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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

IMPACT OF COVID-19 ON BUSINESS

This announcement is made by Hui Xian Asset Management Limited (the “**Manager**”) as the manager of Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) pursuant to 10.3 of the Code on Real Estate Investment Trusts. The purpose of this announcement is to keep the unitholders and potential investors of Hui Xian REIT informed of the latest business developments of Hui Xian REIT amid the global outbreak of the coronavirus disease 2019 (“**COVID-19**”).

The outbreak of the COVID-19 (the “**Pandemic**”) has a significant impact on the economy of the People’s Republic of China (the “**PRC**”). As the entire property portfolio of Hui Xian REIT is situated in the PRC, the board of directors of the Manager (the “**Board**”) expects that the interim results 2020 of Hui Xian REIT will be adversely affected.

During the first four months of 2020, the PRC government imposed a series of lockdown measures, including travel restrictions, and closure of workplaces and consumer businesses (including hotels and shopping malls) to curb the spread of the Pandemic.

Travel restrictions have had a negative impact on the businesses and occupancy of the hotels in Hui Xian REIT’s portfolio. Accommodation, restaurants, banqueting, conferencing and corporate events in such hotels were all adversely affected. The Manager is in constant discussions with the hotel operators on the short and medium term strategy to alleviate the negative impact caused by the Pandemic.

During the lockdown period, Hui Xian REIT’s retail business was badly hit. Social distancing and inter/intra city travel restriction dampened retail traffic and consumer sentiment. In general, most retailers suffered from a drop in business, leading to exposure in rental collection and lease renewal. The management of the assets holding companies of Hui Xian REIT (the “**Asset Companies**”) is

having constant dialogue with the needy tenants and developed case-by-case solutions to alleviate the tenants' concerns. Furthermore, the management is currently working with existing tenants to explore business opportunities, while at the same time working on a modification on tenant mix to alleviate the problems caused by the Pandemic or to capitalize on the opportunities as they arise.

Office leasing was also affected. During the lockdown period, there were restrictions on the area and number of staff that could be allowed to go back to office to work. With the lifting of closure orders in March/April, although offices and workplaces gradually re-open, the uncertainty in future economic performance and the dampened trading and operating environment in the PRC and worldwide may cause corporations to consider reducing their scale of operation and hence their demand for office space.

As Hui Xian REIT has its core businesses in the rental of properties and hotel operation, the Pandemic is expected to cause an adverse impact on the operating results of Hui Xian REIT, especially in the first half of 2020. The quantum of the impact of the Pandemic cannot be quantified at this stage as the development of the Pandemic is difficult to predict. Since the outbreak of the Pandemic, the Manager and the Asset Companies have adhered to and adopted local government guidelines by putting in place measures, such as temperature check, disinfection and social distancing policies, to strengthen the standard of hygiene and prevent the spread of the COVID-19 in the properties of Hui Xian REIT. The executive committee members of the Asset Companies (who are also general manager, chief executive officer or chief financial officer of the Manager) regularly report at weekly executive committee meetings of the Manager regarding the Pandemic. The Manager will continue to closely monitor the development of the Pandemic and implement relevant measures at Hui Xian REIT's properties as appropriate to prevent the spread of COVID-19.

The information contained in this announcement is based only upon the preliminary assessment made by the Board with reference to the information currently available, which has neither been reviewed nor audited by the auditors of Hui Xian REIT. Unitholders and potential investors are advised to refer to the interim results for the six months ending 30 June 2020 which are expected to be published in early August 2020.

Unitholders and potential investors are advised to exercise caution when dealing in the units of Hui Xian REIT.

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)
CHEUNG Ling Fung Tom
Chief Executive Officer and Executive Director of the Manager

Hong Kong, 14 May 2020

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, Mr. LEE Chi Kin, Casey and Ms. LAI Wai Yin, Agnes (executive Directors); Mr. IP Tak Chuen, Edmond and Mr. LIM Hwee Chiang (non-executive Directors); and Mr. CHENG Hoi Chuen, Vincent, Professor LEE Chack Fan and Dr. CHOI Koon Shum, Jonathan (independent non-executive Directors).