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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your units in **Hui Xian REIT**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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**

### **CIRCULAR TO UNITHOLDERS IN RELATION TO (1) GENERAL MANDATE TO BUY BACK UNITS, (2) PROPOSED MODIFICATION OF MANAGER'S VARIABLE FEE STRUCTURE AND NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 1 to 9 of this circular.

A notice convening the Annual General Meeting of Hui Xian REIT to be held at Grand Ballroom, 1/F, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Friday, 12 May 2017 at 12:00 noon is set out on pages N-1 to N-3 of this circular. Whether or not you are able to attend and vote at the Annual General Meeting in person, please complete and return the accompanying form of proxy to the Unit Registrar of Hui Xian REIT, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event no later than 12:00 noon on Wednesday, 10 May 2017, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

6 April 2017

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## CORPORATE INFORMATION

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**Hui Xian Real Estate Investment Trust** A collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO

**Manager** Hui Xian Asset Management Limited  
Unit 303, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

**Directors of the Manager**

*Non-executive Directors* Mr. KAM Hing Lam (*Chairman*)  
Mr. IP Tak Chuen, Edmond  
Mr. LIM Hwee Chiang  
Mr. YIN Ke

*Executive Directors* Mr. CHEUNG Ling Fung, Tom  
Mr. LEE Chi Kin, Casey

*Independent Non-executive Directors* Mr. CHENG Hoi Chuen, Vincent  
Professor LEE Chack Fan  
Dr. CHOI Koon Shum, Jonathan

**Trustee** DB Trustees (Hong Kong) Limited  
Level 52  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

**Unit Registrar** Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

<b>AGM or Annual General Meeting</b>	the annual general meeting of Unitholders convened by and referred to in the notice of AGM as set out on pages N-1 to N-3 of this circular
<b>Announcement</b>	the announcement of Hui Xian REIT dated 5 April 2017 in relation to the proposed modification of the Manager's variable fee structure under the Trust Deed
<b>Beijing Oriental Plaza</b>	the composite development known as Oriental Plaza (東方廣場) situated at No.1 East Chang An Ave., Dong Cheng District, Beijing, the PRC
<b>Board</b>	the board of Directors
<b>Buy-back Mandate</b>	the general mandate proposed to be granted to the Manager to allow the Manager to buy back on behalf of Hui Xian REIT up to 10% of the total number of Units in issue as at the date of the passing of the resolution approving such mandate in accordance with the terms and conditions as set out in the notice of AGM
<b>Director(s)</b>	the director(s) of the Manager
<b>Explanatory Statement</b>	the explanatory statement set out in the appendix to this circular
<b>Gross Revenue</b>	<p>in relation to any financial year or part thereof, all income accruing or resulting from the operation of a real estate for that financial year or part thereof, but shall exclude the following:</p> <ul style="list-style-type: none"><li>(i) proceeds derived or arising from the sale and/or disposal of the real estate and/or the operating equipment of the real estate, or any part thereof;</li><li>(ii) all proceeds from insurances taken out (but excluding business interruption insurance payments which shall form part of Gross Revenue);</li><li>(iii) all rental deposits and other refundable security deposits; and</li><li>(iv) all goods and services or value added taxes (whether in force at present or in the future), charged to tenants, licensees and users of the real estate for the sale or supply of services or goods, which taxes are accountable by the Trustee or the relevant special purpose vehicle (as the case may be) to the tax authorities</li></ul>
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the PRC
<b>Hui Xian REIT</b>	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO
<b>Independent Unitholders</b>	Unitholders other than those who have a material interest in the Variable Fee Amendments and that interest is different from the interests of all other Unitholders

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## DEFINITIONS

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<b>Latest Practicable Date</b>	30 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented and/or otherwise modified from time to time
<b>Manager</b>	Hui Xian Asset Management Limited 滙賢房託管理有限公司, as manager of Hui Xian REIT
<b>Net Property Income</b>	in relation to any financial year or a part thereof, Gross Revenue less Property Operating Expenses for a real estate for a financial year or part thereof
<b>Ordinary Resolution</b>	a resolution proposed and passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy
<b>PRC</b>	the People's Republic of China
<b>Property Manager</b>	the property manager to which the Manager has delegated the property management functions in respect of any real estate of Hui Xian REIT held directly by the Trustee or indirectly held by the Trustee through a special purpose vehicle
<b>Property Manager's Fee</b>	the fee periodically charged by the Property Manager from time to time in accordance with the relevant management agreement pursuant to which the Property Manager is delegated with the property management functions in respect of any real estate of Hui Xian REIT held directly by the Trustee or indirectly held by the Trustee through a special purpose vehicle
<b>Property Operating Expenses</b>	<p>in relation to any financial year or part thereof, all costs and expenses incurred by the Trust or the relevant special purpose vehicle directly in the course of the operation, maintenance, management and marketing of such real estate, but shall not include the following:</p> <ul style="list-style-type: none"><li>(a) expenditure on alterations, additions or improvements in or to such real estate, expenditures of a capital nature which are not regarded as operating costs and expenses in accordance with generally accepted accounting principles in Hong Kong;</li><li>(b) all depreciation or amortisation costs of the real estate; and</li><li>(c) interest on loans taken up by the Trustee or the relevant special purpose vehicle</li></ul>
<b>Register</b>	the register of Unitholders
<b>REIT(s)</b>	real estate investment trust(s)
<b>REIT Code</b>	Code on Real Estate Investment Trusts issued by the SFC (as amended, supplemented and/or otherwise modified from time to time)
<b>SFC</b>	Securities and Futures Commission of Hong Kong

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## DEFINITIONS

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<b>SFC Repurchase Circular</b>	the “Circular to Management Companies of SFC-authorised Real Estate Investment Trusts — On-market Unit Repurchases by SFC-authorised REITs”, issued by the SFC on 31 January 2008
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented and/or otherwise modified from time to time
<b>Special Resolution</b>	a resolution proposed and passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed and carried by 75% or more of the votes of those Unitholders present and entitled to vote in person or by proxy where the votes shall be taken by way of poll, but with a quorum of two or more Unitholders holding not less than 25% of the Units in issue
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Takeovers Code</b>	the Codes on Takeovers and Mergers and Share Buy-Backs issued by the SFC as amended, supplemented and/or otherwise modified from time to time
<b>Trust Deed</b>	the trust deed dated 1 April 2011 constituting Hui Xian REIT (as amended by supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively), and as may be further amended, modified or supplemented from time to time
<b>Trustee</b>	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
<b>Unit(s)</b>	the unit(s) of Hui Xian REIT
<b>Unit Registrar</b>	Computershare Hong Kong Investor Services Limited, as unit registrar of Hui Xian REIT
<b>Unitholder(s)</b>	any person(s) registered as holding a Unit
<b>Variable Fee Amendments</b>	the proposed modification of the variable fee structure as summarised in the section headed “2. <i>Proposed Modification of the Variable Fee Structure under the Trust Deed</i> ” in the Letter from the Board contained in this Circular and the proposed amendments to the Trust Deed in connection therewith, which are to be considered, and if thought fit, approved by Independent Unitholders at the AGM

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference to a time of day in this circular shall be a reference to Hong Kong time unless otherwise stated.

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## LETTER FROM THE BOARD

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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**

***Directors of the Manager:***

*Non-executive Directors*

Mr. KAM Hing Lam (*Chairman*)  
Mr. IP Tak Chuen, Edmond  
Mr. LIM Hwee Chiang  
Mr. YIN Ke

***Registered Office:***

Unit 303,  
Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

*Executive Directors*

Mr. CHEUNG Ling Fung, Tom  
Mr. LEE Chi Kin, Casey

*Independent Non-executive Directors*

Mr. CHENG Hoi Chuen, Vincent  
Professor LEE Chack Fan  
Dr. CHOI Koon Shum, Jonathan

6 April 2017

*To: Unitholders*

Dear Sir/Madam,

**CIRCULAR TO UNITHOLDERS IN RELATION TO  
(1) GENERAL MANDATE TO BUY BACK UNITS,  
(2) PROPOSED MODIFICATION OF MANAGER'S VARIABLE  
FEE STRUCTURE  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

Reference is made to (i) the SFC Repurchase Circular pursuant to which the Manager proposes to seek Unitholders' approval at the AGM to grant a general mandate to the Manager to effect on-market buyback(s) of Units on behalf of Hui Xian REIT; and (ii) the Announcement.

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## LETTER FROM THE BOARD

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The purposes of this circular are to provide you with information with respect to (i) the grant of the Buy-back Mandate; and (ii) the proposed modification of the existing variable fee structure under the Trust Deed and the relevant proposed amendments to the Trust Deed (namely, the Variable Fee Amendments); and to give you the notice of the Annual General Meeting.

### **1. GENERAL MANDATE TO BUY BACK UNITS**

#### **1.1 Buy-back Mandate**

The Manager wishes to seek the approval of the Unitholders at the AGM to grant the Buy-back Mandate to the Manager for the buy-back of Units on behalf of Hui Xian REIT pursuant to the SFC Repurchase Circular.

The Buy-back Mandate will, if granted, become effective from the date of the passing of the resolution approving the Buy-back Mandate and remain valid until the earlier of:

- (i) the conclusion of the next annual general meeting of Hui Xian REIT following the passing of the resolution to approve the grant of the Buy-back Mandate unless by Ordinary Resolution passed at that meeting the Buy-back Mandate is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the meeting referred to in (i) above is required to be held under the Trust Deed, the REIT Code or any applicable laws; and
- (iii) its revocation or variation by an Ordinary Resolution of the Unitholders passed at a general meeting of the Unitholders.

Hui Xian REIT shall comply with the restrictions and notification requirements applicable to listed companies purchasing their own shares on the Stock Exchange under Rule 10.06 of the Listing Rules, with necessary changes being made, as if the provisions therein were applicable to REITs. These include, but are not limited to, the dealing restrictions, the restrictions on subsequent issues, the reporting requirements and status of purchased shares.

#### **1.2 Explanatory Statement**

The Explanatory Statement in connection with the Buy-back Mandate is set out in the Appendix to this circular, which contains further information on the Buy-back Mandate and sets out the terms and conditions on which the Manager may exercise its power under the Buy-back Mandate, if granted, to effect on-market buy-back(s) of Units on the Stock Exchange on behalf of Hui Xian REIT.

#### **1.3 Maximum number of Units that may be bought back**

Subject to the passing of the proposed Ordinary Resolution for approving the Buy-back Mandate, the number of Units which may be bought back pursuant to the Buy-back Mandate is up to 10% of the total number of Units in issue as at the date of the passing of the resolution approving the Buy-back Mandate.



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## LETTER FROM THE BOARD

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### 1.4 Approval required

Pursuant to the SFC Repurchase Circular, the Manager proposes to seek Unitholders' approval by way of an Ordinary Resolution at the AGM to grant a general mandate to the Manager to buy back Units on the Stock Exchange on behalf of Hui Xian REIT.

Pursuant to Paragraph 3.3 of Schedule 1 to the Trust Deed, at any meeting a resolution put to the vote of the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.

The proposed Ordinary Resolution in relation to the grant of the Buy-back Mandate to the Manager will be decided on a poll at the AGM and the result of the poll shall be deemed to be the resolution of the meeting.

### 1.5 Restrictions on voting

Paragraph 9.9(f) of the REIT Code provides that where a unitholder has a material interest in the business to be contracted at a general meeting of the unitholders, and that interest is different from the interests of all other unitholders, such unitholder shall be prohibited from voting.

Further, under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the business to be conducted at a general meeting of Hui Xian REIT, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units at, or being counted in the quorum for, the general meeting.

With respect to the proposed Ordinary Resolution relating to the Buy-back Mandate, the Manager is unaware of any Unitholders that are required to abstain from voting on such Ordinary Resolution.

### 1.6 Opinion of the Board

The Directors are of the opinion that the granting of the Buy-back Mandate is in the interests of Hui Xian REIT and the Unitholders as a whole.

### 1.7 Directors' recommendations

The Directors are of the opinion that the granting of the Buy-back Mandate is in the interests of Hui Xian REIT and the Unitholders as a whole and accordingly recommend the Unitholders to vote in favour of the Ordinary Resolution with respect to the Buy-back Mandate to be proposed at the AGM.

### 1.8 Trustee's opinion and consent

DB Trustees (Hong Kong) Limited, the Trustee of Hui Xian REIT, (i) is of the opinion that the granting of the Buy-back Mandate complies with the Trust Deed, and, (ii) subject to Unitholders' approval, has given its consent to the Manager to proceed with any proposed buy-backs pursuant to the Buy-back Mandate.

The Trustee's confirmation is being furnished for the sole purpose of complying with the requirements of the SFC Repurchase Circular and is not to be taken as a recommendation or representation by the Trustee of the merits of the Buy-back Mandate or any statements or information made or disclosed in this circular. The Trustee has not made any assessment of the merits or impact of the Buy-back Mandate other than the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code.

## **2. PROPOSED MODIFICATION OF THE VARIABLE FEE STRUCTURE UNDER THE TRUST DEED**

### **2.1 Background**

The current provisions under clause 14.1.2(i) of the Trust Deed relating to the rate of the variable fee payable by Hui Xian REIT are briefly summarised below:

- (a) in respect of each real estate of Hui Xian REIT, the Manager is entitled to receive a variable fee of an annual amount equal to 3% per annum of the Net Property Income (before deduction of the variable fee and, where the Property Manager is a subsidiary of the Manager, the Property Manager's Fee) ("**NPI**") of that real estate for each financial year;

However:

- (b) in respect of Beijing Oriental Plaza, the 3% per annum rate of the variable fee mentioned in (a) above will be split into 2 portions: a variable fee payable to the Manager which is equal to 2% per annum, and a Property Manager's Fee payable to the Property Manager which is equal to 1% per annum, of the NPI (the "**2+1 Fee Structure**"); and
- (c) if the Manager so elects, in respect of any other real estate(s) of Hui Xian REIT, and so long as the Property Manager is a wholly-owned subsidiary of the Manager and with effect from the date on which the Property Manager is appointed or the date of such election by the Manager, whichever is later, the "2+1 Fee Structure" can also be applied to such other real estate(s) of Hui Xian REIT; and
- (d) in the event that the Manager makes an election as stated above, it shall disclose the same by way of an announcement to the Unitholders.

Based on the existing variable fee structure as provided under clause 14.1.2(i) of the Trust Deed, (i) if the Manager does not make the election mentioned in paragraph (c) above, the "2+1 Fee Structure" will not apply to such other real estate(s) of Hui Xian REIT and the variable fee payable to the Manager will remain as 3% per annum; and (ii) once the election is made, the Manager cannot revert back to the 3% NPI variable fee structure since no subsequent re-election rights are provided for under the Trust Deed.

Currently, only the variable fee in respect of Beijing Oriental Plaza adopts the 2+1 Fee Structure, where a variable fee of 2% per annum of NPI is payable to the Manager, and a Property Manager's Fee of 1% per annum of NPI is payable to the Property Manager of Beijing Oriental Plaza, which is a wholly-owned subsidiary of the Manager. As at the Latest Practicable Date, the Manager has not made any election to adopt the 2+1 Fee Structure in respect of the other real estates of Hui Xian REIT, including Chongqing Metropolitan Oriental Plaza, the property manager of which is a branch of the Property Manager of Beijing Oriental Plaza, which as mentioned above is a wholly-owned subsidiary of the Manager.

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## LETTER FROM THE BOARD

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### 2.2 Reasons for the proposed Variable Fee Amendments

The provisions of the Trust Deed currently only allows the Manager to elect to adopt the “2+1 Fee Structure” to split the variable fee in one way which will result in 2% as a variable fee payable to the Manager and 1% as a Property Manager’s Fee payable to the Property Manager which is a wholly-owned subsidiary of the Manager, but does not provide for subsequent re-election rights. In view of the foregoing, the Manager considers it desirable to provide the Manager with more flexibility to cater for changes in operational circumstances. Where the Property Manager (being a wholly-owned subsidiary of the Manager) is situated in the PRC, apportioning the variable fee payable to the Manager directly to such Property Manager will facilitate the administration of payment procedures (including facilitating payment of normal day to day operating expenses in the PRC) and reduces cross-border payment complications, thus improving operational efficiency.

To effectively achieve this purpose, and for practical operational reasons, the Manager should be allowed, within the 3% per annum rate, at its discretion, to apportion from time to time, such proportion of the variable fees payable to the Manager to the Property Manager, which is a wholly-owned subsidiary of the Manager and to whom the Manager delegates property management functions. The Manager therefore proposes the Variable Fee Amendments to modify the variable fee structure, details of which are set out in section 2.3 below.

### 2.3 Proposed Variable Fee Amendments

The proposed Variable Fee Amendments will allow the Manager to elect at any time and from time to time to allocate, within the 3% per annum variable fee, such proportion of fees to be split between the Manager and the Property Manager, provided that such Property Manager is a wholly-owned subsidiary of the Manager.

The Manager proposes amendments to clause 14.1.2(i) of the Trust Deed, the full text of which are reproduced below, with the proposed insertions and deletions indicated by, respectively, the underlined text and the strikethrough text below:

#### “14.1.2 Variable Fee

- (i) (a) With effect from and including the date immediately after the date of completion of the Reorganisation Agreement, the Manager shall be entitled to receive for its own account out of the Deposited Property a Variable Fee for each Financial Year in respect of each Real Estate held directly by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle. Subject to Clause 14.1.2(i)(b), ~~the~~ Variable Fee payable to the Manager in respect of each Real Estate (whether held directly by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle) shall be an annual amount equal to 3% per annum of the Net Property Income of that Real Estate (before deduction therefrom of the Variable Fee and, where the Property Manager is a subsidiary of the Manager, the Property Manager’s Fee) (the “Variable Fee Structure”);

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## LETTER FROM THE BOARD

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- (b) ~~provided however that in respect of each Real Estate the Initial Property, and if the Manager so elects, any other Real Estate(s) of the Trust subsequently acquired after the Initial Property, and for so long as the Property Manager is a wholly-owned subsidiary of the Manager, the Manager may elect at any time and from time to time, and with effect from the date on which the Property Manager is appointed or the date of such election by the Manager, whichever is later, such that the 3% rate in Clause 14.1.2(i)(a) shall be split between the Manager and the Property Manager, in such proportion as the Manager in its sole discretion deems fit, into 2 portions comprising a Variable Fee payable to the Manager which is equal to 2% per annum, and a Property Manager's Fee payable to the Property Manager which is equal to 1% per annum, of the Net Property Income of the relevant Real Estate (before deduction therefrom of the Variable Fee and such Property Manager's Fee);~~ and
- (c) ~~In the event that the Manager makes any election as stated above provided in Clause 14.1.2(i)(b), it shall disclose the same by way of an announcement to the Holders. Any increase in the Variable Fee payable to the Manager above the rate aforesaid or any change in the structure of the Variable Fee Structure shall be subject to the approval of the Holders by a Special Resolution at a meeting of Holders, duly convened and held in accordance with the provisions of Schedule I. For the avoidance of doubt, any election by the Manager relating to the apportionment or split of the Variable Fee is not a change in the Variable Fee Structure.~~"

There will not be any change in the total fees payable by Hui Xian REIT to the Manager and the Property Manager which is a wholly-owned subsidiary of the Manager, pursuant to Clause 14.1.2(i) of the Trust Deed as a result of the proposed Variable Fee Amendments as such fees will remain at 3% per annum of the NPI. The Manager considers that the proposed Variable Fee Amendments are in the interests of Hui Xian REIT and the Independent Unitholders as a whole.

If the Variable Fee Amendments are approved by the Independent Unitholders in the AGM, the Variable Fee Amendments will take effect from the first day of the calendar month immediately after the signing of the fourth supplemental trust deed to the Trust Deed containing the Variable Fee Amendments.

### **2.4 Independent Unitholders' approval required**

To adopt the Variable Fee Amendments, Independent Unitholders must first approve, by way of Special Resolution in accordance with the Trust Deed, the Variable Fee Amendments. The Manager proposes to seek Independent Unitholders' approval by way of Special Resolution at the AGM approving the Variable Fee Amendments.

Paragraph 9.9(f) of the REIT Code provides that where a unitholder has a material interest in the resolution tabled for approval at a general meeting and that interest is different from that of all other unitholders, such unitholder shall be prohibited from voting his own units at, or counted in the quorum for, such meeting. Also, under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the business conducted at a meeting of Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting his Units at, or being counted in the quorum for, such meeting.

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## LETTER FROM THE BOARD

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The Manager, being the receiver of the variable fee, is regarded as having a material interest in the proposed amendment to the Trust Deed regarding the Variable Fee Amendments. Pursuant to the REIT Code and the Trust Deed, the Manager will, and will procure its associates to, abstain from voting on the Special Resolution to be proposed at the AGM approving the Variable Fee Amendments. As at the Latest Practicable Date, the Manager did not hold any Units in Hui Xian REIT. So far as the Manager is aware, as at the Latest Practicable Date, the aggregate unitholding of certain directors and employees of the Manager who hold Units in Hui Xian REIT was approximately 0.03%.

Cheung Kong Property Holdings Limited, ARA Asset Management Limited and CITIC Securities International Company Limited, which have interest in shares of the Manager, will and will procure their respective subsidiaries to abstain from voting on the Special Resolution to be proposed at the AGM to approve the Variable Fee Amendments. So far as the Manager is aware, as at the Latest Practicable Date, the holding of Units of the relevant entities were as follows:

Entities	Number of Units held	Approximate percentage of unitholding
Subsidiaries of Cheung Kong Property Holdings Limited <sup>(Note 1)</sup>	2,135,189,797	39.09%
Subsidiary of CITIC Securities International Company Limited <sup>(Note 2)</sup>	24,412,412	0.45%
Subsidiary of ARA Asset Management Limited <sup>(Note 3)</sup>	23,614,198	0.43%

*Notes:*

1. The subsidiaries being Hui Xian (Cayman Islands) Limited, Noblecrown Investment Limited, Wealth Finder Limited, Heathcliff Developments Limited and Wisdom Ally Limited.
2. The subsidiary being CSI REITs Investment Management Company Limited.
3. The subsidiary being ARA Hui Xian (Holdings) Limited.

As at the date of this Circular, to the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, save as disclosed above, the Manager is not aware of any Unitholder who is required to abstain from voting on the Special Resolution to be proposed at the AGM to approve the Variable Fee Amendments.

### 2.5 Recommendation

The Board considers that the proposed Variable Fee Amendments provide more administrative and operation convenience to the Manager but at the same time neither increase any cost nor have any adverse financial impact on Hui Xian REIT and as such are in the interests of Hui Xian REIT and the Independent Unitholders as a whole. Accordingly, the Board recommends all Independent Unitholders to vote in favour of the Special Resolution to be proposed at the AGM to approve the Variable Fee Amendments. Having considered the Board's views and recommendations above and having regard to its duties under the Trust Deed and the REIT Code, the Trustee is also of the view that the proposed Variable Fee Amendments are in the interests of Hui Xian REIT and the Independent Unitholders as a whole and has no objection to the Variable Fee Amendments.

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## LETTER FROM THE BOARD

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### 3. ANNUAL GENERAL MEETING

The AGM will be held at Grand Ballroom, 1/F, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Friday, 12 May 2017 at 12:00 noon, for the purpose of, among others, considering and, if thought fit, passing, with or without modifications, the Ordinary Resolution and the Special Resolution set out in the notice of AGM, which is set out on pages N-1 to N-3 of this circular.

For the purposes of determining the entitlements of Unitholders to attend and vote at the AGM, the Register will be closed from Tuesday, 9 May 2017 to Friday, 12 May 2017, both days inclusive, during which period no transfer of Units will be effected. For those Unitholders who are not already on the Register, in order to qualify to attend and vote at the AGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar, 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 Monday, 8 May 2017.

You can vote at the AGM if you are a Unitholder on Friday, 12 May 2017. You will find enclosed with this circular the notice of AGM (see pages N-1 to N-3 of this circular) and a form of proxy for use for the AGM.

Please complete, sign and date the enclosed form of proxy, whether or not you are able to attend the AGM in person, in accordance with the instructions printed on the form of proxy, and return it to the Unit Registrar of Hui Xian REIT, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The form of proxy should be completed and returned as soon as possible but in any event no later than 12:00 noon on Wednesday, 10 May 2017, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you wish.

### 4. GENERAL

#### 4.1 Material adverse change

As at the Latest Practicable Date, none of the Directors was aware of any material adverse change in the financial or trading position of Hui Xian REIT since 31 December 2016 (being the date to which the latest published audited financial statements of Hui Xian REIT have been made up).

#### 4.2 Responsibility statement

The Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

#### 4.3 Documents for inspection

A copy of the Trust Deed and the draft fourth supplemental deed proposed to be entered into by the Manager and the Trustee for effecting the proposed Variable Fee Amendments to the Trust Deed as described in this circular are available for inspection at the registered office of the Manager at Unit 303, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, at all times during 9:00 a.m. to 5:00 p.m. (Hong Kong time) ("**Business Hours**") on any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no.8 or above or a "black" rainstorm warning signal is in effect in Hong Kong at any time during Business Hours) on which licensed banks are open for general business in Hong Kong.

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## LETTER FROM THE BOARD

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### 4.4 Language

In case of any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

Yours faithfully,  
**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*

This is the explanatory statement as required by the SFC Repurchase Circular to provide requisite information to enable you to make an informed decision on whether to vote for or against the Ordinary Resolution to approve the grant of the Buy-back Mandate to the Manager.

**(A) ISSUED UNITS**

As at the Latest Practicable Date, 5,462,193,939 Units were in issue. Subject to the passing of the Ordinary Resolution as referred to in the Letter from the Board in this circular and as set out in the notice of AGM in respect of the Buy-back Mandate, the Manager will be allowed under the Buy-back Mandate to buy back up to 10% of the total number of Units in issue as at the date of the resolution approving the Buy-back Mandate, which, if no additional Units will be issued prior to the AGM, would be equivalent to a maximum of 546,219,393 Units. The number of Units in issue as at the date of the passing of the resolution approving the Buy-back Mandate is expected to be larger than the number of Units in issue as at the Latest Practicable Date, as a result of the Units expected to be issued to the Manager as payment of part of the base fee and the variable fee for the period from 1 July 2016 to 31 December 2016 to the Manager by way of Units; details of such issue of new Units will be made by way of an announcement on the date of issuance. As at the Latest Practicable Date, the Manager had no present intention to buy back Units pursuant to the Buy-back Mandate.

**(B) REASONS FOR THE BUY-BACK**

The Manager believes that it is in the best interests of Hui Xian REIT and the Unitholders as a whole to seek the Buy-back Mandate. Unit buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Unit and/or earnings per Unit and will only be made when the Manager believes that such buy-back will benefit Hui Xian REIT and the Unitholders as a whole.

**(C) FUNDING OF BUY-BACKS**

For the purposes of any buy-backs, the Manager will only use funds legally available for such purposes in accordance with the Trust Deed, the REIT Code, the guidelines issued by the SFC from time to time and the applicable laws of Hong Kong.

If the Buy-back Mandate is exercised in full at any time during the proposed buy-back period, it may have a material adverse effect on the working capital and gearing position of Hui Xian REIT as compared with the position disclosed in its most recent published audited financial statements. The Manager does not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have any material adverse impact on the working capital or gearing position of Hui Xian REIT (as compared with the position disclosed in its most recent published audited financial statements).



**(D) UNIT PRICES**

The highest and lowest prices at which the Units have traded on the Stock Exchange in each of the previous twelve months were as follows:

	<b>Highest</b> <i>RMB</i>	<b>Lowest</b> <i>RMB</i>
March 2016	3.25	3.06
April 2016	3.12	3.07
May 2016	3.12	3.07
June 2016	3.20	3.10
July 2016	3.45	3.16
August 2016	3.51	3.26
September 2016	3.36	3.28
October 2016	3.46	3.17
November 2016	3.26	3.11
December 2016	3.21	3.11
January 2017	3.15	3.09
February 2017	3.18	3.08
From 1 March 2017 up to the Latest Practicable Date	3.19	3.04

**(E) UNITS BOUGHT-BACK**

The Manager has not bought back any Units on behalf of Hui Xian REIT (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**(F) STATUS OF BOUGHT-BACK UNITS**

The listing of all Units which are bought back by the Manager pursuant to the Buy-back Mandate shall be automatically cancelled upon purchase. The Manager will ensure that the documents of title of purchased Units are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase.

**(G) DIRECTORS' UNDERTAKING**

The Directors have undertaken to the SFC that when the Manager exercises the power to make purchases of the Units pursuant to the Buy-back Mandate, it will exercise the power in accordance with the provisions of the Trust Deed, the laws of Hong Kong, the Takeovers Code, the REIT Code and the guidelines issued by the SFC from time to time.

**(H) DISCLOSURE OF INTERESTS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates (as defined in the REIT Code), have any present intention to sell to the Manager on behalf of Hui Xian REIT any of the Units if the Buy-back Mandate is approved at the AGM.

As at the Latest Practicable Date, no connected person (as defined in the REIT Code) of Hui Xian REIT has notified the Manager that he/she/it has a present intention to sell any Units nor has such connected person (as defined in the REIT Code) undertaken not to sell any of the Units held by him/her/it to the Manager on behalf of Hui Xian REIT in the event that the Buy-back Mandate is granted.

**(I) TRUSTEE'S OPINION AND CONSENT**

DB Trustees (Hong Kong) Limited, the Trustee of Hui Xian REIT, (i) is of the opinion that the granting of the Buy-back Mandate complies with the Trust Deed, and, (ii) subject to Unitholders' approval, has given its consent to the Manager to proceed with any proposed buy-backs pursuant to the Buy-back Mandate.

The Trustee's confirmation is being furnished for the sole purpose of complying with the requirements of the SFC Repurchase Circular and is not to be taken as a recommendation or representation by the Trustee of the merits of the Buy-back Mandate or any statements or information made or disclosed in this circular. The Trustee has not made any assessment of the merits or impact of the Buy-back Mandate other than the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code.

**(J) RULE 10.06 OF THE LISTING RULES**

Hui Xian REIT shall comply with the restrictions and notification requirements applicable to listed companies purchasing their own shares on the Stock Exchange under Rule 10.06 of the Listing Rules, with necessary changes being made, as if the provisions therein were applicable to REITs. These include, but are not limited to, the dealing restrictions, the restrictions on subsequent issues, the reporting requirements and status of purchased shares.

**(K) DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the granting of the Buy-back Mandate is in the interests of Hui Xian REIT and the Unitholders as a whole and accordingly recommend the Unitholders to vote in favour of the Ordinary Resolution approving the Buy-back Mandate to be proposed at the AGM.

**(L) EFFECT OF TAKEOVERS CODE**

If, on exercise of the power to buy back Units pursuant to the Buy-back Mandate, a Unitholder's proportionate interest in the voting rights of Hui Xian REIT increases, pursuant to Rule 6 of the Code on Share Buy-backs and Rule 32 of the Takeovers Code, such increase will be treated as an acquisition of voting rights for purposes of the Takeovers Code. As a result, a Unitholder, or group of Unitholders acting in concert, could obtain or consolidate control of Hui Xian REIT and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code, unless a waiver is available.

As at the Latest Practicable Date and so far as the Manager is aware, Hui Xian (Cayman Islands) Limited ("**Hui Xian Cayman**"), directly held 750,000,000 Units (representing approximately 13.73% of the Units in issue). As at the same date and so far as the Manager is aware, Hui Xian Cayman together with certain parties which are or presumed to be acting in concert with them (including the Manager) held a total of approximately 39.09% of the Units then in issue.

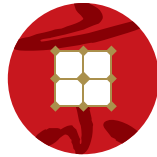
Further, as at the Latest Practicable Date, the Manager (in its own capacity) did not hold any Units.

Should the Buy-back Mandate be exercised in full, assuming that the number of Units currently held by Hui Xian Cayman and those parties which are or presumed to be acting in concert with them (including the Manager) remain unchanged, based on 5,462,193,939 Units in issue as at the Latest Practicable Date, the aggregate percentage unitholding of such group would be increased to approximately 43.43% and such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In any event, the Manager does not intend to exercise the Buy-back Mandate to such extent as to give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code.

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## NOTICE OF ANNUAL GENERAL MEETING

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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**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of the unitholders (the “**Unitholders**”) of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) will be held at Grand Ballroom, 1/F, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Friday, 12 May 2017 at 12:00 noon for the following purposes:

- (A) To note the audited consolidated financial statements of Hui Xian REIT together with the Independent Auditor’s Report for the year ended 31 December 2016;
- (B) To note the appointment of the Auditor of Hui Xian REIT and the fixing of its remuneration;
- (C) To consider and, if thought fit, pass, with or without modification, the following resolutions, of which resolution no. (1) is proposed as an ordinary resolution, and resolution no. (2) is proposed as an special resolution:

### ORDINARY RESOLUTION

- (1) “**THAT** a mandate to purchase units in Hui Xian REIT (the “**Units**”) be given to Hui Xian Asset Management Limited, as the manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) (the “**Manager**”):
  - (a) subject to the “Circular to Management Companies of SFC-authorised Real Estate Investment Trusts — On-market Unit Repurchases by SFC-authorised REITs” issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”) on 31 January 2008 and paragraph (b) below, the exercise by the Manager during the Relevant Period (as defined in paragraph (c) below) of all powers of the Manager to purchase Units on The Stock Exchange of Hong Kong Limited in accordance with the trust deed constituting Hui Xian REIT (as amended by supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively, and as may be further amended, modified or supplemented from time to time) (the “**Trust Deed**”), the Code on Real Estate Investment Trusts (the “**REIT Code**”), the applicable provisions of The Codes on Takeovers and Mergers and Share Buy-backs, the guidelines issued by the SFC from time to time, applicable rules and regulations and the laws of Hong Kong, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of Units which may be purchased or agreed to be purchased by the Manager pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of Units in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the unitholders of Hui Xian REIT following the passing of this resolution;
  - (ii) the expiration of the period within which the next annual general meeting as referred to in (i) above is required to be held under the Trust Deed, the REIT Code or any applicable laws; and
  - (iii) the revocation or variation of the authority given to the Manager under this resolution by an ordinary resolution passed at a general meeting of the unitholders of Hui Xian REIT.”

### SPECIAL RESOLUTION

(2) **“THAT**

- (a) pursuant to Clause 14.1.2(i) and 26.1 of the trust deed dated 1 April 2011 constituting Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) (as amended by supplemental deeds dated 24 May 2013, 16 May 2014 and 28 May 2015 respectively), approval be and is hereby granted for the Variable Fee Amendments as set out in the Circular; and
- (b) Hui Xian Asset Management Limited as the manager of Hui Xian REIT (the “**Manager**”), any director of the Manager and DB Trustees (Hong Kong) Limited as the trustee of Hui Xian REIT (the “**Trustee**”) each be and is hereby authorised to do or procure to be done all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or the Trustee (as the case may be) may consider desirable, expedient, necessary or in the interest of Hui Xian REIT to implement or give effect to the matters referred to in paragraph (a) above.”

**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, 6 April 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Unless otherwise defined in this notice or the context requires otherwise, terms defined in the circular of Hui Xian REIT dated 6 April 2017 to the Unitholders (the “**Circular**”) shall have the same meanings when used in this notice.
2. A Unitholder entitled to attend and vote at the Annual General Meeting (or at any adjournment thereof) is entitled to appoint a proxy to attend in its/his/her stead. Any Unitholder being a corporation may by resolution of its directors (or other governing body) authorise any person to act as its representative at any meeting of Unitholders and a person so authorised shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unitholder. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised in accordance with its constitutional documents. The person appointed to act as proxy or corporate representative needs not be a Unitholder.
3. In order to be valid, an instrument of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at Hui Xian REIT’s Unit Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 12:00 noon on Wednesday, 10 May 2017, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Delivery of an instrument appointing a proxy shall not preclude the Unitholders from attending and voting at the meeting or any adjourned meeting (as the case may be) and, in such event, the instrument appointing the proxy shall be deemed to be revoked.
4. Where there are joint registered Unitholders of a Unit, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint registered Unitholders and for this purpose, seniority shall be determined by the order in which the name stands in the Register of Unitholders in respect of such Unit.
5. The Register of Unitholders of Hui Xian REIT will be closed from Tuesday, 9 May 2017 to Friday, 12 May 2017, both days inclusive, during which period no transfer of Units will be effected. In order to qualify for attending and voting at the Annual General Meeting, all unit certificates with completed transfer forms must be lodged 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 Monday, 8 May 2017.
6. The voting of the above ordinary resolution and special resolution at the Annual General Meeting will be taken by way of poll. On a poll, votes may be given either personally or by proxy and every Unitholder who is present in person, by corporate representative or proxy shall have one vote for every Unit of which he is the Unitholder.

*As at the date of this notice, 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).*