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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))*

**(Stock Code: 01503)**

**Managed by  
China Merchants Land Asset Management Co., Limited**

### **ANNOUNCEMENT**

#### **POST-COMPLETION PAYMENTS OF INITIAL PAYMENT AND FINAL PAYMENT AND SETTLEMENT OF RELEVANT TAX IN RELATION TO THE PURCHASE OF 51% OF A COMPANY, REPRESENTING A 46.41% EFFECTIVE INTEREST IN A PROPERTY IN BEIJING, PRC**

Reference is made to the circular dated 14 June 2022 (the “**Circular**”) of China Merchants Commercial Real Estate Investment Trust (“**CMC REIT**”) and the announcements of CMC REIT dated 13 June 2022 and 30 June 2022 relating to, among other things, the Acquisition of the Target Shares, representing a 46.41% effective interest in the Target Property, being certain units of the development known as Onward Science & Trade Center (招商局航華科貿中心). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Circular.

As disclosed in the announcement of CMC REIT dated 30 June 2022, the Purchaser, the Vendor and the Warrantor entered into a waiver letter, whereby the Purchaser, subject to the REIT Code, the Listing Rules and other applicable laws, rules and regulations, solely for the purpose of the Completion, waived certain Conditions (such waived Conditions, the “**Waived Conditions**”, and for further details of the Waived Conditions, please refer to the section headed “**Waiver of certain Conditions**” in the announcement of CMC REIT dated 30 June 2022), and following the waiver of the Waived Conditions and the satisfaction of all the remaining Conditions, the Completion of the Acquisition subsequently took place on the same date. At Completion, an HKD amount equivalent to the Initial Payment of RMB1,339,037,262 (being approximately HKD1,637,765,731), being an amount equal to (i) the Initial Consideration; minus (ii) the Bulletin 7 Withholding Amount, has been drawn down from the New Facility.

As disclosed in the Circular, pursuant to the Sale and Purchase Deed, the Consideration shall be paid in the following manner: (i) on the Deferred Payment Date (being the fifth (5th) Business Day following the fulfilment of all of the conditions subsequent under the definitive agreements of the Acquisition Loan or such other date as may be agreed by the Parties), the Purchaser shall pay to the Vendor the Initial Payment; and (ii) within ten Business Days after agreement or determination of the Completion Statement make the Final Payment.

## **SATISFACTION OF THE WAIVED CONDITIONS**

The Manager announces that all the Waived Conditions were satisfied on 30 September 2022.

## **PAYMENT OF INITIAL PAYMENT**

The Manager further announces that the Purchaser made the payment to the Vendor of the Initial Payment of RMB1,339,037,262 (being approximately HKD1,637,765,731) on 30 June 2022.

## **DETERMINATION OF ADJUSTED NAV AND PAYMENT OF FINAL PAYMENT AND SETTLEMENT OF RELEVANT TAX**

The Manger further announces that, the Completion Statement has been determined in accordance with the Sale and Purchase Deed. Based on the Completion Statement, the Adjusted NAV is RMB74,626,770. As this amount is lower than RMB88,467,262 (being the Initial Adjusted NAV), the Vendor shall pay to the Purchaser the difference (being the Final Payment) of RMB13,840,492 within ten Business Days after agreement or determination of the Completion Statement pursuant to the Sale and Purchase Deed. Accordingly, on 23 February 2023, the Vendor made the payment to the Purchaser of the Final Payment of RMB13,840,492 (being approximately HKD16,928,195).

On 16 June 2023, the Vendor has provided to the Purchaser, and the Purchaser has verified, a copy of the tax payment notice chopped by the bank designated by the relevant PRC tax authority evidencing the payment of the amount of the taxes payable by the Vendor arising out of or relating to the sale of the Target Shares (including without limitation, in respect of the Initial Payment and the Final Payment). The Purchaser has also transferred to the Vendor an amount equal to the Bulletin 7 Withholding Amount of RMB2,500,000 (being approximately HKD3,057,730) previously withheld by the Purchaser. As advised by the Manager's tax adviser, Zhonghui Victory Grand (Beijing) Certified Tax Agent Ltd., the Vendor has completed its tax obligations under PRC Enterprise Income Tax Law and the China Indirect Transfer Rules (including Bulletin 7) in respect of the Acquisition.

## **FINAL CONSIDERATION FOR THE ACQUISITION**

Taking into account the above, the final Consideration for the Acquisition (being the Initial Consideration as adjusted by subtracting the amount of the Final Payment) is RMB1,327,696,770 (being approximately HKD1,623,895,267).

## **GENERAL**

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

*For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HKD is calculated at the approximate exchange rate of HKD0.8176 to RMB1.00 as at 31 December 2021, being the same exchange rate used in the Circular and the announcements of CMC REIT dated 13 June 2022 and 30 June 2022. The exchange rate is for illustrative purposes only and does not constitute representation that any amounts have been, could have been, or may be exchanged at the rates or any other rate at all.*

By order of the board of directors of  
**China Merchants Land Asset Management Co., Limited**  
(as manager of China Merchants Commercial  
Real Estate Investment Trust)  
**Huang Junlong**  
*Chairman of the Manager*

Hong Kong, 16 June 2023

*As at the date of this announcement, the Board of the Manager comprises Mr. HUANG Junlong (Chairman) and Mr. LI Yao as Non-executive Directors, Mr. GUO Jin and Mr. ZHONG Ning as Executive Directors, and Mr. LIN Chen and Ms. WONG Yuan Chin, Tzena as Independent Non-executive Directors.*