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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

CONNECTED PARTY TRANSACTION PROVISION OF LOAN TO SHENYANG LIDO BUSINESS CO. LTD

On 19 September 2024, COP (being a limited liability company established in the PRC in which Hui Xian REIT holds 100% of the interests) entered into the Loan Agreement with Shenyang Lido (being a limited liability company established in the PRC in which Hui Xian REIT holds 70% of the interests), pursuant to which COP agreed to lend to Shenyang Lido up to RMB40,000,000, which is repayable by 19 September 2029.

CK Asset is the holding company of a substantial holder of Hui Xian REIT and is therefore a connected person of Hui Xian REIT at the issuer level. As CK Asset indirectly controls the exercise of more than 10% of the voting power in Shenyang Lido, Shenyang Lido is a connected subsidiary of Hui Xian REIT under 8.1(g) of the REIT Code. Therefore, the Transaction constitutes a connected party transaction of Hui Xian REIT under the REIT Code and the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 0.1% but is less than 5%, the Transaction is subject to the announcement and reporting requirements but exempt from the Unitholders' approval requirement under the REIT Code and the Listing Rules.

THE LOAN AGREEMENT

- Date: 19 September 2024.
- Parties:
- (i) COP, a limited liability company established in the PRC in which Hui Xian REIT holds 100% of the interests (as the lender); and
 - (ii) Shenyang Lido, a limited liability company established in the PRC in which Hui Xian REIT holds 70% of the interests (as the borrower).
- Principal amount: The principal amount of the Loan is RMB40,000,000.
- Interest rate: For each quarter, a floating interest rate equal to the loan prime rate for a period longer than 5 years announced by the National Interbank Funding Center in the last calendar month of the immediately preceding quarter (and accordingly the applicable rate for the quarter ending 30 September 2024 being 3.95% per annum as announced on 20 June 2024) plus 1% per annum. Interests are payable quarterly.
- Purpose: For use as working capital of Shenyang Lido, including payment of renovation costs and repayment of loan for the relevant renovation costs of The Westin Shenyang in Shenyang, the PRC (the land use rights and building ownership rights of which are held by Shenyang Lido).
- Drawdown: Shenyang Lido may drawdown in separate tranches during the period from 20 September 2024 to 19 March 2026 by giving COP two (2) business days' notice.
- Repayment date: 19 September 2029. Shenyang Lido may repay earlier with COP's consents. COP may demand immediate repayment of the Loan (or any part thereof) if Shenyang Lido fails to pay any interest when due or breaches the terms of the Loan Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

As the Loan meets the current funding needs of Shenyang Lido, and it also provides interest income to COP, the Board considers that it is an efficient deployment of the cash resources of Hui Xian REIT and its subsidiaries as a whole.

The terms of the Loan Agreement were determined after arm's length negotiations between COP and Shenyang Lido. The interest rate under the Loan Agreement was determined with reference to the interest rates offered by financial institutions.

OPINION OF THE BOARD

The Board (including the independent non-executive Directors) is of the view that:

- (i) the Transaction is carried out at arm's length and on normal commercial terms;
- (ii) the Transaction is consistent with the investment objectives and strategy of Hui Xian REIT;
- (iii) the terms of the Transaction are fair and reasonable; and
- (iv) the Transaction is in the ordinary and usual course of business of Hui Xian REIT and in the interests of Hui Xian REIT and the Unitholders as a whole.

None of the Directors has a material interest in the Loan Agreement and the Transaction or was required to abstain from voting on the relevant resolutions of the Board. However, Mr. KAM Hing Lam and Mr. IP Tak Chuen, Edmond, who are also directors of CK Asset, have voluntarily abstained from voting on the resolutions approving the Loan Agreement and the Transaction.

OPINION OF THE TRUSTEE

Based and in sole reliance on: (a) the information and assurances provided by the Manager; and (b) the opinion and recommendation of the Board, and having taken into account its duties set out in the Trust Deed and the REIT Code, the Trustee:

- (i) has no objection to the Transaction;
- (ii) is of the view that the Transaction is consistent with Hui Xian REIT's investment policy and in compliance with the REIT Code and the Trust Deed;
- (iii) is of the view that the Transaction is: (1) on normal commercial terms; (2) fair and reasonable; and (3) in the interests of Unitholders as a whole; and
- (iv) confirms that Unitholders' approval is not required under the REIT Code or the Trust Deed for the Transaction.

The Trustee's view is being furnished for the sole purpose of complying with 8.7D of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Transaction or of any statement or information made or disclosed in this announcement. The Trustee has not made any assessment of the merits or impact of the Transaction, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who have any query as to the merits or impact of the Transaction, to seek their own financial or other professional advice.

IMPLICATIONS UNDER THE REIT CODE

CK Asset is the holding company of a substantial holder of Hui Xian REIT and is therefore a connected person of Hui Xian REIT at the issuer level. As CK Asset indirectly controls the exercise of more than 10% of the voting power in Shenyang Lido, Shenyang Lido is a connected subsidiary of Hui Xian REIT under 8.1(g) of the REIT Code. Therefore, the Transaction constitutes a connected party transaction of Hui Xian REIT under the REIT Code and the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 0.1% but is less than 5%, the Transaction is subject to the announcement and reporting requirements but exempt from the Unitholders' approval requirement under the REIT Code and the Listing Rules.

INFORMATION ON THE PARTIES

The principal activity of Hui Xian REIT and its subsidiaries is to own and invest in high quality commercial properties with the objective of producing stable and sustainable distributions to Unitholders.

COP is a limited liability company established in the PRC, which holds the land use rights and building ownership rights of Chongqing Metropolitan Oriental Plaza in Chongqing, the PRC.

Shenyang Lido is a limited liability company established in the PRC. The shareholders of Shenyang Lido are Shenyang Investment (Hong Kong) Limited (being a wholly-owned subsidiary of Hui Xian REIT), Yick Ho Limited (being a wholly-owned subsidiary of CK Asset) and Beijing Wondergrow, which hold 70%, 29% and 1% of the interests of Shenyang Lido respectively. Beijing Wondergrow is directly owned as to 50% by a wholly-owned subsidiary of CK Asset, as to 40% by Mr. James K WONG (王琦) (a director of Beijing Wondergrow) and as to 10% by Ms. CHEN Yan (陳燕) (a director of Beijing Wondergrow). Shenyang Lido holds the land use rights and building ownership rights of The Westin Shenyang located in Shenyang, the PRC.

CK Asset and its subsidiaries have diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation.

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in this announcement:

“Beijing Wondergrow”	北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd*), a limited liability company established in the PRC
“Board”	the board of Directors
“CK Asset”	CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113)
“connected person”	has the meaning ascribed to it under the REIT Code
“COP”	重慶大都會東方廣場有限公司 (Chongqing Metropolitan Oriental Plaza Co., Ltd*), a limited liability company established in the PRC
“Director(s)”	the director(s) of the Manager
“Hui Xian REIT”	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which Units are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as modified and applied by the REIT Code
“Loan”	the loan agreed to be provided by COP to Shenyang Lido under the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 September 2024 and entered into between COP and Shenyang Lido
“Manager”	Hui Xian Asset Management Limited (滙賢房託管理有限公司), as manager of Hui Xian REIT
“PRC”	the People’s Republic of China
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and otherwise modified from time to time

“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“Shenyang Lido”	瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd*), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the REIT Code
“substantial holder”	has the meaning ascribed to it under the REIT Code
“Transaction”	the transaction contemplated under the Loan Agreement
“Trust Deed”	the trust deed dated 1 April 2011 constituting Hui Xian REIT, as amended, modified and supplemented from time to time
“Trustee”	DB Trustees (Hong Kong) Limited 德意志信託(香港)有限公司, as the trustee of Hui Xian REIT
“Unit”	a unit of Hui Xian REIT
“Unitholder(s)”	holder(s) of the Unit(s)

For the purposes of this announcement, any English name with an asterisk () is an unofficial English transliteration or translation and is for identification purposes only.*

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, 19 September 2024

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 Professor LEE Chack Fan, Dr. CHOI Koon Shum, Jonathan, Mr. YIN Ke and Mr. WU Ting Yuk, Anthony (independent non-executive Directors).