

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
滙賢房託管理有限公司

CONNECTED PARTY TRANSACTIONS RENEWAL OF LOAN FACILITY GRANTED BY HUI XIAN HOLDINGS LIMITED

The 2015 Facility Agreement entered into between Hui Xian Holdings (as lender) and Hui Xian Investment which is wholly-owned by Hui Xian REIT (as borrower) has expired on 15 November 2017.

The Renewal Facility Agreement has been entered into on 16 November 2017 on substantially the same terms and conditions as the 2015 Facility Agreement, under which Hui Xian Holdings has agreed to grant to Hui Xian Investment a USD180 million revolving credit facility at the interest rate of LIBOR plus 2% for supporting the making of distributions by Hui Xian REIT, which is available for multiple drawings until one month before the Final Maturity Date.

Hui Xian Holdings is a connected person of Hui Xian REIT under the REIT Code by virtue of it being an associated company of a significant holder of Hui Xian REIT. The Renewal Facility Agreement and the transactions contemplated thereunder therefore constitute connected party transactions of Hui Xian REIT under the REIT Code. The principal amount of the loan together with the estimated maximum amount of interest payable by Hui Xian Investment to Hui Xian Holdings under the Renewal Facility Agreement (which interest is calculated on the basis that the entire principal amount of the loan has been drawn down on the date of the Renewal Facility Agreement and remains outstanding up to the Final Maturity Date and based on an interest rate calculated with reference to 6-month LIBOR and the exchange rate of RMB:USD as published by The People's Bank of China as at the date of the Renewal Facility Agreement) is less than 5% of the latest audited NAV of Hui Xian REIT as disclosed in the annual report of Hui Xian REIT for the financial year ended 31 December 2016 and adjusted to take into account the completion of the acquisition of interest in the two hotels in Chongqing and Chengdu in February and March 2017 respectively. In accordance with 8.9 of the REIT Code, no approval of unitholders of Hui Xian REIT is required for the entering into of the Renewal Facility Agreement and the transactions contemplated thereunder.

Background

Reference is made to the announcement dated 15 May 2015 of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”), whereby it was announced that, among others, a renewal facility agreement was entered into between Hui Xian Holdings Limited (“**Hui Xian Holdings**”) (as lender) and Hui Xian Investment Limited (“**Hui Xian Investment**”) (as borrower), a special purpose vehicle wholly-owned by Hui Xian REIT on 15 May 2015 (the “**2015 Facility Agreement**”). Under the 2015 Facility Agreement, Hui Xian Holdings granted to Hui Xian Investment a revolving credit facility in the aggregate amount of RMB1,300 million, which was available for multiple drawings on a revolving basis until one month before the final maturity date of 15 November 2017.

Loans under the 2015 Facility Agreement bore interest at the rate of 2.7% above the HSBC Standard RMB Rate, and the facility thereunder was secured by a joint and several unconditional and irrevocable guarantee given by DB Trustees (Hong Kong) Limited (in its capacity as trustee for Hui Xian REIT) (the “**Trustee**”) and Hui Xian (B.V.I.) Limited (“**Hui Xian BVI**”) (a special purpose vehicle owned by Hui Xian REIT).

The Renewal Facility Agreement

As the 2015 Facility Agreement has expired on 15 November 2017, Hui Xian Holdings and Hui Xian Investment entered into a facility agreement on 16 November 2017 (the “**Renewal Facility Agreement**”) to renew the facility arrangement under the 2015 Facility Agreement. Under the Renewal Facility Agreement, Hui Xian Holdings has agreed to grant to Hui Xian Investment a USD180 million revolving credit facility for supporting the making of distributions by Hui Xian REIT, which is available for multiple drawings on a revolving basis until one month before the final maturity date falling on the expiry of 30 months from the date of the Renewal Facility Agreement (or such later date as Hui Xian Holdings and Hui Xian Investment may extend by mutual agreement in writing from time to time) (the “**Final Maturity Date**”). To the extent necessary, the USD loans under the Renewal Facility Agreement can be converted into RMB in Hong Kong to support the making of RMB distributions by Hui Xian REIT to its unitholders. Loans under the Renewal Facility Agreement bear interest at the applicable Intercontinental Exchange London Interbank Offered Rate for USD (“**LIBOR**”) plus 2%, and the revolving facility is unconditionally and irrevocably guaranteed by the Trustee (in its capacity as trustee for Hui Xian REIT) and Hui Xian BVI on a joint and several basis. The facility under the Renewal Facility Agreement is not secured by the assets of Hui Xian REIT. Apart from the principal amount, the interest rate and the final maturity date and that either party may terminate the Renewal Facility Agreement by not less than one month’s written notice, the Renewal Facility Agreement is on substantially the same terms and conditions as the facility under the 2015 Facility Agreement.

As at the date of this announcement, Hui Xian REIT has not entered into any hedging or interest rate swap transactions.

REIT Code Implications

Hui Xian Holdings is a connected person of Hui Xian REIT under the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission (the “**REIT Code**”) by virtue of it being an associated company of a significant holder of Hui Xian REIT. The Renewal Facility Agreement and the transactions contemplated thereunder therefore constitute connected party transactions of Hui Xian REIT under the REIT Code. The principal amount of the loan together with the estimated maximum amount of interest payable by Hui Xian Investment to Hui Xian Holdings under the Renewal Facility Agreement (which interest is calculated on the basis that the entire principal amount of the loan has been drawn down on the date of the Renewal Facility Agreement and remains outstanding up to the Final Maturity Date and based on an interest rate calculated with reference to 6-month LIBOR and the exchange rate of RMB:USD as published by The People’s Bank of China as at the date of the Renewal Facility Agreement) is less than 5% of the latest audited net asset value (“NAV”) of Hui Xian REIT as disclosed in the annual report of Hui Xian REIT for the financial year ended 31 December 2016 and adjusted to take into account the completion of the acquisition of interest in the two hotels in Chongqing and Chengdu in February and March 2017 respectively. In accordance with 8.9 of the REIT Code, no approval of unitholders of Hui Xian REIT is required for the entering into of the Renewal Facility Agreement and the transactions contemplated thereunder.

General

The board of directors of Hui Xian Asset Management Limited (as manager of Hui Xian REIT) (the “**Manager**”) (including the independent non-executive directors) are satisfied that the transactions as contemplated under the Renewal Facility Agreement are carried out at arm’s length, on normal commercial terms, are fair and reasonable, in the ordinary and usual course of business of Hui Xian REIT 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 Renewal Facility Agreement in each relevant financial year will be made in the annual report of Hui Xian REIT pursuant to the requirements of Chapter 8 of the REIT Code.

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, 16 November 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).