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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

DISCLOSEABLE TRANSACTION IN RELATION TO THE SHARE PURCHASE AGREEMENT TO ACQUIRE THE AUSTIN AVENUE HOTEL

On 29 December 2025, the Purchaser and the Seller entered into a Share Purchase Agreement pursuant to which the Seller agreed to sell and transfer to the Purchaser (or its nominee(s)) (i) the Target Company Shares and (ii) the Shareholder Loan, collectively referred to as the Hotel Purchase Price (being HK\$205,950,000), subject to the Current Assets Adjustment. The Target Company, through the Intermediary Company, owns the entire beneficial interest in the Austin Avenue Hotel.

The Austin Avenue Hotel is situated at No.2 Austin Avenue (formerly known as Nos.2-2A Austin Avenue), Kowloon, Hong Kong. The table below sets out certain information regarding the Austin Avenue Hotel:

Number of Guestrooms:	29 guestrooms
Number of Storeys:	19 storeys
Gross Floor Area:	Approximately 2,165 sqm

The consideration payable by the Purchaser for acquiring the Austin Avenue Hotel shall be the Hotel Purchase Price (being HK\$205,950,000), subject to the Current Assets Adjustment, payable under the Share Purchase Agreement.

The Hotel Purchase Price subject to the Current Assets Adjustment reflects the consideration payable in respect of the acquisition of the Target Company Shares and the assignment of Shareholder Loan, and (apart from the Deposit) will be payable at completion of the Transaction. The Deposit is payable within five (5) Business Days from the date of signing of the Share Purchase Agreement.

The Appraised Value of the Austin Avenue Hotel, was HK\$213 million at 10 November 2025. The Hotel Purchase Price thus represents a discount of approximately 3.3% to the Appraised Value.

It is expected that the Hotel Purchase Price as well as the Manager Acquisition Fee, Trustee Additional Fee and Additional Costs for the Transaction will be financed by: (a) new bank facilities secured against the Austin Avenue Hotel and/or assets held by CMC REIT; and/or (b) CMC REIT's internal resources.

The Board (including all the Independent Non-executive Directors) believes that the Transaction will bring the following benefits to Unitholders:

- The acquisition of the Austin Avenue Hotel and the subsequent conversion of such into a student hostel is consistent with CMC REIT's growth strategy which is to explore the possibility of acquiring new asset classes, further diversify the assets of CMC REIT's portfolio and enhance the stability of CMC REIT's income and distribution(s) per Unit in the long term.
- Based on the Manager's estimation and research, it is optimistic about the potential of the Austin Avenue Hotel given its conversion into a student hostel after the completion of the Transaction.

Further details are set out in the section headed "Reasons for, and benefits of the Transaction".

This announcement is made pursuant to paragraphs 10.3 and 10.4(ga) of the REIT Code as the Hotel Purchase Price is more than 1% of the gross asset value of CMC REIT. As the highest applicable percentage ratio (as calculated pursuant to Rule 14.07 of the Listing Rules) exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of CMC REIT pursuant to Chapter 10 of the REIT Code. Accordingly, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Unitholders' approval requirement under Chapter 10 of the REIT Code and Chapter 14 of the Listing Rules (modified as appropriate pursuant to the REIT Code). Accordingly, the Manager is satisfied that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Transaction.

Unitholders and potential investors of CMC REIT should note that completion of the Transaction is subject to the fulfilment or waiver of certain conditions precedent which may or may not be satisfied, and therefore completion may or may not take place. Accordingly, Unitholders and potential investors of CMC REIT are advised to exercise caution when dealing in the Units.

1. THE TRANSACTION

1.1 Overview

On 29 December 2025, the Purchaser and the Seller entered into a Share Purchase Agreement pursuant to which the Seller agreed to sell and transfer to the Purchaser (or its nominee(s)) (i) the Target Company Shares and (ii) the Shareholder Loan, collectively referred to as the Hotel Purchase Price (being HK\$205,950,000), subject to the Current Assets Adjustment, on the terms and conditions set out therein.

To the best knowledge, information and belief of the Manager, having made all reasonable enquiries, the Seller is an independent third party and is not a connected person of CMC REIT.

Based on representations from the Seller, the Target Company was incorporated in the British Virgin Islands solely for the purpose of holding the entire issued share capital of the Intermediary Company. In turn, the Intermediary Company is a private company incorporated in Hong Kong and is not engaged in any other

operations or business other than holding, leasing, financing and managing the Austin Avenue Hotel and operating it as a hotel and does not currently employ any employee. The Austin Avenue Hotel obtained its current hotel licence in January 2025.

1.2 Information on the Austin Avenue Hotel

(a) Description

The Austin Avenue Hotel is situated at No.2 Austin Avenue (formerly known as Nos.2-2A Austin Avenue), Kowloon, Hong Kong.

Number of Guestrooms: 29 guestrooms

Number of Storeys: 19 storeys

Gross Floor Area: Approximately 2,165 sqm

(b) Location and Accessibility

The Austin Avenue Hotel is situated in Tsim Sha Tsui, adjacent to multiple institutions of higher learning including The Hong Kong Polytechnic University. This area serves as a mature commercial and tourism hub, featuring numerous business complexes, mixed-use residential developments, and cultural attractions such as Victoria Harbour, the Hong Kong Cultural Centre, the Hong Kong Museum of Art, the Hong Kong Space Museum, and the Hong Kong Museum of History.

Tsim Sha Tsui boasts an extensive transportation network for convenient travel. Major thoroughfares surrounding the hotel, including Chatham Road South, Salisbury Road, Nathan Road, and Canton Road, are served by multiple bus routes. Additionally, the district features two MTR stations, Tsim Sha Tsui and Tsim Sha Tsui East, providing seamless rail connections to all parts of Hong Kong. Ferry services operate between Tsim Sha Tsui and commercial hubs like Central and Wan Chai, while West Kowloon Station offers high-speed rail links directly to major mainland cities.

(c) Property Valuation

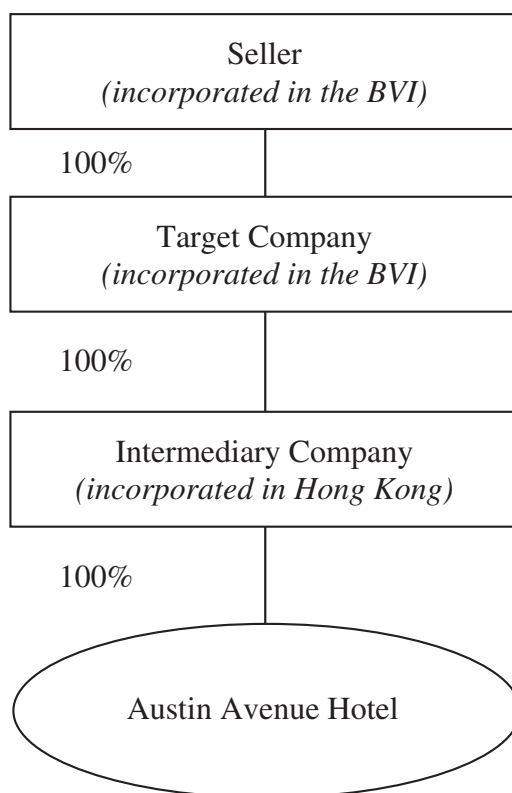
As at 10 November 2025, the Austin Avenue Hotel was valued by Knight Frank Petty Limited at HK\$213 million. The Hotel Purchase Price represents a 3.3% discount to the Appraised Value.

(d) Government Lease

The Austin Avenue Hotel will be held pursuant to a Government Lease. The Government Lease in respect of the land on which the Austin Avenue Hotel is located will expire after 150 years from 23 June 1902.

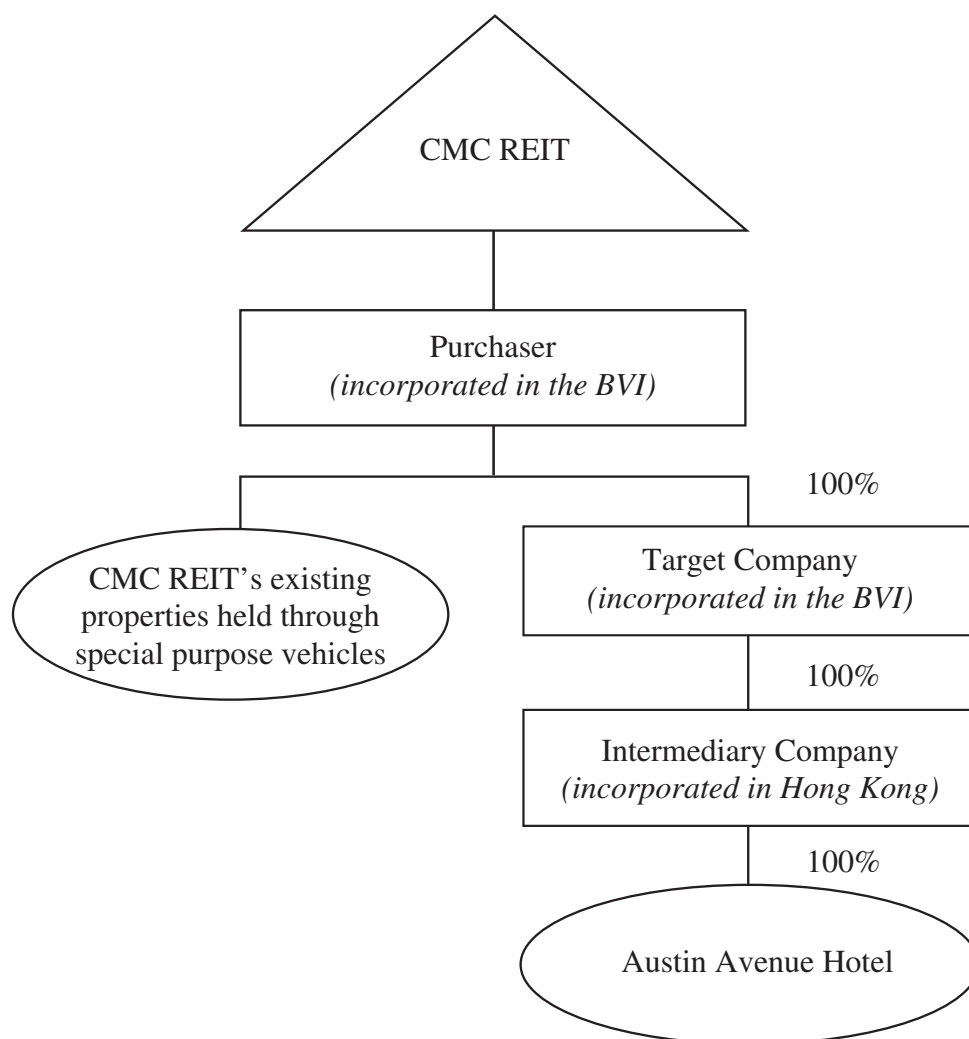
1.3 Simplified Current Holding Structure of the Austin Avenue Hotel

The current holding structure of the Austin Avenue Hotel is as follows:



1.4 Simplified Expected Holding Structure of the Austin Avenue Hotel

Immediately after the completion of the Transaction, and assuming no other changes to the holding structure of CMC REIT prior to such time, the expected holding structure of the Austin Avenue Hotel is as follows:



2. KEY DOCUMENTATION

2.1 Share Purchase Agreement

(a) Acquisition of Target Company Shares and Assignment of Shareholder Loan

Pursuant to the Share Purchase Agreement, the Seller has agreed to sell to the Purchaser (or its nominee(s)) the Target Company Shares, representing 100% of the issued shares of the Target Company, and assign to the Purchaser (or its nominee(s)) the Shareholder Loan, subject to the terms and conditions set out therein.

(b) Consideration

The consideration payable by the Purchaser to the Seller pursuant to the Share Purchase Agreement is HK\$205,950,000 (being the Hotel Purchase Price, but subject to the Current Assets Adjustment). The Seller will notify the Purchaser of the Current Asset Adjustment shortly prior to completion of the Transaction, and provide evidence to the Purchaser in respect of the same.

The Hotel Purchase Price (which is subject to the Current Assets Adjustment) reflects the consideration payable in respect of the acquisition of the Target Company Shares and the assignment of the Shareholder Loan, and (apart from the Deposit) will be payable at completion of the Transaction. The Deposit is payable within five (5) Business Days from the signing of the Share Purchase Agreement.

At 10 November 2025, the Appraised Value of the Austin Avenue Hotel as appraised by Knight Frank Petty Limited was HK\$213 million. The Hotel Purchase Price, as well as the Current Assets Adjustments, has been arrived at on a willing buyer/seller in an arm's length transaction basis, after taking into account the information and particulars relating to the Austin Avenue Hotel, the Appraised Value and the terms of the Share Purchase Agreement.

(c) *Deposit*

Pursuant to the Share Purchase Agreement, the Deposit of HK\$20,595,000 is payable by the Purchaser to the Seller within five (5) Business Days from the signing of the Share Purchase Agreement.

The Deposit shall be deposited to the Seller's solicitors as stakeholders, and shall be refundable (i) if the Share Purchase Agreement is terminated due to any Condition not being satisfied prior to completion of the Transaction; or (ii) the completion obligations of the Seller not being complied with the Seller on the completion of the Transaction. At completion of the Transaction, the Deposit shall be applied against part of the Hotel Purchase Price, subject to the Current Assets Adjustment.

(d) *Conditions Precedent*

Completion of the Transaction is conditional upon the satisfaction or waiver of the following conditions ("**Conditions**"):

- (i) there being no subsisting material breach of any of the obligations of the Seller under the Share Purchase Agreement or any of the warranties given by the Seller under the Share Purchase Agreement;
- (ii) allotment of the number of shares of the Target Company pursuant to the notice given by the Purchaser in accordance with the Share Purchase Agreement;
- (iii) provision of the signed instrument of transfer and bought and sold notes dated as of the date of completion of the Transaction entered into by the relevant parties evidencing the disposal of the Carve-out Assets by the Intermediary Company to the Seller or its affiliate(s) of any other person nominated by the Seller in accordance with the Share Purchase Agreement;
- (iv) delivery of vacant possession of G/F and 1/F of the Austin Avenue Hotel by Straight Stream Limited in existing state;
- (v) termination of the Hotel Management Agreement with effect on 30 April 2026 at the cost of the Seller;

- (vi) there being no default of any obligations under the BOCM Loan Agreement and/or the BOCM Security Documents;
- (vii) the amount of the BOCM Loan Payment being equal or less than the sum of the Closing Payment and the Deposit; and
- (viii) the Unauthorised Building Works having been rectified, removed and/or reinstated to the satisfaction of the Purchaser.

The Seller shall use its commercially best efforts to procure the satisfaction of the Conditions as soon as practicable after the date of the Share Purchase Agreement. Under the Share Purchase Agreement, the Purchaser has the right to waive any Conditions at any time on or before completion.

If any of the Conditions shall not have been satisfied or waived on or before the completion date, the Purchaser may, at any time thereafter, in addition to and without prejudice to all other rights or remedies available to the Purchaser:

- (i) terminate the Share Purchase Agreement (whereby the Deposit shall be refunded to the Purchaser); or
- (ii) postpone the date of completion to a date (being a Business Day) falling not more than thirty (30) Business days after the date of completion.

(e) Completion

Completion will take place on a date which is two (2) months and fifteen (15) days after the signing of the Share Purchase Agreement (or such other date as may be agreed between the Seller and the Purchaser in writing).

Upon completion of the Transaction, the Target Company and the Intermediary Company will become special purpose vehicles wholly-owned and controlled indirectly by CMC REIT.

(f) Representations and Warranties

The Share Purchase Agreement contains representations, warranties, undertakings and indemnities given by the Seller in customary terms for transaction of this scale and nature. These include (but does not limited to):

- (i) the Target Group shall not, at completion of the Transaction, have any liabilities other than the Shareholder Loan that will also be acquired by the Purchaser and the BOCM Loan that will be repaid, released and discharged on the date of completion;
- (ii) the members of the Target Group shall have no other operations or business other than holding the Austin Avenue Hotel and operating it as a hotel.

(g) Termination

The Share Purchase Agreement may be terminated:

- (i) by the Seller, if the Purchaser fails to complete the sale and purchase, in which the Deposit will be absolutely forfeited in full by the Seller; or
- (ii) by the Purchaser, if the Seller fails to complete the sale and purchase (other than due to non-fulfilment of any Conditions), in which case the Deposit will be refunded to the Purchaser.

2.2 Deed of Tax Indemnity

The Seller will, at completion of the Transaction, enter into the deed of tax indemnity (the “**Deed of Tax Indemnity**”) in favour of the Purchaser and the Target Group. Pursuant to the Deed of Tax Indemnity, the Seller will covenant, undertake and agree with the respective beneficiaries that they will indemnify on demand the respective beneficiaries in respect of, among other things, any liability for taxation resulting from or by reference to any event occurring on or before completion of the Transaction or in respect of any income, profits or gains earned, accrued or received by the Target Group on or before completion of the Transaction.

A claim can be made on or prior to the second anniversary of the Deed of Tax Indemnity.

3. FINANCING OF THE TRANSACTION

3.1 Consideration

The consideration of the Transaction consists of: (a) the Hotel Purchase Price (being HK\$205,950,000); and (b) the Current Asset Adjustment.

3.2 Financing of the Transaction

It is expected that the Hotel Purchase Price (being HK\$205,950,000) shall be satisfied in cash, which will be financed by new bank facilities secured against the Austin Avenue Hotel and/or other assets held by CMC REIT, and the Current Assets Adjustment shall be funded by CMC REIT's internal resources. The Transaction is not expected to have any material adverse impact on the financial position of CMC REIT as compared to that at 31 December 2024 (as disclosed in the 2024 annual report of CMC REIT).

Further announcement(s) will be made by the Manager in relation to the completion of the Transaction and shall include certain details regarding the actual amount of the Current Asset Adjustment paid by CMC REIT (if any), major commercial terms of the new bank facilities and any amounts drawn down under the new bank facilities, in each case for the funding of the Hotel Purchase Price.

3.3 New Secured Bank Facility

CMC REIT will rely upon new bank facility secured against the Austin Avenue Hotel to fund the Hotel Purchase Price. Such facility shall be at arms' length, on normal commercial terms, fair and reasonable and in the interests of the Unitholders.

As the new bank facility will be secured against the Austin Avenue Hotel, they are expected to provide a relatively favourable finance cost as compared to unsecured borrowings. On the basis of the Hotel Purchase Price of HK\$205,950,000, the principal amount of the new bank facility (if obtained) is expected to be RMB equivalent to HK\$205,950,000 and the interest rate is expected to be 2.8% per annum. To the extent that there are any material changes to the foregoing illustrative particulars, the Manager will issue further announcement(s) to provide details of such changes.

CMC REIT shall not draw down any excessive amount from such facilities that would cause CMC REIT to breach the borrowing threshold (being 50%) permitted under paragraph 7.9 of the REIT Code.

4. FEES AND CHARGES IN RELATION TO THE TRANSACTION

4.1 Fees Payable to the Manager and the Trustee and the Additional Costs in relation to the Transaction

The expected acquisition fees payable to the Manager (the “**Manager Acquisition Fee**”) and the Trustee (the “**Trustee Additional Fee**”), as well as the additional costs (the “**Additional Costs**”) in relation to the Transaction, are set out below:

Manager Acquisition Fee ⁽¹⁾ :	HK\$2,059,500
Trustee Additional Fee ⁽²⁾ :	HK\$100,000
Additional Costs ⁽³⁾ :	HK\$2,400,000
Estimated Total Fees and Charges:	HK\$4,559,500

Notes:

- (1) Basis for calculation: 1% of the Hotel Purchase Price payable to the Manager pursuant to clause 11.2 of the Trust Deed.
- (2) Pursuant to clause 11.4 of the Trust Deed, the Trustee is entitled to an additional fee in relation to duties undertaken which are of an exceptional nature or otherwise outside the scope of the Trustee’s normal duties such as an acquisition or divestment by the Manager, subject to certain limits provided in the Trust Deed. The Trustee has agreed with the Manager that it will charge CMC REIT a one-time additional fee based on the time and costs incurred by it for duties undertaken by the Trustee in connection with the Transaction, with such additional fee expected to be approximately HK\$100,000.
- (3) Other estimated fees and expenses (including advisory fees, professional fees and expenses) incurred or are expected to be incurred by CMC REIT in connection with completion of the Transaction.

It is expected that the Manager Acquisition Fee, Trustee Additional Fee and Additional Costs shall be satisfied in cash, which will be financed by CMC REIT’s internal resources.

4.2 Additional Ongoing Fees and Charges Following Completion of the Transaction

Following completion of the Transaction, in addition to the fees payable to the Manager and Trustee in respect of CMC REIT's existing property portfolio:

- (a) the Manager is entitled under the Trust Deed to receive management fees attributable to the Austin Avenue Hotel comprising: (a) a base fee of 10% per annum the Base Fee Distributable Income attributable to the Austin Avenue Hotel, payable on a semi-annual basis; and (b) a variable fee of 25% per annum of the difference in distribution(s) per Unit in a financial year compared to the preceding financial year, multiplied by the weight average number of Units in issue for such financial year attributable to the Austin Avenue Hotel; and
- (b) the Trustee is entitled under the Trust Deed to receive a fee based on a percentage of the value of the Deposited Property payable semi-annually subject to a minimum of RMB56,000 per month. The applicable fee percentage depends on the value of the Deposited Property. Based on the total value of the Deposited Property as at 31 December 2024, together with the Appraised Value, the applicable fee percentage will be 0.0175% per annum, which may, with the approval of the Manager, be further increased to a maximum of 0.06% per annum.

5. REASONS FOR, AND BENEFITS OF THE TRANSACTION

5.1 The Board (including all the Independent Non-executive Directors) believes that the Transaction will bring the following benefits to the Unitholders:

- (a) This transaction aligns with CMC REIT's growth strategy. Acquiring a new asset class will further diversify CMC REIT's portfolio and enhance the stability of CMC REIT's income and distributions per Unit over the long term.
- (b) Based on an Appraised Value of HK\$213 million, the completion will increase the appraised valuation of CMC REIT's investment portfolio from RMB8,987 million as of 31 December 2024 to approximately RMB9,184 million, representing an increase of approximately 2.2%. Concurrently, the total gross floor area of its property portfolio will increase from approximately 319,705 square meters to approximately 321,870 square meters, representing a growth of approximately 0.7%.

Given the Hotel Management Agreement will be terminated with effect from 30 April 2026, the Manager plans to convert the Austin Avenue Hotel into a student hostel with 85 beds which represents an increase of beds available. Lower floors will be converted into shared living spaces such as lounges and fitness centers.

The Manager's rationale for converting the Austin Avenue Hotel into a student hostel is to meet the surging demand from non-local students and to increase the constraint supply of student hostels in urban districts adjacent to post-secondary educational institutions in Hong Kong. In formulating this business strategy to convert the Austin Avenue Hotel to a student hostel, the Manager has conducted market research, studies and sounding, including questionnaires, interviews with student hostel operating experts, and input from external consultants. The Manager believes that, following conversion, the Austin Avenue Hotel can deliver more resilient occupancy and improved operating efficiency over time.

The Manager currently targets completion of conversion works and commencement of operations of a student hostel by August 2026 in order to align to the 2026/27 academic enrollment. The timetable remains indicative and may change subject to governmental and regulatory approvals in relation to the conversion works.

Based on the performance and other circumstances, the Manager may consider engaging a third party operator and/or service provider for the student hostel in the future.

The Manager will provide updates on a timely basis, to the Unitholders on all material developments in relation to the Transaction and/or the conversion as required under the REIT Code or the Listing Rules.

This acquisition of the Austin Avenue Hotel and conversion to student hostel will help further broaden CMC REIT's revenue base. Leveraging its extensive experience in asset revitalization and upgrading, the Manager is optimistic about the potential of the Austin Avenue Hotel after its conversion into a student hostel. This initiative is expected to further enhance the economies of scale across the overall asset portfolio of CMC REIT.

6. FINANCIAL EFFECTS OF THE TRANSACTION ON CMC REIT

6.1 Financial Information of the Target Group

The table below sets forth a summary of certain unaudited financial information of the Target Group for the financial year ended 31 December 2023, 31 December 2024 and for the ten (10) months ended 31 October 2025:

	For the year ended		For the ten (10) months ended
	31 December 2023	31 December 2024	31 October 2025
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
	(unaudited)	(unaudited)	(unaudited)
Net loss before taxation	5,549	14,584	5,065
Net loss after taxation	4,634	13,829	5,065

The unaudited net asset value of the Target Group as at 31 October 2025 was approximately HKD 30,875,000.

6.2 Impact of Completion of the Transaction on the Financial Position of CMC REIT

The following information is presented for illustrative purposes only and is based on the assumptions outlined below. They do not reflect the actual financial position of CMC REIT following the completion of the Transaction and do not constitute a profit forecast. These estimated effects shall not be used as a guidance for any future gearing ratio, distribution(s) per Unit and NAV per Unit. The Manager considers these assumptions to be appropriate and reasonable as at the date of the CMC REIT announcement. However, Unitholders should consider the information outlined below in the light of such assumptions and make their own assessment of the future performance of CMC REIT.

Based on the pro forma financial effects of completion of the Transaction as stated below, the Manager does not foresee any material adverse impact on the financial position of CMC REIT as a result of completion of the Transaction.

The pro forma financial effects of completion of the Transaction presented below were prepared based on the audited consolidated financial statements of CMC REIT Group for the year ended 31 December 2024.

The financial effects set out below of the Transaction on CMC REIT's gearing ratio, distribution per Unit and NAV per Unit are estimated based on the following assumptions:

- (a) the Hotel Purchase Price of HK\$205,950,000;
- (b) the Manager Acquisition Fee, the Trustee Additional Fee and the Additional Costs for the Transaction payable by CMC REIT in relation to the Transaction in the amount of approximately HK\$4,559,500;
- (c) the Hotel Purchase Price would be funded by new bank facilities of approximately RMB equivalent to HK\$205,950,000 bearing interest at 2.8% per annum and by internal cash resources of CMC REIT as to the balance.

6.3 Estimated effect on Distribution per Unit

The distribution per Unit of CMC REIT was HK\$0.1120 for the year ended 31 December 2024. Had the Transaction been completed on 1 January 2024 and been financed in a similar manner as mentioned above, it is estimated that the pro forma distribution per Unit of CMC REIT for the year ended 31 December 2024 would have decreased to HK\$0.1111, assuming a similar payout ratio of 100% and using 2.8% as the basis for calculating the estimated finance costs for the Transaction.

Given that the Manager intends to operate the Austin Avenue Hotel as a student hostel after completion of the Transaction, the distribution per Unit of CMC REIT above is for illustrative purposes only and the Manager aims to increase the profitability of the Austin Avenue Hotel in the future with the view to enhance the distribution per Unit of CMC REIT going forward. As this is only the objective of the Manager, the enhancement of distribution per Unit may or may not materialise depending on the circumstances at the time.

6.4 Estimated effect on NAV Per Unit

The NAV per Unit of CMC REIT was HK\$2.96 at 31 December 2024. If the Transaction had been completed on 31 December 2024 on the assumption that adjustments were made for the Hotel Purchase Price, estimated Manager Acquisition Fee, Trustee Additional Fee and Additional Costs and new bank facilities in relation to the Transaction as mentioned above, the Manager estimates that the NAV per Unit of CMC REIT would have been largely unchanged.

6.5 Estimated effect on Gearing Ratio

Pursuant to the REIT Code, CMC REIT's aggregate outstanding borrowings shall not at any time exceed 50% of CMC REIT's total gross asset value.

It is estimated that the gearing ratio of CMC REIT at 31 December 2024 would have increased from approximately 40.5% to approximately 41.6%, had the Transaction been completed on 31 December 2025 and adjustments been made for the Hotel Purchase Price, the estimated Manager Acquisition Fee, Trustee Additional Fee and Additional Costs and new bank facilities in relation to the Transaction as mentioned above.

7. DUE DILIGENCE IN RESPECT OF THE TARGET GROUP AND THE AUSTIN AVENUE HOTEL

The Manager confirms that legal, financial, property and other due diligence as deemed appropriate has been carried out in respect of the Target Group and the Austin Avenue Hotel in accordance with the relevant provisions under the REIT Code and the Manager's compliance manual. The Manager is satisfied with the due diligence results and the material non-compliance issues identified in the due diligence process will be rectified prior to completion of the Transaction. In addition, the Manager has conducted physical and technical inspection to the common areas and building facilities of the Austin Avenue Hotel. Based on the inspections, the current conditions of the building are generally acceptable and no material defects have been identified. Based on the advice of its legal adviser, the Manager is of the view that upon completion of the Transaction, CMC REIT (through the Target Group) will hold good marketable legal and beneficial title to the Austin Avenue Hotel.

8. IMPLICATIONS OF THE TRANSACTION UNDER THE REIT CODE AND THE TRUST DEED

8.1 Share Purchase Agreement

This announcement is made pursuant to paragraphs 10.3 and 10.4(ga) of the REIT Code as the Hotel Purchase Price is more than 1% of the gross asset value of CMC REIT. As the highest applicable percentage ratio (as calculated pursuant to Rule 14.07 of the Listing Rules) exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of CMC REIT pursuant to Chapter 10 of the REIT Code. Accordingly, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Unitholders' approval requirement under Chapter 10 of the REIT Code and Chapter 14 of the Listing Rules (modified as appropriate pursuant to the REIT Code). Accordingly, the Manager is satisfied that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Transaction.

8.2 Manager Has Discretion

Given the acquisition of the Austin Avenue Hotel is dependent on the satisfaction of certain Conditions, for the avoidance of doubt, Unitholders should note that the Manager may not proceed with the acquisition if any of the Conditions shall not have been fulfilled (or waived) prior to date of completion of the Transaction.

8.3 Opinion of the Board

Having considered the reasons set out in the above section headed "Reasons for and Benefits of Entering into the Transaction" and the duties of the Manager set out in the REIT Code and the Trust Deed, the Board (including the Independent Non-executive Directors) is of the view that the Transaction is: (a) being carried out at arm's length and on normal commercial terms; (b) consistent with the investment policy, objectives and strategy of CMC REIT and in compliance with the REIT Code and the Trust Deed; (c) on terms that are fair and reasonable and in the interests of CMC REIT and the Unitholders as a whole; and (d) no Unitholders' approval is required under the REIT Code and the Trust Deed for the Purchaser to enter into the Share Purchase Agreement and the transactions thereunder.

8.4 Opinion of the Trustee

Based and in sole reliance on: (i) the information, confirmations and assurance provided by the Manager; (ii) the opinion and recommendation of the Board; and (iii) the opinion of Knight Frank Petty Limited of the market value of the Austin Avenue Hotel, having taken into account its duties set out in the REIT Code and the Trust Deed, the Trustee: (a) has no objection to the Transaction; (b) is of the view that the Transaction is consistent with CMC REIT's investment policy and in compliance with the REIT Code and the Trust Deed; and (c) confirms that Unitholders' approval is not required under the REIT Code or the Trust Deed for the Transaction.

The Trustee's view in respect of the Transaction is being furnished for the sole purpose of complying with paragraph 10.5 of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Transaction or the Manager's plan to convert the Austin Avenue Hotel into and operate as a student hostel, or of any statements or information made or disclosed in this announcement. The Trustee has not made any assessment of the merits or impact of the Transaction (other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code) or the Manager's plan to convert the Austin Avenue Hotel into and operate as a student hostel. Accordingly, the Trustee urges all Unitholders, including those who have any doubts as to the merits or impact of the Transaction or the Manager's plan to convert the Austin Avenue Hotel into and operate as a student hostel, to seek their own additional financial or other professional advice.

9. INFORMATION ON THE PARTIES

The Purchaser is a special purpose vehicle wholly-owned and controlled by CMC REIT.

CMC REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed, and is authorized under section 104 of the SFO. The CMC REIT Group is principally engaged in the business of ownership of and investment in income-generating office and retail properties in Hong Kong and the Greater China.

The principal activity of the Seller is the holding of its interests in the Target Company.

Unitholders and potential investors of CMC REIT should note that completion of the Transaction is subject to the fulfilment or waiver of certain conditions precedent which may or may not be satisfied, and therefore completion may or may not take place. Accordingly, Unitholders and potential investors of CMC REIT are advised to exercise caution when dealing in the Units.

DEFINITIONS

In this announcement, the following definitions apply throughout unless otherwise stated. Also, where terms are defined and used in only one section of this document, these defined terms are not included in the table below:

“Additional Costs”	has the meaning ascribed to this term in the section headed “Fees and Charges in relation to the Transaction — Fees Payable to the Manager and the Trustee and the Additional Costs in relation to the Transaction”.
“Appraised Value”	the value of the Austin Avenue Hotel as at 10 November 2025 as appraised by Knight Frank Petty Limited, an independent property valuer, being HK\$213 million.
“Austin Avenue Hotel”	Hmlet Austin Avenue (now known as Habyt Austin Avenue).

“Base Fee Distributable Income”	the amount calculated by the Manager (based on the audited financial statements of CMC REIT for that financial year) as representing the consolidated audited net profit after tax of CMC REIT Group for that financial year as adjusted and calculated before accounting for the base fee and the variable fee payable to the Manager for that period.
“Board”	the Board of Directors.
“BOCM”	Bank of China Limited, Macau Branch.
“BOCM Loan”	the credit facilities of up to HK\$192,060,000 provided by BOCM to the Intermediary Company in accordance with the BOCM Loan Agreement, where the context shall so require, the outstanding amount of the principal sum and any interest accrued thereon.
“BOCM Loan Payment”	a sum equal to the amount as shown on the payoff statement prepared by the Seller and accompanied by a confirmation (which may be in the form of an email) issued by or on behalf of BOCM detailing such amount to be paid to BOCM not less than three (3) Business Days before (and exclusive of) the date of completion of the Transaction for detailing such amount to be paid to BOCM for full payment of amounts owing under or in respect of the BOCM Loan as at completion.
“BOCM Loan Agreement”	the facility agreement entered into by and between, inter alias, BOCM as lender and the Intermediary Company as borrower on 11 June 2020, as supplemented and amended by (i) an amendment deed between, inter alias, BOCM and the Intermediary Company dated 9 September 2021; (ii) a second amendment deed between, inter alias, BOCM and the Intermediary Company dated 23 November 2022; (iii) a third amendment deed between, inter alias, BOCM and the Intermediary Company dated 24 September 2024; and (iv) a fourth amendment deed between, inter alias, BOCM and the Intermediary Company dated 26 June 2025, all with respect to the BOCM Loan.

“BOCM Security Documents”	all guarantees, indemnity, security and collateral documents entered into in connection with the BOCM Loan and/or the BOCM Loan Agreement.
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which no black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong from 9:00 a.m. to 5:30 p.m. and on which licensed banks operating in Hong Kong and the British Virgin Islands are generally open for ordinary business and dealings in inter-bank deposits and payments can take place.
“Carve-out Assets”	the share(s) in Straight Stream Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Intermediary Company.
“Closing Payment”	the cash sum payable at completion as adjusted by Current Asset Adjustment.
“CMC REIT”	China Merchants Commercial Real Estate Investment Trust (招商局商業房地產投資信託基金), a Hong Kong collective investment scheme constituted as a unit trust and authorized under section 104 of the SFO.
“CMC REIT Group”	CMC REIT and its subsidiaries.
“Conditions”	has the meaning ascribed to it in the section headed “Key Documentation — Share Purchase Agreement — Conditions Precedent”.
“connected person”	shall bear the meaning as defined in the REIT Code.

“Current Assets Adjustment”	in relation to the consideration payable by the Purchaser in respect of the Transaction, the net current assets value of the Target Company and the Intermediary Company (on a consolidated basis) as at the date of completion of the Transaction (excluding, for the avoidance of doubt, deferred tax, amounts owing (including interest) under or in respect of the BOCM Loan, cash pledged to BOCM in respect of the BOCM Loan, the Shareholder Loan, all loans owing by the Intermediary Company to the Target Company, amounts due from the Operator, amounts due from Straight Stream Limited but, for the avoidance of doubt, shall include all liabilities (contingent or actual) in relation to the termination of the Hotel Management Agreement, BOCM Loan amendment fees payable to BOCM under the BOCM Loan Agreement and the disposal of the Carve-out Assets).
“Deed of Tax Indemnity”	has the meaning ascribed to it in the section headed “Key Documentation — Deed of Tax Indemnity”.
“Deposit”	a deposit of HK\$20,595,000 (representing 10% of the Hotel Purchase Price), which is payable by the Purchaser to the Seller within five (5) Business Days from the signing of the Share Purchase Agreement and is refundable in limited circumstances in accordance with the terms of the Share Purchase Agreement.
“Deposited Property”	all the assets of CMC REIT.
“Directors”	the Directors of the Manager.
“Gearing Ratio”	the aggregate borrowings of CMC REIT (as calculated under the Trust Deed) as a percentage of the total gross asset value of the Deposited Property as set out in CMC REIT’s latest published audited accounts immediately prior to such borrowing being effected (as adjusted by (a) the amount of any distribution paid by CMC REIT since the publication of such accounts; and (b) where appropriate, the latest published valuation of the assets of CMC REIT if such valuation is published after the publication of such accounts).

“Government”	the government of Hong Kong.
“Government Lease”	in respect of the Austin Avenue Hotel, the Government Lease under which the land on which such Austin Avenue Hotel is located is held from the Government by the Intermediary Company.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Hotel Management Agreement”	the management agreement dated 22 April 2022 relating to the Austin Avenue Hotel between the Intermediary Company (as owner) and Hmlet Hong Kong Eastern Districts Limited (now known as Habyt Hong Kong Eastern Districts Limited) (as manager and a third party).
“Hotel Purchase Price”	HK\$205,950,000.
“Independent Non-executive Directors”	the Independent Non-executive Directors of the Manager.
“Intermediary Company”	Youth Power Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Manager”	China Merchants Land Asset Management Co., Limited (in its capacity as the manager of CMC REIT), a company incorporated under the laws of Hong Kong.
“Manager Acquisition Fee”	has the meaning ascribed to this term in the section headed “Fees and Charges in relation to the Transaction — Fees Payable to the Manager and the Trustee and the Additional Costs in relation to the Transaction”.

“NAV”	net asset value.
“Operator”	Hmlet Hong Kong Eastern Districts Limited (now known as Habyt Hong Kong Eastern Districts Limited).
“Purchaser”	Treasure Supreme International Limited, a company incorporated in the British Virgin Lands with limited liability and a special purpose vehicle wholly-owned and controlled by CMC REIT.
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC (as amended from time to time).
“Seller”	Champfield Holdings Limited, a company incorporated in the British Virgin Islands.
“SFC”	the Securities and Futures Commission of Hong Kong.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified and the rules thereunder.
“Share Purchase Agreement”	the sale and purchase agreement entered into between the Seller and the Purchaser dated 29 December 2025 in respect of the sale and purchase of the Target Company Shares and assignment of the Shareholder Loan.
“Shareholder Loan”	all amounts due (including principal, interests or otherwise (if any)), owing or payable by the Target Company to the Seller in respect of the loan advanced by the Seller to the Target Company and outstanding as at the date of completion of the Transaction.
“sqm”	square metre.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Straight Stream Limited”	means the tenant and occupant of G/F and 1/F of the Austin Avenue Hotel.

“Target Company”	Lyric Melody Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Seller as at the date of this announcement.
“Target Company Shares”	100% of the issue shares of the Target Company to be acquired by the Purchaser (or its nominee(s)) on the terms of and subject to the conditions of the Share Purchase Agreement.
“Target Group”	Target Company and Intermediary Company (excluding Carve-out Assets)
“Transaction”	(a) the acquisition by the Purchaser (acting on the recommendation and the instructions of the Manager) (or its nominee(s)) of the Target Company Shares, on the terms and subject to the conditions of the Share Purchase Agreement; and (b) the assignment of the Shareholder Loan to the Purchaser (or its nominee), on the terms and subject to the conditions of the Share Purchase Agreement.
“Trust Deed”	the deed of trust constituting CMC REIT dated 15 November 2019 and entered into between the Trustee and the Manager, as amended and restated by a first amending and restating deed dated 26 July 2021 and supplemented by a first supplemental deed dated 15 October 2025.
“Trustee”	DB Trustees (Hong Kong) Limited, in its capacity as trustee of CMC REIT.
“Trustee Additional Fee”	has the meaning ascribed to this term in the section headed “Fees and Charges in relation to the Transaction — Fees Payable to the Manager and the Trustee and the Additional Costs in relation to the Transaction”.
“Unauthorised Building Work(s)”	all unauthorised building works done in the Austin Avenue Hotel, in particular including but not limited to the partitioning of guest room 1 on 9/F to 17/F of the Unauthorised Building Works and the unauthorised shower facilities.

“Unitholder(s)” holder(s) of the Units from time to time.

“Unit(s)” units of CMC REIT.

By order of the Board
China Merchants Land Asset Management Co., Limited
(as manager of CMC REIT)
Mr. YU Zhiliang
Chairman of the Manager

Hong Kong, 29 December 2025

As at the date of this announcement, the Board comprises Mr. YU Zhiliang (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.