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HUI XIAN REIT

匯賢產業信託

Hui Xian Real Estate Investment Trust

*(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance
(Chapter 571 of the Laws of Hong Kong))*

(Stock Code: 87001)

Managed by Hui Xian Asset Management Limited

(1) EXTENDED WAIVERS IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS, (2) NOTICE OF EXTRAORDINARY GENERAL MEETING AND (3) CLOSURE OF REGISTER OF UNITHOLDERS

**Independent Financial Adviser to
the Independent Board Committee, the Independent Unitholders and the Trustee**

Hercules
Hercules Capital Limited

The Manager proposes to seek Independent Unitholders' approval, by way of Ordinary Resolutions at the EGM, for the extension of each of the Existing Waivers for a further period up to and including 31 December 2019, and the waivers so extended will be:

- (i) the Extended BOC Leasing and Licensing and Insurance Waiver (including the proposed annual caps relating thereto);
- (ii) the Extended China Life Insurance Waiver (including the proposed annual caps relating thereto);
- (iii) the Extended BOC Corporate Finance Waiver; and
- (iv) the Extended CITIC Securities Corporate Finance Waiver.

The Circular which contains, among other things, details of the 2016 Extended Waivers, the recommendations of the Independent Board Committee to the Independent Unitholders, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee and the notice of the EGM, is expected to be despatched together with the form of proxy of the EGM to the Unitholders on 19 April 2016.

The EGM will be held at Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on Friday, 6 May 2016 at 12:10 p.m. (or so soon thereafter as the annual general meeting of the Unitholders convened to be held at 12:00 noon on the same date and at the same place shall have been concluded or adjourned). In order to determine the list of Unitholders qualified to attend and vote at the EGM, the register of Unitholders will be closed from Tuesday, 3 May 2016 to Friday, 6 May 2016, both days inclusive, during which period no transfers of Units will be effected.

EXTENDED WAIVERS IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS

The Existing Waivers

Before the first listing of the Units on The Stock Exchange of Hong Kong Limited, at the time of authorisation of Hui Xian REIT under section 104 of the SFO in April 2011, a number of waivers from strict compliance with the REIT Code were granted by the SFC in relation to certain connected party transactions conducted between the Hui Xian REIT Group on the one hand, and (i) the BOC Group and/or the BOC Connected Persons Group, (ii) the China Life Connected Persons Group or (iii) the CITIC Securities Group (as the case maybe) on the other hand, for a period expired on 31 December 2013. Extensions of some of these waivers for a period up to and including 31 December 2016 were applied by the Manager and were granted by the SFC (with or without modifications) in 2013 and 2014 respectively, including the following:

- (i) *Existing BOC Leasing and Licensing and Insurance Waiver*, which is a waiver from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of (a) certain leasing and licensing transactions with the BOC Connected Persons Group in respect of any properties in which Hui Xian REIT may directly or indirectly be interested; and (b) the insurance policies with the BOC Connected Persons Group as insurer which the Hui Xian REIT Group (including Beijing Oriental Plaza Co., Ltd.) had or might from time to time take out in relation to the properties and business of Hui Xian REIT Group (please refer to the 2013 Waiver Circular and Poll Results Announcement for details of this Existing BOC Leasing and Licensing and Insurance Waiver);

- (ii) *Existing BOC Corporate Finance Waiver*, which is a waiver from strict compliance with the requirements under 8.9 and 8.11 of the REIT Code to seek Unitholders' prior approval and to make announcements and circulars (in accordance with Chapter 10 of the REIT Code) in respect of certain corporate finance transactions between Hui Xian REIT Group and the BOC Group, and the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to such transactions were also modified in accordance with the conditions of such waiver (please refer to the 2014 Waiver Circular and Poll Results Announcement for details of this Existing BOC Corporate Finance Waiver);
- (iii) *Existing China Life Insurance Waiver*, which is a waiver from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the insurance policies with the China Life Connected Persons Group as insurer which the Hui Xian REIT Group (including Beijing Oriental Plaza Co., Ltd.) had or might from time to time take out in relation to the properties and business of Hui Xian REIT Group (please refer to the 2013 Waiver Circular and Poll Results Announcement for details of this Existing China Life Insurance Waiver); and
- (iv) *Existing CITIC Securities Corporate Finance Waiver*, which is a waiver from strict compliance with the requirements under 8.9 and 8.11 of the REIT Code to seek Unitholders' prior approval and to make announcements and circulars (in accordance with Chapter 10 of the REIT Code) in respect of certain corporate finance transactions between Hui Xian REIT Group and the CITIC Securities Group, and the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to such transactions were also modified in accordance with the conditions of such waiver (please refer to the 2014 Waiver Circular and Poll Results Announcement for details of this Existing CITIC Securities Corporate Finance Waiver).

Proposed extension of the Existing Waivers

Each of the Existing Waivers will be for a period up to and including on 31 December 2016. In accordance with the waiver conditions of each of the Existing Waivers, each of them may be extended beyond 31 December 2016, provided that:

- (a) the approval of Unitholders other than those who have a material interest in the relevant waiver within the meaning of 8.11 of the REIT Code (the “**Independent Unitholders**”) is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Hui Xian REIT after the date on which the approval referred to in (a) above is obtained.

The Manager proposes to seek Independent Unitholders' approval, by way of Ordinary Resolutions at the EGM, for the extension of each of the Existing Waivers (and, where relevant, to set new annual caps relating thereto) for a further period up to and including 31 December 2019, and the waivers so extended will be:

- (i) the Extended BOC Leasing and Licensing and Insurance Waiver (including the proposed annual caps relating thereto);
 - (ii) the Extended China Life Insurance Waiver (including the proposed annual caps relating thereto);
 - (iii) the Extended BOC Corporate Finance Waiver; and
 - (iv) the Extended CITIC Securities Corporate Finance Waiver
- (collectively, the “**2016 Extended Waivers**”).

Details of the 2016 Extended Waivers and the conditions thereunder (including the New Annual Caps) are set out in the Circular.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the 2016 Extended Waivers (including the New Annual Caps). Hercules Capital Limited, being the Independent Financial Adviser, has been appointed as independent financial adviser to provide its opinion on these matters to the Independent Board Committee, the Independent Unitholders and the Trustee.

Unitholders' attention is drawn to the “Letter from the Independent Board Committee” set out in the Circular, which contains the Independent Board Committee's recommendation to the Independent Unitholders in respect of the 2016 Extended Waivers, and the “Letter from the Independent Financial Adviser” set out in the Circular, which contains the Independent Financial Adviser's advice to the Independent Board Committee, the Independent Unitholders and the Trustee in respect of the 2016 Extended Waivers.

Opinion of the Independent Financial Adviser

The Independent Financial Adviser confirms that it is of the view that having considered the principal factors and reasons stated in “Letter from the Independent Financial Adviser” included in the Circular, (i) the connected party transactions under the 2016 Extended Waivers are conducted in the ordinary and usual course of business of Hui Xian REIT and the terms of which are at arm's length and on normal commercial terms; and (ii) the 2016 Extended Waivers and the New Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

Opinion of the Independent Board Committee

Having taken into account the opinion of, and the principal factors and reasons considered by, the Independent Financial Adviser, the Independent Board Committee considers that (i) the connected party transactions under the 2016 Extended Waivers are conducted in the ordinary and usual course of business of Hui Xian REIT and the terms of which are at arm's length and on normal commercial terms; and (ii) the 2016 Extended Waivers and the New Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

Opinion of the Board

Having regard to the reasons for, the scope of and the waiver terms and conditions for the 2016 Extended Waivers, the Board considers that:

- (a) the 2016 Extended Waivers and the New Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interest of Hui Xian REIT and the Independent Unitholders as a whole;
- (b) for those relevant connected party transactions subsisting as at the Latest Practicable Date, each such transaction has been entered into: (i) in the ordinary and usual course of business of Hui Xian REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole; and
- (c) for those relevant connected party transactions to be entered into after the Latest Practicable Date, each such transaction will be: (i) in the ordinary and usual course of business of Hui Xian REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

Having regard to the reasons for, the scope of and the waiver terms and conditions for the Extended CITIC Securities Corporate Finance Waiver, the Board confirms that:

- (a) the Extended CITIC Securities Corporate Finance Waiver is fair and reasonable so far as the Independent Unitholders are concerned and in the interests of the Unitholders as a whole;
- (b) it is satisfied with the internal control procedures of the Manager with respect to the independence of the Manager's operation vis-à-vis the other functions and activities of the CITIC Securities Group; and
- (c) each CITIC Securities Corporate Finance Transaction shall be entered into in the ordinary course of business of Hui Xian REIT, on normal commercial terms at arm's length and in the interests of the Unitholders and the Independent Unitholders as a whole.

Opinion of the Trustee

Based on (i) the information and assurances provided by the Manager; (ii) the opinion of the Independent Financial Adviser; and (iii) the “Letter from the Independent Board Committee” set out in the Circular, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the 2016 Extended Waivers and the New Annual Caps (and their basis) are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

The Trustee’s view is not to be taken as a recommendation or representation by the Trustee of the merits of the 2016 Extended Waivers and the New Annual Caps. The Trustee has not made any assessment of the merits or impact of the 2016 Extended Waivers and the New Annual Caps, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code.

Unitholders who are in any doubt as to the merits or impact of the 2016 Extended Waivers (including the New Annual Caps) should seek their own financial or other professional advice.

CIRCULAR AND NOTICE OF EGM

The Circular which contains, among other things, details of the 2016 Extended Waivers, the recommendations of the Independent Board Committee to the Independent Unitholders, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee and the notice of the EGM, is expected to be despatched together with the form of proxy of the EGM to the Unitholders on 19 April 2016.

The EGM will be held at Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on Friday, 6 May 2016 at 12:10 p.m. (or so soon thereafter as the annual general meeting of the Unitholders convened to be held at 12:00 noon on the same date and at the same place shall have been concluded or adjourned).

Unitholders’ attention is drawn to the “Notice of Extraordinary General Meeting” set out in the Circular, which contains the full text of the proposed Ordinary Resolutions in relation to the approval of the 2016 Extended Waivers and the New Annual Caps.

CLOSURE OF REGISTER OF UNITHOLDERS

In order to determine the list of Unitholders qualified to attend and vote at the EGM, the register of Unitholders will be closed from Tuesday, 3 May 2016 to Friday, 6 May 2016, both days inclusive, during which period no transfers of Units will be effected. To qualify to attend and vote at the EGM, all transfers of Units accompanied by the relevant Unit certificates and the duly completed transfer forms must be lodged with the unit registrar of Hui Xian REIT, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 April 2016.

DEFINITIONS

“2013 Waiver Circular and Poll Results Announcement”	collectively, (a) the circular of Hui Xian REIT dated 12 April 2013 in relation to, among other things, the modified and extended waivers in respect of certain continuing connected party transactions (including the Existing BOC Leasing and Licensing and Insurance Waiver and the Existing China Life Insurance Waiver); and (b) the announcement of Hui Xian REIT dated 7 May 2013 in relation to the poll results of the annual general meeting and the extraordinary general meeting of the Unitholders both held on 7 May 2013
“2014 Waiver Circular and Poll Results Announcement”	collectively, (a) the circular of Hui Xian REIT dated 31 March 2014 in relation to, among other things, the modified and extended waivers in respect of certain continuing connected party transactions (including the Existing BOC Corporate Finance Waiver and the Existing CITIC Securities Corporate Finance Waiver); and (b) the announcement of Hui Xian REIT dated 5 May 2014 in relation to the poll results of the annual general meeting and the extraordinary general meeting of the Unitholders both held on 5 May 2014
“2016 Extended Waivers”	collectively, the following waivers for the three years ending 31 December 2019: (a) the Extended BOC Leasing and Licensing and Insurance Waiver; (b) the Extended China Life Insurance Waiver; (c) the Extended BOC Corporate Finance Waiver; and (d) the Extended CITIC Securities Corporate Finance Waiver
“Board”	the board of Directors
“BOC”	Bank of China Limited
“BOC Connected Persons Group”	BOC and entities or persons which are connected persons of Hui Xian REIT as a result of their connection with BOC
“BOC Group”	BOC and its subsidiaries
“China Life Connected Persons Group”	China Life Insurance (Group) Company and entities or persons which are from time to time connected persons of Hui Xian REIT as a result of their connection with China Life Insurance (Group) Company

“Circular”	the circular of Hui Xian REIT to be issued and dispatched to the Unitholders on 19 April 2016 containing, among other things, details of the 2016 Extended Waivers, the recommendations of the Independent Board Committee to the Independent Unitholders, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Unitholders and the Trustee and the notice of the EGM
“CITIC Securities Group”	CITIC Securities International Company Limited, its holding company and their respective subsidiaries
“connected person(s)”	has the meaning ascribed to it under the REIT Code
“Directors”	the directors of the Manager
“EGM”	an extraordinary general meeting of the Unitholders to be convened and held at Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on Friday, 6 May 2016 at 12:10 p.m. (or so soon thereafter as the annual general meeting of the Unitholders convened to be held at 12:00 noon on the same date and at the same place shall have been concluded or adjourned) to consider and, if thought fit, approve each of the 2016 Extended Waivers and the New Annual Caps
“Existing BOC Corporate Finance Waiver”	the waiver granted by the SFC on 5 May 2014 in relation to certain corporate finance transactions between the Hui Xian REIT Group and the BOC Group for a period up to and including 31 December 2016 (the terms and conditions of such waiver are set out in the 2014 Waiver Circular and Poll Results Announcement)
“Existing BOC Leasing and Licensing and Insurance Waiver”	the waiver granted by the SFC on 7 May 2013 in relation to certain leasing and licensing transactions, and insurance transactions between the Hui Xian REIT Group and the BOC Connected Persons Group for a period up to and including 31 December 2016 (the terms and conditions of such waiver are set out in the 2013 Waiver Circular and Poll Results Announcement)
“Existing China Life Insurance Waiver”	the waiver granted by the SFC on 7 May 2013 in relation to certain insurance transactions between the Hui Xian REIT Group and the China Life Connected Persons Group for a period up to and including 31 December 2016 (the terms and conditions of such waiver are set out in the 2013 Waiver Circular and Poll Results Announcement)

“Existing CITIC Securities Corporate Finance Waiver”	the waiver granted by the SFC on 5 May 2014 in relation to certain corporate finance transactions between the Hui Xian REIT Group and the CITIC Securities Group for a period up to and including 31 December 2016 (the terms and conditions of such waiver are set out in the 2014 Waiver Circular and Poll Results Announcement)
“Existing Waivers”	collectively, (a) the Existing BOC Leasing and Licensing and Insurance Waiver; (b) the Existing China Life Insurance Waiver; (c) the Existing BOC Corporate Finance Waiver; and (d) the Existing CITIC Securities Corporate Finance Waiver
“Extended BOC Corporate Finance Waiver”	the proposed extension of the Existing BOC Corporate Finance Waiver for a further period up to and including 31 December 2019, details of which are set out in the Circular
“Extended BOC Leasing and Licensing and Insurance Waiver”	the proposed extension of the Existing BOC Leasing and Licensing and Insurance Waiver for a further period up to and including 31 December 2019, details of which are set out in the Circular
“Extended China Life Insurance Waiver”	the proposed extension of the Existing China Life Insurance Waiver for a further period up to and including 31 December 2019, details of which are set out in the Circular
“Extended CITIC Securities Corporate Finance Waiver”	the proposed extension of the Existing CITIC Securities Corporate Finance Waiver for a further period up to and including 31 December 2019, details of which are set out in the Circular
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hui Xian REIT”	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO
“Hui Xian REIT Group”	Hui Xian REIT and other companies or entities held or controlled by Hui Xian REIT
“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the 2016 Extended Waivers (including the New Annual Caps), comprising all the independent non-executive Directors, namely, Mr. Cheng Hoi Chuen, Vincent, Professor Lee Chack Fan, and Dr. Choi Koon Shum, Jonathan

“Independent Financial Adviser”	Hercules Capital Limited, which is licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee, the Independent Unitholders and the Trustee on 2016 Extended Waivers
“Independent Unitholders”	Unitholders other than those Unitholders who have a material interest in the relevant waiver within the meaning of paragraph 8.11 of the REIT Code
“Manager”	Hui Xian Asset Management Limited 滙賢房託管理有限公司, as manager of Hui Xian REIT
“New Annual Caps”	collectively, (i) the proposed annual caps for the leasing and licensing transactions and the insurance transactions under the Extended BOC Leasing and Licensing and Insurance Waiver for the years ending 31 December 2017, 2018 and 2019, the details of which are set out in the Circular; and (ii) the proposed annual caps for the insurance transactions under the Extended China Life Insurance Waiver for the years ending 31 December 2017, 2018 and 2019, the details of which are set out in the Circular
“Ordinary Resolution”	a resolution of Unitholders passed by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy at a duly convened meeting by way of a poll, but with a quorum of two or more Unitholders holding 10% of Units in issue
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC (as amended from time to time)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended from time to time)
“Trustee”	DB Trustees (Hong Kong) Limited 德意志信託(香港)有限公司, as the trustee of Hui Xian REIT, or such other person as may from time to time be appointed as the trustee of Hui Xian REIT
“Unit”	a unit of Hui Xian REIT, and “Units” will be construed accordingly

“Unit Registrar”	Computershare Hong Kong Investor Services Limited, as unit registrar of Hui Xian REIT
“Unitholders”	holders of the Units

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, 18 April 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).