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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**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “**Board**”) of China Merchants Land Asset Management Co., Limited (the “**Manager**”), as manager of China Merchants Commercial Real Estate Investment Trust (“**CMC REIT**” or “**China Merchants Commercial REIT**”) is pleased to announce the unaudited financial results of the CMC REIT and its subsidiaries for the six months ended 30 June 2024 (the “**Reporting Period**”) as follows:

## FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2024	2023 ("2023 Relevant Period")	
Revenue (RMB'000)	<b>266,337</b>	238,010	11.9%
Net Property Income (RMB'000)	<b>200,932</b>	178,659	12.5%
Financial Cost (RMB'000)	<b>64,921</b>	66,334	(2.1%)
Distributable Income (RMB'000)	<b>62,018</b>	49,106	26.3%
Payout Ratio	<b>100%</b>	100%	–
Distribution per Unit (HK\$)	<b>0.0600</b>	0.0475	26.3%
Annual Distribution Yield	<b>11.0%<sup>1</sup></b>	5.2%	5.8pp
		31 December	
	<b>30 June 2024</b>	2023	<b>Change</b>
Total Assets (RMB' million)	<b>10,289</b>	10,388	(1.0%)
Net Assets Attributable to Unitholders (RMB' million)	<b>3,201</b>	3,392	(5.6%)
Net Assets per Unit Attributable to Unitholders (RMB)	<b>2.84</b>	3.01	(5.6%)
Value of Portfolio (RMB' million)	<b>9,078</b>	9,251	(1.9%)
Gearing Ratio <sup>2</sup>	<b>39.8%</b>	39.0%	0.8pp

*Notes:*

- (1) *Based on the closing unit price of CMC REIT on 28 June 2024 and two times the distribution per unit for the Reporting Period.*
- (2) *This is calculated by dividing total borrowings over total assets.*

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET REVIEW

The economy showed growth in the first half of 2024, but the sluggish real estate sector continued to dampen economic activity. China's GDP which expanded by 5.0% in the first half of 2024 decelerated in the second quarter, to 4.7%. Domestic consumption was also relatively weak, with total retail sales of consumer goods in the first half of the year amounting to RMB23,597 billion, representing a year-on-year growth of only 3.7%. In June, China's Manufacturing Purchasing Managers' Index (PMI) remained below the 50 threshold for a second consecutive month, indicating the continued contraction of manufacturing activity.

As one would expect, demand for office space has also been weak. The office sectors in Beijing and Shenzhen faced severe challenges. In Shenzhen, office rentals dropped by 5.3%, while the vacancy rate rose 1.1 percentage points to 27.2%. Nanshan district, with the support of the technology and finance sectors, observed a milder rental drop of 3.9%, while the district's vacancy rate increased by 1.2 percentage points to 28.6% due to continued new supply. In Beijing, office rentals decreased by 6.3%, with rents for the Central Business District (CBD) falling 6.1%. Fortunately, with no new supply into the market, the vacancy rates for the city and the CBD slightly decreased by 0.7 percentage points to 18.0% and 0.9 percentage points to 12.1%, respectively. The anemic office market has put downward pressure on the market value of offices, and the valuation of older properties in particular, such as New Times Plaza and Onward Science & Trade Center, are subject to some impairment pressure.

In comparison, the retail property sector in Shenzhen performed relatively better. Benefitting from Hong Kong residents going north and the implementation of the 144-hour visa-free transit policy in China, Shenzhen recorded a total of 112 million border-crossings in the first half of the year, representing a year-on-year growth of 78.9%, which brought a large amount of 'fresh' customer traffic to the major retail districts of Shenzhen, and the performance of the city's premium retail properties improved. With no entry of new retail projects into the market in the first half of the year, pressure on the supply side has eased. Ground-floor rents for prime retail properties in the city were 1.1% higher in June compared with the end of last year, while those in Nanshan district remained stable. Conversely, the vacancy rate in the Nanshan district decreased by 0.9 percentage points during the year, better than the citywide decrease of 0.5 percentage points, reflecting the improving industry dynamics in Nanshan.

In the past few years, the need for office space has been curtailed by imbalances in the Chinese economy leading to a situation where supply has far exceeded demand. In response, the REIT Manager has been actively positioning its properties with the strategic goal of increasing occupancy rates. Revenue and Distributable Income of REIT during the year increased by 11.9% and 26.3% respectively compared to the same period last year, primarily due the resumption of normal operations at Garden City Shopping Centre following its renovation, but also from increased contributions from improved occupancy at Onward Science and Trade Centre.

## PROPERTY OVERVIEW

Property	Occupancy rate (%) as at			Passing Rent (RMB/sq.m.) as at		
	30 Jun 2024	31 Dec 2023	30 Jun 2023	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Office</b>						
New Times Plaza	<b>92.3</b>	89.6	79.9	<b>152.9</b>	173.9	177.9
Cyberport Building	<b>91.1</b>	81.4	82.8	<b>127.2</b>	131.3	126.3
Technology Building	<b>100.0</b>	100.0	100.0	<b>137.4</b>	133.6	132.4
Technology Building 2	<b>100.0</b>	96.6	91.2	<b>122.7</b>	124.1	125.2
Onward Science & Trade Center	<b>91.1</b>	81.9	76.7	<b>290.1</b>	301.4	313.3
<b>Average</b>	<b>94.7</b>	90.0	85.5			
Garden City Shopping Centre	<b>85.0</b>	73.7	53.2	<b>126.3</b>	152.3	171.9
<b>Property Portfolio</b>	<b>92.7</b>	86.8	79.3			

During the Reporting Period, the aggregate occupancy rate of the total property portfolio rose from 86.8% to 92.7% when compared to 31 December 2023, representing an overall increase of 5.9 percentage points. This was mainly due to new tenants, particularly anchor stores, signed after the renovation and upgrading of Garden City Shopping Centre, leading to an 11.3 percentage point increase in the occupancy rate there. The average occupancy rate of offices has also been steadily improving, and increased by 4.7 percentage points to 94.7%, as a result of our strategy of prioritizing occupancy over rental rates.

Under this strategy, the passing rents at our two Grade-A offices in particular recorded material declines. In order to boost occupancy, we have been more amenable to granting various concessions to tenants in lease renewal negotiations. Meanwhile, at Garden City Shopping Centre we have also offered substantial rental concessions in order to rebuild occupancy after its upgrading as fast as possible, resulting in a material drop in its passing rents.

## Property Valuation

Property	Valuation (RMB million) as at		
	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Office</b>			
New Times Plaza	1,939	2,000	2,030
Cyberport Building	1,066	1,076	1,079
Technology Building	942	942	942
Technology Building 2	1,076	1,089	1,113
Onward Science & Trade Center	2,516	2,584	2,660
	<hr/>	<hr/>	<hr/>
<b>Retail</b>			
Garden City Shopping Centre	1,539	1,560	1,600
	<hr/>	<hr/>	<hr/>
<b>Property Portfolio</b>	<b>9,078</b>	<b>9,251</b>	<b>9,424</b>
	<hr/>	<hr/>	<hr/>

A revaluation of our properties was carried out as at 30 June 2024, by Knight Frank Petty Limited, an independent property valuer and CMC REIT's principal valuer. The market value of our portfolio changed from RMB9,251 million as of 31 December 2023 to RMB9,078 million as of 30 June 2024, a decrease of RMB173 million.

### New Times Plaza

As a result of the prolonged weakness in the Grade-A offices market in Shenzhen, rental rates have become the most critical factor in the competition for potential tenants. In this challenging environment, New Times Plaza has been offering concessionary rentals at a discount to market levels, resulting in a 2.7 percentage points increase in occupancy rate from 89.6% at the end of 2023 to 92.3%. However, the passing rent has fallen by RMB21.0/sq.m because of these new lettings, to RMB152.9/sq.m.

Under the dual influence of the drastic drop in passing rents associated with the market downturn of Grade-A offices in Shenzhen and the shortening duration of New Times Plaza's land lease, its valuation has decreased by RMB61 million to RMB1,939 million as at 30 June 2024.

## **Cyberport Building, Technology Building and Technology Building 2**

In comparison, demand for Grade-B offices in Shenzhen has remained stable and there has been no material increase in its supply. This sub-market has remained somewhat isolated from the downturn in the office market. This market stability was particularly evident in the Nanshan district of Shenzhen. As a result, our three offices in Net Valley performed well over the Reporting Period.

As a result of several new technology company tenants at Cyberport Building, its occupancy rate rose by 9.7 percentage points, while its passing rent decreased marginally.

As one of our prime assets, Technology Building maintained an enviable 100% occupancy rate, even as its passing rent increased by RMB3.8/sq.m to RMB137.4/sq.m compared to 31 December 2023. Technology Building 2 also done well. The occupancy rate there increased by 3.4 percentage points as compared to the end of last year, making it another fully occupied building. Its passing rent decreased slightly by RMB1.4/sq.m to RMB122.7/sq.m.

In terms of valuation, Technology Building maintained its valuation of RMB942 million at a time when offices were generally valued downward in the market. The valuation of Technology Building 2 and Cyberport Building decreased by 1.2% and 0.9%, respectively.

## **Onward Science & Trade Center**

Due to the downward trend of market rentals and the intense competition among Grade-A offices in Beijing, in order to shore up occupancy, Onward Science & Trade Center has also been prioritizing occupancy over rental rates like New Times Plaza. The strategy has resulted in a 9.2 percentage points increase in occupancy to 91.1%, exceeding 90% for the first time since its acquisition. Predictably, there was also a significant downward adjustment to its passing rent, which fell RMB11.3/sq.m to RMB290.1/sq.m.

As a result of the substantial decrease in market rent in Beijing and the shortening duration of Onward Science & Trade Center's land lease, the valuation of this property decreased by RMB68 million to RMB2,516 million.

## **Garden City Shopping Centre**

Operations at Garden City Shopping Centre have improved after the completion of its upgrading and renovation. With the opening of many new shops in early 2024, the occupancy rate of the shopping centre increased dramatically from 73.7% to 85.0%, an increase of 11.3 percentage points. Meanwhile, due to the addition of a number of anchor stores with large floor areas and lower passing rents, and Garden City Shopping Centre's preferential rentals to attracting new shops, its passing rents have fallen to RMB126.3/sq.m. We will strive to improve the footfall as Garden City Shopping Centre through various means such as events and promotions, so that passing rent can recover over time.

The valuation of Garden City Shopping Centre as of 30 June 2024 was RMB1,539 million, representing a decrease of RMB21 million.

## FINANCIAL REVIEW

### Rental Income for each property

RMB million

	Reporting Period	2023 Relevant Period	Change
New Times Plaza	50.9	53.2	(4.3%)
Cyberport Building	24.9	24.9	0.0%
Technology Building	32.5	30.3	7.3%
Technology Building 2	27.6	27.4	0.7%
Garden City Shopping Centre	37.3	25.7	45.1%
Onward Science & Trade Center	65.2	55.9	16.6%
Total	<u>238.4</u>	<u>217.4</u>	<u>9.7%</u>

The rental income of Reporting Period was RMB238.4 million, with a significant increase of 9.7% when compare to 2023 Relevant Period.

The property operating expenses of CMC REIT for the Reporting Period were RMB65.4 million (2023 Relevant Period: RMB59.4 million). Property manager's fee was the largest component contributing to 38.3% or RMB25.0 million to property operating expenses. Other taxes and operation management expenses contributed to 37.0% and 18.1% of the property operating expenses respectively. After deducting property operating expenses, net property income was RMB200.9 million for the Reporting Period.

Financial costs for the Reporting Period were RMB64.9 million (2023 Relevant Period: RMB66.3 million), comprising total amount of RMB64.9 million in interest expense on bank borrowings.

### Capital Structure

Total net borrowings of CMC REIT were RMB4,097 million, leading to a gearing ratio of 39.8%. This ratio is lower than the permitted limit of 50% as stipulated by the amended Code on Real Estate Investment Trusts (the "REIT Code"). Gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 54.5% (2023 year end: 53.0%).

The debt profile of CMC REIT is as follows:

<b>Bank Loan (RMB Million)</b>	<b>Repayable on</b>	<b>Type</b>	<b>Interest Rate</b>	<b>% Total</b>
1,622	2025.12.15	secured	3.55%	39.6%
2,390	2026.08.30	secured	2.93%	58.3%
37	2025.12.15	secured	LPR(1 year)-0.45%	0.9%
48	2025.05.27	secured	4.75%	1.2%

### **Net Assets Attributable to Unitholders**

As at 30 June 2024, net assets attributable to Unitholders amounted to RMB3,201 million (31 December 2023: RMB3,392 million) or RMB2.84 per Unit, equivalent to HKD3.11 per Unit (“**NAV per Unit**”) based on central parity rate as announced by the People’s Bank on 28 June 2024 (31 December 2023: RMB3.01 per Unit, equivalent to HKD3.32).

The closing unit price of HKD1.09 on 28 June 2024 was at a 65.0% discount to the NAV per Unit.

### **Distribution**

Total distributable income is the consolidated profit after tax, before distribution to the unitholders of CMC REIT (“**Unitholders**”) as adjusted to eliminate the effects of the Adjustments as set out in the Trust Deed (“**Distributable Income**”). Distributable Income for the Reporting Period was RMB62.02 million (2023 Relevant Period: RMB49.11 million). Based on the Distributable Income, the distribution per unit to Unitholders for the Reporting Period is HKD0.0600 (equivalent to RMB0.0550), which represents an annual distribution yield of 11.0%), based on the closing Unit Price on 28 June 2024 (being HK\$1.09).

Pursuant to the Trust Deed, CMC REIT is required to distribute to the unitholders no less than 90% of its distributable income of each financial period. The Manager intends to distribute to the Unitholders 100% of the distributable income for the Reporting Period.

The Interim Distribution will be paid to entities regarded as Unitholders as at the record date (as described in detail under the heading of “**Closure of Register of Unitholders**”). As such, those who are not regarded as Unitholders on the record date have no entitlement to receive any distributions for the Interim Distribution.

The distribution to Unitholders will be paid in Hong Kong dollars. The exchange rate of the distribution per unit for the Reporting Period is the average central parity rate as announced by the People’s Bank of China for the five business days preceding the date of this announcement.



## **Closure of Register of Unitholders**

For the purpose of determining entitlement for the Interim Distribution, the register of Unitholders will be closed from Tuesday, 10 September 2024 to Friday, 13 September 2024, both days inclusive, during which period no transfer of units will be registered, and the record date will be on Friday, 13 September 2024. In order to qualify for the Interim Distribution, all unit certificates with completed transfer forms must be lodged with the unit registrar of CMC REIT, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 9 September 2024. The payment of the Interim Distribution will be made on Thursday, 31 October 2024.

## **OUTLOOK**

We are now entering an era where interest rates will gradually trend down and central banks in the European Union and Great Britain have already started cutting their benchmark rates with the Federal Reserve in the United States soon to follow. In such an environment, financing costs for real estate owners and occupiers alike will head lower for the foreseeable future. Locally, consumption has been weak while private financing has dwindled. In response, the central government has implemented several economic stimulation measures. For example the Central Bank become more accommodative in its monetary policy through a cut of 10 basis points in the loan prime rate in July. The 3rd Plenary Session of the 20th Central Committee held in July proposed comprehensive measures to press on with more economic reform to liberalize markets. With this continued deepening of reform across China, prospects for the sustained expansion of the Chinese economy in the longer term are promising.

In the shorter term the outlook for office assets remains challenging. Demand for space will continue to come under pressure with the rapid development of artificial intelligence and the increasing acceptance of working from home arrangements. On the supply side, in the second-half of the year, Shenzhen and Beijing will witness the launch of 1.20 million square meters and 0.42 million square meters of Grade A office buildings respectively. This excessive supply is expected to exert even more pressure on office rent rates. The Manager will continue to keep an eye on the office market in these two cities, strengthen communication with the onsite management teams and develop more flexible letting strategies to ensure smooth operations at its office buildings.

As for the retail property market, we expect the addition of 0.7 million square meters of new retail space at shopping centers opening in Shenzhen in the second-half of the year. Most of these shopping centers will be located in the suburban areas, serving mainly the local residents living nearby. As there will be no additional supply near Garden City Shopping Centre, these new retail projects should not have much impact on us. In the second-half of the year, the Garden City Shopping Centre targets to bring up its occupancy rate. To help rental income recover to pre-COVID levels faster, we will be increasing the number of events to be held at the mall to improve the publicity of the shopping mall and operating a shuttle bus service to and from Shenzhen Bay Port.

In terms of fund management and governance, the Manager still aims to broaden its sources of income while reducing expenditure. Last year's refinancing is expected to save interest expenses of nearly RMB15 million during the year, and the Manager continues to explore the possibility for further reducing interest expenses in a market environment where RMB interest rates continue to fall. In addition, the Manager will continue to focus on adding quality commercial assets in Hong Kong and Mainland China to the REIT's investment portfolio, to further boost the diversity and income stability of the investment portfolio.

## PORTFOLIO HIGHLIGHTS

### TENANT'S INDUSTRY PROFILE

The following tables depict the industry profile of our tenants by reference to their rental area as a percentage of the Gross Rentable Area (“GRA”) as at 30 June 2024, and their percentage contribution to Gross Rental Income in June 2024:

<b>Breakdown for all properties</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Health Care Service	<b>16.0%</b>	14.2%
Scientific and Information Technology	<b>15.0%</b>	12.2%
Real Estate	<b>8.6%</b>	9.4%
Finance	<b>7.5%</b>	13.4%
Leasing and Business Service	<b>10.0%</b>	13.1%
Food and Beverage	<b>6.0%</b>	8.2%
Department Store	<b>6.4%</b>	6.6%
Wholesale and Retail	<b>5.5%</b>	4.5%
Logistics	<b>3.2%</b>	3.6%
Life Service	<b>6.0%</b>	5.0%
Petroleum	<b>2.3%</b>	2.5%
Hotel	<b>1.1%</b>	0.8%
Construction and Engineering	<b>2.2%</b>	2.7%
Others	<b>2.9%</b>	3.8%
Vacant	<b>7.3%</b>	–

<b>Breakdown for office buildings</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Health Care Service	20.2%	17.5%
Scientific and Information Technology	18.8%	15.1%
Real Estate	10.8%	11.6%
Finance	9.5%	16.6%
Leasing and Business Service	12.6%	16.2%
Wholesale and Retail	7.0%	5.6%
Logistics	4.0%	4.5%
Petroleum	2.8%	3.1%
Food and Beverage	1.6%	1.7%
Hotel	1.4%	1.0%
Construction and Engineering	2.7%	3.4%
Others	3.3%	3.7%
Vacant	5.3%	–

<b>Breakdown for retail property (Garden City Shopping Centre)</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Food and Beverage	23.2%	36.3%
Department Store	31.4%	34.9%
Life Service	27.1%	23.7%
Supermarket	3.3%	5.1%
Vacant	15.0%	–

<b>Breakdown for New Times Plaza</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Real Estate	27.8%	31.0%
Logistics	13.5%	17.0%
Petroleum	9.8%	12.2%
Finance	4.3%	7.7%
Science and Information Technology	7.5%	6.9%
Hotel	4.8%	3.9%
Construction and Engineering	6.9%	7.6%
Leasing and Business Service	11.1%	5.8%
Education	2.1%	1.8%
Others	4.5%	6.1%
Vacant	7.7%	–

<b>Breakdown for Cyberport Building</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Scientific and Information Technology	<b>37.7%</b>	42.4%
Leasing and Business Service	<b>24.4%</b>	24.8%
Wholesale and Retail	<b>17.3%</b>	15.9%
Life Service	<b>3.0%</b>	4.0%
Construction and Engineering	<b>1.0%</b>	0.9%
Food and Beverage	<b>1.6%</b>	3.0%
Finance	<b>2.5%</b>	4.7%
Others	<b>3.6%</b>	4.3%
Vacant	<b>8.9%</b>	–

<b>Breakdown for Technology Building</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Health Care Service	<b>100%</b>	99.4%
Leasing and Business Service	<b>0.00%</b>	0.6%

<b>Breakdown for Technology Building 2</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Scientific and Information Technology	<b>50.1%</b>	44.7%
Finance	<b>13.4%</b>	14.3%
Wholesale and Retail	<b>13.5%</b>	13.2%
Health Care Service	<b>9.8%</b>	9.3%
Leasing and Business Service	<b>3.3%</b>	4.8%
Real Estate	<b>3.8%</b>	5.0%
Education	<b>3.8%</b>	4.0%
Food and Beverage	<b>2.2%</b>	4.2%
Others	<b>0.1%</b>	0.5%

<b>Breakdown for Onward Science &amp; Trade Center</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
Finance	<b>30.5%</b>	37.9%
Leasing and Business Service	<b>26.1%</b>	33.4%
Real Estate	<b>11.6%</b>	9.2%
Scientific and Information Technology	<b>5.1%</b>	4.2%
Wholesale and Retail	<b>4.9%</b>	3.2%
Food and Beverage	<b>3.9%</b>	1.3%
Health Care Service	<b>3.0%</b>	3.6%
Others	<b>6.0%</b>	7.2%
Vacant	<b>8.9%</b>	–

*Note:* The Tenants' industry sector are based on the classification of the Manager.

### **Lease Expiry Profile of all properties**

The following tables set out the tenant expires of the properties shown as a percentage of their GRA and as a percentage of monthly rental income as of June 2024:

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	<b>17.7%</b>	22.0%
2025	<b>23.9%</b>	25.7%
2026	<b>18.3%</b>	20.2%
2027	<b>10.1%</b>	10.7%
2028	<b>8.3%</b>	8.2%
2029	<b>7.8%</b>	10.5%
2030 and beyond	<b>6.6%</b>	2.7%
Vacant	<b>7.3%</b>	–

### **Lease Expiry Profile of office buildings**

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	<b>21.6%</b>	25.6%
2025	<b>26.6%</b>	26.4%
2026	<b>17.2%</b>	17.7%
2027	<b>10.6%</b>	10.6%
2028	<b>7.7%</b>	6.9%
2029	<b>7.8%</b>	11.4%
2030 and beyond	<b>3.2%</b>	1.4%
Vacant	<b>5.3%</b>	–

### Lease Expiry Profile of retail property (Garden City Shopping Centre)

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	2.6%	6.7%
2025	13.2%	22.4%
2026	22.8%	31.0%
2027	8.2%	11.1%
2028	10.6%	13.9%
2029	7.7%	6.3%
2030 and beyond	19.9%	8.6%
Vacant	15.0%	–

### Lease Expiry Profile of New Times Plaza

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	37.2%	42.0%
2025	18.6%	22.4%
2026	8.9%	9.8%
2027	4.0%	4.3%
2028	5.6%	7.0%
2029	8.1%	9.5%
2030 and beyond	9.9%	5.0%
Vacant	7.7%	–

### Lease Expiry Profile of Cyberport Building

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	16.6%	17.2%
2025	26.3%	29.8%
2026	18.1%	18.9%
2027	16.3%	21.0%
2028	3.8%	3.3%
2029	10.0%	9.8%
Vacant	8.9%	–

### Lease Expiry Profile of Technology Building

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	9.1%	7.8%
2025	71.0%	72.6%
2026	19.9%	19.6%

### Lease Expiry Profile of Technology Building 2

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	10.6%	11.1%
2025	12.4%	15.3%
2026	25.8%	26.2%
2027	24.8%	24.5%
2028	19.7%	16.0%
2029	6.6%	6.6%
2030 and beyond	0.1%	0.3%

### Lease Expiry Profile of Onward Science & Trade Center

<b>Expiry Period</b>	<b>Percentage of GRA</b>	<b>Percentage of monthly rental income</b>
2024	25.0%	31.0%
2025	9.8%	10.9%
2026	18.1%	18.8%
2027	12.0%	10.2%
2028	10.1%	7.6%
2029	14.5%	21.4%
2030 and beyond	1.6%	0.1%
Vacant	8.9%	–

## **CORPORATE GOVERNANCE**

With the objectives of establishing and maintaining high standards of corporate governance, policies and procedures have been put in place to promote the operation of CMC REIT in a transparent manner and with built-in checks and balances. The REIT Manager has adopted a compliance manual (the “**Compliance Manual**”) which sets out corporate governance policies as well as the responsibilities and functions of each key officer. The Compliance Manual also clearly defines reporting channels, workflows, and specifies procedures and forms designed to facilitate the compliance of the REIT Manager with various provisions of the Trust Deed, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), the Code on Real Estate Investment Trusts (the “**REIT Code**”) and other relevant rules and regulations.

The corporate governance policies of CMC REIT have been adopted having due regard to the requirements under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), with necessary changes as if those rules were applicable to REITs. To prevent the misuse of inside information and to monitor and supervise any dealings of Units, the REIT Manager has adopted a code containing rules on dealings by the directors and the REIT Manager equivalent to the Model Code form Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Throughout the Reporting Period, the REIT Manager and CMC REIT have complied with the REIT Code, the relevant provisions of the SFO, the Listing Rules applicable to CMC REIT, the Trust Deed and the Compliance Manual in all material aspects.

## **EMPLOYEES**

CMC REIT is an externally managed trust and does not employ any staff. However, various statistics regarding the employees of the REIT Manager, the Operations Manager and the Property Manager are disclosed annually in CMC REIT’s Environmental, Social and Governance Report published concurrently with each Annual Report.

## **NEW UNITS ISSUED**

During the Reporting Period, there were no new Units issued.

## **REPURCHASE, SALE OR REDEMPTION OF UNITS**

Pursuant to the Trust Deed, the Manager shall not repurchase any units on behalf of CMC REIT unless permitted to do so under the relevant codes and guidelines issued by SFC from time to time. During the Reporting Period there was no sale or redemption of units by CMC REIT or its wholly-owned and controlled entities.

## **PUBLIC FLOAT OF THE UNITS**

Based on the information that is publicly available and as far as the REIT Manager is aware, not less than 25% of the issued units were held in public hands as at 30 June 2024.



## **SUMMARY OF ALL SALE AND PURCHASE OF REAL ESTATE**

CMC REIT did not enter into any real estate sales and purchases during the Reporting Period.

## **REVIEW OF FINANCIAL RESULTS**

The unaudited interim results of CMC REIT for the Reporting Period have been reviewed by the Disclosures Committee and Audit Committee of the Manager in accordance with their respective terms of reference. The interim financial report for the six months ended 30 June 2024 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of interim financial information performed by the independent auditor of the entity*”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is to be included in the interim report to be sent to Unitholders.

## **PUBLICATION OF INTERIM REPORT**

The interim report of CMC REIT for the Reporting Period will be published on the respective websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and CMC REIT at [www.cmcreit.com](http://www.cmcreit.com), and will be despatched to Unitholders on or before Monday, 30 September 2024.

By order of the Board  
**China Merchants Land Asset Management Co., Limited**  
**(as manager of China Merchants Commercial Real Estate**  
**Investment Trust)**  
**Mr. YU Zhiliang**  
*Chairman of the Manager*

Hong Kong, 14 August 2024

*As of 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.*

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED

*for the six months ended 30 June 2024*

*(Expressed in RMB)*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	4	<b>266,337</b>	238,010
Property operating expenses	5	<u>(65,405)</u>	<u>(59,351)</u>
<b>Net property income</b>		<b>200,932</b>	178,659
Exchange losses		<b>(1,680)</b>	(105)
Other net income	6	<b>5,969</b>	11,738
Decrease in fair value of investment properties		<b>(281,275)</b>	(166,976)
Manager's fee		<b>(9,314)</b>	(7,862)
Trust and other expenses		<b>(4,368)</b>	(2,639)
Finance costs	7	<u>(64,921)</u>	<u>(66,334)</u>
<b>Loss before tax and distribution to unitholders</b>	8	<u>(154,657)</u>	(53,519)
Income tax expenses	9	<u>12,243</u>	<u>(10,379)</u>
<b>Loss for the period, before distribution to unitholders</b>		<u>(142,414)</u>	(63,898)
Minimum interim distribution to unitholders in accordance with the Trust Deed		<u>(55,817)</u>	<u>(49,106)</u>
<b>Loss for the period and total comprehensive income for the period, after distribution to unitholders</b>		<u>(198,231)</u>	<u>(113,004)</u>
<b>Loss for the period, before distribution to unitholders attributable to:</b>			
Unitholders		<b>(135,362)</b>	(57,275)
Non-controlling interests		<u>(7,052)</u>	<u>(6,623)</u>
		<u>(142,414)</u>	<u>(63,898)</u>
<b>Total comprehensive income for the period, after distribution to unitholders attributable to:</b>			
Unitholders		<b>(191,179)</b>	(106,381)
Non-controlling interests		<u>(7,052)</u>	<u>(6,623)</u>
		<u>(198,231)</u>	<u>(113,004)</u>
<b>Basic loss per unit before distribution to unitholders</b>	10	<u>RMB(0.12)</u>	<u>RMB(0.05)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Expressed in RMB)

	<i>Notes</i>	At 30 June 2024 RMB'000 ( <i>unaudited</i> )	At 31 December 2023 RMB'000 ( <i>audited</i> )
<b>Non-current assets</b>			
Investment properties	<i>11</i>	9,078,000	9,251,000
Prepayments for construction works		3,000	4,070
Property, plant and equipment		524	611
		<u>9,081,524</u>	<u>9,255,681</u>
<b>Current assets</b>			
Trade and other receivables, and prepayments	<i>12</i>	8,017	2,121
Amounts due from related companies		23,649	1,042
Time deposits		101,072	50,072
Cash and cash equivalents		1,074,417	1,079,011
		<u>1,207,155</u>	<u>1,132,246</u>
<b>Total assets</b>		<u>10,288,679</u>	<u>10,387,927</u>
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	233,837	141,998
Amounts due to related companies		150,753	145,579
Amounts due to non-controlling interests		22,115	19,754
Distribution payable		55,817	45,541
Tax payable		57,693	46,389
Secured bank borrowings	<i>14</i>	64,511	–
		<u>584,726</u>	<u>399,261</u>

	<i>Notes</i>	<b>At 30 June 2024 RMB'000 (unaudited)</b>	<b>At 31 December 2023 RMB'000 (audited)</b>
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Secured bank borrowings	<i>14</i>	<b>4,032,823</b>	4,053,724
Rental deposits received from tenants		–	7,087
Deferred tax liabilities		<b>988,777</b>	1,047,271
		<b><u>5,021,600</u></b>	<b><u>5,108,082</u></b>
<b>Total liabilities, excluding net assets attributable to unitholders</b>			
		<b><u>5,606,326</u></b>	<b><u>5,507,343</u></b>
Non-controlling interests		<b><u>1,481,607</u></b>	<b><u>1,488,659</u></b>
<b>Net assets attributable to unitholders</b>			
		<b><u>3,200,746</u></b>	<b><u>3,391,925</u></b>
<b>Number of units in issue</b>			
		<b><u>1,127,819,549</u></b>	<b><u>1,127,819,549</u></b>
<b>Net asset value per unit attributable to unitholders</b>			
	<i>15</i>	<b><u>RMB2.84</u></b>	<b><u>RMB3.01</u></b>

## DISTRIBUTION STATEMENT

for the six months ended 30 June 2024 - unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Loss for the period attributable to unitholders, before distribution to unitholders</b>	<b>(135,362)</b>	<b>(57,275)</b>
Adjustments on amount that are attributable to unitholders:		
Decrease in fair value of investment properties	244,833	129,395
Exchange losses	2,320	200
Impairment losses under expected credit loss model, net	317	96
Depreciation	21	58
Deferred tax	(50,111)	(23,368)
<b>Total distributable income to unitholders (note ii)</b>	<b>62,018</b>	<b>49,106</b>
<b>Interim distribution proposed by the manager (note ii)</b>	<b>62,018</b>	<b>49,106</b>
<b>Payout ratio (note i)</b>	<b>100%</b>	<b>100%</b>
<b>Distribution per unit (“DPU”)</b>		
Interim distribution per unit, to be paid to unitholders	<b>RMB0.0550</b>	<b>RMB0.0435</b>

Notes:

- (i) Pursuant to the Trust Deed, the total distributable income is profit for the period, before distribution to unitholders as adjusted to eliminate the effects of Adjustments (as set out in the Trust Deed) which have been recorded in the consolidated statement of profit or loss and other comprehensive income statement for the relevant period. China Merchants Commercial REIT is required to distribute to unitholders not less than 90% of its distributable income of each financial period. The Manager’s policy is to distribute to the Unitholders an amount of 100% of annual total distributable income of China Merchants Commercial REIT for each relevant period from 10 December 2019 (“**Listing Date**”) to 31 December 2023, and at least 90% of the total annual distributable income for each financial year thereafter.

The total interim distribution proposed by the manager for the six months ended 30 June 2024 included the minimum interim distribution in accordance with the Trust Deed of RMB55,817,000 (for the six months ended 30 June 2023: RMB49,106,000) and a voluntary interim distribution declared after the end of the reporting period of RMB6,201,000. The voluntary interim distribution has not been recognised as distribution payable at the end of the reporting period.

- (ii) The proposed interim distribution per unit of RMB0.0550 (six months ended 30 June 2023: RMB0.0435) for the six months ended 30 June 2024 is calculated based on the interim distribution to be paid to unitholders of RMB62,018,000 (six months ended 30 June 2023: RMB49,106,000) for the period and 1,127,819,549 (six months ended 30 June 2023: 1,127,819,549) units in issue as at 30 June 2024.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in RMB unless otherwise indicated)*

## 1 GENERAL INFORMATION

China Merchants Commercial REIT is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its units are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**HKSE**”). China Merchants Commercial REIT is governed by the deed of trust dated 15 November 2019, as amended from time to time (the “**Trust Deed**”), entered into between China Merchants Land Assets Management Co., Limited (the “**Manager**”) and DB Trustees (Hong Kong) Limited (the “**Trustee**”), and the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong.

The principal activity of China Merchants Commercial REIT is investment holding and its subsidiaries own and invest in income-producing commercial properties in Shenzhen and Beijing with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit. The address of the registered office of the Manager and the Trustee, are Room 2603 to 2606, 26/F, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong and level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

The consolidated interim financial report is presented in Renminbi (“**RMB**”), which is the same as the functional currency of China Merchants Commercial REIT.

## 2 BASIS OF PREPARATION

The consolidated interim financial report has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKSE and with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” and the relevant disclosure requirements set out in Appendix C of the REIT Code issued by the Securities Futures Commission of Hong Kong.

## 3 MATERIAL ACCOUNTING POLICIES

The consolidated interim financial report has been prepared on the historical cost basis, except for investment properties, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

Other than additional accounting policies resulting from application of new and amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the consolidated interim financial report for the six months ended 30 June 2024 are the same as those presented in the annual financial statements of China Merchants Commercial REIT and its subsidiaries (the “**Group**”) for the year ended 31 December 2023.

## Application of new and amendments to IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“**2020 amendments**”)
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE AND SEGMENT INFORMATION

### Revenue recognition

	Six months ended 30 June	
	2024	2023
	RMB’000	RMB’000
Rental income from office buildings and a shopping centre	<u>238,372</u>	<u>217,431</u>
<b>Revenue from contracts with customers recognised over time</b>		
Management fee income	18,777	12,170
Carpark income	4,783	3,844
Others	<u>4,405</u>	<u>4,565</u>
	<u>27,965</u>	<u>20,579</u>
	<u>266,337</u>	<u>238,010</u>

The Group’s investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts depend on shopping centre’s turnover pursuant to the terms and conditions as set out in respective rental agreements.

## Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

Six months ended 30 June 2024

	New Times Plaza 2024 RMB'000	Cyberport Building 2024 RMB'000	Technology Building 2024 RMB'000	Technology Building 2 2024 RMB'000	Garden City Shopping Centre 2024 RMB'000	Onward Science and Trade Center 2024 RMB'000	Total 2024 RMB'000
Rental income from office buildings and a shopping centre	50,852	24,871	32,557	27,592	37,322	65,178	238,372
Revenue from contracts with customers recognised over time	<u>6,978</u>	<u>3,143</u>	<u>2,736</u>	<u>3,477</u>	<u>11,631</u>	<u>–</u>	<u>27,965</u>
Segment revenue	<u>57,830</u>	<u>28,014</u>	<u>35,293</u>	<u>31,069</u>	<u>48,953</u>	<u>65,178</u>	<u>266,337</u>
Segment results	<u>(21,619)</u>	<u>12,869</u>	<u>30,339</u>	<u>13,439</u>	<u>(95,444)</u>	<u>(13,575)</u>	<u>(73,991)</u>
Exchange losses							(1,680)
Other income							206
Manager's fee							(9,314)
Trust and other expenses							(4,368)
Finance costs							<u>(65,510)</u>
<b>Loss before tax and distribution to unitholders</b>							<b>(154,657)</b>
Income taxes							<u>12,243</u>
<b>Loss for the period, before distribution to unitholders</b>							<b><u>(142,414)</u></b>



Six months ended 30 June 2023

	New Times Plaza 2023 RMB'000	Cyberport Building 2023 RMB'000	Technology Building 2023 RMB'000	Technology Building 2 2023 RMB'000	Garden City Shopping Centre 2023 RMB'000	Onward Science and Trade Center 2023 RMB'000	Total 2023 RMB'000
Rental income from office buildings and a shopping centre	53,272	24,926	30,279	27,369	25,667	55,918	217,431
Revenue from contracts with customers recognised over time	<u>5,472</u>	<u>3,136</u>	<u>2,615</u>	<u>3,035</u>	<u>6,321</u>	<u>–</u>	<u>20,579</u>
Segment revenue	<u>58,744</u>	<u>28,062</u>	<u>32,894</u>	<u>30,404</u>	<u>31,988</u>	<u>55,918</u>	<u>238,010</u>
Segment results	<u>(10,803)</u>	<u>29,046</u>	<u>42,798</u>	<u>25,403</u>	<u>(41,810)</u>	<u>(21,766)</u>	22,868
Exchange losses							(105)
Other income							57
Manager's fee							(7,862)
Trust and other expenses							(2,639)
Finance costs							<u>(65,838)</u>
<b>Loss before tax and distribution to unitholders</b>							(53,519)
Income taxes							<u>(10,379)</u>
<b>Loss for the period, before distribution to unitholders</b>							<u>(63,898)</u>

## Segment assets and liabilities

As at 30 June 2024

	New Times Plaza 2024 RMB'000	Cyberport Building 2024 RMB'000	Technology Building 2024 RMB'000	Technology Building 2 2024 RMB'000	Garden City Shopping Centre 2024 RMB'000	Onward Science and Trade Center 2024 RMB'000	Total 2024 RMB'000
Segment assets	<u>2,157,270</u>	<u>1,151,693</u>	<u>1,065,413</u>	<u>1,165,452</u>	<u>1,589,174</u>	<u>2,847,813</u>	9,976,815
Unallocated assets							<u>311,864</u>
Consolidated total assets							<u>10,288,679</u>
Segment liabilities	<u>342,561</u>	<u>214,540</u>	<u>201,782</u>	<u>218,090</u>	<u>293,034</u>	<u>168,715</u>	1,438,722
Unallocated liabilities							<u>4,167,604</u>
Consolidated total liabilities							<u>5,606,326</u>

As at 31 December 2023

	New Times Plaza 2023 RMB'000	Cyberport Building 2023 RMB'000	Technology Building 2023 RMB'000	Technology Building 2 2023 RMB'000	Garden City Shopping Centre 2023 RMB'000	Onward Science and Trade Center 2023 RMB'000	Total 2023 RMB'000
Segment assets	<u>2,222,625</u>	<u>1,163,397</u>	<u>1,058,828</u>	<u>1,181,060</u>	<u>1,617,450</u>	<u>2,925,151</u>	10,168,511
Unallocated assets							<u>219,416</u>
Consolidated total assets							<u>10,387,927</u>
Segment liabilities	<u>358,487</u>	<u>214,591</u>	<u>189,986</u>	<u>220,873</u>	<u>259,398</u>	<u>163,156</u>	1,406,491
Unallocated liabilities							<u>4,100,852</u>
Consolidated total liabilities							<u>5,507,343</u>

**5 PROPERTY OPERATING EXPENSES**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Advertising and promotion	<b>3,366</b>	1,290
Agency fee	<b>463</b>	337
Property management expenses	<b>25,046</b>	21,231
Operations manager's fee	<b>11,828</b>	10,947
Other taxes	<b>24,190</b>	24,231
Others	<b>512</b>	1,315
	<b><u>65,405</u></b>	<b><u>59,351</u></b>

**6 OTHER NET INCOME**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest income from bank deposits	<b>5,972</b>	6,864
Compensation income	<b>293</b>	4,826
Others	<b>(296)</b>	48
	<b><u>5,969</u></b>	<b><u>11,738</u></b>

**7 FINANCE COSTS**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest expense on bank borrowings	<b><u>64,921</u></b>	<b><u>66,334</u></b>

**8 LOSS BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss before tax and distribution to unitholders has been arrived at after charging:		
Depreciation	<b>37</b>	74
Trustee's remuneration	<b>1,107</b>	944
Principal valuer's fee	<b>120</b>	120
	<b><u>1,264</u></b>	<b><u>1,138</u></b>

## 9 INCOME TAX EXPENSES

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
Current tax		
PRC Enterprise Income Tax (“EIT”)		
Current period	33,349	25,888
Under-provision in prior period	200	523
Withholding tax		
Current period	12,702	16,672
Deferred tax	(58,494)	(32,704)
	<u>(12,243)</u>	<u>10,379</u>

No provision for Hong Kong Profits Tax has been provided as the Group has no estimated assessable profits in Hong Kong in both periods.

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the BVI.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the statutory income tax rate of the PRC subsidiaries is 25% for the current period.

## 10 BASIC LOSS PER UNIT BEFORE DISTRIBUTION TO UNITHOLDERS

The calculation of the basic loss per unit before distribution to unitholders is based on the loss for the period, before distribution to unitholders attributable to unitholders of RMB135,362,000 (six months ended 30 June 2023: RMB57,275,000) and the number of units of 1,127,819,549 (six months ended 30 June 2023: 1,127,819,549) in issue during the period.

## 11 INVESTMENT PROPERTIES

	At	At
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
FAIR VALUE		
At the beginning of the period/year	9,251,000	9,547,000
Additions during the period/year	108,275	98,450
Fair value changes on investment properties	(281,275)	(394,450)
	<u>9,078,000</u>	<u>9,251,000</u>

## 12 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Trade receivables	8,370	3,113
Less: allowance for credit losses	<u>(1,966)</u>	<u>(1,614)</u>
	<b>6,404</b>	1,499
Other receivables and prepayments	<u>4,613</u>	<u>4,692</u>
Total trade and other receivables, and prepayments	<b>11,017</b>	6,191
Less: prepayments for construction works shown under non-current assets	<u>(3,000)</u>	<u>(4,070)</u>
	<b><u>8,017</u></b>	<b><u>2,121</u></b>

Trade receivables represent lease receivables. Lease receivables under rental of office buildings and shopping centre are generally required to be settled by tenants within 30 days upon issuance of demand note.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the date of revenue recognition:

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Within 1 month	4,643	464
More than 1 month but within 3 months	1,670	792
Over 3 months	<u>91</u>	<u>243</u>
	<b><u>6,404</u></b>	<b><u>1,499</u></b>

### 13 TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Trade payables	5,755	5,815
Other taxes payables	17,422	922
Rental received in advance	22,124	14,549
Receipts on behalf of tenants ( <i>note</i> )	8,000	11,112
Rental deposits received from tenants	82,305	75,775
Payables for mall renovation and decoration	60,810	–
Accruals and other payables	16,149	19,545
Dividend payable to non-controlling interests	21,272	21,367
	<u>233,837</u>	149,085
Less: rental deposits received from tenants shown under non-current liabilities	<u>–</u>	<u>(7,087)</u>
	<u><b>233,837</b></u>	<u><b>141,998</b></u>

*Note:* The Group collected the turnover of tenants, who operate food and beverage business in a shopping centre, on behalf of them and is obligated to remit to them every half month.

The credit period granted by suppliers to the Group ranges from 30 to 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Within 1 month	426	508
More than 1 month but within 3 months	93	–
Over 3 months	5,236	5,307
	<u>5,755</u>	<u>5,815</u>

## 14 SECURED BANK BORROWINGS

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Current	64,511	–
Non-current	4,032,823	4,053,724
	<u>4,097,334</u>	<u>4,053,724</u>

The maturity of the secured bank borrowings are as follows:

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Within one year	64,511	–
More than one year but not exceeding two years	1,652,023	–
More than two years but not exceeding five years	2,380,800	4,053,724
	<u>4,097,334</u>	<u>4,053,724</u>

## 15 NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per unit is calculated by dividing the net assets attributable to unitholders as at 30 June 2024 of RMB3,200,746,000 (31 December 2023: RMB3,391,925,000) by the number of units in issue of 1,127,819,549 units as at 30 June 2024 (31 December 2023: 1,127,819,549).

## 16 NET CURRENT ASSETS

At 30 June 2024, the Group's net current assets, calculated as current assets less current liabilities, amounted to RMB622,429,000 (31 December 2023: RMB732,985,000).

## 17 TOTAL ASSETS LESS CURRENT LIABILITIES

At 30 June 2024, the Group's total assets less current liabilities amounted to RMB9,703,953,000 (31 December 2023: RMB9,988,666,000).

## 18 CAPITAL COMMITMENT

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Capital expenditure in respect of the improvement works of investment properties contracted for but not provided in the condensed consolidated financial statements	8,485	76,286