



CHINA MERCHANTS LAND ACTS AS THE REIT MANAGER CMC REIT COMMENCES ITS FIRST DAY LISTING

10 December 2019 - China Merchants Commercial Real Estate Investment Trust (“CMC REIT”; stock code: 01503) commences its first day listing today. Following the successful listing of CMC REIT, China Merchants Land Limited (“China Merchants Land” or “the Company”, stock code: 00978) through its wholly-owned subsidiary China Merchants Land Asset Management Co., Limited (“CMLAM”) will provide management service to CMC REIT.

CMLAM, as the REIT manager of CMC REIT, entered into a trust deed (“Trust Deed”) with the trustee with a term of 80 years less one day. Pursuant to the Trust Deed, CMLAM has full discretion to deal with its duties, which include but are not limited to, managing CMC REIT and the deposited property of the REIT in the sole interests of the unitholders of CMC REIT, investing the deposited property only in real estate and other authorized investments, planning the tenant mix and identifying potential tenants for the real estate, formulating and implementing leasing strategies for the real estate, formulating distribution payment schedules of CMC REIT, etc.

In return, CMLAM is entitled to receive, for its own account, out of the deposited property of CMC REIT on a semi-annual basis, the base fee at the rate of 10% per annum of the annual distributable income. The base fee shall be paid to CMLAM in the form of cash or, at the election of CMLAM, entirely or partly in the form of units of CMC REIT. CMLAM is also entitled to receive an acquisition fee not exceeding the rate of 1% of the acquisition price and a divestment fee not exceeding the rate of 0.5% of the sale price of any real estate in the form of land acquired or sold directly or indirectly by CMC REIT. After 31 December 2022, CMLAM shall also be entitled to receive, for its own account, out of the deposited property on an annual basis, the variable fee at the rate of 25% per annum of the difference in distributions per unit of CMC REIT in a financial year compared to the preceding financial year, multiplied by the weighted average number of units in issue for such financial year.

Based on the study and estimation of the market environment and needs, China

Merchants Land has continued to advance its strategic transformation in the past two years. Being the REIT manager enables the Company to expand its business to REIT management, signifying an important step in the development of its “asset-light” property operation, while actively establishing financing channel for the whole industry chain of investment properties.

The REIT management business of China Merchants Land mainly provides services to REITs which own and invest in high quality income-generating commercial properties in China. Under the REIT management business, it will set the strategic direction and risk management policies of the REIT, and acquire and divest properties of the REIT in accordance with its stated investment strategy. The REIT Manager will focus on improving the value of the properties, fund raising, financial and compliance management.

About China Merchants Land Limited

China Merchants Land is a Hong Kong-listed company with comprehensive capabilities in property development and asset management. The asset management platform that the Company is actively building is a whole-industry-chain property business platform encompassing industrial and financial capability for value-added real estate fund and REITs’ investment properties. The Group’s property development, value-added real estate fund investment management, and asset management businesses span across Hong Kong as well as first and second tier major cities in China. Its controlling shareholder China Merchants Shekou Industrial Zone Holdings Co., Ltd. indirectly owns a 74.35 per cent equity interest in the Company.

Disclaimer

This press release is solely for the purpose of providing information and does not constitute or include any proposal or invitation to anyone to acquire, purchase or subscribe for any unit of CMC REIT, nor is it intended to be used for providing recommendation on the sale of CMC REIT, or any invitation to acquire, purchase or subscribe for such fund.

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