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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

NEW BANKING FACILITY AND VARIATIONS TO EXISTING FACILITIES ARRANGEMENT

New Banking Facility

On 4 November 2011, Hui Xian Investment Limited (“**Hui Xian Investment**”), a special purpose vehicle wholly-owned by Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”), as proposed borrower, accepted and agreed to a commitment letter (the “**Commitment Letter**”) issued on 28 October 2011 by, among others, The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited and DBS Bank Ltd., Hong Kong Branch (together, the “**Banks**”), as proposed lenders. Pursuant to the Commitment Letter, the Banks conditionally agreed to provide a loan facility (the “**New Facility**”) to Hui Xian Investment which will be:

- (a) in the aggregate principal amount of HK\$1,200 million;
- (b) at an effective interest rate (inclusive of fees) equivalent to HIBOR plus 2.7% per annum;
- (c) with final maturity being three years from the date of drawdown; and
- (d) for the purposes of financing the general corporate needs of the Hui Xian REIT group, including financing future acquisitions.

The New Facility will be subject to conditions precedent, including without limitation the execution of relevant facility agreement and guarantee (the “**Finance Documents**”), and the release by Hui Xian Holdings Limited (“**Hui Xian Holdings**”) of an existing pledge over shares in Hui Xian Investment. The New Facility will be unsecured and unsubordinated and will rank pari passu with all other unsecured and unsubordinated obligations of Hui Xian Investment. The obligations of the Banks under the Commitment Letter may be terminated by any Bank if the Finance Documents are not signed within 8 weeks from 28 October 2011.

On 10 November 2011, DB Trustees (Hong Kong) Limited (as trustee of Hui Xian REIT) (the “**Trustee**”) entered into a conditional agreement for acquisition of assets, details of which are contained in a separate announcement issued by Hui Xian Asset Management Limited (as manager of Hui Xian REIT) (the “**Manager**”) on the same date as this announcement. Subject to the acquisition becoming unconditional, it is intended that the New Facility will be drawn in full to finance the settlement of the consideration payable by Hui Xian REIT for the acquisition.

Assuming the New Facility will be drawn in full, the ratio of total debt to total property value of Hui Xian REIT is anticipated to increase from the current level of approximately 0.62% to approximately 3.53% upon such drawdown.

One of the Banks, Bank of China (Hong Kong) Limited (“**BOCHK**”), is a connected person of Hui Xian REIT within the meaning of the Code on Real Estate Investment Trusts (the “**REIT Code**”). The transactions between Hui Xian Investment and BOCHK as contemplated under the New Facility are expected to constitute BOC Banking and Financial Services Transactions (as defined on page 124 of the 2011 Interim Report of Hui Xian REIT issued in August 2011 (the “**Interim Report**”). Details of the relevant waiver from connected party transaction requirements (including the waiver terms) have been set out on pages 121 to 127 of the Interim Report. Based on the information available to the Manager, the other Banks, namely The Hongkong and Shanghai Banking Corporation Limited and DBS Bank Ltd., Hong Kong Branch, are independent third parties and are not connected persons of Hui Xian REIT within the meaning of the REIT Code.

Variations to Existing Facilities Arrangement

In connection with the obtaining of the New Facility, Hui Xian Investment has proposed to Hui Xian Holdings the following variations (the “**Variations**”) to the existing arrangements under the agreement (the “**Existing Facilities Agreement**”) dated 8 April 2011 between them in relation to the RMB1,400,000,000 revolving credit facilities (the “**Existing Facilities**”) and Hui Xian Holdings has on 10 November 2011 agreed to the Variations, which if required, will be documented in formal agreement(s) to be signed (including the formal release document for the share pledge in (i) below):

- (i) The existing pledge over shares in Hui Xian Investment in favour of Hui Xian Holdings dated 8 April 2011 will be released;
- (ii) The requirement under the Existing Facilities Agreement for Hui Xian Investment to mandatorily prepay the facilities thereunder by use of all net proceeds deriving from any sale, transfer or disposal of Hui Xian Investment’s interests in 北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.) (“**BOP**”) or BOP’s assets will be waived and removed. Instead, any proceeds (net of reasonable expenses) deriving from any sale, transfer or disposal of any assets of the Hui Xian REIT group shall be first applied towards the prepayment of the New Facility and any other loan facilities of Hui Xian Investment (other than the Existing Facilities) on a pro rata basis; and
- (iii) The interest rate for the Existing Facilities will be increased from 1% per annum above the HSBC Standard RMB Rate to 2.7% per annum above the HSBC Standard RMB Rate.

Hui Xian Holdings is an “associate” of a “significant holder” (within the meaning given in the REIT Code) of Hui Xian REIT because of Hui Xian Holdings’ relationship with its wholly-owned subsidiary, Hui Xian (Cayman Islands) Limited. Hui Xian Holdings is thus a connected person of Hui Xian REIT under the REIT Code. The transactions under the Existing Facilities arrangement (and the Variations to the Existing Facilities arrangement) constitute connected party transactions of Hui Xian REIT under the REIT Code. Details of the relevant waiver from connected party transaction requirements in respect of transactions under the Existing Facilities Agreement have been set out on page 104 of the Interim Report. Application has been made to the Securities and Futures Commission (the “**SFC**”) for a modification of the waiver to take into account and cover the Variations of the Existing Facilities arrangement, and such modification has been approved by the SFC. The above waiver granted by the SFC (as so modified) is set out as follows:

Modified Waiver for Connected Party Transactions in respect of the Existing Facilities Arrangement as amended by the Variations

The transactions as contemplated under the Existing Facilities Agreement (as amended by the Variations) (the “**Existing Facility Transactions**”) will not be subject to any requirements for announcement or unitholders’ approval under Chapter 8 of the REIT Code, and, in addition, the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to the Existing Facility Transactions will be modified as described below:

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

General

The board of directors of the Manager (including the INEDs) are satisfied that the transactions as contemplated under the New Facility and the transactions as contemplated under the Variations to the Existing Facilities arrangement, as a whole, are carried out at arm’s length, on normal commercial terms, are fair and reasonable, and are in the interest of Hui Xian REIT and its unitholders as a whole. A summary disclosure of the connected party transactions as contemplated under the Finance Documents and the

Existing Facilities Transactions in each relevant financial year will be disclosed in the annual report of Hui Xian REIT to the extent as required to be disclosed pursuant to the requirements of Chapter 8 of the REIT Code as modified by the waiver terms.

The Trustee has confirmed that it has no objection for the Manager to proceed with the transactions as contemplated under the New Facility and the transactions as contemplated under the Variations to the Existing Facilities arrangement.

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

The Manager has issued this announcement on a voluntary basis, with a view to keeping the market informed of the matters in this announcement.

By order of the Board
Hui Xian Asset Management Limited
as manager of Hui Xian Real Estate Investment Trust
Kam Hing Lam
Chairman of the Manager

Hong Kong, 10 November 2011

As at the date of this announcement, the Directors of the Manager are Mr. Kam Hing Lam (Chairman and non-executive Director); Mr. Chu Stephen Henry and Mr. Pang Shuen Wai, Nichols (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).