

## THE TRUST DEED

*The Trust Deed is a complex document and the following is a summary only. Investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of Hui Xian REIT. The Trust Deed is available for inspection at the registered office of the Manager at Unit 1203, 12/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.*

The Trustee of Hui Xian REIT is DB Trustees (Hong Kong) Limited, a company incorporated in Hong Kong and registered as a trust company under section 77 of the Trustee Ordinance. The Trustee is qualified to act as a trustee for collective investment scheme authorised under the SFO pursuant to the REIT Code.

### The Trust Deed

Hui Xian REIT is a real estate investment trust constituted by the Trust Deed and regulated by the SFO, the REIT Code, Chapter 20 of the Listing Rules and the Listing Agreement.

The Trust Deed was entered into on 1 April 2011 between Hui Xian Cayman as the settlor of Hui Xian REIT, Hui Xian Asset Management Limited as the manager of Hui Xian REIT and DB Trustees (Hong Kong) Limited as the trustee of Hui Xian REIT. Hui Xian REIT was constituted by the Trustee holding HK\$100 in cash as Deposited Property (settled by Hui Xian Cayman on the date of the Trust Deed) on trust and for the benefit of the Hui Xian Cayman, pending the issuance of Units, at which time Hui Xian Cayman shall cease to have any interest of any nature whatsoever in such Deposited Property (or any income arising therefrom).

The terms and conditions of the Trust Deed and any supplemental deed are binding on the Trustee and the Manager, who are signatories thereto, as well as each Unitholder (and all persons claiming through or under such Unitholder) as if such Unitholder and such person had been a party to and had thereby covenanted for such Unitholder and all such other persons to observe and be bound by all the provisions of the Trust Deed and had authorised the Manager and the Trustee, respectively, to do all such acts and things as the Trust Deed may require the Trustee or the Manager (as the case may be) to do.

The provisions of the REIT Code prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Manager, the Trustee and the Unitholders under the Trust Deed.

### REIT Structure

Hui Xian REIT is established in the form of a unit trust under Hong Kong law to invest primarily in real estate (either directly or indirectly through special purpose vehicles). The Manager must manage Hui Xian REIT so that the principal investments of Hui Xian REIT are real estate. For further details of the investment objectives and policies of the Manager, see the section headed "Strategy" in this Offering Circular. The assets of Hui Xian REIT and income arising from those assets separately will be held by the Trustee on trust for the benefit of Hui Xian Cayman initially and thereafter upon issuance of Units the Unitholders *pari passu* according to the number of Units held by each Unitholder, subject to the terms and conditions of the Trust Deed.

### The Units and Unitholders

The rights and interests of Unitholders are set out in the Trust Deed. Under the Trust Deed, the Trustee must exercise all due diligence and vigilance in protecting the rights and interests of Unitholders.

The beneficial interest in Hui Xian REIT is divided into Units. However, a Unitholder is not entitled to interfere or seek to interfere with or question the rights, powers, obligations, authority or discretion of the Trustee or the Manager to the extent those rights, powers, obligations, authority or discretion are properly exercised or performed under the Trust Deed. In addition, a Unitholder is not entitled to claim or exercise any right in respect of the Deposited Property or any part of the Deposited Property or lodge any caveat or other notice affecting the Deposited Property or any part of the Deposited Property. Further, a Unitholder is not entitled to require that any of the Deposited Property or any part thereof be transferred to the Unitholder.

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### Issue of Units and Issue Price

The Units will be listed and quoted in RMB. The following is a summary of the provisions of the Trust Deed relating to the issue of Units.

The Manager has the exclusive right to effect for the account of Hui Xian REIT, the creation and issue of Units and/or Convertible Instruments in accordance with the Trust Deed and subject to the provisions of the REIT Code and any other applicable laws and regulations provided that after Completion and before any listing of the Units, except for the issuance of new Units as disclosed in this Offering Circular, no issuance of Units and/or Convertible Instruments shall be made by the Manager without the prior written approval of Hui Xian Cayman and for the avoidance of doubt, on or after the Listing Date, no such approval of Hui Xian Cayman, in its capacity as the settlor in connection with the setting up of Hui Xian REIT, shall be required for any issuance of new Units and/or Convertible Instruments (including the issuance of new Units as disclosed in this Offering Circular). On Completion, the Units shall be issued to Hui Xian Cayman pursuant to the Reorganisation Agreement and the issue of such Units shall be at an issue price to be determined and agreed between the Manager and Hui Xian Cayman. The issue of Units on the Listing Date for the purpose of the Offering shall be at an issue price determined on the basis disclosed in this Offering Circular.

After the Listing Date, new Units and/or Convertible Instruments may be offered on a pro rata basis as a rights issue without the prior approval of Unitholders other than where any such issue together with such Convertible Instruments (assuming full conversion) would increase the market capitalisation of Hui Xian REIT by more than 50.0%, in which case such issue shall require the prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed.

Subject to certain restrictions in the Trust Deed on issue of new Units to a connected person and the REIT Code, after the Listing Date, Units may be issued, or agreed (conditionally or unconditionally) to be issued, in any financial year (whether directly or pursuant to any Convertible Instruments), otherwise than on a pro rata basis to all existing Unitholders, without the approval of Unitholders, if:

- (a) the total number of new Units issued, or agreed (conditionally or unconditionally) to be issued, in that financial year pursuant to this paragraph, without taking into account:
  - (i) any new Units issued or issuable in that financial year pursuant to any Convertible Instruments issued (whether in that or any prior financial year) pursuant to and in compliance with this paragraph, to the extent that such new Units are covered by the aggregate number of new Units contemplated under paragraph (b) below at the Relevant Date applicable to the relevant Convertible Instruments;
  - (ii) such number of new Units issued or issuable pursuant to any such Convertible Instruments or any agreement referred to in sub-paragraph (a)(iii) below, in each case as a result of adjustments arising from the consolidation or sub-division or re-designation of Units;
  - (iii) any new Units issued in that financial year pursuant to any agreement for the issuance of Units, to the extent that such new Units were previously taken into account in the calculation made under this sub-paragraph (a) (whether in that or any prior financial year) at the Relevant Date applicable to that agreement;
  - (iv) any new Units issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Unitholders and in respect of which the specific prior approval of Unitholders in accordance with the relevant requirements hereunder and under applicable laws and regulations (including the REIT Code) has been obtained; and/or
  - (v) any new Units issued or agreed to be issued in that financial year pursuant to any reinvestment of distributions made in accordance with the Trust Deed;

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plus:

- (b) (i) the maximum number of new Units issuable at the Initial Issue Price (as defined below) pursuant to any Convertible Instruments issued, or agreed (conditionally or unconditionally) to be issued, otherwise than on a pro rata basis to all existing Unitholders and whose Relevant Date falls within that financial year; and
- (ii) the maximum number of any other new Units which may be issuable pursuant to any such Convertible Instruments as at the Relevant Date thereof as estimated or determinable by the Manager in good faith and using its best endeavours and based on such assumptions as may be considered appropriate by the Manager and confirmed in writing to the Trustee and the SFC, having regard to the relevant terms and conditions of such Convertible Instruments (including any additional new Units issuable under any adjustment mechanism thereunder other than adjustments arising from the consolidation or sub-division or re-designation of Units),

does not increase the number of Units that were outstanding at the end of the previous financial year (or, in the case of an issue of, or an agreement (whether conditional or unconditional) to issue, Units or Convertible Instruments during the first financial year, the number of Units that were outstanding as at the Listing Date) by more than 20.0% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC) (the “**Percentage Threshold**”), provided that such threshold in terms of number of Units shall in the event of any consolidation or sub-division or re-designation of Units during that financial year be proportionally adjusted to give effect to such consolidation, sub-division or re-designation of Units.

Any issue of, or any agreement (whether conditional or unconditional) to issue, new Units exceeding the Percentage Threshold shall require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed, except that agreements to issue new Units exceeding such Percentage Threshold which are conditional upon specific approval of Unitholders by Ordinary Resolution may be entered into without first obtaining such prior approval.

Any issue, grant or offer of Units or Convertible Instruments to a connected person shall require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed, unless such issue, grant or offer is made under the following circumstances (where, for the avoidance of doubt, no Unitholders’ approval will be required):

- (i) prior to the Listing Date;
- (ii) pursuant to the IPO;
- (iii) pursuant to a right issue or as part of any offer made to all Unitholders on a pro rata basis (provided that such issue will not increase the market capitalisation of Hui Xian REIT by more than 50.0%);
- (iv) a capitalisation issue (in so far as such issue is offered to the Unitholders on a pro rata basis) (provided that such issue will not increase the market capitalisation of Hui Xian REIT by more than 50.0%);
- (v) the connected person receives a pro rata entitlement to Units and/or Convertible Instruments in its capacity as a Unitholder (provided that such issue will not increase the market capitalisation of Hui Xian REIT by more than 50.0%);
- (vi) Units are issued to a connected person under the Trust Deed in or towards the satisfaction of the Base Fee and Variable Fee pursuant to a waiver granted by the SFC, one of the conditions thereof is that in respect of each financial year, the maximum number of Units that may be issued to the Manager as payment of all or part of the Base Fee and Variable Fee for that financial year shall be limited to such number of Units as represents 3.0% of the total number

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of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Hui Xian REIT. For details, see the section headed “Modifications, Waivers and Licensing Conditions” in this Offering Circular;

- (vii) an issue of Units in respect of re-investment of distribution to Unitholders;
- (viii) unless expressly provided in the Trust Deed or otherwise pursuant to any exemption or waiver granted by the SFC, an issue of new Units and/or Convertible Instruments to a connected person within 14 days after such connected person has executed an agreement to reduce its holding of Units and/or that class of Convertible Instruments by placing such Units and/or that class of Convertible Instruments to a third person or third persons who is/are not its associate(s) other than any person or entity who/which is an associate of the relevant connected person solely by virtue of the operation of paragraphs (b), (c), and/or (k) (in the case of paragraph (k), other than a related corporation covered under paragraph (a) of the definition of “related corporation” in Schedule 1 of the SFO) of the definition of “associate” in Schedule 1 of the SFO (provided that (A) such new Units and/or that class of Convertible Instruments must be issued at a price not less than the placing price (which issue price may however be adjusted for the expenses of the placing); (B) the number of new Units and/or that class of Convertible Instruments issued to the connected person must not exceed the number of Units and/or that class of Convertible Instruments placed by it;
- (ix) in certain circumstances when a connected person acts as underwriter or sub-underwriter of an issue of new Units and/or Convertible Instruments by Hui Xian REIT;

provided that under each of the circumstances mentioned in (iii) or (iv) above, such issue shall not increase the market capitalisation of Hui Xian REIT by more than 50.0% and under the circumstance mentioned in (vi) above, such issue is made pursuant to, and in compliance with the conditions for, any waiver granted by the SFC, or is otherwise permitted under REIT Code; or unless such issue without such prior approval is not prohibited under the REIT Code or is otherwise permitted by any waivers or exemptions from the operation of or strict compliance with the REIT Code granted by the SFC from time to time.

After the Listing Date, and for so long as the Units are admitted for trading on the Hong Kong Stock Exchange, the Manager, subject to the provisions in the Trust Deed and the REIT Code, may effect or agree to effect the issue of Units on behalf of Hui Xian REIT (whether directly, or pursuant to any Convertible Instruments issued by Hui Xian REIT) on any business day (as defined in the Trust Deed) at an Issue Price per Unit that is (i) equal to the Market Price; or (ii) in its discretion, at a discount to the Market Price of no more than 20.0% (or such other percentage as may, from time to time, be prescribed by the SFC under applicable circumstances (if any)) or at a premium (of any amount) to the Market Price; or (iii) where approval by way of an Ordinary Resolution is obtained as mentioned below, on the pricing basis as authorised in such Ordinary Resolution. The Issue Price shall, in the case of any Convertible Instruments, mean the initial price per Unit at which Units are to be issued pursuant to the exercise of any conversion, exchange or subscription or similar rights under such Convertible Instruments, before any adjustments which may apply thereunder (the “**Initial Issue Price**”). An issue of, or agreement (whether conditional or unconditional) to issue, new Units at an Issue Price or Initial Issue Price (as the case may be) that is at a discount of more than 20.0% (or such other percentage as may, from time to time, be prescribed by the SFC) to the Market Price shall require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed, and such approval may be subject to such conditions as the Unitholders may approve, including without limitation stating the basis of pricing, or authorising the Manager to determine the pricing basis on such terms as are authorised under that Ordinary Resolution. The restrictions regarding Issue Price mentioned in this paragraph do not apply to (a) any rights issue, any capitalisation issue or bonus issue (in each case on a pro-rata basis), provided that such issue will not increase the market capitalisation of Hui Xian REIT by more than 50.0% (or such other percentage allowed by the SFC); or (b) any issue of Units in lieu of the payment of fees to the Manager pursuant to the Trust Deed if such issuance is made pursuant to, and in

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compliance with the conditions for, any waiver granted by the SFC, or is otherwise permitted under the REIT Code; or (c) any issue of Units for cash consideration where the Manager can satisfy the SFC that Hui Xian REIT is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves an issue of Units at a discount of more than 20.0% (or such other percentage as may, from time to time, be prescribed by the SFC) to the Market Price or that there are other exceptional circumstances as permitted by the SFC under the applicable circumstances, in such cases the Issue Price shall be determined by the Manager in its discretion. For these purposes, "Market Price" shall mean the price as determined by the Manager, being the higher of:

- (a) the closing price of the Units on the Hong Kong Stock Exchange on the date of the relevant agreement or other instrument for (i) for the proposed issue of Units; or (ii) the proposed issue of any Convertible Instruments; and
- (b) the volume weighted average price for a Unit for all trades in Units on the Hong Kong Stock Exchange ("Unit VWAP") for the period of ten trading days immediately preceding the earliest of:–
  - (i) the date of announcement of (A) the proposed issue of Units, or (B) the proposed issue of any Convertible Instruments;
  - (ii) the date of the relevant agreement or other instrument for (A) the proposed issue of Units, or (B) the proposed issue of any Convertible Instruments; and
  - (iii) the date on which the Issue Price is fixed.

### **Repurchase and Redemption of Units**

Unitholders have no right to demand for the repurchase or redemption of their Units.

The Manager must not repurchase or redeem any Units unless it is permitted to do so by the relevant codes and guidelines issued by the SFC from time to time (including but not limited to the Code on Share Repurchases and the circular to management companies of SFC-authorised REIT titled "On-market Unit Repurchases by SFC-authorised REITs" dated 31 January 2008). Any such repurchase or redemption of Units by the Manager must be effected in accordance with such codes and guidelines.

### **Minimum prescribed public holdings**

After the Listing Date and for so long as the Units are listed on the Hong Kong Stock Exchange, the Manager shall use best efforts to ensure that a minimum of 25% (or such lower percentage as may be permitted by the SFC) of the outstanding Units are held in public hands. In the event that the Manager becomes aware that such percentage has fallen below 25% (or such lower percentage as may be permitted by the SFC) of outstanding Units, the Manager shall use its best efforts to restore the percentage of Units held in public hands to a minimum of 25% (or such lower percentage as may be permitted by the SFC) of outstanding Units. The Manager shall adopt proper internal procedures for monitoring the public float and shall notify the Trustee and the SFC promptly if such percentage falls below 25% (or such lower percentage as may be permitted by the SFC) of the outstanding Units and issue an announcement regarding the same.

### **Rights and Liabilities of Unitholders**

The key rights of Unitholders include rights to:

- (1) receive income and other distributions attributable to the Units held;
- (2) receive audited financial statements and annual reports of Hui Xian REIT; and
- (3) participate in the distribution of assets on the termination of Hui Xian REIT by receiving a share of all net cash proceeds derived from the sale or realisation of the assets of Hui Xian REIT less any liabilities, in accordance with their proportionate interests in the Units at the date of termination of Hui Xian REIT in accordance with the provision of the Trust Deed.



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No Unit shall confer on any Unitholder or person claiming under or through him any interest or share in any part of the Deposited Property, but a Unitholder shall have the right to have Hui Xian REIT administered in accordance with the Trust Deed.

Unitholders shall not give any directions to the Manager or the Trustee (whether at a meeting of Unitholders convened pursuant to the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- (a) Hui Xian REIT ceasing to comply with the REIT Code or the Listing Rules; or
- (b) the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either the Trustee or the Manager or both of them; provided that nothing in this paragraph shall limit the right of a Unitholder to require the proper operation of Hui Xian REIT in accordance with the Trust Deed or the compliance by the Trustee or the Manager with their respective obligations under the Trust Deed.

A Unitholder shall not be liable to the Manager or the Trustee to make any further payments to Hui Xian REIT after he has fully paid the consideration to acquire his Units and no further liability shall be imposed on such Unitholder in respect of his Units.

### **Investment Restrictions**

Subject to the restrictions and requirements of the REIT Code, the Manager shall ensure that the following investment restrictions are complied with:-

- (a) subject as provided in the Trust Deed, no investment shall be made by Hui Xian REIT which would result in non-compliance with the REIT Code, and applicable investment restrictions in the Listing Rules (if any), applicable laws and regulations and the Trust Deed;
- (b) Hui Xian REIT may only invest in authorised investments as provided in the Trust Deed;
- (c) Hui Xian REIT shall not invest in vacant land or engage or participate in any property development activities (excluding, for the avoidance of doubt, refurbishment, retrofitting and renovations);
- (d) Hui Xian REIT shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, nor shall any part of the Deposited Property be used to secure the indebtedness of any person or any obligations, liabilities or indebtedness, without the prior written consent of the Trustee;
- (e) Hui Xian REIT shall not acquire any investment which involves the assumption of any liability that is unlimited; and
- (f) Hui Xian REIT shall hold each investment (which is in the nature of a real estate or shares in any Special Purpose Vehicle holding interest in a real estate) for a period of at least two years, unless the Manager has clearly communicated to the Unitholders the rationale for disposal prior to the expiry of such period and the Unitholders approve the disposal of such investment by Special Resolution at a meeting to be convened by the Manager in accordance with the Trust Deed.

The Manager shall ensure that each Special Purpose Vehicle shall comply with the requirements set out in the preceding paragraph.

### **Valuation of Investment**

The Manager shall ensure that all valuations made by principal valuers pursuant to the Trust Deed shall be carried out in good faith in accordance with market practice on such basis as the principal valuers respectively may determine to be appropriate, subject always to the terms of the Trust Deed and the provisions of the REIT Code. The valuation methodology shall follow the "Valuation Standards

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on Properties” published from time to time by the Hong Kong Institute of Surveyors or the International Valuation Standards issued from time to time by the International Valuation Standards Committee, the REIT Code or any applicable code of practice for asset valuations. Once adopted, the same valuation standards shall be applied consistently to all valuations of properties of Hui Xian REIT.

The Manager shall determine the net asset value of the Deposited Property based upon the principal valuer’s valuation of real estate (as defined in the Trust Deed), the value of cash (as defined in the Trust Deed) and cash equivalent items (as defined in the Trust Deed) comprised in the assets of Hui Xian REIT and other Deposited Property less liabilities.

The Trustee shall take all reasonable care to ensure that the net asset value of the Deposited Property and net asset value of the Deposited Property per Unit (being the net asset value of the Deposited Property divided by the number of Units then in issue) is calculated by the Manager in accordance with the Trust Deed as and when an annual valuation report of Hui Xian REIT’s real estate is issued by the principal valuer for the relevant period, and that such net asset value of the Deposited Property and net asset value of the Deposited Property per Unit shall be published in the annual report for Hui Xian REIT.

### **Modification of the Trust Deed**

The Trustee and the Manager shall be entitled by any supplemental deed and with the prior approval of the SFC to amend, vary, modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose, provided that:

- (a) unless the Trustee shall certify in writing that, in its opinion, such amendment, variation, modification, alteration or addition:
  - (i) does not materially prejudice the interests of the Unitholders, if so required, and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders under the Trust Deed and does not increase the costs and charges payable from the Deposited Property (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed);
  - (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law) including, without limitation, requirements under the SFO, the REIT Code, the Listing Rules and any other applicable rules of any other relevant specified stock exchange on which Hui Xian REIT may be listed; or
  - (iii) is necessary to correct a manifest error,no such amendment, variation, modification, alteration or addition shall be made without the sanction of a Special Resolution of a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed; and
- (b) no such amendment, variation, modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

### **Meeting of Unitholders**

The Manager shall at least once in every calendar year convene a general meeting of Unitholders as the annual general meeting thereof in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it. The annual general meeting shall be held at such time and place as the Manager shall appoint and not less than 20 days’ notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given and of Saturdays, Sundays and public holidays in Hong Kong) in writing thereof shall be given to the Unitholders.

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The Trustee or the Manager may respectively (and the Manager shall at the request in writing of not less than two Unitholders registered as together holding not less than 10.0% of the Units for the time being in issue and outstanding) at any time convene a meeting of Unitholders at such time or place in Hong Kong, subject to the provisions of the Trust Deed, as the Trustee or the Manager (as the case may be) may think fit and propose resolutions for consideration at such meeting. In respect of any meeting of Unitholders other than an annual general meeting, not less than 10 days' notice, or not less than 20 day's notice where a Special Resolution is proposed for consideration at the relevant meeting, (in each case, exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given and of Saturdays, Sundays and public holidays in Hong Kong) in writing thereof shall be given to the Unitholders.

At any meeting of Unitholders, the Manager or a person nominated by the Manager (if present) shall be the Chairman of the meeting.

Without prejudice to the aforementioned notice requirements, at least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to Unitholders in the manner as provided in the Trust Deed, except that at least 21 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of the meeting shall be given to the Unitholders where a Special Resolution is proposed for consideration at such meeting. The notice shall specify the place, day and hour of meeting and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent by post to the Trustee, unless the meeting is convened by the Trustee in which case a copy of the notice shall be sent by post to the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

At any meeting of Unitholders, two or more Unitholders present in person or by proxy registered as holding together not less than 10.0% of the Units for the time being in issue and outstanding shall form a quorum for the transaction of business, except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be two or more Unitholders present in person or by proxy registered as holding together not less than 25.0% of the Units for the time being in issue and outstanding. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. Split proxies shall, for the avoidance of doubt, be permitted. Notwithstanding the aforesaid, at any time prior to the Listing Date, if Hui Xian REIT has only one Unitholder, the sole Unitholder present in person or by proxy shall be a quorum of a meeting of Hui Xian REIT; and if such sole Unitholder takes any decision that may be taken by Hui Xian REIT in general meeting and that has effect as if agreed by Hui Xian REIT in general meeting, such sole Unitholder shall provide the Manager with a written record of that decision within seven days after the decision is made. The written record shall be sufficient evidence of the decision having been taken by such sole Unitholder.

Subject to the relevant provision of the Trust Deed, Unitholders shall be prohibited from voting their own Units at, or being counted in the quorum for, a meeting at which they have a material interest in the business to be conducted and that interest is different from the interests of other Unitholders (as determined by the Manager (where the Unitholder(s) concerned is (are) connected persons of the Manager) or the Trustee (where the Unitholder(s) concerned is (are) not connected persons of the Manager), if appropriate, in its absolute opinion) including an issue of new Units where a Unitholder may increase his holdings of the Units by more than his pro rata share.

Notwithstanding any other provision of the Trust Deed, where a resolution is proposed for the removal or appointment of any person who (as the case may be) is, or is proposed to be, the manager of Hui Xian REIT in accordance with relevant provisions of the Trust Deed, all Unitholders, including (insofar as they are Unitholders) the outgoing manager, the proposed new manager of the Hui Xian REIT and their respective associates, shall be entitled to vote and be counted in the quorum for the purposes of passing such resolution.



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At any meeting, a resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting. On a poll, every Unitholder who is present in person, by corporate representative or by proxy shall have one vote for every Unit of which he is the Unitholder provided such Units are fully paid-up. Votes passed by a Unitholder in contravention of the REIT Code or Listing Rules shall not be counted. On a poll, votes may be given either personally or by proxy. The form of the instrument of proxy used shall be in accordance with the form illustrated in the Trust Deed or in any other form which the Trustee shall approve. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.

Any Unitholder being a corporation may by resolution of its directors (or other governing body) authorise any person to act as its representative at any meeting of Unitholders and a person so authorised shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unitholder.

HKSCC Nominees (or any successor thereto) may appoint more than one proxy or corporate representative to attend and vote at Unitholders' meetings as if they were individual Unitholders and such representatives shall not be required to produce any documents of title or notarized authorisation in respect of such appointment. Where a Unitholder is a recognised clearing house (within the meaning of the SFO) or its nominees, it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Unitholders' meeting or any class of Unitholders, provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of the Units in respect of which each such person is so authorised.

### **Matters to be approved by Special Resolutions and Ordinary Resolutions**

In accordance with the Trust Deed, a meeting of Unitholders will be convened to pass Special Resolutions when decisions with respect to certain matters require the prior approval of Unitholders by way of Special Resolution. Such matters include, without limitation: (a) change in the Manager's investment policies or strategies for Hui Xian REIT; (b) disposal of any land or an interest, option or right over any of the land forming part of the assets of Hui Xian REIT or shares in any company holding such land, option or right over any of the land for Hui Xian REIT within two years of the acquisition of such land; (c) any increase in the rate of the Base Fee above the permitted limit or any change in the structure of the Base Fee; (d) any increase in the Variable Fee payable to the Manager above the rate stated in the Trust Deed or any change in the structure of the Variable Fee; (e) any increase in the Acquisition Fee above the permitted limit or any change in the structure of the Acquisition Fee; (f) any increase in the Divestment Fee above the permitted limit or any change in the structure of the Divestment Fee; (g) any increase in the rate of the remuneration of the Trustee above the permitted limit or any change in the structure of the remuneration of the Trustee; (h) amendment, variation, modification, alteration or addition to the provisions of the Trust Deed; (i) termination of Hui Xian REIT; and (j) merger of Hui Xian REIT. Unitholders may also, by way of Special Resolution, (i) remove Hui Xian REIT's auditors and appoint other auditors or (ii) remove the Trustee.

Any decisions to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless a Special Resolution is required by the REIT Code. Such matters requiring approval by way of Ordinary Resolution include, without limitation, (a) subdivision or consolidation of the Units; (b) any issue of the Units after the Listing Date which would increase the market capitalisation of Hui Xian REIT by more than 50.0%; (c) any issue of the Units during any financial year that would increase the total number of the Units from the number of the Units that were outstanding at the end of the previous financial year by more than 20.0% (or such other percentage of the outstanding Units as may, from time to time, be prescribed by the SFC); (d) except pursuant to an initial public offering, an issue of Units in lieu of the payment of fees to the Manager pursuant to the Trust Deed, an issue of Units in respect of re-investment of distribution to Unitholders, or a rights issue, an issue of new Units to a connected person (other than as part of an offer made to all Unitholders on a pro rata basis); and (e) the election by the Manager for the Acquisition Fee or the Divestment Fee, which is to

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be paid to the Manager in the form of cash, to be paid in the form of the Units or partly in cash and partly in the form of the Units. The appointment of a new manager of Hui Xian REIT by the Trustee upon the dismissal or retirement of the Manager is (to the extent required by the REIT Code (as may be modified by any waivers or exemptions)) subject to the passing of an Ordinary Resolution by the Unitholders and the prior approval of the SFC. Unitholders may also, by way of Ordinary Resolution, dismiss the Manager and any principal valuer appointed by the Trustee on behalf of Hui Xian REIT in accordance with the Trust Deed.

### **Powers, Duties and Obligations of the Trustee**

Under the Trust Deed, the powers and duties of the Trustee include (but are not limited to):

- (1) carrying out the instructions of the Manager in respect of investments unless they are in conflict with this Offering Circular, the Trust Deed or other constitutive documents of Hui Xian REIT, the REIT Code or under general law;
- (2) ensuring that the Deposited Property is properly segregated and held for the benefit of the Unitholders in accordance with the provisions of the Trust Deed;
- (3) overseeing the activities of the Manager for compliance with the Trust Deed, other relevant constitutive documents of Hui Xian REIT and the regulatory requirements applicable to Hui Xian REIT; and
- (4) ensuring that all the investment activities carried out by the Manager are in line with the investment objective and policy of Hui Xian REIT and the constitutive documents of Hui Xian REIT and are in the interests of the Unitholders.

Where the Trustee is required to act upon the Manager's instructions under the Trust Deed, the Trustee shall nevertheless be subject to the overriding fiduciary duties it owes to Hui Xian REIT. The Trustee shall exercise all due diligence and vigilance in carrying out its functions and duties, and in protecting the rights and interests of Unitholders.

Subject to the relevant provision of the Trust Deed and the REIT Code, the Manager may at its sole and absolute discretion whenever it considers necessary or beneficial to Hui Xian REIT require in writing the Trustee to borrow or raise moneys on behalf of Hui Xian REIT either directly or through Special Purpose Vehicle (upon such terms and conditions as the Manager thinks fit and in particular by charging or mortgaging all or any of the investments) and the Trustee shall give effect to such requisition (including, where requested by the Manager, by way of giving guarantees out of the Deposited Property on behalf of Hui Xian REIT).

No new borrowing or money raising shall be requisitioned by the Manager under the relevant provision of the Trust Deed or made by the Trustee at the instruction or consent of the Manager under the relevant provision of the Trust Deed if upon the effecting of such borrowing or raising the amount thereof together with the aggregated amount of all other raisings or borrowings made by the Trustee at the requisition of the Manager under the relevant provision of the Trust Deed or made by the Trustee at the instruction or consent of the Manager under the relevant provision of the Trust Deed (in each case, whether directly or indirectly through a Special Purpose Vehicle), and still remaining to be repaid would thereupon in the aggregate exceed 45.0% (or such other higher or lower percentage as may be permitted by the REIT Code or as may be specifically permitted by the relevant authorities) of the total gross asset value of the Deposited Property as set out in Hui Xian REIT's latest published audited accounts immediately prior to such borrowing being effected (as adjusted by (i) the amount of any distribution proposed by the Manager in such audited accounts and any distribution declared by the Manager since the publication of such accounts; and (ii) where appropriate the latest published valuation of the assets of Hui Xian REIT if such valuation is published after the publication of such accounts).

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### **Trustee's Right to Reimbursement**

The Trustee is entitled to apply, or to be reimbursed from, the assets of Hui Xian REIT (at such times and over such periods as the Trustee and the Manager may determine in any particular case) for all liabilities or any other expenses that may be properly incurred or suffered by the Trustee in the performance of its obligations or the exercise of its powers under the Trust Deed, or otherwise arising out of or in connection with the Trust Deed or other constitutive documents of Hui Xian REIT.

### **Limitation of Trustee's Liability**

In the absence of fraud, negligence, wilful default or breach of the Trust Deed or other constitutive documents of Hui Xian REIT to which the Trustee is a party, or breach of the REIT Code or any other relevant laws and regulations or breach of trust by the Trustee, the Trustee shall have no liability for any act or omission of the Manager, the Hong Kong Unit Registrar (if the Trustee is not the unit registrar), any principal valuer or any Special Purpose Vehicles or any directors of the foregoing.

In the absence of fraud, negligence, wilful default, breach of the Trust Deed or other constitutive documents of Hui Xian REIT to which the Trustee is a party, breach of the REIT Code or other relevant laws and regulations or a breach of trust, the Trustee shall not be in any way responsible to Hui Xian REIT, the Unitholders, the Manager or any person for any loss, costs, damage or inconvenience that may result from the exercise or non exercise of its powers.

Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Hui Xian REIT over which the Trustee has recourse provided that the Trustee had acted without fraud, negligence, wilful default, breach of the Trust Deed or other constitutive documents to which Hui Xian REIT is a party, breach of trust, breach of the REIT Code or breach of any applicable law and regulation.

### **Trustee's Right of Indemnity of Deposited Property**

Subject to the provisions of the Trust Deed and without prejudice to any right of indemnity at law given to the Trustee, the Trustee and any director, employee, servant agent or delegate of the Trustee shall be indemnified out of, and shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee and as any director, employee, servant agent or delegate of the Trustee to have recourse to the Deposited Property or any part thereof save where such actions, costs, claims, damages, expenses or demands are occasioned by fraud, negligence, wilful default or breach of the Trust Deed, breach of trust, breach of the constitutive documents of Hui Xian REIT, or breach of the REIT Code or other applicable laws or regulations by the Trustee or any director, employee, servant agent or delegate of the Trustee.

### **Retirement and Removal of the Trustee**

The Trustee may retire or be removed under the following circumstances:

- (a) The Trustee shall not be entitled to retire voluntarily except upon the appointment (with, for so long as Hui Xian REIT is authorised by the SFC, the prior written consent of the SFC) of a new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee takes up office as the trustee of Hui Xian REIT.
- (b) The Trustee may be removed by prior notice in writing to the Trustee by the Manager in any of the following events:
  - (i) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee (or any such analogous process occurs or any analogous person is appointed in respect of the Trustee);

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- (ii) if the Trustee ceases to carry on business; and
- (iii) if the Unitholders by a Special Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed and of which not less than 21 days' notice has been given to the Trustee and the Manager shall so decide.

#### **Trustee's Fee**

Hui Xian REIT will pay the Trustee a one-off inception fee of not more than RMB100,000 and, in each financial year, an annual fee of such amount as agreed between the Manager and the Trustee from time to time of not more than 0.02% of the Property Values as at the end of such financial year (which may be increased without obtaining Unitholders' approval to a maximum of 0.06% per annum of the Property Values by giving at least one month's prior written notice to the Manager and the Unitholders), subject to a minimum amount of RMB56,000 per month. Such remuneration of the Trustee shall be payable out of the Deposited Property semi-annually in arrears, subject to adjustment according to the Trust Deed.

Based on the agreed arrangement between the Trustee and the Manager as at the Latest Practicable Date and the Appraised Value of Oriental Plaza of RMB31,410 million as at 31 January 2011, the rate of the above annual fee is expected to be 0.01% on the Listing Date.

The remuneration payable to the Trustee for a broken period shall be pro-rated on a time basis.

The Trustee shall give at least one month's prior written notice to the Manager and the Unitholders of any increase in the rate of the remuneration of the Trustee that the Trustee proposes to charge from time to time up to (but not exceeding) the permitted limit. Any increase in the rate of the remuneration of the Trustee above the permitted limit or any change in the structure of the remuneration of the Trustee shall be approved by a Special Resolution of a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

#### **Termination of Hui Xian REIT**

Hui Xian REIT shall terminate in the event that, for any reason, there is no Manager under Hui Xian REIT for a period of more than 60 calendar days or such longer period as the Trustee considers appropriate. Otherwise, Hui Xian REIT shall continue until the expiration of 80 years less one day from the date of commencement of Hui Xian REIT as provided in the Trust Deed, or until it is terminated or merged in the manner described below or as set out in the sub-section headed "Merger of Hui Xian REIT" below.

Under the provisions of the Trust Deed, Hui Xian REIT may be terminated by Special Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed unless it is wound up by a court order or is otherwise terminated by the operation of law.

Where the proposal to terminate Hui Xian REIT is recommended by the Manager, the Manager and connected persons related to it shall abstain from voting if they hold interests in the Units and if their interest (at the sole determination of the Trustee) in terminating Hui Xian REIT is different from that of all other Unitholders. The Trustee shall have no liability for any consequence arising out of such termination recommended by the Manager and approved by Special Resolution in the absence of fraud, bad faith, willful default or negligence. The Manager shall inform Unitholders as soon as reasonably practicable of the intention to terminate Hui Xian REIT by way of announcement.

The Manager shall serve on the Unitholders, within 21 days of the announcement of the termination of Hui Xian REIT (or such other period permitted under the REIT Code), a circular containing the following information:

- (a) the rationale for the termination of Hui Xian REIT;
- (b) the effective date of the termination;

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- (c) the manner in which the Deposited Property is to be dealt with;
- (d) the procedures and timing for the distribution of the proceeds of the termination;
- (e) a valuation report of Hui Xian REIT prepared by an principal valuer which is dated not more than three months before the date of the circular;
- (f) the alternatives available to the Unitholders (including, if applicable, a right to switch without charge into another unit trust scheme);
- (g) the estimated costs of the termination and who is expected to bear such costs; and
- (h) such other material information that the Manager determines that the Unitholders should be informed of.

Upon the Unitholders' approval of the termination of Hui Xian REIT, no further Units shall be created, issued, cancelled or sold. No transfer of Units may be registered and no other change to the register may be made without the sanction of the Trustee following the announcement referred to above. No further investments may be made by Hui Xian REIT upon its termination and the obligations of the Trustee, the Manager and the property valuer shall continue until the completion of the liquidation of the assets and termination of Hui Xian REIT.

Upon approval of the proposal to terminate Hui Xian REIT, the Trustee shall oversee the realization of the investments by the Manager (which the Manager shall effect as soon as practicable) and shall ensure that the Manager shall repay out of the Deposited Property any outstanding borrowings effected by or for the account of Hui Xian REIT (together with any interest thereon but remaining unpaid) and shall ensure the proper discharge of all other obligations and liabilities of Hui Xian REIT.

All investments shall be disposed of through public auction or any form of open tender. The disposal shall be conducted at arm's length and conducted in the best interests of the Unitholders. The disposal price shall be the best available price obtained through public auction or open tender. Subject as aforesaid, such sale and repayment shall be carried out and completed in such manner and within such period after the termination of Hui Xian REIT as the Manager in its absolute discretion deems advisable provided that, unless otherwise permitted by the REIT Code, such period may not exceed twenty-four months and where it exceeds twelve months, it must be in the interests of Unitholders and Unitholders shall be informed by way of announcement. Subject to the provisions of the Trust Deed, any net cash proceeds derived from the sale or realization of such investments shall (at such time or times as the Trustee shall deem convenient) be distributed to the Unitholders pro rata to the number of Units held or deemed to be held by them respectively at the date of the termination of Hui Xian REIT provided that if the liquidation of Hui Xian REIT exceeds six months from the date of termination of Hui Xian REIT, an interim distribution shall be made in respect of any net proceeds derived from the sale or realisation of investments.

Upon the completion of the liquidation of the assets of Hui Xian REIT, the following shall be prepared:

- (a) a Manager's review and comment on the performance of Hui Xian REIT and an explanation as to how the investments have been disposed of and the transaction prices and major terms of disposal;
- (b) a Trustee's report that the Manager has managed and liquidated the assets of Hui Xian REIT in accordance with the REIT Code and the provisions of the Trust Deed;
- (c) financial statements of Hui Xian REIT which shall be distributed to the Unitholders by the Manager within three months of completion of the liquidation of the assets of Hui Xian REIT and a copy filed with the SFC; and
- (d) an auditors' report.



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Following the disposal of the assets of Hui Xian REIT and the distribution of the net proceeds derived from the sale or realization of the assets of Hui Xian REIT (if any), Hui Xian REIT will terminate.

### **Merger of Hui Xian REIT**

The merger of Hui Xian REIT shall require specific prior approval by Special Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed.

Where the proposal to merge Hui Xian REIT is recommended by the Manager, the Manager and connected persons related to it shall abstain from voting if they hold interests in the Units and if their interests (at the sole determination of the Trustee) in merging Hui Xian REIT is different from that of all other Unitholders. Where upon such merger the Trustee retires, any deed effecting the merger by which the Deposited Property and liabilities of Hui Xian REIT are so merged shall include indemnification of the Trustee to its satisfaction. The Trustee shall cease to be liable for obligations and liabilities of Hui Xian REIT subsisting at the time of merger to the extent such obligations and liabilities are subsequently discharged from and out of the merged entity, and shall have no other liability for the consequences arising out of any merger of Hui Xian REIT recommended by the Manager and approved by Special Resolution other than any liability arising from the fraud, wilful default, bad faith or negligence of the Trustee.

The Manager shall inform Unitholders as soon as reasonably practicable of the intention to merge Hui Xian REIT by way of announcement. The Manager shall serve on the Holders within 21 days of such announcement (or such other period permitted under the REIT Code), a circular containing the following information:

- (a) the rationale for the merger of Hui Xian REIT;
- (b) the effective date of the merger;
- (c) the manner in which the Deposited Property is to be dealt with;
- (d) the procedures and timing for the issuance or exchange of new Units arising from the merger;
- (e) a valuation report of Hui Xian REIT prepared by an principal valuer which is dated not more than three months before the date of the circular;
- (f) the alternatives available to the Unitholders (including, if applicable, a right to switch without charge into another unit trust scheme);
- (g) the estimated costs of the merger and the bearer of such costs; and
- (h) such other material information that the Manager determines that the Unitholders should be informed of.

Any merger pursuant to the provisions of the Trust Deed may only take effect upon the successor entity assuming responsibility for the performance and discharge of all obligations and liabilities of Hui Xian REIT subsisting at the time of merger.

Upon the completion of the merger of Hui Xian REIT, the following shall be prepared:

- (i) a Manager's review and comment on the performance of Hui Xian REIT and an explanation as to how the investments have been accounted for in the merged scheme;
- (ii) a Trustee's report that the Manager has managed and merged Hui Xian REIT in accordance with the REIT Code and the provisions of the Trust Deed;
- (iii) financial statements of Hui Xian REIT which shall be distributed to Unitholders by the Manager within three months of the completion of the merger and a copy filed with the SFC; and
- (iv) an auditors' report.

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**Deemed Application of Part XV of the SFO**

After the Listing Date, the provision of Part XV of the SFO (other than sections 328 and 351), and all relevant guidelines and interpretation notes on Part XV of the SFO issued by the SFC from time to time, shall have effect, *mutatis mutandis*, and shall be binding on the Manager, the directors and chief executive of the Manager, the Manager and on each Unitholder and all persons claiming through or under him (including, without limitation, each participant) as if:

- (a) Hui Xian REIT is a “listed corporation” for the purposes of Part XV of the SFO;
- (b) the reference in Part XV of SFO to the “relevant share capital” of such listed corporation are references to: (a) the Units which are issued and outstanding from time to time; and (b) the Units which Hui Xian REIT has agreed to issue, either conditionally or unconditionally, from time to time;
- (c) a Unit is a share comprised in the relevant share capital of such listed corporation and the Unitholder is a holder of a share in the relevant share capital of such listed corporation;
- (d) a person who is interested in a Unit is interested in a share in the relevant share capital of such listed corporation;
- (e) the Manager itself is a director of such listed corporation;
- (f) the directors and chief executive of the Manager are the directors and chief executive respectively of such listed corporation;
- (g) “**percentage level**”, in relation to a notifiable interest, means the percentage figure found by expressing the aggregate number of the Units in which the person is interested immediately before or, as the case may be, immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the Manager and rounding that figure down (if it is not a whole number) to the next whole number;
- (h) “**percentage level**”, in relation to a short position, means the percentage figure found by expressing the aggregate number of the Units in which the person has a short position immediately before or, as the case may be, immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the Manager and rounding that figure down (if it is not a whole number) to the next whole number; and
- (i) in addition and without prejudice to any notification required to be given to the Hong Kong Stock Exchange by virtue of the deemed application of Part XV of the SFO, any notification with respect to interests in Units required to be given to the listed corporation by the operation of the relevant provisions in the Trust Deed shall be given by the relevant parties to the Manager and the Manager shall send copies of the notifications received by it to the Trustee promptly.

A reference to:

- (a) an interest in Units of a person shall be construed in the same manner as an interest in shares under section 322 of the SFO;
- (b) a short position in Units of a person shall be construed in the same manner as a short position in shares under sections 308 and 322 of the SFO;
- (c) an interest in Units of the Manager or a director or chief executive of the Manager (as the case may be) shall be construed in the same manner as an interest in shares under section 346 of the SFO;
- (d) a short position in Units of the Manager or a director or chief executive of the Manager (as the case may be) shall be construed in the same manner as a short position in shares under sections 308 and 346 of the SFO;
- (e) the Manager shall not be construed as a controlled corporation of the Trustee for the purposes of section 316 of the SFO solely to the extent and for so long as the Trustee interests in the Manager arise in its capacity as trustee of Hui Xian REIT.

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Subject to the above:

- (a) the provision of Divisions 2 to 4 of Part XV of the SFO (other than section 328) shall apply to a person who (i) is interested in the Units, or who acquires an interest in or who ceases to be interested in the Units; or (ii) has a short position in the Units, or who comes to have or ceases to have a short position in the Units. Accordingly, a duty of disclosure shall arise under the Trust Deed in relation to that person on the occurrence of the relevant events described in section 310 of the SFO in the circumstances specified in section 313 of the SFO; and
- (b) the provision of Divisions 7 to 9 of Part XV of the SFO (other than section 351) shall apply to each of the Manager itself and director and chief executive of the Manager who (i) is interested in the Units, or who acquires an interest in or who ceases to be interested in the Units, or (ii) has a short position in the Units, or who comes to have or ceases to have a short position in the Units. Accordingly, a duty of disclosure shall also arise under the Trust Deed in relation to the Manager and a director or chief executive of the Manager (as the case may be) on the occurrence of the relevant events described in section 341 of the SFO in the circumstances specified in that section.

Where a duty of disclosure arises on the occurrence of the relevant events described under section 310 or 341 of the SFO by virtue of the relevant provisions of the Trust Deed, the relevant person shall give notice to the Manager and the Hong Kong Stock Exchange in accordance with the provisions of Part XV of the SFO. The Manager shall promptly send a copy of the notification received by it to the Trustee.

If a person who has a duty of disclosure under the code for disclosure of interests in the Units adopted by the Manager and the relevant provisions of the Trust Deed fails to make notification in accordance with the relevant provisions of the Trust Deed, irrespective of whether that person is a Unitholder or not, the Units in which that person is (or is deemed to be) interested in (the “**Affected Units**”) shall be subject to the relevant provisions of the Trust Deed. When the person interested in the Affected Units is a person other than the Manager, the Manager may, in its absolute discretion, take any or all of the following actions in respect of any or all of the Affected Units:

- (a) declare that the voting rights attached to any or all of the Affected Units to be suspended (and, upon such declaration, such voting rights shall be suspended for all purposes in connection with Hui Xian REIT);
  - (b) suspend the payment of any distributions in respect of any or all of the Affected Units (and, upon such suspension, any such distributions shall be retained in a trust account in the name of the Trustee (as trustee of Hui Xian REIT) pending the application of such distribution);
  - (c) impose an administrative fee of up to HK\$0.10 per Affected Unit for each day of non-compliance from the date on which disclosure is due to be made by the person; and/or
  - (d) suspend registration and/or decline to register any transfer of part or all of the Affected Units,
- until the relevant provisions of the Trust Deed are fully complied with to the satisfaction of the Manager.

The administrative fee referred to above shall be retained by the Manager for its use as it sees fit. If such fee is not paid by the relevant Unitholder or any other person, the Manager may (in its absolute discretion) withhold and deduct such fee from any distributions to be made in respect of the relevant Affected Units (and, pending the recovery of such fee, the Manager may (in its absolute discretion) exercise any of its rights set out above). To the extent that any money is held in the trust account referred to above, the Manager may apply such money against any such fee imposed in respect of the relevant Affected Units.

Irrespective of whether any Unitholder is in default of the provisions of the code for disclosure of interests in the Units adopted by the Manager and the relevant provisions of the Trust Deed, each Unitholder shall be bound by the decision of the Manager and each Unitholder's Units shall be bound by such decision if the Manager declares (in its absolute discretion) that any or all of such Units are (or are deemed to be) Affected Units.

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Where the person interested in the Affected Units is the Manager:

- (a) the Trustee may exercise the powers of the Manager under sub-paragraphs (a)-(d) above in respect of any or all of the Affected Units;
- (b) the Trustee may exercise the powers of the Manager above to retain the administrative fee for the benefit of Hui Xian REIT and to take action if the fee is not paid; and
- (c) irrespective of whether the Manager is in default of the relevant provisions of the Trust Deed, the Manager shall be bound by the decision of the Trustee and its Units shall be bound by such decision if the Trustee declares (in its absolute discretion) that any or all of such Units are (or are deemed to be) Affected Units.

Under the Trust Deed, each Unitholder and all persons claiming through or under him expressly acknowledge and agree to the grant of the rights and powers set out above to the Manager and the Trustee and agree to be bound by any action taken by the Manager or the Trustee, as the case may be, pursuant to the Trust Deed in good faith.