

USE OF PROCEEDS

The Manager estimates that the total proceeds to Hui Xian REIT from the Offering will be approximately RMB10,480 million (based on the Minimum Offer Price) to approximately RMB11,160 million (based on the Maximum Offer Price).

The following table sets forth the sources of Hui Xian REIT's funds following completion of the Offering, and the intended application of those funds.

	Based on the Minimum Offer Price of RMB5.24	Based on the Maximum Offer Price of RMB5.58
	(RMB millions)	
Sources of funds:		
Issuance of 2,000,000,000 Units under the Offering	10,480	11,160
Issuance of 300,000,000 Units under the Hui Xian Holdings		
Subscription	1,572	1,674
Total	<u>12,052</u>	<u>12,834</u>
Uses of funds:		
Repayment of the Existing Indebtedness (less the Assigned		
Indebtedness) ⁽¹⁾	11,690	12,455
Issue costs and acquisition costs ⁽²⁾	362	379
Total	<u>12,052</u>	<u>12,834</u>

Notes:

- (1) The Existing Indebtedness comprises the Existing Borrowings (which, for reference only, amounted to approximately RMB5,887 million as at the Latest Practicable Date) and the amount of Pre-Listing Distribution which remained unpaid by Hui Xian BVI to Hui Xian Cayman as at the Latest Practicable Date.
- (2) Issue costs comprise expenses related to the Offering, which include underwriting commissions payable to the Underwriters (based on the final Offering size), legal fees, printing costs, auditors' fees, listing costs, advertisement and marketing-related expenses (including roadshow expenses) and other administrative expenses; and acquisition costs include professional fees and other costs incurred in the acquisition of Hui Xian BVI.

It is expected that all the proceeds from the Offering, after deduction of issue costs and acquisition costs, will be lent to Hui Xian BVI, and will in turn be fully utilised for the repayment of the Existing Indebtedness (less the Assigned Indebtedness). The parties to the Reorganisation Agreement may agree an amount of Assigned Indebtedness which is different from the initial amount of RMB1,000 million stated in the Reorganisation Agreement and if they so agree, it is expected that the Assigned Indebtedness will range from RMB700 million to RMB1,550 million, depending on the range of the Maximum Offer Price and the Minimum Offer Price. The intended application of proceeds from the Offering as set out above has been prepared according to that range of the Assigned Indebtedness. If the amount of the Assigned Indebtedness is changed from the initial amount so stated, an announcement will be made when the amount of the Assigned Indebtedness is finally determined. See the sections headed "Reorganisation, Structure and Organisation" and "Material Agreements and Other Documents Relating to Hui Xian REIT" in this Offering Circular.