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China Merchants Commercial Real Estate Investment Trust

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

Managed by
China Merchants Land Asset Management Co., Limited

(Stock Code: 1503)

FURTHER UPDATE ON SETTLEMENT OF UNASSIGNED FRONTIER PAYABLES

Reference is made to the offering circular dated 28 November 2019 (the “**Offering Circular**”) and the announcements dated 28 February 2020 (the “**Update Announcement**”) and 29 April 2020 (the “**Further Update Announcement**”) of China Merchants Commercial Real Estate Investment Trust (“**China Merchants Commercial REIT**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Further Update Announcement.

As stated in the Further Update Announcement, the REIT Manager (i) had settled the portion of the Unassigned Frontier Payables (totaling RMB319.3 million) pertaining to the remittance of dividends out of the PRC; and (ii) will use its best endeavors to complete the remaining processes pertaining to the Remaining Portion of the Unassigned Frontier Payables (totaling RMB637.0 million) as soon as possible and will settle the same by the end of May 2020.

The REIT Manager was informed by the bank that, as part of its processing of documents, additional time is needed for the bank to obtain the necessary approval relating to remittance of the proceeds from the abovementioned capital reduction out of the PRC. As such, the Remaining Portion of the Unassigned Frontier Payables cannot be settled by the end of May 2020.

As at the date of this announcement, other than the bank’s processing of documents for remittance of funds pertaining to the Remaining Portion out of the PRC, there are no outstanding steps for completion of the settlement of the Remaining Portion of the Unassigned Frontier Payables. As advised by the PRC Legal Advisors to the REIT Manager,

the remaining processes are mainly formality procedures and will not pose any material risks or legal impediment to the settlement of the Remaining Portion of the Unassigned Frontier Payables. The REIT Manager confirms that the PRC Property Companies have earmarked cash for settlement of the Remaining Portion of the Unassigned Frontier Payables and that the delay in such settlement will not affect the financial or trading position of China Merchants Commercial REIT.

The REIT Manager will continue to closely monitor the situation with respect to the bank's operation and use its best endeavors to complete the remaining processes as soon as possible and will settle the Remaining Portion of the Unassigned Frontier Payables by the end of July 2020.

Further announcements will be made by the REIT Manager when the Remaining Portion of the Unassigned Frontier Payables have been settled as well as if there is any further delay to such settlement.

This announcement is made pursuant to paragraph 10.3 of the REIT Code.

By Order of the Board
China Merchants Land Asset Management Co., Limited
(as manager of China Merchants Commercial
Real Estate Investment Trust)
Mr. HUANG Junlong
Chairman of the REIT Manager

Hong Kong, 29 May 2020

As of the date of this announcement, the non-executive Directors of the REIT Manager are Mr. HUANG Junlong, Mr. YU Zhiliang and Ms. LIU Ning, the executive Director of the REIT Manager is Mr. GUO Jin and the independent non-executive Directors of the REIT Manager are Mr. LIN Hua, Mr. LIN Chen and Ms. LAU Sze Wan, Serena.