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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

ANNUAL RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

HUI XIAN REIT

Hui Xian Real Estate Investment Trust (“**Hui Xian REIT**”) is a real estate investment trust constituted by a deed of trust entered on 1 April 2011 between, amongst the others, Hui Xian Asset Management Limited (as manager of Hui Xian REIT), and DB Trustees (Hong Kong) Limited (“**Trustee**”) (as amended, modified or supplemented from time to time) (“**Trust Deed**”). Units of Hui Xian REIT were first listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 April 2011.

REIT MANAGER

Hui Xian REIT is managed by Hui Xian Asset Management Limited (the “**Manager**”), a company incorporated in Hong Kong for the sole purpose of managing Hui Xian REIT. The Manager is a direct wholly-owned subsidiary of World Deluxe Enterprises Limited, which in turn is indirectly owned as to 70% by CK Asset Holdings Limited and 30% by ESR Group Limited.

The annual results of Hui Xian REIT and its special purpose vehicles for the period from 1 January 2024 to 31 December 2024 are as follows:

CHAIRMAN'S STATEMENT

As the global and Chinese economies emerge from the effects of the COVID-19 pandemic, they continue to face ongoing challenges that continued to shape the economic outlook for 2024 and beyond.

Geopolitical tensions, military conflicts, and changes in political leadership have dominated headlines, casting a shadow over global economic growth and stability. A sustained high interest rate environment continued to keep business confidence subdued. All over the world, extreme weather events led to the tragic loss of lives as well as significant financial costs.

According to the World Bank, global economic growth was projected to stagnate at 2.7% in 2024, below the 3.1% average recorded in the decade prior to the COVID-19 pandemic.

High Interest Rates Continued to Impact Economic Activity

Interest rates remained relatively high throughout 2024. Although some major central banks had commenced cutting interest rates since the second half of 2024, overall borrowing costs remained high compared with long-term averages.

Persistently high borrowing costs continued to squeeze corporate profits and strain over-exposed corporate borrowers. Effective management of corporate debt has become increasingly important.

China's GDP Growth Met Official Target

China's Gross Domestic Product ("GDP") in 2024 grew 5% year-on-year as reported by China's National Bureau of Statistics. This growth was supported by the government's stimulus measures, significant public investments and strong export performance. However, subdued consumer spending, lingering softness in the property sector and a weak RMB continued to weigh on economic activity.

Hui Xian REIT's 2024 Annual Results

	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023	YoY Change	Percentage Change
Total Revenue (RMB million)	2,337	2,345	-8	-0.3%
Net Property Income (RMB million)	1,303	1,368	-65	-4.7%
Amount Available for Distribution (RMB million)	26	227	-201	-88.5%
Distribution per Unit (RMB)	0.0041	0.0361	-0.032	-88.6%

During 2024, Hui Xian REIT's portfolio demonstrated resilience amid a challenging business environment. Revenue remained flat while a mild decrease in Net Property Income ("NPI") was recorded. Revenue was RMB2,337 million (2023: RMB2,345 million), and NPI amounted to RMB1,303 million (2023: RMB1,368 million).

Relatively, Hui Xian REIT's 2024 distributions saw a relatively notable decline. Total Amount Available for Distribution was reduced to RMB26 million (2023: RMB227 million), mainly attributable to the impact of realised exchange losses of approximately RMB368 million.

Distribution per unit ("DPU") for 2024 was RMB0.0041 (2023: RMB0.0361). Payout ratio remained at 100%. Final distribution per unit ("final DPU") for the six months ended 31 December 2024 was RMB0.0011 (2023: RMB0.0013). The final DPU will be paid on 27 May 2025, Tuesday to Unitholders whose names appear on the Register of Unitholders of Hui Xian REIT on 26 March 2025, Wednesday.

Hui Xian REIT's Operational Performance

Hui Xian REIT's portfolio spans the office, retail, serviced apartment and hotel sectors in four key cities in China, covering an aggregate area of over 1.1 million square metres.

The hotel portfolio continued to experience robust growth during 2024 while the office and retail leasing markets remained soft.

1. Hotel Portfolio – NPI Jumped 154%YoY

The removal of pandemic restrictions in 2023 resulted in a remarkable rebound in China's domestic tourism. The Chinese government had also launched various campaigns to boost domestic travel and the recovery momentum continued in 2024. According to China's Ministry of Culture and Tourism, domestic travel trips and domestic travel spending during 2024 were up by 14.8% and 17.1% year-on-year respectively.

International travel also saw a notable recovery in 2024. A series of policies were introduced by the Chinese government to stimulate inbound travel, such as expanding the visa-free entry policy to include more countries and extending the permitted stay for eligible foreign travellers under the visa-free transit policy to 240 hours from the previous 72 to 144 hours.

China saw a spike in foreign visitors in 2024. According to China's National Immigration Administration, cross-border trips made by foreign nationals during 2024 surged 82.9% year-on-year to 64.9 million.

Hui Xian REIT's hotel portfolio comprises four international chain hotels in four key cities in China. Benefitting from the recovery of the tourism sector, the hotel portfolio's NPI was RMB87 million, an increase of 154.2% year-on-year.

Sheraton Chengdu Lido Hotel – Both Occupancy and Room Rates Picked Up

Chengdu's business and leisure travel continued to rebound during 2024. Average occupancy rate at Sheraton Chengdu Lido Hotel increased from 64.6% in 2023 to 77.9% in 2024. Average room rate per night grew from RMB579 in 2023 to RMB613 in 2024.

Hyatt Regency Metropolitan Chongqing – Occupancy Exceeded 75% Amid Keen Competition

Chongqing remained a popular domestic travel destination. At Hyatt Regency Metropolitan Chongqing, average occupancy rate was 75.7% (2023: 75.5%). Average room rate per night was RMB641 (2023: RMB668).

Grand Hyatt Beijing – Occupancy Rate Increased 59%

While Beijing's domestic travel continued to recover, its inbound tourism market also witnessed a significant improvement. The capital city saw 3.9 million inbound tourism trips in 2024, up by 187% year-on-year.

Grand Hyatt Beijing's average occupancy rate increased from 42.0% in 2023 to 66.7% in 2024 while average room rate per night was down from RMB1,589 in 2023 to RMB1,496 in 2024.

The Westin Shenyang – Benefitted from Booming Winter Tourism

Winter tourism and sports continued to heat up in China with policy support from the government. Located in the northeastern China, Shenyang was one of the most popular national ice and snow tourism destinations.

At The Westin Shenyang, average occupancy rate increased from 47.4% in 2023 to 53.6% in 2024. Average room rate per night was up from RMB550 in 2023 to RMB553 in 2024.

2. Retail Portfolio – Leasing Demand was Soft Amid Weak Consumption

China's retail leasing demand was soft during 2024. Falling property prices, lack of job security and an uncertain economic outlook continued to dampen consumer confidence. Domestic consumption in China remained muted. Retailers were cautious in their outlook, resulting in subdued demand for new and expansion retail space.

The growth rate of China's total retail sales of consumer goods slowed from 7.2% in 2023 to 3.5% in 2024. Beijing's retail sales recorded a year-on-year decline of 2.7%.

Another factor affecting the retail leasing demand was the exponential growth of online shopping over the past few years. China's online retail sales increased 6.5% in 2024, outpacing the total retail sales growth rate of 3.5%.

Hui Xian REIT's retail portfolio comprises two shopping centres: (i) The Malls at Beijing Oriental Plaza, and (ii) The Mall at Chongqing Metropolitan Oriental Plaza. The NPI during 2024 was RMB384 million (2023: RMB473 million).

At The Malls at Beijing Oriental Plaza, average occupancy rate was 92.4% (2023: 91.7%). New lease and renewal terms were mostly concluded at negative reversion rates to maintain the occupancy level within a challenging retail environment. Average monthly passing rent was RMB631 (2023: RMB724) per square metre. Whilst The Mall at Chongqing Metropolitan Oriental Plaza continued its comprehensive asset enhancement programme during 2024, pre-leasing activities were progressing well, resulting in an occupancy rate of approximately 50% at the end of 2024.

3. Office Portfolio – Uncertain Macroeconomy Slowed Leasing Momentum

China's office leasing market remained weak during 2024, primarily due to a reduction in leasing demand. In light of persistent economic uncertainty, corporations became increasingly cost-conscious and showed less confidence in committing to leases. Many companies continued to adopt "work-from-home" or hybrid work models after the pandemic, further diminishing the demand for office space.

Hui Xian REIT's office portfolio consists of (i) The Tower Offices at Beijing Oriental Plaza, and (ii) The Tower at Chongqing Metropolitan Oriental Plaza. During 2024, the NPI was RMB744 million (2023: RMB779 million).

Beijing's Grade A office vacancy rate was at a relatively high level of 19.4%¹ as at the fourth quarter of 2024, exerting pressure on rents. Landlords continued to offer competitive leasing incentives to attract and retain quality tenants. At The Tower Offices at Beijing Oriental Plaza, average monthly passing rent was RMB260 (2023: RMB267) per square metre. Average occupancy rate was 84.5% (2023: 85.4%).

In Chongqing, office leasing demand remained subdued. The city's vacancy rate of Grade A offices was 34.4%² in 2024. At The Tower at Chongqing Metropolitan Oriental Plaza, average occupancy rate was 76.8% (2023: 80.6%), and average monthly passing rent was RMB87 (2023: RMB89) per square metre.

Sources:

1. "Market in Minutes - Beijing Office", Savills Research (January 2025)

2. "2024 Annual Report on Chongqing's Office and Retail Market", Cushman & Wakefield (January 2025)

4. Serviced Apartment Portfolio – Leasing Demand Remained Stable

Leasing demand for Beijing's high-end serviced apartments remained stable during 2024.

Hui Xian REIT's serviced apartment portfolio saw increases in both occupancy and NPI. The NPI increased from RMB82 million in 2023 to RMB88 million in 2024. Average occupancy rate grew from 83.8% in 2023 to 88.6% in 2024.

Financial Position – Loan Amount was Reduced by RMB824 million in 2024

Hui Xian REIT continued to reduce its debt level to mitigate the impact of high interest expenses. Hui Xian REIT's total debt was reduced by RMB824 million to RMB5,777 million as at 31 December 2024 (RMB6,601 million as at 31 December 2023).

Bank balances and cash on hand amounted to RMB2,977 million as at 31 December 2024 (RMB3,470 million as at 31 December 2023). The debts to gross asset value ratio was down from 18.2% as at 31 December 2023 to 16.8% as at 31 December 2024.

Hui Xian REIT's revenue is in RMB while all debts were denominated in Hong Kong Dollar before 2024. Its distributions are sensitive to RMB exchange rate movements when there is a loan repayment. During 2024, Hui Xian REIT entered into RMB loans to reduce the exposure to currency fluctuations. As at 31 December 2024, about one third of the existing loans were denominated in RMB and the split between RMB and Hong Kong Dollar denominated loan exposure was 34% and 66% (31 December 2023: Nil and 100%) respectively.

Outlook – Challenging Business Conditions Likely to Persist

The global economic outlook remains uncertain in 2025. Significant headwinds — ongoing geopolitical conflicts, trade policies and tensions, and climate risks — continue to hinder global economic prospects. The World Trade Organisation has cautioned that tit-for-tat trade wars could have significant negative consequences for global growth.

China's economy remains on a path of recovery from the pandemic but the pace of recovery varies across different sectors and regions. The near-term challenges include subdued consumption growth, persistent weakness in the property sector, a declining population and escalating trade tensions.

While occupancy rates of the hotel portfolio may benefit from the ongoing rebound in domestic and international travel, room rates are likely to face pressure as travellers become more budget-conscious. The retail and office portfolios will continue to face challenging operating conditions. The retail leasing market is unlikely to show a significant improvement due to weak consumer sentiment. Office rents and occupancy rates are also expected to remain under pressure due to global economic uncertainties and escalating trade wars.

Hui Xian REIT's treasury strategies are focused on minimizing interest risks. Although many major central banks initiated rate-cutting cycles in the second half of 2024, the timing of future rate cuts remains uncertain. Interest rates are likely to remain relatively high in the near term.

The Chinese government is expected to step up policy support to further stimulate domestic consumption and economic growth. While we remain mindful of ongoing macroeconomic challenges, we remain confident in the fundamental strengths of the Chinese economy.

On behalf of the Manager, I would like to take this opportunity to thank our stakeholders, in particular, the Unitholders and Trustees, for their continuing trust and support. I would also like to express my utmost gratitude to our colleagues across the group for their dedication, hard work and commitment.

H L KAM

Chairman

Hui Xian Asset Management Limited

(as manager of Hui Xian Real Estate Investment Trust)

Hong Kong, 7 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

PORTFOLIO HIGHLIGHTS

As at 31 December 2024, Hui Xian REIT's portfolio included:

(1) investment in Hui Xian (B.V.I.) Limited, which in turn holds Hui Xian Investment Limited ("**Hui Xian Investment**"), the foreign shareholder of 北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.[#]) ("**BOP**"). Hui Xian Investment holds approximately 99.99999983% interest of BOP. Nevertheless, Hui Xian Investment is entitled to 100% distributions of BOP, which is a limited liability company established in the People's Republic of China ("**PRC**"). BOP holds the land use rights and building ownership rights of Beijing Oriental Plaza;

(2) investment in Chongqing Overseas Investment Limited, which in turn holds Chongqing Investment Limited. Chongqing Investment Limited owns the entire interest in 重慶大都會東方廣場有限公司 (Chongqing Metropolitan Oriental Plaza Co., Ltd.[#]) ("**COP**"), which is a limited liability company established in the PRC. COP holds the land use rights and building ownership rights of Chongqing Metropolitan Oriental Plaza;

(3) investment in Shenyang Investment (BVI) Limited, which in turn holds Shenyang Investment (Hong Kong) Limited ("**Shenyang Investment HK**"), the foreign shareholder of 瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd.[#]) ("**Shenyang Lido**"). Shenyang Investment HK holds 70% interest and is entitled to 70% of the distributions of Shenyang Lido, which is a limited liability company established in the PRC. Shenyang Lido holds the land use rights and building ownership rights of The Westin Shenyang;

(4) investment in Chongqing Hotel Investment Limited, which in turn holds Highsmith (HK) Limited. Highsmith (HK) Limited owns the entire interest in 重慶東廣大都會酒店有限公司 (Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd.[#]) ("**COH**"), which is a limited liability company established in the PRC. COH holds the land use rights and building ownership rights of Hyatt Regency Metropolitan Chongqing; and

(5) investment in New Sense Resources Limited, which in turn holds Chengdu Investment Limited, the foreign shareholder of 成都長天有限公司 (Chengdu Changtian Co., Ltd.[#]) ("**Chengdu Changtian**"). Chengdu Investment Limited holds 69% interest and is entitled to 69% of the distributions of Chengdu Changtian, which is a limited liability company established in the PRC. Chengdu Changtian holds the land use rights and building ownership rights in Sheraton Chengdu Lido Hotel.

ADJUSTMENT OF THE ORGANISATION OF HUI XIAN REIT'S GROUP COMPANIES IN PRC PURSUANT TO CHANGE IN PRC LAWS

The organisational structures of Hui Xian REIT's group companies established under PRC laws have been adjusted in accordance with the latest laws of the PRC. Prior to this, these group companies were established in accordance with the "three laws on foreign investment" of the PRC, namely, the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》) and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》). The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") came into effect from 1 January 2020 with the "three laws on foreign investment" being repealed simultaneously, and the Foreign Investment Law has replaced the "three laws on foreign investment". Pursuant to the Foreign Investment Law and its Implementing Rules, the foreign-invested enterprises shall adjust their organisational forms in accordance with the law and complete such adjustment prior to 31 December 2024, to comply with the requirements of the Foreign Investment Law and its Implementing Rules, as well as the Company Law of the PRC (《中華人民共和國公司法》). Therefore, in order to comply with the requirements of PRC laws, these group companies have adjusted their organisational forms in accordance with the Foreign Investment Law and the Company Law of the PRC, and have completed the reorganisation procedures. After the reorganisation, these group companies have become limited liability companies established in accordance with the Company Law of the PRC. Details of Hui Xian REIT's interests in these group companies are set out in the above section headed "PORTFOLIO HIGHLIGHTS".

[#] The English name is shown for identification purpose only

OPERATIONS REVIEW

Hotel Portfolio

During 2024, China's domestic tourism continued to recover. According to the China's Ministry of Culture and Tourism, China recorded 5.6 billion domestic travel trips during the year, an increase of 14.8% year-on-year. Domestic travel spending was RMB5.8 trillion, up by 17.1% from the previous year.

China's inbound travel also saw a remarkable recovery during 2024. The Chinese Government has introduced a number of measures to boost inbound tourism, such as expanding the visa-free entry policy to more countries, extending the permitted stay for eligible foreign travellers under the visa-free transit policy to 240 hours from 72 to 144 hours, as well as enhancing mobile payment services for foreigners.

The number of foreign visitors entering China during 2024 increased significantly. Cross-border trips made by foreign nationals jumped 82.9% year-on-year to 64.9 million according to China's National Immigration Administration. Among them, over 20 million inbound trips were made visa-free, representing an increase of 112.3% year-on-year.

Hui Xian REIT's hotel portfolio comprises four international chain hotels in four key cities in China. Benefitting from the recovery of domestic and international tourism sector, revenue was increased to RMB505 million (2023: RMB390 million) and NPI grew to RMB87 million (2023: RMB34 million).

(i) Sheraton Chengdu Lido Hotel (69% interest)

During 2024, Chengdu's business and leisure travel continued to recover. Sheraton Chengdu Lido Hotel's average occupancy rate grew to 77.9% in 2024 (2023: 64.6%); average room rate per night was increased to RMB613 (2023: RMB579).

(ii) Hyatt Regency Metropolitan Chongqing

Chongqing remained a popular domestic tourism city. During 2024, average occupancy rate of Hyatt Regency Metropolitan Chongqing was 75.7% (2023: 75.5%), and average room rate per night was RMB641 (2023: RMB668).

(iii) Grand Hyatt Beijing

Demand for hotel rooms in Beijing continued to improve in 2024, driven by the rebound of domestic and international travel. Beijing recorded 3.9 million visits made by overseas inbound tourists during 2024, representing a year-on-year increase of 187%.

During 2024, Grand Hyatt Beijing's average occupancy rate increased to 66.7% (2023: 42.0%). Average room rate per night was RMB1,496 (2023: RMB1,589).

(iv) The Westin Shenyang (70% interest)

Winter tourism and sports have been gaining popularity in China. Shenyang, located in the northeast China, was one of the most popular national ice and snow tourism destinations.

The Westin Shenyang's average occupancy rate increased to 53.6% in 2024 (2023: 47.4%), and average room rate per night rose to RMB553 (2023: RMB550).

Retail Portfolio

Hui Xian REIT's retail portfolio comprises two large-scale shopping centres: (i) The Malls at Beijing Oriental Plaza, and (ii) The Mall at Chongqing Metropolitan Oriental Plaza. Together, they provide about 222,000 square metres of retail space.

During 2024, revenue was RMB640 million (2023: RMB720 million) and NPI was RMB384 million (2023: RMB473 million).

(i) The Malls at Beijing Oriental Plaza

During 2024, revenue of The Malls at Beijing Oriental Plaza was RMB624 million (2023: RMB698 million) and NPI was RMB425 million (2023: RMB497 million). Average monthly passing rent was RMB631 (2023: RMB724) per square metre. Average occupancy rate was 92.4% (2023: 91.7%).

(ii) The Mall at Chongqing Metropolitan Oriental Plaza

Whilst The Mall at Chongqing Metropolitan Oriental Plaza continued its comprehensive asset enhancement programme during 2024, pre-leasing activities were progressing well. The Mall's occupancy rate reached approximately 50% at the end of 2024. Additionally, the newly renovated rooftop garden was also open to the public.

Office Portfolio

During 2024, many corporations have remained cost-conscious in view of a more conservative sentiment towards business outlook. The wider adoption of "work-from-home" and hybrid work mode also impacted leasing demand.

Hui Xian REIT's office portfolio consists of (i) The Tower Offices at Beijing Oriental Plaza and (ii) The Tower at Chongqing Metropolitan Oriental Plaza. Revenue was RMB1,029 million (2023: RMB1,066 million) and NPI was RMB744 million (2023: RMB779 million).

(i) The Tower Offices at Beijing Oriental Plaza

In Beijing, office leasing demand remained weak during 2024 amid cautious economic climate. As at the fourth quarter of 2024, the vacancy rate for Grade A office spaces in the capital city stood at a high level of 19.4%¹. In response to the sluggish market, landlords were under pressure to reduce rents and offer more incentives to secure tenants.

The Tower Offices at Beijing Oriental Plaza comprises eight towers, offering over 300,000 square metres of Grade A office space. It features a diverse tenant base spanning various industries, including finance and banking, insurance, accounting, technology, legal, pharmaceutical, media and advertising, and consumer products, as well as government-related organisations.

During 2024, revenue of The Tower Offices was RMB987 million (2023: RMB1,021 million). NPI was RMB722 million (2023: RMB754 million). Average occupancy rate was 84.5% (2023: 85.4%). Average monthly passing rent was RMB260 (2023: RMB267) per square metre while average monthly spot rent was RMB231 (2023: RMB250) per square metre.

(ii) The Tower at Chongqing Metropolitan Oriental Plaza

Chongqing's office vacancy rate was 34.3%² in 2024. New leasing demand was weak, largely due to the uncertain business environment.

Located at the heart of Jiefangbei Central Business District, The Tower at Chongqing Metropolitan Oriental Plaza is home to a number of consulates, government-related organisations and corporations from a wide array of industries, including insurance and financial services, retail and consumer products, logistics, professional consultation and healthcare.

During 2024, revenue was RMB42 million (2023: RMB45 million) and NPI was RMB22 million (2023: RMB25 million). Average occupancy rate was 76.8% (2023: 80.6%). Average monthly passing rent was RMB87 (2023: RMB89) per square metre, while average monthly spot rent was RMB85 (2023: RMB85) per square metre.

Sources:

1. "Market in Minutes - Beijing Office", Savills Research (January 2025)

2. "2024 Annual Report on Chongqing's Office and Retail Market", Cushman & Wakefield (January 2025)

Serviced Apartment Portfolio

During 2024, revenue of Hui Xian REIT's serviced apartment portfolio was RMB163 million (2023: RMB169 million); and NPI was RMB88 million (2023: RMB82 million). Average occupancy rate of The Tower Apartments at Beijing Oriental Plaza was 88.6% (2023: 83.8%).

FINANCIAL REVIEW

Net Property Income

The net property income was RMB1,303 million for the year ended 31 December 2024.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB7 million (“**2024 Final Distribution**”) to Unitholders for the period from 1 July 2024 to 31 December 2024. The 2024 Final Distribution which will be paid in RMB represents 100% of Hui Xian REIT’s total amount available for distribution during the period from 1 January 2024 to 31 December 2024, less interim distribution of RMB19 million which has been distributed to Unitholders of Hui Xian REIT on 27 September 2024 for the period from 1 January 2024 to 30 June 2024. In total, Hui Xian REIT will distribute a total of RMB26 million to Unitholders for the year ended 31 December 2024. The distribution amount includes certain profit elements in the capital nature of Hui Xian REIT. The amount of capital nature items is RMB26 million (2023: RMB227 million).

Distribution per Unit

The final DPU for the period from 1 July 2024 to 31 December 2024 is RMB0.0011 based on the number of outstanding Units on 31 December 2024. Together with the interim DPU of RMB0.0030, Hui Xian REIT provides a total DPU of RMB0.0041 for the year ended 31 December 2024.

Closure of Register of Unitholders

The record date for the 2024 Final Distribution will be 26 March 2025, Wednesday (“**Record Date**”). The Register of Unitholders will be closed from 24 March 2025, Monday to 26 March 2025, Wednesday, both days inclusive, during which period no transfer of Units will be registered. The final distribution is expected to be payable on 27 May 2025, Tuesday, to Unitholders whose names appear on the Register of Unitholders on the Record Date.

In order to qualify for the 2024 Final Distribution, all properly completed transfer forms (accompanied by the relevant Unit certificates) must be lodged for registration 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 21 March 2025, Friday.

Pursuant to the Trust Deed, in the event that any distribution is not claimed by unitholder(s) of Hui Xian REIT entitled thereto within six years after the date of declaration of such distribution, such distribution shall be forfeited and transferred to the assets of Hui Xian REIT.

Debt Positions

In May 2024, Hui Xian Investment Limited (“**Hui Xian Investment**”) partially prepaid HK\$1,400 million of a 35-month unsecured term loan which was drawn down in December 2021. In October 2024, Hui Xian Investment drew down a 3-year unsecured term loan of HK\$400 million offered by Bank of China (Hong Kong) Limited (“**BOCHK**”). The purpose of this facility tranche was to refinance the outstanding balance of the existing credit facility granted in December 2021. In November 2024, Hui Xian Investment further drew down a 3-year unsecured term loan of RMB200 million offered by BOCHK under the same facility. The purpose of this facility tranche was to finance the general working capital of the Group.

In June 2024 and November 2024, Hui Xian Investment drew down 3-year unsecured term loans of RMB300 million and RMB400 million respectively out of RMB700 million loan facility offered by Oversea-Chinese Banking Corporation Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment drew down a 3-year unsecured term loan of RMB625 million offered by DBS Bank (Hong Kong) Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment drew down a 3-year unsecured term loan of RMB467 million offered by The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment fully repaid HK\$1,800 million of a 35-month unsecured term loan which was drawn down in December 2021.

In December 2024, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch extended its 3-year unsecured term loan of HK\$600 million offered to Hui Xian Investment to 2025.

All facilities under Hui Xian REIT are unsecured and unsubordinated and rank pari passu with all other unsecured and unsubordinated obligations of Hui Xian Investment.

As at 31 December 2024, Hui Xian REIT's total debts amounted to RMB5,777 million (31 December 2023: RMB6,601 million). 34% and 66% of the debts were denominated in RMB and Hong Kong dollar respectively. Based on Hui Xian REIT's net assets attributable to Unitholders of RMB21,420 million as at 31 December 2024 (31 December 2023: RMB22,084 million), Hui Xian REIT's debts to net asset value ratio decreased to 27.0% (31 December 2023: 29.9%). Meanwhile, the debts to gross asset value ratio was 16.8% as at 31 December 2024 (31 December 2023: 18.2%).

Bank Balances and Asset Positions

As at 31 December 2024, Hui Xian REIT's bank balances and cash amounted to RMB2,977 million (31 December 2023: RMB3,470 million). The bank balances and cash are mainly denominated in RMB. No currency hedge was employed as at the year end date.

Hui Xian REIT is indirectly interested in a 132,584 square metre shopping centre, eight blocks of Grade A office, three serviced apartment towers and a five-star hotel in a 787,059 square metre building complex at 1 East Chang'an Avenue, Beijing, PRC which are collectively named as Beijing Oriental Plaza. Hui Xian REIT's interests in Beijing Oriental Plaza are held through its special purpose vehicle, Hui Xian Investment, which is the foreign shareholder of BOP. BOP holds the land use rights and building ownership rights of Beijing Oriental Plaza.

Kroll (HK) Limited ("Kroll") valued the eight blocks of office towers, the shopping centre and car parking spaces at RMB23,729 million as at 31 December 2024 (31 December 2023: RMB24,651 million), translating into a decrease of 3.7% over the valuation as of 31 December 2023. The hotel and serviced apartment premises were valued at RMB4,510 million as at 31 December 2024 (31 December 2023: RMB4,610 million). The total valuation of Beijing Oriental Plaza was RMB28,239 million (31 December 2023: RMB29,261 million), while the total gross property value of the properties was RMB27,653 million as at 31 December 2024, as compared to RMB28,756 million as at 31 December 2023.

Hui Xian REIT indirectly owns the entire interest of Chongqing Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping centre and a Grade A office building. Chongqing Metropolitan Oriental Plaza is located at the Jiefangbei Central Business District, Yuzhong District, Chongqing.

As at 31 December 2024, the shopping centre, office building and car parking spaces were valued by Kroll at RMB2,328 million (31 December 2023: RMB2,480 million). Gross property value of the properties as at 31 December 2024 was RMB2,328 million (31 December 2023: RMB2,450 million).

Hui Xian REIT indirectly owns the entire interest of Highsmith (HK) Limited, which in turn indirectly owns the entire interest of Hyatt Regency Metropolitan Chongqing, a 38-storey hotel tower of 52,238 square metre. It is adjacent to Chongqing Metropolitan Oriental Plaza.

Kroll valued the hotel premises of Hyatt Regency Metropolitan Chongqing at RMB367 million as at 31 December 2024 (31 December 2023: RMB405 million). Gross property value of hotel premises as at 31 December 2024 was RMB231 million (31 December 2023: RMB272 million).

Hui Xian REIT also indirectly owns 69% interest of Sheraton Chengdu Lido Hotel through Chengdu Investment Limited. It is a 37-storey hotel tower of 56,350 square metre located to the north of the landmark Tianfu Plaza, Chengdu city centre.

Kroll valued the hotel premises of Sheraton Chengdu Lido Hotel at RMB600 million as at 31 December 2024 (31 December 2023: RMB583 million). Gross property value of hotel premises as at 31 December 2024 was RMB519 million (31 December 2023: RMB532 million).

Hui Xian REIT indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of The Westin Shenyang. The Westin Shenyang, located in the newly established central business district in southern Shenyang, has 30-storey with 78,451 square metre.

Kroll valued the hotel premises of Shenyang Lido at RMB665 million as at 31 December 2024 (31 December 2023: RMB673 million). Gross property value of the hotel premises as at 31 December 2024 was RMB487 million (31 December 2023: RMB509 million).

Net Assets Attributable to Unitholders

As at 31 December 2024, net assets attributable to Unitholders amounted to RMB21,420 million (31 December 2023: RMB22,084 million) or RMB3.3141 per Unit, representing a 569.5% premium to the closing unit price of RMB0.495 on 31 December 2024 (31 December 2023: RMB3.4762 per Unit, representing a 282.0% premium to the closing unit price of RMB0.91 on 29 December 2023).

Pledge of Assets

Hui Xian REIT does not pledge its properties to any financial institutions or banks. The Trustee (as trustee of Hui Xian REIT) and certain special purpose vehicles of Hui Xian REIT provide guarantees for the credit facilities of the Group.

Commitments

As at 31 December 2024, except for capital commitment in respect of the asset enhancement programmes for Beijing Oriental Plaza, Grand Hyatt Beijing, Sheraton Chengdu Lido Hotel, Chongqing Metropolitan Oriental Plaza and Hyatt Regency Metropolitan Chongqing, Hui Xian REIT did not have any significant commitments.

Employees

As at 31 December 2024, Hui Xian REIT, by subsidiaries and through its branches, employed a total of 899 employees in Hong Kong and the PRC, of which 869 employees performed hotel operation functions and services, and 30 employees handled legal, regulatory and other administrative matters and provided commercial functions and services, including leasing and some other property management functions and services, other than the hotel operation functions and services.

Save as disclosed above, Hui Xian REIT is managed by the Manager and did not directly employ any staff as at 31 December 2024.

CORPORATE GOVERNANCE

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures with built-in checks and balances have been put in place. In particular, the Manager has adopted, and revised from time to time, a compliance manual which sets out the key processes, systems and measures the Manager applies in order to comply with the Trust Deed, the Code on Real Estate Investment Trusts (“**REIT Code**”) and other applicable legislation, rules and regulations. The compliance manual also contains a corporate governance policy which regulates, among others, the activities of the board of directors of the Manager.

Throughout the twelve months ended 31 December 2024, both the Manager and Hui Xian REIT have in material terms complied with the provisions of the compliance manual, the corporate governance policy, the Trust Deed, the REIT Code and applicable provisions of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong) (“**SFO**”) and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Authorisation Structure

Hui Xian REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager is licensed by the SFC under Section 116 of the SFO to conduct the regulated activity of asset management. As at the date of this announcement, Mr. CHEUNG Ling Fung, Tom (executive director and chief executive officer of the Manager), Mr. LEE Chi Kin, Casey (executive director and chief operating officer of the Manager), Ms. LAI Wai Yin, Agnes (executive director and chief financial officer of the Manager), Mr. CHING Sung, Eric (deputy chief project development officer of the Manager) and Ms. TANG Hiu Tung, Daisy (chief corporate development officer of the Manager) are the responsible officers of the Manager as required by section 125 of the SFO and 5.4 of the REIT Code.

The Trustee, DB Trustees (Hong Kong) Limited, is registered as a trust company under Section 77 of the Trustee Ordinance (Cap. 29 Laws of Hong Kong). It is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

Review of the Annual Results

The annual results of Hui Xian REIT for the year ended 31 December 2024 have been reviewed by the Audit Committee and Disclosures Committee of the Manager in accordance with their respective terms of reference.

New Units Issued

In the year ended 31 December 2024, an aggregate of 110,274,204 new Units were issued to the Manager as payment of part of the manager's fees.

The total number of Units in issue as at 31 December 2024 was 6,463,373,956 Units.

Corporate Social Responsibility

The Manager recognises the importance of corporate social responsibility and will continue to commit appropriate resources to meet the environmental, social and governance standards and requirements in the day-to-day operations of Hui Xian REIT's properties. Detailed information in these areas will be published in the Annual Report of Hui Xian REIT for the year ended 31 December 2024.

Buy-Back, Sale or Redemption of Units

There was no buy-back, sale or redemption of the Units of Hui Xian REIT by the Manager on behalf of Hui Xian REIT or any of the special purpose vehicles that were owned and controlled by Hui Xian REIT for the year ended 31 December 2024.

Public Float of the Units

As far as the Manager is aware, more than 25% of the issued and outstanding Units of Hui Xian REIT were held in public hands as at 31 December 2024.

Issuance of the Annual Report 2024

The annual report of Hui Xian REIT for the year ended 31 December 2024 will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and Hui Xian REIT at www.huixianreit.com, and will be sent to Unitholders, who have elected for hard copies, on or before 30 April 2025.

Annual General Meeting of Unitholders

The 2025 annual general meeting of Hui Xian REIT will be held on or around 23 May 2025, Friday, notice of which will be published and given to Unitholders in due course.

APPOINTMENTS OF MEMBERS OF THE NOMINATION COMMITTEE

The Board of the Manager announces that Ms. LAI Wai Yin, Agnes, an executive director of the Manager and Mr. WU Ting Yuk, Anthony, an independent non-executive director of the Manager, have been appointed as new members of the Nomination Committee of the Board with effect from 7 March 2025.

The Board confirms that following the abovementioned appointments, the composition of the Board and each of the four Board committees will continue to comply with the requirements of the corporate governance policy of the Manager as set out in the compliance manual of the Manager.

Following the abovementioned appointments, the composition of the Board and the four Board committees of the Manager, effective from 7 March 2025 is set out below:

Name	Board	AC	DC	DFC	NC
Non-Executive Directors					
KAM Hing Lam	C				C
IP Tak Chuen, Edmond	M	M	M	C	
LIM Hwee Chiang	M				
Executive Directors					
CHEUNG Ling Fung, Tom (CEO)	M		C	M	
LEE Chi Kin, Casey (COO)	M				
LAI Wai Yin, Agnes (CFO)	M				M
Independent Non-Executive Directors					
LEE Chack Fan	M	M	M		M
CHOI Koon Shum, Jonathan	M	M		M	
YIN Ke	M	C			M
WU Ting Yuk, Anthony	M	M			M

Notes:

AC : Audit Committee / DC : Disclosures Committee / DFC : Designated (Finance) Committee / NC: Nomination Committee / C : Chairman / M : Member / CEO : Chief Executive Officer / COO: Chief Operating Officer / CFO : Chief Financial Officer

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, 7 March 2025

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).

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 RMB million	2023 RMB million
Revenue	5	2,337	2,345
Other income	6	67	105
Decrease in fair value of investment properties	13	(1,098)	(865)
Inventories consumed		(34)	(29)
Staff costs		(155)	(137)
Depreciation		(315)	(313)
Other operating expenses	7	(830)	(796)
Finance costs, including exchange differences	8	(505)	(537)
Manager's fees	9	(109)	(113)
Real estate investment trust expenses	10	(12)	(13)
Loss before taxation and transactions with unitholders		(654)	(353)
Income tax expense	11	(103)	(234)
Loss for the year, before transactions with unitholders		(757)	(587)
Distributions to unitholders		(19)	(227)
Loss for the year, after transactions with unitholders		(776)	(814)
Other comprehensive income:			
Item that will not be reclassified to profit or loss			
Gain on revaluation of right-of-use assets upon transfer to investment properties, net of tax		23	23
Total comprehensive expense for the year, after transactions with unitholders		(753)	(791)
Loss for the year, before transactions with unitholders attributable to:			
Non-controlling interests		(20)	(25)
Unitholders		(737)	(562)
		(757)	(587)
Total comprehensive expense for the year, after transactions with unitholders attributable to:			
Non-controlling interests		(20)	(25)
Unitholders		(733)	(766)
		(753)	(791)
Basic loss per unit (RMB)	12	(0.1147)	(0.0893)

FINANCIAL INFORMATION

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u> RMB million	<u>2023</u> RMB million
Loss for the year, before transactions with unitholders	(757)	(587)
Less: loss for the year attributable to non-controlling interests	<u>20</u>	<u>25</u>
Loss for the year attributable to unitholders, before transactions with unitholders	<u>(737)</u>	<u>(562)</u>
Adjustments (<i>Note (i)</i>):		
Manager's fees	56	82
Deferred tax	(6)	(6)
Net unrealised exchange loss on bank loans and loan front-end fee	81	94
Net realised exchange loss on bank loans and loan front-end fee	(283)	(146)
Difference between cash and accounting finance costs	3	6
Other non-cash gain	<u>(2)</u>	<u>(1)</u>
	<u>(151)</u>	<u>29</u>
Total adjusted loss	(888)	(533)
Additional available amount (<i>Note (ii)</i>):	<u>914</u>	<u>760</u>
Amount available for distribution	<u>26</u>	<u>227</u>
Payout ratio (<i>Note (iii)</i>)	<u>100%</u>	<u>100%</u>
Additional amount distributed (<i>Note (ii)</i>)	<u>26</u>	<u>227</u>
Distributions to unitholders (<i>Note (iv)</i>)		
- Interim distribution paid	19	219
- Final distribution proposed after the end of the reporting period	<u>7</u>	<u>8</u>
	<u>26</u>	<u>227</u>
Distribution per unit (<i>RMB</i>) (<i>Note (iv)</i>)		
Interim distribution per unit	0.0030	0.0348
Final distribution per unit	<u>0.0011</u>	<u>0.0013</u>
	<u>0.0041</u>	<u>0.0361</u>

FINANCIAL INFORMATION

Notes:

(i) *Adjustments for the year include:*

- (a) *For the year ended 31 December 2024, Manager's fees paid and payable in units of RMB56 million (54,084,194 units issued and 115,543,420 units estimated to be issued) out of the total Manager's fees of RMB109 million. The difference of RMB53 million is paid or payable in cash.*

For the year ended 31 December 2023, Manager's fees paid and payable in units of RMB82 million (100,940,701 units issued) out of the total Manager's fees of RMB113 million. The difference of RMB31 million is paid or payable in cash.

- (b) *For the year ended 31 December 2024, deferred tax credit of RMB6 million (2023: RMB6 million) in relation to accelerated tax depreciation.*
- (c) *Net unrealised exchange loss on bank loans and loan front-end fee of RMB81 million for the year ended 31 December 2024 (2023: RMB94 million).*
- (d) *Accumulated net unrealised exchange loss of RMB283 million on bank loans and loan front-end fee previously adjusted out from the distribution statement have been realised and adjusted back upon loan repayment during the year ended 31 December 2024 (2023: RMB146 million).*
- (e) *Adjustment of RMB3 million in respect of accounting finance costs less cash finance costs during the year ended 31 December 2024 (2023: RMB6 million).*
- (f) *Other non-cash gain of RMB2 million for the year ended 31 December 2024 (2023: RMB1 million).*

Pursuant to the Trust Deed (as defined in Note 1), annual distributable income is defined as the amount calculated by the Manager (as defined in Note 1) as representing the consolidated profit attributable to unitholders for the relevant financial year, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) which have been recorded in the consolidated statement of comprehensive income for the relevant financial year.

FINANCIAL INFORMATION

Notes: - continued

- (ii) *Pursuant to clause 11.4.2 of the Trust Deed, subsequent to 31 December 2024, the Manager determined that an amount of RMB914 million be available for addition (2023: RMB760 million) to arrive at the amount available for distribution during the year ended 31 December 2024 and additional amount distributed during the year ended 31 December 2024 is RMB26 million (2023: RMB227 million).*
- (iii) *In accordance with the Trust Deed, Hui Xian REIT (as defined in Note 1) is required to distribute to unitholders not less than 90% of its annual distributable income for each financial year. While Hui Xian REIT had an adjusted loss of RMB888 million for the year ended 31 December 2024 (2023: RMB533 million), the Manager determined an amount of RMB26 million to be available for distribution for the year (2023: RMB227 million) as referred to in Note (ii) above.*

Distributions to unitholders for the year ended 31 December 2024 represent a payout ratio of 100% (2023: 100%) of such amount available for distribution for the year.

- (iv) *The interim distribution per unit of RMB0.0030 for the six months ended 30 June 2024, paid on 27 September 2024, is calculated based on 100% of Hui Xian REIT's amount available for distribution of RMB19,145,209 over 6,409,289,762 units, representing issued units as at 30 June 2024. The final distribution per unit of RMB0.0011 for the six months ended 31 December 2024, payable on or around 27 May 2025, is calculated based on 100% of Hui Xian REIT's amount available for distribution for the year of RMB26,054,703, less distribution to unitholders for the six months ended 30 June 2024, over 6,463,373,956 units, representing issued units as at 31 December 2024.*

The interim distribution per unit of RMB0.0348 for the six months ended 30 June 2023, paid on 27 September 2023, is calculated based on 90% of Hui Xian REIT's amount available for distribution of RMB242,784,085 over 6,286,793,211 units, representing issued units as at 30 June 2023. The final distribution per unit of RMB0.0013 for the six months ended 31 December 2023, paid on 28 May 2024, is calculated based on 100% of Hui Xian REIT's amount available for distribution for the year of RMB226,816,329, less distribution to unitholders for the six months ended 30 June 2023, over 6,353,099,752 units, representing issued units as at 31 December 2023.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTES	2024 RMB million	2023 RMB million
Non-current assets			
Investment properties	13	26,057	27,057
Property, plant and equipment	14	1,944	2,050
Right-of-use assets	15	3,347	3,547
Goodwill		2	2
Total non-current assets		31,350	32,656
Current assets			
Inventories		19	18
Trade and other receivables	16	128	116
Bank balances and cash		2,977	3,470
Total current assets		3,124	3,604
Total assets		34,474	36,260
Current liabilities			
Trade and other payables	17	500	546
Tenants' deposits		237	224
Tax payable		26	8
Manager's fee payable		53	55
Distribution payable		-	8
Bank loans	18	1,296	3,801
Total current liabilities		2,112	4,642
Total assets less current liabilities		32,362	31,618
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	18	4,481	2,800
Tenants' deposits		330	378
Deferred tax liabilities		6,025	6,230
Total non-current liabilities, excluding net assets attributable to unitholders		10,836	9,408
Total liabilities, excluding net assets attributable to unitholders		12,948	14,050
Non-controlling interests		106	126
Net assets attributable to unitholders		21,420	22,084
Units in issue ('000)		6,463,374	6,353,100
Net asset value per unit (RMB) attributable to unitholders	19	3.3141	3.4762

FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Hui Xian Real Estate Investment Trust ("Hui Xian REIT") is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong). Hui Xian REIT was established on 1 April 2011 and its units were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE") since 29 April 2011. Hui Xian REIT is governed by the Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended by five supplemental deeds dated 24 May 2013, 16 May 2014, 28 May 2015, 19 May 2017 and 14 May 2021 (the "Trust Deed") made between Hui Xian Asset Management Limited (the "Manager") and DB Trustees (Hong Kong) Limited (the "Trustee"), and the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Securities and Futures Commission of Hong Kong (the "SFC").

The principal activities of Hui Xian REIT and its subsidiaries (the "Group") are to own and invest in high quality commercial properties with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of Hui Xian REIT.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). For the purpose of preparation of consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosure requirements set out in Appendix C of the REIT Code issued by the SFC, the relevant provisions of the Trust Deed and the Rules Governing the Listing of Securities on the HKSE.

FINANCIAL INFORMATION

3. SIGNIFICANT ACCOUNTING POLICIES

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period on 1 January 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature- dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

FINANCIAL INFORMATION

4. SEGMENT REPORTING

Hui Xian REIT determines its operating segments based on internal reports that are regularly reviewed by the chief operating decision maker (i.e. the Manager) for the purpose of allocating resources to segments and assessing their performance.

Identified operating and reportable segments are as follows:

Offices:	Renting of office buildings in Oriental Plaza, Beijing, the People's Republic of China (the “PRC”) and Metropolitan Oriental Plaza, Chongqing, the PRC.
Malls:	Renting of the shopping mall and car parking spaces in Oriental Plaza, Beijing, the PRC and Metropolitan Oriental Plaza, Chongqing, the PRC.
Apartments:	Operation of serviced apartment towers in Oriental Plaza, Beijing, the PRC.
Hotels:	Operation of Grand Hyatt Beijing in Oriental Plaza, Beijing, the PRC, The Westin Shenyang, Shenyang, the PRC, Hyatt Regency Metropolitan Chongqing, Chongqing, the PRC and Sheraton Chengdu Lido Hotel, Chengdu, the PRC.

(a) Segment revenue and results

For the year ended 31 December 2024

	<u>Offices</u> RMB million	<u>Malls</u> RMB million	<u>Apartments</u> RMB million	<u>Hotels</u> RMB million	<u>Consolidated</u> RMB million
Segment revenue	<u>1,029</u>	<u>640</u>	<u>163</u>	<u>505</u>	<u>2,337</u>
Segment profit	<u>744</u>	<u>384</u>	<u>88</u>	<u>87</u>	<u>1,303</u>
Decrease in fair value of investment properties					(1,098)
Finance costs, including exchange differences					(505)
Unallocated depreciation					(292)
Unallocated income					66
Unallocated expense					(128)
Loss before taxation and transactions with unitholders					<u>(654)</u>

For the year ended 31 December 2023

	<u>Offices</u> RMB million	<u>Malls</u> RMB million	<u>Apartments</u> RMB million	<u>Hotels</u> RMB million	<u>Consolidated</u> RMB million
Segment revenue	<u>1,066</u>	<u>720</u>	<u>169</u>	<u>390</u>	<u>2,345</u>
Segment profit	<u>779</u>	<u>473</u>	<u>82</u>	<u>34</u>	<u>1,368</u>
Decrease in fair value of investment properties					(865)
Finance costs, including exchange differences					(537)
Unallocated depreciation					(292)
Unallocated income					102
Unallocated expense					(129)
Loss before taxation and transactions with unitholders					<u>(353)</u>

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(a) Segment revenue and results – continued

The accounting policies of the operating segments are the same as the accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of the changes in fair value of investment properties, finance costs, including exchange differences, certain depreciation expenses, certain other income, certain Manager's fees, real estate investment trust expenses and certain other operating expenses that are not directly related to each segmental activities. This is the measure reported to the Manager for the purposes of resource allocation and performance assessment.

(b) Segment assets

The following is an analysis of the Group's assets by operating segment:

	<u>2024</u> RMB million	<u>2023</u> RMB million
Offices	14,239	14,573
Malls	11,896	12,575
Apartments	1,700	1,915
Hotels	3,747	3,816
	<hr/>	<hr/>
Total segment assets	31,582	32,879
Unallocated bank balances and cash	2,846	3,316
Other assets	46	65
	<hr/>	<hr/>
Consolidated total assets	<u>34,474</u>	<u>36,260</u>

For the purposes of monitoring segment performances and resources allocation, all assets are allocated to operating segments other than corporate assets (including certain right-of-use assets, certain bank balances and cash, certain equipment, certain inventories, certain other receivables and goodwill) which are unallocated.

For the measurement of segment assets and results, property, plant and equipment, right-of-use assets and investment properties are allocated to segments while their corresponding depreciation and changes in fair value of investment properties are not allocated to segment results on the same basis.

Segment liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Manager for the purpose of resource allocation and performance assessment.

(c) Geographical information

All of the Group's revenue is derived from activities and customers located in the PRC and the Group's non-current assets are all located in the PRC.

The Group did not have any major customers as no single customer contributed more than 10% of the Group's revenue during both years.

FINANCIAL INFORMATION

4. SEGMENT REPORTING - continued

(d) Other segment information

For the year ended 31 December 2024

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Total reportable segments RMB million	Unallocated RMB million	Consolidated total RMB million
Depreciation	1	-	1	21	23	292	315
Additions to non-current assets	4	20	1	66	91	1	92

For the year ended 31 December 2023

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Total reportable segments RMB million	Unallocated RMB million	Consolidated total RMB million
Depreciation	1	1	1	18	21	292	313
Additions to non-current assets	14	85	2	221	322	1	323

5. REVENUE

For the year ended 31 December 2024

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Consolidated RMB million
Disaggregation of revenue					
Revenue from contracts with customers within the scope of HKFRS 15					
Room revenue	-	-	-	371	371
Food and beverage	-	-	-	119	119
Carpark revenue	-	23	-	-	23
Ancillary services income	184	115	58	15	372
	184	138	58	505	885
Rental income	845	502	105	-	1,452
Total revenue	1,029	640	163	505	2,337
Timing of revenue recognition					
A point in time	25	30	3	132	190
Over time	159	108	55	373	695
Revenue from contracts with customers within the scope of HKFRS 15	184	138	58	505	885

FINANCIAL INFORMATION

5. REVENUE - continued

For the year ended 31 December 2023

	<u>Offices</u> RMB million	<u>Malls</u> RMB million	<u>Apartments</u> RMB million	<u>Hotels</u> RMB million	<u>Consolidated</u> RMB million
Disaggregation of revenue					
Revenue from contracts with customers within the scope of HKFRS 15					
Room revenue	-	-	-	279	279
Food and beverage	-	-	-	98	98
Carpark revenue	-	23	-	-	23
Ancillary services income	189	126	53	13	381
	189	149	53	390	781
Rental income	877	571	116	-	1,564
Total revenue	1,066	720	169	390	2,345
Timing of revenue recognition					
A point in time	28	34	3	108	173
Over time	161	115	50	282	608
Revenue from contracts with customers within the scope of HKFRS 15	189	149	53	390	781

All contracts with customers within the scope of HKFRS 15 are for period of one year or less, except for certain management services (included in ancillary services) which are provided for a period of one year or more. For management services, the Group applied the practical expedient in HKFRS 15 to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant agreements in which the Group bills a fixed monthly amount in advance. As permitted under HKFRS 15, the transaction price of all these services allocated to the remaining performance obligations is not disclosed.

The gross rental from investment properties includes variable lease payments that do not depend on an index or a rate of RMB9 million (2023: RMB11 million).

The direct operating expenses from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB541 million (2023: RMB536 million).

6. OTHER INCOME

	<u>2024</u> RMB million	<u>2023</u> RMB million
Interest income from banks	64	100
Others	3	5
Total	67	105

FINANCIAL INFORMATION

7. OTHER OPERATING EXPENSES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Advertising and promotion	30	29
Audit fee	2	2
Insurance	5	5
Agency fee	32	28
Property manager's fee	64	57
Property management fees	73	68
Repairs and maintenance	70	72
Other miscellaneous expenses (<i>Note</i>)	212	178
Stamp duty	2	2
Urban land use tax	3	3
Urban real estate tax	219	238
Utilities	93	90
Value added tax surcharges	10	10
Loss on disposal of property, plant and equipment	15	14
	<u>830</u>	<u>796</u>

Note: Other miscellaneous expenses comprise mainly cleaning and security expenses, guest supplies and labour service fees.

8. FINANCE COSTS, INCLUDING EXCHANGE DIFFERENCES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Net unrealised exchange loss on bank loans and loan front-end fee	81	94
Net realised exchange loss on bank loans and loan front-end fee arising on settlement	84	44
Interest expenses on unsecured bank loans	340	399
	<u>505</u>	<u>537</u>

9. MANAGER'S FEES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Base fee	95	99
Variable fee	14	14
	<u>109</u>	<u>113</u>

FINANCIAL INFORMATION

10. REAL ESTATE INVESTMENT TRUST EXPENSES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Trustee's fee	3	3
Legal and professional fees	5	4
Trust administrative expenses and others	4	6
	<u>12</u>	<u>13</u>

11. INCOME TAX EXPENSE

	<u>2024</u> RMB million	<u>2023</u> RMB million
The income tax expense comprises:		
Current tax		
- PRC Enterprise Income Tax	273	279
- Withholding tax	42	41
Deferred taxation	<u>(212)</u>	<u>(86)</u>
	<u>103</u>	<u>234</u>

No provision for Hong Kong profits tax was made as the Group's profits neither arose in, nor was derived from, Hong Kong.

PRC Enterprise Income Tax was provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the Group's PRC subsidiaries.

The Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law also required withholding tax to be levied on distribution of profits earned by a PRC entity to non-PRC tax residents for profits generated after 1 January 2008. The applicable withholding tax rate is 5% for the Group. At the end of the reporting period, deferred taxation was provided for in full in respect of the temporary differences attributable to such profits.

12. LOSS PER UNIT

The loss per unit for the year ended 31 December 2024 is calculated by dividing the loss for the year attributable to unitholders before transactions with unitholders of RMB737 million (2023: RMB562 million) by the weighted average of 6,428,644,104 (2023: 6,295,761,615) units in issue during the year, taking into account the units issuable as Manager's fee for its service for the year.

No diluted loss per unit for both years were presented as there were no potential units in issue for both years.

FINANCIAL INFORMATION

13. INVESTMENT PROPERTIES

	<u>2024</u>	<u>2023</u>
	RMB million	RMB million
FAIR VALUE		
At the beginning of the year	27,057	27,739
Additions	24	99
Transferred from property, plant and equipment	8	10
Transferred from right-of-use assets	66	74
Decrease in fair value recognised in profit or loss	(1,098)	(865)
At the end of the year	<u>26,057</u>	<u>27,057</u>

- (a) The Group's investment properties are located in Beijing and Chongqing, the PRC, and are measured using the fair value model.
- (b) Investment properties were revalued on 31 December 2024 and 2023 by Kroll (HK) Limited ("Kroll"), qualified external valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings			Plant and machinery	Construction in progress	Others	Total
	Hotels	Serviced apartments	Others				
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
COST							
At 1 January 2023	2,040	1,078	40	293	179	230	3,860
Additions for the year	37	2	-	7	169	9	224
Disposals for the year	(56)	-	(3)	(9)	-	(8)	(76)
Transfers	312	(134)	-	43	(262)	41	-
Transferred to investment properties	-	-	(16)	-	-	-	(16)
At 31 December 2023	2,333	946	21	334	86	272	3,992
Additions for the year	2	-	-	4	53	6	65
Disposals for the year	(20)	-	-	(1)	-	(6)	(27)
Transfers	205	(190)	-	58	(84)	11	-
Transferred to investment properties	-	-	(21)	-	-	-	(21)
At 31 December 2024	2,520	756	-	395	55	283	4,009
ACCUMULATED DEPRECIATION							
At 1 January 2023	1,050	522	18	152	-	124	1,866
Provided for the year	89	26	3	5	-	21	144
Eliminated on disposals	(46)	-	(3)	(7)	-	(6)	(62)
Transfers	59	(59)	-	-	-	-	-
Transferred to investment properties	-	-	(6)	-	-	-	(6)
At 31 December 2023	1,152	489	12	150	-	139	1,942
Provided for the year	83	24	1	17	-	23	148
Eliminated on disposals	(6)	-	-	(1)	-	(5)	(12)
Transfers	150	(150)	-	-	-	-	-
Transferred to investment properties	-	-	(13)	-	-	-	(13)
At 31 December 2024	1,379	363	-	166	-	157	2,065
CARRYING AMOUNTS							
At 31 December 2024	1,141	393	-	229	55	126	1,944
At 31 December 2023	1,181	457	9	184	86	133	2,050

FINANCIAL INFORMATION

14. PROPERTY, PLANT AND EQUIPMENT - continued

Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method.

The assessment of the recoverable amounts of the Buildings and Right-of-use assets were performed on 31 December 2024 and 2023 by the Manager with reference to the valuations carried out by Kroll, being qualified external valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations. The carrying amount of the relevant assets does not exceed the recoverable amount.

15. RIGHT-OF-USE ASSETS

RMB million

As at 31 December 2024

Carrying amount	<u><u>3,347</u></u>
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As at 31 December 2023

Carrying amount	<u><u>3,547</u></u>
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For the year ended 31 December 2024

Depreciation charge	<u><u>167</u></u>
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For the year ended 31 December 2023

Depreciation charge	<u><u>169</u></u>
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16. TRADE AND OTHER RECEIVABLES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Trade receivables	20	25
Deposits and prepayments	31	16
Advance to suppliers	17	6
Interest receivables	18	29
Other receivables	42	40
	<u><u>128</u></u>	<u><u>116</u></u>

Aging analysis of the Group's trade receivables by invoice dates at the end of the reporting period is as follows:

	<u>2024</u> RMB million	<u>2023</u> RMB million
Less than or equal to 1 month	15	16
1 - 3 months	2	5
Over 3 months	3	4
	<u><u>20</u></u>	<u><u>25</u></u>

FINANCIAL INFORMATION

17. TRADE AND OTHER PAYABLES

	<u>2024</u> RMB million	<u>2023</u> RMB million
Trade payables	178	223
Receipts in advance (<i>Note (i)</i>)	178	182
Others (<i>Note (ii)</i>)	144	141
	<u>500</u>	<u>546</u>

Notes:

- (i) Included in receipts in advance are contract liabilities amounting to RMB65 million (31 December 2023: RMB60 million), which were related to advance receipts from customers under hotels segment, and ancillary services provided in malls, offices and apartments segments.
- (ii) Others comprise mainly accrued salaries, accrued staff welfare and certain operating expense payables.

Aging analysis of the Group's trade payables by invoice dates at the end of the reporting period is as follows:

	<u>2024</u> RMB million	<u>2023</u> RMB million
Less than or equal to 3 months	61	153
Over 3 months	117	70
	<u>178</u>	<u>223</u>

18. BANK LOANS

	<u>2024</u> RMB million	<u>2023</u> RMB million
Unsecured term loans	5,788	6,616
Loan front-end fee	(11)	(15)
	<u>5,777</u>	<u>6,601</u>

The maturities of the above bank loans are as follows:

Within one year	1,296	3,801
More than one year but not exceeding two years	2,125	723
More than two years but not exceeding five years	2,356	2,077
	<u>5,777</u>	<u>6,601</u>
Less: Amounts shown under current liabilities	(1,296)	(3,801)
Amounts due after one year	<u>4,481</u>	<u>2,800</u>

FINANCIAL INFORMATION

18. BANK LOANS - continued

Amount of HK\$1,400 million (equivalent to RMB1,303 million), being part of a credit facility of HK\$1,800 million drawn down by the Group on 22 December 2021, was prepaid in May 2024. The outstanding amount of the credit facility was renewed on 7 October 2024. The total amount of the credit facility utilised by the Group as at 31 December 2024 was HK\$400 million (equivalent to RMB370 million) (31 December 2023: HK\$1,800 million (equivalent to RMB1,631 million)).

A credit facility of RMB700 million was granted to the Group on 12 June 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB700 million. It bears interest at fixed interest rate and is repayable in full in June 2027.

A credit facility of RMB467 million was granted to the Group on 15 November 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB467 million. It bears interest at fixed interest rate and is repayable in full in November 2027.

A credit facility of RMB200 million was granted to the Group on 2 October 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB200 million. It bears interest at fixed interest rate and is repayable in full in October 2027.

A credit facility of RMB625 million was granted to the Group on 25 November 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB625 million. It bears interest at fixed interest rate and is repayable in full in November 2027.

The credit facility of HK\$1,800 million granted to the Group on 23 December 2021 was fully repaid in November 2024 by HK\$1,800 million (equivalent to RMB1,680 million).

The credit facility of HK\$600 million granted to the Group on 15 December 2021 was extended to be due on 20 January 2025. The total amount of the credit facility utilised by the Group as at 31 December 2024 was HK\$600 million (equivalent to RMB556 million).

All bank loans are guaranteed by the Trustee (in its capacity as Trustee of Hui Xian REIT) and certain subsidiaries of Hui Xian REIT.

19. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per unit is calculated based on the net assets attributable to unitholders as at 31 December 2024 of RMB21,420 million (2023: RMB22,084 million) and the total number of 6,463,373,956 units in issue as at 31 December 2024 (2023: 6,353,099,752 units).

20. EVENT AFTER THE REPORTING PERIOD

The credit facility of HK\$600 million (equivalent to RMB568 million) granted to the Group in December 2021 was fully repaid in January 2025. An exchange loss of approximately RMB77 million upon the settlement is realised in the consolidated financial statements of Hui Xian REIT. Such exchange loss will be taken into account as a deduction in the calculation of the amount available for distribution to the unitholders of Hui Xian REIT for the six months period ending 30 June 2025.