

STRUCTURE OF THE OFFERING

The Offering

The Offering comprises the Hong Kong Public Offering and the International Offering. A total of 2,000,000,000 Units will initially be made available under the Offering which consists of:

- (i) the Hong Kong Public Offering of 400,000,000 Units (subject to adjustment as mentioned below) in Hong Kong as described below under the sub-heading “The Hong Kong Public Offering”; and
- (ii) the International Offering of 1,600,000,000 Units (subject to adjustment and the Over-allotment Option as mentioned below) as described below under the sub-heading “The International Offering”.

Investors may apply for Units under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for Units under the International Offering, but not under both. Investors may only receive Units under either the International Offering or the Hong Kong Public Offering, but not under both. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve the selective marketing of Units to institutional and professional investors and other investors anticipated to have a sizeable demand for such Units, in each case, in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares, units and other securities, and corporate entities which regularly invest in shares, units and other securities. ***Application monies for subscription of Units have to be paid in RMB and investors may need to accumulate sufficient RMB to pay the application monies.***

The number of Units to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described below in this section.

Allocation

As part of the International Offering process, prospective professional, institutional and other investors will be required to specify the number of Units they would be prepared to acquire under the International Offering either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or about, 19 April 2011.

Allocation of Units pursuant to the International Offering will be determined by the Joint Bookrunners and will be based on a number of factors including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investors are likely to buy further Units, and/or hold or sell their Units, after the listing of the Units on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the International Offering Units on a basis which would lead to the establishment of a solid unitholder base to the benefit of Hui Xian REIT and the Unitholders as a whole.

Allocation of Units to applicants under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Public Offering Units validly applied for, but, subject to that (and in accordance with the allocation of Hong Kong Public Offering Units in Pool A and Pool B described below under the sub-section headed “The Hong Kong Public Offering”), the allocation of Hong Kong Public Offering Units could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offering Units, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offering Units.

Determining the Offer Price

The Offer Price is expected to be determined by agreement between the Joint Bookrunners, on behalf of the Underwriters, Hui Xian Cayman and the Manager on the Price Determination Date,

STRUCTURE OF THE OFFERING

following completion of the book-building process for the International Offering and after assessment of the level of market demand for the Offering. The Price Determination Date is expected to be on or about 19 April 2011.

The Offer Price will fall within the Offer Price range as stated in this Offering Circular unless otherwise announced, as further explained below, at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this Offering Circular. The Joint Bookrunners, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during a book-building process, and with the consent of Hui Xian Cayman and the Manager, reduce the number of Units being offered under the Offering and/or the indicative Offer Price range below that stated in this Offering Circular at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Manager will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning for the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in The Standard (in English) and Sing Tao Daily (in Chinese) and on the website of the HKEx at www.hkexnews.hk and the website of Hui Xian REIT at www.huixianreit.com of notices of the reduction in the number of Units being offered under the Offering and/or the indicative Offer Price range. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Bookrunners (on behalf of the Underwriters) with Hui Xian Cayman and the Manager, will be fixed within such revised Offer Price range. Before submitting applications for the Hong Kong Public Offering Units, applicants under the Hong Kong Public Offering should note that applications cannot be withdrawn once submitted. However, if the number of Units being offered under the Offering and/or the Offer Price range is reduced, applicants under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed with their applications are received. Such notice will also include confirmation or revision, as appropriate, of the offer statistics as currently set out in the section headed "Offering Circular Summary" in this Offering Circular, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Units being offered under the Offering will not be reduced and/or the Offer Price, if agreed upon with the Manager, Hui Xian Cayman and the Joint Bookrunners (on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range as stated in this Offering Circular. Before submitting applications for the Hong Kong Public Offering Units, applicants should have regard to the possibility that any announcement of a reduction in the number of Units being offered under the Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

In the event of a reduction in the number of Units being offered under the Offering, the Joint Bookrunners may, at their discretion, reallocate the number of Units to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Units comprised in the Hong Kong Public Offering shall not be less than 20.0% of the total number of Units available under the Offering. The Units to be offered in the Hong Kong Public Offering and the Units to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Joint Bookrunners.

An announcement of the Offer Price, the level of indications of interest in the International Offering, the results of applications in the Hong Kong Public Offering and, the basis of allocations of the Hong Kong Public Offering Units, and the final number of Hong Kong Public Offering Units, Pool A and Pool B, respectively, is expected to be published on or before 28 April 2011.

Price Payable on Application under Hong Kong Public Offering

The Offer Price will not be more than RMB5.58 and is currently expected to be not less than RMB5.24. Applicants for Hong Kong Public Offering Units are required to pay in RMB, on application, the Maximum Offer Price of RMB5.58 per Hong Kong Public Offering Unit together with brokerage of

STRUCTURE OF THE OFFERING

1.0%, Hong Kong Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.003%, amounting to a total of RMB5,636.25 per board lot of 1,000 Units.

If the Offer Price, as finally determined in the manner described in the section “Determining the Offer Price” above, is lower than the Maximum Offer Price, appropriate refund payments (including the brokerage, Hong Kong Stock Exchange trading fee and SFC transaction levy attributable to the surplus application monies) will be made to applicants, without interest and an RMB bank account needs to be maintained to receive the surplus application monies, which will be paid in RMB. Further details are set out in the sections headed “How to apply for Hong Kong Public Offering Units” in this Offering Circular.

Conditions of the Hong Kong Public Offering

All acceptances of applications for the Hong Kong Public Offering Units in the Hong Kong Public Offering are conditional upon:

(a) *Listing*

The Hong Kong Stock Exchange granting listing of, and permission to deal in, all the Units to be issued as mentioned herein;

(b) *Completion of Reorganisation Agreement*

The Completion having taken place in accordance with the terms of the Reorganisation Agreement;

(c) *Hui Xian Holdings Subscription Agreement Unconditional*

The Hui Xian Holdings Subscription Agreement becoming and remaining unconditional in accordance with its terms;

(d) *International Underwriting Agreement*

The International Underwriting Agreement having been duly executed by the Manager and Hui Xian Cayman;

(e) *Underwriting Agreements Unconditional*

The obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Bookrunners (on behalf of themselves and the Underwriters) and neither Underwriting Agreement being terminated in accordance with its terms or otherwise;

(f) *SFC Authorisation*

The SFC having authorised this Offering Circular pursuant to section 105 of the SFO; and

(g) *Pricing*

The Offer Price being duly determined,
in the case of each of (a) to (g) above, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 8:00 a.m. on Friday, 29 April 2011.

If, for any reason, the Offer Price is not agreed between the Manager, Hui Xian Cayman and the Joint Bookrunners (on behalf of the Underwriters) on or before Tuesday, 26 April 2011, the Offering will not proceed and will lapse.

The consummation of each of the International Offering and the Hong Kong Public Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with their terms.

STRUCTURE OF THE OFFERING

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Offering will be caused to be published by the Manager in The Standard (in English) and the Sing Tao Daily (in Chinese) on the Business Day next following such lapse.

In the above situation, all application monies will be returned to applicants, without interest and on the terms set out in the section headed “How to apply for Hong Kong Public Offering Units” in this Offering Circular. In the meantime, all application monies will be held in a separate bank account or separate bank accounts with a receiving banker or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Unit certificates are expected to be issued by 28 April 2011 but will only become valid at 8:00 a.m. on 29 April 2011, provided that: (i) the Offering has become unconditional in all respects; and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Grounds For Termination by the Hong Kong Underwriters” in this Offering Circular has not been exercised. Investors who trade Units prior to the receipt of Unit certificates or prior to the Unit certificates becoming valid do so entirely at their own risk.

The Hong Kong Public Offering

The Hong Kong Public Offering is a fully underwritten public offer (subject to satisfaction or waiver of the other conditions described in the sub-section above headed “Conditions of the Hong Kong Public Offering”) for the subscription in Hong Kong of, initially, 400,000,000 Units (representing approximately 20.0% of the total number of Units initially available under the Offering) at the Offer Price.

The total number of Hong Kong Public Offering Units available under the Hong Kong Public Offering will initially be divided equally into two pools for allocation purposes: Pool A and Pool B of 200,000,000 Hong Kong Public Offering Units each. All valid applications that have been received for Hong Kong Public Offering Units with a total subscription amount (excluding brokerage, Hong Kong Stock Exchange trading fee and SFC transaction levy payable thereon) of RMB4,200,000 (representing HK\$5 million converted into RMB at the exchange rate set by the PBOC for foreign exchange transactions prevailing at the Latest Practicable Date of RMB0.84190 to HK\$1.00, rounded to the nearest one hundred thousand) or below will fall into Pool A and all valid applications that have been received for Hong Kong Public Offering Units with a total subscription amount (excluding brokerage, Hong Kong Stock Exchange trading fee and SFC transaction levy payable thereon) of more than RMB4,200,000 (representing HK\$5 million converted into RMB at the exchange rate set by the PBOC for foreign exchange transactions prevailing at the Latest Practicable Date of RMB0.84190 to HK\$1.00, rounded to the nearest one hundred thousand) will fall into Pool B. The number of Hong Kong Public Offering Units comprised in each of Pool A and Pool B will initially be divided equally between the two pools.

Applicants should be aware that applications in Pool B are likely to receive different allocation ratios than applications in Pool A. Where either of the pools is undersubscribed, the surplus Hong Kong Public Offering Units will be transferred to satisfy demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Public Offering Units from Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than half of the Hong Kong Public Offering Units initially available under the Hong Kong Public Offering (that is, 200,000,000 of the Hong Kong Public Offering Units) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any International Offering Units under the International Offering, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

STRUCTURE OF THE OFFERING

The allocation of Units between the Hong Kong Public Offering and the International Offering is subject to adjustment by the Joint Bookrunners. The number of Units initially available under the Hong Kong Public Offering will be approximately 20.0% of the total number of Units available under the Offering (before taking into account any exercise of the Over-allotment Option).

In addition, if the number of the Units validly applied for under the Hong Kong Public Offering represents 5 times or more but less than 10 times the number of the Units initially available under the Hong Kong Public Offering, then Units will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Units available under the Hong Kong Public Offering will be at least 800,000,000 Units (representing 40.0% of the Units initially available under the Offering). If the number of Units validly applied for under the Hong Kong Public Offering represents 10 times or more the number of Units initially available under the Hong Kong Public Offering, then the number of Units to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of Units available under the Hong Kong Public Offering will be at least 1,000,000,000 Units (representing 50.0% of the Units initially available under the Offering).

Units validly applied for under the Hong Kong Public Offering (as a multiple of the 400,000,000 Units initially available)	Post “clawback” ⁽¹⁾	Post “clawback” ⁽²⁾
	At least	At least
5 times but less than 10 times	800,000,000	40.0%
10 times or more	1,000,000,000	50.0%

Notes:

(1) Expressed as the total number of Units available under the Hong Kong Public Offering post “clawback”.

(2) Units available under the Hong Kong Public Offering expressed as an approximate percentage of the total number of Units available under the Offering, before exercise of the Over-allotment Option.

In addition, in the event of an under-subscription in the Hong Kong Public Offering, the Joint Bookrunners will have the discretion to reallocate to the International Offering such number of unsubscribed Hong Kong Public Offering Units as they may deem appropriate. If the International Offering is undersubscribed, the Joint Bookrunners may decide in their absolute discretion to reallocate Units from the International Offering to the Hong Kong Public Offering.

The International Offering

A total of 1,600,000,000 Units will initially be available to investors under the International Offering. These 1,600,000,000 Units represent approximately 80.0% of the Units available under the Offering (before taking into account any exercise of the Over-allotment Option). Pursuant to the International Offering, the International Offering Units will be offered to institutional, professional and other investors by the International Underwriters or through selling agents appointed by them. International Offering Units will be offered to and placed with professional and institutional investors and other investors anticipated to have a sizeable demand for the International Offering Units in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. In addition, the International Offering Units may be reallocated to the Hong Kong Public Offering in the case of over-subscription under the Hong Kong Public Offering as set out in the sub-section headed “The Hong Kong Public Offering” above.

Over-allotment Option and Stabilisation

Hui Xian Holdings Subscription, the Over-allotment Option and the Unit Borrowing Agreement

Prior to and not as part of the Offering, Hui Xian Holdings has entered into the Hui Xian Holdings Subscription Agreement pursuant to which it has agreed to subscribe at the Offer Price for 300,000,000 Units, equivalent to 6.0% of the total number of Units in issue as enlarged by the Offering and the Hui Xian Holdings Subscription and 15.0% of the total number of Units under the Offering. The Units to be subscribed for by Hui Xian Holdings will rank pari passu in all respects with the fully paid Units in issue upon completion of such subscription and the Offering. The obligation on Hui Xian

STRUCTURE OF THE OFFERING

Holdings to subscribe for the Units is conditional upon the Underwriting Agreements being entered into, having become unconditional and not having been terminated on or prior to the date on which the Units are issued at settlement under the Offering.

Prior to and in order to facilitate the settlement of over-allocations in connection with the International Offering, if any, and any other stabilising action in respect of the Units, Hui Xian Holdings intends to (i) enter into Units lending and borrowing arrangements under the Unit Borrowing Agreement with the Stabilising Manager; and (ii) grant the Over-allotment Option to the International Underwriters, exercisable by the Stabilising Manager on behalf of the International Underwriters in consultation with the Joint Bookrunners, to require Hui Xian Holdings to sell at the Offer Price up to 300,000,000 Units, representing 15.0% of the total number of Units under the Offering, to be offered to investors as part of the International Offering to, among other things, cover the over-allocations of Units (if any).

The Over-allotment Option will be exercisable by the Stabilising Manager on behalf of the International Underwriters in consultation with the Joint Bookrunners on one or more occasions at any time from the Listing Date up to (and including) the date which is the 30th day after the last day for lodging Application Forms under the Hong Kong Public Offering.

Pursuant to the Unit Borrowing Agreement expected to be entered into between Hui Xian Holdings and the Stabilising Manager, the Stabilising Manager or any of its affiliates or any person acting for it may choose to borrow a total of 300,000,000 Units (being the maximum number of Units which may be sold upon full exercise of the Over-allotment Option) from Hui Xian Holdings to cover any over-allocations in the International Offering.

In the event that the Over-allotment Option is exercised in full, Hui Xian Holdings will cease to hold any Units that it subscribed for under the Hui Xian Holdings Subscription Agreement. To the extent the Over-allotment Option is not exercised, a corresponding number of Units will be returned to Hui Xian Holdings pursuant to the Unit Borrowing Agreement. An announcement will be made by the Manager as and when (and if) the Over-allotment Option is exercised.

If such unit borrowing arrangement with Hui Xian Holdings is entered into, it will only be effected by the Stabilising Manager, or its affiliates or any person acting for it, for the purpose of settlement of over-allocations in the International Offering.

Stabilising Action

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Offering, the Stabilising Manager or any of its affiliates or any person acting for it on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of the Units at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager or any of its affiliates or any person acting for it to do this. Such transactions, if commenced, may be discontinued at any time and are required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The Stabilising Manager has been or will be appointed as stabilising manager for the purposes of the Offering and will conduct any stabilising activities (if any) on a basis as disclosed in this section headed "Over-allotment Option and Stabilisation" and equivalent to that required under the Securities and Futures (Price Stabilizing) Rules made under the SFO as if those rules were directly applicable to the Units and the Offering and, should

STRUCTURE OF THE OFFERING

stabilising transactions be effected in connection with the Offering, this will be at the absolute discretion of the Stabilising Manager.

The possible stabilising action which may be taken by the Stabilising Manager, its affiliates or any person acting for it, in connection with the Offering may involve (among other things): (i) over-allocation of Units for the purpose of preventing or minimising any reduction in the market price of the Units, (ii) selling or agreeing to sell Units so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Units, (iii) purchasing, or agreeing to purchase, Units pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the Units for the sole purpose of preventing or minimising any reduction in the market price of the Units, (v) selling or agreeing to sell any Units in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in Units should note that:

- the Stabilising Manager, its affiliates or any person acting for it, may, in connection with the stabilising action, maintain a long position in the Units. There is no certainty regarding the extent to which and the time period for which the Stabilising Manager, its affiliates or any person acting for it, will maintain such a position;
- liquidation of any such long position by the Stabilising Manager, its affiliates or any person acting for it and selling in the open market, may have an adverse impact on the market price of the Units;
- no stabilising action will be taken to support the price of the Units for longer than the stabilising period which will begin on the Listing Date, and is expected to expire at the end of 19 May 2011, being the day which is expected to be the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further action may be taken to support the price of the Units, demand for the Units, and therefore the price of the Units, could fall;
- the price of any security (including the Units) cannot be assured to stay at or above its offer price by the taking of any stabilising action; and
- stabilising bids or transactions effected in the course of the stabilising action may be made at any price at or below the Offer Price, which means that stabilising bids or transactions effected may be made at a price below the price paid by applicants for, or investors in, acquiring the Units.

These activities by the Stabilising Manager may stabilise, maintain or otherwise affect the market price of the Units. As a result, the price of the Units may be higher than the price that otherwise might exist in the open market. Any stabilising action taken by the Stabilising Manager, or any person acting for it, may not necessarily result in the market price of the Units staying at or above the Offer Price either during or after the stabilising period. Bids for or market purchases of the Units by the Stabilising Manager (or any person acting for it) may be made at a price at or below the Offer Price and therefore at or below the price paid for the Units by investors in the Offering.

The Manager will ensure or procure that a public announcement, on a basis consistent with the Securities and Futures (Price Stabilizing) Rules as if those rules were directly applicable, will be made within seven days of the expiration of the stabilising period.

Following any over-allocation of Units in connection with the Offering, the Stabilising Manager or any of its affiliates or any person acting for it may cover such over-allocation by (among other methods) making purchases in the secondary market, for a period of 30 days after the last date for lodging applications under the Hong Kong Public Offering exercising the Over-allotment Option in full or in part, making Unit borrowing arrangements or by any combination of the above. Any such secondary market purchases will be made in compliance with all applicable laws and regulatory requirements and on a

STRUCTURE OF THE OFFERING

basis consistent with the Securities and Futures (Price Stabilizing) Rules made under the SFO as if those rules were directly applicable. The number of Units which can be over-allocated will not exceed the number of Units under the Over-allotment Option, being 300,000,000 Units representing 15.0% of the Units initially available under the Offering.

Hui Xian Holdings' Lock-up Undertaking

Hui Xian Holdings has undertaken to the Manager in the Hui Xian Holdings Subscription Agreement that in respect of the Units to be issued to it pursuant to the Hui Xian Holdings Subscription Agreement and any Units which may be returned to it under the Unit Borrowing Agreement, it will not, whether conditionally or unconditionally, during the period starting from the Listing Date and ending on and including the date which is six months after the Listing Date:

- dispose of any such Units held by it; or
- offer or agree or announce any intention to do the foregoing,

provided that these restrictions do not apply to (a) any sale or transfer of Units by Hui Xian Holdings pursuant to any exercise of the Over-Allotment Option; (b) any transfer of Units pursuant to the Unit Borrowing Agreement; (c) any use by Hui Xian Holdings of any such Units as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan; or (d) any sale or transfer of Units by (i) Hui Xian Holdings to any of its wholly-owned subsidiaries or vice versa, or (ii) a wholly-owned subsidiary of Hui Xian Holdings to any other wholly-owned subsidiary of Hui Xian Holdings, provided that each such subsidiary has executed and delivered to the Manager an undertaking to comply with the above restrictions and must transfer such Units back to Hui Xian Holdings or another wholly-owned subsidiary of Hui Xian Holdings in the event such subsidiary ceases to be a wholly-owned subsidiary of Hui Xian Holdings.