lido with 30-storey 78,746 square metre is located in the heart of the newly established Central Business District in southern Shenyang.

Knight Frank valued the hotel premises of Shenyang Lido at RMB930 million as at 31 December 2014. Gross property value of hotel premises as at 30 June 2015 was RMB869 million (31 December 2014: RMB903 million).

On 2 March 2015, Hui Xian REIT completed its acquisition of all issued shares of Chongqing Investment Limited (formerly known as Chesgold Limited), which in turn indirectly owns the entire interest of Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping mall and a Grade A office building. Metropolitan Oriental Plaza is located at the Jiefangbei, Yuzhong District, Chongqing, which is a well-established central business district.

As at 30 June 2015, the shopping mall and office building are valued by Knight Frank at RMB4,104 million. Gross property value of the properties was RMB4,104 million.

Net Assets Attributable to Unitholders

As at 30 June 2015, net assets attributable to Unitholders amounted to RMB28,487 million (31 December 2014: RMB28,564 million) or RMB5.3190 per Unit, representing a 52.8% premium to the closing unit price of RMB3.48 on 30 June 2015 (31 December 2014: RMB5.3919 per Unit, representing a 54.9% premium to the closing unit price of RMB3.48 on 31 December 2014).

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 credit facilities of the Group.

Commitments

As at 30 June 2015, 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 2015, Hui Xian REIT, by its subsidiaries and branches, employed a total of approximately 740 employees in the PRC, of which approximately 710 employees performed hotel operation functions and services, and approximately 30 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.

Save as disclosed above, Hui Xian REIT is managed by the Manager and did not directly employ any staff as at 30 June 2015.

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, among others, the activities of the board of directors of the Manager.

Throughout the six months ended 30 June 2015, 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, 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 chief executive officer of the Manager), Mr. LEE Chi Kin, Casey (executive director of the Manager), Ms. LAI Wai Yin, Agnes (chief financial officer of the Manager), Mr. CHING Sung, Eric (deputy chief investment officer of the Manager) and Ms. TANG Hiu Tung, Daisy (Senior Corporate Finance and Corporate Development 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 2015 have been reviewed by the Audit Committee and Disclosures Committee of the Manager in accordance with their respective terms of reference.

New Units Issued

During the six months ended 30 June 2015, (i) 11,268,011 new Units were issued to the Manager as payment of acquisition fee for the acquisition of Metropolitan Oriental Plaza; (ii) 17,605,343 new Units were issued to the Manager as payment of part of the Manager’s fees; and (iii) 29,222,017 new Units were issued to Unitholders who elected scrip distribution pursuant to the distribution reinvestment arrangement in respect of the final distribution for the period from 1 July 2014 to 31 December 2014.

The total number of Units in issue as at 30 June 2015 was 5,355,686,880 Units.

Buy-Back, Sale or Redemption of Units

There was no buy-back, 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 were owned and controlled by Hui Xian REIT in the six months ended 30 June 2015.

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 2015.

Issuance of the Interim Report 2015

The interim report of Hui Xian REIT for the six months ended 30 June 2015 will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and Hui Xian REIT at www.huixianreit.com, and will be sent to Unitholders on or before 30 August 2015.

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, 20 July 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 nonexecutive Directors).

FINANCIAL INFORMATIONCONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	<u>NOTES</u>	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Revenue	5	1,515	1,383
Rental related income	6	32	28
Other income	7	93	72
(Decrease) increase in fair value of investment properties		(138)	590
Hotel inventories consumed		(23)	(24)
Staff costs		(52)	(54)
Depreciation and amortisation		(142)	(141)
Other operating expenses	8	(416)	(371)
Finance costs	9	(84)	(48)
Exchange gain (loss)		30	(24)
Manager's fees	10	(121)	(74)
Real estate investment trust expenses	11	(5)	(3)
Profit before taxation and transactions with unitholders		689	1,334
Income tax expense	12	(237)	(395)
Profit for the period, before transactions with unitholders		452	939
Distribution to unitholders		(730)	(663)
(Loss) profit and total comprehensive (expense) income for the period, after transactions with unitholders		(278)	276
Attributable to:			
Non-controlling interest		(6)	(6)
Unitholders		(272)	282
		(278)	276
Basic earnings per unit (RMB)	13	0.0858	0.1819

FINANCIAL INFORMATION

DISTRIBUTION STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Profit for the period, before transactions with unitholders	452	939
Non-controlling interest	6	6
Profit for the period attributable to unitholders, before transactions with unitholders	<u>458</u>	<u>945</u>
Adjustments (<i>Note (i)</i>):		
Manager's fees	100	59
Deferred tax	(25)	155
Distributable depreciation and amortisation	89	74
Decrease (increase) in fair value of investment properties	138	(590)
Unrealised exchange gain	(33)	-
	<u>269</u>	<u>(302)</u>
Distributable income	<u>727</u>	<u>643</u>
Additional items (<i>Note (ii)</i>):		
Depreciation and amortisation arising from fair value adjustment	10	10
Other cash distributions	8	10
	<u>18</u>	<u>20</u>
Amount available for distribution	<u><u>745</u></u>	<u><u>663</u></u>
Payout ratio (<i>Note (iv)</i>)	98%	100%
Distributions to unitholders	<u><u>730</u></u>	<u><u>663</u></u>
Distribution per unit (<i>RMB</i>) (<i>Note (iii)</i>)	<u><u>0.1363</u></u>	<u><u>0.1271</u></u>

FINANCIAL INFORMATION

Notes:

(i) *Adjustments for the period include:*

(a) *For the six months ended 30 June 2015, Manager's fees paid and payable in units of RMB100 million (11,268,011 units issued and 17,547,135 units estimated to be issued) out of the total Manager's fees of RMB121 million. The difference of RMB21 million are payable in cash.*

For the six months ended 30 June 2014, Manager's fees paid and payable in units of RMB59 million out of the total Manager's fees of RMB74 million. The difference of RMB15 million are paid or payable in cash.

(b) *Deferred tax charge of RMB9 million (2014: RMB8 million) in relation to accelerated tax depreciation and deferred tax credit of RMB34 million (2014: deferred tax charge of RMB147 million) in relation to change in fair value of investment properties.*

(c) *Distributable depreciation and amortisation of the Beijing Oriental Plaza attributable to unitholders of RMB89 million (2014: RMB74 million) represented depreciation and amortisation of RMB107 million (2014: RMB106 million) less capital expenditure of RMB18 million (2014: RMB32 million).*

(d) *Decrease in fair value of investment properties of RMB138 million (2014: increase in fair value of RMB590 million).*

(e) *Unrealised exchange gain on bank loans of RMB33 million (2014: nil).*

Pursuant to the Trust Deed, interim/annual distributable income is defined as the amount calculated by the Manager as representing the consolidated profit 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) *Additional items refer to any additional amount (include capital) to be distributed as determined by the Manager pursuant to clause 11.4.2 of the Trust Deed. Additional items for the period include:*

(1) *Depreciation and amortisation attributable to unitholders arising from fair value adjustment upon acquisition of Shenyang Lido Business Co. Ltd of RMB10 million (2014: RMB10 million).*

(2) *Other cash distributions of RMB8 million (2014: RMB10 million).*

(iii) *The distribution per unit of RMB0.1363 for six months ended 30 June 2015 is calculated based on 98% of Hui Xian REIT's amount available for distribution of RMB744,927,112 over 5,355,686,880 units, representing issued units as at 30 June 2015. The distribution per unit of RMB0.1271 for the six months ended 30 June 2014 was calculated based on Hui Xian REIT's amount available for distribution of RMB662,869,672 over 5,217,013,997 units, representing issued units as at 30 June 2014.*

(iv) *In accordance with the Trust Deed, Hui Xian REIT is required to distribute to unitholders not less than 90% of its distributable income for each financial year.*

Distributions to unitholders for the period ended 30 June 2015 represent a payout ratio of 98% (2014: 100.0%) of Hui Xian REIT's distributable income for the period.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	<u>NOTES</u>	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Non-current assets			
Investment properties	14	34,534	30,760
Property, plant and equipment	15	2,234	2,284
Land and related costs	16	4,087	4,150
Total non-current assets		<u>40,855</u>	<u>37,194</u>
Current assets			
Hotel inventories		26	25
Land and related costs	16	128	128
Trade and other receivables	17	90	86
Bank balances and cash		5,426	4,795
Total current assets		<u>5,670</u>	<u>5,034</u>
Total assets		<u>46,525</u>	<u>42,228</u>
Current liabilities			
Trade and other payables	18	504	469
Tenants' deposits		269	261
Tax payable		107	144
Manager's fee payable		81	76
Distribution payable		730	687
Bank loans	19	1,101	1,104
Total current liabilities		<u>2,792</u>	<u>2,741</u>
Total assets less current liabilities	23	<u>43,733</u>	<u>39,487</u>
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	19	7,108	2,763
Tenants' deposits		462	429
Deferred tax liabilities		7,411	7,460
Total non-current liabilities, excluding net assets attributable to unitholders		<u>14,981</u>	<u>10,652</u>
Total liabilities, excluding net assets attributable to unitholders		<u>17,773</u>	<u>13,393</u>
Non-controlling interest		265	271
Net assets attributable to unitholders		<u>28,487</u>	<u>28,564</u>
Units in issue ('000)		<u>5,355,687</u>	<u>5,297,592</u>
Net asset value per unit (RMB) attributable to unitholders	21	<u>5.3190</u>	<u>5.3919</u>

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 (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 three supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 (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 "SFC").

The principal activity of Hui Xian REIT and its controlled entities (the "Group") is to own and invest in high quality commercial properties 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 SFC.

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 the 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 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except as described below.

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

FINANCIAL INFORMATION

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle

The Manager concluded that the application of the above new and revised 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.

The following are identified operating and reportable segments:

The Malls:	Renting of the shopping mall and car parking spaces in Oriental Plaza, Beijing, the People's Republic of China (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.
The Chongqing Property:	Renting of the shopping mall, car parking spaces and office in Metropolitan Oriental Plaza in Chongqing, the PRC.

(a) Segment revenue and results

Six months ended 30 June 2015 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Consolidated RMB million
Segment revenue	586	536	68	246	79	1,515
Segment profit	482	409	34	57	51	1,033
Decrease in fair value of investment properties						(138)
Finance costs						(84)
Depreciation and amortisation						(137)
Unallocated income						90
Unallocated expense						(75)
Profit before taxation and transactions with unitholders						689

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(a) Segment revenue and results - continued

Six months ended 30 June 2014 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Consolidated RMB million
Segment revenue	559	502	64	258	-	1,383
Segment profit	460	383	31	66	-	940
Increase in fair value of investment properties						590
Finance costs						(48)
Depreciation and amortisation						(136)
Unallocated income						70
Unallocated expense						(82)
Profit before taxation and transactions with unitholders						1,334

Segment profit represents the profit earned by each segment without allocation of the change 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.

(b) Segment assets

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

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
The Malls	15,475	15,905
The Tower Offices	15,006	14,906
The Tower Apartments	2,038	2,071
The Hotels	4,589	4,697
The Chongqing Property	4,272	-
Total segment assets	41,380	37,579
Bank balances and cash	5,099	4,603
Other assets	46	46
Consolidated total assets	46,525	42,228

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 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.

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(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, Chongqing 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 period.

(d) Other segment information

Six months ended 30 June 2015 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Consolidated RMB million
Depreciation of property, plant and equipment	-	1	1	3	-	5

Six months ended 30 June 2014 (unaudited)

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Consolidated RMB million
Depreciation of property, plant and equipment	-	1	1	3	-	5

5. REVENUE

	2015 RMB million (unaudited)	2014 RMB million (unaudited)
Gross rental from investment properties	1,201	1,061
Income from hotel operation	246	258
Income from serviced apartments operation	68	64
Total	1,515	1,383

The gross rental from investment properties includes contingent rents of RMB7 million (2014: RMB9 million).

The direct operating expense from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB291 million (2014: RMB246 million).

FINANCIAL INFORMATION

6. RENTAL RELATED INCOME

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Service income	25	20
Early termination compensation	4	5
Others	3	3
Total	<u>32</u>	<u>28</u>

7. OTHER INCOME

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Interest income from banks	91	70
Others	2	2
Total	<u>93</u>	<u>72</u>

8. OTHER OPERATING EXPENSES

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Advertising and promotion	10	7
Audit fee	1	1
Business tax	86	79
Insurance	3	3
Lease agency fee	14	13
Property manager's fee	23	18
Property management fees	31	18
Repairs and maintenance	52	38
Other miscellaneous expenses (<i>Note</i>)	73	80
Stamp duty	2	2
Urban land use tax	1	1
Urban real estate tax	60	56
Utilities	60	55
Total	<u>416</u>	<u>371</u>

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

FINANCIAL INFORMATION

9. FINANCE COSTS

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Interest expense on unsecured bank loans	82	46
Interest expense on loans from a unitholder	2	2
	<u>84</u>	<u>48</u>

10. MANAGER'S FEES

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Base Fee	60	55
Variable Fee	22	19
Acquisition Fee	39	-
	<u>121</u>	<u>74</u>

11. REAL ESTATE INVESTMENT TRUST EXPENSES

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
Trustee's fee	2	2
Legal and professional fees	2	1
Public relations - related expenses	1	-
	<u>5</u>	<u>3</u>

12. INCOME TAX EXPENSE

	<u>2015</u> RMB million (unaudited)	<u>2014</u> RMB million (unaudited)
The income tax expense comprises:		
Current tax		
- PRC Enterprise Income Tax	228	211
Withholding tax	61	31
Deferred taxation	(52)	153
	<u>237</u>	<u>395</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 PRC 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%. 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 RMB458 million (2014: RMB945 million) by 5,331,292,148 units (2014: 5,195,185,905 units) being the weighted average number of units in issue during the period of 5,322,470,108 units (2014: 5,186,320,492 units), plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 January 2015 to 30 June 2015 of 8,822,040 units (2014: for the period from 1 January 2014 to 30 June 2014 of 8,865,413 units).

14. INVESTMENT PROPERTIES

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
FAIR VALUE		
At the beginning of the period/year	30,760	30,080
Additions	-	15
Additions through acquisition of a subsidiary	3,912	-
(Decrease) increase in fair value recognised in profit or loss	(138)	665
At the end of the period/year	<u>34,534</u>	<u>30,760</u>

- (a) The Group's investment properties held under operating leases are located in Beijing and Chongqing, the PRC under medium-term leases and are measured using the fair value model.
- (a) Investment properties were revalued on 30 June 2015 and 31 December 2014 by Knight Frank Petty Limited, independent valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations.

FINANCIAL INFORMATION

15. PROPERTY, PLANT AND EQUIPMENT

Other than set out in Note 20 during the six months ended 30 June 2015, the Group acquired property, plant and equipment of RMB27 million (2014: RMB21 million).

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>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Non-current asset	4,087	4,150
Current asset	128	128
	<u>4,215</u>	<u>4,278</u>

17. TRADE AND OTHER RECEIVABLES

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Trade receivables	56	48
Deposits and prepayments	10	14
Advance to suppliers	7	2
Interest receivables	12	17
Other receivables	5	5
	<u>90</u>	<u>86</u>

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

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Less than or equal to 1 month	40	45
1 - 3 months	5	2
Over 3 months	11	1
	<u>56</u>	<u>48</u>

FINANCIAL INFORMATION

18. TRADE AND OTHER PAYABLES

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Trade payables	61	67
Rental received in advance	193	206
Consideration payable	60	-
Others (<i>Note</i>)	190	196
	<u>504</u>	<u>469</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>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Less than or equal to 3 months	43	43
Over 3 months	18	24
	<u>61</u>	<u>67</u>

19. BANK LOANS

	<u>30.6.2015</u> RMB million (unaudited)	<u>31.12.2014</u> RMB million (audited)
Unsecured term loans	8,300	3,885
Loan front-end fees	(91)	(18)
	<u>8,209</u>	<u>3,867</u>

The maturities of the above bank loans are as follows:

Within one year	1,101	1,104
More than one year but not exceeding two years	1,824	2,137
More than two years but not exceeding five years	5,284	626
	<u>8,209</u>	<u>3,867</u>
Less: Amounts shown under current liabilities	<u>(1,101)</u>	<u>(1,104)</u>
Amount due after one year	<u>7,108</u>	<u>2,763</u>

FINANCIAL INFORMATION

19. BANK LOANS - continued

In relation to the credit facility of HK\$600 million (equivalent to RMB473 million) granted to the Group on 18 June 2015 to finance the general working capital requirement of the Group, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$600 million (equivalent to RMB473 million) (31 December 2014: nil). It bears interest at floating interest rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 1.95% and is repayable in full in June 2020.

In relation to the credit facility of HK\$5,000 million (equivalent to RMB3,943 million) granted to the Group on 12 December 2014 to finance the general corporate funding needs of the Group, including funding the repayment of any amounts outstanding under existing loan facilities and financing acquisition of Hui Xian REIT, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$5,000 million (equivalent to RMB3,943 million) (31 December 2014: nil). It bears interest at floating interest rate of HIBOR plus 1.55% and is repayable in full in March 2018.

In relation to the credit facility of HK\$1,200 million (equivalent to RMB946 million) granted to the Group on 24 December 2014 to refinance the credit facility granted by the same lenders in December 2011, the total amount of the credit facility utilised by the Group as at 30 June 2015 was HK\$1,200 million (equivalent to RMB946 million) (31 December 2014: HK\$1,200 million (equivalent to RMB947 million)). It bears interest at floating interest rate of HIBOR plus 1.80% and is repayable in full in January 2018.

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

FINANCIAL INFORMATION

20. ACQUISITION OF ASSETS AND ASSUMPTION OF LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 2 March 2015, the Group completed the acquisition of Metropolitan Oriental Plaza through acquisition of the entire equity interest in Chongqing Investment Limited (formerly known as Chesgold Limited) ("Chongqing Investment") from Cheerjoy Limited ("Cheerjoy") and Joinpower Holdings Ltd. ("Joinpower") at a consideration of RMB3,910 million for acquisition of investment properties plus cash consideration for acquisition of certain assets and liabilities of Chongqing Investment and Chongqing Company as at completion date. Chongqing Investment holds the entire equity interest in Chongqing Company which holds the Metropolitan Oriental Plaza. The acquisition is accounted for as purchase of assets rather than a business combination as the subsidiaries are vehicles formed for property holding. Net assets acquired through acquisition of subsidiaries on 2 March 2015 mainly comprised investment properties of RMB3,912 million and bank balances and cash of RMB127 million.

	<u>Total</u> RMB million
Net cash outflow arising on acquisition:	
Cash paid	3,899
Bank balances and cash acquired	(127)
	<hr/> 3,772 <hr/>

Note: Cheerjoy and Joinpower are associated companies of Hui Xian (Cayman Islands) Limited, a significant unitholder of Hui Xian REIT and are subsidiaries of either Cheung Kong (Holdings) Limited ("Cheung Kong") or Hutchison Whampoa Limited before 3 June 2015 and have become subsidiaries of Cheung Kong Property Holdings Limited pursuant to the reorganisation of the Cheung Kong group completed on 3 June 2015.

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 2015 of RMB28,487 million (31 December 2014: RMB28,564 million) and the total number of 5,355,686,880 units in issue as at 30 June 2015 (31 December 2014: 5,297,591,509 units).

22. NET CURRENT ASSETS

As at 30 June 2015, the Group's net current assets, defined as total current assets less total current liabilities, amounted to RMB2,878 million (31 December 2014: RMB2,293 million).

23. TOTAL ASSETS LESS CURRENT LIABILITIES

As at 30 June 2015, the Group's total assets less current liabilities amounted to RMB43,733 million (31 December 2014: RMB39,487 million).