

RISK FACTORS

An investment in the Units involves significant risks. Prospective investors should consider carefully, together with all other information contained in this Offering Circular, the risk factors described below before deciding to invest in the Units.

As an investment in a collective investment scheme is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of the Units, and the income from them, may rise or fall. Investors should note that they may not get back their original investment and that they may not receive any distributions.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers regarding their prospective investment in the context of their particular circumstances.

Risks Relating to Hui Xian REIT

The joint venture period of BOP is of limited duration, and BOP will be dissolved and Hui Xian REIT's interest in Oriental Plaza will have zero value in approximately 38 years when the joint venture period of BOP expires on 24 January 2049.

Hui Xian REIT's asset is its investment in Hui Xian Investment, the foreign joint venture partner of BOP and BOP holds the land use rights and building ownership rights in respect of Oriental Plaza granted by the PRC Government. The joint venture period of BOP is 50 years from 25 January 1999 to 24 January 2049. The expiry date of the joint venture period of BOP is approximately three months earlier than the expiry date of the land use rights and building ownership rights in respect of Oriental Plaza granted by the PRC Government (which is until 21 April 2049). Unless the joint venture period is extended by agreement between Hui Xian Investment and the Domestic JV Partner and such extension is approved by the relevant approving authority in the PRC, the joint venture period of BOP will expire on 24 January 2049 and following such expiry, BOP will be dissolved in accordance with the relevant laws, rules and regulations of the PRC. The JV Documents provide to the effect that upon the expiration of the joint venture period of BOP on 24 January 2049 (unless extended), and after the repatriation of the injected capital of Hui Xian Investment, the fixed assets of BOP (including Oriental Plaza, the only initial real estate in which Hui Xian REIT will have an investment through Hui Xian Investment, as the foreign party of BOP) will belong to the Domestic JV Partner for no consideration. For details of the JV Documents, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT — JV Documents". At that time, Hui Xian Investment (and thus Hui Xian REIT) will cease to have any direct or indirect interest in Oriental Plaza or its income. As such, unless Hui Xian REIT acquires and holds other real estate investment that generates recurrent rental income before the expiration of the joint venture period of BOP, the value of Hui Xian REIT's interest in Oriental Plaza will be diminishing over time and will have zero value in approximately 38 years when the joint venture period of BOP expires on 24 January 2049 and there is no assurance that the return (if any) achieved by holding and/or disposal of Units will exceed the Unitholders' investment cost.

In reality, it is difficult to ascertain what will be the change in value of Oriental Plaza over time because the value of Oriental Plaza will depend on various market and property specific factors. The market factors are related to the future demand and supply of the different property components of Oriental Plaza which impact rental rates, yields, vacancy rates, etc. The property specific factors are related to the future physical condition of Oriental Plaza, tenancy profile, prevailing rental and occupancy rates, quality of property management, remaining term of land use rights, etc. While the change in the remaining term of land use rights will have an effect on the value of Oriental Plaza, it is not the only determining factor. The value of Oriental Plaza is also affected by other relevant market and property factors mentioned above. Therefore, it is very difficult to determine how the value of Oriental Plaza will vary at any point of the remaining term of the land use rights. However, theoretically, if one were to hold all of the valuation factors mentioned above and the capitalisation rates constant

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throughout the remaining term of the land use rights, the future valuations of Oriental Plaza that one would theoretically expect to observe would decline exponentially until the end of the land use rights term. In other words, the annual decline in value would be smaller in the initial years and would grow increasingly larger towards the final years of the land use rights term.

The joint venture period of BOP will expire before the expiry date of the existing term of the land use rights and building ownership rights, and thus Hui Xian REIT will not benefit from any extension of such term.

As mentioned above, the expiry date of the joint venture period of BOP (being 24 January 2049) is approximately three months earlier than the expiry date of the existing term of the land use rights and building ownership rights in respect of Oriental Plaza (being 21 April 2049). Also, the JV Documents provide to the effect that upon the expiration of the joint venture period of BOP, and after the repatriation of the injected capital of Hui Xian Investment, the fixed assets of BOP (including Oriental Plaza) will belong to the Domestic JV Partner for no consideration. Thus, unless the joint venture period of BOP is extended by an additional period of longer than approximately three months beyond the current expiry date of 24 January 2049, BOP will not (and thus Hui Xian REIT will not) be able to benefit from any extension or renewal (if any) of the term of the land use rights and/or building rights in respect of Oriental Plaza, even if such extension or renewal were granted to BOP (in accordance with the law and policy in the PRC applicable at the relevant time, and/or as a result of further agreement or arrangement between BOP and the relevant parties or authorities, or otherwise). In addition, even if in the future the land use rights and/or building ownership rights in respect of Oriental Plaza are to be extended or renewed, Hui Xian Investment may not be able to benefit from any such extension or renewal of the land use rights and building ownership rights, unless Hui Xian Investment takes part in or otherwise has entitlement to such extended or renewed land use rights and/or building ownership rights.

When making their investment decision, potential investors of Hui Xian REIT should assume that there will not be any extension of the joint venture period of BOP or any renewal or continuation of the cooperation between Hui Xian Investment and the Domestic JV Partner in the operation of the Oriental Plaza which Hui Xian Investment or Hui Xian REIT may benefit from upon expiry of the joint venture period of BOP.

The joint venture period of BOP may be terminated early.

Although the joint venture period of BOP is provided under the JV Documents to be until 24 January 2049, it may be terminated earlier than that date on the grounds of force majeure or difficulty in carrying out the terms of the JV Documents other than due to default of Hui Xian Investment or the Domestic JV Party; a default of Hui Xian Investment; a default of the Domestic JV Partner; or by unanimous approval of the directors of BOP present at a board meeting of BOP. For further details, see the section headed “Material Agreements and Other Documents relating to Hui Xian REIT — JV Documents — Early termination of the joint venture period” of, and the paragraph headed “PRC Laws Regarding Sino-foreign Cooperative Joint Ventures — Termination” in Appendix IX to, the Offering Circular. Depending on the circumstances in which the joint venture period of BOP is terminated, the assets of BOP to be distributed to Hui Xian Investment upon an early termination may be different from those to be distributed to Hui Xian Investment upon expiry of the joint venture period.

Certain matters concerning BOP require consent from the Domestic JV Partner.

Under the joint venture documents relating to BOP, certain matters concerning BOP require the unanimous approval of the directors of BOP present at the relevant board meeting being obtained. Such matters include amendments to the articles of association of BOP, the increase, reduction or transfer of the registered capital of BOP, the dissolution of BOP, mortgaging of assets of BOP, the merger or demerger or any change in the organisational structure of BOP, matters involving the right to use Oriental Plaza and other fixed assets ancillary to Oriental Plaza beyond the joint venture period of

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BOP (being 24 January 2049, unless extended), dealings with the ownership of Oriental Plaza and other fixed assets ancillary to Oriental Plaza, and any other matters which may affect the interests and rights of the Domestic JV Partner or Hui Xian Investment in BOP after the expiry of the term of joint venture or specified by the relevant laws and regulations. Furthermore, the matters involving the right to use Oriental Plaza and other fixed assets of Oriental Plaza beyond 24 January 2049 or dealing with ownership of Oriental Plaza and other fixed assets ancillary to Oriental Plaza require the consents of both Hui Xian Investment and the Domestic JV Partner.

Hui Xian Investment is entitled to appoint nine out of the 12 directors of BOP and the Domestic JV Partner is entitled to appoint the remaining three directors of BOP. Pursuant to the joint venture documents relating to BOP, so long as the legal existence of BOP and the ownership by the Domestic JV Partner of the fixed assets as well as its interests in the distribution of the remaining assets are not jeopardised, the Domestic JV Partner shall actively support all resolutions proposed for decision at the board of directors of BOP. However, there is no assurance that unanimous approval from the board of directors of BOP can be obtained in relation to those matters requiring unanimous approval of the directors of BOP present at the board meeting. If the approval of the directors appointed by the Domestic JV Partner or of the Domestic JV Partner cannot be obtained, those matters requiring unanimous consent of the directors and/ or the joint venture partners of BOP cannot be carried out. This may adversely affect, among other things, the ability of Hui Xian REIT to secure financing and thus Hui Xian REIT's financial condition, business and results of operations with a consequential adverse effect on the ability of Hui Xian REIT to make distributions to Unitholders.

RMB is not freely convertible. There are significant restrictions on the remittance of RMB into and out of the PRC, and the ability of BOP to remit RMB to Hong Kong and the ability of Hui Xian REIT to make distributions in RMB may be subject to future limitations imposed by the PRC government.

BOP receives almost all of its revenue in RMB. Relying on the receipt of dividends or payments from BOP, Hui Xian REIT intends to make distributions to Unitholders in RMB. RMB is not freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government in control over routine foreign exchange transactions on the current account. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover more than twenty provinces and cities in the PRC (including Beijing) and to make RMB trade and other current account item settlement available in all countries worldwide. It is reported that commercial banks in areas such as Beijing and Guangdong Province offer the service of remittance of dividends in RMB outside the PRC for foreign-invested companies. As advised by Commerce and Finance Law Offices, the PRC legal advisers to the Manager, for a foreign-invested company (such as BOP), its dividends and other distributions/payments (whether in a foreign currency or in RMB) representing the profit entitlement of its foreign investor can be legally remitted out of the PRC to its foreign investor without the need to obtain the prior approval or authorisation of the relevant foreign exchange bureau. The PRC legal advisers have also advised that the remittance of dividends and other distributions/payments representing the profit entitlement of Hui Xian Investment in RMB by BOP out of the PRC to Hui Xian Investment could be processed through commercial banks which provide such remittance services, without the need of obtaining any pre-approval or authorisation on the part of the BOP from the relevant foreign exchange bureau. For further details, see the section headed "Appendix IX Overview of the Relevant Laws and Regulations in the PRC and Comparison of Certain Aspects of its Property Laws and the Laws of Hong Kong — Foreign Exchange Control" in this Offering Circular.

There is no assurance that the PRC government will continue to gradually liberalise the level of control over cross-border RMB remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB into or out of the PRC. If BOP is not able to repatriate funds out of the PRC in RMB, Hui Xian REIT will need to source

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RMB offshore to pay distributions to the Unitholders, and its ability to do so will be subject to the overall availability of RMB outside the PRC and there is no assurance that it will be able to source such RMB on satisfactory terms, if at all, or that it will be able to make distributions to Unitholders in RMB.

Fluctuations in the value of RMB could affect the amount of distributions to Unitholders, market value and realisation price of the Units.

As stated in the section headed “Distribution Policy” of this Offering Circular, distributions to Unitholders will, subject to compliance with applicable legal and regulatory requirements, be declared and paid in RMB. As mentioned in the risk factor under the section headed “Risk Factors – RMB is not freely convertible. There are significant restrictions on the remittance of RMB into and out of the PRC, and the ability of BOP to remit RMB to Hong Kong and the ability of Hui Xian REIT to make distributions in RMB may be subject to future limitations imposed by the PRC government.” above, RMB is not freely transferable and there is no assurance that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB into or out of the PRC. Should there be such restrictions, whether due to PRC laws and regulations or any other reason, BOP may have to convert its revenue in RMB to other currencies such as US dollars and/or Hong Kong dollars and pay dividends, distributions and other payments by BOP to Hui Xian Investment in such other currency. In such event and in order to make distributions to Unitholders in RMB, such dividends, distributions and other payments made by BOP in currencies other than RMB will need to be converted back into RMB by selling such other currencies and buying RMB in the market (if available).

The value of RMB against foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The PRC government introduced a limited floating currency system in July 2005 under which the RMB is pegged against a basket of currencies. The exchange rates between the RMB and each of the other currencies comprised in the basket may fluctuate to a significant extent and the RMB may also be revalued in the future.

Fluctuations in the value of RMB (including a depreciation in RMB) and the difference between the buying and selling rates of RMB and the conversion(s) of it (including the conversion by the Unitholders from currencies other than RMB to RMB) may result in the amount of RMB eventually received by the Unitholders being less than the amount of RMB which they would have received had Hui Xian Investment been able to receive dividends, distributions and other payments from BOP in RMB instead of other currencies. A depreciation of RMB may also result in a decrease in the market value of the Units and the realisation price of the Units.

Distributions may be made in a currency other than RMB.

As mentioned in the risk factor under the section headed “Risk Factors – RMB is not freely convertible. There are significant restrictions on the remittance of RMB into and out of the PRC, and the ability of BOP to remit RMB to Hong Kong and the ability of Hui Xian REIT to make distributions in RMB may be subject to future limitations imposed by the PRC government.”, RMB is not freely transferrable and there is no assurance that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB into or out of the PRC. Should there be such restrictions and Hui Xian REIT receives dividends or other payments from BOP in currency other than RMB and if Hui Xian REIT is unable to source sufficient RMB on satisfactory terms or at all for distributions, Unitholders may receive all or part of the distributions (if any) in Hong Kong dollars or US dollars at the discretion of the Manager instead of in RMB.

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There is only limited availability of RMB outside the PRC and there are limitations on the conversion of RMB, which may adversely affect the liquidity of the Units and Hui Xian REIT's ability to raise funds in RMB in the future.

As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside of PRC is limited.

Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited RMB-denominated banking services to Hong Kong residents and specified business customers. The PBOC, the central bank of PRC, has also established an RMB clearing and settlement system for participating banks in Hong Kong. Pursuant to the Settlement Agreement, all corporates are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporates to convert RMB; and there is no longer any restriction on the transfer of RMB funds between different accounts in Hong Kong subject to the practices of individual banks and other applicable regulatory requirements that may be imposed on the banks in Hong Kong from time to time.

In the case of an investor who is an individual, the investor will be subject to a number of restrictions when opening an RMB bank account or settling RMB payments, including:

- RMB bank accounts are only available to Hong Kong residents;
- the existing permitted conversions in relation to personal customers are up to RMB20,000 conducted through RMB deposit accounts per person per day or up to RMB20,000 per transaction per person in bank notes for walk-in personal customers; and
- the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

In particular, as the conversion of RMB is subject to a daily limit, a Unitholder who is an individual may have to allow time for conversion of RMB to another currency of any amount of distribution received from Hui Xian REIT or proceeds from the sale of any Units exceeding the daily limit. A potential investor may also need to accumulate sufficient RMB to pay the subscription price and other fees in connection with its application for the Units.

The above restrictions are not exhaustive as different banks could have different and/or additional restrictions.

The current size of RMB-denominated financial assets outside the PRC is limited. As at the end of February 2011, the total amount of RMB deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB408 billion. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their RMB deposits, which further limits the availability of RMB that participating banks can utilise for conversion services for, or for lending to, its customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporates in relation to cross-border trade settlement and for personal customers of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange.

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There is no assurance that new PRC laws and regulations will not be promulgated in the future which have the effect of restricting availability of RMB offshore. As the Units will be denominated and traded in RMB, the limited availability of RMB outside the PRC may adversely affect the liquidity of Units. As such, there may only be a limited trading market for Hui Xian REIT and the ability of Hui Xian REIT to raise funds in RMB in the future may be limited.

The liquidity and trading price of the Units may be adversely affected by the limitations on the conversion of foreign currency into RMB.

There are a number of limitations on the conversion of RMB (see the risk factor headed “There is only limited availability of RMB outside the PRC and there are limitations on the conversion of RMB, which may adversely affect the liquidity of the Units and Hui Xian REIT’s ability to raise funds in RMB in the future” above). These factors may affect the amount of liquidity in RMB for investors in Units on the Hong Kong Stock Exchange and accordingly adversely affect the market demand for the Units. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Hui Xian REIT will operate principally through its indirect interest in BOP and relies on Oriental Plaza to make distributions and there are various risks relating to the ability and costs of making distributions.

Hui Xian REIT will operate principally through its indirect interest in BOP, the real estate investment of which consists solely of Oriental Plaza. During the joint venture period of BOP, dividend payments and other distributions/payments will be made by BOP to Hui Xian Investment, which in turn will make distributions to Hui Xian BVI and then indirectly to Hui Xian REIT, in each case subject to restrictions on, among other things, BOP’s business and financial condition (including cash flow condition), the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by BOP out of the PRC) or the terms of agreements to which Hui Xian BVI, Hui Xian Investment and/or BOP is, or may become, a party.

In particular, the profits available for distribution by BOP to Hui Xian Investment are determined in accordance with PRC GAAP. Such profits available for distribution by BOP will differ from those by Hui Xian REIT, which will be determined using HKFRS, in certain significant respects, including but not limited to differences in the accounting treatments of depreciation, amortisation and impairment loss in the properties and other fixed assets of BOP and deferred tax thereon. For the years ended 31 December 2007, 31 December 2008 and 31 December 2009 and the ten months ended 31 October 2010, different accounting treatments on depreciation and amortisation and deferred tax thereon between PRC GAAP and HKFRS resulted in increases over the profit available for distribution by BOP of approximately RMB160 million, approximately RMB155 million, approximately RMB157 million and approximately RMB131 million, respectively whilst no impairment loss on properties and other fixed assets of BOP was recorded under HKFRS. In addition, under the relevant PRC financial regulations, profits available for distribution are determined after transfers to statutory reserve funds required under the PRC law.

Furthermore, the amount of profit which is available for distribution by BOP to Hui Xian Investment as determined pursuant to the relevant PRC laws and accounting requirements could be less than the amount of any distribution determined to be paid by Hui Xian REIT to the Unitholders under HKFRS pursuant to its distribution policy. In such circumstances, one of the ways that may be adopted to remedy the situation is for BOP to remit cash to Hui Xian Investment by way of repayment of the existing shareholders’ loan owing by BOP (and payment of related interest) in accordance with the shareholders loan agreement entered into between them and in compliance with the relevant PRC laws. However, necessary administrative procedures should be effected with the relevant foreign exchange authority. Furthermore, it is the intention of the Manager to utilise the revolving credit facility under the Facility to support Hui Xian REIT’s making of distributions in RMB in any of the

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circumstances referred to above. If Hui Xian REIT utilises the revolving credit facility under the Facility or any other borrowing to support its making of distributions, it may incur additional finance costs and that in turn will reduce the distributable income of Hui Xian REIT.

Any negative performance or result of operations with respect to Oriental Plaza will adversely affect the overall performance of Hui Xian REIT and the ability of Hui Xian REIT to make distributions to Unitholders. If Oriental Plaza and any other properties in which Hui Xian REIT has or may subsequently have any direct or indirect interest do not generate sufficient operating profit, Hui Xian REIT's income, cash flow and ability to make distributions will be adversely affected. In addition, if BOP and/or any other entities holding other real estate investments (if any) of Hui Xian REIT has insufficient cash flows or distributable profits, surplus or reserves, or if the entities through which Hui Xian REIT holds Oriental Plaza or other real estate investments (if any) do not make the expected level of distributions, in any financial year, Hui Xian REIT's income, cash flow and ability to pay or maintain distributions to Unitholders will be adversely affected.

In addition to the requirement that there are sufficient profits available for distribution, the ability of BOP to make distributions to Hui Xian Investment will depend on the availability of cash, after taking into account of, among other things, capital expenditure and debt servicing commitments (if any).

Further, the terms of the Facility Agreement require Hui Xian REIT and BOP to maintain certain financial ratios, and contain other restrictions. Hui Xian REIT's and BOP's ability to meet these financial ratios may be affected by events beyond its control. The Manager cannot guarantee that Hui Xian REIT or BOP will be able to meet these ratios. For further details, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT" in this Offering Circular. These provisions may negatively affect the Manager's ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing for Hui Xian REIT, fund future capital expenditures or withstand a future downturn in Hui Xian REIT's business.

The BOC Loan Agreements contain certain covenants which require BOP to pay the current instalment of the outstanding principal of and accrued interest on the loans advanced by BOC to BOP before BOP pays dividends or makes distribution to its shareholders and before BOP repays principal of or interest on its shareholder's loan. For further details, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT" in this Offering Circular. These provisions restrict the ability of BOP to pay dividends and to repay to Hui Xian Investment the principal of and interest on its shareholder's loan which in turn may affect Hui Xian REIT's ability to make distributions to Unitholders.

In addition, fluctuations in interest rates may increase the interest costs incurred from the Facility and incurred under the BOC Loan Agreements and therefore may adversely affect the financial position of Hui Xian REIT and the ability of Hui Xian REIT to make distributions to Unitholders. For further details, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT" in this Offering Circular.

There can be no assurance that BOP, Hui Xian Investment and/or Hui Xian BVI will have sufficient distributable profits or surplus in any future period to enable dividends to be paid or advances are made to Hui Xian REIT. Nor is there any assurance that the level of distributions will increase over time, or that there will be contractual increases in rent under the leases of Oriental Plaza or that the receipt of rental and hotel operation income will increase Hui Xian REIT's cash flow available for distribution to Unitholders.

Distributions may not be made in a timely manner.

Distributions to Unitholders will, subject to compliance with applicable legal and regulatory requirements, be declared and paid in RMB. Hui Xian REIT's initial distribution policy is that two distributions will be made in respect of each year, being distributions with respect to the six-months'

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periods ending 31 December and 30 June, which are anticipated to be paid by the end of June and November in each year, respectively. If, due to the relevant PRC laws and regulations and/or administrative reasons, there is any delay in the remittance of RMB from BOP in the PRC to Hui Xian REIT in Hong Kong, there could be a delay in the timing of payment of distributions to the Unitholders. It is the intention of the Manager to utilise the revolving credit facility under the Facility to support Hui Xian REIT's making of distributions in RMB. For details, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT — Facility Agreement" in this Offering Circular. However, there is no assurance that such Facility will be available at the relevant time or that such Facility will be sufficient to meet the distributions in full or that Hui Xian REIT is able to secure alternative source of RMB on satisfactory terms or at all. Should such Facility be insufficient or no longer available for any reason and Hui Xian REIT is unable to secure an alternative source of RMB of sufficient amount on satisfactory terms, the distributions may be delayed and thus may not be made at the anticipated time or at all.

Dividends payable to Hui Xian Investment by BOP will be subject to PRC withholding tax, and Hui Xian REIT may be subject to PRC taxation on its worldwide income.

Under the PRC Enterprise Income Tax Law, dividends earned after 1 January 2008 paid by a foreign invested enterprise in the PRC to its foreign investor who is a non-resident enterprise will be subject to a 10.0% withholding tax, unless such non-resident enterprise's jurisdiction of incorporation has a tax treaty with the PRC that provides for a reduced rate of withholding tax. According to the Mainland and Hong Kong Special Administrative Region Arrangement on Avoiding Double Taxation or Evasion of Taxation on Income agreed between the PRC and Hong Kong in August 2006, dividends paid by a foreign invested enterprise in the PRC to its direct holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5.0%, if the foreign investor owns directly at least 25.0% of the shares of the foreign invested enterprise, subject to approval by the relevant tax authorities. However, according to a circular issued by the State Administration of Taxation in October 2009, tax treaty benefits will be denied to "conduit companies" or shell companies without business substance. Therefore, dividends paid by BOP to Hui Xian Investment will be subject to withholding tax at a rate of 5.0% subject to approval by the relevant tax authorities. In respect of the dividend in an amount of RMB50 million declared by BOP to Hui Xian Investment on 20 January 2011, Hui Xian Investment enjoys the preferential treatment at the reduced rate of 5.0% as approved by the relevant tax authorities in the PRC.

In addition, under the PRC Enterprise Income Tax Law, an enterprise established outside the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the PRC enterprise income tax at the rate of 25.0% on its worldwide income. The "de facto management body" is defined as the organisational body that effectively exercises overall management and control over production and business operations, personnel, finance and accounting, and properties of the enterprise. It remains unclear how the PRC tax authorities will interpret such a broad definition. As at the date of this Offering Circular, Hui Xian Investment has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the PRC enterprise income tax. If the PRC tax authorities subsequently determine that Hui Xian Investment and/or Hui Xian REIT should be classified as a resident enterprise, then Hui Xian Investment and/or Hui Xian REIT's worldwide income will be subject to PRC enterprise income tax at a uniform rate of 25.0%, which will decrease its earnings from operations. Notwithstanding the foregoing provision, the PRC Enterprise Income Tax Law also provides that, if a resident enterprise directly invests in another resident enterprise, the dividends received by the investing resident enterprise from the invested enterprise are exempted from income tax, subject to certain conditions. Therefore, if Hui Xian Investment is classified as a resident enterprise, the dividends that it receives from BOP may be exempted from income tax. However, it remains unclear how the PRC tax authorities will interpret the PRC tax resident treatment of an offshore company having ownership interest in a PRC enterprise. In addition, if Hui Xian REIT is treated as a PRC tax resident enterprise by PRC tax authorities in the future, any gain realised by the non-resident enterprise Unitholders from the transfer of the Unit may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10.0% PRC withholding tax.

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Should there be any change to the existing PRC tax laws or regulations as mentioned above or the interpretation thereof, or any new PRC laws or regulations promulgated in the future, which have the effect of increasing the rate of withholding tax or restricting or withdrawing the preferential tax treatment, or which otherwise adversely affects the tax payable in respect of the dividend payment to Hui Xian Investment by BOP, this may have an adverse impact on Hui Xian REIT and the Unitholders.

Hui Xian REIT may incur losses arising from claims brought against BOP in connection with the operation of Oriental Plaza.

BOP currently employs and will continue to employ certain personnel in the PRC to carry out certain core functions (such as corporate administration, human resources and supervision), hotel operations and other functions in relation to Oriental Plaza (see the section headed “Oriental Plaza and Business — Employees” in this Offering Circular for further information about arrangements with regard to employees of BOP). There is no assurance that claims will not be brought against BOP for damages, loss or injuries suffered by the employees of BOP or by third parties in connection with the provision of such services by the employees. The losses resulting from the claims brought by the employees of BOP or by third parties in connection with the provision of services by the employees of BOP may not be fully compensated by insurance proceeds. In such event, Hui Xian REIT may incur losses.

Hui Xian REIT and the Manager, which are each newly established entities, do not have established operating histories for investors to rely on in making an investment decision.

The Manager was incorporated on 26 October 2010 and Hui Xian REIT was established on 1 April 2011. While the Cheung Kong Group and HWL Group together previously indirectly owned a majority interest in Hui Xian Investment and Oriental Plaza is managed through certain subsidiaries of Cheung Kong, and while the management team of the Manager have experience managing Oriental Plaza and/or the Hui Xian BVI Group, Hui Xian REIT will only acquire an indirect interest in Oriental Plaza on Completion. Accordingly, neither Hui Xian REIT nor the Manager has operating histories by which their past performance may be judged and you may find it difficult to evaluate their business and prospects. In particular, Hui Xian REIT’s historical financial information included in this Offering Circular may not necessarily reflect its results of operations, financial condition and cash flows in the future or what its results of operations, financial condition and cash flows would have been had it been a separate, stand-alone entity during each of the periods presented. Further, there can be no assurance that the Manager will be able to successfully operate Hui Xian REIT as a REIT or as a publicly-listed entity and, therefore, Hui Xian REIT may incur losses.

Hui Xian REIT’s current and future borrowings give rise to financial risk.

If payment under the current or future bank borrowings is not made on a timely basis, the lending bank may declare a default and enforce the security. Also, if certain financial covenants under the relevant loan agreements are breached, the lending bank may declare an event of default, demand the immediate repayment of all outstanding loans and other sums payable under such loan agreements and enforce the security.

The BOC Term Loan and the BOC Revolving Facility are secured by a mortgage over Oriental Plaza pursuant to two mortgage agreements entered into by BOP and BOC on 30 December 2008 and 12 February 2009, respectively. BOC may enforce such security if any event of default as contained in the BOC Term Loan Agreement and the BOC Revolving Facility Agreement occurs. For details, see the section headed “Material Agreements and Other Documents Relating to Hui Xian REIT — BOC Term Loan Agreement and BOC Revolving Facility Agreement” in this Offering Circular.

The Facility is secured by a pledge over the shares in Hui Xian Investment held by Hui Xian BVI. Hui Xian Holdings may enforce such security if any event of default as contained in the Facility Agreement occurs. For details, see the section headed “Material Agreements and Other Documents Relating to Hui Xian REIT — Facility Agreement” in this Offering Circular.

Further, Hui Xian REIT may, from time to time, require debt financing to achieve the Manager’s investment strategies. Hui Xian REIT will be subject to risks normally associated with debt financing. Payments of principal and interest on borrowings may leave Hui Xian REIT with insufficient cash

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resources to operate its properties or make distributions to Unitholders necessary to maintain its REIT qualification. Hui Xian REIT's level of debt and the limitations imposed on it by its current or future loan agreements could have significant adverse consequences, including, but not limited to, the following: (i) its cash flow may be insufficient to meet its required principal and interest payments; (ii) it may be unable to borrow additional funds as needed or on commercially acceptable terms; (iii) it may be unable to refinance its indebtedness upon maturity or the refinancing terms may be less favourable than the terms of the original indebtedness; (iv) it may default on its obligations and the lenders or mortgagees may foreclose on its properties, and require a forced sale of the mortgaged property, or foreclose on its interests in the entities that own the properties and require a forced sale of those entities; (v) it is subject to restrictive covenants in the Facility Agreement and the BOC Loan Agreements, and may be subject to similar restrictive covenants in future loan agreements, which limit or may limit or otherwise adversely affect Hui Xian REIT's or BOP's operations, such as their ability to incur additional indebtedness, acquire properties, make certain other investments, make capital expenditures, or make distributions to Unitholders, and affirmative covenants, which may require them to set aside funds for maintenance or repayment of security deposits; (vi) it may violate restrictive covenants under the Facility Agreement and in future loan documents, which would entitle the lenders to accelerate its debt obligations; and (vii) its default under any one of its loan agreements could result in a cross default under other indebtedness.

If any one or more of these events was to occur, Hui Xian REIT's financial condition, results of operations, cash flow, cash available for distributions to Unitholders, per Unit trading price, and its ability to satisfy its debt service obligations could be materially adversely affected.

There are significant restrictions on the remittance of RMB out of the PRC and the ability of Hui Xian REIT to service the repayment of the Facility may be subject to limitations imposed by the PRC government.

Hui Xian Investment has in place the Facility which is in RMB. In order to service the repayment of any amount which Hui Xian Investment may borrow pursuant to the Facility and the interest payable thereon, Hui Xian Investment will need to have sufficient RMB to meet such payment obligations when they fall due. Although BOP receives almost all its revenue in RMB, its ability to make dividend and other distributions to Hui Xian Investment in RMB depends on many factors, including but not limited to, the applicable regulatory and legal requirements. As mentioned in the risk factor under the section headed "Risk Factors — RMB is not freely convertible. There are significant restrictions on the remittance of RMB into and out of the PRC, and the ability of BOP to remit RMB to Hong Kong and the ability of Hui Xian REIT to make distributions in RMB may be subject to future limitations imposed by the PRC government" in this section of the Offering Circular, there is no assurance that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB into or out of the PRC and thus, there is no assurance that the ability of BOP to remit RMB to Hui Xian Investment in the form of dividends or other distributions would not be restricted in the future. Furthermore, as a result of the restrictions imposed by the PRC government on cross-border RMB fund flows, the availability of RMB outside of PRC is limited and Hui Xian REIT may not be able to source RMB outside the PRC of sufficient amounts or at all. Should BOP be unable to repatriate funds out of the PRC in RMB and Hui Xian REIT is unable to source sufficient RMB outside the PRC, it may not be able to service the repayment of the principal and interest on any amount that it may borrow under the Facility. For details of the Facility, see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT — Facility Agreement" in this Offering Circular.

The value of Hui Xian REIT may be adversely affected by fluctuations in interest rates.

The business of Oriental Plaza is affected by local, regional and international economic conditions. In particular, fluctuations in interest rates may increase the interest costs incurred from the Facility and incurred under the BOC Loan Agreements and they may adversely affect the financial position of Hui Xian REIT and the ability of Hui Xian REIT to make distributions to Unitholders. Additionally, fluctuations in interest rates, as well as changes in other economic market conditions, may have an adverse effect on the level of activity in the property market, and may have a material adverse effect on the revenue of Hui Xian REIT, the value of its property, and its financial performance and condition.

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For details of the Facility and BOC Loan Agreements, see the section headed “Material Agreements and Other Documents Relating to Hui Xian REIT” in this Offering Circular.

The compensation received for any breach of the Reorganisation Agreement on the part of Hui Xian Cayman may be limited as the guarantee of its performance is given by Hui Xian Holdings only and there is no guarantee from the ultimate shareholders of Hui Xian Holdings.

The obligations of Hui Xian Cayman under the Reorganisation Agreement (including its liabilities in respect of any breach of the representations, warranties and indemnities given by it in respect of Hui Xian BVI Group and Oriental Plaza) are guaranteed by Hui Xian Holdings. However, no guarantee in respect of such obligations of Hui Xian Cayman is given by any of the ultimate shareholders of Hui Xian Cayman, which may be financially stronger than Hui Xian Cayman. As such, if Hui Xian Cayman is in breach of the Reorganisation Agreement and Hui Xian REIT is not compensated by Hui Xian Cayman fully or at all, Hui Xian REIT will not be able to seek any compensation from any of the ultimate shareholders of Hui Xian Cayman, and thus may not be compensated fully for any losses and liabilities suffered or incurred by Hui Xian REIT as a result of a breach of Hui Xian Cayman of its obligations under the Reorganisation Agreement.

The amount that Hui Xian REIT may borrow is limited.

Among other limitations on borrowings, Hui Xian REIT’s borrowings are limited by the REIT Code to no more than 45.0% of its total gross asset value. Based on the borrowings of Hui Xian REIT as at the Listing Date (amounting to approximately RMB200 million after the repayment of part of the BOC Term Loan on 6 April 2011), and the total gross asset value of Hui Xian REIT as stated in the unaudited pro forma statement of financial position of Hui Xian REIT set out in Appendix II to this Offering Circular, the aggregate amount of the existing borrowings will represent no more than 1.0% of the total gross asset value of Hui Xian REIT. Should the Facility be fully drawn, and on a similar basis as mentioned above, the aggregate amount of the existing borrowings and borrowings drawn under the Facility will represent no more than 5.0% of the total gross asset value of Hui Xian REIT. However, there can be no assurance that Hui Xian REIT’s borrowings will not over time exceed 45.0% of its gross asset value, whether following any revaluation of assets or otherwise. From time to time, Hui Xian REIT may need to draw down on its loan facilities and to use overdrafts but may be unable to do so due to the 45.0% borrowing limit. In addition, Hui Xian REIT may also face difficulties in securing financing, either on a timely basis or on commercially acceptable terms, or at all, in asset-backed lending transactions secured by real estate, in particular in view of the manner in which land use rights in Oriental Plaza are held and the requirement for certain matters to be unanimously approved by the directors of BOP present at the relevant board meeting (see the risk factor headed “Certain matters concerning BOP require consent from the Domestic JV Partner” above). Further, the use of leverage may increase the exposure of Hui Xian REIT to adverse economic factors such as rising interest rates and economic downturns.

Hui Xian REIT’s growth depends on external sources of capital which are outside of its control.

The Manager’s policy is to distribute to Unitholders an amount equal to 100.0% of Hui Xian REIT’s Annual Distributable Income for the period from the Listing Date to 31 December 2011 and the financial year ending 31 December 2012 and thereafter at least 90.0% of Hui Xian REIT’s Annual Distributable Income for each financial year. Also, in order to maintain Hui Xian REIT’s qualification as a REIT, it is required under the REIT Code to annually distribute at least 90.0% of its audited annual net income after tax. In addition, the Manager has the discretion to distribute any additional amounts (including capital). Therefore, Hui Xian REIT may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, it may need to rely on external sources of funding to expand its portfolio, which may not be available on commercially acceptable terms or at all. If Hui Xian REIT cannot obtain capital from external sources, it may not be able to acquire properties when strategic opportunities exist, satisfy its debt service obligations or make the cash distributions to the Unitholders necessary to maintain its qualification as a REIT.

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Failure of Hui Xian BVI Group to continue to receive financing would adversely affect its business, ability to sustain or grow its business and financial stability.

The Hui Xian BVI Group had in the past owed, and currently owes, substantial amounts to Hui Xian Holdings and other lenders. As at 31 December 2007, 31 December 2008, 31 December 2009 and 31 October 2010, Hui Xian BVI Group had incurred net current liabilities of approximately RMB7,745 million, approximately RMB8,298 million, approximately RMB7,019 million and approximately RMB6,001 million respectively, which were mainly attributable to the borrowings from Hui Xian Holdings and the loan borrowed pursuant to the BOC Term Loan Agreement.

Although the borrowings from Hui Xian Holdings will be either repaid (including repayments using the net proceeds from the Offering) or assigned to the Trustee (as trustee of Hui Xian REIT), and as a result the net current liabilities of Hui Xian BVI Group will be substantially reduced, if BOC does not continue to provide financing to Hui Xian BVI Group, or Hui Xian REIT cannot obtain sufficient or additional funding on commercially acceptable terms or if Hui Xian REIT encounters significant working capital requirements or cash outflows, Hui Xian REIT may not have sufficient liquidity or the credit capacity to meet all of its cash needs including repayment of bank and other borrowings, and hence, may be subject to claims or litigation by lenders or other creditors. In such a case, the financial condition of Hui Xian REIT may be adversely affected and Hui Xian REIT may not be able to successfully implement its business strategies which could also adversely affect its business, prospects and financial stability.

Hui Xian REIT depends on certain key personnel, and the loss of any key personnel may adversely affect its business, financial condition and results of operations.

Hui Xian REIT's success depends, in part, upon the continued service and performance of the key executive officers and certain other key senior personnel of the Manager, BOP and in respect of the Property Manager, the service and performance of the key executive officers to be appointed. These persons may leave the Manager, BOP and/or the Property Manager in the future, and also may thereafter compete with it and Hui Xian REIT. The loss of any of these individuals could have a material adverse effect on Hui Xian REIT's business, financial condition and results of operations.

Hui Xian REIT's success depends on the ability of the Manager, the Property Manager and the Hotel Manager to operate Oriental Plaza and their failure to operate Oriental Plaza in an efficient and effective manner could have a material adverse effect on the value of Oriental Plaza and Hui Xian REIT's results of operations.

Hui Xian REIT depends on the Manager to manage its operations and its portfolio of real estate assets. The Manager has no operating history and it will depend upon the fees and other compensation it will receive from Hui Xian REIT in connection with management, the purchase and sale of properties of Hui Xian REIT's to conduct its operations.

After the establishment of the Property Manager, the Property Manager will be engaged to provide certain property management functions and services. BOP will enter into the Operations Management Agreement with the Property Manager which will perform all day-to-day operation and management functions in respect of Oriental Plaza (excluding Grand Hyatt Beijing). Under the Operations Management Agreement, the Property Manager will be responsible for providing property management co-ordination services, leasing management services and marketing services in relation to Oriental Plaza (excluding Grand Hyatt Beijing) and as agent on behalf of BOP to select and recommend services providers to provide such services and the Property Manager will also monitor, on behalf of BOP, the performance of the services providers. In addition, Grand Hyatt Beijing is managed by the Hotel Manager pursuant to the Hotel Management Agreement. The Hotel Manager has full control and discretion in the management, operation and promotion of Grand Hyatt Beijing, subject to certain matters requiring the approval of BOP.

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The failure of the Property Manager or the Hotel Manager to manage appropriately Oriental Plaza will adversely affect the underlying value of Oriental Plaza and Hui Xian REIT's results of operations and ability to make distributions to Unitholders and pay amounts due on its indebtedness. In addition, any adverse changes in Hui Xian REIT's relationship with the Manager, or the Manager's relationship with the Property Manager or the Hotel Manager, could hinder their respective abilities to manage Hui Xian REIT's operations and its portfolio of real estate assets.

The operations of the Manager, the Hotel Manager and certain property services providers are subject to regulation and their licensing, qualification and approval conditions.

The Manager is required to be licensed under the SFO for the regulated activity of asset management. The Hotel Manager and certain of BOP's property services providers, including but not limited to BJ Citybase and BJ Goodwell, are required to hold the necessary certificate of qualification and obtain approval from the relevant governmental department for their respective businesses, in the PRC. No assurance can be given that the Manager, the Hotel Manager and such property services providers will each be operated and managed in accordance with their respective licensing and approval conditions. The departure of responsible officers of the Manager may result in the loss of the Manager's licence to act as the manager of Hui Xian REIT. The breach of certain conditions of the respective licence and/or approval conditions of the Hotel Manager and such property services providers may result in the loss or revocation of their respective licences or approvals to act as the property service providers or the hotel manager of the relevant parts of Oriental Plaza. In the event that the Manager ceases to be licensed under the SFO, or the Hotel Manager or such property services providers cease to hold the required licence or the necessary approval under the relevant laws and regulations of the PRC is revoked, Hui Xian REIT may need to appoint other licensed or approved management companies and/or property service providers. The loss of the services of any of the Manager, the Hotel Manager or such property service providers may materially and adversely affect the businesses, financial condition and results of operations of Hui Xian REIT. In the event no other management companies duly licensed or approved are willing to replace the existing Manager the Trustee may terminate Hui Xian REIT.

If the Operations Management Agreement and/or the Hotel Management Agreement expire or are terminated early, Hui Xian REIT may not be able to enter into a new operations management agreement and/or new hotel management agreement in the future on similar terms.

Upon expiration or termination of the Operations Management Agreement or the Hotel Management Agreement (which shall expire on 31 December 2019), subject to market conditions then prevailing, the Manager may not be able to substitute the relevant Property Manager or the Hotel Manager in a timely manner, or on terms similar to those under the Operations Management Agreement or the Hotel Management Agreement (as the case may be). During any period where there is no property manager or hotel manager in place, the Manager will have to operate Oriental Plaza directly and Hui Xian REIT could face a substantial disruption to its operations and an increase in costs incurred for management of Oriental Plaza and for certain corporate and administrative services.

The loss of key tenants or a downturn in the business of its tenants, which include connected persons of Hui Xian REIT, could have an adverse effect on Hui Xian REIT's financial condition and results of operations.

If a key tenant experiences a downturn in its business or other types of financial distress, such as bankruptcy or insolvency, it may be unable to make timely rental payments. Hui Xian REIT's claims for unpaid rent against a bankrupt tenant may not be paid in full. In addition, Hui Xian REIT would incur time and expense relating to any eviction proceedings and would be unable to collect rent during such proceedings. Further, when its key tenants decide not to renew their leases or terminate early (in cases where a key tenant has termination rights), it may not be able to re-let the space. Even if key tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favourable to Hui Xian REIT than current

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lease terms. As a result of these events, Hui Xian REIT's cash flow could decrease and it may not be able to make distributions to Unitholders.

In addition, if the key tenants experience a downturn in their businesses, it may weaken their financial condition and result in their failure to make timely rental payments or to default under the leases. Tenants in a particular industry might be affected by any adverse downturn in that industry and this may result in their failure to make timely rental payments or to default under the leases. The key tenants may also fail to renew their leases for other reasons. If any key tenant defaults, fails to make timely rental payments, or fails to renew its lease, Hui Xian REIT may experience delays in enforcing its rights as landlord, may incur substantial costs in protecting its investment and may be unable to re-let the space.

Hui Xian REIT may be unable to renew leases, lease vacant space or re-lease space as leases expire.

As at 31 January 2011, leases representing approximately 17.9%, approximately 32.0% and approximately 17.8% of the total leased Rentable Area of The Malls and leases representing approximately 25.4%, approximately 35.1% and 29.8% of the total leased Rentable Area of The Tower Offices were scheduled to expire in the years ending 31 December 2011, 31 December 2012 and 31 December 2013 respectively. The Manager cannot assure that leases will be renewed or that new leases will be entered into for the vacant spaces at rental equal to or above the current rental. If the rental for Oriental Plaza decreases, Hui Xian REIT's existing tenants do not renew their leases or Hui Xian REIT is unable to enter into new leases in respect of a significant portion of its available space and space for which leases are scheduled to expire, Hui Xian REIT's financial condition, results of operations, cash flow, per unit trading price of the Units, and its ability to satisfy its debt service obligations could be materially adversely affected. For details of the expiries in respect of leases of The Malls and The Tower Offices, see Appendix V to this Offering Circular.

Decreases in property values as a result of the revaluation of Oriental Plaza could result in a decrease in the annual consolidated net profit of Hui Xian REIT for that year and may also trigger certain events of default which may lead to adverse consequences under the Facility Agreement.

The property held by Hui Xian REIT is subject to regular revaluation as required under the REIT Code. Under Hui Xian REIT's accounting policy as currently required under the REIT Code and by applicable HKFRS, any decrease in the valuation of its investment property could result in non-cash charges to the statement of comprehensive income, and may give rise to a substantial decline in annual consolidated net profit. Under the Trust Deed, Annual Distributable Income for a financial year is the amount calculated by the Manager (based on the audited financial statements of Hui Xian REIT for that financial year) as representing the consolidated audited net profit after tax of Hui Xian REIT and the Special Purpose Vehicles for that financial year, as adjusted to eliminate the effect of Adjustments (as defined in the section headed "Distribution Policy" in this Offering Circular). While the Manager may (but is not obliged to as they are not Adjustments) include in its annual distribution amounts referable to any unrealised property revaluation losses, the Manager's ability to do so is subject to, and may be constrained by, compliance with the gearing ratio prescribed by the REIT Code, which currently limits Hui Xian REIT's borrowings to no more than 45.0% of Hui Xian REIT's total gross asset value.

In the event a property revaluation results in a reduction in gross asset value and consequently Hui Xian REIT's borrowings as a proportion of total gross asset value rise above the applicable borrowing limit requirement, the Manager would be required to retain funds that would otherwise be distributable to the Unitholders so as to increase Hui Xian REIT's total gross asset value and Hui Xian REIT may be constrained from further borrowing.

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The Manager may change Hui Xian REIT's investment strategy.

Hui Xian REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager. Unitholders and potential investors should note that, subject to the requirements of the REIT Code, the Trust Deed, the Listing Agreement and applicable law, the Manager has absolute discretion to determine the investment strategy of Hui Xian REIT and the investments and acquisitions made by Hui Xian REIT, which may result in reduction in net income or even losses to Hui Xian REIT.

There are potential conflicts of interest between Hui Xian REIT, the Manager, the Cheung Kong Group, Fortune REIT and Prosperity REIT.

Cheung Kong will be an "associate" of a significant holder of Hui Xian REIT upon listing of Hui Xian REIT for the purpose of the REIT Code. The principal activities of the Cheung Kong Group include property development and investment in the PRC (including Beijing) and elsewhere. The Cheung Kong Group engages in developing high-quality and large scale properties for sale and investment in the retail, office, serviced apartments and hotel sectors. As a result, there may be circumstances where Hui Xian REIT and the Cheung Kong Group may compete with each other in some respects. Cheung Kong will have the ability through its wholly-owned subsidiaries to influence Hui Xian Cayman's right as a Unitholder in respect of the affairs of Hui Xian REIT (in so far as such matters are subject to the vote by the Unitholders and Hui Xian Cayman is not required to abstain from voting), including in relation to approval of significant corporate transactions, such as acquisitions or disposals. In addition, two non-executive Directors, being KAM Hing Lam and IP Tak Chuen, Edmond, and some of the senior executives of the Manager, are also directors and/or senior executives of Cheung Kong and/or its affiliated companies. Furthermore, the Manager is 30.0% owned by a wholly-owned subsidiary of Cheung Kong and 30.0% indirectly owned by ARA in which Cheung Kong has approximately 15.6% indirect interest as at the Latest Practicable Date, and certain services providers engaged for the provision of services to BOP are also subsidiaries of Cheung Kong. Cheung Kong indirectly holds units in both Fortune REIT and Prosperity REIT and it may in the future invest in other REITs which compete, or may compete, directly or indirectly with Hui Xian REIT. Fortune REIT and Prosperity REIT are managed by ARA Asset Management (Fortune) Limited and ARA Asset Management (Prosperity) Limited, respectively, both of which are wholly-owned subsidiaries of ARA. Although currently Prosperity REIT's properties and Fortune REIT's properties are located in Hong Kong whereas Oriental Plaza, the initial property in which Hui Xian REIT is interested, is located in the PRC, Fortune REIT and Prosperity REIT may in the future invest in properties in the PRC. As a result, there may be circumstances where Hui Xian REIT on the one hand, and the Cheung Kong Group, Fortune REIT and Prosperity REIT on the other hand may compete with each other for property acquisition and leasing opportunities. Hui Xian REIT on the one hand, and the Cheung Kong Group, Fortune REIT and Prosperity REIT on the other hand may also acquire properties or other assets from each other or may enter into other transactions with each other in the future. There can be no assurance that a conflict of interest will not arise between Hui Xian REIT, the Manager, the Cheung Kong Group, Fortune REIT and Prosperity REIT. In particular, conflicts of interests may arise in connection with the aforesaid potential acquisitions, leasing opportunities and transactions and in agreeing the terms of such potential acquisitions, leasing opportunities and transactions.

The Manager is an associated company of ARA. There are potential conflicts of interest between Hui Xian REIT and REITs and private real estate funds managed by ARA for property acquisition and leasing opportunities.

ARA, its subsidiaries and associated companies are engaged in the management of publicly-listed REITs, including Prosperity REIT and Fortune REIT and private real estate funds investing in Asia, including the PRC. ARA indirectly owns a 30.0% interest in the Manager and two of ARA's directors are on the board of the Manager. Mr. IP Tak Chuen, Edmond is a non-executive director of ARA and a non-executive director of the manager of Fortune REIT. As such, Mr. Ip may have conflicting duties because, in his capacity as a Director, he has a duty to Hui Xian REIT, and in his capacity as a director of the manager of Fortune REIT and ARA, he has duties to Fortune REIT and ARA respectively. In

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addition, Mr. LIM Hwee Chiang is a substantial shareholder and director of ARA and a director of the managers of Prosperity REIT and Fortune REIT. As such, Mr. Lim may have conflicting duties because, in his capacity as a Director, he has a duty to Hui Xian REIT, and in his capacity as a director of the manager of Fortune REIT, the manager of Prosperity REIT and ARA, he has duties to Fortune REIT, Prosperity REIT and ARA respectively.

Although these conflicts are reduced in view of the fact that private real estate funds managed by ARA generally focus on strategic and opportunistic real estate which entail higher risks than that of Hui Xian REIT and also the fact that Fortune REIT's and Prosperity REIT's primary geographical focus is on Hong Kong and not on the PRC, conflicts of interest could nonetheless arise which could lead to decisions that are not in the best interests of the Unitholders of Hui Xian REIT. In particular, there may be circumstances where Hui Xian REIT on the one hand, and publicly-listed REITs and private real estate funds managed by ARA on the other hand may compete with each other for potential acquisition and leasing opportunities. Hui Xian REIT on the one hand, and publicly-listed REITs and private real estate funds managed by ARA on the other hand may also acquire properties or other assets from each other or may enter into other transactions with each other in the future. Conflicts of interests may arise in connection with the aforesaid potential acquisitions, leasing opportunities and transactions and in agreeing the terms of such potential acquisitions, leasing opportunities and transactions.

The Manager is an associated company of CITIC Securities International. There are potential conflicts of interest between Hui Xian REIT, the Manager and CITIC Securities Group.

The principal activities of CITIC Securities Group include securities and futures trading, underwriting and sponsoring, proprietary trading, asset management, securities investment advisory services, financial advisory, research and fixed income services. CITIC Securities Group, on its own account and/or clients' accounts, is engaged in the trading of property-related securities and funds. CITIC Securities International indirectly owns a 40.0% equity interest in the Manager. In addition, Yin Ke and Kwan Man Fai, Louis are directors and senior executives of certain members of CITIC Securities Group and also directors of the Manager. Although Hui Xian REIT and CITIC Securities Group are engaged in different businesses, there is no assurance that conflicts of interest will not arise between Hui Xian REIT, the Manager and CITIC Securities Group. In particular, should there be transactions between Hui Xian REIT and CITIC Securities Group, conflicts of interests may arise in agreeing the terms of such transactions.

Adverse global economic conditions could adversely affect the business, financial condition and results of operations of Hui Xian REIT.

The global financial crisis that unfolded in 2008 and continued during 2009 resulted in a marked slowdown in world economic growth, economic contractions in certain markets (including in the PRC where Hui Xian REIT operates), increased commercial and consumer delinquencies, weakened consumer confidence and increased market volatility. Oriental Plaza was adversely affected by such global financial crisis. For details, see the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Offering Circular. While there are signs that the economies of the PRC and other countries have begun to recover, we cannot assure you that the global financial crisis will not return.

Oriental Plaza, the only initial real estate investment in which Hui Xian REIT has an interest, comprises retail, office, serviced apartments and hotel properties in Beijing and is vulnerable to decreased consumer spending and reduced disposable income as a result of these unprecedented conditions. Hui Xian REIT may be adversely affected by, among other things:

- (a) the potential reduced ability of its tenants to pay rent in a timely manner or at all, reducing Hui Xian REIT's revenue and cash flow;
- (b) the potential reduction of or fluctuations in demand for retail and office space, leading to vacancies or reductions in the space leased by tenants and a potential oversupply of such space;

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- (c) the potential reduction of or fluctuations in demand for hotel rooms and service apartment units and facilities leading to vacancies
- (d) downward pressure on rental rates, room rates and other operating income;
- (e) reduction of or fluctuations in liquidity and potential difficulty in borrowing;
- (f) the increased likelihood that one or more of Hui Xian REIT's lenders or insurers may be unable to honour their commitments to Hui Xian REIT; and
- (g) an increase in counterparty risk.

Any global economic slowdown or financial market turmoil in the future may adversely affect the business of the tenants of the retail, office, hotel and serviced apartment components of Oriental Plaza, which may lead to a decrease in the general demand for Oriental Plaza and a decrease in the rents or room rates and other income of Oriental Plaza. In addition, since a portion of the rental income of Hui Xian REIT is derived from the turnover of the tenants of Oriental Plaza, which is more volatile than base rent, any drop in consumer demand for the goods and services of the tenants of Oriental Plaza could reduce Hui Xian REIT's rental income from retail properties and have an adverse impact on Hui Xian REIT's results of operations.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the businesses, financial condition and results of operations of Hui Xian REIT.

The outbreak of infectious diseases such as Influenza A (H1N1-2009), avian influenza or Severe Acute Respiratory Syndrome in Asia and elsewhere, together with any resulting restrictions on travel and/or the imposition of quarantines, could have a negative impact on economic and business activities in Asia and elsewhere including consumer spending in Beijing, and could thereby adversely impact the revenues and performance of Hui Xian REIT. There can be no assurance that any precautionary measures taken against infectious diseases will be effective. A future outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could have an adverse effect on the operations of Oriental Plaza, and on the business, financial condition and results of operations of Hui Xian REIT.

The representations, warranties and indemnities granted in favour of Hui Xian REIT by Hui Xian Cayman are subject to limitations.

The representations, warranties and indemnities granted in favour of Hui Xian REIT by Hui Xian Cayman (see the section headed "Material Agreements and Other Documents Relating to Hui Xian REIT" in this Offering Circular) are subject to limitations as to their scope and as to the amount and timing of claims which can be made thereunder. There can be no assurance that Hui Xian REIT will be fully reimbursed under such representations, warranties and indemnities for all losses or liabilities suffered or incurred by it (if any) as a result of its indirect acquisition of an interest in Oriental Plaza.

You should only rely on the information included in this Offering Circular to make your investment decision and should not rely on any particular statements in published news reports.

Prior to the publication of this Offering Circular, there may have been press and media coverage regarding Hui Xian REIT and/or Oriental Plaza, and the Offering, which may also have included certain financial projections and other forward-looking statements and information about Hui Xian REIT that does not appear in this Offering Circular. Published news reports should not, in any way, be interpreted as rental or profit projections of Hui Xian REIT. The Manager has not authorised the disclosure of any such information in the press or media. Hui Xian REIT does not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. The Manager makes no representation as to the appropriateness, accuracy, completeness or reliability of any such

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information or publication. If any such information appearing in publications other than this Offering Circular is inconsistent or conflicts with the information contained in this Offering Circular, the Manager disclaims it.

Accordingly, you should only rely on the information included in this Offering Circular to make your investment decision and should not rely on any other information.

Risks Relating to Oriental Plaza

Hui Xian REIT presently relies on Oriental Plaza for all of its revenue. This exposes Hui Xian REIT to concentration risk.

Hui Xian REIT presently relies on Oriental Plaza for all of its revenue. This concentration may entail a higher level of risk as compared to some other REITs that have more than one property, in particular those with properties spreading over several different locations or have a more diverse range of investments. Any circumstance that adversely affects the operations or business of Oriental Plaza, or its attractiveness to tenants, may adversely affect the revenue generated by Oriental Plaza, and Hui Xian REIT will not have income from other properties to mitigate any ensuing loss arising from such circumstance. A concentration of investment in Oriental Plaza causes Hui Xian REIT to be highly susceptible to market conditions in the PRC as a whole and Beijing in particular.

Oriental Plaza is located in Beijing, which exposes Hui Xian REIT to economic and property market conditions in Beijing and the PRC as a whole, as well as to economic measures implemented by the PRC Government to prevent the overheating of the PRC property market.

Oriental Plaza, the only real estate in which Hui Xian REIT has an interest for the time being, is situated in Beijing, which exposes Hui Xian REIT to the risk of a downturn in economic and property market conditions in Beijing in particular and the PRC as a whole. The value of Oriental Plaza may be adversely affected by a number of local property market conditions, such as oversupply, the performance of other competing commercial properties or reduced demand for commercial space.

Hui Xian REIT's business and financial conditions and results of operations also depend, to a large extent, on the performance of the economy of Beijing and of the PRC as a whole. An economic downturn or a downturn in the property market in Beijing and/or the PRC as a whole could adversely affect Hui Xian REIT.

The attractiveness of Oriental Plaza may be affected if other commercial districts in Beijing develop.

Some of the key attractions of Oriental Plaza include its location within one of the main commercial districts in Beijing. As other commercial districts in Beijing develop and become popular with businesses, Oriental Plaza may become less attractive to tenants and hotel guests. Such developments could cause existing tenants in The Malls, The Tower Offices and The Tower Apartments to relocate away from The Malls, The Tower Offices and The Tower Apartments and existing hotel guests to choose to stay in other hotels, and Hui Xian REIT may have to lower rental and room rates at Oriental Plaza in order to retain existing tenants and hotel guests or attract new tenants and hotel guests. As a result, Hui Xian REIT's business, financial condition and results of operation could be adversely affected.

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The revenue earned from, and the value of, Oriental Plaza may be adversely affected by a number of factors.

The revenue earned from, and the value of, Oriental Plaza may be adversely affected by a number of factors, including:

- (a) vacancies following the expiry of termination of tenancies that lead to reduced occupancy rates which reduce Hui Xian REIT's revenue and its ability to recover certain operating costs through service charges;
- (b) the inability of BOP, the Property Manager and the Hotel Manager to collect rent and charges from tenants and hotel guests on a timely basis or at all;
- (c) tenants and agents requesting rebates on rental and room charges due to the impact of any economic downturn;
- (d) tenants, hotel guests and agents requesting waiver of interest on late payment of rent and room and service charges;
- (e) the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- (f) the recurring need for renovation, refurbishment and improvement of Oriental Plaza;
- (g) the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for retail space, office space, serviced apartments and/or hotel rooms/facilities changes in market rental and room rates and operating expenses for Oriental Plaza);
- (h) increased competition from existing and new retail, office, serviced apartments and/or hotel properties in surrounding areas;
- (i) the Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- (j) competition for tenants and hotel guests from other properties and/or hotel operations which may affect rental and other income or occupancy levels at Oriental Plaza; and
- (k) natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Manager.

Accordingly, the current yield on Oriental Plaza may not be sustained.

Hui Xian REIT's ability to make distributions to Unitholders could be adversely affected if property expenses, such as maintenance charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include but are not limited to:

- (a) increase in wages, prices, energy costs and maintenance costs;
- (b) increase in agent commission expenses for procuring new tenants and hotel guests;
- (c) increase in property tax assessments and other statutory charges;
- (d) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (e) increase in sub-contracted service costs;
- (f) increase in the rate of inflation;
- (g) increase in insurance premiums and interest rates;
- (h) increase in costs relating to adjustment of the tenant mix; and
- (i) increase in the operating costs of Grand Hyatt Beijing.

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The due diligence exercise on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies.

In connection with the acquisition of an interest in Oriental Plaza by Hui Xian REIT, due diligence reviews, surveys and inspections have been conducted by Savills Project Consultancy Limited, an independent property consultant. A letter from Savills Project Consultancy Limited in relation to its due diligence survey report is set out in Appendix VIII to this Offering Circular. The due diligence survey comprised, among others: (i) visual inspection of Oriental Plaza; (ii) verification of the current building layouts and usage against the latest approved building plans; (iii) visual inspection of all accessible building elements, including the façade, roof, windows and skylights; (iv) verification of existing or potential hazards; and (v) visual inspection of electrical and mechanical plans and installations, including air conditioning, fire services, plumbing and drainage. Nevertheless, the due diligence process with respect to the physical condition of Oriental Plaza has been limited. There can be no assurance that such reviews, surveys or inspections (or the relevant review, survey or inspection reports on which Hui Xian REIT, the Manager, the Joint Listing Agents and the Underwriters have relied) would have revealed all defects or deficiencies affecting the portfolio of Oriental Plaza. In particular, there can be no assurance as to the absence of: (i) latent or undiscovered defects or deficiencies; or (ii) inaccuracies or deficiencies in such reviews, surveys or inspection reports, any of which could have a material adverse impact on Hui Xian REIT's business, financial condition and results of operations.

Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow.

If Oriental Plaza has design, construction or other latent property or equipment defects as described above, these may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or the incurring of other obligations to third parties, other than those disclosed in this Offering Circular. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Hui Xian REIT's earnings and cash flows.

Statutory or contractual representations, warranties and indemnities given by any seller of real estate or company holding an interest in real estate are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

The Appraised Value of Oriental Plaza is based on various assumptions and the price at which BOP is able to sell Oriental Plaza may be different from the Appraised Value or initial acquisition value of Oriental Plaza.

The Independent Property Valuer's Valuation Report is contained in Appendix V to this Offering Circular. In conducting its valuations, the Independent Property Valuer primarily adopted the income capitalisation approach. The valuation was based on certain assumptions (for details, see the paragraph headed "Assumptions" in Appendix V to this Offering Circular), which, by their nature, are subjective and uncertain and may differ materially from actual measures of the market. In addition, property valuations generally, and the valuation conducted by the Independent Property Valuer in particular, include a subjective determination of certain factors relating to Oriental Plaza, such as its relative market position, its financial and competitive strengths, location, and its physical condition. The key drivers of the income capitalisation approach are the market rent and the capitalisation rate. In arriving at the Appraised Value based on such approach, the Independent Property Valuer has estimated the rental income generated for the unexpired term of the land use rights of Oriental Plaza until April 2049 and applied capitalisation rates as estimated by it (for details of the estimated market rent and estimated capitalisation rates adopted, please refer to the paragraph headed "Methodology" in Appendix V to this Offering Circular). The use of market rents and/or capitalisation rates which are different from those adopted by the Independent Property Valuer may result in an appraised value of Oriental Plaza that is materially different from the Appraised Value. Accordingly, the Appraised Value of Oriental Plaza is not an indication of, and does not guarantee, a sale price at that value at present or

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in the future. The price at which BOP may sell Oriental Plaza in the future may be lower than the Appraised Value or the initial acquisition value of Oriental Plaza. This may have an adverse impact on the financial condition of Hui Xian REIT.

Oriental Plaza or parts thereof may be resumed compulsorily.

The PRC Government has the power to resume compulsorily any land in the PRC prior to the expiry of the its term of grant pursuant to the provisions of applicable legislation. In the event of any compulsory resumption of property in the PRC, the land user will be compensated by the PRC government. For details, see the paragraph headed “Termination of land use rights and repossession of properties” in Appendix IX to this Offering Circular. If the land use right in respect of Oriental Plaza was resumed compulsorily by the PRC Government, the level of compensation paid to BOP may be less than the price which Hui Xian REIT paid for its indirect investment in Oriental Plaza. This may have an adverse impact on the financial condition of Hui Xian REIT.

Risks Relating to the Industries in which Hui Xian REIT operates

There are general risks attached to investments in real estate.

Investments in real estate and therefore, the income generated from Oriental Plaza are subject to various risks, including but not limited to: (i) adverse changes in political or economic conditions; (ii) adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which Hui Xian REIT operates); (iii) the financial condition of tenants; (iv) the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Hui Xian REIT to finance future acquisitions on favourable terms or at all; (v) changes in interest rates and other operating expenses; (vi) changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies; (vii) environmental claims arising in respect of real estate; (viii) changes in market rents; (ix) changes in energy prices; (x) changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; (xi) competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms; (xii) inability to renew leases or re-let space as existing leases expire; (xiii) inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise; (xiv) insufficiency of insurance coverage or increases in insurance premiums; (xv) increases in the rate of inflation; (xvi) inability of the portfolio manager to provide or procure the provision of adequate maintenance and other services; (xvii) defects affecting the portfolio properties which need to be rectified, or other required repair and maintenance of the portfolio properties, leading to unforeseen capital expenditure; (xviii) the relative illiquidity of real estate investments; (xix) considerable dependence on cash flow for the maintenance of, and improvements to, the portfolio properties; (xx) increased operating costs, including real estate taxes; (xxi) any defects or illegal structures that were not uncovered by physical inspection or due diligence review, (xxii) management style and strategy of the Manager; (xxiii) the attractiveness of Hui Xian REIT’s properties to tenants; (xxiv) the cost of regulatory compliance, (xxv) ability to rent out properties on favourable terms and (xxvi) power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental or room rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of Oriental Plaza will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Hui Xian REIT’s real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in the PRC, which may adversely affect the financial condition of Hui Xian REIT.

Hui Xian REIT may be adversely affected by the illiquidity of property investments.

Hui Xian REIT invests primarily in real property, which entails a higher level of risk than a portfolio which has a diverse range of investments. Property investments, particularly investments in high value

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properties such as those in which Hui Xian REIT may from time to time consider to invest, are relatively illiquid. In particular, the market for acquiring / disposing of hotel properties and serviced apartment properties has traditionally not been very active in Beijing and is affected by many factors, such as general economic conditions, availability of financing, interest rate and other factors, including supply and demand, that are beyond Hui Xian REIT's control. In addition, hotel properties and serviced apartment properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, age, decreased demand or other factors. The conversion of a hotel or a serviced apartment to alternative uses would also generally require substantial capital expenditures. Such factors, together with the fact that the hotel management agreements usually continue following a sale of a hotel property, may limit the number of possible purchasers, thus affecting the ability of Hui Xian REIT to dispose of its indirect interest in Grand Hyatt Beijing when required or considered desirable to do so.

Because the underlying asset of Hui Xian REIT is primarily in the nature of real estate investment which has traditionally been relatively illiquid and which is coupled with the legal form of BOP and the Domestic JV Partner's rights as described in the first two risk factors under the section headed "Risk Factors — Risks Relating to Hui Xian REIT" above, Hui Xian REIT's ability to promptly sell its interest in Hui Xian Investment or to vary its investment portfolio in response to changing economic, financial and investment conditions may be limited. For example, Hui Xian REIT may be unable to liquidate its assets on short notice or may be forced to agree to a substantial reduction in the price that may otherwise be sought for such assets, to ensure a quick sale. In addition, Hui Xian REIT and BOP may face difficulties in securing timely and commercially acceptable financing in asset-based lending transactions secured by real property due to the illiquid nature of real property assets and the rights of the Domestic JV Partner. These factors could have an adverse effect on Hui Xian REIT's business, financial condition and results of operations, with a consequential adverse effect on Hui Xian REIT's ability to make expected distributions to Unitholders.

The hotel industry is susceptible to cyclicity and other factors outside the control of Hui Xian REIT and the Hotel Manager.

The hotel business is cyclical and sensitive to changes in the global, regional or local economy generally. Since demand for hotel services in Beijing is affected by economic growth, a global, regional or local recession could lead to a downturn and any such downturn may affect hotel business. Other adverse factors outside the control of Hui Xian REIT and the Hotel Manager could include political unrest, natural disasters, changes in law and other events which may impact negatively on the tourism industry and hotel business, including hotel bookings and food and beverage business at hotels in Beijing. The occurrence of one or more of these events may have an adverse effect on the operating performance of Grand Hyatt Beijing and Hui Xian REIT.

Hui Xian REIT faces competition.

Each of the office, retail, serviced apartments and hotel property sectors in Beijing is a competitive market. Hui Xian REIT competes for tenants or guests with numerous developers, owners and operators of office, retail, serviced apartments and hotel properties. New supply of office, retail serviced apartments and hotel properties will also result in additional competition for tenants or guests. In addition, renovations and upgrading of competing office, retail, hotel and serviced apartment properties may reduce the competitiveness of older or existing properties.

There can be no assurance that new or existing competitors will not offer lower rates or offer greater convenience, service or amenities or develop, significantly expand, or improve facilities in a market in which Oriental Plaza operates. An inability to compete effectively could adversely affect the performance of Oriental Plaza and the financial condition of Hui Xian REIT.

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Hotel and serviced apartment operations costs and expenses may not decrease even if occupancy rate declines.

Certain operating costs of a hotel and a serviced apartment have to be incurred irrespective of occupancy rates. A hotel is open 24 hours a day, seven days a week and incurs costs that will not vary significantly with higher or lower occupancy rates over a week, month or season. Operating a hotel and a serviced apartment therefore involves a significant amount of fixed costs which limits the ability of the operator to respond to adverse market conditions by minimising costs and such limitations may impact on profitability when the hotel and serviced apartment markets are weak. This may adversely affect the financial conditions of Hui Xian REIT.

Hui Xian REIT may suffer material losses in excess of insurance proceeds.

Oriental Plaza could suffer physical damage caused by fire or other causes and Hui Xian REIT or BOP may suffer public liability claims, resulting in losses (including loss of rent) which may not be fully compensated for by insurance proceeds. In addition, Hui Xian REIT has not obtained insurance covering certain types of losses, such as losses from war and nuclear contamination. Should an uninsured loss or a loss in excess of insured limits occur, Hui Xian REIT or BOP could be required to pay compensation and/or lose the capital invested in the affected property as well as anticipated future revenue from Oriental Plaza. Nonetheless, Hui Xian REIT or BOP would remain liable for any debt or other financial obligation, such as committed capital expenditures, related to Oriental Plaza. It is also possible that third-party insurance carriers will not be able to maintain reinsurance sufficient to cover any losses that may be incurred. Any material uninsured loss could materially adversely affect Hui Xian REIT's business, financial condition and results of operations.

In addition, when the current insurance policies expire, Hui Xian REIT will have to seek renewal of the policies and negotiate acceptable terms for coverage, exposing it to the volatility of the insurance markets, including the possibility of rate increases. The Manager will regularly monitor the state of the insurance market, but it cannot anticipate what coverage will be available on commercially reasonable terms in future policy years. Any material increase in insurance rates or decrease in available coverage in the future could adversely affect Hui Xian REIT's business, financial condition and results of operations.

Hui Xian REIT could incur significant costs or liability related to environmental matters.

Hui Xian REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control, fire services control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, Hui Xian REIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remedy contamination, air pollution, noise pollution or dangerous goods or non-compliance with fire services control measures may expose Hui Xian REIT to liability or materially adversely affect its ability to lease the real property or to borrow using the real property as collateral.

Risks Relating to the PRC

Oriental Plaza is located in the PRC. Accordingly, Hui Xian REIT's results of operations, financial position and prospects are subject to a significant degree to the economic and other developments of the PRC.

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The PRC's economic and other policies could affect Hui Xian REIT's business.

The economy of the PRC differs from the economies of most developed countries in many respects, including:

- (a) Economic and political structure;
- (b) Level of development;
- (c) Growth rate;
- (d) Control of foreign exchange; and
- (e) Allocation of resources.

While the PRC Government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy and the PRC economy has experienced significant growth in the past 30 years, growth has been uneven, both geographically and among different sectors of the economy. In addition, the PRC Government continues to regulate industries development by imposing top-down policies and control over the PRC's economic growth through various means such as the allocation of resources, monetary policy, control over foreign currency-denominated payment obligations and provision of preferential treatment to particular industries and companies. Although the Manager believes the reforms will have a positive effect on Hui Xian REIT's overall and long term development, it cannot predict whether changes in the PRC's economic and other policies will have any adverse effect on Hui Xian REIT's current or future business and financial conditions and results of operations.

Interpretation of PRC laws and regulations involves uncertainty.

As Oriental Plaza is located in the PRC, its operation is governed principally by laws and regulations in the PRC. The PRC legal system is based on written statutes and prior court decisions may be cited as reference. Since 1979, the PRC Government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, because of the limited volume of published cases and their non-binding nature, any particular interpretation of the PRC laws and regulations may not be definitive.

The land and real estate laws of the PRC, including laws relating to land title and building ownership regulations and laws applicable to landlords and tenants, are still under development and reform. In recent years, the National People's Congress, the State Council, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development have promulgated a number of laws and regulations and departmental rules relating to legal problems in respect of land and real estate. In addition, the local people's congresses and local governmental authorities in many provinces and cities also promulgated various local regulations or local rules. There may be uncertainties in the interpretation and application of these laws, administrative regulations, departmental rules, local regulations and local rules.

Risks Relating to Investment in the Units

The listing, trading and settlement of the units of Hui Xian REIT, and RMB-denominated securities, may not be capable of being implemented as envisaged.

Hui Xian REIT will be the first RMB-denominated REIT listed in Hong Kong. The listing, trading and settlement of RMB-denominated securities have not previously been done in Hong Kong and there is no assurance that there will not be problem with the systems or that other logistical problems will not arise. In case of any such problem, there can be no assurance that the listing, trading and settlement of Units will be capable of being implemented as envisaged.

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Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of units of Hui Xian REIT, the units of which are to be the first RMB-denominated securities listed on the Hong Kong Stock Exchange.

The trading and settlement of RMB-denominated securities have not previously been done in Hong Kong and there is no assurance that there will not be problem with the systems or that other logistical problems will not arise. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of Hong Kong Stock Exchange have been held by the Hong Kong Stock Exchange in March 2011, some stockbrokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs and, even for those who have successfully completed such testing sessions and pilot runs, there is no assurance of their readiness for dealing in RMB denominated securities. Investors should note that not all stockbrokers may be ready and able to carry out trading and settlement of units of Hui Xian REIT and thus they may not be able to deal in the Units through some stockbrokers.

Hui Xian REIT cannot be privatised by way of the scheme of arrangement or compulsory acquisition mechanisms provided under the Companies Ordinance.

Hui Xian REIT is not a company and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable to Hui Xian REIT. Therefore, the scheme of arrangement mechanism and the compulsory acquisition mechanism as provided under the Companies Ordinance which may be used to privatise a company listed on the Hong Kong Stock Exchange and to which the Companies Ordinance applies cannot be used to privatise Hui Xian REIT.

The Units have never been publicly traded and the Offering may not result in an active or liquid market for the Units.

Prior to the Offering, there has been no public market for the Units and an active public market for the Units may not develop or be sustained after the Offering. Although the Units will be listed on the Hong Kong Stock Exchange following completion of the Offering, this does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market.

Unitholders will be effectively subordinated to all existing and future claims of creditors of the Hui Xian BVI Group.

The claims of creditors of the Hui Xian BVI Group will have priority to the assets of such entities over the claims of Hui Xian REIT (other than to the extent that Hui Xian REIT is an unsubordinated creditor of the Hui Xian BVI Group). Hui Xian Investment is expected to incur indebtedness under the Facility and members of the Hui Xian BVI Group and/or other special purpose vehicles which Hui Xian REIT may have an interest in the future may in the future incur unsecured or secured obligations directly. Secured creditors of Hui Xian BVI Group would have prior rights of claim over the secured assets, and all creditors of Hui Xian BVI Group would rank ahead of the claims of Hui Xian REIT (other than to the extent that Hui Xian REIT is an unsubordinated creditor of Hui Xian BVI Group).

Unitholders have no right to require the redemption of their Units.

Unitholders have no right to require the redemption of their Units. Therefore, there can be no assurance that a Unitholder will be able to dispose of its Units at the Offer Price or any price, or at all. Accordingly, Unitholders may only be able to liquidate or dispose of their Units through a sale of such Units to third parties on the secondary market.

The price of the Units may decline after the Offering.

The Offer Price of the Units will be determined by agreement between Hui Xian Cayman, the Manager and the Joint Bookrunners and may not be indicative of the market price for the Units after

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completion of the Offering. The Units may trade at prices significantly below the Offer Price after the Offering and the price of the Units may be volatile. The price of the Units will depend on many other factors, which may change from time to time, including but not limited to: (i) the perceived prospects of Hui Xian REIT's business and investments and the PRC real estate market; (ii) differences between Hui Xian REIT's actual financial and operating results and those expected by investors and analysts; (iii) changes in Hui Xian REIT's revenues or earnings estimates or analysts' recommendations or projections; (iv) changes in general economic or market conditions both domestically and internationally; (v) the market value of Hui Xian REIT's assets; (vi) changes in market valuations of similar companies; (vii) increases in interest rates; (viii) the perceived attractiveness of the Units against those of other equity securities, including those not relating to the real estate sector; (ix) the future size and liquidity of the market for the Units and the Hong Kong REIT market generally; (x) any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Hong Kong REITs and owners and operators of property; (xi) the ability on Hui Xian REIT's part to implement successfully its investment and growth strategies and to retain its key personnel; and (xii) broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, Units may trade at prices that are higher or lower than the attributable net asset value per Unit. If Hui Xian REIT retains operating cash flow for investment purposes, as working capital reserves or for other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on Hui Xian REIT's part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, there is no guarantee provided to investors. Unitholders may not get back their full investment amount. If Hui Xian REIT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.

Investment in the Units is subject to exchange rate risks.

The value of RMB against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The Units will be traded in RMB and the Manager intends Hui Xian REIT to make all payments of distributions in RMB. As a result, the value of these RMB payments in Hong Kong dollars may vary with the prevailing exchange rates in the marketplace. For example, when a Unitholder buys Units, the Unitholder may have to convert Hong Kong dollars to RMB at the exchange rate available at that time. If the value of RMB depreciates against the Hong Kong dollar between then and when the Unitholder dispose of its Units in RMB, the value of the Unitholder's original investment in Hong Kong dollar terms will have declined (which may not be offset by an appreciation in the trading price of the Unit, if any).

The forward-looking information in this Offering Circular may prove inaccurate.

This Offering Circular contains forward-looking statements regarding, among other things, forecast of net profits and distribution levels for the period from the Listing Date to 30 June 2011. These forward-looking statements are based on a number of assumptions regarding the Manager's strategies and environment in which Hui Xian REIT or the Manager will operate in the future, which are subject to significant uncertainties and contingencies, many of which are outside of Hui Xian REIT's control (see the section headed "Profit Forecast" in this Offering Circular). Moreover, Hui Xian REIT's revenue is dependent on a number of factors, including the ability of the Manager to fully implement its strategies, the receipt of dividends and distributions, directly or indirectly, from BOP as well as rent from Oriental Plaza and the profitability of the operation of Grand Hyatt Beijing. Such rent, dividends and distributions may decrease and the profitability of the operation of Grand Hyatt Beijing may worsen for a number of reasons, including the lowering of occupancy and rental and room rates, and insolvency or delay in rent payment by tenants, which may adversely affect Hui Xian REIT's ability to achieve the forecasted distributions as some or all events and circumstances assumed may not occur as expected, or events and circumstances which are not currently anticipated may arise. Because such statements

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and financial information reflect the Manager's current view concerning future events, such statements and financial information necessarily involve risks, uncertainties and assumptions. These statements speak only as of the date they are made and reflect only the Manager's views as at that time and the Manager undertakes no obligation to update them in light of new information, circumstances or future developments. While the Manager has no reason to doubt the reasonableness of its assumptions on which the forward-looking statements are based, there are known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Hui Xian REIT or the Manager to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information.

Property yield on real estate to be held by Hui Xian REIT is not equivalent to yield on the Units.

Generally speaking, property yield depends on the amount of net property income (calculated as the amount of revenue generated by the properties concerned, less the expenses incurred in maintaining, operating, managing and leasing the properties) compared against the current value of the properties. Yield on the Units, however, depends on the dividends payable on the Units as compared with the purchase price of the Units. While there may be some correlation between these two yields, they are not the same and will vary.

The number of Units available for future sale could adversely affect the market price of the Units.

No prediction can be made as to the effect, if any, that future sales of Units, or the availability of Units for future sale, will have on the market price of the Units. Upon completion of the Offering, before taking the Unit Borrowing Agreement into consideration and assuming the Over-allotment Option is not exercised, it is expected that Hui Xian Cayman and Hui Xian Holdings will own 54.0% and 6.0% of the then outstanding Units, respectively. If the Over-allotment Option is exercised in full, it is expected that Hui Xian Cayman will own 54.0% of the then outstanding Units and Hui Xian Holdings will not own any Units directly. Although the Underwriting Agreements contain restrictions on the disposal of Units held by Hui Xian Cayman, there can be no assurance that sales of substantial amounts of Units by other parties will not occur or that Hui Xian Cayman will not dispose of a substantial portion of its Units. Sales of substantial amounts of Units in the public market following the Offering, or the perception that such sales could occur, could adversely affect prevailing market prices for the Units.

The NAV of the Units will be diluted if further issues of the Units are priced below the NAV.

The Trust Deed contemplates that new issues of Units may occur, the issue price for which may be above, at or below the then current NAV of the Units. Where new Units are issued at less than NAV, the NAV of existing Units will be diluted.

Unitholders' interests will be diluted because all or part of the Manager's compensation may be paid in Units.

All or part of the Manager's compensation may be paid in Units in lieu of cash. In addition, at the time of a payment in the form of Units to the Manager, the issue price of the Units may be below Hui Xian REIT's net asset value, which would result in immediate dilution to Unitholders. See the section headed "The Manager — Fees, Costs and Expenses of the Manager" of this Offering Circular.

Certain rights in relation to Units in which a person has an interest or is deemed to have an interest may be suspended under the provisions of the Trust Deed.

The Trust Deed contains provisions that require relevant persons to disclose to the Manager information in relation to the acquisition or disposal of interests in the Units. If the Manager believes a person has not complied with such disclosure of interest provisions in the Trust Deed, irrespective of whether such person is a holder of Units, the Manager may, in its absolute discretion, take certain

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actions in respect of all or a part of the Units in which such person holds or is deemed to hold an interest. Such actions may include suspending the voting rights of such Units, suspending the payment of distributions on such Units, and suspending the transfer and registration of such Units.

The Units may be delisted from the Hong Kong Stock Exchange.

The Hong Kong Stock Exchange imposes certain requirements for the continued listing of securities, including the Units, on the Hong Kong Stock Exchange. Investors cannot be assured that Hui Xian REIT will continue to meet the requirements necessary to maintain the listing of Units on the Hong Kong Stock Exchange or that the Hong Kong Stock Exchange will not change the listing requirements. Hui Xian REIT may be terminated if the Units are delisted from the Hong Kong Stock Exchange.

An investment in the Units presents taxation risk.

Hui Xian REIT, as a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO, is exempt from Hong Kong profits tax, although BOP is subject to taxation in the PRC and Hui Xin Investment is subject to taxation in Hong Kong. Any change in the tax status of Hui Xian REIT, BOP and Hui Xin Investment and any other entities which are controlled by Hui Xian REIT, or in taxation legislation in the PRC, Hong Kong or the BVI generally or any other jurisdiction affecting the Unitholders could affect the value of the investments held by Hui Xian REIT or affect Hui Xian REIT's ability to achieve its investment objectives or alter after-tax returns to the Unitholders. REITs in Hong Kong may differ in significant aspects, including tax treatment, from REITs in other jurisdictions. If you have any doubt as to your tax position, you should consult your own tax adviser.

The REIT Code has a relatively short history and the application and interpretation of its provisions may be less certain.

The SFC is empowered under section 104(1) of the SFO to authorise collective investment schemes, subject to such conditions as it considers appropriate. Although the REIT Code, to which Hui Xian REIT is subject, became effective in August 2003 (which was revised in June 2005 and in June 2010), it was not until late 2005 that the first REIT was listed on the Hong Kong Stock Exchange and, as at the Latest Practicable Date, there were only eight REITs listed on the Hong Kong Stock Exchange. The REIT Code does not have the force of law and, due to its relatively short history and the limited number of REITs listed on the Hong Kong Stock Exchange, there may be less certainty in relation to the interpretation and manner of enforcement of the provisions set out in the REIT Code. The SFC reserves the right to review its authorisation of the REIT and may amend the conditions of such authorisation or withdraw such authorisation as it considers appropriate. Furthermore, no assurance can be given that future legislation, administrative rulings, court decisions or changes to the REIT Code will not adversely affect the business, financial condition and results of operations of the REIT or an investment by a Unitholder.

Accounting Standards in the PRC and Hong Kong are subject to change.

Accounting standards in the PRC and Hong Kong are subject to change. As a result, the financial statements of Hui Xian REIT, BOP and Hui Xin Investment as well as any other entities which are controlled by Hui Xian REIT and are subject to such accounting standards may be affected by the introduction of any such revised accounting standards.

The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of Hui Xian REIT's financial statements or on its results of operations. In addition, such changes may adversely affect the ability of Hui Xian REIT to make distributions to Unitholders.