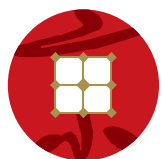


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HUI XIAN REIT
匯賢產業信託

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
匯賢房託管理有限公司

COMPLETION OF CONNECTED PARTY TRANSACTION RELATING TO THE PROPOSED ACQUISITION OF THE CHENGDU HOTEL

The Board is pleased to announce that the Chengdu Acquisition has been completed on 8 March 2017.

Pursuant to the Chengdu SPA, at completion of the Chengdu SPA on 8 March 2017, the Chengdu Purchaser paid to the Chengdu Vendor an aggregate of HK\$311,410,486.41 (being the HK\$ Equivalent of RMB276 million), of which HK\$311,410,485.28 (approximately RMB275,999,999) is the Chengdu Loan Consideration and HK\$1.13 (approximately RMB1) is the Chengdu Share Consideration (being an amount equal to RMB276 million less the Chengdu Loan Consideration).

Pursuant to the Huge Grace Loans Initial Agreement, simultaneous with completion of the Chengdu SPA, Huge Grace had on 8 March 2017 transferred to the Chengdu Purchaser each of the Huge Grace Loans together with all accrued interests as well as all rights and obligations of Huge Grace under each of the Huge Grace Loan Agreements as at the date of completion of the Chengdu SPA, and pursuant to the Huge Grace Loans Initial Agreement and the relevant loan transfer agreements relating to the Huge Grace Loans entered into between Huge Grace, Chengdu Changtian and the Chengdu Purchaser, the Chengdu Purchaser had on 8 March 2017 paid to Huge Grace HK\$295,103,861.36 (approximately RMB261,547,601.28), being the aggregate principal amount together with after tax accrued interests of the Huge Grace Loans as at Chengdu Completion.

Reference is made to the announcement issued by Hui Xian Asset Management Limited in its capacity as the manager of Hui Xian REIT dated 9 January 2017 in relation to, among other things, the acquisition of 69% interest in the Chengdu Hotel through the acquisition of the Chengdu Target Company and the Huge Grace Loans (the “**Acquisitions Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Acquisitions Announcement.

Completion of the Chengdu Acquisition

The Board is pleased to announce that all the Chengdu Conditions Precedent as well as the other conditions set out in the paragraph headed “2.1.7 Chengdu Completion Conditions” of the Acquisitions Announcement have been fulfilled and the Chengdu SPA has been completed on 8 March 2017. Pursuant to the Chengdu SPA, at completion of the Chengdu SPA on 8 March 2017, the Chengdu Purchaser paid to the Chengdu Vendor an aggregate of HK\$311,410,486.41 (being the HK\$ Equivalent of RMB276 million), of which HK\$311,410,485.28 (approximately RMB275,999,999) is the Chengdu Loan Consideration (being an amount equal to the principal amount of the Chengdu Sale Loan as at Chengdu Completion) and HK\$1.13 (approximately RMB1) is the Chengdu Share Consideration (being an amount equal to RMB276 million less the Chengdu Loan Consideration).

As mentioned in the Acquisitions Announcement, the Chengdu Vendor and the Chengdu Purchaser will jointly procure the preparation of the Chengdu Completion Balance Sheet together with a computation of the Chengdu Completion NAV, being the net asset value of Chengdu Changtian as at Chengdu Completion Date, on the basis of the Chengdu Completion Balance Sheet (excluding the carrying value of the Chengdu Hotel and deferred tax asset or liability in respect of capital allowance/depreciation, tax loss and change in valuation of the Chengdu Hotel (if any), and without taking into account the borrowing and outstanding interest thereon of Chengdu Changtian). If the Chengdu Completion NAV is negative, the Chengdu Vendor will make a cash payment equal to the HK\$ Equivalent of 69% of the shortfall. If the Chengdu Completion NAV is positive, the Chengdu Purchaser will not be required to pay the Chengdu Vendor any sum in addition to the Chengdu Consideration.

Further announcement will be made on the amount of Chengdu Completion NAV and (if applicable) information on any negative value thereof which has been made good by the Chengdu Vendor, after the amount of the Chengdu Completion NAV has been determined.

Pursuant to the Huge Grace Loans Initial Agreement, simultaneous with completion of the Chengdu SPA, Huge Grace had on 8 March 2017 transferred to the Chengdu Purchaser each of the Huge Grace Loans together with all accrued interests as well as all rights and obligations of Huge Grace under each of the Huge Grace Loan Agreements as at the date of completion of the Chengdu SPA, and Huge Grace, Chengdu Changtian and the Chengdu Purchaser had on 8 March 2017 entered into the relevant loan transfer agreements in respect of such transfers. Pursuant to the Huge Grace Loans Initial Agreement and the said loan transfer agreements, the Chengdu Purchaser had on 8 March 2017 paid to Huge Grace HK\$295,103,861.36 (approximately RMB261,547,601.28), being the aggregate principal amount together with after tax accrued interests of the Huge Grace Loans as at Chengdu Completion.

Waiver in respect of direct employment arrangements of Chengdu Changtian and the Chengdu Target Company after Chengdu Completion

In connection with the Chengdu Acquisition, the Manager has applied to the SFC for a waiver from strict compliance with the requirements under 7.5(c) of the REIT Code, so as to allow (i) Chengdu Changtian (including through the Chengdu Changtian Branch) to directly employ the hotel related employees and not more than 5 non-hotel related employees after Chengdu Completion, and (ii) the Chengdu Target Company to directly employ not more than 5 employees after Chengdu Completion. Details relating to the waiver application were set out in the paragraph headed “7.3 *Waiver in respect of direct employment arrangements of Chengdu Changtian and the Chengdu Target Company after Chengdu Completion*” of the Acquisitions Announcement.

Based on the waiver application and information contained in the Acquisitions Announcement, the SFC has granted to Hui Xian REIT a waiver from strict compliance with certain requirements under 7.5(c) of the REIT Code so as to allow Chengdu Changtian (including through its branch) and the Chengdu Target Company to directly employ a limited number of employees to engage in the activities set out in the waiver application and the Acquisitions Announcement, subject to the Chengdu Completion and the condition that there shall not be any material change in circumstances as set out or represented to the SFC in the waiver application and the Acquisitions Announcement based on which the waiver is sought and granted.

Submission in relation to the number of layers of Special Purpose Vehicles with respect to the Chengdu Hotel

The Manager has made a submission to the SFC in respect of the Note to 7.5(d) of the REIT Code for the use of three layers of SPVs by Hui Xian REIT to hold its investment in the Chengdu Hotel upon Chengdu Completion. Based on the submission and information contained in the Acquisitions Announcement, the SFC has allowed the use of three layers of SPVs by Hui Xian REIT pursuant to the Note to 7.5(d) of the REIT Code, subject to the Chengdu Completion and the condition that there will be no change to the maximum number of layers of SPVs used by Hui Xian REIT without further approval of the SFC. Further details relating to the submission were set out in the paragraph headed “7.4 *Submission in relation to the number of layers of Special Purpose Vehicles*” of the Acquisitions Announcement.

Submission in relation to the nomination right for directors in Chengdu Changtian

The Manager has made a submission to the SFC regarding 7.5(f) of the REIT Code in respect of the nomination right for directors in Chengdu Changtian. Based on the submission and information contained in the Acquisitions Announcement, the SFC has allowed certain directors of Chengdu Changtian not to be appointed by the Trustee on the basis set out in the submission, subject to the condition that there shall not be any material change in circumstances as set out or represented to the SFC in the submission and the Acquisitions Announcement based on which the confirmation is sought and granted. Further details relating to the submission were set out in the paragraph headed “7.5 *Submission in relation to the nomination right for directors in Chengdu Changtian*” of the Acquisitions Announcement.

General

This announcement is made pursuant to paragraph 10.4(d) of the REIT Code.

On behalf 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, 8 March 2017

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).

In this announcement, HK\$ has been converted to RMB at the rate of HK\$1.00=RMB0. 88629 for illustration purpose only. No representation is made that any amounts in HK\$ or RMB have been, could have been or could be converted at the above rate or at any other rates or at all.