



**HUI XIAN** REIT  
匯賢產業信託

**Press Release**

**Hui Xian REIT Launches Initial Public Offering**

*First Offshore RMB-Denominated Equity IPO*

*Annualised Forecast Distribution Yield<sup>(Note)</sup> of 4.00% to 4.26%*

*Invested in Oriental Plaza, Premium Commercial Complex in Beijing, China*

**(10 April, 2011 – Hong Kong)** – The launch of the initial public offering (“Initial Offering”) for Hui Xian Real Estate Investment Trust (“Hui Xian REIT”), the first RMB-denominated equity IPO outside of Mainland China and the world’s first RMB-denominated REIT, was announced today.

Hui Xian REIT’s asset is its investment in Hui Xian (B.V.I.) Limited, which in turn holds Hui Xian Investment Limited, the foreign joint venture partner of Beijing Oriental Plaza Co., Ltd., (“BOP”), which is a sino-foreign cooperative joint venture established in the PRC. BOP holds the land use rights and building ownership rights of Oriental Plaza, one of the largest and most iconic commercial complexes in Beijing. As the foreign joint venture partner of BOP, Hui Xian Investment is entitled to all the profit distributions of BOP for the remaining 38 years before the joint venture period expires in January 2049.

Located in the heart of the capital city, Oriental Plaza is a landmark development that over the past 10 years has enjoyed a solid track record of market leadership in Beijing with wide brand recognition, high occupancy and impressive financial performance. As one of the leading commercial complexes in Beijing, Oriental Plaza has been well-positioned to capitalise on China’s phenomenal economic growth over the past decade.

*(Note: please refer to page 7)*

Hui Xian REIT will provide an opportunity for investors to invest in an RMB-denominated security product in Hong Kong whilst enjoying the benefits of the anticipated rapid economic development of Beijing and the strong fundamentals over the long term for its real estate market. The Manager's objective is to provide investors with stable and sustainable distributions per unit and the Manager intends Oriental Plaza to be held on a long-term basis.

Mr. H L Kam, Chairman of Hui Xian Asset Management Limited, the management company of Hui Xian REIT, said, "We are proud to present Oriental Plaza as the underlying asset of the world's first RMB-denominated REIT. It gives investors an opportunity to tap China's economic growth and share in the success of this premier commercial property in the capital city of the PRC."

Units of Hui Xian REIT will be traded and settled in RMB whilst distributions are also expected to be declared and paid in RMB.

The Initial Offering, representing 40% of the total units in Hui Xian REIT, consists of a total of 2,000,000,000 units. These units comprise 1,600,000,000 units under the International Offering and 400,000,000 units under the Hong Kong Public Offering, respectively, representing 80% and 20% of the Initial Offering. There is an Over-Allotment Option under which up to 300,000,000 units (representing 15% of the total number of units under the Initial Offering) may be sold by Hui Xian Holdings, a holding vehicle of the existing group of foreign party investors in BOP. The exercise of the Over-allotment Option will not increase the total number of units of Hui Xian REIT in issue.

The issue price will be between RMB5.24 (Minimum Offer Price) and RMB5.58 (Maximum Offer Price) per unit. The expected market capitalization of Hui Xian REIT is RMB26,200 million and RMB27,900 million based on the Minimum Offer Price and Maximum Offer Price, respectively.

If the number of units validly applied for under the Hong Kong Public Offering are 5 times or more but less than 10 times subscribed, at least 800,000,000 units or 40% of the units under the Initial Offering will be allocated to the Hong Kong Public Offering. If the number of units validly applied for under the Hong Kong Public Offering are 10 times or more subscribed, at least 1,000,000,000 units or 50% of the units under the Initial Offering will be allocated to the Hong Kong Public Offering.

## Premium Commercial Property in China

Oriental Plaza holds a unique position in Beijing commanding a strategic location in the commercial heart of Beijing which is unprecedented for a large scale commercial development in the PRC. Occupying a site area of approximately 100,000 square metres and having a total gross floor area of approximately 800,000 square metres, Oriental Plaza comprises four components, namely:

- **The Malls** – The Malls, with a gross floor area of approximately 130,000 square meters, is one of the largest shopping centres in the PRC and a world class shopping destination. The Malls is popular amongst locals and tourists alike, as well as a preferred choice for major retailers to establish a presence in Beijing. Commanding rents which are amongst the highest in the city, The Malls has an occupancy level of close to 100% with a long waiting list of over 250 prospective tenants. The Malls enjoys a customer flow averaging 200,000 per day on weekdays drawing on the neighbouring Wangfujing area which has become the most popular shopping destination in Beijing, as well as locals, expatriates and tourists who work in The Tower Offices, reside in The Tower Apartments or stay in Grand Hyatt Beijing.
- **The Tower Offices** – The Tower Offices is the largest Grade A office development in Beijing spanning a total gross floor area of over 300,000 square meters. The Tower Offices are located in the commercial heart of Beijing and in close proximity to important government departments such as the Ministry of Commerce and the Ministry of Transport. The Tower Offices has achieved a high committed occupancy rate of approximately 99.7% as of 31 March 2011. Comprising eight office buildings, The Tower Offices has a strong and diversified tenant base, including some of the leading international and domestic companies, as well as a number of Fortune 500 companies including three of the world's top four accounting firms.
- **The Tower Apartments** – The Tower Apartments is the largest serviced apartment development in Beijing and has achieved a high committed occupancy level of approximately 95.4% as at 31 March 2011. Comprising two towers of 613 units, The Tower Apartments provides residents the utmost convenience of city living in a tranquil environment. Designed to offer inhabitants serenity, the lobby entrances to The Tower Apartments are located on the raised podium level of the development. All of the units at

The Tower Apartments are fully furnished, with housekeeping and concierge services similar to that of a five-star hotel.

- **Grand Hyatt Beijing** – Grand Hyatt Beijing is one of the leading five-star hotels in Beijing and has received over 100 major international and national awards since opening, including “Best Business Hotel in Beijing” by Business Traveller Asia-Pacific (7-time winner), “Best Hotel in Beijing” by Asiamoney (5-time winner) and “Best Hotel in Beijing” by DestinAsian (5 consecutive years). The food and beverage outlets at Grand Hyatt Beijing are also popular with local residents and travellers in the city, as well as hotel guests. In addition, Grand Hyatt Beijing offers a comprehensive range of leisure, and ancillary facilities, including Club Oasis, a fully-equipped fitness centre with a unique 50-metre resort-style indoor pool.

These four components reflect the “World within a World” concept of Oriental Plaza and together create a self-contained community with the four components complementing each other and combining to create a synergy effect which helps to boost the rental rate and occupancy rate of each individual component.

BOP has achieved a growth in both revenue and operating profit at a Compound Annual Growth Rate (CAGR) of approximately 14.3% and 19.3% respectively, during the period from 2002 to 2009 based on its management accounts. The four components of Oriental Plaza also recorded total revenue and operating profit of RMB1,739 million and RMB1,182 million respectively for the ten months ended 31 October 2010, representing increases of 6.4% and 5.4% respectively from the corresponding period in 2009.

### **Stable and Attractive Total Return**

Hui Xian REIT aims to offer stable and attractive total returns by managing its portfolio and maintaining a high level of investment discipline and financial flexibility.

The Manager of Hui Xian REIT is Hui Xian Asset Management Limited, a joint venture between the three groups of CITIC Securities International Company Limited, Cheung Kong (Holdings) Limited and ARA Asset Management Limited, having shareholdings of 40%, 30% and 30% respectively.

The Manager’s policy is to distribute 100% of Hui Xian REIT’s Annual

Distributable Income for the period from the Listing Date (expected to be 29 April 2011) to 31 December 2011 and the financial year ending 31 December 2012, and thereafter at least 90% of Hui Xian REIT's Annual Distributable Income for each financial year.

The Manager forecasts that, in the absence of unforeseen circumstances and on the bases and assumptions set out in the Offering Circular, the profit of Hui Xian REIT for the period from the Listing Date to 30 June 2011 will be not less than RMB 140 million, representing an annualised forecast distribution yield<sup>(Note)</sup> (see Note on page 7) of 4.00% based on the Maximum Offer Price to 4.26% based on the Minimum Offer Price.

Oriental Plaza has been valued at approximately RMB 31,410 million (as at 31 January 2011) by American Appraisal China Limited, an Independent Property Valuer.

There is a finite term of Hui Xian REIT's interest in Oriental Plaza, with 38 years remaining until 2049 when the joint venture period expires. The land use rights of BOP in Oriental Plaza will also expire in 2049. In preparing the valuation, no value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

Upon completion of the Initial Offering (assuming the Over-Allotment Option is not exercised), Hui Xian Cayman and Hui Xian Holdings will hold approximately 54.0% and 6.0% of Hui Xian REIT, respectively. Hui Xian Cayman is a direct wholly-owned subsidiary of Hui Xian Holdings which in turn is ultimately owned by a consortium of six investors, comprising Cheung Kong (Holdings) Limited (33.4%), Hutchison Whampoa Limited (17.9%), Bank of China Limited (19.8%), Orient Overseas (International) Ltd (7.9%), China Life Insurance (Group) Company (19.8%) and Cranwood Company Limited (1.2%). The Sole Financial Advisor of the Initial Offering is CITIC Securities Corporate Finance (HK) Limited, and the Joint Bookrunners, Joint Lead Underwriters and Joint Listing Agents of the Initial Offering are CITIC Securities Corporate Finance (HK) Limited, The Hongkong and Shanghai Banking Corporation Limited and BOC International.

The Hong Kong Public Offering will commence at 9:00 am on Monday, 11 April 2011 and is expected to close at 12:00 noon on Tuesday, 19 April 2011. Trading in units of Hui Xian REIT on the Main Board of The Stock Exchange of Hong Kong Limited is expected to commence on Friday, 29 April 2011 under

the stock code “87001”.

### **Where to Collect the Application Form**

For the Hong Kong Public Offering, White Application Forms and copies of the Offering Circular can be obtained from any of the Hong Kong Underwriters or any of the 100 designated branches of Bank of China (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, CITIC Bank International Limited, Hang Seng Bank Limited, Standard Chartered Bank (Hong Kong) Limited and The Bank of East Asia, Limited

Applicants may also apply online using the White Form eIPO service through the designated website [www.eipo.com.hk](http://www.eipo.com.hk).

Yellow Application Forms can be obtained from the Hong Kong Securities Clearing Company Limited or from an applicant's stockbroker, who may have such Application Forms and Offering Circulars available.

**IMPORTANT:** This document does not constitute an invitation or offer to acquire, purchase or subscribe for the units of Hui Xian REIT or any other securities. Potential investors should read the Offering Circular dated 11 April 2011 (which can be obtained from the places mentioned above) for detailed information about the Initial Offering before deciding whether or not to invest in the units of Hui Xian REIT thereby being offered.

- End -

## Hui Xian REIT Offering Statistics

No. of Units under the Offering	: 2,000,000,000 (Subject to the Over-allotment Option)
No. of Units under the HKPO	: 400,000,000 (Subject to adjustment)
No. of Units under the International Offering	: 1,600,000,000 (Subject to adjustment and the Over-allotment Option)
Offer Price Range	: RMB 5.24 to RMB 5.58 per Unit
Annualised Forecast Distribution Yield <sup>(Note)</sup>	: 4.00% - 4.26% per unit
Market Capitalization	: Approximately RMB26,200 million to RMB27,900 million based on the Minimum Offer Price and the Maximum Offer Price, respectively
Dealings in Units Expected to Commence	: Friday, 29 April 2011
Stock Code	: 87001
Board Lot	: 1,000 Units

(Note: The annualised forecast distribution yields are based on the distribution per unit (DPU) to be paid, in the absence of unforeseen circumstances, for the period from 29 April 2011 to 30 June 2011. They do not represent the annualised distribution yields derived from Hui Xian REIT's results for its financial year ending 31 December 2011. The annualised forecast distribution yields will vary for investors who purchase the units in the secondary market at a price different from the Maximum Offer Price and the Minimum Offer Price)