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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**

### **VOLUNTARY ANNOUNCEMENT NEW FACILITY AND REFINANCING OF EXISTING OFFSHORE FACILITY**

On 28 July 2023, CMC REIT, through its wholly-owned subsidiary, entered into a facility agreement with Industrial Bank Co., Ltd., Shenzhen Branch\* as lender in respect of a loan facility in an amount up to RMB2,400 million.

It is expected that the New Facility will be fully drawn by the end of August 2023 to prepay part of the Existing Offshore Facility.

This is a voluntary announcement made by the board of directors (the “**Board**”) of China Merchants Land Asset Management Co., Limited (the “**Manager**”) (in its capacity as manager of China Merchants Commercial Real Estate Investment Trust (“**CMC REIT**”)).

Reference is made to the announcements (the “**Financing Announcements**”) of CMC REIT on 16 December 2022 and 23 December 2022, respectively, in relation to: (i) the entry into of a facility agreement by Treasure Supreme International Limited (being a subsidiary of CMC REIT) as borrower and Industrial Bank Co. Ltd., Hong Kong Branch as lender in respect of a revolving loan facility in an amount up to HK\$4,500 million at an interest rate of 3.55% which was drawn down in RMB (the “**Existing Offshore Facility**”); and (ii) the entry into a facility agreement by five (5) property companies (all being indirect wholly-owned subsidiaries of, and direct owners of properties owned by, CMC REIT) as borrowers and Industrial Bank Co., Ltd., Shenzhen Branch\* (“**Industrial Bank SZ**”) as lender in respect of a property loan facility in an amount up to RMB100 million at an interest rate of 3.2%. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Financing Announcements.

## NEW FACILITY AGREEMENT

On 28 July 2023, Treasure Supreme as borrower entered into a facility agreement with Industrial Bank SZ (the “**New Facility Agreement**”) in respect of a loan facility in an amount up to RMB2,400 million (the “**New Facility**”).

The key terms of New Facility Agreement are set out below:

- Parties:**
- (a) Treasure Supreme (as borrower)
  - (b) Industrial Bank SZ (as lender)
- Guarantors:**
- (a) Trustee (in its capacity as the trustee of CMC REIT)
  - (b) BVI Property Companies (being indirect wholly-owned subsidiaries of CMC REIT)
  - (c) HK Property Companies (being indirect wholly-owned subsidiaries of CMC REIT)
- Principal amount:** Up to RMB2,400 million
- Maturity date:** Three (3) years after the first drawdown date
- Purpose:** Refinancing of existing offshore loan facilities
- Interest:** 2.93%
- Security:**
- (a) an unconditional and irrevocable guarantee provided by the Guarantors;
  - (b) a second ranking mortgage over the Properties;
  - (c) a negative pledge by Onward Science & Trade Centre Company Limited 招商局航華科貿中心有限公司 (being an indirect subsidiary of CMC REIT); and
  - (d) a subordination agreement of all existing or future intercompany loans of, and any other kind of financial assistance provided between, Treasure Supreme and any of its wholly-owned subsidiaries.

The lender under the New Facility Agreement is an independent third party and not a connected person of CMC REIT. The New Facility Agreement and the transactions contemplated thereunder do not constitute connected party transactions of CMC REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules.

## **USE OF PROCEEDS**

It is expected that the New Facility will be fully drawn by the end of August 2023 to prepay part of the Existing Offshore Facility.

Any outstanding balance under the Existing Offshore Facility will be repaid by way of drawing down on other loan facilities to be entered into (which may or may not be denominated in RMB) and/or using the internal resources of CMC REIT.

In view of the current rising interest rate environment, the Manager believes that drawing down on a loan facility with a lower fixed interest rate to prepay a loan facility with a higher fixed interest rate will achieve savings on interest expense for CMC REIT. As the New Facility will be used entirely for refinancing purposes, the drawdowns under the New Facility will not materially affect the gearing ratio of CMC REIT. The Manager also does not expect the New Facility to have a material impact on the financial position of CMC REIT with respect to the latest audited financial statements of CMC REIT as at 31 December 2022.

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, 28 July 2023

*As of the date of this announcement, the Board 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, Ms. WONG Yuan Chin, Tzena and Mr. WONG Chun Sek, Edmund as Independent Non-executive Directors.*

\* *For identification purpose only*