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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**

### **PAYMENT OF BASE FEE AND VARIABLE FEE TO THE MANAGER BY WAY OF UNITS IN HUI XIAN REAL ESTATE INVESTMENT TRUST AND CASH**

#### **PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

Reference is made to the announcement issued by the Manager dated 5 January 2023 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ended 31 December 2023 shall be paid to the Manager in the form of cash as to 30% and in the form of Units as to 70%.

The Board announces that the Manager received: (a) payment of the Base Fee in the amount of RMB51,592,309.48, of which RMB36,114,616.64 was paid in the form of Units by way of 49,472,077 Units issued to the Manager on 4 June 2024, and RMB15,477,692.84 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB7,005,844.89, of which RMB4,904,091.42 was paid in the form of Units by way of 6,717,933 Units issued to the Manager on 4 June 2024, and RMB2,101,753.47 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2023 to 31 December 2023. The aggregate number of 56,190,010 Units so issued to the Manager represent approximately 0.88% of the total number of 6,409,289,762 Units in issue immediately after the Issue.

The Manager held 59,003,072 Units immediately before the Issue. Immediately after the issue of the 56,190,010 Units to the Manager under the Issue, the Manager holds 115,193,082 Units, representing approximately 1.80% of the 6,409,289,762 Units in issue immediately after the Issue.

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager shall be such number of Units as may be purchased for the relevant amount of the Base Fee and the relevant amount of the Variable Fee (as the case may be) at the price of RMB0.73 per Unit (being the prevailing Market Price (as defined in the Trust Deed) at the time of the issue of such Units), rounded down to the nearest whole number. The above issue of Units to the Manager is provided for in the Trust Deed and such issue does not require Unitholders' approval pursuant to paragraph 12.6 of the REIT Code.

#### **ADJUSTMENT TO THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE 2023 FINANCIAL YEAR**

Pursuant to the Trust Deed, an adjustment amount of RMB3,390,330.00 was also refunded in cash by the Manager to Hui Xian REIT in respect of the adjustment of the Base Fee and Variable Fee for the 2023 Financial Year.

#### **PAYMENT OF THE MANAGER'S BASE FEE AND VARIABLE FEE FOR THE PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

Pursuant to the Trust Deed, the Manager is entitled to receive:

- (i) the base fee (the "**Base Fee**") of 0.3% per annum of the Property Values (as defined in the Trust Deed) at the relevant time; and
- (ii) the variable fee (the "**Variable Fee**") which is an annual amount equal to 3% per annum of the net property income of each real estate of Hui Xian REIT for that financial year (before deduction therefrom of the Variable Fee and, where the Property Manager is a subsidiary of the Manager, the Property Manager's Fee) ("**NPI**") in respect of each real estate of Hui Xian REIT for each financial year (the "**3% Rate**"). In respect of each real estate of Hui Xian REIT, for so long as the Property Manager is a wholly-owned subsidiary of the Manager, the Manager may elect at any time and from time to time, with effect from the date on which the Property Manager is appointed or the date of such election by the Manager, whichever is later, that the 3% Rate be split between the Manager and the Property Manager, in such proportion as the Manager in its sole discretion deems fit, into 2 portions comprising a variable fee payable to the Manager and a Property Manager's Fee payable to the Property Manager.

As mentioned in the announcement of Hui Xian REIT dated 22 June 2017, pursuant to clause 14.1.2(i)(b) of the Trust Deed, the Manager had elected that with effect from 1 July 2017, the 3% Rate in respect of Beijing Oriental Plaza be split into 2 portions comprising a variable fee payable to the Manager which is equal to 1% per annum of NPI, and a Property Manager's Fee payable to the Property Manager which is equal to 2% per annum of NPI.

The Base Fee and the Variable Fee are payable in arrears after each half-yearly period of each financial year. Pursuant to the Trust Deed, the Manager may elect, annually on or before 15 January of each financial year, to receive the Base Fee and the Variable Fee in the form of cash and/or in the form of Units in respect of that financial year. Reference is made to the announcement issued by the Manager dated 5 January 2023 in relation to the Manager's election that the Base Fee and the Variable Fee for the year ended 31 December 2023 shall be paid to the Manager in the form of cash as to 30% and in the form of Units as to 70%.

For the purpose of calculating the Variable Fee, the aggregate net property income of all real estate of Hui Xian REIT for the period from 1 July 2023 to 31 December 2023 amounted to approximately RMB675 million.

The Board announces that the Manager received: (a) payment of the Base Fee in the amount of RMB51,592,309.48, of which RMB36,114,616.64 was paid in the form of Units by way of 49,472,077 Units issued to the Manager on 4 June 2024, and RMB15,477,692.84 was paid in the form of cash; and (b) payment of the Variable Fee in the amount of RMB7,005,844.89, of which RMB4,904,091.42 was paid in the form of Units by way of 6,717,933 Units issued to the Manager on 4 June 2024, and RMB2,101,753.47 was paid in the form of cash. The fees were paid to the Manager for the period from 1 July 2023 to 31 December 2023. The aggregate number of 56,190,010 Units so issued to the Manager represents approximately 0.88% of the total number of 6,409,289,762 Units in issue immediately after the Issue (as hereinafter defined).

In accordance with the Trust Deed, the number of Units issued as mentioned above as payment of part of the Base Fee and the number of Units issued as mentioned above as payment of part of the Variable Fee to the Manager (the "Issue") shall be such number of Units as may be purchased for the relevant amount of the Base Fee and the relevant amount of the Variable Fee (as the case may be) at the price of RMB0.73 per Unit (being the prevailing Market Price (as defined in the Trust Deed) at the time of the issue of such Units), rounded down to the nearest whole number. The Market Price shall be, according to the Trust Deed, the volume weighted average price for a Unit for all trades in Units on The Stock Exchange of Hong Kong Limited for the period of 10 trading days immediately preceding the date on which the relevant Units were issued to the Manager. The number of Units under the Issue was determined on a basis which is consistent with the relevant provisions of the Trust Deed.

### **TOTAL NUMBER OF UNITS ISSUED TO THE MANAGER IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The number of Units issued to the Manager by way of payment of the Base Fee and Variable Fee for each financial year will be counted as part of the 20% of the outstanding Units that the Manager may issue in each financial year without Unitholders' approval pursuant to paragraph 12.2 of the REIT Code. In addition, pursuant to paragraph 12.6 of the REIT Code, in respect of each financial year, the aggregate number of Units that may be issued to the Manager as payment of the Base Fee and Variable Fee in respect of that financial year shall not exceed 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Hui Xian REIT.

The 100,940,701 Units, being the total number of Units issued to the Manager as payment of the Manager’s fees in respect of the financial year ended 31 December 2023, represent less than 3% of the Units outstanding as at 31 December 2022 (being the last day of the financial year immediately preceding the financial year in respect of which the payment of the Manager’s fees were made). No Units were issued in the financial year ended 31 December 2023 for the purposes of financing any acquisition of real estate by Hui Xian REIT. Therefore, the Issue does not require approval of the Unitholders pursuant to paragraph 12.6 of the REIT Code.

## **UNITHOLDING INTERESTS OF THE MANAGER**

The Manager held 59,003,072 Units immediately before the Issue. Immediately after the issue of the 56,190,010 Units to the Manager under the Issue, the Manager holds 115,193,082 Units, representing approximately 1.80% of the 6,409,289,762 Units in issue immediately after the Issue.

## **ADJUSTMENT TO THE MANAGER’S BASE FEE AND VARIABLE FEE FOR THE 2023 FINANCIAL YEAR**

Pursuant to the Trust Deed, an adjustment amount of RMB3,390,330.00 was refunded in cash by the Manager to Hui Xian REIT in respect of the adjustment of the Base Fee and Variable Fee for the 2023 Financial Year. Such adjustment amount represents the difference between (i) the total amount of the Base Fee and Variable Fee payable to the Manager in respect of the 2023 Financial Year calculated based on the published audited financial statements of Hui Xian REIT for the 2023 Financial Year, and (ii) the total amount of the Base Fee and Variable Fee already paid to the Manager in respect of the 2023 Financial Year. Such adjustment to the Manager’s Base Fee and Variable Fee for the 2023 Financial Year is consistent with the relevant provisions of the Trust Deed.

## **GENERAL**

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

## **DEFINITIONS**

“2023 Financial Year”	the period from 1 January 2023 to 31 December 2023
“Beijing Oriental Plaza”	the composite development known as Oriental Plaza (東方廣場) situated at No.1 East Chang An Ave., Dong Cheng District, Beijing, the PRC
“Board”	the board of directors 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) (Stock Code: 87001)
“Manager”	Hui Xian Asset Management Limited 滙賢房託管理有限公司, as manager of Hui Xian REIT

“Property Manager”	the property manager to which the Manager has delegated the property management functions in respect of any real estate of Hui Xian REIT held directly by the Trustee or indirectly held by the Trustee through a special purpose vehicle and/or joint venture entity
“Property Manager’s Fee”	the fee periodically charged by the Property Manager from time to time in accordance with the relevant management agreement pursuant to which the Property Manager is delegated with the property management functions in respect of any real estate of Hui Xian REIT held directly by the Trustee or indirectly held by the Trustee through a special purpose vehicle and/or joint venture entity
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC (as amended from time to time)
“SFC”	the Securities and Futures Commission
“Trust Deed”	the trust deed dated 1 April 2011 constituting Hui Xian REIT (as amended, modified or 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, or such other person as may from time to time be appointed as the trustee of Hui Xian REIT
“Unitholders”	holders of units of Hui Xian REIT
“Units”	units of Hui Xian REIT

By order of the Board  
**Hui Xian Asset Management Limited**  
 滙賢房託管理有限公司  
 (as Manager of Hui Xian Real Estate Investment Trust)  
**CHEUNG LING FUNG, TOM**  
*Chief Executive Officer and Executive Director of the Manager*

Hong Kong, 4 June 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).*