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RREEF China Commercial Trust
睿富中國商業房地產投資信託基金

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(RREEF CCT 'br the Trust')
(Stock Code: 625)

Managed by
RREEF China REIT Management Limited

**ANNOUNCEMENT ON THE PROPOSED LIQUIDATION,
PROPOSED DELISTING AND PROPOSED DEAUTHORISATION**

Following the May 2016 Decision, various unsuccessful attempts were made to seek recovery of the Legal Costs Receivable for the benefit of RREEF CCT. Details of such attempts are summarised in the section below headed '*Attempts to seek recovery of the Legal Costs Receivable*'.

The Manager, after having consulted the Trustee, considers it to be in the best interests of the Unitholders to continue to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation for the following reasons:

- i) The Manager has been unable to recover any portion of the Legal Costs Receivable from Mr. Tin Lik despite making all practicable efforts since 2018. The bankruptcy administration of Mr. Tin Lik's estate is expected to be a lengthy process and the recovery of assets is highly uncertain. The process is centrally administered by the Official Receiver and the Legal Costs Receivable, being an unsecured debt, will rank behind any secured and preferred debts and will be paid pro-rata with other proven unsecured debts from any remaining recoveries;
- ii) There is no other additional financial benefit to the Unitholders to continue to maintain the Trust. Interim distributions comprising the sale proceeds of the entire issued share capital of Beijing Gateway Plaza (BVI) Limited and available cash resources of the Trust were made to Unitholders in 2010 and 2012. As disclosed in the 2021 Interim Report, the net liabilities of RREEF CCT as at 30 June 2021 totalled HK\$2.791 million or HK\$0.006 per unit. The Manager expects that additional costs would be incurred to maintain the Trust which would aggravate RREEF CCT's financial position; and
- iii) As disclosed in the 2021 Interim Report, given the estimated timing, nature and probability of recovery of such Legal Costs Receivable, full write-off of HK\$20.0 million was made as at 30 June 2021.

Accordingly, the Manager, after having consulted the Trustee, will now take steps to continue to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation.

Based on the information provided by the Manager and the approvals and authorities granted by the Unitholders to the Manager and the Trustee at the extraordinary general meeting of the Unitholders held on 31 March 2010, the Trustee has no objection to the continuation of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation.

As part of the Proposed Liquidation, the accounts of RREEF CCT as at the Liquidation Accounts Date will be drawn up for the purposes of determining the proceeds available for the Final Distribution. As the Trust had net liabilities of HK\$2.791 million or HK\$0.006 per unit as at 30 June 2021 and further costs will be incurred for the Proposed Liquidation, as of the date of this announcement, the Manager expects that there will be no proceeds available for the Final Distribution (and in which case no Final Distribution will be made). The Manager will issue the Interim Announcement on or about 7 October 2021 to inform Unitholders the amount of Final Distribution (in the unlikely event that there is any) or that no Final Distribution will be made.

The Manager will submit an application to the SFC for the Proposed Deauthorisation on or about 7 October 2021 after the issuance of the Interim Announcement, and the Proposed Deauthorisation is expected to take place on or about 18 October 2021 after the SFC has granted its approval for the Proposed Deauthorisation. The Listing Committee of the Stock Exchange has approved the Proposed Delisting on 26 March 2010 and the Proposed Delisting is expected to take place on the same date as the Proposed Deauthorisation. Please refer to the section below headed '*Indicative Timetable of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation*' for an indicative timetable of the Proposed Liquidation, Proposed Delisting and Proposed Deauthorisation.

The Manager will issue the Interim Announcement and the Completion Announcement to update Unitholders upon the completion of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation in accordance with applicable regulatory requirements.

Reference is made to:

- 1) the announcement of RREEF CCT dated 11 May 2010 regarding, among others, the effective date of the Proposed Termination taking place on 12 May 2010 (the "**May 2010 Announcement**");
- 2) the announcement of RREEF CCT dated 4 July 2011 regarding, among others, the outcome of the court application filed by HSBC Institutional Trust Services (Asia) Limited in its capacity as the trustee of the Trust (the "**Trustee**") in the High Court on 18 February 2011, where it was disclosed that the High Court issued a judgment on 30 June 2011 granting the Trustee the declaration sought that namely that the Trustee should proceed with a distribution of the entirety of the net assets of RREEF CCT without any retention to meet any possible claim by Mr. Tin Lik (the "**June 2011 Judgment**");
- 3) the announcement of RREEF CCT dated 7 July 2011 regarding, among others, the writ of summons issued by Mr. Tin Lik on 5 July 2011 in the High Court as plaintiff against Deutsche Bank AG ("**DB**") as first defendant, RREEF China REIT Management Limited (the "**Manager**") as second defendant and the Trustee as third defendant in relation to certain Claims;
- 4) the announcement of RREEF CCT dated 14 July 2011 regarding the appeal lodged by Mr. Tin Lik against the June 2011 Judgment (the "**Appeal against the June 2011 Judgment**");

- 5) the announcement of RREEF CCT dated 23 December 2011 regarding the written judgment handed down by the Court of Appeal on 21 December 2011 dismissing the Appeal against the June 2011 Judgment (the "**December 2011 Judgment**");
- 6) the announcement of RREEF CCT dated 10 February 2012 regarding, among others, the lapse of the appeal period of the December 2011 Judgment and the commencement of the final distribution by RREEF CCT, the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation;
- 7) the announcement of RREEF CCT dated 3 May 2012 regarding, among others, an interim distribution of the majority of the net assets of RREEF CCT to the Unitholders instead of the final distribution, Proposed Liquidation, Proposed Delisting and Proposed Deauthorisation pending the final adjudication of the Claims (the "**May 2012 Announcement**");
- 8) the announcement of RREEF CCT dated 25 February 2016 regarding the written judgment handed down by the High Court on 15 February 2016 in respect of the Claims in favour of DB, the Manager and the Trustee (the "**February 2016 Judgment**");
- 9) the announcement of RREEF CCT dated 21 March 2016 regarding the appeal lodged by Mr. Tin Lik against the February 2016 Judgment (the "**Appeal against the February 2016 Judgment**");
- 10) the announcement of RREEF CCT dated 3 August 2016 regarding the hearing at the Court of Appeal for the Appeal against the February 2016 Judgment being set for 9 May 2017 to 12 May 2017;
- 11) the announcement of RREEF CCT dated 28 June 2017 regarding the written judgment handed down by the Court of Appeal on 23 June 2017 dismissing the Appeal against the February 2016 Judgment (the "**June 2017 Judgment**");
- 12) the announcement of RREEF CCT dated 27 July 2017 regarding the application lodged by Mr. Tin Lik for leave to appeal against the June 2017 Judgment (the "**Leave to Appeal Application**");
- 13) the announcement of RREEF CCT dated 24 October 2017 regarding the written judgment handed down by the Court of Appeal on 20 October 2017 dismissing the Leave to Appeal Application (the "**October 2017 Judgment**"); and
- 14) the announcement of RREEF CCT dated 29 November 2017 regarding the lapse of the appeal period of the October 2017 Judgment and that Mr. Tin Lik has no further right to pursue appeals with respect to the proceedings relating to the Claims (the "**November 2017 Announcement**").

Capitalised terms used in this announcement shall have the same meaning as defined in the abovementioned announcements as applicable, unless otherwise defined herein.

Background

As disclosed in the May 2010 Announcement, following the completion of the Proposed Disposal, the Proposed Interim Distribution of HK\$4.10 per Unit was distributed to the Unitholders and the effective date of the Proposed Termination took place on 12 May 2010. Subsequently, the Trustee sought, and the High Court granted in the June 2011 Judgment, the declaration that the Trustee should proceed with a distribution of the entirety of the net assets of the Trust without any retention to meet

any possible claim by Mr. Tin Lik.

The Manager, after having consulted the Trustee, then took steps to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation. However, as disclosed in the May 2012 Announcement, after consultation with the SFC and the Trustee, the Manager put such process on hold pending the final adjudication by the Court of the Claims instigated by Mr. Tin Lik, and the Manager reached an agreement with the Trustee to make an interim distribution of HK\$0.305 per Unit to the Unitholders.

The High Court handed down the February 2016 Judgment in respect of the Claims in favour of DB, the Manager and the Trustee, and subsequent attempts by Mr. Tin Lik to appeal the February 2016 Judgment were unsuccessful. As disclosed in the November 2017 Announcement, no further appeal was filed by Mr. Tin Lik and his right to pursue appeals in respect of the Claims ended following the lapse of the relevant appeal period.

Legal Costs Receivable payable by Mr. Tin Lik

Pursuant to the decision of the High Court issued on 10 May 2016 on costs in relation to the February 2016 Judgment (the "**May 2016 Decision**"), the costs of the Manager and DB were taxed at a 3-day hearing between 23 April 2018 to 25 April 2018. A total sum of HK\$16,565,566.07 was awarded to the Manager and DB, of which 50% (i.e. HK\$8,282,783.04) should be allotted to the Manager. The Trustee has separately reached an agreement with Mr. Tin Lik on its costs pursuant to the May 2016 Decision in the total sum of HK\$4,660,500 plus interest at judgment rate accrued from the date of judgment until payment in full.

Pursuant to the decision of the Court of Appeal issued on 24 August 2017 (with a corrigendum on 24 August 2017) on costs in relation to the Appeal against the February 2016 Judgment (the "**August 2017 Decision**"), the costs of the Manager were taxed at a 1-day hearing on 9 May 2019. A total sum of HK\$2,951,586.60 was awarded to the Manager. The Trustee elected not to tax its costs pursuant to the August 2017 Decision after having evaluated the cost involved relative to the anticipated benefit.

Pursuant to clauses 12.3 (in the case of the Trustee) and 13.3 (in the case of the Manager) of the Trust Deed, both the Trustee and the Manager are entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which they may be put as Trustee and as Manager respectively, to have recourse to the "Deposited Property" (defined in the Trust Deed to mean, broadly, all the assets of RREEF CCT). As such, both the Trustee and the Manager have been reimbursed their respective legal costs from the assets of RREEF CCT in accordance with the Trust Deed and other applicable requirements.

Any legal costs that the Manager and the Trustee can successfully recover and receive from Mr. Tin Lik will be for the benefit of the Trust (the "**Legal Costs Receivable**") but no assurance can be given that the Manager and Trustee will ever be able to recover any of the Legal Costs Receivable. The final amount of the Legal Costs Receivable is contingent upon payment being made by Mr. Tin Lik. As of 5 May 2021, the actual legal costs plus accrued interest that Mr. Tin Lik is required to pay amounted to HK\$34.31 million.

Attempts to seek recovery of the Legal Costs Receivable

Various unsuccessful attempts have been made to seek recovery of the Legal Costs Receivable for the benefit of RREEF CCT. The steps that the Manager and DB have taken are summarised as follows.

Charging order on the Hong Kong Property

The Manager sought and obtained a charging order absolute on 20 September 2018 from the High Court against Mr. Tin Lik's interest in a residential property in Hong Kong (the "**Hong Kong Property**"), the title of which is held by Mr. Tin Lik and another co-owner as tenants in common. The same charging order absolute was registered with the Land Registry on 8 October 2018.

The charging order does not give rise to any power of sale of the Hong Kong Property and the Manager may enforce the charging order by applying to the court for an order for the sale of Mr. Tin Lik's interest in the Hong Kong Property. However, the Manager was advised by external legal counsel that such sale is rarely ordered by the court because such sale of a partial interest in the Hong Kong Property, as opposed to the sale of the whole Hong Kong Property followed by a proportional distribution of the sale proceeds to the other co-owner, would only be realised at a significant discount and would be opposed by the other co-owner.

Statutory Demand

The Manager made various attempts between 15 July 2019 and 6 August 2019 to personally serve on Mr. Tin Lik a statutory demand for the amounts owing to, among others, the Manager (the "**Statutory Demand**"). These attempts of personal service were made at the six known addresses of Mr. Tin Lik, based on the addresses found in recent public filings made by various Hong Kong companies of which Mr. Tin Lik is a director, company secretary and/or member, but none of these attempts were successful.

On 7 August 2019, an appointment letter enclosing a copy of the Statutory Demand was posted to Mr. Tin Lik at each of the six addresses, requesting him to attend in person an appointment in order to serve a copy of the Statutory Demand on him. The same appointment letter was copied to Mr. Tin Lik's legal representatives. However, no response or communication was received from Mr. Tin Lik or his legal representatives.

On 16 August 2019, the Statutory Demand was served on Mr. Tin Lik by advertisement in the Oriental Daily (Chinese version) and the South China Morning Post (English version). On the same day, a letter enclosing a copy of the Statutory Demand and the advertisements was posted to Mr. Tin Lik at each of the six addresses with a copy to his legal representatives. The letter stated that Mr. Tin Lik had failed to keep the appointment and did not propose an alternative meeting arrangement, but no response or communication was received from Mr. Tin Lik or his legal representatives.

To the best of the knowledge and belief of the Manager, the Statutory Demand has neither been complied with nor set aside and no application to set aside the Statutory Demand is outstanding.

Bankruptcy Petition and Bankruptcy Order

On 23 June 2020, DB, as the intended petitioner, lodged draft bankruptcy petition papers with the High Court to obtain permission to commence bankruptcy proceedings against Mr. Tin Lik based on

his failure to comply with the Statutory Demand. Leave to commence bankruptcy proceedings was granted on 29 October 2020. The bankruptcy petition against Mr. Tin Lik was subsequently filed on 10 November 2020 and listed for hearing on 20 January 2021 (the "**Bankruptcy Petition**"). The original hearing date was later adjourned to 17 March 2021 pending substituted service of the Bankruptcy Petition on Mr. Tin Lik.

On 9 December 2020, the Official Receiver registered a memorial of the Bankruptcy Petition in the Land Registry against Mr. Tin Lik's interest in the Hong Kong Property.

On 17 March 2021, the High Court made a bankruptcy order against Mr. Tin Lik and ordered that the Official Receiver become the provisional trustee of Mr. Tin Lik's estate (the "**Bankruptcy Order**"). The Bankruptcy Order has since been served on Mr. Tin Lik at his known addresses and on his legal representatives.

Decision to continue to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation

The Manager, after having consulted the Trustee, considers it to be in the best interests of the Trust and the Unitholders to continue to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation for the following reasons:

- i) The Manager has been unable to recover any portion of the Legal Costs Receivable from Mr. Tin Lik despite making all practicable efforts since 2018. The bankruptcy administration of Mr. Tin Lik's estate is expected to be a lengthy process and the recovery of assets is highly uncertain. The process is centrally administered by the Official Receiver and the Legal Costs Receivable, being an unsecured debt, will rank behind any secured and preferred debts and will be paid pro-rata with other proven unsecured debts from any remaining recoveries;
- ii) There is no other additional financial benefit to the Unitholders to continue to maintain the Trust. Interim distributions comprising the sale proceeds of the entire issued share capital of Beijing Gateway Plaza (BVI) Limited and available cash resources of the Trust were made to Unitholders in 2010 and 2012. As disclosed in the 2021 Interim Report of RREEF CCT dated 17 August 2021 (the "**2021 Interim Report**"), the net liabilities of RREEF CCT as at 30 June 2021 totalled HK\$2.791 million or HK\$0.006 per unit. The Manager expects that additional costs would be incurred to maintain the Trust which would aggravate RREEF CCT's financial position; and
- iii) As disclosed in the 2021 Interim Report, given the estimated timing, nature and probability of recovery of such Legal Costs Receivable, full write-off of HK\$20.0 million was made as at 30 June 2021.

Accordingly, the Manager, after having consulted the Trustee, will now take steps to continue to proceed with the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation. Based on the information provided by the Manager and the approvals and authorities granted by the Unitholders to the Manager and the Trustee at the extraordinary general meeting of the Unitholders held on 31 March 2010, the Trustee has no objection to the continuation of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation.

Indicative Timetable of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation

Subject to the approvals of the SFC and the Stock Exchange, the timetable of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation is expected to be as follows:

Event	Date
Accounts of RREEF CCT will be drawn up as at this date (the " Liquidation Accounts Date ") 30 September 2021
Issuance of all Liquidation Reports and announcement of the amount of the Final Distribution (if any) (the " Interim Announcement ") On or about 7 October 2021
Announcement of the completion of the Proposed Liquidation and the effective date of the Proposed Deauthorisation and the Proposed Delisting (the " Completion Announcement ") On or about 15 October 2021
Completion of liquidation of the Trust On or about 15 October 2021
Deauthorisation and delisting of the Trust On or about 18 October 2021

If there is any change to the above indicative timetable, the Manager will issue an announcement to update Unitholders in accordance with the applicable regulatory requirements.

The Proposed Liquidation

In compliance with 11.8 to 11.10 of the REIT Code and the applicable provisions of the Trust Deed, the Trustee shall, as part of the Proposed Liquidation, oversee the realisation of any remaining assets of RREEF CCT by the Manager and shall ensure the proper discharge of all other obligations and liabilities of RREEF CCT or provision thereof.

As disclosed in the announcement of RREEF CCT dated 15 April 2010, the register of Unitholders was closed from 23 April 2010 until the effective date of the Proposed Delisting. All the Unitholders whose names appeared on the Register of Unitholders on 23 April 2010 will be entitled to participate on a pro-rata basis in any proceeds (including those arising from the realisation of any remaining assets) derived from the Proposed Liquidation available for distribution to Unitholders after any creditors and the costs of winding up have been paid (the "**Final Distribution**").

The accounts of RREEF CCT as at the Liquidation Accounts Date will be drawn up for the purposes of determining the proceeds available for the Final Distribution. As disclosed above, since the Trust had net liabilities of HK\$2.791 million or HK\$0.006 per unit as at 30 June 2021 and further costs will be incurred for the Proposed Liquidation, as of the date of this announcement, the Manager

expects that there will be no proceeds available for the Final Distribution (and in which case no Final Distribution will be made). The Manager will issue the Interim Announcement on or about 7 October 2021 to inform Unitholders the amount of Final Distribution (in the unlikely event that there is any) or that no Final Distribution will be made.

Any additional costs, fees and expenses incurred in the name of either the Manager, the Trustee or RREEF CCT which are not covered by the remaining assets of the Trust will be borne by the Manager and/or the Trustee in such proportions as agreed between themselves. Accordingly, in such event, there will be no claims against Unitholders in respect of any such liabilities.

On or about 7 October 2021, the following shall be prepared in accordance with 11.10 of the REIT Code and the Trust Deed (the "**Liquidation Reports**"):

- i) the Manager's review and comments on the performance of RREEF CCT, and an explanation as to how the Property has been disposed of, the transaction price and major terms of the Disposal (the "**Manager's Report**");
- ii) the Trustee's report that the Manager has managed and liquidated RREEF CCT in accordance with the REIT Code and the provisions of the Trust Deed (the "**Trustee's Report**");
- iii) the financial statements of RREEF CCT as at the Liquidation Accounts Date, and an auditor's report to state that the financial statements prepared for purpose of the liquidation have been properly prepared from the books and records of RREEF CCT (the "**Financial Statements**"); and
- iv) an auditor's report to state whether or not the Manager has conducted the liquidation of RREEF CCT in accordance with the REIT Code and the Trust Deed.

The Manager's Report, the Trustee's Report and the Financial Statements will be despatched to the Unitholders by mail and uploaded to the Trust's website at www.dws.com/en-hk/microsites/china-commercial-trust/ and the website of the Stock Exchange at www.hkexnews.hk. A summary of the conclusions of the Liquidation Reports will be set out in the Interim Announcement.

The Proposed Delisting and Proposed Deauthorisation

The Manager will submit an application to the SFC for the Proposed Deauthorisation on or about 7 October 2021 after the issuance of the Interim Announcement, and the Proposed Deauthorisation is expected to take place on or about 18 October 2021 after the SFC has granted its approval of the Proposed Deauthorisation. The Listing Committee of the Stock Exchange has approved the Proposed Delisting on 26 March 2010 and the Proposed Delisting is expected to take place on the same date as the Proposed Deauthorisation.

The Manager will issue the Interim Announcement and the Completion Announcement to update Unitholders upon the completion of the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation in accordance with applicable regulatory requirements.

By order of the Board of
RREEF China REIT Management Limited
As manager of RREEF China Commercial Trust
Kurt William Roeloffs, Junior
Chairman of the Manager

Hong Kong, 30 August 2021

The directors of the Manager as at the date of this announcement are Mr. Kurt William Roeloffs, Junior as Chairman and Non-executive Director, Mr. David Wyndham Edwards as Executive Director, and Mr. Mark Henry Ford as Independent Non-executive Director.