ANNUAL REPORT

2024

Hui Xian Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

Stock Code: 87001

HUI XIAN REIT

Hui Xian Real Estate Investment Trust ("Hui Xian REIT") (Stock Code: 87001) is a real estate investment trust constituted by a deed of trust entered on 1 April 2011 between, amongst the others, Hui Xian Asset Management Limited (as manager of Hui Xian REIT), and DB Trustees (Hong Kong) Limited ("Trustee") (as amended, modified or supplemented from time to time) ("Trust Deed"). Units of Hui Xian REIT were first listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2011.

REIT MANAGER

Hui Xian REIT is managed by Hui Xian Asset Management Limited (the "Manager"), a company incorporated in Hong Kong for the sole purpose of managing Hui Xian REIT. The Manager is a direct wholly-owned subsidiary of World Deluxe Enterprises Limited, which in turn is indirectly owned as to 70% by CK Asset Holdings Limited and 30% by ESR Group Limited.

CONTENTS

2 Chairman's Statement
8 Management Discussion and Analysis
28 Environmental, Social and Governance Report
59 Corporate Governance
71 Internal Control and Risk Management
73 Connected Party Transactions
76 Disclosure of Interests
78 Directors' Biographical Information
83 Key Personnel's Biographical Information
84 Valuation Report
140 Trustee's Report
141 Independent Auditor's Report
146 Consolidated Statement of Comprehensive Income
147 Distribution Statement
149 Consolidated Statement of Financial Position
151 Consolidated Statement of Changes in Net Assets Attributable to Unitholders and Non-Controlling Interests
152 Consolidated Statement of Cash Flows
154 Notes to the Consolidated Financial Statements
210 Summary Financial Information
212 Performance Table
213 Investor Calendar
214 Corporate Information
216 Glossary

CHAIRMAN'S STATEMENT

"The global economic outlook remains uncertain in 2025. Significant headwinds – ongoing geopolitical conflicts, trade policies and tensions, as well as climate risks – continue to hinder global economic prospects.

China's economy continues to be on a recovery path after the pandemic but the pace of recovery varies across different sectors and regions.

The Chinese government is expected to step up policy support to further stimulate domestic consumption and economic growth. While we are mindful of ongoing macroeconomic challenges, we remain confident in the fundamental strengths of the Chinese economy."

H L KAM Chairman

CHAIRMAN'S STATEMENT

As the global and Chinese economies emerge from the effects of the COVID-19 pandemic, they continue to face ongoing challenges that continued to shape the economic outlook for 2024 and beyond.

Geopolitical tensions, military conflicts, and changes in political leadership have dominated headlines, casting a shadow over global economic growth and stability. A sustained high interest rate environment continued to keep business confidence subdued. All over the world, extreme weather events led to the tragic loss of lives as well as significant financial costs.

According to the World Bank, global economic growth was projected to stagnate at 2.7% in 2024, below the 3.1% average recorded in the decade prior to the COVID-19 pandemic.

HIGH INTEREST RATES CONTINUED TO IMPACT ECONOMIC ACTIVITY

Interest rates remained relatively high throughout 2024. Although some major central banks had commenced cutting interest rates since the second half of 2024, overall borrowing costs remained high compared with long-term averages.

Persistently high borrowing costs continued to squeeze corporate profits and strain over-exposed corporate borrowers. Effective management of corporate debt has become increasingly important.

CHINA'S GDP GROWTH MET OFFICIAL TARGET

China's Gross Domestic Product ("GDP") in 2024 grew 5% year-on-year as reported by China's National Bureau of Statistics. This growth was supported by the government's stimulus measures, significant public investments and strong export performance. However, subdued consumer spending, lingering softness in the property sector and a weak RMB continued to weigh on economic activity.

HUI XIAN REIT'S 2024 ANNUAL RESULTS

	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023	YoY Change	Percentage Change
Total Revenue *(RMB million)*	**2,337**	2,345	-8	-0.3%
Net Property Income *(RMB million)*	**1,303**	1,368	-65	-4.7%
Amount Available for Distribution *(RMB million)*	**26**	227	-201	-88.5%
Distribution per Unit *(RMB)*	**0.0041**	0.0361	-0.032	-88.6%

During 2024, Hui Xian REIT's portfolio demonstrated resilience amid a challenging business environment. Revenue remained flat while a mild decrease in Net Property Income ("NPI") was recorded. Revenue was RMB2,337 million (2023: RMB2,345 million), and NPI amounted to RMB1,303 million (2023: RMB1,368 million).

Relatively, Hui Xian REIT's 2024 distributions saw a relatively notable decline. Total Amount Available for Distribution was reduced to RMB26 million (2023: RMB227 million), mainly attributable to the impact of realised exchange losses of approximately RMB368 million.

Distribution per unit ("DPU") for 2024 was RMB0.0041 (2023: RMB0.0361). Payout ratio remained at 100%. Final distribution per unit ("final DPU") for the six months ended 31 December 2024 was RMB0.0011 (2023: RMB0.0013). The final DPU will be paid on 27 May 2025, Tuesday to Unitholders whose names appear on the Register of Unitholders of Hui Xian REIT on 26 March 2025, Wednesday.

HUI XIAN REIT'S OPERATIONAL PERFORMANCE

Hui Xian REIT's portfolio spans the office, retail, serviced apartment and hotel sectors in four key cities in China, covering an aggregate area of over 1.1 million square metres.

The hotel portfolio continued to experience robust growth during 2024 while the office and retail leasing markets remained soft.

1. Hotel Portfolio – NPI Jumped 154% YoY

The removal of pandemic restrictions in 2023 resulted in a remarkable rebound in China's domestic tourism. The Chinese government had also launched various campaigns to boost domestic travel and the recovery momentum continued in 2024. According to China's Ministry of Culture and Tourism, domestic travel trips and domestic travel spending during 2024 were up by 14.8% and 17.1% year-on-year respectively.

International travel also saw a notable recovery in 2024. A series of policies were introduced by the Chinese government to stimulate inbound travel, such as expanding the visa-free entry policy to include more countries and extending the permitted stay for eligible foreign travellers under the visa-free transit policy to 240 hours from the previous 72 to 144 hours.

China saw a spike in foreign visitors in 2024. According to China's National Immigration Administration, cross-border trips made by foreign nationals during 2024 surged 82.9% year-on-year to 64.9 million.

Hui Xian REIT's hotel portfolio comprises four international chain hotels in four key cities in China. Benefitting from the recovery of the tourism sector, the hotel portfolio's NPI was RMB87 million, an increase of 154.2% year-on-year.

Sheraton Chengdu Lido Hotel – Both Occupancy and Room Rates Picked Up

Chengdu's business and leisure travel continued to rebound during 2024. Average occupancy rate at Sheraton Chengdu Lido Hotel increased from 64.6% in 2023 to 77.9% in 2024. Average room rate per night grew from RMB579 in 2023 to RMB613 in 2024.

Hyatt Regency Metropolitan Chongqing – Occupancy Exceeded 75% Amid Keen Competition

Chongqing remained a popular domestic travel destination. At Hyatt Regency Metropolitan Chongqing, average occupancy rate was 75.7% (2023: 75.5%). Average room rate per night was RMB641 (2023: RMB668).

Grand Hyatt Beijing – Occupancy Rate Increased 59%

While Beijing's domestic travel continued to recover, its inbound tourism market also witnessed a significant improvement. The capital city saw 3.9 million inbound tourism trips in 2024, up by 187% year-on-year.

Grand Hyatt Beijing's average occupancy rate increased from 42.0% in 2023 to 66.7% in 2024 while average room rate per night was down from RMB1,589 in 2023 to RMB1,496 in 2024.

The Westin Shenyang – Benefitted from Booming Winter Tourism

Winter tourism and sports continued to heat up in China with policy support from the government. Located in the northeastern China, Shenyang was one of the most popular national ice and snow tourism destinations.

At The Westin Shenyang, average occupancy rate increased from 47.4% in 2023 to 53.6% in 2024. Average room rate per night was up from RMB550 in 2023 to RMB553 in 2024.

2. Retail Portfolio – Leasing Demand was Soft Amid Weak Consumption

China's retail leasing demand was soft during 2024. Falling property prices, lack of job security and an uncertain economic outlook continued to dampen consumer confidence. Domestic consumption in China remained muted. Retailers were cautious in their outlook, resulting in subdued demand for new and expansion retail space.

The growth rate of China's total retail sales of consumer goods slowed from 7.2% in 2023 to 3.5% in 2024. Beijing's retail sales recorded a year-on-year decline of 2.7%.

Another factor affecting the retail leasing demand was the exponential growth of online shopping over the past few years. China's online retail sales increased 6.5% in 2024, outpacing the total retail sales growth rate of 3.5%.

Hui Xian REIT's retail portfolio comprises two shopping centres: (i) The Malls at Beijing Oriental Plaza, and (ii) The Mall at Chongqing Metropolitan Oriental Plaza. The NPI during 2024 was RMB384 million (2023: RMB473 million).

At The Malls at Beijing Oriental Plaza, average occupancy rate was 92.4% (2023: 91.7%). New lease and renewal terms were mostly concluded at negative reversion rates to maintain the occupancy level within a challenging retail environment. Average monthly passing rent was RMB631 (2023: RMB724) per square metre. Whilst The Mall at Chongqing Metropolitan Oriental Plaza continued its comprehensive asset enhancement programme during 2024, pre-leasing activities were progressing well, resulting in an occupancy rate of approximately 50% at the end of 2024.

3. Office Portfolio – Uncertain Macroenvironment Slowed Leasing Momentum

China's office leasing market remained weak during 2024, primarily due to a reduction in leasing demand. In light of persistent economic uncertainty, corporations became increasingly cost-conscious and showed less confidence in committing to leases. Many companies continued to adopt "work-from-home" or hybrid work models after the pandemic, further diminishing the demand for office space.

Hui Xian REIT's office portfolio consists of (i) The Tower Offices at Beijing Oriental Plaza, and (ii) The Tower at Chongqing Metropolitan Oriental Plaza. During 2024, the NPI was RMB744 million (2023: RMB779 million).

Beijing's Grade A office vacancy rate was at a relatively high level of 19.4%[1] as at the fourth quarter of 2024, exerting pressure on rents. Landlords continued to offer competitive leasing incentives to attract and retain quality tenants. At The Tower Offices at Beijing Oriental Plaza, average monthly passing rent was RMB260 (2023: RMB267) per square metre. Average occupancy rate was 84.5% (2023: 85.4%).

In Chongqing, office leasing demand remained subdued. The city's vacancy rate of Grade A offices was 34.4%[2] in 2024. At The Tower at Chongqing Metropolitan Oriental Plaza, average occupancy rate was 76.8% (2023: 80.6%), and average monthly passing rent was RMB87 (2023: RMB89) per square metre.

Sources:
1. "Market in Minutes – Beijing Office", Savills Research (January 2025)
2. "2024 Annual Report on Chongqing's Office and Retail Market", Cushman & Wakefield (January 2025)

4. Serviced Apartment Portfolio – Leasing Demand Remained Stable

Leasing demand for Beijing's high-end serviced apartments remained stable during 2024.

Hui Xian REIT's serviced apartment portfolio saw increases in both occupancy and NPI. The NPI increased from RMB82 million in 2023 to RMB88 million in 2024. Average occupancy rate grew from 83.8% in 2023 to 88.6% in 2024.

FINANCIAL POSITION – LOAN AMOUNT WAS REDUCED BY RMB824 MILLION IN 2024

Hui Xian REIT continued to reduce its debt level to mitigate the impact of high interest expenses. Hui Xian REIT's total debt was reduced by RMB824 million to RMB5,777 million as at 31 December 2024 (RMB6,601 million as at 31 December 2023).

Bank balances and cash on hand amounted to RMB2,977 million as at 31 December 2024 (RMB3,470 million as at 31 December 2023). The debts to gross asset value ratio was down from 18.2% as at 31 December 2023 to 16.8% as at 31 December 2024.

Hui Xian REIT's revenue is in RMB while all debts were denominated in Hong Kong Dollar before 2024. Its distributions are sensitive to RMB exchange rate movements when there is a loan repayment. During 2024, Hui Xian REIT entered into RMB loans to reduce the exposure to currency fluctuations. As at 31 December 2024, about one third of the existing loans were denominated in RMB and the split between RMB and Hong Kong Dollar denominated loan exposure was 34% and 66% (31 December 2023: Nil and 100%) respectively.

OUTLOOK – CHALLENGING BUSINESS CONDITIONS LIKELY TO PERSIST

The global economic outlook remains uncertain in 2025. Significant headwinds – ongoing geopolitical conflicts, trade policies and tensions, and climate risks – continue to hinder global economic prospects. The World Trade Organisation has cautioned that tit-for-tat trade wars could have significant negative consequences for global growth.

China's economy remains on a path of recovery from the pandemic but the pace of recovery varies across different sectors and regions. The near-term challenges include subdued consumption growth, persistent weakness in the property sector, a declining population and escalating trade tensions.

While occupancy rates of the hotel portfolio may benefit from the ongoing rebound in domestic and international travel, room rates are likely to face pressure as travellers become more budget-conscious. The retail and office portfolios will continue to face challenging operating conditions. The retail leasing market is unlikely to show a significant improvement due to weak consumer sentiment. Office rents and occupancy rates are also expected to remain under pressure due to global economic uncertainties and escalating trade wars.

Hui Xian REIT's treasury strategies are focused on minimizing interest risks. Although many major central banks initiated rate-cutting cycles in the second half of 2024, the timing of future rate cuts remains uncertain. Interest rates are likely to remain relatively high in the near term.

The Chinese government is expected to step up policy support to further stimulate domestic consumption and economic growth. While we remain mindful of ongoing macroeconomic challenges, we remain confident in the fundamental strengths of the Chinese economy.

On behalf of the Manager, I would like to take this opportunity to thank our stakeholders, in particular, the Unitholders and Trustees, for their continuing trust and support. I would also like to express my utmost gratitude to our colleagues across the group for their dedication, hard work and commitment.

H L KAM

Chairman
Hui Xian Asset Management Limited
(as manager of Hui Xian Real Estate Investment Trust)

Hong Kong, 7 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

PORTFOLIO HIGHLIGHTS

As at 31 December 2024, Hui Xian REIT's portfolio included:

(1) investment in Hui Xian (B.V.I.) Limited, which in turn holds Hui Xian Investment Limited ("Hui Xian Investment"), the foreign shareholder of 北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.#) ("BOP"). Hui Xian Investment holds approximately 99.99999983% interest of BOP. Nevertheless, Hui Xian Investment is entitled to 100% distributions of BOP, which is a limited liability company established in the People's Republic of China ("PRC"). BOP holds the land use rights and building ownership rights of Beijing Oriental Plaza;

(2) investment in Chongqing Overseas Investment Limited, which in turn holds Chongqing Investment Limited. Chongqing Investment Limited owns the entire interest in 重慶大都會東方廣場有限公司 (Chongqing Metropolitan Oriental Plaza Co., Ltd#) ("COP"), which is a limited liability company established in the PRC. COP holds the land use rights and building ownership rights of Chongqing Metropolitan Oriental Plaza;

(3) investment in Shenyang Investment (BVI) Limited, which in turn holds Shenyang Investment (Hong Kong) Limited ("Shenyang Investment HK"), the foreign shareholder of 瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd#) ("Shenyang Lido"). Shenyang Investment HK holds 70% interest and is entitled to 70% of the distributions of Shenyang Lido, which is a limited liability company established in the PRC. Shenyang Lido holds the land use rights and building ownership rights of The Westin Shenyang;

(4) investment in Chongqing Hotel Investment Limited, which in turn holds Highsmith (HK) Limited. Highsmith (HK) Limited owns the entire interest in 重慶東廣大都會酒店有限公司 (Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd.#) ("COH"), which is a limited liability company established in the PRC. COH holds the land use rights and building ownership rights of Hyatt Regency Metropolitan Chongqing; and

(5) investment in New Sense Resources Limited, which in turn holds Chengdu Investment Limited, the foreign shareholder of 成都長天有限公司 (Chengdu Changtian Co., Ltd.#) ("Chengdu Changtian"). Chengdu Investment Limited holds 69% interest and is entitled to 69% of the distributions of Chengdu Changtian, which is a limited liability company established in the PRC. Chengdu Changtian holds the land use rights and building ownership rights in Sheraton Chengdu Lido Hotel.

The English name is shown for identification purpose only

ADJUSTMENT OF THE ORGANISATION OF HUI XIAN REIT'S GROUP COMPANIES IN PRC PURSUANT TO CHANGE IN PRC LAWS

The organisational structures of Hui Xian REIT's group companies established under PRC laws have been adjusted in accordance with the latest laws of the PRC. Prior to this, these group companies were established in accordance with the "three laws on foreign investment" of the PRC, namely, the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》) and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》). The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") came into effect from 1 January 2020 with the "three laws on foreign investment" being repealed simultaneously, and the Foreign Investment Law has replaced the "three laws on foreign investment". Pursuant to the Foreign Investment Law and its implementing rules, the foreign-invested enterprises shall adjust their organisational forms in accordance with the law and complete such adjustment prior to 31 December 2024, to comply with the requirements of the Foreign Investment Law and its implementing rules, as well as the Company Law of the PRC (《中華人民共和國公司法》). Therefore, in order to comply with the requirements of PRC laws, these group companies have adjusted their organisational forms in accordance with the Foreign Investment Law and the Company Law of the PRC, and have completed the reorganisation procedures. After the reorganisation, these group companies have become limited liability companies established in accordance with the Company Law of the PRC. Details of Hui Xian REIT's interests in these group companies are set out in the above section headed "PORTFOLIO HIGHLIGHTS".

HOTEL PORTFOLIO

1

Grand Hyatt Beijing, Beijing

Hyatt Regency Metropolitan Chongqing, Chongqing

The Westin Shenyang, Shenyang

Sheraton Chengdu Lido Hotel, Chengdu

Hui Xian REIT's hotel portfolio comprises four international chain hotels in four key cities in China: Beijing, Chongqing, Shenyang and Chengdu.


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1, 2
GRAND HYATT BEIJING

MANAGEMENT DISCUSSION AND ANALYSIS


4


3

OPERATIONS REVIEW

Hotel Portfolio

During 2024, China's domestic tourism continued to recover. According to the China's Ministry of Culture and Tourism, China recorded 5.6 billion domestic travel trips during the year, an increase of 14.8% year-on-year. Domestic travel spending was RMB5.8 trillion, up by 17.1% from the previous year.

China's inbound travel also saw a remarkable recovery during 2024. The Chinese Government has introduced a number of measures to boost inbound tourism, such as expanding the visa-free entry policy to more countries, extending the permitted stay for eligible foreign travellers under the visa-free transit policy to 240 hours from 72 to 144 hours, as well as enhancing mobile payment services for foreigners.

The number of foreign visitors entering China during 2024 increased significantly. Cross-border trips made by foreign nationals jumped 82.9% year-on-year to 64.9 million according to China's National Immigration Administration. Among them, over 20 million inbound trips were made visa-free, representing an increase of 112.3% year-on-year.

Hui Xian REIT's hotel portfolio comprises four international chain hotels in four key cities in China. Benefitting from the recovery of domestic and international tourism sector, revenue was increased to RMB505 million (2023: RMB390 million) and NPI grew to RMB87 million (2023: RMB34 million).

3
THE WESTIN SHENYANG

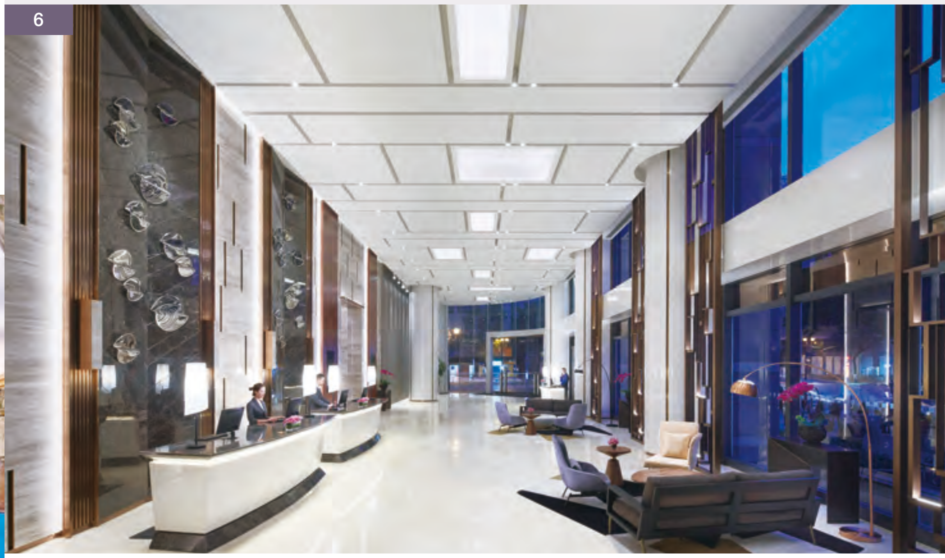
4
SHERATON CHENGDU LIDO HOTEL

5
GRAND HYATT BEIJING

6
HYATT REGENCY METROPOLITAN CHONGQING

5

6



(i) ***Sheraton Chengdu Lido Hotel (69% interest)***

During 2024, Chengdu's business and leisure travel continued to recover. Sheraton Chengdu Lido Hotel's average occupancy rate grew to 77.9% in 2024 (2023: 64.6%); average room rate per night was increased to RMB613 (2023: RMB579).

(ii) ***Hyatt Regency Metropolitan Chongqing***

Chongqing remained a popular domestic tourism city. During 2024, average occupancy rate of Hyatt Regency Metropolitan Chongqing was 75.7% (2023: 75.5%), and average room rate per night was RMB641 (2023: RMB668).

(iii) ***Grand Hyatt Beijing***

Demand for hotel rooms in Beijing continued to improve in 2024, driven by the rebound of domestic and international travel. Beijing recorded 3.9 million visits made by overseas inbound tourists during 2024, representing a year-on-year increase of 187%.

During 2024, Grand Hyatt Beijing's average occupancy rate increased to 66.7% (2023: 42.0%). Average room rate per night was RMB1,496 (2023: RMB1,589).

(iv) ***The Westin Shenyang (70% interest)***

Winter tourism and sports have been gaining popularity in China. Shenyang, located in the northeast China, was one of the most popular national ice and snow tourism destinations.

The Westin Shenyang's average occupancy rate increased to 53.6% in 2024 (2023: 47.4%), and average room rate per night rose to RMB553 (2023: RMB550).

RETAIL PORTFOLIO

1

The Malls at Beijing Oriental Plaza

The Mall at Chongqing Metropolitan Oriental Plaza

Hui Xian REIT's retail portfolio consists of two large-scale shopping centres: The Malls at Beijing Oriental Plaza and The Mall at Chongqing Metropolitan Oriental Plaza; they together provide about 222,000 square metres of retail space.

The Malls at Beijing Oriental Plaza is home to a variety of top international and domestic fashion, accessory and lifestyle brands. It also boasts a cinema and over 50 food and beverage outlets, making it Beijing's leading one-stop shopping, dining and leisure destination for locals and tourists alike.

The Mall at Chongqing Metropolitan Oriental Plaza is strategically located in Jiefangbei, Chongqing's popular shopping area and tourist destination.

1, 2
THE MALLS AT
BEIJING ORIENTAL PLAZA

MANAGEMENT DISCUSSION AND ANALYSIS

3

3
THE MALLS
AT BEIJING ORIENTAL PLAZA

4
THE MALL AT CHONGQING
METROPOLITAN ORIENTAL PLAZA

Retail Portfolio

Hui Xian REIT's retail portfolio comprises two large-scale shopping centres: (i) The Malls at Beijing Oriental Plaza, and (ii) The Mall at Chongqing Metropolitan Oriental Plaza. Together, they provide about 222,000 square metres of retail space.

During 2024, revenue was RMB640 million (2023: RMB720 million) and NPI was RMB384 million (2023: RMB473 million).

(i) ***The Malls at Beijing Oriental Plaza***

During 2024, revenue of The Malls at Beijing Oriental Plaza was RMB624 million (2023: RMB698 million) and NPI was RMB425 million (2023: RMB497 million). Average monthly passing rent was RMB631 (2023: RMB724) per square metre. Average occupancy rate was 92.4% (2023: 91.7%).

(ii) ***The Mall at Chongqing Metropolitan Oriental Plaza***

Whilst The Mall at Chongqing Metropolitan Oriental Plaza continued its comprehensive asset enhancement programme during 2024, pre-leasing activities were progressing well. The Mall's occupancy rate reached approximately 50% at the end of 2024. Additionally, the newly renovated rooftop garden was also open to the public.


4

OFFICE PORTFOLIO

The Tower Offices at Beijing Oriental Plaza

The Tower at Chongqing Metropolitan Oriental Plaza

The Tower Offices at Beijing Oriental Plaza comprises eight towers, offering over 300,000 square metres of Grade A office space. It features a diverse tenant base, which includes some of the leading multinational and domestic corporations, as well as government-related organisations.

Located at the heart of Jiefangbei Central Business District, The Tower at Chongqing Metropolitan Oriental Plaza is home to a number of consulates and corporations from a wide array of industries.

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1
THE TOWER OFFICES AT BEIJING ORIENTAL PLAZA

2
THE TOWER AT CHONGQING METROPOLITAN ORIENTAL PLAZA

MANAGEMENT DISCUSSION AND ANALYSIS

3, 4
THE TOWER OFFICES AT BEIJING ORIENTAL PLAZA

5
THE TOWER AT CHONGQING METROPOLITAN ORIENTAL PLAZA

Office Portfolio

During 2024, many corporations have remained cost-conscious in view of a more conservative sentiment towards business outlook. The wider adoption of "work-from-home" and hybrid work mode also impacted leasing demand.

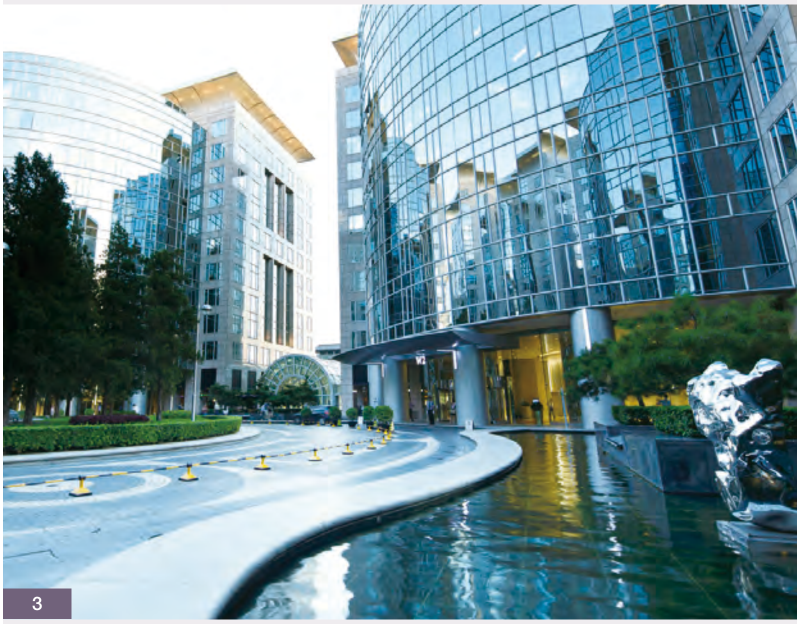
Hui Xian REIT's office portfolio consists of (i) The Tower Offices at Beijing Oriental Plaza and (ii) The Tower at Chongqing Metropolitan Oriental Plaza. Revenue was RMB1,029 million (2023: RMB1,066 million) and NPI was RMB744 million (2023: RMB779 million).

(i) The Tower Offices at Beijing Oriental Plaza

In Beijing, office leasing demand remained weak during 2024 amid cautious economic climate. As at the fourth quarter of 2024, the vacancy rate for Grade A office spaces in the capital city stood at a high level of 19.4%[1]. In response to the sluggish market, landlords were under pressure to reduce rents and offer more incentives to secure tenants.

The Tower Offices at Beijing Oriental Plaza comprises eight towers, offering over 300,000 square metres of Grade A office space. It features a diverse tenant base spanning various industries, including finance and banking, insurance, accounting, technology, legal, pharmaceutical, media and advertising, and consumer products, as well as government-related organisations.

During 2024, revenue of The Tower Offices was RMB987 million (2023: RMB1,021 million). NPI was RMB722 million (2023: RMB754 million). Average occupancy rate was 84.5% (2023: 85.4%). Average monthly passing rent was RMB260 (2023: RMB267) per square metre while average monthly spot rent was RMB231 (2023: RMB250) per square metre.



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(ii) *The Tower at Chongqing Metropolitan Oriental Plaza*

Chongqing's office vacancy rate was 34.3%[2] in 2024. New leasing demand was weak, largely due to the uncertain business environment.

Located at the heart of Jiefangbei Central Business District, The Tower at Chongqing Metropolitan Oriental Plaza is home to a number of consulates, government-related organisations and corporations from a wide array of industries, including insurance and financial services, retail and consumer products, logistics, professional consultation and healthcare.

During 2024, revenue was RMB42 million (2023: RMB45 million) and NPI was RMB22 million (2023: RMB25 million). Average occupancy rate was 76.8% (2023: 80.6%). Average monthly passing rent was RMB87 (2023: RMB89) per square metre, while average monthly spot rent was RMB85 (2023: RMB85) per square metre.

Sources:
1. "Market in Minutes – Beijing Office", Savills Research (January 2025)
2. "2024 Annual Report on Chongqing's Office and Retail Market", Cushman & Wakefield (January 2025)

5

SERVICED APARTMENT PORTFOLIO

The Tower Apartments at Beijing Oriental Plaza

1, 2, 3
THE TOWER APARTMENTS AT BEIJING ORIENTAL PLAZA

2

3

The Tower Apartments at Beijing Oriental Plaza features a variety of elegantly appointed apartment units. Tenants can enjoy a wide array of amenities as well as access to nearby Grand Hyatt Beijing's Club Oasis. The lobby entrances are located at the raised podium level of Beijing Oriental Plaza complex, which offers tenants the utmost convenience of city living in a tranquil environment.

Serviced Apartment Portfolio

During 2024, revenue of Hui Xian REIT's serviced apartment portfolio was RMB163 million (2023: RMB169 million); and NPI was RMB88 million (2023: RMB82 million). Average occupancy rate of The Tower Apartments at Beijing Oriental Plaza was 88.6% (2023: 83.8%).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Net Property Income

The net property income was RMB1,303 million for the year ended 31 December 2024.

Distributions

Distribution Amount

Hui Xian REIT will distribute a total of RMB7 million ("2024 Final Distribution") to Unitholders for the period from 1 July 2024 to 31 December 2024. The 2024 Final Distribution which will be paid in RMB represents 100% of Hui Xian REIT's total amount available for distribution during the period from 1 January 2024 to 31 December 2024, less interim distribution of RMB19 million which has been distributed to Unitholders of Hui Xian REIT on 27 September 2024 for the period from 1 January 2024 to 30 June 2024. In total, Hui Xian REIT will distribute a total of RMB26 million to Unitholders for the year ended 31 December 2024. The distribution amount includes certain profit elements in the capital nature of Hui Xian REIT. The amount of capital nature items is RMB26 million (2023: RMB227 million).

Distribution per Unit

The final DPU for the period from 1 July 2024 to 31 December 2024 is RMB0.0011 based on the number of outstanding Units on 31 December 2024. Together with the interim DPU of RMB0.0030, Hui Xian REIT provides a total DPU of RMB0.0041 for the year ended 31 December 2024.

Closure of Register of Unitholders

The record date for the 2024 Final Distribution will be 26 March 2025, Wednesday ("Record Date"). The Register of Unitholders will be closed from 24 March 2025, Monday to 26 March 2025, Wednesday, both days inclusive, during which period no transfer of Units will be registered. The final distribution is expected to be payable on 27 May 2025, Tuesday, to Unitholders whose names appear on the Register of Unitholders on the Record Date.

In order to qualify for the 2024 Final Distribution, all properly completed transfer forms (accompanied by the relevant Unit certificates) must be lodged for registration with Hui Xian REIT's Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 21 March 2025, Friday.

Pursuant to the Trust Deed, in the event that any distribution is not claimed by unitholder(s) of Hui Xian REIT entitled thereto within six years after the date of declaration of such distribution, such distribution shall be forfeited and transferred to the assets of Hui Xian REIT.

Debt Positions

In May 2024, Hui Xian Investment Limited ("Hui Xian Investment") partially prepaid HK$1,400 million of a 35-month unsecured term loan which was drawn down in December 2021. In October 2024, Hui Xian Investment drew down a 3-year unsecured term loan of HK$400 million offered by Bank of China (Hong Kong) Limited ("BOCHK"). The purpose of this facility tranche was to refinance the outstanding balance of the existing credit facility granted in December 2021. In November 2024, Hui Xian Investment further drew down a 3-year unsecured term loan of RMB200 million offered by BOCHK under the same facility. The purpose of this facility tranche was to finance the general working capital of the Group.

In June 2024 and November 2024, Hui Xian Investment drew down 3-year unsecured term loans of RMB300 million and RMB400 million respectively out of RMB700 million loan facility offered by Oversea-Chinese Banking Corporation Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment drew down a 3-year unsecured term loan of RMB625 million offered by DBS Bank (Hong Kong) Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment drew down a 3-year unsecured term loan of RMB467 million offered by The Hongkong and Shanghai Banking Corporation Limited. The purpose of the facility was to finance the general working capital of the Group.

In November 2024, Hui Xian Investment fully repaid HK$1,800 million of a 35-month unsecured term loan which was drawn down in December 2021.

In December 2024, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch extended its 3-year unsecured term loan of HK$600 million offered to Hui Xian Investment to 2025.

All facilities under Hui Xian REIT are unsecured and unsubordinated and rank pari passu with all other unsecured and unsubordinated obligations of Hui Xian Investment.

As at 31 December 2024, Hui Xian REIT's total debts amounted to RMB5,777 million (31 December 2023: RMB6,601 million). 34% and 66% of the debts were denominated in RMB and Hong Kong dollar respectively. Based on Hui Xian REIT's net assets attributable to Unitholders of RMB21,420 million as at 31 December 2024 (31 December 2023: RMB22,084 million), Hui Xian REIT's debts to net asset value ratio decreased to 27.0% (31 December 2023: 29.9%). Meanwhile, the debts to gross asset value ratio was 16.8% as at 31 December 2024 (31 December 2023: 18.2%).

Bank Balances and Asset Positions

As at 31 December 2024, Hui Xian REIT's bank balances and cash amounted to RMB2,977 million (31 December 2023: RMB3,470 million). The bank balances and cash are mainly denominated in RMB. No currency hedge was employed as at the year end date.

Hui Xian REIT is indirectly interested in a 132,584 square metre shopping centre, eight blocks of Grade A office, three serviced apartment towers and a five-star hotel in a 787,059 square metre building complex at 1 East Chang An Avenue, Beijing, PRC which are collectively named as Beijing Oriental Plaza. Hui Xian REIT's interests in Beijing Oriental Plaza are held through its special purpose vehicle, Hui Xian Investment, which is the foreign shareholder of BOP. BOP holds the land use rights and building ownership rights of Beijing Oriental Plaza.

Kroll (HK) Limited ("Kroll") valued the eight blocks of office towers, the shopping centre and car parking spaces at RMB23,729 million as at 31 December 2024 (31 December 2023: RMB24,651 million), translating into a decrease of 3.7% over the valuation as of 31 December 2023. The hotel and serviced apartment premises were valued at RMB4,510 million as at 31 December 2024 (31 December 2023: RMB4,610 million). The total valuation of Beijing Oriental Plaza was RMB28,239 million (31 December 2023: RMB29,261 million), while the total gross property value of the properties was RMB27,653 million as at 31 December 2024, as compared to RMB28,756 million as at 31 December 2023.

Hui Xian REIT indirectly owns the entire interest of Chongqing Metropolitan Oriental Plaza, a 164,360 square metre integrated commercial property development comprising a shopping centre and a Grade A office building. Chongqing Metropolitan Oriental Plaza is located at the Jiefangbei Central Business District, Yuzhong District, Chongqing.

As at 31 December 2024, the shopping centre, office building and car parking spaces were valued by Kroll at RMB2,328 million (31 December 2023: RMB2,480 million). Gross property value of the properties as at 31 December 2024 was RMB2,328 million (31 December 2023: RMB2,450 million).

Hui Xian REIT indirectly owns the entire interest of Highsmith (HK) Limited, which in turn indirectly owns the entire interest of Hyatt Regency Metropolitan Chongqing, a 38-storey hotel tower of 52,238 square metre. It is adjacent to Chongqing Metropolitan Oriental Plaza.

Kroll valued the hotel premises of Hyatt Regency Metropolitan Chongqing at RMB367 million as at 31 December 2024 (31 December 2023: RMB405 million). Gross property value of hotel premises as at 31 December 2024 was RMB231 million (31 December 2023: RMB272 million).

Hui Xian REIT also indirectly owns 69% interest of Sheraton Chengdu Lido Hotel through Chengdu Investment Limited. It is a 37-storey hotel tower of 56,350 square metre located to the north of the landmark Tianfu Plaza, Chengdu city centre.

Kroll valued the hotel premises of Sheraton Chengdu Lido Hotel at RMB600 million as at 31 December 2024 (31 December 2023: RMB583 million). Gross property value of hotel premises as at 31 December 2024 was RMB519 million (31 December 2023: RMB532 million).

Hui Xian REIT indirectly owns 70% of the entitlement in the distributions of Shenyang Lido, owner of The Westin Shenyang. The Westin Shenyang, located in the newly established central business district in southern Shenyang, has 30-storey with 78,451 square metre.

Kroll valued the hotel premises of Shenyang Lido at RMB665 million as at 31 December 2024 (31 December 2023: RMB673 million). Gross property value of the hotel premises as at 31 December 2024 was RMB487 million (31 December 2023: RMB509 million).

Net Assets Attributable to Unitholders

As at 31 December 2024, net assets attributable to Unitholders amounted to RMB21,420 million (31 December 2023: RMB22,084 million) or RMB3.3141 per Unit, representing a 569.5% premium to the closing unit price of RMB0.495 on 31 December 2024 (31 December 2023: RMB3.4762 per Unit, representing a 282.0% premium to the closing unit price of RMB0.91 on 29 December 2023).

Pledge of Assets

Hui Xian REIT does not pledge its properties to any financial institutions or banks. The Trustee (as trustee of Hui Xian REIT) and certain special purpose vehicles of Hui Xian REIT provide guarantees for the credit facilities of the Group.

Commitments

As at 31 December 2024, except for capital commitment in respect of the asset enhancement programmes for Beijing Oriental Plaza, Grand Hyatt Beijing, Sheraton Chengdu Lido Hotel, Chongqing Metropolitan Oriental Plaza and Hyatt Regency Metropolitan Chongqing, Hui Xian REIT did not have any significant commitments.

Employees

As at 31 December 2024, Hui Xian REIT, by subsidiaries and through its branches, employed a total of 899 employees in Hong Kong and the PRC, of which 869 employees performed hotel operation functions and services, and 30 employees handled legal, regulatory and other administrative matters and provided commercial functions and services, including leasing and some other property management functions and services, other than the hotel operation functions and services.

Save as disclosed above, Hui Xian REIT is managed by the Manager and did not directly employ any staff as at 31 December 2024.

TOP 5 CONTRACTORS

Contractors	Nature of services	Value of contract (RMB'000)	Percentage
Beijing Hui Xian Enterprise Services Limited	Property management	63,943	11.8%
廣州市第三建築裝修有限公司	Renovation	35,251	6.5%
北京高衛世紀物業管理有限公司	Property management	24,733	4.5%
北京港基世紀物業管理有限公司	Property management	19,664	3.6%
北京老兵安衛保安服務有限公司	Property management	12,305	2.3%
		155,896	28.7%

TOP 5 REAL ESTATE AGENTS

Real estate agents	Nature of services	Commission paid (RMB'000)	Percentage
攜程計算機技術(上海)有限公司	Leasing	9,124	28.1%
第一太平戴維斯物業顧問(上海)有限公司	Leasing	4,552	14.1%
北京中原房地產經紀有限公司	Leasing	3,153	9.7%
Trip.com Travel Singapore	Leasing	1,723	5.3%
北京遠行華拓商務服務有限公司	Leasing	623	1.9%
		19,175	59.1%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

This report was prepared in accordance with the Environmental, Social and Governance ("ESG") Reporting Code ("ESG Reporting Code (formerly named as ESG Reporting Guide)") as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong ("HKEX"). The report follows four reporting principles as underpinned by the ESG Reporting Code, including Materiality, Quantitative, Balance and Consistency.

The report describes the performance and management of Hui Xian REIT in material areas of sustainable development and climate-related issues management for the financial year ended 31 December 2024 ("the Reporting Period") to ensure compliance in all material aspects with the relevant rules, regulations and/or guidelines issued by The Securities and Futures Commission (the "SFC") and the HKEX.

During the Reporting Period, there are six assets under Hui Xian REIT including malls, offices, serviced apartments and hotels:

- Beijing Oriental Plaza ("BOP")
- Grand Hyatt Beijing ("GHB")
- Chongqing Metropolitan Oriental Plaza ("COP")
- The Westin Shenyang ("SYW")
- Hyatt Regency Metropolitan Chongqing ("COH")
- Sheraton Chengdu Lido Hotel ("Sheraton Chengdu")

(collectively referred to as "Asset Companies")

Day-to-day operation and management of these assets are delegated to property and hotel management companies.

Throughout the Reporting Period, we complied in all material aspects with the relevant rules, regulations and provisions of the ESG Reporting Code*.

SUSTAINABILITY STRATEGY

All aspects of our asset management are embedded with a four-pillar sustainability strategy which generates shared benefits for our stakeholders and community in the long run.

Business ethics and integrity • Anti-bribery and anti-corruption • Service quality • Customer data privacy and security • Sustainable procurement	***Environmental impact*** • Energy efficiency and greenhouse gas emissions reduction • Water efficiency • Waste reduction • Environmental impact mitigation
Community support • Care for the underprivileged • Community support	***A safe and inclusive workplace*** • Employee rights and working environments • Occupational health and safety • Ongoing training and development

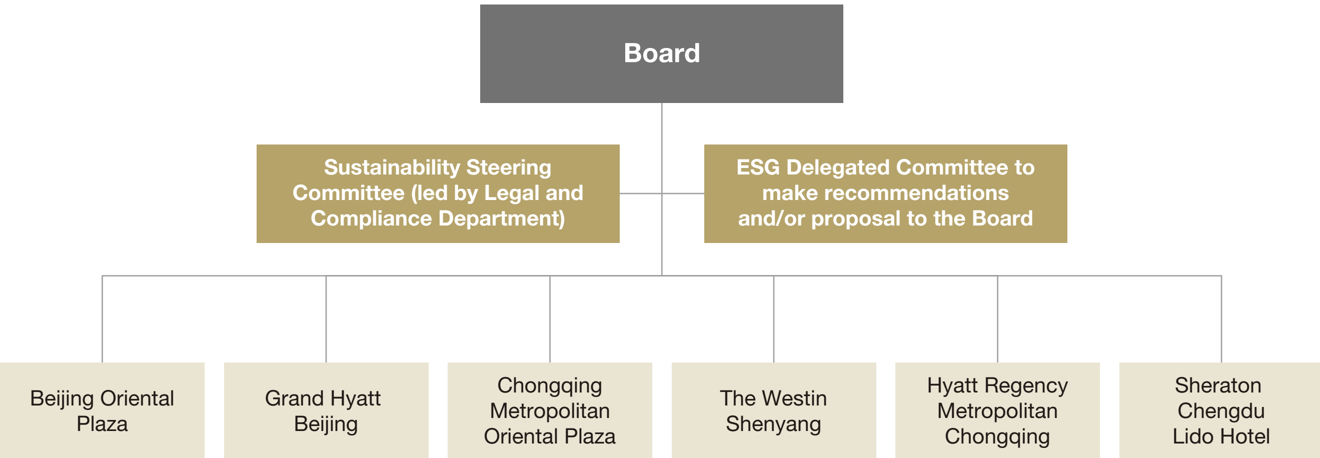
* This report is prepared in English and Chinese, to the extent that there are any discrepancies, the English version shall prevail.

Sustainability Management

The Board of Directors ("Board") oversees Hui Xian REIT's ESG strategy, management and reporting. It monitors and reports the progress made against climate-related goals and targets on an annual basis. The Board also reviews ESG-related issues (including climate-related issues), guiding Hui Xian REIT to manage these issues.

Our Sustainability Steering Committee is led by the Legal and Compliance Department to oversee the sustainability (including climate-related issues) of Hui Xian REIT. It, together with the ESG Delegated Committee, delivers regular updates to the Board and advises on any actions required for ESG.

A Climate Risk Policy has been put in place as a framework for identifying, assessing and managing climate risks in a systematic and proactive approach to achieve carbon footprint reduction. The Climate Risk Policy incorporated climate-related considerations into Hui Xian REIT's investment strategies, risk management procedures and portfolio management processes.



Preparing for Sustainable Finance

In response to the growing concerns and increasing scrutiny of stakeholders regarding critical issues such as climate change and resource scarcity, Hui Xian REIT has made a steadfast commitment to enhancing its sustainability performance and integrating sustainable principles into its daily operations.

Hui Xian REIT's first sustainability-linked loan framework was established in 2023 as a crucial step towards aligning our financial activities with our sustainability goals. The framework adheres to the internationally recognised Sustainability-Linked Loan Principles ("SLLP") – published by the Loan Market Association, a leading industry body governing Europe's syndicated loan markets. The SLLP provide a global standard for linking loan terms to measurable sustainability performance targets, ensuring transparency and accountability in financing environmental and social responsibility commitments.

In January 2024, Hui Xian REIT has conducted a Sustainability-Linked Loan training for Asset Companies to enhance understanding of the current progress and future strategy regarding the environmental and social Key Performance Indicators ("KPIs").

Stakeholder Engagement

We engage with our stakeholders regularly through various communication channels such as surveys and interviews to gather feedback and evaluate sustainability issues, to assess areas at risk, including climate-related risks. We highly emphasise incorporating stakeholder perspectives into decision-making processes and effectively address their concerns. The principal engagement methods are:

Key stakeholders	Engagement methods
Unitholders	• Investor meetings • Annual general meeting and other general meetings • Annual and interim reports • Investor relations website page and general line
Employees	• Online surveys • Meetings/trainings • Employee activities • Interviews
Tenants	• Meetings • Interviews • Helpdesk • Online surveys
Customers	• Satisfaction surveys • Hotline • Website and social media
Suppliers	• Assessments and audits • Supplier selection
Charities	• Philanthropic activities
Property and Hotel Managers	• Regular meetings

Following a review of our sustainability strategy between the Board and our stakeholders, we have identified the following ten aspects with the highest priorities.

Sustainability aspect	Prioritised topic
Environmental practices	Energy conservation Water conservation Environmental impact mitigation Waste management
Employment and labour practices	Employee career development Occupational health and safety
Operating practices	Anti-corruption and anti-bribery Service quality Intellectual property rights Customer data privacy

In response to the feedback from stakeholders, material climate-related risks including legal and policy risks, tropical cyclones and coastal flooding have been identified. We have Climate Risk Policy in place to mitigate climate risks and enhance our resilience to climate change, and various measures have been implemented. For further information, please refer to the Responding to Climate Change section.

UPHOLDING ETHICAL STANDARDS AND INTEGRITY

We place the utmost importance on responsibility and ethics. Our business operations and partnerships are founded on high professional and ethical standards.

Prioritising Customer Needs and Expectations

Enhancing Customer Service

Our main emphasis lies in providing high-quality service that fulfils the requirements of our customers and complies with applicable regulations such as Protecting Consumers' Rights and Interests and Advertising Law of the People's Republic of China.

To enhance awareness of intellectual property rights, our hotels are committed to using only photos, with usage rights, from picture libraries. COH strictly abides by Video/Photographer Creation Agreement from Hyatt Corporation on how to use promotional images to prevent infringement. COP requires all photos, videos and text content for external publicity to be reviewed by the Marketing Communications Department before they can be released.

We prioritise the provision of high-quality service that aligns with our expectations. To achieve this, our Asset Companies evaluate the service quality, product quality and after-sales service quality of suppliers on an annual basis. We have set requirements for all our suppliers and service providers to comply with government policies and legal regulations. Customer relations trainings were provided to our hotel staff to ensure inquiries are handled with care in an efficient and timely manner. For example, BOP's the training programme encompasses modules focused on enhancing customer service levels, boosting customer satisfaction, enhancing complaint-handling skills, and refining telephone communication etiquette. Furthermore, BOP has undertaken several renovation projects (e.g. washrooms) to enhance the experience and comfort of tenants in mall and office towers.

Resolving Complaints

Our customer feedback system enables us to engage in timely two-way communication, responding promptly to our customers' needs and improving our service quality. For instance, COH obtains guest feedback to better understand and acknowledge guests' preferences and habits. This information is shared and acted upon within the service team, resulting in a high guest satisfaction score of 86.7 out of 100, based on COH's internal scoring criteria, and a high score of 4.7 out of 5 on CTrip.com. Additionally, BOP leverages social media platforms to provide all tenants with the latest information about the mall and office buildings, such as announcements on insect control, exterior wall cleaning, regular maintenance of equipment and facilities, and construction noise, etc.

We actively encourage our guests to share their experience, provide feedback, and offer suggestions to improve our services. Customers can raise their concerns or requests regarding any aspects in person or, over the phone, by mail or email. We are dedicated to promptly and effectively addressing customer feedback. We strive to address negative comments within 48 hours. COH and SYW are particularly proactive in this area, as the sales and marketing department regularly collects comments from travelling agents and shares them to relevant departments promptly for further improvement. Feedback from guest satisfaction surveys and online reviews are also shared daily within the team by dedicated personnel.

During the Reporting Period, 1,484 complaints (2023: 1,512) were received by our Asset Companies. The majority of complaints are related to the air-conditioning temperature. More details on air-conditioning system's improvement plans are covered in the section Enhancing Customer Service.

Protecting Customer Health and Safety

Our top priority is the health and safety of our customers. We are fully committed to creating an environment that promotes their well-being and ensures their safety throughout their stay with us. To achieve this, we are committed to complying with all relevant laws and regulations relating to customers' health and safety.

We put several measures in place to enhance our readiness on ensuring the safety of our customers. In SYW and COH, we have established a safety responsibility system and employees at Sheraton Chengdu are trained in first-aid skills, such as cardiopulmonary resuscitation (CPR), bandaging, fracture stabilisation, and automated external defibrillators (AEDs).

We minimise safety risks through regular inspections and preventive measures. In Sheraton Chengdu, the Safety Management Committee convenes monthly meetings to discuss current or potential safety risks within the premises. The security department conducts daily fire safety inspections, and professional firms are engaged to conduct regular maintenance on the hotel's surveillance video system and fire protection infrastructure. In BOP, the security department supervisor conducts safety inspections three times a year. During the second half of 2024, a total of 270 tenants underwent inspections on rental properties, uncovering 30 potential risks. Prompt actions were taken to address all identified hazards, contributing to the establishment of a secure and safe environment within the office building. Furthermore, in BOP, we require identity verification and reporting of all couriers before issuing an entry permit, and each courier is accompanied by one of our staff during delivery.

We prioritise food safety to ensure the health and well-being of our customers. During the Reporting Period, COH obtained ISO 22000-certified Food Safety Management System, which showed our commitment to food safety. Additionally, BOP added a food takeaway counter to ensure food safety, ensuring that customers receive the correct items.

Food takeaway counter at BOP

We uphold on-site hygiene standard. BOP maintains air quality in the shopping mall by conducting hygiene testing in accordance with GB 9670-1996 "Hygienic Standard for Shopping Centre and Book Store". Additionally, BOP cleans fresh air ventilation ducts annually in compliance with GB 37487-2019 "Health Management Specification for Public Places", and DB11/T 485-2020 "Specification of Hygiene Management for the Central Air Conditioning Ventilation System" since 2020.

Safeguarding Customer Data

The specialty of our business nature makes the collection of sensitive personal data unavoidable. Preserving the privacy of our customers is a core commitment for us, and we have a set of solid internal policies and industrial standard practices in place to ensure data is handled properly by authorised personnel. We are committed to complying in all material aspects with the Persona Data (Privacy) Ordinance and Advertising Law of the People's Republic of China which governs our daily practices in collecting and handling personal information.

We will not purposefully or intentionally use, disclose, transfer or sell customer's personal data other than those stated and agreed upon. When it is necessary to process customer's request for services or activities or to facilitate the administration and delivery of services and products, we handle confidential data with care. We take appropriate measures to partially conceal or limit access to such information, ensuring that only authorised personnel with a legitimate need can access it.

We provide regular training to ensure our staff are equipped with the necessary skills and knowledge in handling customer data. Our hotels require all employees to undergo trainings on data security and privacy protection, to gain a comprehensive understanding of the appropriate methods for safeguarding personal data, while increasing their awareness of applicable laws in this area. For example, COH included a "Network Security and Privacy" course in the induction training programme, using case-based instruction to enable new employees to understand how to identify, report and avoid potential cyber security and data privacy violations. In the meantime, COH's staff orientation training includes content on business ethics and the code of conduct, providing staff with information on best practices for collecting and handling personal information.

We strive to protect the privacy of our customers. BOP encourages information transparency by communicating the data collection process and security measures to our customers during the registration process. We also provide our customers with the option to choose whether to authorise the use of their personal information.

Practising Sustainable Procurement

All our suppliers and service providers are obligated to comply with the local government policies, legal regulations and our Supplier Code of Conduct. Our Supplier Code of Conduct oversees aspects including business conduct, employment practice, anti-corruption, workplace health and safety, and environmental and social performance.

Our procurement strategy emphasises the dedication to maintaining environmental, social and ethical standards. By improving transparency on responsible procurement for our high-risk suppliers along the global supply chain, we uphold our due diligence processes to ensure products and services offered to our customers are compliant with relevant regulations.

Suppliers who hold ISO 14001 Environmental Management System and ISO 9001 Quality Management System certifications are advantageous in our selection and assessment process, owing to their ability to demonstrate environmentally friendly operations. In SYW and Chengdu Sheraton, we have implemented a Marriott Vendor System to ensure that new suppliers and service providers possess the necessary documentation demonstrating their adherence to applicable laws and regulations. In COH, our active promotion of green solutions to suppliers, including optimising transportation routes, increasing the utilisation of electric vehicles, and establishing a product recycling system to reuse components that are still functional, has led to efficiency increase and cost reductions. This success has resulted in suppliers offering discounts ranging from 1–2%. COH is also planning to sign a sustainable development commitment letter with our suppliers next year. This initiative aims to outline the responsibilities and objectives of all involved parties, emphasising our shared commitment to sustainable practices and goals.

Our Asset Companies conducted annual audits on suppliers and service providers as part of the risk management process designed to analyse and monitor possible environmental and social risks along the supply chain. SYW conducted annual onsite audits and prioritised to review the top 30 suppliers. COH examined the hygiene status and inventory status of 13 high-risk food suppliers on-site. BOP annually examined product quality, price and after-sale services, etc. For suppliers who failed to reach the standard, they were required to make improvements and report on their remedial measures.

During the Reporting Period, our Asset Companies procured all of the products and services from local suppliers, in total of 3,638 suppliers from Mainland China (2023: 3,158).

Anti-bribery and Anti-corruption

Our operations in the People's Republic of China strictly adhere to the Prevention of Bribery Ordinance, the Provisional Regulations on Prohibition of Bribery, the Law of the People's Republic of China on Anti-money Laundering, and the Laws of the People's Republic of China on Tenders and Bids.

We have zero-tolerance for misconduct including bribery, conflict of interest, anti-competition, money laundering, fraud and corruption. These are embedded in Employee Handbook across different Asset Companies to ensure our employees have a clear grasp of their obligations towards business integrity. To eliminate any ambiguity around contentious behaviours such as gift handling, we regularly provide anti-corruption and anti-bribery training to employees across our Asset Companies to raise their awareness towards the subject matter. We extend the same level of expectation to our suppliers.

While emphasising a culture of transparency and accountability within Asset Companies, we have established a whistleblowing mechanism to uphold best practice in corporate governance. We actively encourage employees to contact their supervisors to express their concern regarding any misconduct such as bribery or corruption via the well-established communication channels on an anonymous and confidential basis. To protect whistle-blowers from any form of retaliation, formal procedures are in place to ensure all whistle-blowing reports are handled with utmost care and fairness. Thorough investigation and appropriate measures are in place to address the concerns raised. In the meantime, all information received from the whistle-blower whose identity will be kept strictly confidential.

We have launched multiple initiatives to monitor any breaches. For example, COH conducts accounts check daily in accordance with the established work procedures, including verifying cash receipts for each transaction. Additionally, COH manages reserves and carries out spot checks to further enhance financial oversight. We also extended our commitment to anti-bribery and anti-corruption to our suppliers, in which COH requires all suppliers to sign a commitment letter and provide compliance certificates, including business licenses, etc.

During the Reporting Period, we provided anti-corruption training to employees.

There are no legal disputes regarding corruption brought against Hui Xian REIT and our suppliers during the Reporting Period (2023: no legal case).

MANAGING ENVIRONMENTAL IMPACT

As a responsible steward, we are committed to safeguarding the well-being of our guests by minimising impacts of business activities on the environment and natural resources. The real estate industry, however, is a contributor to global carbon emissions and air pollutants.

Identifying the interrelation of climate risk mitigation and sustainable development, we have adopted the following two key policies to strengthen our monitoring and implementation efforts in reducing our environmental impacts and enhancing our adaptability and resilience to climate change:

- We adhere to the Environmental Policy set forth by CK Asset Holdings Limited (being the parent company of the Manager), to demonstrate our dedication to managing our business's environmental impacts and reflecting our commitment to energy and resources conservation, emission control and waste management.

- Our Climate Risk Policy outlines the formal procedures to integrate climate-related considerations into the investment, risk and property management practices. It also asserts our commitment in (i) aligning our climate risk strategies with the best local and international standard practices, and (ii) identifying, assessing and managing climate risks in a systematic and proactive approach.

Specialised environmental taskforces have been set up within each Asset Company to implement initiatives and measures targeted at mitigating side effects on neighbouring areas. The taskforces also ensure that our operations are in compliance with the Environmental Protection Law of the People's Republic of China. Property Manager and Hotel Manager are engaged by the Manager from time to time regarding to assess their performance in managing climate-related matters.

Responding to Climate Change

In addressing environmental impacts, we have undertaken a climate risk assessment to identify our climate exposure and potential impact due to climate hazards under different climate scenarios, and will continue to enhance our disclosures in the future. We will continue to assess our exposure and response to climate change in the coming years.

Governance

It is our responsibility to ensure the sustainability of our business through decarbonisation in our operations and across the value chain. As guided by our Climate Risk Policy, we strive to reduce our carbon footprint and enhance our adaptability and resilience to climate change.

The investment strategy of Hui Xian REIT will undergo regular reviews and report to the Board based on current market and economic conditions. The Board will review and update the Climate Risk Policy periodically if appropriate to comply with the rules, regulations or guidelines issued by the SFC, and HKEX.

With the support of the Enterprise Risk Management system, the results of annual risk assessments will be reviewed by the executive officers and actions to be taken to manage the potential risks. Additionally, we work with Property Manager and Hotel Manager, to identify, monitor and manage any potential climate-related impacts through the development and implementation of initiatives and measures.

For further information on climate governance, please refer to the Sustainability Management section.

Strategy

We engaged a third-party consultant to understand the impacts of the climate risks and opportunities on our 6 assets in Mainland China, using the latest available databases from climate institutions.

As proposed in the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework, two contrasting sets of scenarios are constructed. The Representative Concentration Pathways ("RCP") and Shared Socio-economic Pathways ("SSPs") scenarios, developed by Intergovernmental Panel on Climate Change ("IPCC") and the transition risks scenarios developed by the Network for Greening the Financial System ("NGFS") were used for the analysis. These scenarios enable us to make informed decisions under different plausible futures and consider appropriate strategies to mitigate risks and leverage opportunities associated with climate change scenarios. The table below illustrates the parameters of our scenario analysis:

	Turquoise scenario (Global mean temperature rise of 1.5°C to 2°C by 2100)	**Brown scenario (Global mean temperature rise of above 3°C by 2100)**
Description	Representing a future that is committed to combating climate change. Climate policies and plans are in place. There will be a more inclusive economic development that respects the perceived environmental boundaries.	Representing a future where business continues as normal with the absence of new climate policies and plans. Economic growth and technological advancement are fueled by fossil fuels, resulting in high levels of GHG emissions by 2100, which can exacerbate extreme weather events.
Associated with climate-related physical risks	SSP1-2.6	SSP5-8.5
Associated with climate-related transition risks	NGFS Below 2°C Scenario	NGFS Current Policies Scenario
Time horizon	Short-term: 2030s Medium-to-long-term: from 2050s onwards	

We have identified and shortlisted physical and transition risks and opportunities material to Hui Xian REIT's operation, along with their corresponding potential business and financial impacts:

Type of risks	Climate-related risks	Effects on business model	Potential Financial Impacts
Physical Risks (Risks resulting from climate change that can be event-driven or from longer-term shifts in climatic patterns)			
Acute (Event-driven)	Riverine flooding Extreme precipitation	• Property damage or destruction to assets	• Increase in operational costs due to business interruptions • Increase in insurance premiums • Increase in capital expenditure for asset repairment • Decrease in property value • Increase in energy costs or retrofit costs from additional cooling
Chronic (Longer-term shifts in climatic patterns)	Extreme heat	• Increase in demand for cooling	
Transition Risks (Risks that arise from efforts to transition to a lower-carbon economy)			
Technology	Transition to lower carbon emissions and/or adopting the use of renewable energy technology	• Early retirement of existing equipment • Adoption or deployment of new practices and processes	• Increase in operational costs depending on the price and efficiency of renewable energy • Increase in capital expenditure on low-carbon technologies • Increase in expenditure on carbon price • Increase in operational cost due to tightened requirements on energy management
Policy and Legal	Carbon pricing	• In compliance with regulatory requirements on carbon pricing	
	More stringent climate-related policy changes	• Adoption or deployment of new practices and processes for compliance • Early retirement of existing equipment due to policy changes	

Climate-related Opportunities	Effects on business model	Potential Financial Impacts
Improving energy efficiency that supports the transition to a low-carbon economy	• Research and development in new and alternative technologies	• Savings in operational costs
Growing consumer and stakeholder demand for green and low-carbon buildings	• Existing tenant retention • Attract new tenant	• Increase in rental value as tenants shift their preference towards sustainable buildings • Increase in value of fixed assets • Reduction in operating costs

The exposure of each physical climate risks varies over the different geographical locations of Hui Xian REIT's assets. We assessed the relative exposure to each physical risk across the locations of our Asset Companies, and discovered that the following exposure:

Material physical risks	Locations of Asset Companies with relatively higher exposure
Riverine flooding	Chongqing, Shenyang
Extreme precipitation	Beijing, Shenyang
Extreme heat	Chongqing, Chengdu

We further assessed changes in exposure levels in 2030s and from 2050s onwards under different scenarios. This analysis highlights the need for resilience efforts in specific Asset Companies. We foresee the following:

- Increases in riverine flooding exposure in Chongqing under the SSP5-8.5 scenario; and
- Increases in extreme precipitation exposure in Beijing under the SSP1-2.6 and SSP5-8.5 scenarios.

We also assessed the financial impacts of transition climate risks on Hui Xian REIT's portfolio:

- Under the Below 2°C scenario, we anticipate a rise in carbon tax starting in the 2030s and continuing from 2050s onwards;
- Under the Current Policies scenario, a notable increase in carbon tax is expected from 2050s onwards; and
- Under the Below 2°C scenario, a significant reduction in electricity costs is anticipated to commence in the 2030s and extend from 2050s onwards.

BOP and Sheraton Chengdu have basement flood prevention plan and rainy season flood preparedness plan in place respectively. A majority of our Asset Companies are equipped with water pumps, sandbags and floodgates as part of their precaution measures. The corresponding mitigation and adaptation plans of each climate-related risk and opportunity would be further assessed or explored to enhance business resilience.

Risk Management

Our Enterprise Risk Management framework is utilised to identify and assess climate-related risks, which have become an integral part of our regular business practices. During the Reporting Period, Hui Xian REIT has utilised scenario analysis according to SFC and HKEX requirements to assess the impacts of climate change on its business. The Property Manager and Hotel Manager will continue to monitor and assess the identified climate-related risks and opportunities material to their operations. The Climate Risk Policy depicts our commitment in identifying, assessing and managing climate risks to enhance our adaptability and resilience to climate change. In the near future, we will work with our partners and engage with Property Manager and Hotel Manager to develop feasible solutions that align with our defined ESG goals and mitigate the effects of identified climate risks on our assets. We have evaluated our climate risk management strategy to strengthen the governance framework, ensuring that climate-related risks are integrated into Hui Xian REIT's investment, risk and property management processes.

Metrics and Targets

To manage our greenhouse gas emissions intensity and energy consumption intensity, we have also established specific environmental targets related to our use of water and discharge of waste. The following table illustrates our environmental targets and progress for the Reporting Period.

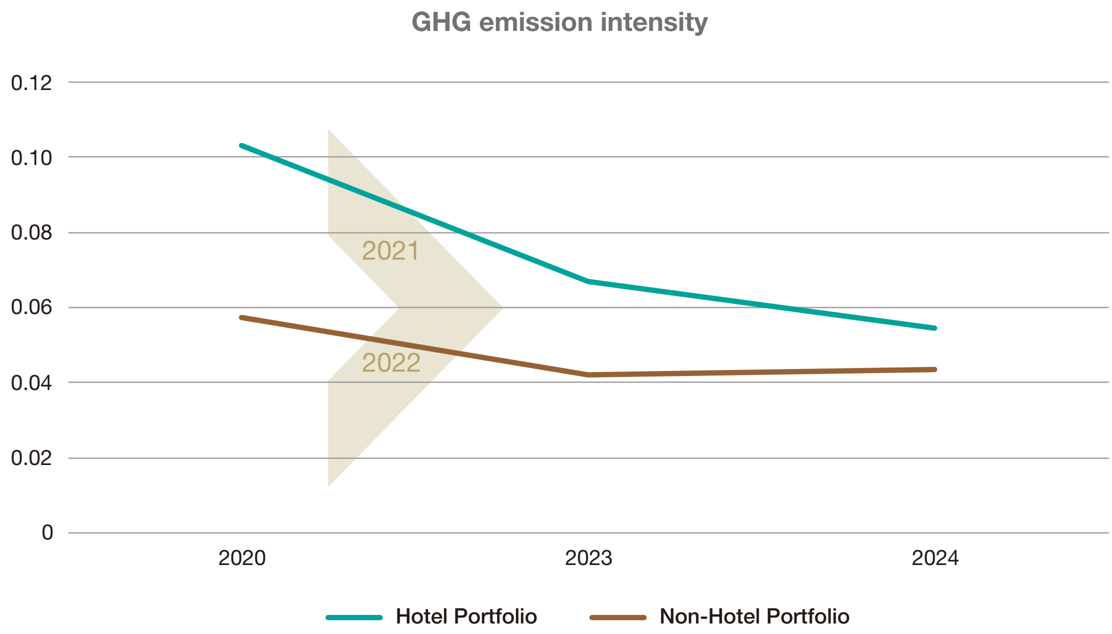
	2030 Target (compared to 2020 baseline)			
	Non-hotel portfolio (per unit floor area)	Hotel portfolio (per room night)	Progress of Non-hotel portfolio for the Reporting Period	Progress of Hotel portfolio for the Reporting Period
Greenhouse gas emission intensity	↓3%	↓15%	↓26%	↓48%
Energy consumption intensity	↓3%	↓15%	↑7%	↓42%
Water consumption intensity	↓3%	↓20%	↓12%	↓23%
Waste disposal intensity	↓3%	↓30%	↑18%	↑198%

To articulate Hui Xian REIT's vision of achieving net zero emissions and to decarbonising, we remain committed to pursuing the environmental targets set for 2030. As a result of our effort to reduce greenhouse gas emissions, we have successfully achieved a reduction in greenhouse gas emission intensity surpassing our initial target, but we will continue to monitor the performance and review the targets.

Alongside our internal policies, we diligently adhere to reinstate local environmental regulations that impact our business. A range of initiatives are implemented to ensure our environmental goal of each Asset Company are closely aligned with our 2030 targets. Property Manager and Hotel Manager provide regular updates on the environmental performance of our Asset Companies. The environmental performance data and information will be consolidated and reviewed against our 2030 targets regularly, as a reference for making recommendations for improvement to the Board.

Energy Efficiency and Greenhouse Gas Emissions

In compliance with the Law of the People's Republic of China on Conserving Energy, we are dedicated to minimising our energy use and reducing greenhouse gas emissions. We achieve this through fostering environmental awareness and implementing efficiency initiatives. Compared to our baseline in 2020, we have achieved reductions in greenhouse gas emission intensity for our hotel portfolio and non-hotel portfolio, from 0.103 tCO_2e/m^2 to 0.054 tCO_2e/m^2 (-48%), and 0.058* tCO_2e/m^2 to 0.043 tCO_2e/m^2 during the Reporting Period (-26%), respectively.



Over the years, we enacted a variety of measures to reduce GHG emissions. For example, we integrated inverter-driven compressors into the standard air conditioning units in SYW which can adjust its rotational speed thereby enabling inverter air conditioners to regulate their cooling capacity based on the needs. This implementation helps to minimise unnecessary use of energy, from 172.2 kW to 102.5 kW, resulting in a decrease of 69.7 kW. We also installed heat recovery system in boilers in SYW, which recovers steam condensate for reuse to enhance its energy efficiency. SYW's heating and boiler systems utilise natural gas as fuel, known for its low nitrogen content and environmental friendliness. With an impressive efficiency rating of up to 95%, these systems play a crucial role in minimising carbon emissions and promoting sustainability. SYW's energy consumption has been collected monthly via online data collection system to closely monitor any abnormalities of energy consumption. In COH, we implemented several energy-saving measures while maintaining the comfort of our guests, including fine-tuning air-conditioning and heater temperatures, selective floor shutdown for electricity and air conditioning, and adjusted elevators usage based on occupancy levels. We have also increased the frequency of inspections to facilitate timely maintenance and minimise unnecessary energy use. Therefore, COH has successfully reduced 4% in electricity consumption than the budgeted amount.

* The figure has been updated to reflect the actual situation in that year.

Total energy consumption by all Asset Companies	Unit	2024	2023
Total energy consumption	gigajoules (GJ)	445,867	449,843[1]
Electricity	kilowatt hour (kWh)	73,444,472	70,236,365[1]
Heating	GJ	77,019	78,144
Natural gas	cubic metre (m^3)	2,665,729	3,032,648
Diesel	litre (L)	8,183	8,193
Petrol	L	10,129	13,434
Energy intensity			
Malls and of fices	GJ/square metre (m^2)	0.282	0.271[1]
Hotels and serviced apartments	GJ/room night	0.49	0.63

Total GHG emissions by all Asset Companies[2]	Unit	2024	2023
Total emissions	Tonnes of carbon dioxide equivalent (tCO_2e)	59,879	58,993[1]
GHG emissions by scope			
Direct GHG emissions (scope 1)[4]	tCO_2e	6,598	7,546
Indirect GHG emissions (scope 2)[5]	tCO_2e	53,281	51,447[1]
GHG emission intensity			
Malls and offices	tCO_2e/m^2	0.04	0.04
Hotels and serviced apartment	tCO_2e/room night	0.05	0.07

We calculated our portfolio carbon footprint[6] considering our portfolio's Scope 1 & 2 emissions.

Portfolio carbon footprint	Unit	2024	2023
Total Scope 1 & 2 Emissions	tCO_2e	59,878	58,993[1]
Market Value of Properties	RMB Million	32,199	33,402
Portfolio Carbon Footprint	tCO_2e/RMB Million	1.86[3]	1.77[1,3]

1 The figure has been updated to reflect the actual situation in that year.

2 This report adopts definitions in the Greenhouse Gas Protocol regarding direct and indirect emissions:

- Direct emissions are those from sources owned or controlled by the reporting entity (Scope 1), including use of fuel for stationary and mobile combustion, and refrigerants.
- Indirect emissions are those that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity (Scope 2), including purchased electricity, steam and heat consumption.

3 Numbers may not add up due to rounding.

4 GHG emissions from the use of fuel for stationary and mobile combustion, and refrigerants, were calculated based on factors in the World Resources Institute's Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0).

5 GHG emissions from purchased electricity and heat in Mainland China in this report were calculated based on factors in Mainland China's Regional Grid Average CO_2 Emission Factors in 2012, published by the National Centre for Climate Change Strategy and International Cooperation (http://www.cec.org.cn/d/file/huanbao/xingyexinxi/qihoubianhua/2014-10-10/5fbcb57bcd163a1059cf224b03b751d8.pdf) and the World Resources Institute's Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0), respectively.

6 Portfolio carbon footprint is a representation of carbon emissions normalised by the portfolio's market value and expressed in tons of carbon dioxide equivalent emissions (tCO_2e) per million dollars invested in accordance with item 19 of Hong Kong's Securities and Futures Commission's "Circular to licensed corporations, management, and disclosure of climate-related risks by fund managers".

Resource Utilisation

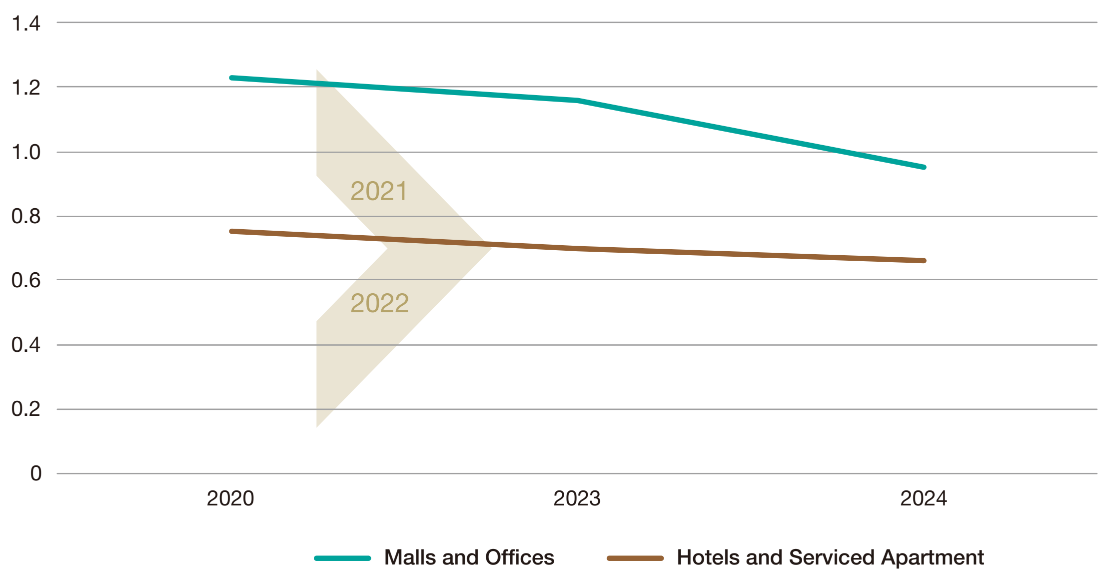
Water Efficiency

We committed to improving water efficiency by conducting thorough inspections and installing water-saving equipment. Compared to our baseline in 2020, we have achieved reductions in water intensity for our hotel portfolio and non-hotel portfolio, from 1.23 m^3/room night to 0.95 m^3/room night (-23%), and 0.75 m^3/m^2 to 0.66 m^3/m^2 during the Reporting Period (-12%), respectively.

To enhance water efficiency, we have identified three key strategies: establishing water-saving protocols, conducting site inspections to prevent leakage and implementing water-saving initiatives. In BOP, rainwater collected was transferred to the reclaimed water station, increasing reclaimed water usage and reducing municipal water usage. In COP, we arranged daily inspections of sanitary ware to ensure the proper functioning of water equipment and prompt fixing, therefore reducing the possibility of water leakage and dripping. In cases of water leakage, water receiving equipment is utilised to minimise wastage. In addition, we have communicated multiple initiatives to our employees to promote water conservation in COH. To minimise water wastage, employees are reminded to avoid leaving faucets open when cleaning bathtubs, avoid using water as cooling agent, and report any water leakage. As a result of these efforts, water usage in COH is 6% less than the budgeted consumption. In SYW, we reused the condensate generated by the boiler. We will continue to monitor water consumption across our assets and explore solutions to help meet our 2030 targets.

Reclaimed water station in BOP

Water intensity



Total water consumption by all Assets Companies	Unit	2024	2023
Total water consumption	m^3	960,746	993,319
Water intensity			
Malls and offices	m^3/m^2	0.66	0.70
Hotels and serviced apartment	m^3/room night	0.95	1.16

We ensure that all wastewater generated by Asset Companies is treated, reused or discharged into the municipal sewage system in compliance with the Law of the People's Republic of China on Water Pollution Prevention and Control.

Waste Reduction

In accordance with the laws and regulations of the People's Republic of China, we are dedicated to reducing and diverting waste at our Asset Companies, and prioritising waste management and recycling initiatives to minimise the environmental impacts associated with waste.

Effective waste management plays a crucial role in advancing our sustainability efforts. For COP, we updated the classification labels on rubbish containers, created posters and information bulletin boards to encourage rubbish sorting, and enhanced the procedures for garbage sorting.

We have regarded recycling as a primary focus in waste reduction. During the Reporting Period, a total of 460 kg of fluorescent light tubes and 30 kg of toner cartridges was recycled in BOP. In COH, we sorted and transported waste batteries for appropriate handling and disposal. COH successfully minimises waste by around 40% during the Reporting Period compared to last year.

	Unit	2024	2023
Waste recycled			
Waste recycled by all Assets Companies (Non-hazardous)			
Paper	tonnes	134	149
Plastic	tonnes	32	27
Food	tonnes	455	472
Total non-hazardous waste recycled	tonnes	621	648
Waste recycled by all Assets Companies (Hazardous)			
Fluorescent light tubes	tonnes	3	2
Grease	tonnes	2	4
Total hazardous waste recycled	tonnes	5	6
Total Waste recycled by all Assets Companies			
Total waste recycled by all Assets Companies	tonnes	626	654
Waste disposal			
Waste directed to disposal (Non-hazardous)			
Total non-hazardous waste disposed	tonnes	8,497	8,364
Waste directed to disposal (Hazardous)			
Total hazardous waste disposed	tonnes	5	7
Total waste disposed by all Assets Companies			
Total waste disposed by all Assets Companies	tonnes	8,503	8,371
Waste disposal intensity			
Malls and offices	tonnes/m^2	0.01	0.01
Hotels and serviced apartment	kg/room night	1.00	1.26

Sustainable Building

Hui Xian REIT is dedicated to incorporate green features into our assets while promoting sustainability. During the Reporting Period, BOP and COP have obtained LEED Existing Buildings Platinum rating, and COP was shortlisted as one of the leading practices in green and low-carbon initiatives by the Chongqing Ecology and Environment Bureau of the People's Republic of China.

ENSURING A SAFE AND INCLUSIVE WORKPLACE

We offer competitive remuneration packages, opportunities for career development, and various employee engagement activities throughout all Asset Companies. With the aim of ensuring a safe and health working environment, we believe these initiatives reflect our values on occupational health and safety, as well as talent development, attraction and retention.

As of 31 December 2024, Hui Xian REIT had a total number of 1,175 employees with a turnover rate of 39%.

Total Workforce	2024	2023
Overall	1,175	1,101
Gender		
Male	573	546
Female	602	555
Employment Type		
Senior management	136	135
Middle management	377	352
General staff	662	614
Age Group		
Under 30 years old	381	333
30 to 50 years old	598	591
Over 50 years old	196	177
Geographical Region		
Hong Kong	16	17
Mainland China	1,152	1,080
Others	7	4

Employee Turnover Rate[7]	2024	2023
Overall	39%	32%
Gender		
Male	41%	38%
Female	37%	27%
Age Group		
Under 30 years old	69%	46%
30 to 50 years old	25%	27%
Over 50 years old	21%	24%
Geographical Region		
Hong Kong	19%	18%
Mainland China	39%	33%
Others	57%	75%

[7] Employee turnover rate is calculated as total number of turnovers in the category divided by total number of permanent employees in the category of the Reporting Period and then multiplied by 100%.

We place great value on our employees and strive to create a culture that respects and appreciates their contributions. Our employment policy and Employee Handbook ensure that all employees have equal access to opportunities, rights, and benefits. We regularly review our policies to adjust them in accordance with the People's Republic of China's Employment Law, Contract Law, Employment Promotion Law, and Social Insurance Law, as well as the Minimum Wage Regulations, the Law on the Protection of Women's Rights, the Regulations on the Prohibition of Child Labour, and the Law of the People's Republic of China on Minor Protection. During the Reporting Period, we complied with all the relevant laws and regulations in all material aspects.

To foster a positive working environment, we have implemented various communication channels to gather feedbacks from our employees. Hui Xian REIT conducts an annual salary survey to understand employees' expectations on compensation packages. COH and Chengdu Sheraton have welfare committees in place to collect feedback from employees regarding their expectations on the working environment, benefits, and allowances. Chengdu Sheraton established a Hotel Care Ambassador Team to strengthen employee engagement by addressing workplace concerns and fostering a culture of open communication, thereby enhancing staff satisfaction and belongingness.

As part of our ongoing commitment to employee well-being, we provide access to facilities such as, gym rooms and audio-visual rooms for employees outside of working hours. During the Reporting Period, we organised physical health-related talks and trainings in BOP and COP, aiming to encourage employees to adopt healthy lifestyle.

Gym rooms in GHB

Audio-visual room in GHB

We also organised a variety of activities to improve our employees' sense of belonging at work. For example, monthly employees' birthday party, sports festivals in collaboration with the Hong Kong General Chamber of Commerce, voluntary outdoor experimental training event were organised by BOP to enhance team cohesion.

Diversity and Inclusiveness

We aim to create a workplace where all employees have access to fair, equal, and reasonable employment opportunities, ensuring that everyone can thrive and reach their full potential. Recognising the pressing challenges of racial and gender inequity in our society, we are prepared to take on greater responsibility within our communities. For example, lactation room has been set up in BOP and GHB for our female employees. We treat all employees equally, irrespective of their age, race, gender, religion, sexual orientation, family status, disability, along with any other considerations. To ensure a discrimination-free environment, we encourage employees to voice out their concerns through designated communication channels if discrimination arises.

At the same time, we have policy against any form of child labour and forced labour in every aspect of our business. Each asset within our organisation has implemented procedures to address human rights issues such as human trafficking. As part of our hiring process, background checks are conducted on job applicants, which include verification of identity and age. If an applicant is found to be under the legal working age or being coerced into work, their application will be put on hold pending a formal investigation and escalation to relevant authorities where required. During the Reporting Period, no cases of child labour or forced labour were reported.

Occupational Health and Safety

We are committed to a healthy and safe working environment for our employees. Relevant policies and operating procedures are in place to comply with the health and safety legislation in accordance with the Law of Occupational Disease Prevention, the Fire Law of the People's Republic of China and the Law of the People's Republic of China on Emergency Response. In Sheraton Chengdu, our "TAKECARE" management demonstrates our care for the employees, focusing on three pillars: caring for the physical health, mental health and financial health of employees.

We hold regular training sessions, drills, talks and health checks aimed at increasing employee awareness of workplace health and safety standards. These initiatives aim to equip our employees with knowledge to navigate potential risks. Annual health checks are organised to promote our employees' physical well-being and raise their awareness of personal health matters. In particular, breast and cervical cancer examinations are organised for female employees in SYW.

We advocate for mental well-being for our employees. In COH, we arranged events to support the annual World Wellness Weekend, World Mental Health Day, and World Gratitude Day, aiming to emphasise the significance of prioritising mental well-being among our employees. In SYW and Sheraton Chengdu, we organised mental health-related talks in 2024, aiming to enhance staff's well-being, professional competencies and work-life balance.

To care for the health of employees, we offer insurance coverage that reimburses a portion of medical expenses, thereby easing some of the financial burdens the employees may face.

At each of our Assets Company, emergency response plans have been developed and tailored to specific hazards and risks. This includes conducting fire drills and entrapment drills to ensure a seamless response in case of an emergency or disaster. Fire safety training and fire safety drill were conducted to BOP employees. A 24-hour pre-employment safety training programme is mandated for all new hires at BOP, focusing on hazard identification, safety protocols, and emergency preparedness to ensure operational readiness. Also, firefighters from the fire station in Wangfujing, Dongcheng, were invited by BOP in 2024 to provide on-site training sessions to BOP employees. These efforts underscore our commitment to maintaining a safe and healthy working environment for all employees.

During the Reporting Period, 46 lost days were recorded (2023: 140) as a result of 8 injury cases (2023: 16) and no work-related fatality was recorded (2023: 0) across all Assets Companies.

Continuous Career Development and Improvement

We strive to build a resilient and future-ready workforce across our Asset Companies by offering training and development opportunities that enable our employees to grow and succeed.

To achieve this, we have implemented a talent development training programme that aligns with our missions, visions, and management strategies. This programme ensures that all employees, from new hires to managers in all business divisions across the Asset Companies, regardless of their gender, diversity characteristics, or job position, have access to continuous learning opportunities in new technologies, concepts, and tools. In SYW, we offer an array of training programmes ranging from new employee inductions to departmental job skills training, brand culture sessions, and manager skills development. These comprehensive training initiatives are regularly reviewed and updated annually to ensure that employees can effectively apply the knowledge and skills learned in their roles. By providing a variety of training courses, we aim to help employees recognising the value of our organisation and contributing to the overall success of our business. We offer three types of training programmes, i.e., orientation, role-based and leadership trainings across our Asset Companies.

The orientation programmes designed for newcomers provide them with a comprehensive understanding of the Asset Companies, as well as assisting them in adapting to our policies, regulations, norms, and infrastructures. For example, in BOP, the training for new employees encompasses introduction to company culture, standard procedures, and crucial workplace safety information to ensure a smooth onboarding experience. In COH, food hygiene training is provided to all staff handling consumables, ensuring strict adherence to sanitation protocols, safe food preparation standards, and compliance with national health regulations to safeguard the well-being of our customer and maintain operational excellence in hospitality services.

Food hygiene training at COH

Role-based trainings are provided to enhance employees' skills in customer service, dispute handling, social media usage, and office automation system to improve their work efficiency. For example, we coordinated our employees engaged in real estate leasing related activities to participate in the Qualification of Real Estate Agent Professionals training and exam in BOP.

Additionally, we offer leadership trainings and mentorship programmes to employees who demonstrate potential leadership skills, equipping them with essential management skills to transition from general staff to supervisor roles and paving the way for their future growth and advancement. The "En Route" leadership development programme at Sheraton Chengdu and SYW, structured around three core themes – Embark, Evolve, and Envision – serves as a strategic initiative to cultivate future leaders through foundational training and self-guided learning modules. Designed for managers at all levels, from newly appointed supervisors to senior executives including department heads, executive committee members, and General Managers, the programme prioritises systematic skills development. During the Reporting Period, 81 managers participated in the "En Route" courses, totalling to around 1,000 hours, averaging approximately 12 hours per individual.

To ensure accessibility and diversity in our training initiatives, Sheraton Chengdu has also implemented online learning platforms. This digital approach enables us to deliver engaging training and foster professional skill development for all employees. By utilising these digital platforms, we can overcome geographical barriers and provide equal learning opportunities to our diverse workforce, promoting continuous growth and development across the Asset Companies. During the Reporting Period, all employees in Sheraton Chengdu have completed all the compulsory trainings.

In Sheraton Chengdu and SYW, departmental heads appoint accredited internal trainers to deliver structured competency development programmes and operational guidance, ensuring consistent adherence to standardised practices across all divisions.

As of 31 December 2024, 100% of our employees of our Asset Companies had undertaken trainings. 32,650 hours of training were undertaken and the total average training hours are 27.8 hours.

Average training hours completed per employee	2024	2023
Gender		
Male	23.7	28.1
Female	31.7	37.3
Category		
Senior management	37.9	36.8
Middle management	26.8	30.7
General staff	26.2	33.0

Employees who are interested in internal transfer are being supported by our Asset Companies with tailor-made programmes. Individuals are seconded to different hotels to further develop their skills and to broaden their experience.

An appraisal system is also in place to review employee performance and reward excellence through annual salary adjustments in a fair manner. In Sheraton Chengdu, employees receive competitive remuneration packages through the "Succession Planning" programme, i.e., promotion, internal transfer to a sister hotel, or salary increases. A total of 5 employees and supervisors completed the succession plan, and 2 of them were promoted. Additionally, monthly counselling sessions are conducted, providing employees with the opportunity to discuss their concerns regarding their working environment and career development and make suggestions with supervisors. These initiatives contribute to professional development and foster two-way communication between employees and supervisors.

SUPPORTING OUR COMMUNITY

We actively engage in making a positive impact in our community and environment through donations and volunteer services. Recognising the close connection between our operations and the communities, we strive to create a positive and lasting impact that generates shared value for stakeholders. Through active engagement with the local communities, we aim to foster mutual respect, collaboration, and sustainable development for the benefit of the community.

We are dedicated providing support to the communities where we operate through volunteering. Hyatt Care Plan is established to deliver targeted community support through structured social initiatives in GHB. During the Reporting Period, COP leveraged its newly opened Ficus Virens Sky Garden to facilitate a range of initiatives. These included a summer camp for children of migrant workers and underprivileged youths, alongside an education advancement forum addressing regional needs in Chongqing. Additional initiatives encompassed parent-child research workshops, recreational outings for retired community leaders, and a collaborative sports day designed to foster community engagement.

Activities at the Ficus Virens Sky Garden

Forum event

Sports day event

Job experience programme during summer camp

Research programme for children and their parents

We also strive to extend our support to the community through donations and fundraising. During the Reporting Period, Sheraton Chengdu supported the charity run “Run to Give 2024” organised by the Yao Foundation, and GHB employees participated in a charity run organised by Sanhe Aixin Miaopu Health Assistance Centre. The proceeds generated from fundraising events were used to support charitable initiatives focused on community welfare and social impact. SYW donated RMB5,000 to the 13th Annual Marriott North China Charity Golf Tournament organised by the Yao Foundation, which supports physical education in China’s rural areas. BOP also donated warm beddings to elderly in need during the Reporting Period.

GHB employees participated in a charity run organised by Sanhe Aixin Miaopu Health Assistance Centre

BOP donated warm beddings to the elderly in need

During the Reporting Period, all of the Asset Companies donated a total of around RMB6,730 to organisations such as Yao Foundation and Chongqing Huiling Social Work Service Centre, and 160 hours were contributed to assisting needy groups, such as the elderly, children with autism and kindergarten students.

RECOGNITION

Name of award	Organisation	Winning entities
LEED v4.1 Operations and Maintenance: Existing Buildings – Platinum	U.S. Green Building Council	BOP
LEED v4.1 Operations and Maintenance: Existing Buildings – Platinum	U.S. Green Building Council	COP
2024 Leading Cases of Green and Low Carbon Development in Chongqing	Chongqing Ecology and Environment Bureau	COP
Emerging Pioneer Award	Chongqing Liberation Monument CBD Enterprise Association	COP
2024 New Consumer Brands in Chengdu-Chongqing Economic Circle	Yuzhong District, People's Government of Chongqing Jinjiang District, People's Government of Sichuan Province	COP
2024 Top 10 Operational Management Landmark Buildings	Organising Committee, The 8th Building Economy Summit	COP
The 21th Golden-olive Awards for China Hotel Industry – Best Hotel Owner in China & Top 50 Hotels	Organising Committee, Beautiful China Hospitality Industry Leaders Summit	SYW

APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX

The following table explains how this report tallies with the ESG Reporting Code:

Indicators		Sections
A. Environmental		
Aspect A1: Emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Managing Environmental Impact
	KPI A1.1 The types of emissions and respective emissions data.	Managing Environmental Impact
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Environmental Impact
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Environmental Impact
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Environmental Impact
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Managing Environmental Impact
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Managing Environmental Impact

Indicators		Sections
A. Environmental		
Aspect A2: Use of resources	General disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Managing Environmental Impact
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Managing Environmental Impact
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Managing Environmental Impact
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Managing Environmental Impact
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Managing Environmental Impact
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the core business of Hui Xian REIT
Aspect A3: The environment and natural resources	General disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Managing Environmental Impact
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Managing Environmental Impact
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Managing Environmental Impact
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Managing Environmental Impact

Indicators		Section
B. Social		
Employment and labour practices		
Aspect B1: Employment	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Ensuring a safe and inclusive workplace
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Ensuring a safe and inclusive workplace
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Ensuring a safe and inclusive workplace
Aspect B2: Health and safety	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Ensuring a safe and inclusive workplace
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting period.	Ensuring a safe and inclusive workplace
	KPI B2.2 Lost days due to work injury.	Ensuring a safe and inclusive workplace
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Ensuring a safe and inclusive workplace
Aspect B3: Development and training	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Ensuring a safe and inclusive workplace
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Ensuring a safe and inclusive workplace
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Ensuring a safe and inclusive workplace

Indicators		Section
B. Social		
Employment and labour practices		
Aspect B4: Labour standards	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Ensuring a safe and inclusive workplace
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Ensuring a safe and inclusive workplace
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Ensuring a safe and inclusive workplace
Operating practices		
Aspect B5: Supply chain management	General disclosure Policies on managing environmental and social risks of the supply chain.	Upholding Ethical Standards and Integrity
	KPI B5.1 Number of suppliers by geographical region.	Upholding Ethical Standards and Integrity
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Upholding Ethical Standards and Integrity
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Upholding Ethical Standards and Integrity
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Upholding Ethical Standards and Integrity

Indicators		Section
B. Social		
Operating practices		
Aspect B6: Product responsibility	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Upholding Ethical Standards and Integrity
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We do not sell or ship any physical products
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Upholding Ethical Standards and Integrity
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Upholding Ethical Standards and Integrity
	KPI B6.4 Description of quality assurance process and recall procedures.	For quality assurance process, please refer to Upholding Ethical Standards and Integrity. We do not have any products that can be subjected to recalls.
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Upholding Ethical Standards and Integrity
Aspect B7: Anti-corruption	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Upholding Ethical Standards and Integrity
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Ethical Standards and Integrity
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Ethical Standards and Integrity
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	Upholding Ethical Standards and Integrity

Indicators		Section
B. Social		
Community		
Aspect B8: Community investment	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Supporting Our Community
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Our Community
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Supporting Our Community

CORPORATE GOVERNANCE

The Manager was established for the purpose of managing Hui Xian REIT. The Manager is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Manager emphasise a quality board of directors, sound internal control, transparency and accountability to all Unitholders. The Manager has adopted and revised from time to time a compliance manual which sets out the key processes, systems and measures applied by the Manager in order to comply with the Trust Deed, the REIT Code and other applicable legislation, rules and regulations. The compliance manual also contains a corporate governance policy, which regulates, among others, the activities of the board of directors of the Manager.

Throughout the year ended 31 December 2024, both the Manager and Hui Xian REIT have in material terms complied with the provisions of the compliance manual, the corporate governance policy, the Trust Deed, the REIT Code and applicable provisions of the SFO and the Listing Rules.

AUTHORISATION STRUCTURE

Hui Xian REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager is licensed by the SFC under Section 116 of the SFO to conduct the regulated activity of asset management. As at the date of this report, Mr. CHEUNG Ling Fung, Tom (chief executive officer and executive director of the Manager), Mr. LEE Chi Kin, Casey (chief operating officer and executive director of the Manager), Ms. LAI Wai Yin, Agnes (chief financial officer and executive director of the Manager), Mr. CHING Sung, Eric (deputy chief project development officer of the Manager) and Ms. TANG Hiu Tung, Daisy (chief corporate development officer of the Manager) are the responsible officers of the Manager as required by section 125 of the SFO and 5.4 of the REIT Code.

The Trustee, DB Trustees (Hong Kong) Limited, is registered as a trust company under Section 77 of the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong). It is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

ROLES OF THE TRUSTEE AND THE MANAGER

The Trustee and the Manager are independent of each other. The Trustee is primarily responsible under the Trust Deed for the safe custody of the assets of Hui Xian REIT and holds the assets in trust for the benefit of the Unitholders.

The Manager's role under the Trust Deed is to manage Hui Xian REIT and its assets in accordance with the Trust Deed in the sole interest of Unitholders and to fulfil the duties imposed on it under general law as manager of Hui Xian REIT and, in particular, to ensure that the financial and economic aspects of Hui Xian REIT are professionally managed in the sole interest of the Unitholders.

BOARD OF DIRECTORS OF THE MANAGER

The Board is responsible for corporate governance and the overall management of the Manager. It establishes goals for the management and monitors the achievement of these goals. The Board is also responsible for the strategic business direction and risk management of Hui Xian REIT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of directors. The Board has established a framework for the management of the Manager and Hui Xian REIT, including a system of internal control and a business risk management process.

The Directors of the Manager during the year ended 31 December 2024 were Mr. KAM Hing Lam (chairman and non-executive director); Mr. CHEUNG Ling Fung, Tom (chief executive officer and executive director), Mr. LEE Chi Kin, Casey (chief operating officer and executive director) and Ms. LAI Wai Yin, Agnes (chief financial officer and executive director); Mr. IP Tak Chuen, Edmond and Mr. LIM Hwee Chiang (non-executive directors); Professor LEE Chack Fan, Dr. CHOI Koon Shum, Jonathan, Mr. YIN Ke and Mr. WU Ting Yuk, Anthony (independent non-executive directors).

BOARD'S ROLE IN CULTURE

Hui Xian REIT owns and operates a portfolio of quality real estate assets (office, retail, serviced apartment and hotel) in mainland China.

The Board sets the goals (purpose, values and strategy) to promote culture of Hui Xian REIT that emphasis on health and safety, integrity, effective communication, value, diversity and competitiveness across all operation levels.

Our culture is embedded in our policies and daily operations. For example, our anti-corruption policy and whistleblowing policy uphold high standards of ethics and integrity while unitholders' communication policy facilitates effective communications with Unitholders and potential investors. Our board diversity policy also embraces different gender, age, cultural and educational, as well as ethnicity background to achieve higher productivity and profitability. We also develop regular staff training and development programme to uplift their competitiveness in this ever-changing environment. The Board regularly reviews and monitors the achievement of goals.

BOARD COMPOSITION

The Board currently comprises ten members and four of whom are independent non-executive directors ("INEDs").

There were no changes to the composition of the Board or any of its committees during the year ended 31 December 2024. The composition of the Board is determined using the following principles:

(1) the chairman of the Board should be a non-executive director;

(2) the Board should comprise directors with a broad range of commercial experience including expertise in fund management and the real estate industry;

(3) at least one-third of the Board should comprise INEDs; and

(4) the Board will take into account of the Board diversity policy adopted, as amended from time to time.

INEDs must be individuals who fulfil the independence criteria set out in the compliance manual. The Manager has received annually written confirmation from each of its INEDs confirming his independence.

The positions of chairman and chief executive officer are held by two separate persons in order to maintain an effective segregation of duties. The chairman leads the Board discussions and deliberations and is responsible for setting the meeting agenda of Board meetings. He ensures that Board meetings are held when necessary. He promotes high standards of corporate governance and maintenance of effective communications with Unitholders. The chief executive officer is responsible for the day-to-day management of the Manager and Hui Xian REIT. He executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of Hui Xian REIT's business via regular management reporting.

Four Board meetings of the Manager were held in 2024. The attendance of each Director at these Board meetings was as follows:

Members of the Board	Attendance
Chairman and Non-executive Director	
Mr. KAM Hing Lam	4/4
Executive Directors	
Mr. CHEUNG Ling Fung, Tom (chief executive officer)	4/4
Mr. LEE Chi Kin, Casey (chief operating officer)	4/4
Ms. LAI Wai Yin, Agnes (chief financial officer)	4/4
Non-executive Directors	
Mr. IP Tak Chuen, Edmond	4/4
Mr. LIM Hwee Chiang	2/4
Independent Non-executive Directors	
Professor LEE Chack Fan	4/4
Dr. CHOI Koon Shum, Jonathan	1/4
Mr. YIN Ke	4/4
Mr. WU Ting Yuk, Anthony	4/4

APPOINTMENTS AND REMOVALS OF DIRECTORS

Appointments and removals of Directors (including responsible officers appointed under the SFO) are matters for the Board and the shareholders of the Manager in accordance with the compliance manual, the articles of association of the Manager and applicable laws. As the Manager is licensed by the SFC under Part V of the SFO, appointments and removals of any of its directors and responsible officers must be notified to the SFC and the appointment of a responsible officer requires the prior approval of the SFC.

The Manager recognizes the benefits of having diversity in the composition of the Board. All Board appointments will be recommended by Nomination Committee based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service. The ultimate decision will be based on merit and the contribution that the Director will bring to the Board, taking into account the business model and specific needs of the Hui Xian REIT.

BOARD COMMITTEES

Subject to the provisions contained in the corporate governance policy, the Board has the power to delegate certain of its responsibilities to board committees. Four board committees have been established, each with clear terms of reference, to assist the Board in discharging its responsibilities. Unless the decision making power has been vested in the relevant board committee, the ultimate responsibility of making final decisions rests with the full Board and not the board committee. Where appropriate, each board committee reports to the Board on key decisions or submits its findings and recommendations to the full Board for consideration and endorsement.

The four board committees are:

Audit Committee

The Audit Committee of the Manager is appointed by the Board among its members and comprises non-executive directors only. Majority of the members of the Audit Committee are INEDs and at least one INED has appropriate professional qualifications or accounting or related financial management expertise. During the year ended 31 December 2024, the Audit Committee was chaired by an INED, namely Mr. YIN Ke. The other members of the Audit Committee were Professor LEE Chack Fan, Dr. CHOI Koon Shum, Jonathan, Mr. WU Ting Yuk, Anthony (all INEDs) and Mr. IP Tak Chuen, Edmond (non-executive director).

The Audit Committee is responsible for establishing and maintaining an adequate internal control structure and ensuring the quality and integrity of financial statements. The Audit Committee is also responsible for the nomination of independent external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee also ensures the existence and working of an effective system of internal control and risk management in respect of both the Manager and Hui Xian REIT.

The Audit Committee's responsibilities also include:

(1) reviewing dealings of the Manager and the Directors on a half-yearly basis;

(2) reviewing all financial statements and all external audit reports and developing and implementing a policy on the engagement of external auditors to provide non-audit services;

(3) ensuring the internal audit function is adequately resourced and guiding the management to take appropriate actions to remedy any faults or deficiencies in internal controls which may be identified;

(4) assisting the Board in its monitoring of the Manager's overall risk management profile and setting guidelines and policies to govern risk assessment and risk management;

(5) periodically reviewing and monitoring all connected party transactions and related party transactions; and

(6) reviewing the Manager and Hui Xian REIT's compliance with legal and regulatory requirements on a regular basis.

The Audit Committee held two meetings during the year ended 31 December 2024 to, among others, consider and review the annual results for the year ended 31 December 2023, the interim results for the six months ended 30 June 2024, connected party transactions and reports from the external and internal auditors. Attendance at these two meetings of the Audit Committee was as follows:

Members of the Audit Committee	Attendance
Mr. YIN Ke (Chairman)	2/2
Professor LEE Chack Fan	2/2
Dr. CHOI Koon Shum, Jonathan	0/2
Mr. IP Tak Chuen, Edmond	2/2
Mr. WU Ting Yuk, Anthony	2/2

Nomination Committee

The Nomination Committee comprises the chairman of the Board (who is also the chairman of the Nomination Committee) and two INEDs. It is responsible for establishing nomination procedures and the process and criteria to identify, select and recommend candidates for directorship of the Manager. During the year ended 31 December 2024, the members of the Nomination Committee were Mr. KAM Hing Lam, Professor LEE Chack Fan and Mr. YIN Ke. Mr. KAM Hing Lam was the chairman of the Nomination Committee.

The Nomination Committee's responsibilities include:

(1) reviewing the structure, size, diversity profile and skills matrix of the Board and meet at least once annually and making recommendation on any proposed changes to the Board to complement the Board to achieve the Manager's corporate strategy;

(2) selecting or making recommendation to the Board on the selection of individuals to be nominated as Directors;

(3) assessing the independence of INEDs having regard to the criteria under the Listing Rules;

(4) making recommendation to the Board on the appointment, removal or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the CEO; and

(5) reviewing the Director Nomination Policy and the Board Diversity Policy of the Manager periodically and making recommendation on any proposed revision to the Board.

The Nomination Committee held one meeting during the year ended 31 December 2024, to consider among other things, board composition and diversity policy, the independence of independent non-executive directors, and nomination of re-electing directors. Attendance at the meeting of the Nomination Committee was as follows:

Members of the Nomination Committee	Attendance
Mr. KAM Hing Lam (Chairman)	1/1
Professor LEE Chack Fan	1/1
Mr. YIN Ke	1/1

Disclosures Committee

The Disclosures Committee comprises the chief executive officer and two non-executive directors of the Manager, one of whom is an INED. Its role is to review matters relating to public announcements and the disclosure of information to Unitholders. The Disclosures Committee also works with the management of the Manager, who bears the responsibility in ensuring that such disclosure is accurate, complete and not misleading. During the year ended 31 December 2024, the members of the Disclosures Committee were Mr. CHEUNG Ling Fung, Tom, Mr. IP Tak Chuen, Edmond and Professor LEE Chack Fan. Mr. CHEUNG Ling Fung, Tom was the chairman of the Disclosures Committee.

The Disclosures Committee's responsibilities include:

(1) reviewing and recommending to the Board on matters of corporate disclosure issues and announcements including but not limited to financial reporting, connected party transactions and potential areas of conflict of interests;

(2) overseeing compliance with applicable legal requirements and the continuity, accuracy, clarity, completeness and currency of information disseminated by or on behalf of Hui Xian REIT to the public and applicable regulatory agencies;

(3) reviewing and approving all material non-public information and all public regulatory filings of or on behalf of Hui Xian REIT prior to such information being disseminated to the public or filed with applicable regulatory agencies, as applicable;

(4) reviewing periodic and current reports, proxy statements, information statements, registration statements and any other information filed with regulatory bodies;

(5) reviewing press releases containing financial information, information about material acquisitions or dispositions or other information material to Unitholders; and

(6) reviewing correspondence containing financial information disseminated to Unitholders.

The Disclosures Committee held two meetings during the year ended 31 December 2024 to consider, among others, the disclosures in the interim and annual results announcements, and the disclosures in the interim and annual reports. Attendance at these two meetings of the Disclosures Committee was as follows:

Members of the Disclosures Committee	Attendance
Mr. CHEUNG Ling Fung, Tom (Chairman)	2/2
Mr. IP Tak Chuen, Edmond	2/2
Professor LEE Chack Fan	2/2

Designated (Finance) Committee

The Designated (Finance) Committee comprises the chief executive officer and two non-executive directors, one of whom is an INED. During the year ended 31 December 2024, the members of the Designated (Finance) Committee were Mr. IP Tak Chuen, Edmond, Mr. CHEUNG Ling Fung, Tom and Dr. CHOI Koon Shum, Jonathan. Mr. IP Tak Chuen, Edmond was the chairman of the Designated (Finance) Committee.

The Designated (Finance) Committee's responsibilities include reviewing, considering, and deciding or recommending to the Board, as the case may be, based on recommendation papers prepared by the management, on matters relating to hedging strategies, financing and re-financing arrangements and transactions involving derivative instruments for hedging purposes.

The Designated (Finance) Committee did not hold any physical meeting in 2024.

MANAGEMENT OF BUSINESS RISK

As part of the risk management process, the Board meets quarterly or more often if necessary to review (among other information) the financial performance of Hui Xian REIT against the approved budget for the corresponding period. The Board also reviews risks to the assets of Hui Xian REIT from time to time and acts upon any comments from the independent external auditor where appropriate. In assessing any business risk, the Board will consider the economic environment and risks relevant to the real estate sector. In order to mitigate against risks, the Manager will hedge against interest rate exposure if necessary, prudently select tenants and review their financial position if necessary and always maintain sufficient liquidity for Hui Xian REIT.

CONFLICTS OF INTERESTS

During the year ended 31 December 2024, the Manager is indirectly owned as to 70% by CK Asset Holdings Limited ("CKAH") and 30% by ESR Group Limited ("ESR"). To the best of the Manager's knowledge, CKAH indirectly held units in both Fortune Real Estate Investment Trust ("Fortune REIT") and Prosperity Real Estate Investment Trust ("Prosperity REIT") which are indirectly managed by ESR.

As the Manager understands:

(a) the principal activities of CKAH, its subsidiaries and associated companies ("CKAH Group") encompass property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation; and

(b) ESR, its subsidiaries and associated companies ("ESR Group") engaged in a fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. It focuses on New Economy real assets modern solutions for logistics, data centres, and infrastructure and renewables.

There may be circumstances where Hui Xian REIT (on the one hand) and the CKAH Group, Prosperity REIT, Fortune REIT, and other publicly listed REITs and private real estate funds managed by ESR Group (on the other hand) may compete with each other for property acquisition and leasing opportunities. Hui Xian REIT (on the one hand), the CKAH Group, Fortune REIT, Prosperity REIT and other publicly listed REITs and private real estate funds managed by ESR Group (on the other hand) may also acquire properties or other assets from each other or may enter into other transactions with each other in the future. Conflicts of interests may therefore arise in connection with the potential acquisitions, leasing opportunities and transactions mentioned above.

The Manager may also experience conflicts of interests as a result of other roles of its Board members. Mr. KAM Hing Lam, Mr. IP Tak Chuen, Edmond and some of the senior executives of the Manager are also directors and/or senior executives of the CKAH Group and/or its affiliated companies. Mr. LIM Hwee Chiang is a director of ESR during the year ended 31 December 2024 (Mr. LIM subsequently retired as a director of ESR with effect from 21 January 2025.) and a non-executive director of the respective managers of Prosperity REIT and Fortune REIT. As such, each of Mr. KAM, Mr. IP and Mr. LIM may have conflicting duties between his directorship in Hui Xian REIT and his other directorships.

The Manager has developed the following measures in order to address and manage the potential conflicts of interests described above:

(1) unless with the approval from the SFC, the Manager does not manage any REIT other than Hui Xian REIT nor does it manage any real estate assets other than those in which Hui Xian REIT has an ownership interest or investment;

(2) the Manager has established internal control systems to ensure that connected party transactions between Hui Xian REIT and its connected persons are monitored and undertaken according to procedures and/or on terms in compliance with the REIT Code (or where applicable, in compliance with the waiver conditions imposed by the SFC) and that other potential conflicts of interest situation that may arise are monitored;

(3) all conflicts of interests are required to be managed by the full Board, including the INEDs; and

(4) any director of the Manager who has a material interest in a matter which is the subject of a resolution proposed at a board meeting of the Manager is required to abstain from voting on the resolution concerned and not to be counted in the quorum at the board meeting at which such resolution is proposed.

The Manager confirms that it is capable of performing and shall continue to perform its duties for Hui Xian REIT independent of the related business of the CKAH Group, ESR Group, Fortune REIT, Prosperity REIT and other REITs and private real estate funds managed by the ESR Group and in the best interests of Hui Xian REIT and the Unitholders.

COMMUNICATION WITH UNITHOLDERS

The Manager considers that effective communication with Unitholders is essential for enhancing investor relations and investors' understanding of Hui Xian REIT's business performance and strategies. The Manager also recognises the importance of transparency and timely disclosure of corporate information, which will enable Unitholders and investors to make informed decisions.

General meetings of Unitholders provide a forum for communication between the Board and the Unitholders. An annual general meeting was held in the year ended 31 December 2024 with attendance as follows:

Members of the Board	Attendance
Chairman and Non-executive Director	
Mr. KAM Hing Lam	1/1
Executive Directors	
Mr. CHEUNG Ling Fung, Tom (chief executive officer)	1/1
Mr. LEE Chi Kin, Casey (chief operating officer)	1/1
Ms. LAI Wai Yin, Agnes (chief financial officer)	1/1
Non-executive Directors	
Mr. IP Tak Chuen, Edmond	1/1
Mr. LIM Hwee Chiang	0/1
Independent Non-executive Directors	
Professor LEE Chack Fan	1/1
Dr. CHOI Koon Shum, Jonathan	0/1
Mr. YIN Ke	1/1
Mr. WU Ting Yuk, Anthony	0/1

No other general meeting was held for the year ended 31 December 2024.

Hui Xian REIT also maintains a website at www.huixianreit.com where updated information on Hui Xian REIT's business operations and developments, financial information and other corporate communication are posted. The Manager has been actively participating in regular press conferences and meetings with investors and analysts in order to update interested parties on the performance of Hui Xian REIT.

REPORTING AND TRANSPARENCY

Hui Xian REIT prepares its accounts in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants with a financial year-end of 31 December. In accordance with the REIT Code, the annual reports and interim reports for Hui Xian REIT are published and sent to Unitholders within four months from the end of the financial year and within three months from end of the half-yearly period.

As required by the REIT Code, the Manager ensures that public announcements of material information and developments with respect to Hui Xian REIT are made on a timely basis in order to keep Unitholders apprised of the position of Hui Xian REIT. Announcements are made by publishing on the website of Hong Kong Exchanges and Clearing Limited and the website of Hui Xian REIT.

The Manager also issues announcements and circulars to Unitholders in respect of transactions that, pursuant to the REIT Code (or in the reasonable opinion of the Trustee or the Manager), require Unitholders' approval or in respect of material information in relation to Hui Xian REIT, in accordance with the Trust Deed.

Hui Xian REIT appoints Deloitte Touche Tohmatsu as its external auditor. The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report. During the year, the fees paid/payable to the external auditor of Hui Xian REIT amounted to RMB2,798,000 (2023: RMB2,350,000) for audit and audit related services, and RMB268,000 (2023: RMB283,000) for non-audit services.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards, the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the REIT Code.

The consolidated financial statements of Hui Xian REIT for the year ended 31 December 2024 were audited by Deloitte Touche Tohmatsu and a statement on their responsibility with respect to the financial statements is set out in the Independent Auditor's Report on pages 141 to 145 of this annual report.

ISSUES OF FURTHER UNITS POST-LISTING

To minimise the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of Units be first offered on a pro rata pre-emptive basis to existing Unitholders except that Units may be issued: (i) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% of the number of Units in issue at the end of the previous financial year; and (ii) free of pre-emption rights in other circumstances provided that the approval of Unitholders by way of an ordinary resolution is obtained. Subject to the above, Units may be issued as consideration for the acquisition of additional real estate.

CODE GOVERNING DEALINGS IN UNITS BY DIRECTORS OR MANAGER AND DISCLOSURE OF INTEREST IN UNITS

The Manager has adopted rules governing dealings in Units by the Directors, Manager and certain senior executives of the Manager, or the special purpose vehicles of Hui Xian REIT who, because of his/her office in the Manager, or the relevant special purpose vehicles of Hui Xian REIT, is likely to be in possession of unpublished inside information in relation to the securities of Hui Xian REIT (collectively the "Management Persons"). These rules are set out in the Code Governing Dealings in Units by Directors or the REIT Manager (the "Units Dealing Code") contained in the compliance manual. It sets out the required standard against which Management Persons must measure their conduct regarding transactions in securities of Hui Xian REIT and are on terms no less exacting than those of the Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 of the Listing Rules.

Management Persons wishing to deal in any securities of Hui Xian REIT must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct, as if those provisions apply to the securities of Hui Xian REIT.

Management Persons who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules or any connected party transactions under the REIT Code and Chapter 14A of the Listing Rules or any inside information must refrain from dealing in the securities of Hui Xian REIT as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with the REIT Code and any applicable Listing Rules. Management Persons who are privy to relevant negotiations or agreements or any inside information should caution those Management Persons who are not so privy that there may be unpublished inside information and that they must not deal in Hui Xian REIT's securities for a similar period.

A Management Person must not deal in any securities of Hui Xian REIT at any time when he is in possession of unpublished inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him in the manner as provided in Units Dealing Code. Further, Management Persons must not deal in the securities of Hui Xian REIT on any day on which Hui Xian REIT's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the annual results; and (b) during the period of 30 days immediately preceding the publication date of the half-yearly results or, if shorter, the period from the end of the half-year period up to the publication date of the relevant results, unless the circumstances are exceptional. In any event, in the case of dealings by a Management Person, the Management Person must comply with the procedures set out in the Units Dealing Code.

The Manager is a Management Person and is subject to the same dealing code requirements as the Directors.

Specific enquiry having been made with each of the Management Persons, all of them confirmed that they have complied with the required standard set out in the Units Dealing Code during the year ended 31 December 2024.

The Manager has also adopted procedures for monitoring disclosure of interests by Directors and the chief executive of the Manager and the Manager. The provisions of Part XV of the SFO are deemed to apply to the Manager, the Directors and chief executive of the Manager and each Unitholder and all persons claiming through or under him.

Under the Trust Deed, Unitholders with a holding of 5% or more of the Units in issue, and the Directors and chief executive of the Manager with an interest in the Units, will have a notifiable interest and will be required to notify the Stock Exchange and the Manager of their holdings in Hui Xian REIT. The Manager keeps a register for these purposes and it records in the register, against a person's name, the particulars provided pursuant to the notification and the date of entry of such record. The said register is available for inspection by the Trustee and any Unitholder at any time during business hours upon reasonable notice to the Manager.

MATTERS TO BE DECIDED BY UNITHOLDERS BY SPECIAL RESOLUTION

Pursuant to the Trust Deed, decisions with respect to certain matters require specific 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%; (c) any issue of the Units during any financial year that would increase the total number of Units from the number of Units that were outstanding at the end of the previous financial year by more than 20% (or such other percentage of the outstanding Units as may, from time to time, be prescribed by the SFC); (d) 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) 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 reinvestment of distribution to Unitholders, or a rights issue; and (e) the election by the Manager for the acquisition fee or the divestment fee, which is to be paid to the Manager in the form of cash, Units or party 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.

CHANGE OF DIRECTOR'S INFORMATION

Updated information on the Manager's directors is set out in the section on Directors' Biographical Information on pages 78 to 82 of this annual report. There was no change in the information of the Directors since the last published interim report save as the following:

– Mr, WU Ting Yuk, Anthony resigned as an Independent Non-executive Director of China Taiping Insurance Holdings Company Limited with effect from 18 December 2024.

– Mr. LIM Hwee Chiang ("Mr. LIM") ceased to be the non-executive Director of ESR Group Limited with effect from 21 January 2025.

– Mr. LIM ceased to be the non-executive Director of ESR Trust Management (Suntec) Limited (the manager of Singapore listed Suntec REIT) with effect from 14 February 2025.

COMPLIANCE WITH THE COMPLIANCE MANUAL

During the year ended 31 December 2024, both the Manager and Hui Xian REIT have in material terms complied with the provisions of the compliance manual.

REVIEW OF ANNUAL REPORT

The annual report of Hui Xian REIT for the year ended 31 December 2024 has been reviewed by the Audit Committee and the Disclosures Committee.

NEW UNITS ISSUED

In the year ended 31 December 2024, an aggregate of 110,274,204 new Units were issued to the Manager as payment of part of the manager's fees.

BUY-BACK, SALE OR REDEMPTION OF UNITS

There was no buy-back, sale or redemption of the Units of Hui Xian REIT by the Manager on behalf of Hui Xian REIT or any of the special purpose vehicles that were owned and controlled by Hui Xian REIT for the year ended 31 December 2024.

PUBLIC FLOAT OF THE UNITS

As far as the Manager is aware, more than 25% of the issued and outstanding Units of Hui Xian REIT were held in public hands as at 31 December 2024.

INTERNAL CONTROL AND RISK MANAGEMENT

BACKGROUND

To maintain good corporate governance, Hui Xian REIT implements a structured risk management framework to identify, assess and manage operational risks at an earlier stage. Throughout the Reporting Period, Hui Xian REIT has materially complied with the relevant provisions of the Corporate Governance Code and the Listing Rules.

Application of the risk management framework ranges from day-to-day business activities to strategic planning processes at management level, which enables a consistent and holistic view of risk. A "Top-Down" approach is adopted for Hui Xian REIT's risk management system which is monitored and controlled by the Board, the Audit Committee, and the Risk Management Taskforce to identify any high risks that may affect the fulfillment of Hui Xian REIT's business objectives and financial performance.

RISK GOVERNANCE STRUCTURE

The risk governance structure is depicted through the accountability framework for managing risks across Hui Xian REIT. It adopts the "Three Lines of Defence" model, which provides a simple and effective way to enhance communications on risk management and control:

1st Line of Defence	:	Management Control by Operational Department
2nd Line of Defence	:	Risk Control and Compliance by Legal and Compliance Department
3rd Line of Defence	:	Independent Assurance by Internal Audit Department

Board of Directors

Audit Committee

Risk Management Taskforce

1st Line of Defence **Management Control** Operation	2nd Line of Defence **Risk Control and Compliance** Legal and Compliance Department	3rd Line of Defence **Independent Assurance** Internal Audit
• Ongoing identification, assessment, monitoring and reporting of risks and opportunities • Escalate emerging risks • Plan and implement actions to manage risk	• Periodic review and challenge of top risks against the strategic objectives • Escalate the top risks to the Risk Management Taskforce for review	• Provide assurance over the effectiveness of controls in place to manage risk

INTERNAL CONTROL AND RISK MANAGEMENT

ROLES AND RESPONSIBILITIES

Board of Directors

Ultimate responsibility for the risk management is assumed by the Board whose role is to ensure that management puts in place appropriate and rigorous systems to manage risk.

Audit Committee

Audit Committee, delegated by the Board, performs risk governance role on risk management. Internal Audit Department appraises Hui Xian REIT's risk management system and reports the result annually to the Audit Committee.

Risk Management Taskforce

Risk Management Taskforce comprises (i) the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Compliance Officer and the Legal Manager as standing members and (ii) relevant Department Heads on a rotational/ as needed basis. Risk Management Taskforce's responsibilities are overseeing the Enterprise Risk Management system and its implementation, reviewing the results of annual risk assessment and proposing enhancements to the Enterprise Risk Management system.

ANNUAL REVIEW OF THE ENTERPRISE RISK MANAGEMENT SYSTEM

Enterprise Risk Assessment Methodology

Hui Xian REIT adopts the Committee of Sponsoring Organizations of Treadway Commission (COSO) Enterprise Risk Management ("ERM") Framework in establishing its ERM system which illustrates the key components of any ERM system. Hui Xian REIT's methodology for its risk assessment comprises four core stages as below. The process is performed as necessary to address changes in Hui Xian REIT's business environment.

Ongoing communication, monitoring and review

INTERNAL CONTROL

Ongoing communication, monitoring and review

The Board, through the Audit Committee, conducts reviews on the effectiveness of the internal control system of Hui Xian REIT, which covers all material areas, including financial, operational and compliance controls and risk management functions. The Board has appointed an internal audit manager to maintain an independent and objective internal audit function and to report on the adequacy, effectiveness and efficiency of the Manager's operations on ERM.

Audit plan for each year is prepared by the internal audit manager using a risk based methodology in consultation with, but independent of, the management for review by the Audit Committee. The audit review focuses on operational and compliance controls of Hui Xian REIT and the effective implementation of the internal control systems and compliance procedures.

Seven audit reviews were conducted in the year ended 31 December 2024. Accomplishments of the audit plan and major findings of the audit reviews were reported to the Audit Committee on a half-yearly basis. Adequate controls were found to be in place and no major irregularities were noted. Recommendations for further improvement on internal control framework were all implemented.

CONNECTED PARTY TRANSACTIONS AND RELATED WAIVERS

Waivers from Strict Compliance with Certain Requirements under the REIT Code

At the time of authorisation of Hui Xian REIT under section 104 of the SFO in April 2011 and from time to time thereafter, waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions involving Hui Xian REIT (the "Waivers") were granted by the SFC. Some of the Waivers were subsequently applied, modified and/or extended, with the approval of Unitholders where required. The terms and conditions pursuant to which the Waivers were granted and disclosed in the 2011 Interim Report of Hui Xian REIT and the announcements issued by the Manager from time to time. Throughout the year ended 31 December 2024, Hui Xian REIT has complied with the relevant terms and conditions of the Waivers.

Connected Party Transactions

Set out below is a summary of the information in respect of the connected party transactions entered into in the year ended 31 December 2024, other than those transactions that are exempted from disclosure and/or excluded pursuant to the waivers granted by the SFC and/or Hong Kong Listing Rules.

Connected Party Transactions – Income

The following table sets out information on connected party transactions from which Hui Xian REIT derived its income for the year ended 31 December 2024:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Income for the year ended 31 December 2024 RMB'000
CK Asset Holdings Limited	Indirect holding company of a substantial holder[1]	Leasing and licensing transaction	100
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	Associate of a substantial holder[1]	Leasing and licensing transaction	2,015
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	Associate of a substantial holder[1]	Leasing and licensing transaction	2,150
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	Associate of a substantial holder[1]	Leasing and licensing transaction	76
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	Subsidiary of the Manager	Leasing and licensing transaction	503
瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd.*)	Connected subsidiary	Interest income	7,074
Total			**11,918**

Note:

1 Substantial holder being Noblecrown Investment Limited ("Noblecrown").

The terms "associate", "substantial holder" and "connected subsidiary" have the same meanings as they are defined under the REIT Code and the Hong Kong Listing Rules.

* The English name is shown for identification purpose only.

Connected Party Transactions – Expenses

The following table sets out information on connected party transactions in which Hui Xian REIT incurred its expenses for the year ended 31 December 2024:

Name of Connected Party	Relationship with Hui Xian REIT	Nature of Connected Party Transaction	Expenses for year ended 31 December 2024 RMB'000
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	Associate of a substantial holder[1]	Property management fee	19,664
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	Associate of a substantial holder[1]	Property management fee	24,732
家利物業管理(深圳)有限公司 (Cayley Property Management (Shenzhen) Limited*)	Associate of a substantial holder[1]	Property management fee	17,189
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	Subsidiary of the Manager	Property Manager's fee	63,943
Total			**125,528**

Note:

1. Substantial holder being Noblecrown Investment Limited ("Noblecrown").

The terms "associate" and "substantial holder" have the same meanings as they are defined under the REIT Code and the Hong Kong Listing Rules.

* The English name is shown for identification purpose only.

Confirmation by the INEDs and Audit Committee

Audit Committee and the INEDs have confirmed that they have reviewed the terms of all the relevant connected party transactions conducted during the year ended 31 December 2024 and that they are satisfied that these transactions have been entered into: (a) in the ordinary and usual course of business of Hui Xian REIT; (b) at arm's length and on normal commercial terms (to the extent that there are sufficient comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Hui Xian REIT than terms available to or from (as appropriate) independent third parties; and (c) in accordance with the relevant agreement and the Manager's internal procedures and controls governing them (if any) on terms that are fair and reasonable and in the interests of the unitholders of Hui Xian REIT as a whole.

Report from the Auditor of Hui Xian REIT

Messrs. Deloitte Touche Tohmatsu, auditor of Hui Xian REIT, was engaged to report on Hui Xian REIT's connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the connected transactions on leasing and licensing transactions, property management fee, property manager's fee and financial interest income disclosed by Hui Xian REIT on pages 73 to 74 of this Annual Report in accordance with the relevant waivers in compliance with disclosure requirements under Chapter 8 of the REIT Code granted by the SFC. A copy of the auditor's letter will be provided to the SFC.

Terms and Remuneration of Services Provided by the Manager and the Trustee

Pursuant to 8.7E of the REIT Code, services provided by the Manager and the Trustee to Hui Xian REIT as contemplated under the constitutive documents of Hui Xian REIT shall not be deemed connected party transactions. Such services are therefore not disclosed in the above sections. The aggregate amount of fees (in cash and/or units) payable by Hui Xian REIT to the Trustee and to the Manager under the Trust Deed for the year ended 31 December 2024 were RMB3,209,000 and RMB109,465,000 respectively. Particulars of the services provided by the Trustee and the Manager are set out in notes 1(b) and 1(c) respectively to the Consolidated Financial Statements of Hui Xian REIT for the year ended 31 December 2024 on pages 154 to 155 of this Annual Report.

DISCLOSURE OF INTERESTS

INTERESTS OF CONNECTED PERSONS

Based on the information available to the Manager as at 31 December 2024, each of the following persons was a connected person of Hui Xian REIT under the REIT Code and, so far as the Manager is aware, held or was interested in the Units of Hui Xian REIT as follows:

Name	No. of Units held	As at 31 December 2024 Percentage of Units held[1]
Subsidiaries of CK Asset Holdings Limited ("CKAH")[2]	2,256,939,664	34.91%
Subsidiaries of China Life Insurance (Group) Company[3]	865,406,000	13.38%

Notes:

The terms associate, connected person, subsidiary and substantial holder are as defined in the REIT Code or the Hong Kong Listing Rules.

1. Based on the total number of 6,463,373,956 Units in issue as at 31 December 2024.

2. These subsidiaries of CKAH were Noblecrown Investment Limited ("Noblecrown") (held 1,091,083,328 Units as at 31 December 2024), Wisdom Ally Limited ("Wisdom Ally") (held 373,523,840 Units as at 31 December 2024), Wealth Finder Limited ("Wealth Finder") (held 138,307,917 Units as at 31 December 2024), Heathcliff Developments Limited ("Heathcliff Developments") (held 586,884,405 Units as at 31 December 2024) and Hui Xian Asset Management Limited ("Manager") (held 67,140,174 Units as at 31 December 2024). All these companies were associates of the Manager which is a connected person of Hui Xian REIT.

   Separately, by virtue of the deemed application of Part XV of the SFO and based on information available to the Manager:

   (i) as at 31 December 2024, each of CKAH and the intermediate holding companies through which CKAH was interested in the share capital of Noblecrown and Heathcliff Developments (namely, Mighty State Limited, Novel Trend Holdings Limited, Paola Holdings Limited and Burgeon Force Limited) was taken to have an interest in the Units that Noblecrown and Heathcliff Developments were interested in;

   (ii) as at 31 December 2024, Noblecrown, of which Wisdom Ally, Wealth Finder and the Manager were its subsidiaries, was taken to have an interest in the Units held by Wisdom Ally, Wealth Finder and the Manager respectively; and

   (iii) as at 31 December 2024, CKAH, in view of its interest in the above intermediate holding companies through which Noblecrown and Heathcliff Developments were held, was taken to have an interest in the Units held by Wisdom Ally, Wealth Finder and the Manager.

3. The subsidiaries were China Life Insurance (Overseas) Co. Ltd and Po Lian Enterprises Limited which were substantial holders or deemed to be substantial holders of Hui Xian REIT.

Interests of the Manager

As at 31 December 2024, the Manager held 67,140,174 Units in Hui Xian REIT.

Interests of the Directors and Chief Executive of the Manager

As at 31 December 2024, each of the following persons was a director and chief executive of the Manager and thus a connected person of Hui Xian REIT under the REIT Code and/or the Hong Kong Listing Rules, so far as the Manager is aware, held or was interested in the Units in Hui Xian REIT as follows:

Names	As at 31 December 2024 Number of Units held
KAM Hing Lam	841,316[1]
IP Tak Chuen, Edmond	1,100,000[2]
CHEUNG Ling Fung, Tom	107,522[3]
TONG BARNES Wai Che, Wendy	142,856[4]

Notes:

1. These Units were held by Mr. KAM Hing Lam, chairman and non-executive director of the Manager, as a bare trustee and this is a voluntary disclosure made by Mr. KAM.

2. These Units were held by Mr. IP Tak Chuen, Edmond, non-executive director of the Manager, as beneficial owner.

3. These Units were held by Mr. CHEUNG Ling Fung, Tom, executive director and chief executive officer of the Manager, as beneficial owner.

4. These Units were held by Mrs. TONG BARNES Wai Che, Wendy, deputy chief executive officer of the Manager, as beneficial owner.

Save as disclosed above, the Manager is not aware of any connected persons of Hui Xian REIT holding any units of Hui Xian REIT as at 31 December 2024.

DIRECTORS' BIOGRAPHICAL INFORMATION

KAM Hing Lam, aged 78, is the founding Chairman and Non-executive Director of Hui Xian Asset Management Limited. He is also the founding Chairman of Beijing Oriental Plaza Co., Ltd..

In addition to the Chairmanship positions at Hui Xian Asset Management Limited and Beijing Oriental Plaza Co., Ltd., Mr. KAM has Board positions in a few listed companies of the CK Group, including Deputy Managing Director of CK Asset Holdings Limited, Deputy Managing Director of CK Hutchison Holdings Limited, founding Group Managing Director of CK Infrastructure Holdings Limited and founding President of CK Life Sciences Int'l., (Holdings) Inc.

Since the early 1990s, Mr. KAM has overseen the development of Beijing Oriental Plaza from its initial planning, design and construction stages to the company's present state of being one of the leading commercial complexes in Asia. Under Mr. KAM's leadership, Beijing Oriental Plaza now boasts an experienced management team strong in tenant mix planning, lease negotiation as well as marketing and promotion.

Mr. KAM possesses extensive experience in the real estate sector in Hong Kong and Mainland China. In Mainland China, beyond Beijing Oriental Plaza, Mr. KAM has considerable involvement with property developments in a number of cities, including Beijing, Shanghai, Chongqing, Chengdu and Shenyang.

Mr. KAM is an Honourable Citizen of Shenyang, Jiangmen, Foshan and Nanhai.

Mr. KAM's major community involvements including Honorary Advisor of the Belt & Road Summit of Hong Kong Trade Development Council, Honorary Advisor of the Asia Summit on Global Health of Hong Kong Trade Development Council, Council Member of Hong Kong Beijing Association, Honorary Committee Member of The Chinese General Chamber of Commerce Hong Kong, Council Member of The Hong Kong Management Association, Council Member of Hong Kong & Macau AustCham, Appointed Member of the New Zealand Business Advisory Board and Governor to the Governor's Council of the Hong Kong Canadian Chamber of Commerce.

CHEUNG Ling Fung, Tom, aged 58, is an Executive Director and the Chief Executive Officer of Hui Xian Asset Management Limited (the "Manager"), a chairman of the Disclosures Committee and a member of the Designated (Finance) Committee. Mr. CHEUNG is also a Responsible Officer of the Manager.

Mr. CHEUNG is the Director and the General Manager of Beijing Oriental Plaza Co., Ltd., the company through which Hui Xian REIT's investment in Beijing Oriental Plaza is held.

Prior to joining Beijing Oriental Plaza Co., Ltd. in 2001, Mr. CHEUNG spent seven years in Shanghai, where, as General Manager, he set up the first Mainland China branch for CBRE. He has over 30 years of experience in real estate, encompassing office, retail and residential properties. Mr. CHEUNG has previously been involved in a number of property developments located throughout Mainland China. He is also a member of Beijing Municipal Dongcheng District Committee of the Chinese People's Political Consultative Conference.

Mr. CHEUNG holds a Bachelor of Business Administration in Finance and a Master's degree in Business Administration.

LEE Chi Kin, Casey, aged 62, currently the Executive Director, the Chief Operating Officer and a Responsible Officer of Hui Xian Asset Management Limited (the "Manager"). Mr. LEE had served as the Deputy Chief Operating Officer – Hotel of the Manager since the listing of the units of Hui Xian REIT on The Stock Exchange of Hong Kong Limited in April 2011 prior to his appointment as the Chief Investment Officer of the Manager in August 2011.

Mr. LEE joined the group of CK Asset Holdings Limited ("CK Asset") (previously known as Cheung Kong Property Holdings Limited) in 1998. His duties include assessing new hotel and related properties development opportunities in China, liaising with local PRC authorities, working with banks in respect of financing and overseeing the operation of various hotels in the group. He is also responsible for the investment in The Westin Shenyang (formerly known as Sofitel Shenyang Lido Hotel), which forms part of the Hui Xian REIT group since the beginning of 2012.

Mr. LEE has over 30 years of experience in accounting, hotel management and property development. Prior to joining the group of CK Asset, he worked for various hotel management groups, property investment companies, as well as Coopers and Lybrand. Mr. LEE holds a Bachelor's degree in Social Sciences. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants. He is also a member of the 12th, 13th and 14th Liaoning Shenyang Committee of the Chinese People's Political Consultative Conference.

LAI Wai Yin, Agnes, aged 57, was appointed an Executive Director of Hui Xian Asset Management Limited on 8 January 2018. She is also the Chief Financial Officer and Responsible Officer of the Manager, and a director of Beijing Oriental Plaza Co., Ltd.. Ms. LAI has worked for Beijing Oriental Plaza Co., Ltd. since she joined the company as Finance Manager in 2000 and has been the Financial Controller of Beijing Oriental Plaza Co., Ltd. since 2008. She has over 35 years of experience in accounting and auditing. Ms. LAI holds a Bachelor's degree in Business Administration. She is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

IP Tak Chuen, Edmond, aged 72, is a Non-executive Director of Hui Xian Asset Management Limited as the manager of Hui Xian REIT. Mr. IP is Deputy Managing Director of CK Hutchison Holdings Limited, as well as Deputy Chairman, an Executive Director, Chairman of Sustainability Committee and an Executive Committee Member of CK Asset Holdings Limited. He is also an Executive Director, Deputy Chairman and Chairman of Sustainability Committee of CK Infrastructure Holdings Limited, and an Executive Director, Senior Vice President, Chief Investment Officer and Chairman of Sustainability Committee of CK Life Sciences Int'l., (Holdings) Inc.

Except Hui Xian Asset Management Limited, all the companies mentioned above are listed companies.

Mr. IP holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

LIM Hwee Chiang, aged 68, has been a Non-executive Director of Hui Xian Asset Management Limited since 21 December 2010. He is the Chairman of JL Family Office. He was the Senior Advisor and Non-executive Director of ESR Group Limited (listed on the Stock Exchange of Hong Kong Limited). He serves as a Non-executive Director of ESR Asset Management (Fortune) Limited (the manager of Fortune REIT listed on The Stock Exchange of Hong Kong Limited and ESR Asset Management (Prosperity) Limited (the manager of Hong Kong-listed Prosperity REIT).

Mr. LIM is Chairman of the Asia Pacific Real Estate Association ("APREA"), and the Consultative Committee to the Department of Real Estate, National University of Singapore. He is also a Council Member of Singapore Chinese Chamber of Commerce and Industry.

Mr. LIM co-founded ESR Asset Management Limited (previously known as "ARA Asset Management Limited") in 2002 and was its Group CEO for 18 years and Deputy Chairman from February 2021 to January 2022.

Mr. LIM has over 40 years of experience in the real estate industry and has received many notable corporate awards. These include the PERE Global Awards 2020 and 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur of the Year Singapore 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr. LIM, along with the Board of Directors of ARA, was a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012. In 2017, he was conferred the Public Service Medal (PBM) by the President of Singapore in recognition of his contributions to the community.

Mr. LIM holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.

LEE Chack Fan, aged 79, has been an Independent Non-executive Director of Hui Xian Asset Management Limited since 4 April 2011. He is an Academician of Chinese Academy of Engineering and was appointed as the member of the Board of Governor of the Chu Hai College of Higher Education on 1 July 2015. Professor LEE has been appointed as an Independent non-executive director of Regal Partners Holdings Limited (formerly known as Morris Home Holdings Limited) with effect from 9 November 2022. He was a Non-executive Director of Zhaobangji Lifestyle Holdings Limited (formerly known as Zhaobangji Properties Holdings Limited) up to 30 December 2022 and an Independent Non-executive Director of South Shore Holdings Limited (delisted in 2023 and formerly known as The 13 Holdings Limited) up to 18 May 2021. Professor LEE was also an Independent Non-executive Director of 8088 Investment Holdings Limited (delisted in 2022 and formerly known as AID Life Science Holdings Limited) up to 14 August 2017.

Professor LEE is an internationally renowned expert in geotechnical engineering. He served as a consultant and technical adviser to numerous energy and infrastructure projects in China and overseas, including the construction of the Three Gorges Dam of the Yangtze River. He worked for Ontario Hydro in Canada for more than 20 years. He joined the University of Hong Kong in 1994 as a professor of the Department of Civil Engineering, and successively as chair professor of geotechnical engineering, pro-vice-chancellor (vice-president) and director of the School of Professional and Continuing Education. He has also served as a specialist consultant or an advisor to many international bodies such as the United Nations Development Plan, World Bank and Asian Development Bank on numerous energy and infrastructure projects in many parts of the world.

Professor LEE is currently the Chairman of Jao Tsung-I Academy, Director of Jao Tsung-I Petite Ecole, University of Hong Kong, the President of the Fu Hui Charity Foundation. Professor LEE was a Chairman of the Hong Kong Institute for Promotion of Chinese Culture, the Harbourfront Enhancement Committee, the Council of the Lord Wilson Heritage Trust, and the Veterinary Surgeons Board. He previously also served as a member of Board of the West Kowloon Cultural District Authority, the Commission on Strategic Development and the Cultural and Heritage Commission, as well as the Vice-Chairman of the Board of the Hong Kong Palace Museum.

Professor LEE's eminent achievement in civil engineering has been highly recognised. He was awarded the K Y Lo Medal in 2001 by the Engineering Institute of Canada and was elected the Academician of the Chinese Academy of Engineering in 2003 in recognition of his contributions to the engineering profession. He was appointed as Justice of the Peace by the Hong Kong Government in 2003 and was awarded the Silver Bauhinia Star, Gold Bauhinia Star and Grand Bauhinia Medal in 2005, 2013 and 2024 respectively.

Professor LEE graduated from The University of Hong Kong with a Bachelor's degree in Civil Engineering and received his Master's degree from The University of Hong Kong and a Doctor of Philosophy degree from The University of Western Ontario, Canada, in the field of geotechnical engineering.

CHOI Koon Shum, Jonathan, aged 67, has been an Independent Non-executive Director of Hui Xian Asset Management Limited since 4 April 2011. He is Chairman of the Sun Wah Group, Chairman of Sunwah International Limited, Sunwah Kingsway Capital Holdings Limited (Hong Kong-listed) and Vietnam VinaCapital. He is also Independent Non-executive Director of BOC Hong Kong (Holdings) Limited (Hong Kong-listed) and Bank of China (Hong Kong) Limited. Dr. CHOI has extensive experience in food industry, real estate development, international trade as well as technology and finance related business.

Dr. CHOI is a Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference of the PRC. He was awarded the Grand Bauhinia Medal, the highest honor in the Hong Kong SAR Award and Recognition System. He also holds a number of public positions including Chairman of the Hong Kong Chinese General Chamber of Commerce in Hong Kong, Chairman of Guangdong-HK-Macao Bay Area Entrepreneurs Alliance, Member of the Chief Executive's Council of advisers of Hong Kong SAR Government, Chairman of the Hong Kong Chamber of Commerce (Qianhai), Economic Advisor to the President of the Chinese Academy of Sciences, Founding Patron and Senior Advisor to the President of the Academy of Sciences of Hong Kong, Vice-Chairman of the China Overseas Friendship Association, Council Member of the Hong Kong Trade Development Council, Founding Chairman of the Hong Kong-Vietnam Chamber of Commerce, Founding Chairman of the Hong Kong-Korea Business Council, Chairman of the China Hong Kong Israel Technology Cooperation and Promotion Center and Chairman of the US-China Center for Research on Educational Excellence of the Michigan State University. Dr. CHOI is a Court or Council Member of a number of universities including the Fudan University, the Nanjing University and the Hong Kong Polytechnic University.

Dr. CHOI was conferred the Honorary Doctor of Humanities by the Michigan State University in the United States in 2005. He became a University Fellow of The Hong Kong Polytechnic University in 2007. He was also conferred Honorary Professor by The University of Glamorgan in the United Kingdom in 2009, Honorary Doctor of Social Sciences by the Lingnan University in Hong Kong in 2011, Honorary Doctor of the Vietnam National University, Hanoi, in 2013, Honorary Doctor of Business Administration by De Montfort University in United Kingdom in 2014, Honorary Doctor of Laws by The University of Alberta in 2015 and Honorary Doctor of Business Administration by Hong Kong Metropolitan University (formerly the Open University of Hong Kong) in 2020 and Honorary Doctor of International Business Management by Cambodia National University of Management in 2022.

YIN Ke, aged 61, has been an Independent Non-executive Director of Hui Xian Asset Management Limited since 12 May 2022. He is a director of Beijing Oriental Plaza Co., Ltd.. Mr. YIN currently serves as an External Director of Shandong Heavy Industry Group Co., Ltd. and an Independent Non-executive Director of Focus Media Information Technology Co., Ltd., which is listed on the Shenzhen Stock Exchange, and an Independent Non-executive Director of C-MER Eye Care Holdings Limited, which is listed on the Stock Exchange of Hong Kong Limited. Mr. YIN also serves as an Advisor to CPP Investments.

Mr. YIN previously worked as a Secretary to the President of the Shenzhen Stock Exchange. He also served as the Deputy General Manager and an Executive Director of Jun'an Securities Co., Ltd., a Board Director of Guotai Jun'an Securities Co., Ltd., the President and an Executive Director of China United Securities Co., Ltd., a Director and the Deputy Chief Executive Officer of CITIC Capital Holdings Limited, a Non-executive Director of CITIC Dameng Holdings Limited, an Independent Director of CCB Principal Asset Management Co., Ltd., an Independent Non-executive Director of Morgan Stanley Securities (China) Co., Ltd., the Chief Executive Officer of CITIC Securities International Limited and an Executive Director and the Vice Chairman of CITIC Pacific Limited. In addition, Mr. YIN served as the Vice Chairman of CITIC Securities Company Limited from 2011 to 2016 and its Executive Director from 2009 to 2017, and a Non-executive Director of CITIC Limited from 2009 to 2014, both of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was a Non-executive Director of Hui Xian Asset Management Limited at the listing of Hui Xian REIT until 2018. Mr. YIN was also a Non-executive Director of Dah Chong Hong Holdings Limited from 2010 to 2012 and from 2018 to 2020, which was delisted from the Stock Exchange in 2020.

Mr. YIN graduated with a bachelor's degree in electrical engineering and a master's degree in economics from Zhejiang University.

WU Ting Yuk, Anthony, aged 70, has been an Independent Non-executive Director of Hui Xian Asset Management Limited since 2 November 2022. He is a Fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Institute of Chartered Accountants in England and Wales, and an Honorary Chairman of The Institute of Certified Management Accountants (Australia) Hong Kong Branch. He is also an Honorary Fellow of Hong Kong College of Community Medicine.

Mr. WU was a member of the 12th and 13th Standing Committee of the Chinese People's Political Consultative Conference National Committee. Mr. WU was formerly the Chairman of the Hong Kong Hospital Authority, the Chairman of the Bauhinia Foundation Research Centre, a member of the Chief Executive's Council of Advisers on Innovation and Strategic Development, a member of the Task Force on Land Supply of the Hong Kong Special Administrative Region and an Independent Non-executive Director of Fidelity Funds and Agricultural Bank of China Limited. He was a member of the General Committee of the Hong Kong General Chamber of Commerce from 2000 to 2017, served as its Chairman from 2010 to 2012, and is currently a member of its Council.

Mr. WU is the Chief Advisor to MUFG Bank, Ltd. and the Chairman of the China Oxford Scholarship Fund. In addition, Mr. WU is a member of the Public Policy Advisory Committee and an advisor of the National Health Commission of the People's Republic of China, the Principal Advisor to the State Administration of Traditional Chinese Medicine of the People's Republic of China and was a member of the Chinese Medicine Reform and Development Advisory Committee of the People's Republic of China. He is an Honorary Professor of Faculty of Medicine of the Chinese University of Hong Kong and Peking Union Medical College Hospital.

Within the last 3 years, Mr. WU had acted as an Independent Non-executive Director of Guangdong Investment Limited and China Taiping Insurance Holdings Company Limited. Mr. WU is currently the Chairman and a Non-executive Director of Clarity Medical Group Holding Limited, the Chairman and an Independent Non-executive Director of Venus Medtech (Hangzhou) Inc., an Independent Non-executive Director of Power Assets Holdings Limited, China Resources Medical Holdings Company Limited, CStone Pharmaceuticals, Ocumension Therapeutics, and Sing Tao News Corporation Limited. All the aforementioned companies are listed companies.

KEY PERSONNEL'S BIOGRAPHICAL INFORMATION

TONG BARNES Wai Che, Wendy is the Deputy Chief Executive Officer of Hui Xian Asset Management Limited ("the Manager"). She is the Executive Committee Member and Chief Corporate Affairs Officer of CK Asset Holdings Limited and CK Infrastructure Holdings Limited, as well as the Chief Corporate Affairs Officer of CK Life Sciences Int'l., (Holdings) Inc. Mrs. BARNES has been working on the Beijing Oriental Plaza project since the 1990s during the pre-leasing and pre-opening phase. She holds a Bachelor's degree in Business Administration.

FONG Chi Lam, Jasmine is the Chief Compliance Officer of the Manager. Ms. FONG is also the Senior Legal Manager of CK Infrastructure Holdings Limited. She has over 20 years of experience in legal and regulatory compliance, mergers and acquisitions, as well as project structuring and financing areas. Ms. FONG was qualified as a solicitor of the High Court of Hong Kong in 1997.

CHING Sung, Eric is the Deputy Chief Project Development Officer and Responsible Officer of the Manager. Prior to joining the Manager, Mr. CHING worked in CK Life Sciences Int'l., (Holdings) Inc. and CK Infrastructure Holdings Limited. Mr. CHING has over 40 years of experience in banking, finance and mergers & acquisitions. He holds a Master's degree in Management.

TANG Hiu Tung, Daisy is the Chief Corporate Development Officer and Responsible Officer of the Manager. Ms. TANG has over 20 years of experience in investor relations, corporate finance and marketing communications with a career that spans the finance, property, exhibition and convention, and automotive industries. She holds a Master's Degree in Marketing.

CHU Kai Wah, Richard is the Internal Audit Manager of the Manager. He is also the Manager, Internal Audit Department of CK Asset Holdings Limited. He has over 36 years of experience in auditing. He holds a Professional Diploma in Accountancy and a Master of Business degree in Electronic Commerce. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Institute of Chartered Accountants in England and Wales and a fellow of the Hong Kong Institute of Certified Public Accountants.

VALUATION
REPORT

March 3, 2025

Hui Xian Asset Management Limited
Unit 303, 3/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Our Ref.: E043606H-A

Dear Sirs,

Pursuant to the terms and conditions of an Engagement Letter dated December 15, 2022 between ourselves, we are instructed by you, Hui Xian Asset Management Limited and DB Trustees (Hong Kong) Limited (together as the "Company") to provide our opinion of Market Value of the property interest of Oriental Plaza, located at No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China (the "PRC") (or hereafter referred as the "Property" or the "property interest"). The Property is held by Beijing Oriental Plaza Company Limited (北京東方廣場有限公司) ("BOP").

As instructed, we, Kroll (HK) Limited ("Kroll") has made a determination of the value in its existing state of the Property as of December 31, 2024 (the "valuation date").

This letter, which forms part of our report, identifies the Property, the scope and character of our investigation, the premise of value adopted, the methodology applied, and our conclusion. It is our understanding that this appraisal will be used for your financial reporting purposes.

BASIS OF VALUATION

Our valuation represents our opinion of the Market Value which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood to be the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules provided to us by BOP and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalization Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalization Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well-established income-producing properties that can be expected to have relatively stabilized income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property.

The Income Capitalization Approach is a valuation method commonly applied for investment properties. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalized for the remaining term of the land use rights of the Property. The sum of the capitalized value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalization Approach are the market rent and the capitalization rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. The capitalization rates are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors, and our experience in valuing other similar properties. The capitalization rates are applied to capitalize the rental income generated for the unexpired term of the land use rights of the Property until April 21, 2049. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

For the hotel portion of the Property, we have capitalised the income generated from operating the hotel after deducting the operating and non-operating expenses. The income and expenses are estimated with regard to the latest hotel operating results and the budget provided by the Company and the changes in market conditions.

For cross-checking purposes, we have also adopted the Direct Comparison Approach by making reference to comparable sales evidence of properties with similar characteristics as available in the relevant market. There is, however, a lack of en-bloc transactions in the vicinity. Comparison can only be made with reference to individual strata-title property transactions in the locality.

TITLE DOCUMENTS

We have been provided with copies of documents in relation to the title of the property interest situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

All legal documents disclosed in this letter and valuation reports are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this letter and valuation reports.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interest on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interest. In addition, no forced sale situation in any matter is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation reports. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interest described and that no encroachment or trespass exists unless noted in the valuation reports.

We have assumed that the owner of the property interest has free and uninterrupted rights to use, lease, sell or mortgage the property interest for the whole of the unexpired term of its land use rights. We have also assumed that the property interest is freely disposable and transferable in the market to both local and overseas purchasers for the whole of the unexpired terms as granted without any fees or charge incurred unless otherwise stated.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation reports for the Property.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have also been advised that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

We have inspected the exterior and, where possible, the interior of the Property. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

REMARKS

Unless otherwise stated, all monetary amount stated in this report is in Renminbi ("RMB").

We hereby certify that we have neither present nor prospective interests in the Company or the values reported. Pursuant to Chapter 6.5 of the REIT Code, we confirm that we are independent to Hui Xian Real Estate Investment Trust, DB Trustees (Hong Kong) Limited, and each of the significant holders of Hui Xian Real Estate Investment Trust.

Our valuation is prepared in accordance with the "HKIS Valuation Standards (2020 Edition)" published by The Hong Kong Institute of Surveyors. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This appraisal report is prepared on a fair and unbiased basis and is issued subject to our general assumptions and limitation conditions.

We have not investigated the title to or any liabilities against the property interest appraised.

We enclose herewith our valuation reports and market overview.

Yours faithfully,
For and on behalf of
Kroll (HK) Limited

Elaine H.L. Ng
MRICS, MHKIS, RPS(GP), MCIREA
Real Estate Valuation Group
Director

EXECUTIVE SUMMARY

Property: The Property consists of retail, office, serviced apartment, hotel and basement portions of Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China (中華人民共和國北京市東城區東長安街1號東方廣場之商場、寫字樓、服務式公寓、酒店及地庫部分)

Description: Oriental Plaza is a mixed use commercial complex comprising a shopping mall, 8 blocks of office towers, 3 blocks of serviced apartment towers, a 5-star hotel, car parking spaces and other ancillary facilities.

Site Area: 109,924.10 square metres (Note 1)

Note 1: The site area of Oriental Plaza is of 77,594.81 square metres under the relevant State-owned Land Use Certificate below and the planned land use area of the Property is of 109,924.1 square metres under the relevant Appendix of Construction Land Use Planning Permit below.

Registered Owner: Beijing Oriental Plaza Company Limited (北京東方廣場有限公司) ("BOP")

Gross Floor Area: According to the information provided by BOP, the breakdown of gross floor area ("GFA") is as follow:

Uses	GFA (sq.m.) (approx.)
Retail	132,515
Office	309,768
Serviced Apartment	98,674
Hotel	104,094
Basement Levels	118,431 (Note 2)
Total:	**763,482**

Note 2: The above GFA of the basement does not include the area of civil defense shelter.

Lettable Area: According to the information provided by BOP, the breakdown of lettable area is as follows:

Uses	Lettable Area (sq.m.) (approx.)
Retail	69,827
Office	309,502
Serviced Apartment	95,817
Total:	**475,146**

The area schedule tabulated above is exclusive of car parking spaces.

State-owned Land Use Certificate:	Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用(2006出)第10128號)
Building Ownership Certificate:	Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號)
Valuation Date:	December 31, 2024
Valuation Methodology:	Income Capitalization Approach and Market Approach

Market Value in Existing State:

Uses	Market Value in Existing State (RMB)
Retail	9,861,000,000
Office	13,597,000,000
Serviced Apartment	2,240,000,000
Hotel	2,270,000,000
Basement	271,000,000
Total:	**28,239,000,000**

The Property mainly comprises retail, office, serviced apartment, hotel and basement (levels P1 to P4) of Oriental Plaza, Beijing. In the following sections, each portion of the Property is described separately in details.

VALUATION PARTICULARS

Retail Portion – The Shopping Mall

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
1.	The retail portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The Property is a comprehensive development comprising of a shopping mall, eight office towers, three blocks of serviced apartment, a hotel and about 1,800 car parking spaces in basement levels. The retail portion was completed in 2000. The retail portion mainly comprises portion of podium level, 1-upper ground level and 1-lower ground level with a total gross floor area of approximately 132,515 square metres. The total lettable area is approximately 69,827 square metres. The retail portion is held by BOP for a term to be expired on April 21, 2049 for composite use.	According to the tenancy schedule dated December 31, 2024 provided to us, the retail portion of the Property is let under various tenancies for various terms with the latest expiring in December 2032, yielding a total monthly rental income of RMB36,066,289 exclusive of management fee and value-added tax. Most of the tenancies do not contain rent review clauses and/or options to renew for further terms at the then market rents. Various advertising spaces are let under various agreements yielding an average monthly income of approximately RMB190,219 from January 2024 to December, 2024. The occupancy rate of the retail portion of the Property as at valuation date was about 92.2%.	9,861,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated June 26, 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by BOP for a term expiring on April 21, 2049 for composite use.

2. Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated January 10, 2000, the total land area is 109,924.10 square metres, in which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project (東方廣場項目), and about 15,300 square metres of land is to be resumed for city road use.

3. Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated December 9, 2005, the buildings with gross floor area of 763,480.35 square metres are held by BOP.

4. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

5. The rentals reported herein are contractual rentals without taking into account rent free periods and turnover rent, if any. The average monthly turnover rent income is approximately RMB788,144 for the period between January 2024 to December 2024.

6. Based on the tenancy information provided by BOP, our analysis of the existing tenancy profile (excluding advertising spaces and turnover rent) is set out below:

Occupancy Profile

Type	Lettable Area (sq.m.) (approx.)	% of total
Leased	64,413	92.2%
Vacant	5,414	7.8%
Total	**69,827**	**100.0%**

Tenancy Commencement Profile (excluding rental income from turnover)

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2017	2,030	3.15%	0	0.00%	1	0.35%
2018	1,052	1.63%	348,300	0.97%	1	0.35%
2019	1,267	1.97%	1,418,100	3.93%	2	0.70%
2020	7,059	10.96%	2,969,354	8.23%	18	6.29%
2021	6,463	10.03%	2,018,497	5.60%	8	2.80%
2022	7,171	11.13%	6,131,775	17.00%	51	17.83%
2023	15,630	24.27%	11,244,765	31.18%	78	27.27%
2024	23,741	36.86%	11,935,498	33.09%	127	44.41%
Total	**64,413**	**100.00%**	**36,066,289**	**100.00%**	**286**	**100.00%**

Tenancy Expiry Profile (excluding rental income from turnover)

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2024	2,530	3.93%	1,367,765	3.79%	11	3.84%
2025	19,517	30.30%	11,650,001	32.30%	91	31.82%
2026	15,179	23.56%	9,388,543	26.03%	94	32.87%
2027	11,322	17.58%	7,497,000	20.79%	62	21.68%
2028	3,376	5.24%	2,377,106	6.59%	11	3.84%
2029	7,648	11.87%	3,373,143	9.35%	12	4.20%
2030	469	0.73%	108,014	0.30%	2	0.70%
2031	688	1.07%	161,650	0.45%	1	0.35%
2032	3,684	5.72%	143,067	0.40%	2	0.70%
Total	**64,413**	**100.00%**	**36,066,289**	**100.00%**	**286**	**100.00%**

Tenancy Duration Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
Up to 1 year	5,522	8.57%	2,905,183	8.05%	37	12.94%
More than 1 year and up to 2 years	5,158	8.01%	1,249,883	3.47%	21	7.34%
More than 2 years and up to 3 years	17,135	26.60%	13,526,215	37.50%	123	43.01%
More than 3 years and up to 4 years	4,530	7.04%	4,606,685	12.77%	37	12.94%
More than 4 years and up to 5 years	10,805	16.77%	6,750,376	18.72%	39	13.63%
More than 5 years and up to 6 years	9,914	15.39%	6,440,709	17.86%	20	6.99%
More than 6 years and up to 7 years	118	0.18%	48,476	0.13%	1	0.35%
More than 7 years and up to 8 years	7,402	11.49%	337,695	0.94%	5	1.75%
More than 8 years and up to 9 years	1,435	2.23%	70,900	0.20%	2	0.70%
More than 9 years and up to 10 years	2,394	3.72%	130,167	0.36%	1	0.35%
Total	**64,413**	**100.00%**	**36,066,289**	**100.00%**	**286**	**100.00%**

7. We have prepared our valuation based on the following assumptions:

(a) BOP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

(b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

(c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Office Portion – East Office Towers, West Office Towers and Central Office Towers

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
2.	The office portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The Property is a comprehensive development comprising of a shopping mall, eight office towers, three blocks of serviced apartment, a hotel and about 1,800 car parking spaces in basement levels. The office portion was completed in between 2000 and 2001. The office portion comprises five blocks of 12-storey office towers and three blocks of 18-storey office towers with a total gross floor area of approximately 309,768 square metres. The lettable area of office portion is approximately 309,502 square metres. The office portion is held by BOP for a term to be expired on April 21, 2049 for composite use.	According to the tenancy schedule dated December 31, 2024 provided to us, the office portion of the Property is let under various tenancies for various terms with the latest expiring in October 2036, yielding a total monthly rental income of RMB62,130,927 exclusive of management fee and value-added tax. Most of the tenancies do not contain rent review clauses and/or options to renew for further terms at the then market rents. Various naming rights are let under monthly basis, yielding an average monthly rental of approximately RMB297,222 from January 2024 to December 2024. The total occupancy rate of the office portion of the Property as at valuation date was about 81.3%.	13,597,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用（2006出）第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated June 26, 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by BOP for a term expiring on April 21, 2049 for composite use.

2. Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated January 10, 2000, the total land area is 109,924.10 square metres, of which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project (東方廣場項目), and about 15,300 square metres of land is to be resumed for city road use.

3. Pursuant to the Building Ownership Certificate（房屋所有權證）, Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated December 9, 2005, the buildings ownership rights with gross floor area of 763,480.35 square metres are held by BOP.

4. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

5. The rentals reported herein are contractual rentals without taking into account rent free periods, if any.

6. Based on the tenancy information provided by BOP, our analysis of the existing tenancy profile (excluding naming rights) is set out below:

Occupancy Profile

Type	Lettable Area (sq.m.) (approx.)	% of total
Leased	257,981	83.3%
Owner-occupied	2,419	0.8%
Vacant	49,102	15.9%
Total	**309,502**	**100.00%**

Tenancy Commencement Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2020	60,881	23.60%	12,062,498	19.41%	39	11.37%
2021	37,728	14.62%	9,417,103	15.16%	32	9.33%
2022	46,326	17.96%	12,172,823	19.59%	76	22.16%
2023	41,532	16.10%	9,917,957	15.96%	97	28.28%
2024	65,201	25.27%	18,139,711	29.20%	96	27.99%
2025	6,313	2.45%	420,835	0.68%	3	0.87%
Total	**257,981**	**100.00%**	**62,130,927**	**100.00%**	**343**	**100.00%**

Tenancy Expiry Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2024	8,901	3.45%	2,177,485	3.50%	8	2.33%
2025	74,801	28.99%	15,139,130	24.37%	124	36.15%
2026	39,724	15.40%	11,037,403	17.76%	95	27.70%
2027	26,570	10.30%	7,424,044	11.95%	50	14.58%
2028	47,906	18.57%	12,188,417	19.62%	36	10.50%
2029	30,231	11.72%	8,158,241	13.13%	20	5.83%
2030	10,603	4.11%	2,460,464	3.96%	2	0.58%
2031	11,140	4.32%	2,699,693	4.35%	6	1.75%
2032	–	0.00%	–	0.00%	–	0.00%
2033	2,392	0.93%	478,410	0.77%	1	0.29%
2034	–	0.00%	–	0.00%	–	0.00%
2035	–	0.00%	–	0.00%	–	0.00%
2036	5,713	2.21%	367,640	0.59%	1	0.29%
Total	**257,981**	**100.00%**	**62,130,927**	**100.00%**	**343**	**100.00%**

Tenancy Duration Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
Up to 1 year	3,897	1.51%	870,192	1.40%	8	2.33%
More than 1 year and up to 2 years	16,150	6.26%	4,071,535	6.55%	36	10.50%
More than 2 years and up to 3 years	58,643	22.73%	15,695,674	25.26%	132	38.49%
More than 3 years and up to 4 years	22,354	8.67%	5,898,081	9.49%	46	13.41%
More than 4 years and up to 5 years	52,059	20.18%	14,319,248	23.05%	58	16.91%
More than 5 years and up to 6 years	38,319	14.85%	5,891,948	9.48%	34	9.91%
More than 6 years and up to 7 years	7,214	2.80%	1,969,943	3.17%	7	2.04%
More than 7 years and up to 8 years	11,069	4.29%	2,829,260	4.56%	6	1.75%
More than 8 years and up to 9 years	19,904	7.72%	4,944,169	7.96%	9	2.62%
More than 9 years and up to 10 years	22,659	8.78%	5,273,237	8.49%	6	1.75%
More than 10 years	5,713	2.21%	367,640	0.59%	1	0.29%
Total	**257,981**	**100.00%**	**62,130,927**	**100.00%**	**343**	**100.00%**

7. We have prepared our valuation based on the following assumptions:

(a) BOP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

(b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

(c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Serviced Apartment Portion

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
3.	The serviced apartment portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The Property is a comprehensive development comprising of a shopping mall, eight office towers, three blocks of serviced apartment, a hotel and about 1,800 car parking spaces in basement levels. The serviced apartment portion was completed in between 2002 and 2004. The serviced apartment portion comprises of a 21-storey serviced apartment tower and two 14-storey serviced apartment towers with a total gross floor area of approximately 98,674 square metres. The lettable areas of apartment portion is 95,817 square metres. The serviced apartment portion is held by BOP for a term to be expired on April 21, 2049 for composite use.	According to the tenancy schedule dated December 31, 2024 provided to us, the serviced apartment portion of the Property is let under various tenancies for various terms with the latest expiring in October 2027, yielding a total monthly rental income of RMB8,663,740 exclusive of management fee and value-added tax. Most of the tenancies do not contain rent review clauses and/or options to renew for further terms at the then market rents. Portion of the Property with a total lettable area of approximately 1,106 square metres was owner-occupied. The total occupancy rate of the serviced apartment portion of the Property as at valuation date was about 89.4%.	2,240,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated June 26, 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by BOP for a term expiring on April 21, 2049 for composite use.

2. Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated January 10, 2000, the total land area is 109,924.10 square metres, of which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project (東方廣場項目), and about 15,300 square metres of land is to be resumed for city road use.

3. Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated December 9, 2005, the buildings ownership rights with gross floor area of 763,480.35 square metres are held by BOP.

4. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

5. The rentals reported herein are contractual rentals without taking into account rent free periods, if any.

6. Based on the tenancy information provided by BOP, our analysis of the existing tenancy profile (excluding naming rights) is set out below:

Occupancy Profile

Type	Lettable Area (sq.m.) (approx.)	% of total
Leased	85,643	89.4%
Owner-occupied	1,106	1.1%
Vacant	9,068	9.5%
Total	**95,817**	**100.0%**

Tenancy Commencement Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2022	166	0.19%	14,984	0.17%	1	0.15%
2023	8,220	9.60%	847,813	9.79%	57	8.64%
2024	75,371	88.01%	7,609,948	87.84%	587	88.94%
2025	1,886	2.20%	190,995	2.20%	15	2.27%
Total	**85,643**	**100.00%**	**8,663,740**	**100.00%**	**660**	**100.00%**

Tenancy Expiry Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2024	2,318	2.71%	200,241	2.31%	17	2.57%
2025	74,770	87.30%	7,589,367	87.60%	586	88.79%
2026	7,306	8.53%	715,350	8.26%	51	7.73%
2027	1,249	1.46%	158,782	1.83%	6	0.91%
Total	**85,643**	**100.00%**	**8,663,740**	**100.00%**	**660**	**100.00%**

Tenancy Duration Profile

Year	Leased Area (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
Up to 1 year	65,485	76.46%	6,580,431	75.95%	520	78.79%
More than 1 year and up to 2 years	17,166	20.04%	1,765,396	20.38%	121	18.33%
More than 2 years and up to 3 years	2,992	3.50%	317,913	3.67%	19	2.88%
Total	**85,643**	**100.0%**	**8,663,740**	**100.0%**	**660**	**100.00%**

7. We have prepared our valuation based on the following assumptions:

(a) BOP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

(b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

(c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Hotel Portion

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
4.	The hotel portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The Property is a comprehensive development comprising of a shopping mall, eight office towers, three blocks of serviced apartment, a hotel and about 1,800 car parking spaces in basement levels. The hotel portion was completed in 2001. The hotel portion is a 5-star hotel comprising a 24-storey tower including four basement levels with a total gross floor area of approximately 104,094 square metres. The hotel portion is held by BOP for a term to be expired on April 21, 2049 for composite use.	The hotel portion of the Property is currently operated under the brand name of Grand Hyatt Beijing.	2,270,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated June 26, 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by BOP for a term expiring on April 21, 2049 for composite use.

2. Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated January 10, 2000, the total land area is 109,924.10 square metres, of which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project (東方廣場項目), and about 15,300 square metres of land is to be resumed for city road use.

3. Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated December 9, 2005, the buildings ownership rights with gross floor area of 763,480.35 square metres are held by BOP.

4. We have prepared our valuation based on the following assumptions:

   (a) BOP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Basement Portion – Car Parking Spaces

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
5.	The basement portion (car park spaces) of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The Property is a comprehensive development comprising of a shopping mall, eight office towers, three blocks of serviced apartment, a hotel and about 1,800 car parking spaces in basement levels. The basement portion was completed in 2000. The basement portion has a total gross floor area of approximately 118,431 square metres (excluding civil defense shelter area). The total number of parking spaces is approximately 1,800 carpark spaces, including loading and unloading spaces. The basement portion is held by BOP for a term to be expired on April 21, 2049 for composite use.	According to the tenancy schedule dated December 31, 2024 provided to us, the car park spaces are let under various licenses on monthly and hourly basis yielding an average monthly income of RMB1,960,000 exclusive of management fee and value-added tax.	271,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳台國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated June 26, 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by BOP for a term expiring on April 21, 2049 for composite use.

2. Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated January 10, 2000, the total land area is 109,924.10 square metres, of which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project (東方廣場項目), and about 15,300 square metres of land is to be resumed for city road use.

3. Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳台字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated December 9, 2005, the buildings ownership rights with gross floor area of 763,480.35 square metres are held by BOP.

4. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

5. The rentals reported herein are contractual rentals without taking into account rent free periods, if any.

6. We have prepared our valuation based on the following assumptions:

   (a) BOP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

3. The value or value presented in this report are based upon the premises outlined herein.

4. The date of value to which the conclusions and opinions expressed apply is set forth in the report. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value.

5. This report has been made only for the use or uses stated, and it is neither intended nor valid for any other use.

6. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Kroll.

7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the Property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

8. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

9. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

VALUATION REPORT

March 3, 2025

Hui Xian Asset Management Limited
Unit 303, 3/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Our Ref.: E043606H-B

Dear Sirs,

Pursuant to the terms and conditions of an Engagement Letter dated December 15, 2022 between ourselves, we are instructed by you, Hui Xian Asset Management Limited and DB Trustees (Hong Kong) (together as the "Company") to provide our opinion of Market Value of the property interest of Metropolitan Oriental Plaza, located at No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China (the "PRC") (or hereafter referred as the "Property" or the "property interest"). The Property is held by Chongqing Metropolitan Oriental Plaza Co., Ltd (重慶大都會東方廣場有限公司) ("COP").

As instructed, we, Kroll (HK) Limited ("Kroll") has made a determination of the value in its existing state of the Property as of December 31, 2024 (the "valuation date").

This letter, which forms part of our report, identifies the Property, the scope and character of our investigation, the premise of value adopted, the methodology applied, and our conclusion. It is our understanding that this appraisal will be used for your financial reporting purposes.

BASIS OF VALUATION

Our valuation is our opinion of the Market Value which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules provided to us by Chongqing Metropolitan Oriental Plaza Co., Ltd. and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalization Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalization Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well-established income-producing properties that can be expected to have relatively stabilized income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property.

The Income Capitalization Approach is a valuation method commonly applied for investment properties. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalized for the remaining term of the land use rights of the Property. The sum of the capitalized value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalization Approach are the market rent and the capitalization rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. The capitalization rates are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors, and our experience in valuing other similar properties. The capitalization rates are applied to capitalize the rental income. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

For cross-checking purposes, we have also adopted the Direct Comparison Approach by making reference to comparable sales evidence of properties with similar characteristics as available in the relevant market. There is, however, a lack of en-bloc transactions in the vicinity. Comparison can only be made with reference to individual strata-title property transactions in the locality.

TITLE DOCUMENTS

We have been provided with copies of documents in relation to the title of the property interest situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

All legal documents disclosed in this letter and valuation reports are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this letter and valuation reports.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interest on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interest. In addition, no forced sale situation in any matter is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interest are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation reports. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interest described and that no encroachment or trespass exists unless noted in the valuation reports.

We have assumed that the owner of the property interest has free and uninterrupted rights to use, lease, sell or mortgage the property interest for the whole of the unexpired term of its land use rights. We have also assumed that the property interests are freely disposable and transferable in the market to both local and overseas purchasers for the whole of the unexpired terms as granted without any fees or charge incurred unless otherwise stated.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation reports for the Property.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have also been advised that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

We have carried out desktop valuations for the Property. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

REMARKS

Unless otherwise stated, all monetary amount stated in this report is in Renminbi ("RMB").

We hereby certify that we have neither present nor prospective interests in the Company or the values reported. Pursuant to Chapter 6.5 of the REIT Code, we confirm that we are independent to Hui Xian Real Estate Investment Trust, DB Trustees (Hong Kong) Limited, and each of the significant holders of Hui Xian Real Estate Investment Trust.

Our valuation is prepared in accordance with the "HKIS Valuation Standards (2020 Edition)" published by The Hong Kong Institute of Surveyors. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This appraisal report is prepared on a fair and unbiased basis and is issued subject to our general assumptions and limitation conditions.

We have not investigated the title to or any liabilities against the property interest appraised.

Yours faithfully,
For and on behalf of
Kroll (HK) Limited

Elaine H.L. Ng
MRICS, MHKIS, RPS(GP), MCIREA
Real Estate Valuation Group
Director

EXECUTIVE SUMMARY

Property: Metropolitan Oriental Plaza, No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China (中華人民共和國重慶市渝中區鄒容路68號大都會東方廣場)

Description: The Property is a large-scale composite development comprising retail, office and car park spaces. The retail portion consists of 8 levels above-ground, a mezzanine level, a lower ground level and portion of basement level 1. The office portion is a 37-storey office tower. The car park spaces are located at the basement levels.

Site Area: 18,072.70 square metres

Registered Owner: Chongqing Metropolitan Oriental Plaza Co., Ltd. (重慶大都會東方廣場有限公司)

Gross Floor Area: According to the information provided by COP, the breakdown of gross floor area ("GFA") is as follow:

Uses	GFA (sq.m.) (approx.)
Retail	88,300
Office	54,617
Basement	21,443
Total:	**164,360**

Lettable Area: According to the information provided by COP, the breakdown of lettable area is as follows:

Uses	Lettable Area (sq.m.) (approx.)
Retail	58,116
Office	50,505
Total:	**108,621**

The area schedule tabulated above is exclusive of the provided car park spaces.

Real Estate Title Certificate: Yu (2022) Yu Zhong Qu Bu Dong Chan Quan Di No. 000351149 渝(2022)渝中區不動產權第000351149號

101 Fang Di Zheng 2015 Zi No. 24819 (101房地證2015字第24819號)

Valuation Date:	December 31, 2024
Valuation Methodology:	Income Capitalization Approach and Market Approach
Market Value in Existing State:	

Uses	Market Value in Existing State (RMB)
Retail	1,649,000,000
Office	633,000,000
Basement (Car Park Spaces)	46,000,000
Total:	**2,328,000,000**

The Property mainly comprises retail, office, and carpark portions of Metropolitan Oriental Plaza, Chongqing. In the following sections, each portion of the Property is described separately in details.

VALUATION PARTICULARS

Retail Portion – The Shopping Mall

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
1.	The retail portion of the Property No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China	The Property is a large-scale composite development erected on a parcel of land with a site area of approximately 18,072.70 square metres. It comprises retail, office and car park spaces. The office portion is erected upon the retail podium. The retail portion of the Property was completed in 1997 while the office portion of the Property was completed in 1998. The retail portion of the Property comprises 8 levels above-ground, a mezzanine level between levels 7 and 8, a lower ground level and portion of basement level 1 with a total gross floor area and a total lettable area of approximately 88,300 square metres and 58,116 square metres respectively. The retail portion is held by COP for a term to be expired on August 30, 2044.	As advised, the Property was undergoing renovation works, it was expected to be completed in late March 2026. According to the tenancy schedule dated December 31, 2024 provided to us, portion of the Property is let under various tenancies for various terms with the latest expiring on December 31, 2035, yielding a total monthly rental income of about RMB940,526 inclusive of management fee. Portion of the Property with a total lettable area of 1,567 square metres was owner-occupied as of the valuation date. The occupancy rate of retail portion as at valuation date was 46.9% while the owner-occupied retail portion of the Property was 2.7%.	1,649,000,000

Notes:

1. Pursuant to the Real Estate Certificate (不動產權證) Yu (2022) Yu Zhong Qu Bu Dong Chan Quan Di No. 000351149 (渝(2022)渝中區不動產權第000351149號) issued by the Chongqing Yuzhong District Planning and Natural Resources Bureau (重慶市渝中區規劃和自然資源局) dated April 7, 2022, the land use right with a site area of 18,072.70 square metres and the building ownership of the Property with a gross floor area of 109,742.46 square metres are held by Chongqing Metropolitan Oriental Plaza Co., Ltd. (重慶大都會東方廣場有限公司) ("COP") for a land use term expiring on August 30, 2044 for commercial use.

2. As advised, the Property is undergoing renovation works as of the valuation date, the total budget of the renovation works is RMB326,928,166, while the total cost incurred is RMB102,364,101, the remaining outstanding cost is RMB224,564,065. We have taken into account these renovation works' costs in the course of our valuation. The works are expected to be completed in late March 2026.

3. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

4. Based on the tenancy information provided by COP, our analysis of the existing tenancy profile (excluding advertising spaces) is set out below:

Occupancy Profile

Type	Lettable Area (sq.m.) (approx.)	% of total
Leased	27,213	46.9%
Owner-occupied	1,567	2.7%
Vacant	29,336	50.4%
Total	**58,116**	**100.0%**

Tenancy Commencement Profile (excluding rental income from turnover rent & part of hotel's retail portion)

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2017	93	0.34%	5,585	0.59%	2	2.94%
2018	3,461	12.69%	103,268	10.98%	3	4.41%
2019	1,235	4.53%	99,062	10.53%	6	8.82%
2020	963	3.53%	456,381	48.54%	5	7.36%
2021	5,331	19.55%	78,390	8.33%	7	10.29%
2022	1,421	5.21%	42,615	4.53%	11	16.18%
2023	971	3.56%	42,734	4.54%	8	11.76%
2024	13,738	50.59%	112,491	11.96%	26	38.24%
Total	**27,213**	**100.00%**	**940,526**	**100.00%**	**68**	**100.00%**

Tenancy Expiry Profile (excluding rental income from turnover rent & owner-occupied portion excluding rental income from turnover rent) & owner-occupied portion & part of hotel's retail portion)

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2024	619	2.27%	11,842	1.26%	7	10.29%
2025	8,187	30.08%	668,718	71.10%	44	64.72%
2026	3,585	13.17%	141,136	15.01%	5	7.35%
2027	803	2.95%	9,449	1.00%	2	2.94%
2028	4,369	16.05%	50,857	5.41%	3	4.41%
2029	545	2.00%	32,858	3.49%	2	2.94%
2030	4,091	15.03%	–	0.00%	2	2.94%
2033	708	2.61%	–	0.00%	2	2.94%
2035	4,306	15.84%	25,666	2.73%	1	1.47%
Total	**27,213**	**100.00%**	**940,526**	**100.00%**	**68**	**100.00%**

Tenancy Duration Profile (excluding rental income from turnover rent & owner-occupied portion excluding rental income from turnover rent & owner-occupied portion & part of hotel's retail portion)

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
Up to 1 year	4,043	14.86%	67,138	7.14%	17	25.00%
More than 1 year and up to 2 years	384	1.41%	20,272	2.16%	6	8.82%
More than 2 years and up to 3 years	1,483	5.45%	41,017	4.36%	10	14.71%
More than 3 years and up to 4 years	4,575	16.81%	19,634	2.09%	7	10.29%
More than 4 years and up to 5 years	1,619	5.95%	124,970	13.29%	6	8.82%
More than 5 years and up to 6 years	5,701	20.95%	493,524	52.46%	10	14.71%
More than 6 years and up to 7 years	483	1.77%	9,381	1.00%	4	5.89%
More than 7 years	8,925	32.80%	164,590	17.50%	8	11.76%
Total	**27,213**	**100.00%**	**940,526**	**100.00%**	**68**	**100.00%**

5. We have prepared our valuation based on the following assumptions:

(a) COP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

(b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

(c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Office Portion

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
2.	The office portion of the Property No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China	The Property is a large-scale composite development erected on a parcel of land with a site area of approximately 18,072.70 square metres. It comprises retail, office and car park spaces. The office portion is erected upon the retail podium. The retail portion of the Property was completed in 1997, while the office portion of the Property was completed in 1998. The office portion of the Property is a 37-level office tower of the Development with a total gross area and a total lettable floor area of approximately 54,617 square metres and 50,505 square metres respectively. The office portion is held by COP for a term to be expired on August 30, 2044.	According to the tenancy schedule dated December 31, 2024 provided to us, the office portion of the Property is let under various tenancies for various terms with the latest expiring on October 31, 2029, yielding a total monthly rental income of about RMB3,230,990 inclusive of management fee. Most of the tenancies do not contain rent review clauses and/or options to renew for further terms at the then market rents. The leased office portion of the Property as at valuation date was 71.7% while the owner-occupied office portion of the Property was 3.5%.	633,000,000

Notes:

1. Pursuant to the Real Estate Certificate No. 101 Fang Di Zheng 2015 Zi Di 24819 Hao (101房地證2015字第24819號) issued by the Chongqing Bureau of Land Resources and Housing Management (重慶市國土資源和房屋管理局) dated December 11, 2015, the land use right with a site area of 18,072.70 square metres and the building ownership of the Property with a gross floor area of 54,617.37 square metres are held by Chongqing Metropolitan Oriental Plaza Co., Ltd. (重慶大都會東方廣場有限公司) ("COP") for a term expiring on August 30, 2044 for commercial use.

2. In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the Property.

3. The rentals reported herein are contractual rentals without taking into account rent free periods, if any. The other income is approximately RMB1,085,161 from January 2024 to December 2024.

4. Based on the tenancy information provided by COP, our analysis of the existing tenancy profile is set out below:

Occupancy Profile

Type	Lettable Area (sq.m.) (approx.)	% of total
Leased	36,238	71.7%
Owner-occupied	1,743	3.5%
Vacant	12,524	24.8%
Total	**50,505**	**100.0%**

Tenancy Commencement Profile

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2016	2,481	6.85%	146,068	4.52%	6	4.20%
2017	2,429	6.70%	261,104	8.08%	7	4.90%
2018	2,146	5.92%	178,296	5.52%	9	6.29%
2019	7,744	21.38%	813,675	25.18%	19	13.28%
2020	878	2.42%	77,845	2.41%	4	2.80%
2021	3,537	9.76%	286,900	8.88%	9	6.29%
2022	4,046	11.16%	347,826	10.77%	21	14.69%
2023	4,530	12.50%	385,778	11.94%	22	15.38%
2024	8,238	22.73%	733,498	22.70%	44	30.77%
2025	209	0.58%	–	0.00%	2	1.40%
Total	**36,238**	**100.00%**	**3,230,990**	**100.00%**	**143**	**100.00%**

Tenancy Expiry Profile

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
2024	934	2.58%	88,344	2.73%	5	3.50%
2025	15,875	43.81%	1,421,321	43.99%	57	39.85%
2026	12,218	33.71%	1,086,138	33.61%	59	41.26%
2027	6,638	18.32%	589,217	18.24%	18	12.59%
2028	361	1.00%	35,733	1.11%	3	2.10%
2029	212	0.58%	10,237	0.32%	1	0.70%
Total	**36,238**	**100.00%**	**3,230,990**	**100.00%**	**143**	**100.00%**

Tenancy Duration Profile (excluding rental income from turnover rent & owner-occupied portion excluding rental income from turnover rent & owner-occupied portion & part of hotel's retail portion)

Year	Leased Area* (sq.m.) (approx.)	% of total	Monthly Rental (RMB) (approx.)	% of total	No. of Tenancies	% of total
Up to 1 year	515	1.42%	30,947	0.96%	4	2.80%
More than 1 year and up to 2 years	3,169	8.74%	270,264	8.36%	21	14.69%
More than 2 years and up to 3 years	6,455	17.81%	596,261	18.45%	37	25.87%
More than 3 years and up to 4 years	6,424	17.75%	551,142	17.06%	22	15.39%
More than 4 years and up to 5 years	1,308	3.61%	98,156	3.04%	8	5.59%
More than 5 years and up to 6 years	6,179	17.05%	591,652	18.31%	15	10.49%
More than 6 years and up to 7 years	4,791	13.22%	467,443	14.47%	14	9.79%
More than 7 years and up to 8 years	2,013	5.55%	172,888	5.35%	9	6.29%
More than 8 years and up to 9 years	3,332	9.19%	218,100	6.75%	8	5.59%
Above 9 years	2,052	5.66%	234,137	7.25%	5	3.50%
Total	**36,238**	**100.00%**	**3,230,990**	**100.00%**	**143**	**100.00%**

* The leased area in the tenancy commencement included the future lease of 208.93 sq.m. starting from January 1, 2025.

5. We have prepared our valuation based on the following assumptions:

(a) COP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

(b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

(c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

Basement Portion (Car Park Spaces)

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
3.	The basement portion (car park spaces) of the Property No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China	The Property is a large-scale composite development erected on a parcel of land with a site area of approximately 18,072.70 square metres. It comprises retail, office and car park spaces. The office portion is erected upon the retail podium. The retail portion of the Property was completed in 1997 while the office portion of the Property was completed in 1998. The basement portion (car park spaces) of the Property comprises 388 car parks on basement level 1 and portion of basement level 2. The Property is held by COP for a land use term to be expired on August 30, 2044.	According to the tenancy schedule dated December 31, 2024 provided to us, portion of the car park spaces is let under various licenses on monthly and hourly basis yielding an average monthly income of approximately RMB287,666.	46,000,000

Notes:

1. Pursuant to the Real Estate Certificate (不動產權證) Yu (2022) Yu Zhong Qu Bu Dong Chan Quan Di No. 000351149 (渝(2022)渝中區不動產權第000351149號) issued by the Chongqing Yuzhong District Planning and Natural Resources Bureau (重慶市渝中區規劃和自然資源局) dated April 7, 2022, the land use right with a site area of 18,072.70 square metres and the building ownership of the Property with a gross floor area of 109,742.46 square metres are held by Chongqing Metropolitan Oriental Plaza Co., Ltd. (重慶大都會東方廣場有限公司) ("COP") for a land use term expiring on August 30, 2044 for commercial use.

2. We have prepared our valuation based on the following assumptions:

   (a) COP possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

3. The value or value presented in this report are based upon the premises outlined herein.

4. The date of value to which the conclusions and opinions expressed apply is set forth in the report. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value.

5. This report has been made only for the use or uses stated, and it is neither intended nor valid for any other use.

6. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Kroll.

7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the Property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

8. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

9. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

March 3, 2025

Hui Xian Asset Management Limited
Unit 303, 3/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Our Ref.: E043606H-C

Dear Sirs,

Pursuant to the terms and conditions of an Engagement Letter dated December 15, 2022 between ourselves, we are instructed by you, Hui Xian Asset Management Limited and DB Trustees (Hong Kong) Limited (together as the "Company") to provide our opinion of Market Value of the property interest of a hotel known as "Sheraton Chengdu Lido Hotel" located at No. 15, Section 1 of Ren Min Zhong Road, Qingyang District, Chengdu, Sichuan Province, the People's Republic of China (the "PRC") (or hereafter referred as the "Property" or the "property interest"). The Property is held by Chengdu Changtian Co., Ltd. (成都長天有限公司) ("CC").

As instructed, we, Kroll (HK) Limited ("Kroll") has made a determination of the value in its existing state of the Property as of December 31, 2024 (the "valuation date").

This letter, which forms part of our report, identifies the Property, the scope and character of our investigation, the premise of value adopted, the methodology applied, and our conclusion. It is our understanding that this appraisal will be used for your financial reporting purposes.

BASIS OF VALUATION

Our valuation represents our opinion of the Market Value which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood to be the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules provided to us by CC and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalization Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalization Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well-established income-producing properties that can be expected to have relatively stabilized income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property.

The Income Capitalization Approach is a valuation method commonly applied for investment properties. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalized for the remaining term of the land use rights of the Property. The sum of the capitalized value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalization Approach are the market rent and the capitalization rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. The capitalization rates are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors, and our experience in valuing other similar properties. The capitalization rates are applied to capitalize the rental income generated for the unexpired term of the land use rights of the Property until January 17, 2049. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

TITLE DOCUMENTS

We have been provided with copies of documents in relation to the title of the property interest situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

All legal documents disclosed in this letter and valuation reports are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this letter and valuation reports.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interest on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interest. In addition, no forced sale situation in any matter is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation reports. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interest described and that no encroachment or trespass exists unless noted in the valuation reports.

We have assumed that the owner of the property interest has free and uninterrupted rights to use, lease, sell or mortgage the property interest for the whole of the unexpired term of its land use rights. We have also assumed that the property interest is freely disposable and transferable in the market to both local and overseas purchasers for the whole of the unexpired terms as granted without any fees or charge incurred unless otherwise stated.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation reports for the Property.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have also been advised that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

We have inspected the exterior and, where possible, the interior of the Property. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

REMARKS

Unless otherwise stated, all monetary amount stated in this report is in Renminbi ("RMB").

We hereby certify that we have neither present nor prospective interests in the Company or the values reported. Pursuant to Chapter 6.5 of the REIT Code, we confirm that we are independent to Hui Xian Real Estate Investment Trust, DB Trustees (Hong Kong) Limited, and each of the significant holders of Hui Xian Real Estate Investment Trust.

Our valuation is prepared in accordance with the "HKIS Valuation Standards (2020 Edition)" published by The Hong Kong Institute of Surveyors. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This appraisal report is prepared on a fair and unbiased basis and is issued subject to our general assumptions and limitation conditions.

We have not investigated the title to or any liabilities against the property interest appraised.

We enclose herewith our valuation reports and market overview.

Yours faithfully,
For and on behalf of
Kroll (HK) Limited

Elaine H.L. Ng
MRICS, MHKIS, RPS(GP), MCIREA
Real Estate Valuation Group
Director

EXECUTIVE SUMMARY

Property:	The Property comprises of a hotel known as "Sheraton Chengdu Lido Hotel" located at No. 15, Section 1 of Ren Min Zhong Road, Qingyang District, Chengdu, Sichuan Province, the PRC (中華人民共和國四川省成都市青羊區人民中路一段15號「天府麗都喜來登飯店」)
Description:	The Property is a 37-storey hotel including basement levels, which comprising retail shops, hotel rooms and other ancillary facilities.
Site Area:	4,614.69 square metres
Registered Owner:	Chengdu Changtian Co., Ltd. (成都長天有限公司) ("CC")
Gross Floor Area:	56,350.00 square metres
State-owned Land Use Certificate:	Cheng Guo Yong (2007) No. 52 (成國用(2007)第52號)
Building Ownership Certificate:	Cheng Fang Quan Zheng Jian Zheng Zi No. 1613937 (成房權證監證字第1613937號)
Valuation Date:	December 31, 2024
Valuation Methodology:	Income Capitalization Approach
Market Value in Existing State:	RMB600,000,000

VALUATION PARTICULARS

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
1.	A Hotel known as "Sheraton Chengdu Lido Hotel" located at No. 15, Section 1 of Ren Min Zhong Road, Qingyang District, Chengdu, Sichuan Province, the PRC, the People's Republic of China	The Property is a 37-storey hotel including basement levels completed in about 2000. The Property has a total gross floor area of approximately 56,350 square metres. As advised by the Company, the hotel portion is under renovation phase by phase and is estimated to be fully completed in early-2026. The hotel portion is held by CC for a term to be expired on January 17, 2049 for composite use.	As at the valuation date, the Property was operated as a hotel under the brand name of Sheraton Chengdu Lido Hotel.	600,000,000

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate (國有土地使用證), Cheng Guo Yong (2007) No. 52 (成國用(2007)第52號) issued by the People's Government of Chengdu Municipality (成都市人民政府) dated January 18, 2007, the land use rights with site area of 4,614.69 square metres are held by Chengdu Changtian Co., Ltd. (成都長天有限公司) for a term expiring on January 17, 2049 for composite use.

2. Pursuant to the Building Ownership Certificate, Cheng Fang Quan Zheng Jian Zheng Zi No. 1613937 (成房權證監證字第1613937號), issued by Chengdu Real Estate Management Bureau (成都市房產管理局) dated November 30, 2007, the building ownership with a total gross floor area of 56,350 square metres is held by Chengdu Changtian Co., Ltd..

3. We have prepared our valuation based on the following assumptions:

   (a) CC possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

3. The value or value presented in this report are based upon the premises outlined herein.

4. The date of value to which the conclusions and opinions expressed apply is set forth in the report. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value.

5. This report has been made only for the use or uses stated, and it is neither intended nor valid for any other use.

6. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Kroll.

7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the Property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

8. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

9. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

March 3, 2025

Hui Xian Asset Management Limited
Unit 303, 3/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Our Ref.: E043606H-D

Dear Sirs,

Pursuant to the terms and conditions of an Engagement Letter dated December 15, 2022 between ourselves, we are instructed by you, Hui Xian Asset Management Limited and DB Trustees (Hong Kong) Limited (together as the "Company") to provide our opinion of Market Value of the property interest of a hotel known as "Hyatt Regency Metropolitan Chongqing" located at No. 68 Zourong Road, Yuzhong District, Chongqing, the People's Republic of China (the "PRC") (or hereafter referred as the "Property" or the "property interest"). The Property is held by Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. (重慶東廣大都會酒店有限公司).

As instructed, we, Kroll (HK) Limited ("Kroll") has made a determination of the value in its existing state of the Property as of December 31, 2024 (the "valuation date").

This letter, which forms part of our report, identifies the Property, the scope and character of our investigation, the premise of value adopted, the methodology applied, and our conclusion. It is our understanding that this appraisal will be used for your financial reporting purposes.

BASIS OF VALUATION

Our valuation represents our opinion of the Market Value which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood to be the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules provided to us by Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalization Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalization Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well-established income-producing properties that can be expected to have relatively stabilized income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property.

The Income Capitalization Approach is a valuation method commonly applied for investment properties. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalized for the remaining term of the land use rights of the Property. The sum of the capitalized value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalization Approach are the market rent and the capitalization rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. The capitalization rates are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors, and our experience in valuing other similar properties. The capitalization rates are applied to capitalize the rental income generated for the unexpired term of the land use rights of the Property until August 30, 2044. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

TITLE DOCUMENTS

We have been provided with copies of documents in relation to the title of the property interest situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

All legal documents disclosed in this letter and valuation reports are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this letter and valuation reports.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interest on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interest. In addition, no forced sale situation in any matter is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation reports. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interest described and that no encroachment or trespass exists unless noted in the valuation reports.

We have assumed that the owner of the property interest has free and uninterrupted rights to use, lease, sell or mortgage the property interest for the whole of the unexpired term of its land use rights. We have also assumed that the property interest is freely disposable and transferable in the market to both local and overseas purchasers for the whole of the unexpired terms as granted without any fees or charge incurred unless otherwise stated.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation reports for the Property.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have also been advised that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

We have inspected the exterior and, where possible, the interior of the Property. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

REMARKS

Unless otherwise stated, all monetary amount stated in this report is in Renminbi ("RMB").

We hereby certify that we have neither present nor prospective interests in the Company or the values reported. Pursuant to Chapter 6.5 of the REIT Code, we confirm that we are independent to Hui Xian Real Estate Investment Trust, DB Trustees (Hong Kong) Limited, and each of the significant holders of Hui Xian Real Estate Investment Trust.

Our valuation is prepared in accordance with the "HKIS Valuation Standards (2020 Edition)" published by The Hong Kong Institute of Surveyors. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This appraisal report is prepared on a fair and unbiased basis and is issued subject to our general assumptions and limitation conditions.

We have not investigated the title to or any liabilities against the property interest appraised.

We enclose herewith our valuation reports and market overview.

Yours faithfully,
For and on behalf of
Kroll (HK) Limited

Elaine H.L. Ng
MRICS, MHKIS, RPS(GP), MCIREA
Real Estate Valuation Group
Director

EXECUTIVE SUMMARY

Property:	The Property comprises of a hotel known as "Hyatt Regency Metropolitan Chongqing" located at No. 68 Zourong Road, Yuzhong District, Chongqing, the PRC (中華人民共和國重慶市渝中區鄒容路68號「重慶大都會凱悅酒店」)
Description:	The Property is a 38-storey hotel development including three basement levels, which comprising retail shops, hotel rooms and other ancillary facilities.
Site Area:	18,072.70 square metres
Registered Owner:	Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. (重慶東廣大都會酒店有限公司)
Gross Floor Area:	52,238.10 square metres
Real Estate Title Certificate:	Yu (2023) Yu Zhong Qu Bu Dong Chan Quan Di No. 000779298 渝(2023)渝中區不動產權第000779298號 Yu (2023) Yu Zhong Qu Bu Dong Chan Quan Di No. 000779412 渝(2023)渝中區不動產權第000779412號
Valuation Date:	December 31, 2024
Valuation Methodology:	Income Capitalization Approach
Market Value in Existing State:	

Uses	Market Value in Existing State (RMB)
Hotel	331,000,000
Retail and Office	35,900,000
Total:	**366,900,000**

VALUATION PARTICULARS

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
1.	A hotel known as "Hyatt Regency Metropolitan Chongqing" located at No. 68 Zourong Road, Yuzhong District, Chongqing, the PRC	The Property is a 38-storey hotel development including basement levels completed in about 1999. The Property has a total gross floor area of approximately 52,238.10 square metres. The Property comprises the hotel portion and the car park portion with a gross floor area of approximately 51,736.57 square metres and 501.53 square metres respectively. As advised by the Company, the hotel portion comprises 338 hotel rooms. The Property is held by Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. for a term to be expired on August 30, 2044 for commercial and car parking uses.	As at the valuation date, the Property was operating as a 5-star hotel.	366,900,000

Notes:

1. Pursuant to the Real Estate Title Certificate (不動產權證), Yu (2023) Yu Zhong Qu Bu Dong Chan Quan Di No. 000779298 (渝(2023)渝中區不動產權第000779298號) issued by the Chongqing Yuzhong District Planning and Natural Resources Bureau (重慶市渝中區規劃和自然資源局) dated August 2, 2023, the land use rights of the Property with a site area of 18,072.70 square metres and the building ownership rights with a gross floor area of 51,736.57 square metres are held by Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. (重慶東廣大都會酒店有限公司) for a term expiring on August 30, 2044 for commercial and catering use.

2. Pursuant to the Real Estate Title Certificate (不動產權證), Yu (2023) Yu Zhong Qu Bu Dong Chan Quan Di No. 000779412 (渝(2023)渝中區不動產權第000779412號) issued by the Chongqing Yuzhong District Planning and Natural Resources Bureau (重慶市渝中區規劃和自然資源局) dated August 2, 2023, the land use rights of the Property with a site area of 18,072.70 square metres and the building ownership rights with a gross floor area of 501.53 square metres are held by Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. (重慶東廣大都會酒店有限公司) for a term expiring on August 30, 2044 for car parking use.

3. We have prepared our valuation based on the following assumptions:

   (a) Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd. possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

3. The value or value presented in this report are based upon the premises outlined herein.

4. The date of value to which the conclusions and opinions expressed apply is set forth in the report. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value.

5. This report has been made only for the use or uses stated, and it is neither intended nor valid for any other use.

6. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Kroll.

7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the Property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

8. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

9. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

VALUATION REPORT

March 3, 2025

Hui Xian Asset Management Limited
Unit 303, 3/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Our Ref.: E043606H-E

Dear Sirs,

Pursuant to the terms and conditions of an Engagement Letter dated December 15, 2022 between ourselves, we are instructed by you, Hui Xian Asset Management Limited and DB Trustees (Hong Kong) Limited (together as the "Company") to provide our opinion of Market Value of the property interest of a hotel known as "The Westin Shenyang" Nos. 370 and 386 Qingnian Street, Heping District, Shenyang City, Liaoning Province, the People's Republic of China (the "PRC") (the "Hotel Portion") and the staff quarters of the hotel located at No. 14–3 Wen An Road, Heping District, Shenyang City, Liaoning Province, the PRC (the "Staff Quarters Portion") (or hereafter referred as the "Property" or the "property interest"). The Property is held by Shenyang Lido Business Co. Ltd. (瀋陽麗都商務有限公司) ("SLB").

As instructed, we, Kroll (HK) Limited ("Kroll") has made a determination of the value in its existing state of the Property as of December 31, 2024 (the "valuation date").

This letter, which forms part of our report, identifies the Property, the scope and character of our investigation, the premise of value adopted, the methodology applied, and our conclusion. It is our understanding that this appraisal will be used for your financial reporting purposes.

BASIS OF VALUATION

Our valuation represents our opinion of the Market Value which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood to be the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules provided to us by SLB and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalization Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalization Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well-established income-producing properties that can be expected to have relatively stabilized income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property.

The Income Capitalization Approach is a valuation method commonly applied for investment properties. The rental income derived from the existing tenancies are capitalized for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalized for the remaining term of the land use rights of the Property. The sum of the capitalized value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalization Approach are the market rent and the capitalization rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. The capitalization rates are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors, and our experience in valuing other similar properties. The capitalization rates are applied to capitalize the rental income generated for the unexpired term of the land use rights of the Property until April 21, 2049. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

TITLE DOCUMENTS

We have been provided with copies of documents in relation to the title of the property interest situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

All legal documents disclosed in this letter and valuation reports are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this letter and valuation reports.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interest on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interest. In addition, no forced sale situation in any matter is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation reports. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interest described and that no encroachment or trespass exists unless noted in the valuation reports.

We have assumed that the owner of the property interest has free and uninterrupted rights to use, lease, sell or mortgage the property interest for the whole of the unexpired term of its land use rights. We have also assumed that the property interest is freely disposable and transferable in the market to both local and overseas purchasers for the whole of the unexpired terms as granted without any fees or charge incurred unless otherwise stated.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation reports for the Property.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have also been advised that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

We have inspected the exterior and, where possible, the interior of the Property. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

REMARKS

Unless otherwise stated, all monetary amount stated in this report is in Renminbi ("RMB").

We hereby certify that we have neither present nor prospective interests in the Company or the values reported. Pursuant to Chapter 6.5 of the REIT Code, we confirm that we are independent to Hui Xian Real Estate Investment Trust, DB Trustees (Hong Kong) Limited, and each of the significant holders of Hui Xian Real Estate Investment Trust.

Our valuation is prepared in accordance with the "HKIS Valuation Standards (2020 Edition)" published by The Hong Kong Institute of Surveyors. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This appraisal report is prepared on a fair and unbiased basis and is issued subject to our general assumptions and limitation conditions.

We have not investigated the title to or any liabilities against the property interest appraised.

We enclose herewith our valuation reports and market overview.

Yours faithfully,
For and on behalf of
Kroll (HK) Limited

Elaine H.L. Ng
MRICS, MHKIS, RPS(GP), MCIREA
Real Estate Valuation Group
Director

EXECUTIVE SUMMARY

Property:

The Property comprises of a hotel known as "The Westin Shenyang" Nos. 370 and 386 Qingnian Street, Heping District, Shenyang City, Liaoning Province, The PRC and the staff quarters of the hotel located at No. 14–3 Wen An Road, Heping District, Shenyang City, Liaoning Province, the PRC (中華人民共和國遼寧省瀋陽市和平區青年大街370及386號「瀋陽威斯汀酒店」之酒店及位於中華人民共和國遼寧省瀋陽市和平區文安路14–3號的酒店員工宿舍)

Description:

The Westin Shenyang is a 30-storey hotel development including basement levels, which comprising retail shops, hotel rooms and other ancillary facilities.

Site Area:

The Hotel Portion: 9,370.00 square metres
The Staff Quarters Portion: 375.18 square metres

Registered Owner:

Shenyang Lido Business Co. Ltd. (瀋陽麗都商務有限公司) ("SLB")

Gross Floor Area:

According to the information provided by SLB, the breakdown of gross floor area ("GFA") is as follow:

Uses	GFA (sq.m.) (approx.)
Hotel	78,451.41
Staff Quarters	2,306.92
Total:	**80,758.33**

State-owned Land Use Certificate:

The Hotel Portion:
Shenyang Guo Yong (2007) Di No. 0135 (瀋陽國用(2007)第0135號)

Shenyang Guo Yong (2011) Di Nos. HP05041, HP05316 and HP05407 (瀋陽國用(2011)第HP05041號、HP05316號及HP05407號)

The Staff Quarters Portion:
Shenyang Guo Yong (2011) Di No. HP05042 (瀋陽國用(2011)第HP05042號)

Shenyang Guo Yong (2011) Di No. HP05043 (瀋陽國用(2011)第HP05043號)

Building Ownership Certificate:

The Hotel Portion:
Shen Fang Quan Zheng Shi He Ping Zi Di Nos. 12749 and 12750 (瀋房權證市和平字第12749及12750號)

Liao (2018) Shen Yang Shi Bu Dong Chan Quan Zheng Di No. 0106750 (遼(2018)瀋陽市不動產權證第0106750號)

The Staff Quarters Portion:
Shen Fang Quan Zheng Shi He Ping Zi Di Nos. 12747 and 12748 (瀋房權證市和平字第12747及12748號)

Valuation Date:	December 31, 2024
Valuation Methodology:	Income Capitalization Approach and Market Approach
Market Value in Existing State:	

Uses	Market Value in Existing State (RMB)
Hotel	665,000,000
Staff Quarters	No commercial value
Total:	**665,000,000**

The Property comprises of a hotel know as "The Westin Shenyang" and the staff quarters of the hotel. In the following sections, each portion of the Property is described separately in details.

VALUATION PARTICULARS

Hotel Portion

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
1.	The Hotel Portion of "The Westin Shenyang" located at Nos. 370 and 386 Qingnian Street, Heping District, Shenyang City, Liaoning Province, the People's Republic of China	The Property comprises 21 levels of a 30-storey tower including two basement levels erected on a parcel of land with a total site area of approximately 9,370 square metres and completed in about 2002. The Property has a total gross floor area of approximately 78,451.41 square metres. As advised by the Company, the hotel portion comprises 508 rooms. The hotel portion is held under land use rights term to be expired on April 9, 2047.	As at the valuation date, the hotel portion of the Property was operated under the brand name of The Westin Shenyang.	665,000,000

Notes:

1. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Shenyang Guo Yong (2007) Di No. 0135 (瀋陽國用(2007)第0135號) issued by the People's Government of Shenyang Municipality (瀋陽市人民政府) dated April 20, 2007, the land use rights of the Hotel Portion of the Property with a site area of 2,966 square metres are held by Shenyang Lido Business Co. Ltd. (瀋陽麗都商務有限公司) ("Shenyang Lido Business") for a term expiring on April 9, 2047 for commercial use.

2. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Shenyang Guo Yong (2011) Di No. HP05407 (瀋陽國用(2011)第HP05407號) issued by the People's Government of Shenyang Municipality (瀋陽市人民政府) dated November 22, 2011, the land use rights of the Hotel Portion of the Property with a site area of 178.79 square metres are held by Shenyang Lido Business for a term expiring on July 1, 2042 for composite use.

3. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Shenyang Guo Yong (2011) Di No. HP05316 (瀋陽國用(2011)第HP05316號) issued by the People's Government of Shenyang Municipality (瀋陽市人民政府) dated November 22, 2011, the land use rights of the Hotel Portion of the Property with a site area of 1,763.59 square metres are held by Shenyang Lido Business for a term expiring on July 1, 2042 for composite use.

4. Pursuant to the State-owned Land Use Certificate (國有土地使用證), Shenyang Guo Yong (2011) Zi Di No. HP05041 (瀋陽國用(2011)字第HP05041號) issued by the People's Government of Shenyang Municipality (瀋陽市人民政府) dated November 22, 2011, the land use rights of the Hotel Portion of the Property with a site area of 4,461.62 square metres are held by Shenyang Lido Business for a term expiring on July 1, 2042 for commercial use.

5. Pursuant to the Real Estate Certificate (不動產權證), Liao (2018) Shen Yang Shi Bu Dong Chan Quan Zheng Di No. 0106750 (遼(2018)瀋陽市不動產權證第0106750號) issued by the Planning and Land Resources Bureau of Shenyang City (瀋陽市規劃和國土資源局), the buildings with gross floor area of 21,390.92 square metres are held by Shenyang Lido Business.

6. Pursuant to the Building Ownership Certificate (房屋所有權證), Shen Fang Quan Zheng Shi He Ping Zi Di No. 12749 (瀋房權證市和平字第12749號) issued by the Real Estate Bureau of Shenyang City (瀋陽市房產局), the buildings with gross floor area of 2,198.42 square metres are held by Shenyang Lido Business.

7. Pursuant to the Building Ownership Certificate (房屋所有權證), Shen Fang Quan Zheng Shi He Ping Zi Di No. 12750 (瀋房權證市和平字第12750號) issued by the Real Estate Bureau of Shenyang City (瀋陽市房產局), the buildings with gross floor area of 54,862.07 square metres are held by Shenyang Lido Business.

8. We have prepared our valuation based on the following assumptions:

   (a) SLB possesses the proper title of the Property with all premium and costs fully settled and is entitled to use, transfer, lease and mortgage the Property or dispose of the Property by other lawful means in accordance with the laws of the PRC during the term of the land use rights.

   (b) The buildings or structures of the Property are in compliance with local planning and building regulations and have been approved by the relevant authorities with all related cost or fee fully settled.

   (c) The Property is not subject to any encumbrances, litigations or disputes.

VALUATION PARTICULARS

The Staff Quarters Portion

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at December 31, 2024 (RMB)
2.	The Staff Quarters Portion located at No. 14–3 Wen An Road, Heping District, Shenyang City, Liaoning Province, the People's Republic of China	The Property comprises two 7-storey residential buildings, erected upon two parcels of land with a total site area approximately 375.18 square metres and completed in 1999. The Property has a total gross floor area of approximately 2,306.92 square metres. The land use rights of the Property have been allocated to SLB for an unspecified term for residential use.	The Property is currently occupied by staffs of The Westin Shenyang as staff quarter.	No Commercial Value

Notes:

1. Pursuant to two State-owned Land Use Certificates (國有土地使用證) issued by the People's Government of Shenyang Municipality (瀋陽市人民政府) dated October 31, 2011, the land use rights of the Staff Quarters Portion of the Property with land area of 375.18 square metres were allocated to Shenyang Lido Business Co. Ltd. (瀋陽麗都商務有限公司) ("Shenyang Lido Business") for residential use. Details are set as follow:

State-owned Land Use Certificate No.	Unit No.	Site Area (sq.m.)
Shenyang Guo Yong (2011) Di No. HP05042 (瀋陽國用(2011)第HP05042號)	111–117, 112–172, 113–173, 211–271*	292.79
Shenyang Guo Yong (2011) Di No. HP05043 (瀋陽國用(2011)第HP05043號)	212, 222, 232, 242, 252, 262, 272	82.39
	Total:	**375.18**

2. Pursuant to 2 Building Ownership Certificates (房屋所有權證) issued by the Real Estate Bureau of Shenyang City (瀋陽市房產局), the buildings with a total gross floor area of 2,306.92 square metres are held by Shenyang Lido Business. Details are set as follow:

Building Ownership Rights Certificate No.	Unit No.	Gross Floor Area (sq.m.)
Shen Fang Quan Zheng Shi He Ping Zi Di No. 12747 (瀋房權證市和平字第12747號)	111–117, 112–172, 113–173, 211–271*	1,800.33
Shen Fang Quan Zheng Shi He Ping Zi Di No. 12748 (瀋房權證市和平字第12748號)	212, 222, 232, 242, 252, 262	506.59
	Total:	**2,306.92**

3. In the course of valuation, we have assigned no commercial value to the Staff Quarters of the Property as the land use rights of the Property are allocated in nature and cannot be freely transferred in the market.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

3. The value or value presented in this report are based upon the premises outlined herein.

4. The date of value to which the conclusions and opinions expressed apply is set forth in the report. The value opinion herein rendered is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of value.

5. This report has been made only for the use or uses stated, and it is neither intended nor valid for any other use.

6. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Kroll.

7. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the Property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

8. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable laws and governmental regulations is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

9. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

TRUSTEE'S REPORT

Hui Xian Asset Management Limited
(in its capacity as the REIT Manager of Hui Xian REIT)
Unit 303, 3rd Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Dear Sir,

Hui Xian Real Estate Investment Trust
Annual Confirmation for the period from 1 January 2024 to 31 December 2024

We hereby confirm that, in our opinion, the Manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT") has, in all material respects, managed Hui Xian REIT in accordance with the provisions of the Trust Deed dated 1 April 2011 (as amended from time to time) for the period from 1 January 2024 to 31 December 2024.

DB Trustees (Hong Kong) Limited
(in its capacity as trustee of Hui Xian Real Estate Investment Trust)

Hong Kong, 5 March 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE UNITHOLDERS OF HUI XIAN REAL ESTATE INVESTMENT TRUST

(A Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

OPINION

We have audited the consolidated financial statements of Hui Xian Real Estate Investment Trust ("Hui Xian REIT") and its subsidiaries (collectively referred to as the "Group") set out on pages 146 to 209, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in net assets attributable to unitholders and non-controlling interests, consolidated statement of cash flows and distribution statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgements associated with determining the fair value. The carrying value of the Group's investment properties amounted to RMB26,057 million at 31 December 2024, representing 76% of the Group's total assets, with its change in fair value recognised in the consolidated statement of comprehensive income. During the year ended 31 December 2024, the fair value of investment properties decreased by RMB1,098 million. A qualified external valuer (the "Valuer") was engaged by Hui Xian Asset Management Limited (the "Manager" of Hui Xian REIT) to determine the fair value of the Group's investment properties. Details of the valuation methodology and key inputs used in the valuations are disclosed in Notes 3 and 13 to the consolidated financial statements. The valuations are dependent on certain inputs that involve judgements, including term yield, reversionary yield and reversionary rental for malls and offices. The Manager has exercised its judgement on the key inputs to the valuations and reviewed the results with the Valuer.	Our procedures in relation to assessing the appropriateness of the valuation of the investment properties included: • Evaluating the competence, capabilities and objectivity of the Valuer; • Understanding the Valuer's valuation methodology, the performances of the property markets in different cities in the People's Republic of China (the "PRC") and key inputs used in the valuations; • Comparing the valuation methodology used to industry norms; • Evaluating the reasonableness of key inputs used in the valuations by (i) checking the details of rentals on a sample basis to the existing tenancy profiles; and (ii) comparing to relevant market information on prices, rentals achieved, term yield, reversionary yield and reversionary rental adopted in other similar properties in the same location and condition; and • Performing analysis on the inputs to evaluate the results on the valuations.

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGER AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended by five supplemental deeds dated 24 May 2013, 16 May 2014, 28 May 2015, 19 May 2017 and 14 May 2021 (the "Trust Deed") and the relevant disclosure provisions of Appendix C of the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Securities and Futures Commission of Hong Kong.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Appendix C of the REIT Code, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON MATTERS UNDER THE RELEVANT PROVISIONS OF THE TRUST DEED AND THE RELEVANT DISCLOSURE PROVISIONS OF APPENDIX C OF THE REIT CODE

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is Ng Kwok Ho.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
7 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 RMB million	2023 RMB million
Revenue	5	**2,337**	2,345
Other income	6	**67**	105
Decrease in fair value of investment properties	13	**(1,098)**	(865)
Inventories consumed		**(34)**	(29)
Staff costs		**(155)**	(137)
Depreciation		**(315)**	(313)
Other operating expenses	7	**(830)**	(796)
Finance costs, including exchange differences	8	**(505)**	(537)
Manager's fees	9	**(109)**	(113)
Real estate investment trust expenses	10	**(12)**	(13)
Loss before taxation and transactions with unitholders		**(654)**	(353)
Income tax expense	11	**(103)**	(234)
Loss for the year, before transactions with unitholders		**(757)**	(587)
Distributions to unitholders		**(19)**	(227)
Loss for the year, after transactions with unitholders		**(776)**	(814)
Other comprehensive income:			
Item that will not be reclassified to profit or loss			
Gain on revaluation of right-of-use assets upon transfer to investment properties, net of tax		**23**	23
Total comprehensive expense for the year, after transactions with unitholders		**(753)**	(791)
Loss for the year, before transactions with unitholders attributable to:			
Non-controlling interests		**(20)**	(25)
Unitholders		**(737)**	(562)
		(757)	(587)
Total comprehensive expense for the year, after transactions with unitholders attributable to:			
Non-controlling interests		**(20)**	(25)
Unitholders		**(733)**	(766)
		(753)	(791)
Basic loss per unit *(RMB)*	12	**(0.1147)**	(0.0893)

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 RMB million	2023 RMB million
Loss for the year, before transactions with unitholders	**(757)**	(587)
Less: loss for the year attributable to non-controlling interests	**20**	25
Loss for the year attributable to unitholders, before transactions with unitholders	**(737)**	(562)
Adjustments *(Note (i))*:		
Manager's fees	**56**	82
Deferred tax	**(6)**	(6)
Net unrealised exchange loss on bank loans and loan front-end fee	**81**	94
Net realised exchange loss on bank loans and loan front-end fee	**(283)**	(146)
Difference between cash and accounting finance costs	**3**	6
Other non-cash gain	**(2)**	(1)
	(151)	29
Total adjusted loss	**(888)**	(533)
Additional available amount *(Note (ii))*:	**914**	760
Amount available for distribution	**26**	227
Payout ratio *(Note (iii))*	**100%**	100%
Additional amount distributed *(Note (ii))*	**26**	227
Distributions to unitholders *(Note (iv))*		
– Interim distribution paid	**19**	219
– Final distribution proposed after the end of the reporting period	**7**	8
	26	227
Distribution per unit *(RMB) (Note (iv))*		
Interim distribution per unit	**0.0030**	0.0348
Final distribution per unit	**0.0011**	0.0013
	0.0041	0.0361

FOR THE YEAR ENDED 31 DECEMBER 2024

Notes:

(i) Adjustments for the year include:

(a) For the year ended 31 December 2024, Manager's fees paid and payable in units of RMB56 million (54,084,194 units issued and 115,543,420 units estimated to be issued) out of the total Manager's fees of RMB109 million. The difference of RMB53 million is paid or payable in cash.

For the year ended 31 December 2023, Manager's fees paid and payable in units of RMB82 million (100,940,701 units issued) out of the total Manager's fees of RMB113 million. The difference of RMB31 million is paid or payable in cash.

(b) For the year ended 31 December 2024, deferred tax credit of RMB6 million (2023: RMB6 million) in relation to accelerated tax depreciation.

(c) Net unrealised exchange loss on bank loans and loan front-end fee of RMB81 million for the year ended 31 December 2024 (2023: RMB94 million).

(d) Accumulated net unrealised exchange loss of RMB283 million on bank loans and loan front-end fee previously adjusted out from the distribution statement have been realised and adjusted back upon loan repayment during the year ended 31 December 2024 (2023: RMB146 million).

(e) Adjustment of RMB3 million in respect of accounting finance costs less cash finance costs during the year ended 31 December 2024 (2023: RMB6 million).

(f) Other non-cash gain of RMB2 million for the year ended 31 December 2024 (2023: RMB1 million).

Pursuant to the Trust Deed (as defined in Note 1), annual distributable income is defined as the amount calculated by the Manager (as defined in Note 1) as representing the consolidated profit attributable to unitholders for the relevant financial year, as adjusted to eliminate the effects of certain Adjustments (as defined in the Trust Deed) which have been recorded in the consolidated statement of comprehensive income for the relevant financial year.

(ii) Pursuant to clause 11.4.2 of the Trust Deed, subsequent to 31 December 2024, the Manager determined that an amount of RMB914 million be available for addition (2023: RMB760 million) to arrive at the amount available for distribution during the year ended 31 December 2024 and additional amount distributed during the year ended 31 December 2024 is RMB26 million (2023: RMB227 million).

(iii) In accordance with the Trust Deed, Hui Xian REIT (as defined in Note 1) is required to distribute to unitholders not less than 90% of its annual distributable income for each financial year. While Hui Xian REIT had an adjusted loss of RMB888 million for the year ended 31 December 2024 (2023: RMB533 million), the Manager determined an amount of RMB26 million to be available for distribution for the year (2023: RMB227 million) as referred to in Note (ii) above.

Distributions to unitholders for the year ended 31 December 2024 represent a payout ratio of 100% (2023: 100%) of such amount available for distribution for the year.

(iv) The interim distribution per unit of RMB0.0030 for the six months ended 30 June 2024, paid on 27 September 2024, is calculated based on 100% of Hui Xian REIT's amount available for distribution of RMB19,145,209 over 6,409,289,762 units, representing issued units as at 30 June 2024. The final distribution per unit of RMB0.0011 for the six months ended 31 December 2024, payable on or around 27 May 2025, is calculated based on 100% of Hui Xian REIT's amount available for distribution for the year of RMB26,054,703, less distribution to unitholders for the six months ended 30 June 2024, over 6,463,373,956 units, representing issued units as at 31 December 2024.

The interim distribution per unit of RMB0.0348 for the six months ended 30 June 2023, paid on 27 September 2023, is calculated based on 90% of Hui Xian REIT's amount available for distribution of RMB242,784,085 over 6,286,793,211 units, representing issued units as at 30 June 2023. The final distribution per unit of RMB0.0013 for the six months ended 31 December 2023, paid on 28 May 2024, is calculated based on 100% of Hui Xian REIT's amount available for distribution for the year of RMB226,816,329, less distribution to unitholders for the six months ended 30 June 2023, over 6,353,099,752 units, representing issued units as at 31 December 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTES	**2024 RMB million**	2023 RMB million
Non-current assets			
Investment properties	13	**26,057**	27,057
Property, plant and equipment	14	**1,944**	2,050
Right-of-use assets	15	**3,347**	3,547
Goodwill		**2**	2
Total non-current assets		**31,350**	32,656
Current assets			
Inventories	16	**19**	18
Trade and other receivables	17	**128**	116
Bank balances and cash	18	**2,977**	3,470
Total current assets		**3,124**	3,604
Total assets		**34,474**	36,260
Current liabilities			
Trade and other payables	19	**500**	546
Tenants' deposits		**237**	224
Tax payable		**26**	8
Manager's fee payable		**53**	55
Distribution payable		**–**	8
Bank loans	20	**1,296**	3,801
Total current liabilities		**2,112**	4,642
Total assets less current liabilities		**32,362**	31,618

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTES	2024 RMB million	2023 RMB million
Non-current liabilities, excluding net assets attributable to unitholders			
Bank loans	20	**4,481**	2,800
Tenants' deposits		**330**	378
Deferred tax liabilities	21	**6,025**	6,230
Total non-current liabilities, excluding net assets attributable to unitholders		**10,836**	9,408
Total liabilities, excluding net assets attributable to unitholders		**12,948**	14,050
Non-controlling interests		**106**	126
Net assets attributable to unitholders		**21,420**	22,084
Units in issue *('000)*	22	**6,463,374**	6,353,100
Net asset value per unit *(RMB)* attributable to unitholders	23	**3.3141**	3.4762

The consolidated financial statements on pages 146 to 209 were approved and authorised for issue by the Board of Directors of the Manager on 7 March 2025 and were signed on its behalf by:

CHEUNG Ling Fung, Tom
DIRECTOR

LEE Chi Kin, Casey
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS AND NON-CONTROLLING INTERESTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Net assets attributable to unitholders RMB million	Non-controlling interests RMB million	Total RMB million
Net assets as at 1 January 2023	22,728	151	22,879
Units issued for settlement of Manager's fees *(Note 22)*	83	–	83
Units issued pursuant to the distribution reinvestment arrangement in respect of 2022 final and 2023 interim distributions *(Note 22)*	39	–	39
	22,850	151	23,001
Loss for the year, before transactions with unitholders	(562)	(25)	(587)
Distributions to unitholders			
– Interim distribution paid	(219)	–	(219)
– Final distribution payable	(8)	–	(8)
Other comprehensive income for the year	23	–	23
Total comprehensive expense for the year, after transactions with unitholders	(766)	(25)	(791)
Net assets as at 31 December 2023	**22,084**	**126**	**22,210**
Units issued for settlement of Manager's fees *(Note 22)*	**69**	**–**	**69**
	22,153	**126**	**22,279**
Loss for the year, before transactions with unitholders	**(737)**	**(20)**	**(757)**
Distributions to unitholders			
– Interim distribution paid	**(19)**	**–**	**(19)**
Other comprehensive income for the year	**23**	**–**	**23**
Total comprehensive expense for the year, after transactions with unitholders	**(733)**	**(20)**	**(753)**
Net assets as at 31 December 2024	**21,420**	**106**	**21,526**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 RMB million	2023 RMB million
Operating activities		
Loss before taxation and transactions with unitholders	**(654)**	(353)
Adjustments for:		
Loss on disposal of property, plant and equipment	**15**	14
Depreciation of property, plant and equipment	**148**	144
Depreciation of right-of-use assets	**167**	169
Decrease in fair value of investment properties	**1,098**	865
Interest income	**(64)**	(100)
Exchange loss	**165**	138
Interest expenses	**340**	399
Manager's fees accrued, units portion	**56**	82
Operating cash flows before movements in working capital	**1,271**	1,358
(Increase) decrease in inventories	**(1)**	3
(Increase) decrease in trade and other receivables	**(23)**	8
Increase in cash restricted for use	**(37)**	–
Decrease in trade and other payables	**(16)**	(7)
Decrease in tenants' deposits	**(35)**	(24)
Increase in Manager's fee payable	**11**	–
Cash generated from operations	**1,170**	1,338
Income and withholding tax paid	**(297)**	(333)
Net cash from operating activities	**873**	1,005
Investing activities		
Placement of deposits in banks	**(3,853)**	(4,898)
Purchase of property, plant and equipment	**(77)**	(146)
Additions to investment properties	**(47)**	(99)
Withdrawal of deposits in banks	**3,191**	7,487
Interest received	**75**	102
Net cash (used in) from investing activities	**(711)**	2,446

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	2024 RMB million	2023 RMB million
Financing activities			
Net proceeds from new bank loans raised		**1,992**	–
Repayment of bank loans		**(2,984)**	(1,383)
Distributions paid to unitholders		**(27)**	(378)
Interest paid		**(328)**	(382)
Payment of loan arrangement fees		**(7)**	(8)
Net cash used in financing activities		**(1,354)**	(2,151)
Net (decrease) increase in cash and cash equivalents		**(1,192)**	1,300
Cash and cash equivalents at the beginning of the year		**3,470**	2,170
Cash and cash equivalents at the end of the year	18	**2,278**	3,470

1. GENERAL INFORMATION

Hui Xian Real Estate Investment Trust ("Hui Xian REIT") is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong). Hui Xian REIT was established on 1 April 2011 and its units were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE") since 29 April 2011. Hui Xian REIT is governed by the Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended by five supplemental deeds dated 24 May 2013, 16 May 2014, 28 May 2015, 19 May 2017 and 14 May 2021 (the "Trust Deed") made between Hui Xian Asset Management Limited (the "Manager") and DB Trustees (Hong Kong) Limited (the "Trustee"), and the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Securities and Futures Commission of Hong Kong (the "SFC").

The principal activities of Hui Xian REIT and its subsidiaries (the "Group") are to own and invest in high quality commercial properties with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of Hui Xian REIT.

The Group has entered into various service agreements in relation to the management of Hui Xian REIT and its property operations. The fee structures of these services are as follows:

(a) Property Manager's fee

Under the operations management agreement and supplemental agreement entered by Beijing Oriental Plaza Co., Ltd. controlled by Hui Xian REIT and Beijing Hui Xian Enterprise Services Limited (the "Beijing Property Manager") on 29 April 2011, 22 June 2017, 27 December 2020 and 8 December 2023, the Beijing Property Manager will receive a property manager's fee with details as described in Note 1(c) and reimbursements for the employment costs and remuneration of the employees of the Beijing Property Manager for provision of business advisory and management services, marketing and lease management services and property management co-ordination services.

Under the Chongqing property manager agreement and supplemental agreement entered into by Chongqing Metropolitan Oriental Plaza Co., Ltd ("Chongqing Company") controlled by Hui Xian REIT and the Chongqing branch of Beijing Property Manager (the "Chongqing Property Manager") on 2 March 2015, 31 December 2017, 31 December 2020 and 8 December 2023, the Chongqing Property Manager will be fully reimbursed by Chongqing Company for (i) employment costs and remuneration of the personnel provided or procured by the Chongqing Property Manager engaged solely and exclusively for the provision of its services relating to Metropolitan Plaza and Metropolitan Tower (collectively referred to as "Metropolitan Oriental Plaza"); and (ii) management expenses incurred by the Chongqing Property Manager on Metropolitan Oriental Plaza, including but not limited to the costs and expenses incurred under contracts entered into with third party service providers by the Chongqing Property Manager (as agent for Chongqing Company) at the request of Chongqing Company for the provision of cleaning, maintenance, security, car park management and other services for Metropolitan Oriental Plaza.

(b) Trustee's fee

The Trustee is entitled to receive a one-off inception fee of not more than RMB100,000 and, in each financial year, an annual fee of such amount as is agreed between the Manager and the Trustee from time to time of not more than 0.02% of the fair values of the real estate properties (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.

1. GENERAL INFORMATION (Continued)

(c) Manager's fees

Under the Trust Deed, the Manager is entitled to receive the following remuneration for the provision of asset management services:

Base Fee

Under the Trust Deed, the Manager will receive a base fee from Hui Xian REIT at 0.3% per annum of the Property Values as at the end of such financial year.

For the period from the date of listing until 31 December 2011, the base fee, only to the extent that it is referable to Beijing Oriental Plaza, shall be paid to the Manager as to 80% in the form of units and as to 20% in the form of cash. Thereafter, the Manager may elect whether the base fee is to be paid in cash or in units.

On 5 January 2024, the Manager has elected to receive 50% (2023: 70%) base fee in units and 50% (2023: 30%) in cash in respect of the financial year ended 31 December 2024.

Variable Fee

The Trust Deed has been modified on 19 May 2017 in relation to the variable fee structure. Under the Trust Deed, the Manager will receive a variable fee ("Variable Fee") of 3% per annum of the net property income ("NPI") of that real estate (before deduction therefrom of the Variable Fee and, where the property manager is a subsidiary of the Manager, the property manager's fee) in respect of each real estate of Hui Xian REIT, for so long as the property manager is a wholly-owned subsidiary of the Manager, the Manager may elect at any time and from time to time, with effect from the date on which the property manager is appointed or the date of such election by the Manager, whichever is later, that the 3% rate in clause 14.1.2(i)(a) of the Trust Deed be split between the Manager and the property manager, in such proportion as the Manager in its sole discretion deems fit, into 2 portions comprising a variable fee payable to the Manager and a property manager's fee payable to the property manager.

NPI means the amount equivalent to the gross revenue less property operating expenses as defined in the Trust Deed.

The Manager has elected that with effect from 1 July 2017, the 3% rate in respect of Beijing Oriental Plaza be split into 2 portions comprising a variable fee payable to the Manager which is equal to 1% per annum, and a property manager's fee payable to the property manager which is equal to 2% per annum, of NPI of Beijing Oriental Plaza (before deduction therefrom of the Variable Fee and, where the property manager is a subsidiary of the Manager, the property manager's fee).

The 3% rate in respect of the other real estates of Hui Xian REIT is all payable to the Manager at 3% per annum of NPI of the relevant real estate (before deduction therefrom of the Variable Fee and, where the property manager is a subsidiary of the Manager, the property manager's fee).

The Manager may elect whether the variable fee is to be paid in cash or in units in accordance with the provisions in the Trust Deed.

On 5 January 2024, the Manager has elected to receive 50% (2023: 70%) variable fee in units and 50% (2023: 30%) in cash in respect of the financial year ended 31 December 2024.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). For the purpose of preparation of consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosure requirements set out in Appendix C of the REIT Code issued by the SFC, the relevant provisions of the Trust Deed and the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules").

2.2 Material accounting policy information

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Hui Xian REIT and entities controlled by Hui Xian REIT (its subsidiaries). Control is achieved where Hui Xian REIT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Hui Xian REIT reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when Hui Xian REIT obtains control over the subsidiary and ceases when Hui Xian REIT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date Hui Xian REIT gains control until the date when Hui Xian REIT ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the unitholders of Hui Xian REIT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the unitholders of Hui Xian REIT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's net assets attributable to unitholders therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(b) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

(c) Revenue recognition

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(c) ***Revenue recognition*** *(Continued)*

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities have been included in trade and other payables.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (i.e. hotel room revenue and food and beverages services), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation (i.e. hotel room revenue and management services (included in ancillary services income)) is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(d) *Investment properties*

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) *Property, plant and equipment*

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in net assets attributable to unitholders.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(e) *Property, plant and equipment* (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

(g) *Financial instruments*

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) ***Financial instruments*** *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 *Financial Instruments*

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables arising from contracts with customers, other receivables and bank balances), and trade receivables arising from leasing arrangements which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for credit-impaired balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition in which case, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) ***Financial instruments*** *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 *Financial Instruments* (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) *Financial instruments* (Continued)

Financial assets (Continued)

Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 *Financial Instruments* (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) ***Financial instruments*** *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other item subject to impairment assessment under HKFRS 9 *Financial Instruments* (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Where ECL is measured on a collective basis, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) *Financial instruments* (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

In accordance with the Trust Deed, Hui Xian REIT has a limited life of 80 years less 1 day from the date of commencement of Hui Xian REIT. The units contain a contractual obligation to its unitholders, upon the termination of Hui Xian REIT to distribute 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 Hui Xian REIT at the date of its termination.

In accordance with the Trust Deed, Hui Xian REIT's distribution policy provides the unitholders with a right to receive distribution which Hui Xian REIT has a contractual obligation to distribute to unitholders at 100% of Hui Xian REIT's Annual Distributable Income (defined in the Trust Deed) for the period from 29 April 2011 (date of listing) to 31 December 2011 and the financial year ended 31 December 2012 and thereafter at least 90% of Hui Xian REIT's Annual Distributable Income for each financial year. The Manager also has the discretion to direct that Hui Xian REIT makes distributions over and above the minimum required Annual Distributable Income for any financial year if and to the extent that Hui Xian REIT, in the opinion of the Manager, has funds surplus to its business requirements.

Accordingly, the unitholders' funds are compound instruments in accordance with HKAS 32 *Financial Instruments: Presentation*. Unitholders' fund presented on the consolidated statement of financial position as net assets attributable to unitholders is classified as financial liabilities because the equity component is considered insignificant.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(g) *Financial instruments* (Continued)

Financial liabilities and equity (Continued)

Financial liabilities (Continued)

Unit issue costs are the transactions costs relating to issue of units in Hui Xian REIT which are accounted for as a deduction from the proceeds raised to the extent they are incremental costs directly attributable to the transactions that otherwise would have been avoided. Other transaction costs are recognised as an expense.

Other than the net assets attributable to unitholders of Hui Xian REIT, non-derivative financial liabilities including trade and other payables, tenants' deposits, manager's fee payable, distribution payable and bank loans are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligation specified in the relevant contract is discharged, cancelled or has expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) *Impairment on property, plant and equipment and right-of-use assets*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually, when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(h) Impairment on property, plant and equipment and right-of-use assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(i) Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contact will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee
Right-of-use assets
The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(i) ***Leases*** *(Continued)*

The Group as a lessee (Continued)

Right-of-use assets *(Continued)*

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment properties".

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(i) ***Leases*** *(Continued)*

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(j) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

(k) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

(l) Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the loss before taxation as reported in the consolidated statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where it is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(l) Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period which the liability is settled or the asset is realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 *Income Taxes* (i.e. based on the expected manner as to how the properties will be recovered).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(m) Retirement benefit costs

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

(n) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, and annual leave) after deducting any amount already paid.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

(o) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of:

(i) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

2.3 Impact arising from recently issued accounting standards

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period on 1 January 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 Impact arising from recently issued accounting standards (Continued)

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to HKFRSs mentioned below, the Manager anticipates that the application of the amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Manager has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. An investment property generates cash flows largely independently of the other assets held by an entity. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Deferred taxation on investment properties

For the purpose of measuring deferred tax arising from investment properties that are measured using the fair value model, the Manager has reviewed the Group's investment property portfolios which are all located in the People's Republic of China (the "PRC") and rented out under operating leases and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through use rather than through sale. Therefore, in determining the deferred taxation on investment properties, the Manager has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Any change to the business model will lead to a change in the measurement basis of the deferred tax liabilities of the investment properties of RMB3,439 million as at 31 December 2024 (2023: RMB3,670 million).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Investment properties

As described in Notes 2.2(d) and 13, as at 31 December 2024, investment properties of RMB26,057 million (2023: RMB27,057 million) are stated at fair value based on the valuation performed by a qualified external valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates as described in Note 13.

In relying on the valuation reports of the qualified external valuer, the Manager has exercised its judgement and is satisfied that valuation methodology and key inputs used in the valuation are reflective of the current market conditions. Change in market conditions will affect the fair value of the investment properties of the Group.

Impairment on Buildings and Right-of-use Assets

As detailed in Notes 2.2(e) and (i), the Group's buildings and right-of-use assets (the "Buildings and Right-of-use Assets") are stated at cost less accumulated depreciation and accumulated impairment loss where appropriate. The Manager makes significant judgements in determining the recoverable amounts of the Buildings and Right-of-use Assets.

The Buildings and Right-of-use Assets represent hotels, serviced apartments and related leasehold lands. As at 31 December 2024, for the purpose of the impairment review, the Manager has conducted an assessment to ensure that the Buildings and Right-of-use Assets are carried at no more than their recoverable amounts. The recoverable amounts of the Buildings and Right-of-use Assets are determined with reference to the valuations carried out by a qualified external valuer and impairment assessments carried out by the Manager by assessing their value-in-use and the fair value less costs of disposal. The assessments of fair value less costs of disposal are dependent on the recent sale and purchase transaction prices of retail, office and serviced apartment units. In case there is decrease in the transaction prices of retail, office and serviced apartment units, an impairment loss may arise.

Based on the Manager's assessment, no impairment loss was recognised on the Buildings and Right-of-use Assets during the year ended 31 December 2024 (2023: Nil). As at 31 December 2024, in respect of hotels and serviced apartments, the carrying amounts of the Buildings and Right-of-use Assets are RMB1,534 million (2023: RMB1,638 million) and RMB3,344 million (2023: RMB3,509 million) respectively.

4. SEGMENT REPORTING

Hui Xian REIT determines its operating segments based on internal reports that are regularly reviewed by the chief operating decision maker (i.e. the Manager) for the purpose of allocating resources to segments and assessing their performance.

Identified operating and reportable segments are as follows:

Offices:	Renting of office buildings in Oriental Plaza, Beijing, the PRC and Metropolitan Oriental Plaza, Chongqing, the PRC.
Malls:	Renting of the shopping mall and car parking spaces in Oriental Plaza, Beijing, the PRC and Metropolitan Oriental Plaza, Chongqing, the PRC.
Apartments:	Operation of serviced apartment towers in Oriental Plaza, Beijing, the PRC.
Hotels:	Operation of Grand Hyatt Beijing in Oriental Plaza, Beijing, the PRC, The Westin Shenyang, Shenyang, the PRC, Hyatt Regency Metropolitan Chongqing, Chongqing, the PRC and Sheraton Chengdu Lido Hotel, Chengdu, the PRC.

(a) Segment revenue and results

For the year ended 31 December 2024

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Consolidated RMB million
Segment revenue	**1,029**	**640**	**163**	**505**	**2,337**
Segment profit	**744**	**384**	**88**	**87**	**1,303**
Decrease in fair value of investment properties					**(1,098)**
Finance costs, including exchange differences					**(505)**
Unallocated depreciation					**(292)**
Unallocated income					**66**
Unallocated expense					**(128)**
Loss before taxation and transactions with unitholders					**(654)**

4. SEGMENT REPORTING (Continued)

(a) Segment revenue and results (Continued)

For the year ended 31 December 2023

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Consolidated RMB million
Segment revenue	1,066	720	169	390	2,345
Segment profit	779	473	82	34	1,368
Decrease in fair value of investment properties					(865)
Finance costs, including exchange differences					(537)
Unallocated depreciation					(292)
Unallocated income					102
Unallocated expense					(129)
Loss before taxation and transactions with unitholders					(353)

The accounting policies of the operating segments are the same as the accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of the changes in fair value of investment properties, finance costs, including exchange differences, certain depreciation expenses, certain other income, certain Manager's fees, real estate investment trust expenses and certain other operating expenses that are not directly related to each segmental activities. This is the measure reported to the Manager for the purposes of resource allocation and performance assessment.

(b) Segment assets

The following is an analysis of the Group's assets by operating segment:

	2024 RMB million	2023 RMB million
Offices	**14,239**	14,573
Malls	**11,896**	12,575
Apartments	**1,700**	1,915
Hotels	**3,747**	3,816
Total segment assets	**31,582**	32,879
Unallocated bank balances and cash	**2,846**	3,316
Other assets	**46**	65
Consolidated total assets	**34,474**	36,260

4. SEGMENT REPORTING (Continued)

(b) Segment assets (Continued)

For the purposes of monitoring segment performances and resources allocation, all assets are allocated to operating segments other than corporate assets (including certain right-of-use assets, certain bank balances and cash, certain equipment, certain inventories, certain other receivables and goodwill) which are unallocated.

For the measurement of segment assets and results, property, plant and equipment, right-of-use assets and investment properties are allocated to segments while their corresponding depreciation and changes in fair value of investment properties are not allocated to segment results on the same basis.

Segment liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Manager for the purpose of resource allocation and performance assessment.

(c) Geographical information

All of the Group's revenue is derived from activities and customers located in the PRC and the Group's non-current assets are all located in the PRC.

The Group did not have any major customers as no single customer contributed more than 10% of the Group's revenue during both years.

(d) Other segment information

For the year ended 31 December 2024

	Offices RMB million	**Malls RMB million**	**Apartments RMB million**	**Hotels RMB million**	**Total reportable segments RMB million**	**Unallocated RMB million**	**Consolidated total RMB million**
Depreciation	**1**	**–**	**1**	**21**	**23**	**292**	**315**
Additions to non-current assets	**4**	**20**	**1**	**66**	**91**	**1**	**92**

For the year ended 31 December 2023

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Total reportable segments RMB million	Unallocated RMB million	Consolidated total RMB million
Depreciation	1	1	1	18	21	292	313
Additions to non-current assets	14	85	2	221	322	1	323

5. REVENUE

For the year ended 31 December 2024

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Consolidated RMB million
Disaggregation of revenue					
Revenue from contracts with customers within the scope of HKFRS 15					
Room revenue	–	–	–	371	371
Food and beverage	–	–	–	119	119
Carpark revenue	–	23	–	–	23
Ancillary services income	184	115	58	15	372
	184	138	58	505	885
Rental income	845	502	105	–	1,452
Total revenue	1,029	640	163	505	2,337
Timing of revenue recognition					
A point in time	25	30	3	132	190
Over time	159	108	55	373	695
Revenue from contracts with customers within the scope of HKFRS 15	184	138	58	505	885

For the year ended 31 December 2023

	Offices RMB million	Malls RMB million	Apartments RMB million	Hotels RMB million	Consolidated RMB million
Disaggregation of revenue					
Revenue from contracts with customers within the scope of HKFRS 15					
Room revenue	–	–	–	279	279
Food and beverage	–	–	–	98	98
Carpark revenue	–	23	–	–	23
Ancillary services income	189	126	53	13	381
	189	149	53	390	781
Rental income	877	571	116	–	1,564
Total revenue	1,066	720	169	390	2,345
Timing of revenue recognition					
A point in time	28	34	3	108	173
Over time	161	115	50	282	608
Revenue from contracts with customers within the scope of HKFRS 15	189	149	53	390	781

5. REVENUE (Continued)

All contracts with customers within the scope of HKFRS 15 are for period of one year or less, except for certain management services (included in ancillary services) which are provided for a period of one year or more. For management services, the Group applied the practical expedient in HKFRS 15 to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant agreements in which the Group bills a fixed monthly amount in advance. As permitted under HKFRS 15, the transaction price of all these services allocated to the remaining performance obligations is not disclosed.

The gross rental from investment properties includes variable lease payments that do not depend on an index or a rate of RMB9 million (2023: RMB11 million).

The direct operating expenses from investment properties (includes mainly certain other operating expenses, certain Manager's fees and staff costs) amounting to RMB541 million (2023: RMB536 million).

6. OTHER INCOME

	2024 RMB million	2023 RMB million
Interest income from banks	**64**	100
Others	**3**	5
Total	**67**	105

7. OTHER OPERATING EXPENSES

	2024 RMB million	2023 RMB million
Advertising and promotion	**30**	29
Audit fee	**2**	2
Insurance	**5**	5
Agency fee	**32**	28
Property manager's fee *(Note 1(a))*	**64**	57
Property management fees	**73**	68
Repairs and maintenance	**70**	72
Other miscellaneous expenses *(Note)*	**212**	178
Stamp duty	**2**	2
Urban land use tax	**3**	3
Urban real estate tax	**219**	238
Utilities	**93**	90
Value added tax surcharges	**10**	10
Loss on disposal of property, plant and equipment	**15**	14
	830	796

Note: Other miscellaneous expenses comprise mainly cleaning and security expenses, guest supplies and labour service fees.

8. FINANCE COSTS, INCLUDING EXCHANGE DIFFERENCES

	2024 RMB million	2023 RMB million
Net unrealised exchange loss on bank loans and loan front-end fee	**81**	94
Net realised exchange loss on bank loans and loan front-end fee arising on settlement	**84**	44
Interest expenses on unsecured bank loans	**340**	399
	505	537

9. MANAGER'S FEES

	2024 RMB million	2023 RMB million
Base fee *(Note 1(c))*	**95**	99
Variable fee *(Note 1(c))*	**14**	14
	109	113

10. REAL ESTATE INVESTMENT TRUST EXPENSES

	2024 RMB million	2023 RMB million
Trustee's fee *(Note 1(b))*	**3**	3
Legal and professional fees	**5**	4
Trust administrative expenses and others	**4**	6
	12	13

11. INCOME TAX EXPENSE

	2024 RMB million	2023 RMB million
The income tax expense comprises:		
Current tax		
– PRC Enterprise Income Tax	**273**	279
– Withholding tax	**42**	41
Deferred taxation *(Note 21)*	**(212)**	(86)
	103	234

No provision for Hong Kong profits tax was made as the Group's profits neither arose in, nor was derived from, Hong Kong.

PRC Enterprise Income Tax was provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the Group's PRC subsidiaries.

The Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law also required withholding tax to be levied on distribution of profits earned by a PRC entity to non-PRC tax residents for profits generated after 1 January 2008. The applicable withholding tax rate is 5% for the Group. At the end of the reporting period, deferred taxation was provided for in full in respect of the temporary differences attributable to such profits.

The income tax expense for the year can be reconciled to loss before taxation and transactions with unitholders per the consolidated statement of comprehensive income as follows:

	2024 RMB million	2023 RMB million
Loss before taxation and transactions with unitholders	**(654)**	(353)
Tax at the applicable income tax rate of 25%	**(163)**	(88)
Tax effect of different tax rates of subsidiaries operating in other regions	**(3)**	(3)
Tax effect of income not taxable for tax purpose	**(8)**	(17)
Tax effect of expenses not deductible for tax purpose	**158**	168
Tax effect of tax losses and deductible temporary differences not recognised	**80**	132
Deferred tax on earnings of the Group's PRC subsidiaries	**39**	42
Income tax expense for the year	**103**	234

12. LOSS PER UNIT

The loss per unit for the year ended 31 December 2024 is calculated by dividing the loss for the year attributable to unitholders before transactions with unitholders of RMB737 million (2023: RMB562 million) by the weighted average of 6,428,644,104 (2023: 6,295,761,615) units in issue during the year, taking into account the units issuable as Manager's fee for its service for the year.

No diluted loss per unit for both years were presented as there were no potential units in issue for both years.

13. INVESTMENT PROPERTIES

The Group leases out various offices, malls and carparks under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 month to 11 years, with unilateral rights to extend the lease beyond initial period held by lessees only. The majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend. The majority leases of retail stores contain variable lease payment that are based on 1% to 25% (2023: 1% to 26%) of sales and minimum annual lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	2024 **RMB million**	2023 RMB million
FAIR VALUE		
At the beginning of the year	**27,057**	27,739
Additions	**24**	99
Transferred from property, plant and equipment	**8**	10
Transferred from right-of-use assets	**66**	74
Decrease in fair value recognised in profit or loss	**(1,098)**	(865)
At the end of the year	**26,057**	27,057

(a) The Group's investment properties are located in Beijing and Chongqing, the PRC, and are measured using the fair value model.

(b) Investment properties were revalued on 31 December 2024 and 2023 by Kroll (HK) Limited ("Kroll"), qualified external valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations. The valuations of properties have been principally arrived at by using the income approach which is a method of valuation whereby valuation is the sum of capitalised value of the term income and the appropriately deferred reversionary income for the remaining term of the land use rights of the properties. The capitalised value of the term income is derived by capitalising the rental income derived from existing tenancies for their respective unexpired terms of contractual tenancies, while the capitalised value of reversionary income is derived by capitalising the current market rents for the remaining terms of the land use rights of the properties. Capitalisation rates are estimated with reference to the yield generally accepted by the market for comparable properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

13. INVESTMENT PROPERTIES (Continued)

(b) (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation methodology and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation methodology and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Property 1 – office buildings	Level 3	Income approach		
		The key inputs are		
		(1) Term yield	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the office buildings, of 6.00% (2023: 6.00%).	The higher the term yield, the lower the fair value
		(2) Reversionary yield	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 6.50% (2023: 6.50%).	The higher the reversionary yield, the lower the fair value
		(3) Monthly term rental	Monthly term rental for each unit is derived from the average of the rental as stated in the existing rental agreements of RMB243/sq.m./month (2023: RMB261/sq.m./month).	The higher the monthly term rental, the higher the fair value
		(4) Reversionary rental	Reversionary rental is derived from the average of the rental as stated in the new rental agreements of RMB323/sq.m./month (2023: RMB326/sq.m./month).	The higher the reversionary rental, the higher the fair value

The fair value is estimated at RMB13,597 million as at 31 December 2024 (2023: RMB13,892 million).

13. INVESTMENT PROPERTIES (Continued)

(b) (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation methodology and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Property 2 – shopping mall and car parking spaces	Level 3	Income approach		
		The key inputs are		
		(1) Term yield	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the shopping mall, of 6.00% (2023: 6.00%).	The higher the term yield, the lower the fair value
		(2) Reversionary yield	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 6.50% (2023: 6.50%).	The higher the reversionary yield, the lower the fair value
		(3) Monthly term rental	Monthly term rental for each unit is derived from the average of rental as stated in the existing rental agreements with an average of RMB559/sq.m./month (2023: RMB674/sq.m./month).	The higher the monthly term rental, the higher the fair value
		(4) Reversionary rental	Reversionary rental is derived from the average of the rental as stated in the new rental agreements of RMB1,030/sq.m./month (2023: RMB1,062/sq.m./month).	The higher the reversionary rental, the higher the fair value

The fair value is estimated at RMB10,132 million as at 31 December 2024 (2023: RMB10,759 million).

13. INVESTMENT PROPERTIES (Continued)

(b) (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation methodology and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Property 3 – office	Level 3	Income approach		
		The key inputs are		
		(1) Term yield	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the office, of 6.25% (2023: 6.25%).	The higher the term yield, the lower the fair value
		(2) Reversionary yield	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 6.75% (2023: 6.75%).	The higher the reversionary yield, the lower the fair value
		(3) Monthly term rental	Monthly term rental for each unit is derived from the average of the gross rental as stated in the existing rental agreements of RMB89/sq.m./month (2023: RMB87/sq.m./month).	The higher the monthly term rental, the higher the fair value
		(4) Reversionary rental	Reversionary rental is derived from the average of the gross rental as stated in the new rental agreements of RMB96/sq.m./month (2023: RMB101/sq.m./month).	The higher the reversionary rental, the higher the fair value

The fair value is estimated at RMB633 million as at 31 December 2024 (2023: RMB675 million).

13. INVESTMENT PROPERTIES (Continued)

(b) (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation methodology and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Property 4 – shopping mall and car parking spaces	Level 3	Income approach		
		The key inputs are		
		(1) Term yield	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the shopping mall, of 6.25% (2023: 6.25%).	The higher the term yield, the lower the fair value
		(2) Reversionary yield	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 6.75% (2023: 6.75%).	The higher the reversionary yield, the lower the fair value
		(3) Monthly term rental	Monthly term rental for each unit is derived from the average of gross rental as stated in the existing rental agreements with an average of RMB34/sq.m./month (2023: RMB67/sq.m./month).	The higher the monthly term rental, the higher the fair value
		(4) Reversionary rental	Reversionary rental is derived from the average of the gross rental as stated in the new rental agreements of RMB193/sq.m./month (2023: RMB191/sq.m./month).	The higher the reversionary rental, the higher the fair value

The fair value is estimated at RMB1,695 million as at 31 December 2024 (2023: RMB1,731 million).

The fair values of all investment properties at 31 December 2024 and 2023 were measured using valuation methodology with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy.

There were no transfers into or out of Level 3 during the year.

Fair value measurements and valuation processes

In estimating the fair value of the Group's investment properties, the Group used market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the Manager works closely with the qualified external valuers to establish and determine the appropriate valuation methodology and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation methodology that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Manager.

Information about the valuation methodology and inputs used in determining the fair value of the Group's investment properties are disclosed above.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings						
	Hotels RMB million	Serviced apartments RMB million	Others RMB million	Plant and machinery RMB million	Construction in progress RMB million	Others RMB million	Total RMB million
COST							
At 1 January 2023	2,040	1,078	40	293	179	230	3,860
Additions for the year	37	2	–	7	169	9	224
Disposals for the year	(56)	–	(3)	(9)	–	(8)	(76)
Transfers	312	(134)	–	43	(262)	41	–
Transferred to investment properties	–	–	(16)	–	–	–	(16)
At 31 December 2023	**2,333**	**946**	**21**	**334**	**86**	**272**	**3,992**
Additions for the year	**2**	**–**	**–**	**4**	**53**	**6**	**65**
Disposals for the year	**(20)**	**–**	**–**	**(1)**	**–**	**(6)**	**(27)**
Transfers	**205**	**(190)**	**–**	**58**	**(84)**	**11**	**–**
Transferred to investment properties	**–**	**–**	**(21)**	**–**	**–**	**–**	**(21)**
At 31 December 2024	**2,520**	**756**	**–**	**395**	**55**	**283**	**4,009**
ACCUMULATED DEPRECIATION							
At 1 January 2023	1,050	522	18	152	–	124	1,866
Provided for the year	89	26	3	5	–	21	144
Eliminated on disposals	(46)	–	(3)	(7)	–	(6)	(62)
Transfers	59	(59)	–	–	–	–	–
Transferred to investment properties	–	–	(6)	–	–	–	(6)
At 31 December 2023	**1,152**	**489**	**12**	**150**	**–**	**139**	**1,942**
Provided for the year	**83**	**24**	**1**	**17**	**–**	**23**	**148**
Eliminated on disposals	**(6)**	**–**	**–**	**(1)**	**–**	**(5)**	**(12)**
Transfers	**150**	**(150)**	**–**	**–**	**–**	**–**	**–**
Transferred to investment properties	**–**	**–**	**(13)**	**–**	**–**	**–**	**(13)**
At 31 December 2024	**1,379**	**363**	**–**	**166**	**–**	**157**	**2,065**
CARRYING AMOUNTS							
At 31 December 2024	**1,141**	**393**	**–**	**229**	**55**	**126**	**1,944**
At 31 December 2023	1,181	457	9	184	86	133	2,050

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method on the following basis:

Buildings	3.1%–20% per annum
Plant and machinery	5%–20% per annum
Others (comprising of furniture and fixtures and computer equipment)	10%–33% per annum

The assessment of the recoverable amounts of the Buildings and Right-of-use Assets were performed on 31 December 2024 and 2023 by the Manager with reference to the valuations carried out by Kroll, being qualified external valuer with appropriate professional qualifications and experiences in the valuation of similar properties in the relevant locations. The carrying amount of the relevant assets does not exceed the recoverable amount.

15. RIGHT-OF-USE ASSETS

	RMB million
As at 31 December 2024	
Carrying amount	**3,347**
As at 31 December 2023	
Carrying amount	3,547
For the year ended 31 December 2024	
Depreciation charge	**167**
For the year ended 31 December 2023	
Depreciation charge	169

Included in right-of-use assets are leasehold lands related to hotels and serviced apartments, and other buildings owned by the Group of RMB3,344 million (2023: RMB3,509 million) and nil (2023: RMB37 million) respectively. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

As at 31 December 2024, the carrying amounts of leasehold lands and office equipment are RMB3,344 million and RMB3 million (2023: RMB3,546 million and RMB1 million) respectively.

During the year ended 31 December 2024, an amount of RMB66 million (2023: RMB74 million) after revaluation was transferred to investment properties upon end of owner-occupation.

16. INVENTORIES

	2024 RMB million	2023 RMB million
Food and beverage	**2**	2
Other consumables	**17**	16
	19	18

17. TRADE AND OTHER RECEIVABLES

	2024 RMB million	2023 RMB million
Trade receivables	**20**	25
Deposits and prepayments	**31**	16
Advance to suppliers	**17**	6
Interest receivables	**18**	29
Other receivables	**42**	40
	128	116

Trade receivables include receivables arising from leasing arrangements and receivables arising from contracts with customers. As at 31 December 2024, trade receivables arising from contracts with customers amounted to RMB15 million (2023: RMB14 million).

Aging analysis of the Group's trade receivables by invoice dates at the end of the reporting period is as follows:

	2024 RMB million	2023 RMB million
Less than or equal to 1 month	**15**	16
1–3 months	**2**	5
Over 3 months	**3**	4
	20	25

17. TRADE AND OTHER RECEIVABLES (Continued)

There is no credit period given on billing for rental properties, including malls and offices, serviced apartments and hotels, except that a maximum credit period of 60 days (2023: 60 days) is granted to the travel agencies and corporate customers of the hotels. Interest is charged immediately on overdue balance at the rate of 0.05% per day in 2024 and 2023.

Hotel revenue is normally settled by cash or credit card.

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB12 million (2023: RMB18 million) which are past due as at the reporting date. Out of the past due balances, RMB3 million (2023: RMB4 million) has been past due 90 days or more and is not considered as in default as the Manager specifically reviewed creditability of each counterparty and considered these balances as recoverable. The exposure of credit risk is limited due to deposits received from tenants.

Trade and other receivables are denominated in RMB.

18. BANK BALANCES AND CASH

	2024 **RMB million**	2023 RMB million
Cash at bank or on hand	**1,101**	1,764
Time deposits (with original maturity of three months or less)	**1,177**	1,706
Cash and cash equivalents	**2,278**	3,470
Cash restricted for use	**37**	–
Time deposits (with original maturity of more than three months)	**662**	–
Bank balances and cash	**2,977**	3,470
Interest rate per annum is ranging as follows:		
Bank deposits – Time deposits	**0.10% to 5.20%**	1.25% to 4.15%

Bank balances carry interest at prevailing market rates as at 31 December 2024 and 2023.

Bank balances and cash are denominated in the following currencies:

	2024 **RMB million**	2023 RMB million
RMB	**2,912**	3,409
Hong Kong Dollar ("HK$")	**64**	61
United States Dollar ("US$")	**1**	–
	2,977	3,470

19. TRADE AND OTHER PAYABLES

	2024 RMB million	2023 RMB million
Trade payables	**178**	223
Receipts in advance *(Note (i))*	**178**	182
Others *(Note (ii))*	**144**	141
	500	546

Notes:

(i) Included in receipts in advance are contract liabilities amounting to RMB65 million (31 December 2023: RMB60 million), which were related to advance receipts from customers under hotels segment, and ancillary services provided in malls, offices and apartments segments. For contract liabilities relating to malls, offices and apartments segments, the Group has the right to invoice the ancillary service in advance for each month according to the terms of the relevant contracts, whereas for contract liabilities relating to hotels segment, the Group has the right to invoice hotel room revenue, food and beverage and ancillary service in advance according to terms of the relevant contracts. Revenue amounting to approximately RMB55 million recognised during the year ended 31 December 2024 (2023: RMB52 million) was related to contract liabilities balance at the beginning of the year. No revenue recognised during both years were related to performance obligation that was satisfied in prior years.

(ii) Others comprise mainly accrued salaries, accrued staff welfare and certain operating expense payables.

Aging analysis of the Group's trade payables by invoice dates at the end of the reporting period is as follows:

	2024 RMB million	2023 RMB million
Less than or equal to 3 months	**61**	153
Over 3 months	**117**	70
	178	223

Trade and other payables are denominated in the following currencies:

	2024 RMB million	2023 RMB million
HK$	**9**	6
RMB	**491**	540
	500	546

20. BANK LOANS

	2024 RMB million	2023 RMB million
Unsecured term loans	**5,788**	6,616
Loan front-end fee	**(11)**	(15)
	5,777	6,601
The maturities of the above bank loans are as follows:		
Within one year	**1,296**	3,801
More than one year but not exceeding two years	**2,125**	723
More than two years but not exceeding five years	**2,356**	2,077
	5,777	6,601
Less: Amounts shown under current liabilities	**(1,296)**	(3,801)
Amounts due after one year	**4,481**	2,800
Effective interest rate:		
Variable-rate borrowings	**3.50% to 6.05%**	5.36% to 6.72%

Amount of HK$1,400 million (equivalent to RMB1,303 million), being part of a credit facility of HK$1,800 million drawn down by the Group on 22 December 2021, was prepaid in May 2024. The outstanding amount of the credit facility was renewed on 7 October 2024. The total amount of the credit facility utilised by the Group as at 31 December 2024 was HK$400 million (equivalent to RMB370 million) (31 December 2023: HK$1,800 million (equivalent to RMB1,631 million)).

A credit facility of RMB700 million was granted to the Group on 12 June 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB700 million. It bears interest at fixed interest rate and is repayable in full in June 2027.

A credit facility of RMB467 million was granted to the Group on 15 November 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB467 million. It bears interest at fixed interest rate and is repayable in full in November 2027.

A credit facility of RMB200 million was granted to the Group on 2 October 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB200 million. It bears interest at fixed interest rate and is repayable in full in October 2027.

A credit facility of RMB625 million was granted to the Group on 25 November 2024 to finance the general working capital of the Group, and the total amount of the credit facility utilised by the Group as at 31 December 2024 was RMB625 million. It bears interest at fixed interest rate and is repayable in full in November 2027.

20. BANK LOANS (Continued)

The credit facility of HK$1,800 million granted to the Group on 23 December 2021 was fully repaid in November 2024 by HK$1,800 million (equivalent to RMB1,680 million).

The credit facility of HK$600 million granted to the Group on 15 December 2021 was extended to be due on 20 January 2025. The total amount of the credit facility utilised by the Group as at 31 December 2024 was HK$600 million (equivalent to RMB556 million).

All bank loans are guaranteed by the Trustee (in its capacity as Trustee of Hui Xian REIT) and certain subsidiaries of Hui Xian REIT.

21. DEFERRED TAX

The following are the major components of deferred tax liabilities recognised and movements therein during the year:

	Others RMB million *(Note)*	Fair value of investment properties RMB million	Withholding tax on retained profits to be distributed RMB million	Total RMB million
At 1 January 2023	2,477	3,775	56	6,308
Charge (credit) to profit or loss *(Note 11)*	18	(105)	42	(45)
Charge to reserve	8	–	–	8
Release upon distribution of earnings *(Note 11)*	–	–	(41)	(41)
At 31 December 2023	**2,503**	**3,670**	**57**	**6,230**
Charge (credit) to profit or loss *(Note 11)*	**22**	**(231)**	**39**	**(170)**
Charge to reserve	**7**	**–**	**–**	**7**
Release upon distribution of earnings *(Note 11)*	**–**	**–**	**(42)**	**(42)**
At 31 December 2024	**2,532**	**3,439**	**54**	**6,025**

Note: Others represented the fair value adjustment on recognised assets and liabilities upon business combination and accelerated and tax depreciation.

At 31 December 2024, no deferred tax asset was recognised for tax losses and deductible temporary differences amounting to RMB727 million (31 December 2023: RMB704 million) and RMB1,868 million (31 December 2023: RMB1,693 million) respectively due to the unpredictability of future profit streams. The tax losses would expire within five years.

22. UNITS IN ISSUE

As at 31 December 2024, Hui Xian REIT had 6,463,373,956 (31 December 2023: 6,353,099,752) issued units.

During the year, movements of units in issue are as below:

	Number of units	RMB million
Balance at 1 January 2023	6,230,359,272	29,310
Payment of Manager's fees through issuance of new units during the year *(Note (i))*	82,688,030	83
Units issued pursuant to the distribution reinvestment arrangement in respect of 2022 final and 2023 interim distributions *(Note (ii))*	40,052,450	39
Balance at 31 December 2023	**6,353,099,752**	**29,432**
Payment of Manager's fees through issuance of new units during the year *(Note (i))*	**110,274,204**	**69**
Balance at 31 December 2024	**6,463,373,956**	**29,501**

Notes:

(i) Details of units issued during the year as payment of Manager's fees are as follows:

For the year ended 31 December 2024

Issue date	Payment of Manager's fees for the period	Average price per unit determined based on the Trust Deed RMB	Number of units issued
4 June 2024	**1 July 2023 to 31 December 2023**	**0.73**	**56,190,010**
30 September 2024	**1 January 2024 to 30 June 2024**	**0.52**	**54,084,194**
			110,274,204

For the year ended 31 December 2023

Issue date	Payment of Manager's fees for the period	Average price per unit determined based on the Trust Deed RMB	Number of units issued
12 May 2023	1 July 2022 to 31 December 2022	1.12	37,937,339
26 September 2023	1 January 2023 to 30 June 2023	0.91	44,750,691
			82,688,030

22. UNITS IN ISSUE (Continued)

Notes: (Continued)

(ii) On 15 May 2023, 18,496,600 scrip units at an issue price of RMB1.09 per unit were issued to unitholders pursuant to the distribution reinvestment arrangement in respect of 2022 final distribution.

On 27 September 2023, 21,555,850 scrip units at an issue price of RMB0.88 per unit were issued to unitholders pursuant to the distribution reinvestment arrangement in respect of 2023 interim distribution.

23. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per unit is calculated based on the net assets attributable to unitholders as at 31 December 2024 of RMB21,420 million (2023: RMB22,084 million) and the total number of 6,463,373,956 units in issue as at 31 December 2024 (2023: 6,353,099,752 units).

24. CAPITAL RISK MANAGEMENT

The Group manages its capital with the objective of assuring its ability to continue as a going concern while maximising the return to unitholders and generating benefits to other stakeholders. The Group considers the cost of capital and the risk associated with the capital. The Manager regularly reviews its capital management strategy to accommodate the Group's investment opportunities and strategies.

The Group is also subject to external capital requirements imposed by the REIT Code. The Group has to maintain a level of borrowings that shall not exceed 50% of the total gross asset value (the "gearing ratio") as required by the REIT Code. As at 31 December 2024, the Group's gearing ratio is 16.8% (2023: 18.2%), being bank loans divided by total assets of the Group.

25. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2024 RMB million	2023 RMB million
Financial assets		
Amortised cost		
Trade and other receivables	**80**	94
Bank balances and cash	**2,977**	3,470
	3,057	3,564
Financial liabilities		
Amortised cost		
Trade and other payables	**322**	364
Tenants' deposits	**567**	602
Manager's fee payable	**53**	55
Distribution payable	**–**	8
Bank loans *(Note 20)*	**5,777**	6,601
	6,719	7,630
Unitholders' funds	**21,420**	22,084

b. Financial risk management objectives and policies

The Group's major financial instruments include bank loans, trade and other receivables, bank balances and cash, trade and other payables, tenants' deposits, manager's fee payable and distribution payable. Details of the financial instruments are disclosed in respective notes.

The risks associated with the Group's financial instruments include interest rate risk, foreign currency risk, credit risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The Manager manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

25. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to time deposits (Note 18), fixed-rate bank loans (Note 20). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 18) and variable-rate bank loans (Note 20). The Manager considers the exposure to interest rate risk in relation to bank balances is insignificant due to the low level of deposit interest rate and therefore excluded from the sensitivity analysis below.

The Group currently does not have an interest rate hedging policy. However, the Manager monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's HK$ denominated borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the variable-rate bank loans outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2023: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Manager's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2023: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2024 would increase/decrease by RMB29 million (2023: RMB33 million). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank loans.

Foreign currency risk

The Group collected all of its revenue in RMB and most of the expenditures including expenditure incurred in property investment as well as other capital expenditure are also denominated in RMB.

The Group undertook certain transactions (including financing arrangements) in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group currently does not have a foreign currency hedging policy. However, the Manager monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arise.

At 31 December 2024 and 2023, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	2024 **RMB million**	2023 RMB million
Assets		
HK$	**64**	61
US$	**1**	–
Liabilities		
HK$	**3,799**	6,607

25. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

***Foreign currency risk** (Continued)*

For the monetary assets denominated in US$, since the amounts are not material, the Manager considers the exposure of exchange rate fluctuation is not significant and no sensitivity analysis is presented.

The Group is mainly exposed to foreign exchange fluctuation of HK$ against RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against HK$. The sensitivity analysis includes only outstanding HK$ denominated monetary items and adjusts their translation at the year end for a 5% change in HK$. 5% is the sensitivity rate used when reporting foreign risk internally to key management personnel and represents the Manager's assessment of the reasonably possible change in HK$. There will be a decrease in loss for the year where RMB strengthens against HK$. For a 5% weakening of RMB against HK$, there would be an equal and opposite impact on the loss for the year.

	2024 **RMB million**	2023 RMB million
HK$		
Decrease or increase in loss for the year	**187**	327

The Manager considers the sensitivity analysis is unrepresentative of foreign currency risk as the year end exposure does not reflect the exposure during the year.

Credit risk

The carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position best represent the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

The credit risk on liquid funds is limited because bank balances are placed with reputable financial institutions which are banks with high credit-ratings.

Trade receivable consists of rental revenue and room revenue receivables from tenant or counterparty. The Manager monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before rental or service agreements are entered into with tenants or counterparties. The Group has adopted a policy of obtaining tenants' deposits to mitigate the risk of financial loss from tenant's default. In this regard, the Manager considers the Group's credit risk is significantly reduced.

For trade receivables, the Group has applied the simplified approach in HKFRS 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired balances which are assessed individually, the Group determines the ECL on these items by using a provision matrix, grouped by past due status.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its Malls, Offices, Apartments and Hotels operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

25. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk *(Continued)*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the Manager to ensure relevant information about specific debtors is updated.

In determining the ECL for other receivables, the Manager has taken into account the historical default experience and forward-looking information, as appropriate, for example the Group has considered the consistently low historical default rate and concluded that credit risk inherent in the Group's outstanding other receivables is insignificant. The Manager has assessed that bank balances and other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no loss allowance has been recognised.

During the years ended 31 December 2024 and 2023, the loss allowance provided by the Group was deemed to be immaterial.

To mitigate the risk of financial loss from default, tenants of the rental properties are required to pay two to three months deposits upon entering into leases with the Group. The Group has the right to offset the deposits against the outstanding receivables should the tenants default rental payments.

There is no credit period given to the tenants of the rental properties. Rental is payable in advance and interest is charged immediately on overdue balance at the rate of 0.05% per day in 2024 and 2023. In addition, the Manager is responsible for follow up action to recover the overdue debt. The Manager also reviews the recoverable amount of each individual trade debtor regularly to ensure that adequate loss allowance is recognised for irrecoverable debts.

There is a maximum credit period of 60 days (2023: 60 days) granted to corporate customers and travel agencies of the hotels. The Group has no significant concentration of credit risk over these debtors, with exposure spread over a number of counterparties and customers. The Manager reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

The Group's concentration of credit risk by geographical location is mainly in the PRC, which accounted for all trade debtors as at 31 December 2024 and 2023.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations. In addition, the Manager observes the REIT Code concerning limits on total borrowings and monitors the level of borrowing to be within the permitted limit.

As at 31 December 2024, the Group had net current assets of RMB1,012 million (2023: Net current liabilities of RMB1,038 million).

25. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

***Liquidity risk** (Continued)*

Liquidity risk analysis

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate %	On demand or less than 3 months RMB million	3 months to 1 year RMB million	1 year to 2 years RMB million	Over 2 years RMB million	Total undiscounted cash flows RMB million	Carrying amount at 31 December 2024 RMB million
Non-derivative financial liabilities							
Trade and other payables	–	322	–	–	–	322	322
Tenants' deposits	–	95	142	103	227	567	567
Manager's fee payable *(Note)*	–	24	–	–	–	24	24
Bank loans	5.59	617	909	2,307	2,435	6,268	5,777
		1,058	1,051	2,410	2,662	7,181	6,690

	Weighted average interest rate %	On demand or less than 3 months RMB million	3 months to 1 year RMB million	1 year to 2 years RMB million	Over 2 years RMB million	Total undiscounted cash flows RMB million	Carrying amount at 31 December 2023 RMB million
Non-derivative financial liabilities							
Trade and other payables	–	364	–	–	–	364	364
Tenants' deposits	–	92	133	138	239	602	602
Manager's fee payable *(Note)*	–	13	–	–	–	13	13
Distribution payable	–	–	8	–	–	8	8
Bank loans	5.56	107	4,100	880	2,181	7,268	6,601
		576	4,241	1,018	2,420	8,255	7,588

Note: The amount only includes manager's fee payable to be settled in cash.

c. Fair value

The Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated statement of financial position approximate to their fair values at the end of each reporting period.

26. RETIREMENT BENEFIT PLANS

According to the relevant laws and regulations in the PRC, the PRC subsidiaries are required to participate in a defined contribution retirement scheme administered by the local municipal government (the "Retirement Benefit Scheme"). The PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the Retirement Benefit Scheme to fund the benefits of the employees. The principal obligation of the Group with respect to the Retirement Benefit Scheme is to make the required contributions.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the MPF Scheme which is the only obligation for the Group and the same amount is matched by employees.

The Group recognised the retirement benefit costs of RMB12 million for the year ended 31 December 2024 (2023: RMB10 million).

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under the Retirement Benefit Scheme and the MPF Scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2024 and 2023 under the Retirement Benefit Scheme and the MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

27. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group had contracted with lessees for the following future undiscounted minimum lease payments:

	2024 **RMB million**	2023 RMB million
Within one year	**1,242**	1,427
In the second year	**916**	996
In the third year	**664**	654
In the fourth year	**506**	416
In the fifth year	**229**	336
After five years	**585**	252
	4,142	4,081

The Group rents out its properties in the PRC under operating leases. Operating lease income represents rentals receivable by the Group for its properties. Leases are negotiated for term ranging from 1 month to 11 years (2023: 1 month to 15 years) with monthly fixed rental, except for certain leases of the malls of which contingent rents are charged based on the percentage of sales ranged from 1% to 25% (2023: 1% to 26%).

28. CAPITAL COMMITMENTS

	2024 RMB million	2023 RMB million
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**172**	148

29. CONNECTED AND RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with connected and related parties (other than those connected party transactions that are exempted from disclosure and/or excluded pursuant to the waivers granted by the SFC and/or Hong Kong Listing Rules, unless those are required to be disclosed as related party transactions), and all these transactions were entered into the ordinary course of business and were on normal commercial terms:

Name of Connected/Related Party	*NOTES*	2024 RMB'000	2023 RMB'000
Rent and rental related income			
CK Asset Holdings Limited	(a) & (d)	**100**	100
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(a) & (d)	**2,015**	1,830
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(a) & (d)	**2,150**	2,150
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(a) & (d)	**76**	75
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**503**	504
Hotel room revenue			
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(a) & (d)	**–**	4
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**1**	3
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(a) & (d)	**5**	–
和記地產集團有限公司 (Hutchison Property Group Limited*)	(a) & (d)	**15**	–

29. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

Name of Connected/Related Party	NOTES	2024 RMB'000	2023 RMB'000
Food & beverages and other hotel income			
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(a) & (d)	**15**	16
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**7**	3
北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.*)	(a) & (d)	**36**	–
和記地產集團有限公司 (Hutchison Property Group Limited*)	(a) & (d)	**11**	–
和記黃埔地產(重慶兩江新區)有限公司 (Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited*)	(a) & (d)	**26**	–
和記黃埔地產(重慶南岸)有限公司 (Hutchison Whampoa Properties (Chongqing Nanan) Limited*)	(a) & (d)	**70**	3
Interest income from connected subsidiary			
瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd*)	(c)	**7,074**	5,756
Reimbursement of staff cost			
Hui Xian Asset Management Limited	(a) & (d)	**1,772**	1,387
Property management fee			
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(a) & (d)	**19,664**	19,589
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(a) & (d)	**24,732**	22,749
家利物業管理(深圳)有限公司 (Cayley Property Management (Shenzhen) Limited*)	(a) & (d)	**17,189**	18,414
Internet services fee			
CK Asset Holdings Limited	(a) & (d)	**28**	23
Trustee's fee			
DB Trustees (Hong Kong) Limited	(b)	**3,209**	3,302
Manager's fees			
Hui Xian Asset Management Limited	(a) & (d)	**109,465**	113,384

29. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

Name of Connected/Related Party	NOTES	2024 RMB'000	2023 RMB'000
Property Manager's fee			
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**63,943**	56,648
Rent & rental related expense			
Turbo Top Limited	(a) & (d)	**415**	441
Other expenses			
Harbour Grand Hong Kong Limited	(a) & (d)	**6**	–
Hotel Alexandra Resources Limited	(a) & (d)	**3**	–
The Kowloon Hotel Limited	(a) & (d)	**12**	–

Balances with connected and related parties as at 31 December 2024 and 2023 are as follows:

Name of Connected/Related Party	NOTES	2024 RMB'000	2023 RMB'000
Loan receivable			
瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd*)	(c)	**130,000**	135,000
Deposits placed with the Group for the lease of the Group properties			
CK Asset Holdings Limited	(a) & (d)	**25**	25
北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.*)	(a) & (d)	**13**	13
北京港基世紀物業管理有限公司 (Beijing Citybase Century Property Management Ltd.*)	(a) & (d)	**527**	527
北京高衛世紀物業管理有限公司 (Beijing Goodwell Century Property Management Ltd.*)	(a) & (d)	**538**	538
北京匯賢企業管理有限公司 (Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**127**	126
北京穩得高投資顧問有限公司 (Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(a) & (d)	**19**	19
Deposits paid for the lease of property			
Turbo Top Limited	(a) & (d)	**104**	102

29. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

Name of Connected/Related Party	NOTES	2024 RMB'000	2023 RMB'000
Other payables			
北京港基世紀物業管理有限公司			
(Beijing Citybase Century Property Management Ltd.*)	(a) & (d)	**1,602**	440
北京高衛世紀物業管理有限公司			
(Beijing Goodwell Century Property Management Ltd.*)	(a) & (d)	**1,893**	711
北京匯賢企業管理有限公司			
(Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**4,725**	3,194
家利物業管理(深圳)有限公司			
(Cayley Property Management (Shenzhen) Limited*)	(a) & (d)	**1,604**	659
Hui Xian Asset Management Limited	(a) & (d)	**53,218**	55,208
Other receivable			
Hui Xian Asset Management Limited	(a) & (d)	**126**	139
Receipts in advance			
CK Asset Holdings Limited	(a) & (d)	**9**	9
北京匯賢企業管理有限公司			
(Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**8**	8
北京穩得高投資顧問有限公司			
(Beijing Wondergrow Investment and Consulting Co., Ltd.*)	(a) & (d)	**7**	7
Prepayments			
北京匯賢企業管理有限公司			
(Beijing Hui Xian Enterprise Services Limited*)	(a) & (d)	**–**	94
家利物業管理(深圳)有限公司			
(Cayley Property Management (Shenzhen) Limited*)	(a) & (d)	**2,850**	2,850

Notes:

(a) These companies are associates[1] of Noblecrown which is a substantial holder[2] of Hui Xian REIT, and/or are subsidiaries or associates[1] of CK Asset Holdings Limited (being an associate[1] of Noblecrown which is a substantial holder[2] of Hui Xian REIT).

(b) This company is the Trustee of Hui Xian REIT.

(c) This company is a connected subsidiary[4] of Hui Xian REIT by virtue of CK Asset Holdings Limited, (being an associate[1] of Noblecrown which is a substantial holder[2] of Hui Xian REIT), which at the same time holds more than 10% of the voting power of this company.

(d) These companies are also related parties[3] of Hui Xian REIT.

1 The term "associate" is defined under the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules").

2 As defined in the REIT Code, a unitholder is a substantial holder if it is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Hui Xian REIT or any of its subsidiaries.

3 The term "related party" is defined in HKAS 24 *Related Party Disclosures* issued by the HKICPA.

4 The term "connected subsidiary" is defined under the Listing Rules.

* The English name is shown for identification purpose only.

30. LIST OF SUBSIDIARIES

(i) At the end of the reporting period, the following entities are controlled by Hui Xian REIT.

Name of company	Date of incorporation	Ordinary share capital/registered capital	Proportion ownership interest held by Hui Xian REIT – Directly 2024	Directly 2023	Indirectly 2024	Indirectly 2023	Principal activities	Name of property held
Incorporated in the British Virgin Islands:								
Hui Xian (B.V.I.) Limited	7 June 1994	1 share of US$1	**100%**	100%	**–**	–	Investment holding	–
Shenyang Investment (BVI) Limited	21 July 2011	50,000 shares of no par value	**100%**	100%	**–**	–	Investment holding	–
Chongqing Overseas Investment Limited	1 September 2014	50,000 shares of no par value	**100%**	100%	**–**	–	Investment holding	–
Incorporated in Hong Kong:								
Hui Xian Investment Limited	18 August 1992	US$10,000	**–**	–	**100%**	100%	Investment holding and financing	–
Shenyang Investment (Hong Kong) Limited	16 August 2011	HK$10,000	**–**	–	**100%**	100%	Investment holding	–
Chongqing Investment Limited	12 November 1992	HK$210,000,000	**–**	–	**100%**	100%	Investment holding	–
Chongqing Hotel Investment Limited	23 November 2016	HK$1	**100%**	100%	**–**	–	Investment holding	–
Highsmith (HK) Limited	9 October 2007	HK$5,000,000	**–**	–	**100%**	100%	Investment holding and financing	–
New Sense Resources Limited	16 November 2016	HK$1	**100%**	100%	**–**	–	Investment holding and financing	–
Chengdu Investment Limited	23 November 2016	HK$1	**–**	–	**100%**	100%	Investment holding	–
Incorporated in the PRC:								
Beijing Oriental Plaza Co., Ltd.	25 January 1999	Registered – US$600,000,000	**–**	–	**99.99999983%**[1]	100%[2]	Property investment and hotel and serviced suites operations in Beijing, the PRC	Beijing Oriental Plaza
Shenyang Lido Business Co. Ltd	14 September 1996	Registered – US$59,873,990	**–**	–	**70%**[1]	70%[2]	Hotel-operation in Shenyang, the PRC	The Westin Shenyang
Chongqing Metropolitan Oriental Plaza Co., Ltd	18 November 1993	Registered – RMB470,000,000	**–**	–	**100%**[1]	100%[3]	Property investment in Chongqing, the PRC	Chongqing Metropolitan Oriental Plaza
Chongqing Oriental Plaza Metropolitan Hotel Co. Ltd.	10 March 1999	Registered – US$22,800,000	**–**	–	**100%**[1]	100%[3]	Hotel-operation in Chongqing, the PRC	Hyatt Regency Metropolitan Chongqing
Chengdu Changtian Co., Ltd.	18 June 1998	Registered – RMB248,000,000	**–**	–	**69%**[1]	69%[2]	Hotel-operation in Chengdu, the PRC	Sheraton Chengdu Lido Hotel

[1] These subsidiaries are limited liability companies established in the PRC.

[2] These subsidiaries are Sino-foreign cooperative joint venture established in the PRC.

[3] These subsidiaries are wholly foreign owned enterprise established in the PRC.

30. LIST OF SUBSIDIARIES (Continued)

(ii) Details of non-wholly owned subsidiaries that have non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million
Shenyang Lido Business Co. Ltd	Shenyang, the PRC	**30%**	30%	**(7)**	(6)	**95**	102
Chengdu Changtian Co., Ltd.	Chengdu, the PRC	**31%**	31%	**(13)**	(19)	**11**	24
				(20)	(25)	**106**	126

Summarised financial information in respect of the Group's subsidiaries that has non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2024 RMB million	2023 RMB million
Revenue	**159**	134
Expenses and taxation	**(224)**	(215)
Loss for the year	**(65)**	(81)
Loss and total comprehensive expense for the year, attributable to:		
Non-controlling interests	**(20)**	(25)
Unitholders	**(45)**	(56)
	(65)	(81)

The Manager considered that the non-controlling interests in the assets, liabilities and cash flows of Shenyang Lido Business Co. Ltd and Chengdu Changtian Co., Ltd. are not material to the Group and accordingly, no summarised financial information on the assets, liabilities and cash flows are disclosed. No dividend was paid to non-controlling interests during both years.

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans RMB million *(Note 20)*	Interest payable RMB million	Distribution payable RMB million	Total RMB million
At 1 January 2023	7,840	4	198	8,042
Financing cash flows	(1,391)	(382)	(378)	(2,151)
Exchange loss	138	–	–	138
Proposed distribution	–	–	227	227
Units in issue in respect of distributions	–	–	(39)	(39)
Interest expenses	14	385	–	399
At 31 December 2023	**6,601**	**7**	**8**	**6,616**
Financing cash flows	**(999)**	**(328)**	**(27)**	**(1,354)**
Exchange loss	**165**	**–**	**–**	**165**
Proposed distribution	**–**	**–**	**19**	**19**
Interest expenses	**10**	**330**	**–**	**340**
At 31 December 2024	**5,777**	**9**	**–**	**5,786**

32. EVENT AFTER THE REPORTING PERIOD

The credit facility of HK$600 million (equivalent to RMB568 million) granted to the Group in December 2021 was fully repaid in January 2025. An exchange loss of approximately RMB77 million upon the settlement is realised in the consolidated financial statements of Hui Xian REIT. Such exchange loss will be taken into account as a deduction in the calculation of the amount available for distribution to the unitholders of Hui Xian REIT for the six months period ending 30 June 2025.

SUMMARY FINANCIAL INFORMATION

The summary of the consolidated statement of comprehensive income, distributions and the consolidated statement of financial position of Hui Xian REIT are set out as below:

SUMMARY OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.1.2024 to 31.12.2024 RMB million	1.1.2023 to 31.12.2023 RMB million	1.1.2022 to 31.12.2022 RMB million	1.1.2021 to 31.12.2021 RMB million	1.1.2020 to 31.12.2020 RMB million
Revenue					
Gross rental from investment properties	**1,621**	1,730	1,809	2,018	2,022
Income from hotel operation	**505**	390	166	271	237
Income from serviced apartments operation	**163**	169	171	180	178
Rental related income	**48**	56	56	91	62
	2,337	2,345	2,202	2,560	2,499
Loss before taxation and transactions with unitholders	**(654)**	(353)	(1,319)	(185)	(833)
Income tax expense	**(103)**	(234)	(42)	(70)	115
Loss for the year, before transactions with unitholders	**(757)**	(587)	(1,361)	(255)	(718)
Loss for the year attributable to unitholders, before transactions with unitholders	**(737)**	(562)	(1,307)	(219)	(672)
	RMB	RMB	RMB	RMB	RMB
Basic loss per unit	**(0.1147)**	(0.0893)	(0.2112)	(0.0361)	(0.1129)

SUMMARY OF DISTRIBUTIONS

	1.1.2024 to 31.12.2024 RMB million	1.1.2023 to 31.12.2023 RMB million	1.1.2022 to 31.12.2022 RMB million	1.1.2021 to 31.12.2021 RMB million	1.1.2020 to 31.12.2020 RMB million
Distributions to unitholders	**26**	227	517	570	520
	RMB	RMB	RMB	RMB	RMB
Distribution per unit	**0.0041**	0.0361	0.0834	0.0935	0.0866

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2024 RMB million	31.12.2023 RMB million	31.12.2022 RMB million	31.12.2021 RMB million	31.12.2020 RMB million
Non-current assets	**31,350**	32,656	33,494	35,057	36,863
Current assets	**3,124**	3,604	4,906	6,029	5,891
Total assets	**34,474**	36,260	38,400	41,086	42,754
Current liabilities	**2,112**	4,642	4,368	2,240	1,231
Non-current liabilities, excluding net assets attributable to unitholders	**10,836**	9,408	11,153	14,186	16,230
Total liabilities, excluding net assets attributable to unitholders	**12,948**	14,050	15,521	16,426	17,461
Non-controlling interests	**106**	126	151	205	241
Net assets attributable to unitholders	**21,420**	22,084	22,728	24,455	25,052

	RMB	RMB	RMB	RMB	RMB
Net asset value per unit attributable to unitholders	**3.3141**	3.4762	3.6480	3.9900	4.1651

PERFORMANCE TABLE

	NOTES	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Net assets attributable to unitholders *(RMB million)*		**21,420**	22,084	22,728	24,455	25,052
Net asset value per unit attributable to unitholders *(RMB)*		**3.3141**	3.4762	3.6480	3.9900	4.1651
Market capitalisation *(RMB million)*		**3,199**	5,781	6,542	8,581	10,887
Units issued *(units)*		**6,463,373,956**	6,353,099,752	6,230,359,272	6,129,115,187	6,014,651,998
Debts to net asset value ratio	1	**27.0%**	29.9%	34.5%	34.6%	35.4%
Debts to total asset value ratio	2	**16.8%**	18.2%	20.4%	20.6%	20.8%

		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020
Highest traded unit price *(RMB)*		**0.90**	1.31	1.41	1.92	3.30
Highest premium of the traded unit price to net asset value per unit	3	**N/A**	N/A	N/A	N/A	N/A
Lowest traded unit price *(RMB)*		**0.48**	0.81	0.79	1.33	1.36
Highest discount of the traded unit price to net asset value per unit		**85.5%**	76.7%	78.3%	66.7%	67.3%
Distribution per unit *(RMB)*		**0.0041**	0.0361	0.0834	0.0935	0.0866
Distribution yield per unit	4	**0.83%**	3.97%	7.94%	6.68%	4.78%

Notes:

1. Debts to net asset value ratio is calculated based on total debts over net assets attributable to unitholders as at the end of the reporting period.

2. Debts to total asset value ratio is calculated based on total debts over total assets as at the end of the reporting period.

3. The highest traded unit price is lower than the net asset value per unit attributable to unitholders at the end of the reporting period. Accordingly, premium of the traded unit price to net asset value per unit has not been recorded.

4. Distribution yield per unit is calculated by dividing the distribution per unit by the closing unit price as at the end of the reporting period.

INVESTOR CALENDAR

	On or around
Annual results announcement for the year ended 31 December 2024 announcing, among other information, the final distribution for the period from 1 July 2024 to 31 December 2024 ("2024 Final Distribution")	7 March 2025 (Friday)
Units quoted ex-2024 Final Distribution	20 March 2025 (Thursday)
Closure of register of Unitholders (for ascertaining entitlement to the 2024 Final Distribution)	24 March 2025 (Monday) to 26 March 2025 (Wednesday) (both dates inclusive)
Record date for 2024 Final Distribution	26 March 2025 (Wednesday)
2025 annual general meeting[1]	23 May 2025 (Friday)
Payment of the 2024 Final Distribution for cash distribution	27 May 2025 (Tuesday)

[1] The register of Unitholders will be closed from 20 May 2025 (Tuesday) to 23 May 2025 (Friday) for the purpose of ascertaining Unitholders' right to attend and vote at the 2025 annual general meeting of Hui Xian REIT. Unitholders must lodge all transfer forms (accompanied by the relevant unit certificates) with the Unit Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 19 May 2025 (Monday).

CORPORATE INFORMATION

MANAGER

Hui Xian Asset Management Limited
303 Cheung Kong Center
2 Queen's Road Central
Hong Kong
Tel: (852) 2121 1128
Fax: (852) 2121 1138

BOARD OF DIRECTORS OF THE MANAGER

Chairman and Non-executive Director
KAM Hing Lam

Executive Directors
CHEUNG Ling Fung, Tom *(Chief Executive Officer)*
LEE Chi Kin, Casey *(Chief Operating Officer)*
LAI Wai Yin, Agnes *(Chief Financial Officer)*

Non-executive Directors
IP Tak Chuen, Edmond
LIM Hwee Chiang

Independent Non-executive Directors
LEE Chack Fan
CHOI Koon Shum, Jonathan
YIN Ke
WU Ting Yuk, Anthony

BOARD COMMITTEES

Audit Committee
YIN Ke *(Chairman)*
LEE Chack Fan
CHOI Koon Shum, Jonathan
IP Tak Chuen, Edmond
WU Ting Yuk, Anthony

Disclosures Committee
CHEUNG Ling Fung, Tom *(Chairman)*
IP Tak Chuen, Edmond
LEE Chack Fan

Nomination Committee
KAM Hing Lam *(Chairman)*
LEE Chack Fan
YIN Ke
WU Ting Yuk, Anthony *(with effect from 7 March 2025)*
LAI Wai Yin, Agnes *(with effect from 7 March 2025)*

Designated (Finance) Committee
IP Tak Chuen, Edmond *(Chairman)*
CHEUNG Ling Fung, Tom
CHOI Koon Shum, Jonathan

COMPANY SECRETARY OF THE MANAGER

Fair Wind Secretarial Services Limited

TRUSTEE

DB Trustees (Hong Kong) Limited

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL VALUER

Kroll (HK) Limited

LEGAL ADVISER

Woo Kwan Lee & Lo

UNIT REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

INVESTOR RELATIONS

TONG BARNES Wai Che, Wendy
Tel: (852) 2121 1128
Fax: (852) 2121 1138
Email: info@huixianreit.com

PROPERTY MANAGER

北京匯賢企業管理有限公司
(Beijing Hui Xian Enterprise Services Limited*)

STOCK CODE

87001

WEBSITE

www.huixianreit.com

* The English name is shown for identification purpose only

GLOSSARY

Board	the board of directors of the Manager
BOP	北京東方廣場有限公司 (Beijing Oriental Plaza Co., Ltd.*), a limited liability company established in the PRC
Director(s)	director(s) of the Manager
DPU	distribution per unit
GDP	gross domestic product
Hui Xian Investment	Hui Xian Investment Limited
Hui Xian REIT	Hui Xian Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO
Hui Xian REIT group	Hui Xian REIT and other companies or entities held or controlled by Hui Xian REIT
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Manager	Hui Xian Asset Management Limited, a company incorporated in Hong Kong and a corporation licensed to carry on the regulated activity of asset management under the SFO
PRC	People's Republic of China
REIT Code	Code on Real Estate Investment Trusts
RMB	Renminbi
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong)
Shenyang Investment BVI	Shenyang Investment (BVI) Limited
Shenyang Investment HK	Shenyang Investment (Hong Kong) Limited
Shenyang Lido	瀋陽麗都商務有限公司 (Shenyang Lido Business Co. Ltd*), a limited liability company established in the PRC
Stock Exchange	The Stock Exchange of Hong Kong Limited
Trust Deed	Deed of Trust constituting Hui Xian REIT dated 1 April 2011 as amended, modified or supplemented from time to time
Trustee	DB Trustees (Hong Kong) Limited, the trustee of Hui Xian REIT
REIT Unit(s)	unit(s) of Hui Xian REIT
Unitholder(s)	any person(s) registered as holding a Unit or Units

* The English name is shown for identification purpose only

The information set out in this annual report is updated as of 7 March 2025.

Hui Xian Asset Management Limited
(as the manager of Hui Xian REIT)
Unit 303, Cheung Kong Center
2 Queen's Road Central, Hong Kong

Tel: (852) 2121 1128
Fax: (852) 2121 1138
Email: info@huixianreit.com
Website: www.huixianreit.com