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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

匯賢房託管理有限公司

ANNUAL RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 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 annual results of Hui Xian REIT and its special purpose vehicles for the period from 1 January 2015 to 31 December 2015 (“Reporting Period”) as follows:

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

For the financial year from 1 January 2015 to 31 December 2015

	1 Jan – 31 Dec 2015	1 Jan – 31 Dec 2014	Percentage Change
Total Revenue (<i>RMB million</i>)	3,050	2,795	+9.1%
Net Property Income (<i>RMB million</i>)	2,036	1,852	+9.9%
Amount Available for Distribution (<i>RMB million</i>)	1,479	1,364	+8.4%
Distributions to Unitholders (<i>RMB million</i>)	1,449	1,350	+7.4%
Distribution per Unit (<i>RMB</i>)	0.2700	0.2567	+5.2%
Payout Ratio	98%	99%	N/A
Distribution Yield	8.11% ⁽¹⁾	7.38% ⁽²⁾	N/A

	As at 31 Dec 2015	As at 31 Dec 2014	Percentage Change
Gross Asset Value (<i>RMB million</i>)	46,704	42,228	+10.6%
Net Asset Value Attributable to Unitholders (<i>RMB million</i>)	27,557	28,564	-3.5%
Net Asset Value per Unit (<i>RMB</i>)	5.1231	5.3919	-5.0%
Debts to Gross Asset Value	20.2%	9.2%	N/A

Notes:

- (1) Based on the closing price of the units of Hui Xian REIT ("Units") on 31 December 2015 and the actual distribution amount for the period from 1 January 2015 to 31 December 2015.
- (2) Based on the closing price of the Units on 31 December 2014 and the actual distribution amount for the period from 1 January 2014 to 31 December 2014.

2015 was a challenging year marked by a worldwide economic slowdown and increased international volatility. Nonetheless, Hui Xian REIT kept the growth momentum amid global market turmoil during the year.

The amount available for distribution for the Reporting Period increased 8.4% year-on-year to RMB1,479 million. The increase was driven by the organic growth from the existing leasing and hotel portfolio, and the additional income contributed by the newly acquired Chongqing Metropolitan Oriental Plaza from 2 March 2015 to 31 December 2015.

Results and Distribution

Total revenue for the Reporting Period was RMB3,050 million, an increase of 9.1% year-on-year. Net property income (“NPI”) was RMB2,036 million, a rise of 9.9% from a year ago.

Gross asset value amounted to RMB46,704 million, a 10.6% growth compared to that as at 31 December 2014. Net asset value attributable to unitholders was RMB27,557 million compared with RMB28,564 million as at 31 December 2014.

The amount available for distribution for the Reporting Period increased 8.4% year-on-year to RMB1,479 million. The distribution per unit (“DPU”) for the second half of the year was RMB0.1337. Together with the interim DPU, the total DPU for the year increased 5.2% year-on-year to RMB0.2700.

The distribution yield was 8.11% based on the closing unit price of RMB3.33 on 31 December 2015.

An Eventful Year

2015 was an eventful year for Hui Xian REIT: it marked the 15th anniversary of Beijing Oriental Plaza, Hui Xian REIT’s flagship asset; and the completion of acquisition of Chongqing Metropolitan Oriental Plaza.

Beijing Oriental Plaza Celebrated 15th Anniversary

Since its opening in 2000, Beijing Oriental Plaza has established itself as the landmark of Beijing. Located in Wangfujing, the 800,000-square metre mixed-use development comprises a 130,000-square metre shopping centre, eight Grade A offices towers, two serviced apartment towers, and a five-star hotel, Grand Hyatt Beijing. These four components are part and parcel to the success of the property complex, reflecting the “World within a World” self-contained community concept.

In the past 15 years, Beijing Oriental Plaza has a track record of high occupancy rates and solid financial position. These achievements have laid a strong foundation, enabling Beijing Oriental Plaza to maintain growth momentum.

Acquisition of Chongqing Metropolitan Plaza

On 2 March 2015, the acquisition of Chongqing Metropolitan Plaza was completed. Located in Jiefangbei’s Central Business District, the 164,000-square metre mixed-use project has immediately contributed to Hui Xian REIT’s revenue. It has been officially rebranded as “Chongqing Metropolitan Oriental Plaza”, the second project under Hui Xian REIT’s “Oriental Plaza” brand.

Following the acquisition, areas under Hui Xian REIT’s management have now increased to over one million square metres across three cities in China, namely Beijing, Chongqing and Shenyang.

RMB Exchange Rate in 2015

In 2015, RMB exchange rate saw significant fluctuation. The RMB exchange rate against Hong Kong Dollars dropped approximately 5.8%* compared to a year ago.

All of Hui Xian REIT’s existing projects are located in China, generating revenue in RMB. Hui Xian REIT’s financial statements are presented in RMB and the distribution to Unitholders is also in RMB. RMB exchange rate volatility does not have a significant impact on the performance of Hui Xian REIT’s projects. However, Hui Xian REIT’s current borrowings are in Hong Kong Dollars. The RMB exposure may appear when the exchange gain or loss is realised upon loan repayment.

Investment sentiment, nonetheless, could be adversely affected by RMB's exchange fluctuation. According to Hong Kong Monetary Authority, the RMB deposits in Hong Kong as at the end of December 2015 shrank to approximately RMB851 billion, representing a drop of 15% compared to the amount as at the end of December 2014.

**Based on the People's Bank of China RMB rate against Hong Kong Dollars on 31 December 2014 and 31 December 2015.*

Business Environment in China

China's economy in 2015 grew at its slowest pace since 1990. Its full-year gross domestic product ("GDP") increased 6.9% year-on-year, down from 7.3% in 2014, according to the National Bureau of Statistics of China. Industrial output grew 6.1% (versus an increase of 8.3% in 2014). Fixed-asset investment increased 10%, the weakest full-year growth since 2000.

The country's retail sales of consumer goods grew 10.7% year-on-year in 2015, slower than the 12% increase recorded in 2014. Online sales surged 33% year-on-year to RMB3.9 trillion.

At the macro level, China's luxury retail sector continued to face strong headwinds throughout 2015. The Central Government's anti-extravagance campaign continued. Meanwhile, popularity in online shopping and overseas shopping continued to grow.

Hit by slumping sales of luxury goods, some international brands consolidated their shop networks and closed down stores in some cities. Retailers have taken a more cautious approach towards store opening. This affected the occupancy rates and rental reversions of many shopping malls in China. Some landlords even turned retail premises into office leasing space.

On the other hand, the rising income of the thriving middle class has become a major driver for domestic consumption, creating new opportunities for affordable luxury and mass market brands.

Business Review

In spite of worldwide concerns about the Chinese economy, Hui Xian REIT's portfolio continued to deliver satisfactory results in 2015. Total revenue and NPI of Hui Xian REIT's portfolio during the Reporting Period increased 9.1% and 9.9% respectively compared to 2014.

(I) Existing Leasing and Hotel Portfolio

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

(A) Retail Portfolio

Hui Xian REIT's retail portfolio consists of The Malls at Beijing Oriental Plaza, featuring over 250 brands. Situated in Wangfujing, the 130,000 square metre mall continues to be popular among both the retailers and shoppers due to its prime location, heavy foot traffic as well as a well-balanced tenant mix.

To further enhance the retail offering, The Malls commenced a large-scale asset enhancement programme in the second half of 2015 for two zones, totaling 6,000 square metres of retail space. During the renovation, the mall's effective lettable area was reduced and some business operations were temporarily interrupted.

During this period of renovation, the overall business of The Malls remained good with high occupancy and heavy visitor flow.

Notwithstanding the impact of renovation, and sluggish retail environment in China, The Malls' financial performance recorded a satisfactory year-on-year growth. The average monthly passing rent was RMB1,193, up by 9.0%. Revenue was RMB1,148 million, up by 2.8%. NPI was RMB933 million, up by 2.5%.

(B) Office Portfolio

The office portfolio, known as The Tower Offices at Beijing Oriental Plaza, comprises over 300,000 square metres of Grade A office space over eight blocks. They maintained high occupancy rates and positive rental reversion during the Reporting Period despite the current economic uncertainty.

The office portfolio's NPI was RMB821 million, an increase of 6.7% year-on-year. The average monthly passing rent was RMB270 per square metre, a year-on-year growth of 5.6%. The average monthly spot rent was RMB297 per square metre, up by 4.1% year-on-year. Rental reversion was 15.8%. The average occupancy rate was 96.0%.

(C) Serviced Apartment Portfolio

Consisting of two blocks, The Tower Apartments at Beijing Oriental Plaza houses over 600 fully-furnished units.

The NPI of serviced apartment portfolio was RMB67 million, a rise of 7.9% year-on-year. The average occupancy rate increased to 92.3% from 87.8% a year ago.

(D) Hotel Portfolio

While China's hospitality market remained soft and highly competitive, Hui Xian REIT's hotel portfolio showed signs of stabilization during the Reporting Period. The combined NPI for the two hotels (Sofitel Shenyang Lido and Grand Hyatt Beijing) increased 10.4% year-on-year to RMB122 million.

Sofitel Shenyang Lido's average occupancy rate was 39.1%, up from 35.9% in 2014, while the average room rate per night dropped 3.3% year-on-year to RMB516. The revenue per available room ("RevPAR") increased 5.2% year-on-year to RMB202.

Although Grand Hyatt Beijing's average occupancy rate improved to 58.8% from 55.9% a year earlier, the average room rate per night was down by 7.9% year-on-year to RMB1,461. As a result, the RevPAR decreased 3.2% year-on-year to RMB859.

In 2015, Grand Hyatt Beijing completed the room renovation programme. All the 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 acquisition on 2 March 2015, Chongqing Metropolitan Oriental Plaza provided approximately ten months of contribution during the Reporting Period. The NPI of Chongqing Metropolitan Oriental Plaza recorded from 2 March to 31 December 2015 was RMB93 million, the performance of which was in line with management's expectation.

The mall's average occupancy rate was 83.7% and the average monthly passing rent was RMB254 per square metre. It embarked on a three-year asset enhancement and tenant mix revamp programme, which will create a refreshing new look and bring long-term benefits to the mall.

From March to December 2015, the average monthly passing rent and monthly spot rent of Chongqing Metropolitan Oriental Plaza's office tower were RMB125 per square metre and RMB139 per square metre respectively. The average occupancy rate was 95.5%.

Strong Financial Position

Hui Xian REIT has continued to adopt a prudent financial management strategy throughout the Reporting Period. As at 31 December 2015, bank balances and cash on hand amounted to RMB6,107 million and debts amounted to RMB9,435 million. Debts to gross asset value ratio stood at 20.2%. Hui Xian REIT has ample financial capacity to capture new investment opportunities.

Outlook

Looking ahead, 2016's global economic climate is expected to be even more challenging, given a multitude of macro headwinds.

In a fiercely competitive environment, we are continuously improving the quality and competitiveness of our portfolio through active asset management. Asset enhancement initiatives and tenant mix upgrade programme will continue at Beijing Oriental Plaza and Chongqing Metropolitan Oriental Plaza to optimise them for future growth.

We will continue to actively seek suitable acquisition opportunities which could expand our portfolio and bring long-term benefits for the Unitholders.

China's economy has entered a new stage of slower but more resilient growth. The country's economic fundamentals remain solid and it continues to transit to a consumption driven economy. We remain confident that Hui Xian REIT, with its quality assets in prime locations, is well positioned to meet this challenging market environment.

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, 15 March 2016

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 **Chongqing Metropolitan Oriental Plaza** (formerly known as 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 Apartment	81,603
		Hotel	125,420
		Carpark (1,901 car parking spaces)	140,289
(2) Chongqing 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.

Our flagship asset, Beijing Oriental Plaza celebrated its 15th anniversary in 2015 with a series of promotions and activities, including a gala dinner in October attended by over 400 distinguished guests and tenants.

(A) Retail Portfolio

According to Beijing Municipal Bureau of Statistics, Beijing's GDP growth rate in 2015 decelerated to 6.9%. Retail sales of consumer goods increased 7.3% in 2015, down from 8.6% in 2014. Despite slower growth, Beijing's retail sales amount have surpassed RMB1 trillion in 2015, making it China's biggest shopping city in 2015 for eight straight years. Online sales recorded a year-on-year increase of 40.2% to RMB201.7 billion. Disposable income per capita of Beijing's urban residents was up 8.9% year-on-year to RMB52,859.

Hui Xian REIT's existing retail portfolio comprises The Malls at Beijing Oriental Plaza, a 3-level mall offering over 130,000-square metres of retail space. The Malls offers a vast array of goods and services, including fast and high fashion, fast food chains, casual and fine dining restaurants, watches and jewellery shops, showrooms, banks, personal care stores and a cinema.

To further enhance the retail offering, The Malls commenced a large-scale asset enhancement programme in the second half of 2015 for two zones, totaling 6,000 square metres of retail space. During the renovation, the mall's effective lettable area was reduced and some business operations were temporarily interrupted.

During this period of renovation, the overall business of The Malls remained good with high occupancy and heavy visitor flow.

Despite the impact of renovation, and weak retail environment, The Malls' financial performance recorded a satisfactory year-on-year growth. The average monthly passing rent was RMB1,193, up by 9.0%. Revenue was RMB1,148 million, an increase of 2.8%. NPI was RMB933 million, up by 2.5%. Rental reversion was 8.4%. The average occupancy rate remained high at 94.9% despite the ongoing asset enhancement initiatives.

The asset enhancement programme is expected to be completed by the first half of 2016. As at the date of this announcement, the committed occupancy rate[^] is over 99%.

During 2015, The Malls' tenant mix was enriched with new brands, such as FILA, INNIU, Jaquet Droz, La Fée Maraboutée, Marc O'Polo, RIMOWA and TOMS. A number of tenants upgraded their shops and some further expanded their existing stores; these included adidas, COACH, DKNY, DVF, La Perla, MaxMara, Montblanc and Shanghai Tang.

Gross Revenue	RMB1,148 million, +2.8% YoY
Net Property Income	RMB933 million, +2.5% YoY
Average Occupancy Rate	94.9%
Average Monthly Passing Rent	RMB1,193 per square metre, +9.0% YoY
Average Monthly Spot Rent	RMB1,024 per square metre, -27.9% YoY

[^] Committed occupancy rate includes leases signed but not yet commenced

(B) Office Portfolio

Overall office rental growth in Beijing continued to be constrained, largely due to slowing demand as a result of general economic uncertainty. The overall supply in the city remained limited.

The existing office portfolio consists of The Tower Offices at Beijing Oriental Plaza, which provides over 300,000 square metres of Grade A office space in eight blocks. The Tower Offices' tenant base is very broad, comprising corporations from 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 and continued to record rental increases. Retention rate remained strong with renewal from several anchor tenants taking place in 2015. This included the lease renewal for KPMG, which acquired the naming rights for one of the office towers and renamed it as KPMG Tower in October 2015.

The NPI was RMB821 million, representing an increase of 6.7% year-on-year. The average occupancy rate was 96.0%. The average monthly passing rent was RMB270 per square metre, an increase of 5.6% year-on-year. The average monthly spot rent was RMB297 per square metre, up by 4.1% over the same period last year. Rental reversion was 15.8%.

Gross Revenue	RMB1,076 million, +4.9% YoY
Net Property Income	RMB821 million, +6.7% YoY
Average Occupancy Rate	96.0%
Average Monthly Passing Rent	RMB270 per square metre, +5.6% YoY
Average Monthly Spot Rent	RMB297 per square metre, +4.1% YoY

(C) Serviced Apartment Portfolio

During the Reporting Period, Beijing's high-end serviced apartment leasing market remained stable. Tightened expatriate housing budgets 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 7.9% year-on-year to RMB67 million. The average occupancy rate in 2015 surged to 92.3% from 87.8% a year earlier.

Gross Revenue	RMB136 million, +3.2% YoY
Net Property Income	RMB67 million, +7.9% YoY
Average Occupancy Rate	92.3%

(D) Hotel Portfolio

China's hotel market continued to be challenging throughout 2015. The slowing economy, the Central Government's ongoing policy of anti-extravagance, and intense competition among hotels caused impact to the industry. Both occupancy and room rates were under pressure.

Hui Xian REIT's existing hotel portfolio encompasses two five-star hotels: (i) Grand Hyatt Beijing at Beijing Oriental Plaza; and (ii) Sofitel Shenyang Lido. The NPI of the two hotels combined increased 10.4% year-on-year to RMB122 million

Grand Hyatt Beijing, Beijing

During 2015, Beijing's tourist arrivals fell by 1.8% year-on-year to 4.2 million according to Beijing Municipal Bureau of Statistics.

Grand Hyatt Beijing's average occupancy rate was 58.8%, up from 55.9% a year ago. The average room rate per night was RMB1,461, a year-on-year decrease of 7.9%. RevPAR was RMB859, down by 3.2% year-on-year.

The number of conferences and corporate events held at Grand Hyatt Beijing in 2015 has slightly increased in terms of room nights. However, corporations were very price-sensitive and competition among hotels continued to be keen. As a result, the revenue was down compared to 2014.

The three-year 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

Shenyang's GDP growth in 2015 was decreased to 3.5% year-on-year. There was no marked improvement in the city's hotel operating environment.

During the Reporting Period, Sofitel Shenyang Lido implemented proactive and flexible pricing strategies. Wedding and medium-sized events hosted in the hotel recorded an increase during 2015 though the average cover charge was lower than before. The average occupancy rate in 2015 increased to 39.1% from 35.9% a year ago despite intense competition from the large supply of new high-end hotels opened in the past two years. However, the average room rate per night decreased 3.3% year-on-year to RMB516. RevPAR was up by 5.2% year-on-year to RMB202.

Gross Revenue	RMB501 million, -3.8% YoY
Net Property Income	RMB122 million, +10.4% YoY
<i>Grand Hyatt Beijing</i>	
Average Occupancy Rate	58.8%
Average room rate per night	RMB1,461, -7.9% YoY
RevPAR	RMB859, -3.2% YoY
<i>Sofitel Shenyang Lido</i>	
Average Occupancy Rate	39.1%
Average room rate per night	RMB516, -3.3% YoY
RevPAR	RMB202, +5.2% YoY

(II) New Investment – Chongqing Metropolitan Oriental Plaza

Chongqing Metropolitan Plaza, consisting of a shopping mall and a Grade A office tower, has been added to Hui Xian REIT's portfolio on 2 March 2015. The project was renamed "Chongqing Metropolitan Oriental Plaza" subsequent to the handover. The project's NPI was RMB93 million during the period 2 March to 31 December 2015.

The shopping mall of Chongqing Metropolitan Oriental Plaza is one of the most established and popular shopping destinations in Chongqing. It features a wide selection of retail, dining and entertainment options. As it is important to maintain the mall's competitiveness in a keenly competitive retail environment, a three-year asset enhancement and tenant mix revamp programme has commenced to improve its retail offerings and physical environment. Such initiatives are expected to bring long-term benefits to the mall. During the period 2 March 2015 and 31 December 2015, the average occupancy rate was 83.7% and the average monthly passing rent was RMB254 per square metre.

Chongqing Metropolitan Oriental Plaza's office tower 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.

The office tower is home to five consulates: British Consulate-General, Canadian Consulate General, Royal Danish Consulate General, Consulate-General of Japan and Philippine Consulate-General. It also houses a number of multinational corporations of different industries such as insurance and financial services, electronics, and healthcare. Amongst the tenants are PricewaterhouseCoopers, KPMG, Siemens, Deutsche Bank, HSBC, Dragonair, 3M, Johnson & Johnson Medical Companies, IBM, Oracle and Microsoft. During the period 2 March 2015 and 31 December 2015, the average occupancy rate stood at 95.5%. The average monthly passing rent and the average monthly spot rent were RMB125 per square metre and RMB139 per square metre respectively.

From 2 March to 31 December 2015

Gross Revenue	RMB189 million
Net Property Income	RMB93million
<i>Mall</i>	
Average Occupancy Rate	83.7%
Average Monthly Passing Rent	RMB254 per square metre
<i>Office</i>	
Average Occupancy Rate	95.5%
Average Monthly Passing Rent	RMB125 per square metre
Average Monthly Spot Rent	RMB139 per square metre

FINANCIAL REVIEW

Net Property Income

The net property income was RMB2,036 million for the year ended 31 December 2015.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB719 million (“2015 Final Distribution”) to Unitholders for the period from 1 July 2015 to 31 December 2015. The 2015 Final Distribution represents 98% of Hui Xian REIT’s total amount available for distribution during the period from 1 July 2015 to 31 December 2015 and will be paid in RMB. A total of RMB730 million (“2015 Interim Distribution”) has been distributed to Unitholders of Hui Xian REIT on 24 September 2015 for the period from 1 January 2015 to 30 June 2015. In total, Hui Xian REIT will distribute a total of RMB1,449 million to Unitholders for the year ended 31 December 2015. The distribution amount includes certain profit elements in the capital nature of Hui Xian REIT. The amount of capital nature items is RMB824 million (2014: RMB279 million).

Distribution per Unit

The final DPU for the period from 1 July 2015 to 31 December 2015 is RMB0.1337 based on the number of outstanding Units on 31 December 2015. Together with the interim DPU of RMB0.1363, Hui Xian REIT provides a total DPU for the year ended 31 December 2015 of RMB0.2700. This represents a distribution yield of 8.11% based on the closing unit price of RMB3.33 on 31 December 2015.

Closure of Register of Unitholders

The record date for the 2015 Final Distribution will be 6 April 2016, Wednesday (“Record Date”). The Register of Unitholders will be closed from 1 April 2016, Friday to 6 April 2016, Wednesday, both days inclusive, during which period no transfer of Units will be registered. The final distribution is expected to be payable on 23 May 2016, Monday 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 Final 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 31 March 2016, Thursday.

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 as a revolving credit facility with Hui Xian Holdings which expired in October 2014. As at 31 December 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.

In August 2015, Hui Xian Investment drew down a new unsecured 3-year term loan of HK\$1,000 million offered by Bank of China (Hong Kong) Limited. The purpose of the facility was to finance the general corporate funding needs of the Hui Xian REIT group.

In October 2015, Hui Xian Investment drew down a new unsecured 5-year term loan of HK\$850 million offered by China Construction Bank (Asia) Corporation Limited. The purpose of the facility was to finance the general corporate funding needs of the Hui Xian REIT group.

In December 2015, Hui Xian partially prepaid HK\$1,000 million of an unsecured 3-year term loan which was drawn down in November 2013. The facility was offered by Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Sumitomo Mitsui Banking Corporation, United Overseas Bank Limited and Chong Hing Bank Limited. As at 31 December 2015, the outstanding amount of the facility was HK\$525 million.

In December 2015, Hui Xian Investment extended the maturity date of an unsecured term loan of HK\$200 million offered by Bank of East Asia Limited for two years. 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 31 December 2015, Hui Xian REIT’s total debts amounted to RMB9,435 million (31 December 2014: RMB3,867 million). Based on Hui Xian REIT’s net assets attributable to Unitholders of RMB27,557 million as at 31 December 2015 (31 December 2014: RMB28,564 million), Hui Xian REIT’s debts to net asset value ratio increased to 34.2% (31 December 2014: 13.5%). Meanwhile, the debts to gross asset value ratio was 20.2% as at 31 December 2015 (31 December 2014: 9.2%).

Bank Balances and Asset Positions

As at 31 December 2015, Hui Xian REIT’s bank balances and cash amounted to RMB6,107 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 RMB29,960 million as at 31 December 2015 (31 December 2014: RMB30,760 million), translating into a decrease of 2.6% over the valuation as of 31 December 2014. Together with the hotel and serviced apartment premises, gross property value of BOP was RMB35,383 million as at 31 December 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, 78,746 square metre, 30-storey Sofitel Shenyang Lido 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 RMB910 million as at 31 December 2015 (31 December 2014: RMB930 million) while gross property value as at 31 December 2015 was RMB832 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 Chongqing Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping mall and a Grade A office building. Chongqing Metropolitan Oriental Plaza is located at Jiefangbei, Yuzhong District, Chongqing, a well-established central business district.

As at 31 December 2015, the shopping mall and office building are valued by Knight Frank at RMB4,100 million. Gross property value of the properties was RMB4,100 million.

Net Assets Attributable to Unitholders

As at 31 December 2015, net assets attributable to Unitholders amounted to RMB27,557 million (31 December 2014: RMB28,564 million) or RMB5.1231 per Unit, representing a 53.8% premium to the closing unit price of RMB3.33 on 31 December 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 31 December 2015, except for capital commitment in respect of the asset enhancement programme for Chongqing Metropolitan Oriental Plaza, Hui Xian REIT did not have any significant commitments.

Employees

As at 31 December 2015, Hui Xian REIT, by subsidiaries and through its branches, employed a total of 771 employees in the PRC, of which 749 employees performed hotel operation functions and services, and 22 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 31 December 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. 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, REIT Code and other applicable legislation, rules and regulations. The compliance manual also contains a corporate governance policy which regulates the activities of the board of directors of the Manager.

Throughout the year ended 31 December 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 and 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.

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 of the 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 Annual Results

The annual results of Hui Xian REIT for the year ended 31 December 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

In the year ended 31 December 2015, (i) 11,268,011 new Units were issued to the Manager as payment of acquisition fee for acquisition of Chongqing Metropolitan Oriental Plaza, (ii) an aggregate of 35,618,331 new Units were issued to the Manager as payment of part of the Manager's fees; and (iii) an aggregate of 34,496,001 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 and the interim distribution for the period from 1 January 2015 to 30 June 2015.

The total number of Units in issue as at 31 December 2015 was 5,378,973,852 Units.

Corporate Social Responsibility

The Manager recognises the importance of corporate social responsibility and will continue to commit appropriate resources to meet the environmental, social and governance standards and requirements in the day-to-day operations of Hui Xian REIT's properties. Detailed information in these areas will be published in the Annual Report of Hui Xian REIT for the year ended 31 December 2015.

Buy-Back, Sale or Redemption of Units

There were 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 year ended 31 December 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 31 December 2015.

Issuance of the Annual Report 2015

The Annual Report of Hui Xian REIT for the year ended 31 December 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 April 2016.

Annual General Meeting of Unitholders

The 2016 annual general meeting of Hui Xian REIT will be held on or around 6 May 2016, Friday, notice of which will be published and given to Unitholders in due course.

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 March 2016

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 (non-executive Directors); and Mr. CHENG Hoi Chuen, Vincent, Professor LEE Chack Fan and Dr. CHOI Koon Shum, Jonathan (independent non-executive Directors).

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>NOTES</u>	<u>2015</u> RMB million	<u>2014</u> RMB million
Revenue	5	3,050	2,795
Rental related income	6	56	60
Other income	7	206	152
(Decrease) increase in fair value of investment properties	14	(636)	665
Fair value gain from top-up amount asset		97	-
Hotel inventories consumed		(47)	(49)
Staff costs		(110)	(101)
Depreciation and amortisation		(287)	(281)
Other operating expenses	8	(868)	(810)
Finance costs	9	(207)	(100)
Exchange loss		(515)	-
Manager's fees	10	(202)	(150)
Real estate investment trust expenses	11	(12)	(29)
Profit before taxation and transactions with unitholders		525	2,152
Income tax expense	12	(372)	(661)
Profit for the year, before transactions with unitholders		153	1,491
Distributions to unitholders		(1,449)	(1,350)
(Loss) profit and total comprehensive (expense) income for the year, after transactions with unitholders		(1,296)	141
Profit for the year, before transactions with unitholders attributable to:			
Non-controlling interest		(15)	(14)
Unitholders		168	1,505
		153	1,491
Basic earnings per unit (RMB)	13	0.0315	0.2878

FINANCIAL INFORMATION

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>2015</u> RMB million	<u>2014</u> RMB million
Profit for the year, before transactions with unitholders	153	1,491
Non-controlling interest	<u>15</u>	<u>14</u>
Profit for the year attributable to unitholders, before transactions with unitholders	<u>168</u>	<u>1,505</u>
Adjustments (Note (i)):		
Manager's fees	163	119
Deferred tax	(135)	182
Distributable depreciation and amortisation	197	186
Decrease (increase) in fair value of investment properties	636	(665)
Fair value gain from top-up amount asset	(97)	-
	<u>764</u>	<u>(178)</u>
Distributable income	<u>932</u>	<u>1,327</u>
Additional items (Note (ii)):		
Depreciation and amortisation arising from fair value adjustment	19	19
Net unrealised exchange loss on bank loans and loan front-end fee	452	-
Top-up amount receivable	58	-
Other cash distributions	18	18
	<u>547</u>	<u>37</u>
Amounts available for distribution	<u>1,479</u>	<u>1,364</u>
Distributions to unitholders (Note (iv))		
- Interim distribution paid	730	663
- Final distribution payable	719	687
	<u>1,449</u>	<u>1,350</u>
Payout ratio (Note (iii))	<u>98.0%</u>	<u>99.0%</u>
Distribution per unit (RMB) (Note (iv))		
Interim distribution per unit	0.1363	0.1271
Final distribution per unit	0.1337	0.1296
	<u>0.2700</u>	<u>0.2567</u>

FINANCIAL INFORMATION

Notes:

(i) *Adjustments for the year include:*

- (a) *For the year ended 31 December 2015, Manager's fees paid and payable in units of RMB163 million (29,280,999 units issued and 19,948,009 units estimated to be issued) out of the total Manager's fees of RMB202 million. The difference of RMB39 million are paid or payable in cash.*

For the year ended 31 December 2014, Manager's fees paid and payable in units of RMB119 million out of the total Manager's fees of RMB150 million. The difference of RMB31 million are paid or payable in cash.

- (b) *Deferred tax charge of RMB24 million (2014: RMB16 million) in relation to accelerated tax depreciation and deferred tax credit of RMB159 million (2014: deferred tax charge of RMB166 million) in relation to changes in fair value of investment properties.*
- (c) *Distributable depreciation and amortisation of Beijing Oriental Plaza attributable to unitholders of RMB197 million (2014: RMB186 million) represented by depreciation and amortisation of RMB215 million (2014: RMB211 million) less capital expenditure of RMB18 million (2014: RMB25 million).*
- (d) *Decrease in fair value of investment properties of RMB636 million (2014: increase in fair value of RMB665 million).*
- (e) *Fair value gain from top-up amount asset of RMB97 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 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 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 year include:*

- (a) *Depreciation and amortisation attributable to unitholders arising from fair value adjustment upon acquisition of Shenyang Lido Business Co. Ltd by the Group of RMB19 million (2014: RMB19 million).*
- (b) *Net unrealised exchange loss on bank loans and loan front-end fee of RMB452 million (2014: Nil).*
- (c) *Top-up amount receivable of RMB58 million (2014: nil).*
- (d) *Other cash distributions of RMB18 million (2014: RMB18 million).*

FINANCIAL INFORMATION

Notes: - continued

- (iii) *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 year ended 31 December 2015 represent a payout ratio of 98.0% (2014: 99.0%) of Hui Xian REIT's distributable income for the year.

- (iv) *The interim distribution per unit of RMB0.1363 for the six months ended 30 June 2015 is calculated based on 98.0% of Hui Xian REIT's (as defined in Note 1) amount available for distribution of RMB744,927,112 over 5,355,686,880 units, representing issued units as at 30 June 2015. The final distribution per unit of RMB0.1337 for the six months ended 31 December 2015 is calculated based on 98.0% of Hui Xian REIT's amount available for distribution for the year of RMB1,478,984,471, less distribution to unitholders for the six month ended 30 June 2015, over 5,378,973,852 units, representing issued units as at 31 December 2015.*

The interim distribution per unit of RMB0.1271 for the six months ended 30 June 2014 is 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. The final distribution per unit of RMB0.1296 for the six months ended 31 December 2014 is calculated based on 99.0% of Hui Xian REIT's amount available for distribution for the year of RMB1,363,848,529 less distribution to unitholders for the six months ended 30 June 2014, over 5,297,591,509 units, representing issued units as at 31 December 2014.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	<u>NOTES</u>	<u>2015</u> RMB million	<u>2014</u> RMB million
Non-current assets			
Investment properties	14	34,060	30,760
Property, plant and equipment	15	2,161	2,284
Land and related costs	16	4,022	4,150
Top-up amount asset		39	-
Total non-current assets		40,282	37,194
Current assets			
Hotel inventories		24	25
Land and related costs	16	128	128
Trade and other receivables	17	163	86
Bank balances and cash		6,107	4,795
Total current assets		6,422	5,034
Total assets		46,704	42,228
Current liabilities			
Trade and other payables	18	479	469
Tenants' deposits		249	261
Tax payable		104	144
Manager's fee payable		81	76
Distribution payable		719	687
Bank loans	19	1,443	1,104
Total current liabilities		3,075	2,741
Total assets less current liabilities	22	43,629	39,487
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	19	7,992	2,763
Tenants' deposits		489	429
Deferred tax liabilities		7,335	7,460
Total non-current liabilities, excluding net assets attributable to unitholders		15,816	10,652
Total liabilities, excluding net assets attributable to unitholders		18,891	13,393
Non-controlling interest		256	271
Net assets attributable to unitholders		27,557	28,564
Units in issue ('000)		5,378,974	5,297,592
Net asset value per unit (RMB) attributable to unitholders	20	5.1231	5.3919

FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 (the "SFO") (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 subsidiaries (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 consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of Hui Xian REIT.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS(s)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include the applicable disclosures requirements set out in Appendix C of the REIT Code issued by the SFC and the Rules Governing the Listing of Securities on the HKSE.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and top-up amount asset that are measured at fair values. Historical cost is generally based on fair value of the consideration given in exchange for goods.

The accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 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 year, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKAS 19
Amendments to HKFRSs
Amendments to HKFRSs

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

The application of the new and revised HKFRSs in the current year has had no material effect on the amounts and disclosures set out in these consolidated financial statements.

FINANCIAL INFORMATION

3. SIGNIFICANT ACCOUNTING POLICIES - continued

At the date of authorisation of these consolidated financial statements, the Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKAS 1	Disclosure Initiative ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ³
Amendments to HKAS 27	Equity Method in Separate Financial Statements ³
Amendments to HKFRS 10, HKFRS 12 and HKFRS 28	Investment Entities: Applying the Consolidation Exception ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle ³

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after a date to be determined

The Manager anticipates that the application of the above new and revised HKFRS will have no material impact on the results and the financial position of the Group.

FINANCIAL INFORMATION

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 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

For the year ended 31 December 2015

	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	<u>1,148</u>	<u>1,076</u>	<u>136</u>	<u>501</u>	<u>189</u>	<u>3,050</u>
Segment profit	<u>933</u>	<u>821</u>	<u>67</u>	<u>122</u>	<u>93</u>	<u>2,036</u>
Decrease in fair value of investment properties						(636)
Finance costs						(207)
Depreciation and amortisation						(277)
Increase in fair value of top-up amount asset						97
Unallocated income						200
Unallocated expense						(688)
Profit before taxation and transactions with unitholders						<u>525</u>

For the year ended 31 December 2014

	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	<u>1,117</u>	<u>1,026</u>	<u>131</u>	<u>521</u>	<u>-</u>	<u>2,795</u>
Segment profit	<u>910</u>	<u>770</u>	<u>62</u>	<u>110</u>	<u>-</u>	<u>1,852</u>
Increase in fair value of investment properties						665
Finance costs						(100)
Depreciation and amortisation						(271)
Unallocated income						151
Unallocated expense						(145)
Profit before taxation and transactions with unitholders						<u>2,152</u>

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(a) Segment revenue and results - continued

Segment profit represents the profit earned by each segment without allocation of the changes in fair value of investment properties and top-up amount asset, 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>2015</u> RMB million	<u>2014</u> RMB million
The Malls	15,062	15,905
The Tower Offices	14,955	14,906
The Tower Apartments	2,004	2,071
The Hotels	4,501	4,697
The Chongqing Property	4,315	-
Total segment assets	40,837	37,579
Bank balances and cash	5,718	4,603
Other assets	149	46
Consolidated total assets	<u>46,704</u>	<u>42,228</u>

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.

(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 year.

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(d) Other segment information

For the year ended 31 December 2015

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Segment Total RMB million
Depreciation of property, plant and equipment	<u>1</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>10</u>

For the year ended 31 December 2014

	The Malls RMB million	The Tower Offices RMB million	The Tower Apartments RMB million	The Hotels RMB million	The Chongqing Property RMB million	Segment Total RMB million
Depreciation of property, plant and equipment	<u>1</u>	<u>1</u>	<u>1</u>	<u>7</u>	<u>-</u>	<u>10</u>

5. REVENUE

	<u>2015</u> RMB million	<u>2014</u> RMB million
Gross rental from investment properties	2,413	2,143
Income from hotel operation	501	521
Income from serviced apartments operation	<u>136</u>	<u>131</u>
Total	<u>3,050</u>	<u>2,795</u>

The gross rental from investment properties includes contingent rents of RMB13 million (2014: RMB13 million).

The direct operating expenses from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB 622 million (2014: RMB523 million).

6. RENTAL RELATED INCOME

	<u>2015</u> RMB million	<u>2014</u> RMB million
Service income	40	44
Early termination compensation	9	10
Others	<u>7</u>	<u>6</u>
Total	<u>56</u>	<u>60</u>

FINANCIAL INFORMATION

7. OTHER INCOME

	<u>2015</u> RMB million	<u>2014</u> RMB million
Interest income from banks	199	150
Government subsidies	5	2
Others	2	-
Total	<u>206</u>	<u>152</u>

8. OTHER OPERATING EXPENSES

	<u>2015</u> RMB million	<u>2014</u> RMB million
Advertising and promotion	34	17
Audit fee	1	1
Business tax	174	160
Insurance	6	6
Lease agency fee	25	25
Property manager's fee	47	38
Property management fees	72	38
Repairs and maintenance	117	129
Other miscellaneous expenses (Note)	154	171
Stamp duty	4	3
Urban land use tax	3	3
Urban real estate tax	122	112
Utilities	109	107
	<u>868</u>	<u>810</u>

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

9. FINANCE COSTS

	<u>2015</u> RMB million	<u>2014</u> RMB million
Interest expense on unsecured bank loans wholly repayable within five years	201	98
Interest expense on loans from a unitholder	6	2
	<u>207</u>	<u>100</u>

FINANCIAL INFORMATION

10. MANAGER'S FEES

	<u>2015</u> RMB million	<u>2014</u> RMB million
Base fee	120	112
Variable fee	43	38
Acquisition fee	39	-
	<u>202</u>	<u>150</u>

11. REAL ESTATE INVESTMENT TRUST EXPENSES

	<u>2015</u> RMB million	<u>2014</u> RMB million
Trustee's fee	4	4
Legal and professional fees	4	20
Public relations - related expenses	1	2
Trust administrative expenses and others	3	3
	<u>12</u>	<u>29</u>

12. INCOME TAX EXPENSE

	<u>2015</u> RMB million	<u>2014</u> RMB million
The income tax expense comprises:		
Current tax		
- PRC Enterprise Income Tax	440	421
- Withholding tax	61	152
Deferred taxation	(129)	88
	<u>372</u>	<u>661</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.

The Law of the People's Republic of China 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.

FINANCIAL INFORMATION

13. EARNINGS PER UNIT

The earnings per unit for the year ended 31 December 2015 is calculated by dividing the profit for the year attributable to unitholders before transactions with unitholders of RMB168 million by 5,352,461,833 units, being the weighted average number of units in issue during the year of 5,347,406,516 units, plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 July 2015 to 31 December 2015 of 5,055,317 units.

The earnings per unit for the year ended 31 December 2014 is calculated by dividing the profit for the year attributable to unitholders before transactions with unitholders of RMB1,505 million by 5,229,589,957 units, being the weighted average number of units in issue during the year of 5,225,231,489 units, plus the weighted average number of units issuable for settlement of Manager's fees for the period from 1 July 2014 to 31 December 2014 of 4,358,468 units.

14. INVESTMENT PROPERTIES

	<u>2015</u> RMB million	<u>2014</u> RMB million
FAIR VALUE		
At the beginning of the year	30,760	30,080
Additions	24	15
Additions through acquisition of subsidiaries	3,912	-
(Decrease) increase in fair value recognised in profit or loss	<u>(636)</u>	<u>665</u>
At the end of the year	<u>34,060</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.
- (b) Investment properties were revalued on 31 December 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

	<u>Buildings</u>		<u>Plant and machinery</u>	<u>Others</u>	<u>Total</u>
	<u>Hotels</u>	<u>Serviced apartments</u>			
	RMB million	RMB million	RMB million	RMB million	RMB million
COST					
At 1 January 2014	2,076	578	153	98	2,905
Additions for the year	19	1	-	4	24
Disposals for the year	-	-	-	(43)	(43)
At 31 December 2014	2,095	579	153	59	2,886
Additions through acquisition of subsidiaries	-	-	-	2	2
Additions for the year	20	-	-	15	35
Disposals for the year	-	-	(1)	(6)	(7)
At 31 December 2015	<u>2,115</u>	<u>579</u>	<u>152</u>	<u>70</u>	<u>2,916</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 January 2014	373	48	37	30	488
Provided for the year	106	19	13	15	153
Eliminated on disposals	-	-	-	(39)	(39)
At 31 December 2014	479	67	50	6	602
Provided for the year	113	19	14	13	159
Eliminated on disposals	-	-	(1)	(5)	(6)
At 31 December 2015	<u>592</u>	<u>86</u>	<u>63</u>	<u>14</u>	<u>755</u>
CARRYING AMOUNTS					
At 31 December 2015	<u>1,523</u>	<u>493</u>	<u>89</u>	<u>56</u>	<u>2,161</u>
At 31 December 2014	<u>1,616</u>	<u>512</u>	<u>103</u>	<u>53</u>	<u>2,284</u>

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method.

Hotels and serviced apartments, which are situated in Beijing and Shenyang, the PRC are held under medium-term leases.

The hotels were revalued by Knight Frank Petty Limited, independent valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations. The Manager determined that no impairment was made to the hotel property.

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>2015</u>	<u>2014</u>
	RMB million	RMB million
Non-current asset	4,022	4,150
Current asset	128	128
	<u>4,150</u>	<u>4,278</u>

FINANCIAL INFORMATION

17. TRADE AND OTHER RECEIVABLES

	<u>2015</u> RMB million	<u>2014</u> RMB million
Trade receivables	60	48
Deposits and prepayments	18	14
Advance to suppliers	10	2
Interest receivables	10	17
Top-up amount receivable	58	-
Other receivables	7	5
	<u>163</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>2015</u> RMB million	<u>2014</u> RMB million
Less than or equal to 1 month	49	45
1 - 3 months	7	2
Over 3 months	4	1
	<u>60</u>	<u>48</u>

18. TRADE AND OTHER PAYABLES

	<u>2015</u> RMB million	<u>2014</u> RMB million
Trade payables	70	67
Rental received in advance	222	206
Others (Note)	187	196
	<u>479</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>2015</u> RMB million	<u>2014</u> RMB million
Less than or equal to 3 months	59	43
Over 3 months	11	24
	<u>70</u>	<u>67</u>

FINANCIAL INFORMATION

19. BANK LOANS

	2015 RMB million	2014 RMB million
Unsecured term loans	9,530	3,885
Loan front-end fee	(95)	(18)
	<u>9,435</u>	<u>3,867</u>

The maturities of the above bank loans are as follows:

Within one year	1,443	1,104
More than one year but not exceeding two years	834	2,137
More than two years but not exceeding five years	7,158	626
	9,435	3,867
Less: Amounts shown under current liabilities	(1,443)	(1,104)
Amounts due after one year	<u>7,992</u>	<u>2,763</u>

In relation to the credit facility of HK\$200 million (equivalent to RMB168 million) granted to the Group on 19 December 2013 (as amended by supplemental letters dated 9 December 2014 and 31 December 2015) to finance the general working capital requirement of the Group, the total amount of the credit facility utilised by the Group as at 31 December 2015 was HK\$200 million (equivalent to RMB168 million) (2014: HK\$200 million (equivalent to RMB157 million)). It bears interest at floating interest rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 1.40% and is repayable in full in December 2017.

In relation to the credit facility of HK\$5,000 million (equivalent to RMB4,189 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 31 December 2015 was HK\$5,000 million (equivalent to RMB4,189 million). 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 RMB1,005 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 31 December 2015 was HK\$1,200 million (equivalent to RMB1,005 million) (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.

In relation to the credit facility of HK\$600 million (equivalent to RMB503 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 31 December 2015 was HK\$600 million (equivalent to RMB503 million). It bears interest at floating interest rate of HIBOR plus 1.95% and is repayable in full in June 2020.

In relation to the credit facility of HK\$1,000 million (equivalent to RMB838 million) granted to the Group on 27 August 2015 to finance the general corporate funding needs of the Group, the total amount of the credit facility utilised by the Group as at 31 December 2015 was HK\$1,000 million (equivalent to RMB838 million). It bears interest at floating interest rate of HIBOR plus 1.15% and is repayable in full in August 2018.

FINANCIAL INFORMATION

19. BANK LOANS - continued

In relation to the credit facility of HK\$850 million (equivalent to RMB712 million) granted to the Group on 19 October 2015 to finance the general corporate funding needs of the Group, the total amount of the credit facility utilised by the Group as at 31 December 2015 was HK\$850 million (equivalent to RMB712 million). It bears interest at floating interest rate of HIBOR plus 1.35% and is repayable in full in October 2020.

In relation to the credit facility of HK\$1,525 million (equivalent to RMB1,278 million) drew down by the Group on 8 November 2013, the Group partially prepaid HK\$1,000 million (equivalent to RMB838 million) of the credit facility in December 2015. The total amount of the credit facility utilised by the Group as at 31 December 2015 was HK\$525 million (equivalent to RMB440 million).

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

20. 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 31 December 2015 of RMB27,557 million (2014: RMB28,564 million) and the total number of 5,378,973,852 units in issue as at 31 December 2015 (2014: 5,297,591,509 units).

21. NET CURRENT ASSETS

At the end of the reporting period, the Group's net current assets, defined as total current assets less total current liabilities, amounted to RMB3,347 million (2014: RMB2,293 million).

22. TOTAL ASSETS LESS CURRENT LIABILITIES

At the end of the reporting period, the Group's total assets less current liabilities amounted to RMB43,629 million (2014: RMB39,487 million).