招商局商業房託基金
China Merchants Commercial REIT

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 2023

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 2023 (the "**Reporting Period**") as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2023	2022 ("2022 Relevant Period")	Change
Revenue before Rental Rebate (RMB'000)	**238,010**	211,443	12.6%
Rental Rebate (RMB'000)	**–**	(36,400)	–
Revenue (RMB'000)	**238,010**	175,043	36.0%
Net Property Income (RMB'000)	**178,659**	125,053	42.9%
Financial Costs (RMB'000)	**66,334**	30,523	117.3%
Distributable Income (RMB'000)	**49,106**	75,918	-35.3%
Payout Ratio	**100%**	100%	–
Distribution per Unit (HK$)	**0.0475**	0.0771	-38.4%
Annual Distribution Yield[1]	**5.2%**	6.0%	-0.8pp

	30 June 2023	31 December 2022	Change
Total Assets (RMB' million)	**10,607**	10,824	-2.0%
Net Assets Attributable to Unitholders (RMB' million)	**3,553**	3,659	-2.9%
Net Assets per Unit Attributable to Unitholders (RMB)	**3.15**	3.24	-2.9%
Value of Portfolio (RMB' million)	**9,424**	9,547	-1.3%
Gearing Ratio[2]	**38.2%**	37.4%	0.8pp

Notes:

(1) Based on the closing unit price of CMC REIT on 30 June 2023 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

After China officially lifted its zero COVID restrictions in December and relaxed its border controls, the Chinese economy rebounded by 2.2% in 1Q23 on a quarter-on-quarter seasonally adjusted basis from 0.5% in 4Q22. However, consolidation within the real estate sector and restructuring within the technology sector from earlier regulatory tightening soon began to weigh upon the economy and the recovery thereafter tapered off. GDP Growth in 2Q23 decelerated to 0.8% despite the introduction of measures to boost consumer spending and reduce borrowing costs. Overall GDP in first half sees a 5.5% growth compared to last year same period as a result of the low base in the first half of 2022. The economic recovery in the first half of the year didn't have any material impact on employment, with the average urban unemployment rate standing at 5.3%, similar to that of the same period last year. The NBS PMI measuring business confidence has fallen from a high of 52.6 near the start of the year to around 49 in the past few months (a reading above 50 indicates manufacturing expansion). Similarly on the consumer front, after a bout of revenge spending caused retail sales growth in April to spurt to 18.4% year-on-year, it has since moderated to 2.5% as of July.

In the first half of 2023, Shenzhen launched four new Grade A office buildings with a floor area of 450,000 square meters, pushing up the city-wide vacancy rate by 1.7 percentage points to 24.5%. With the launch of a premium Grade A office building at the Shenzhen Bay Super Headquarters Base of Nanshan District, the vacancy rate in Nanshan District rose by 2.5 percentage points to 24.7%, slightly above the city's overall vacancy level. Shenzhen rents also weakened as a result of reduced demand from the technology and financial sectors. Over the first half of the year city-wide monthly rents fell by 3.0% to RMB197.46/sq.m from RMB203.5/sq.m. Nanshan District experienced a more pronounced decline of 4.1% from RMB206.47/sq.m to RMB198.01/sq.m.

Beijing's office building market was also anemic, recording negative absorption during the Period. Acerbated by the relaunch of a number of renovation projects into the market, Beijing's vacancy rate rose 0.9 percentage points to 16.9% while its monthly rents fell by 1.7% to RMB316.16/sq.m. Hit by new supply, the vacancy rate in the CBD area rose by 1.7 percentage points to 11.8%, but rents only edged down by 0.8% to RMB355.01/sq.m.

The retail sector in Shenzhen has fared better than the office sector. Since travel restrictions were lifted, Hong Kong residents have made over 20 million trips up to Shenzhen. This coupled with the repeated issuance of consumer vouchers by the government has provided much needed stimulus to the retail market in Shenzhen and supported retail rents. The vacancy rate of the prime retail properties in Shenzhen dropped by 1.4 percentage points to 9.0% as compared to the end of last year while the monthly rental for ground floor retail space increased by 0.2% to RMB809.4/sq.m. A new shopping mall was launched in Nanshan District during the period, leading to a slight increase of 1.8 percentage points in the district-level vacancy rate to 13.9% and a decrease of 2.8% in ground floor monthly rental rates to RMB757.5/sq.m.

PROPERTY OVERVIEW

Property	Occupancy rate (%) as at			Passing Rent (RMB/sq.m.) as at		
	30 Jun 2023	31 Dec 2022	30 Jun 2022	**30 Jun 2023**	31 Dec 2022	30 Jun 2022
Office						
New Times Plaza	**79.9**	84.0	92.3	**177.9**	184.4	182.2
Cyberport Building	**82.8**	85.9	75.9	**126.3**	126.1	125.6
Technology Building	**100.0**	100.0	100.0	**132.4**	129.8	122.3
Technology Building 2	**91.2**	90.5	76.8	**125.2**	120.1	116.9
Onward Science & Trade Center	**76.7**	70.0	70.4	**313.3**	319.3	319.2
Average	**85.5**	85.9	84.1			
Garden City Shopping Centre	**53.2**	72.2	84.5	**171.9**	181.1	173.3
Property Portfolio	**79.3**	83.2	84.2			

During the Reporting Period, the aggregate occupancy rate of the total property portfolio dropped from 83.2% to 79.3%, representing an overall decrease of 3.9 percentage points. This was mainly due to the renovation of Garden City Shopping Centre, as the average occupancy rate of office buildings remained relatively stable.

In general, passing rents for our Grade-B office properties improved, while passing rents at our Grade-A office properties weakened because of lower asking rents to support occupancy rates. Our retail passing rent also weakened due to rental concessions to attract new tenants in the renovated areas of Garden City Shopping Centre.

Property Valuation

Property	Valuation (RMB million) as at		
	30 Jun 2023	31 Dec 2022	30 Jun 2022
Office			
New Times Plaza	**2,030**	2,084	2,086
Cyberport Building	**1,079**	1,073	1,067
Technology Building	**942**	927	892
Technology Building 2	**1,113**	1,113	1,103
Onward Science & Trade Center	**2,660**	2,730	2,730
Retail			
Garden City Shopping Centre	**1,600**	1,620	1,620
Property Portfolio	**9,424**	**9,547**	**9,498**

A revaluation of our properties was carried out as at 30 June 2023, by Knight Frank Petty Limited, an independent property valuer and CMC REIT's principal valuer. The market value of our portfolio decreased by RMB123 million to RMB9,424 million as of 30 June 2023.

New Times Plaza

Affected by the sluggish economy in China and the oversupply of Grade-A office space in Shenzhen, the leasing situation at New Times Plaza was less than ideal, and its occupancy rate decreased from 84.0% at the end of last year to 79.9 % as at 30 June 2023. In order to stabilize the occupancy rate, New Times Plaza has been making rental concessions on new leases and this caused the passing rent to decrease by RMB6.5/sq.m to RMB177.9/sq.m.

The valuation of New Times Plaza was impacted by the overall drop in Grade-A office rents in Shenzhen and lower rents at the property itself. It decreased by RMB54 million or 2.6% to RMB2,030 million as at 30 June 2023 compared to that of 31 December 2022.

Cyberport Building, Technology Building and Technology Building 2

While competition has been intense in the Grade-A office rental market, in the Grade-B office market catering to small and medium-sized firms at lower rent levels, there has been no oversupply and less competitive pressure.

The passing rent of Cyberport Building remained stable over the Reporting Period as there was no need for rental concessions. However, its occupancy rate decreased by 3.1 percentage points from 85.9% to 82.8%.

As an office building transitioning to one master tenant (Shenzhen Qianhai Shekou Free Trade Zone Hospital), Technology Building maintained an enviable 100% occupancy rate, and its passing rent increased by RMB2.6/sq.m to RMB132.4/sq.m compared to 31 December 2022. Technology Building 2 performed well too. Its occupancy rate increased by 0.7 percentage points to 91.2%, and its passing rent increased by RMB5.1/sq.m to RMB125.2sq.m.

In terms of valuation, both Technology Building and Cyberport Building bucked the market trend, increasing by 1.6% or RMB15 million to RMB942 million, and increasing by 0.6% or RMB6 million to RMB1,079 million, respectively. Technology Building 2 was valued at RMB1,113 million, unchanged from the end of last year.

Onward Science & Trade Center

As we took a more accommodative approach in leasing negotiations, the occupancy rate of Onward Science & Trade Center reached its highest since its acquisition, rising by 6.7 percentage points to 76.7%. However, these leases at lower rents dragged the passing rent down by RMB6.0/sq.m. to RMB313.3/sq.m. Such a decrease was in line with the rest of the Beijing Grade-A office market.

The valuation of Onward Science & Trade Center decreased by 2.6% or RMB70 million to RMB2,660 million over the Reporting Period. Such decrease in valuation was mainly due to the decrease in market rent.

Garden City Shopping Centre

Staggered parts of Garden City Shopping Centre are being closed for renovation over much of 2023, and impacted by this partial closure of shops in the first half, the occupancy rate dropped to 53.2%. At the same time, the passing rent decreased by RMB9.2/sq.m to RMB171.9/sq.m compared to 31 December 2022, mainly due to appropriate rental reductions in newly renovated areas to attract new tenants. After the completion of renovation works by the end of this year, the occupancy should quickly rebound to much higher levels at the new and improved Garden City Shopping Centre. We also expect the passing rent level to recover over time.

The valuation of Garden City Shopping Centre as of 30 June 2023 was RMB1,600 million, representing a decrease of RMB20 million or 1.2% compared to 31 December 2022 because of its reduced passing rent.

FINANCIAL REVIEW

Total revenue of CMC REIT for the Reporting Period was RMB238.0 million, an increase of approximately RMB63.0 million over the 2022 Relevant Period.

Rental Income for each property
RMB million

	Reporting Period	2022 Relevant Period	**Change**
New Times Plaza	**53.2**	57.1	**-6.8%**
Cyberport Building	**24.9**	11.7	**112.8%**
Technology Building	**30.3**	20.5	**47.8%**
Technology Building 2	**27.4**	20.2	**35.6%**
Garden City Shopping Centre	**25.7**	34.7	**-25.9%**
Onward Science & Trade Center	**55.9**	N/A	**/**
Total	**217.4**	144.2	**50.8%**

The rental income for the Reporting Period was RMB217.4 million, a significant increase of 50.8% over the 2022 Relevant Period. However, if we were to disregard the income from Onward Science & Trade Center which was acquired on 30 June 2022, which contributed an additional RMB55.9 million to total rental income, the increase in rental income would have been RMB17.3 million, or 12.0%.

The most prominent improvements in rental income were from the Shekou Net Valley properties. The rental income of Technology Building increased by RMB9.8 million (47.8%) and the rental income of Technology Building 2 increased by RMB7.2 million (35.6%). At the Cyberport Building rental income increase by RMB13.2 million (112.8%). One key reason for such large improvement was the rental relief provided to tenants in 2022. Nonetheless, even if we were to assume there was no rental relief last year, rental income at the three properties would have grown a respectable 19.3%, 20.2% and 22.1% respectively.

Operating conditions at New Times Plaza and Garden City Shopping Center however substantially declined. New Times Plaza which is more susceptible to the oversupply and sharp contraction in demand of Grade-A office space in Shenzhen than our Grade-B assets saw its rental income fall 6.8% from RMB57.1 million to RMB53.2 million. As for Garden City Shopping Center, there was a 25.9% decrease in rental income despite the fact that there wasn't rental relief provided to tenants in the Reporting Period as it did in 2022 relevant period. This large decline is explained by the temporary reduction of leasable area during the upgrading of the South Zone and later the Middle Zone.

The property operating expenses of CMC REIT for the Reporting Period were RMB59.4 million (2022 Relevant Period: RMB50.0 million). At RMB24.2 million, other taxes was the largest component contributing to 40.8% of property operating expenses. Operation Manager's fee and property management expenses contributed to 18.4% and 35.8% of the property operating expenses respectively. After deducting property operating expenses, net property income was RMB178.7 million for the Reporting Period. This was an increase of 42.9% over the same period last year, but once again one should keep in mind this figure includes the incremental income from Onward Science & Trade Center in 2023.

Financial costs, essentially interest expense on bank borrowings, for the Reporting Period were RMB66.3 million. For the same period in the previous financial year, the corresponding figure was RMB30.5 million. The large increase was mainly due to two reasons. Firstly, bank borrowings have increased by HKD1,629 million mostly because of the Onward Science & Trade Center acquisition. Secondly, interest rates during the Reporting period were materially higher than a year ago.

Capital Structure

Total net borrowings of CMC REIT were RMB4,053 million, equivalent to a gearing ratio of 38.2%. This ratio is lower than the permitted limit of 50% as stipulated by the Code on Real Estate Investment Trusts (the "**REIT Code**"). Gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 52.4% (2022 year end: 62.6%).

The debt profile of CMC REIT is as follows:

Bank Loan (mil)	Repayable on	Type	Interest Rate	% Total
RMB4,022	15/12/2025	Secured	3.55%	99.2%
RMB31	15/12/2025	Secured	3.2%	0.8%

On 28 July 2023, CMC REIT, through its wholly-owned subsidiary, Treasure Supreme International Limited ("**Treasure Supreme**") entered into a facility agreement with Industrial Bank Co., Ltd., Shenzhen Branch as lender in respect of a loan facility in an amount up to RMB2,400 million, at a fixed interest rate of 2.93% per annum ("**New Facility**").

On 30 August 2023, the New Facility is fully drawn to prepay part of the Existing Offshore Facility, a facility agreement by Treasure Supreme as borrower and Industrial Bank Co. Ltd., Hong Kong Branch as lender in respect of a revolving loan facility in an amount up to HK$4,500 million at an interest rate of 3.55% which was drawn down in RMB.

Reference can be made to the announcements of CMC REIT on 16 December 2022, 23 December 2022 and 28 July 2023.

Net Assets Attributable to Unitholders

As at 30 June 2023, net assets attributable to Unitholders amounted to RMB3,553 million (31 December 2022: RMB3,659 million) or RMB3.15 per Unit, equivalent to HKD3.42 per Unit ("**NAV per Unit**") based on central parity rate as announced by the People's Bank on 30 June 2023 (31 December 2022: RMB3.24 per Unit, equivalent to HKD3.63).

The closing unit price of HKD1.82 on 30 June 2023 was at a 46.8% 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 RMB49.11 million (2022 Relevant Period: RMB75.92 million). Based on the Distributable Income, the distribution per unit to Unitholders for the Reporting Period is HK$ 0.0475 (equivalent to RMB0.0435), which represents an annual distribution yield of 5.2%), based on the closing Unit Price on 30 June 2023 (being HK$ 1.82).

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 Friday, 15 September 2023 to Tuesday, 19 September 2023, both days inclusive, during which period no transfer of units will be registered, and the record date will be on Tuesday, 19 September 2023. 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 Thursday, 14 September 2023. The payment of the Interim Distribution will be made on Thursday, 26 October 2023.

Assets Enhancement

Asset enhancement works at Garden City Shopping Centre are progressing smoothly. After upgrading, the South Zone was reopened in January 2023 while the Central Zone had its official reopening on 28 July 2023. Despite the decline in occupancy rate during the renovation period, the operation team has been actively negotiating with potential tenants even as the project is ongoing to minimize downtime. At present, leases have been signed for 99.6% and 73.6% of the rentable area in the South Zone and Central Zone respectively. When the Central Zone recover its occupancy, this critical mass of shops from the two connected zones combined should serve to attract more visitors back to Garden City Shopping Centre. The North Zone has been shuttered for upgrading works since 1 August 2023, and this will be the final phase of asset enhancement. Completion of the entire project is expected by the end of this year.

Outlook

In the post-pandemic era, different segments of the global economy are exhibiting conflicting trends. On one hand, while the market generally expects that the pace of the Federal Reserve's interest rate hikes to slow dramatically and perhaps taper off, the high interest rate environment is expected to persist for a period of time, and this will perhaps continue to have an dampening effect on economic activity, property valuation, and so on. Consequently manufacturing and international trade activities have slowed significantly, and business confidence lies on the side of caution. On the other hand, labor markets around the world remain strong and unemployment remains under control. In addition, with the total lifting of COVID-19 travel restrictions, the tourism and retail industry, and other service industries have been rebounding vigorously. The present recovery is mixed, but overall, the global economy still faces great challenges.

In China, the central government has introduced a comprehensive series of stimulus measures. In particular, on 30 July the National Development and Reform Commission issued a notice on measures to restore and expand consumption, aiming to expand domestic demand and stimulate consumption through financial and administrative support, and promote high-quality sustainable economic development.

In the commercial property market, the three year pandemic has caused a backlog of many new development projects that are just now coming to the market. Some developers aggressively promote the launch of their projects, hoping that economic recovery will be driving demand for commercial space. During the period, the supply is expected to swell, which will exert pressure on rents and occupancy. In particular, new supply in the Shenzhen office market is expected to amount to 4,500,000 square meters over the next three years, which is approximately 60% of the existing stock. New office supply in Beijing amount to approximately 580,000 square meters this year. Amidst the twists and turns of economic recovery, coupled with ample new supply, office buildings in Shenzhen and Beijing may face prolonged weakness in occupancy rate and rents unless the demand situation improves. With regard to the retail property market, the government continues to stimulate consumption and encourage small and medium-sized merchants to operate through favorable policies, and the prospects of the retail property market are relatively more sanguine.

To mitigate the effects of the current adverse market conditions, the management will more actively manage its properties to constantly improve service quality and facility management, so as to provide tenants with an excellent business and working environment. The asset enhancement initiative at Garden City Shopping Centre, a key project, is now nearing completion. The management is confident that upon completion of this comprehensive set of renovation works, Garden City will provide a superior consumer experience for visitors and nearby residents, eventually leading to higher rentals in the wake of this renovation. Moreover, the launch of Shenzhen Metro Line 12 makes travelling to Garden City much more convenient and more quality brands have expressed interest to move in. The fresh-new look and revamped roster of shops at Garden City is expected to drive shopper traffic and spending to new levels.

Through active asset and debt management, we hope to create higher returns for the unitholders of the fund and support its stable growth. The Manager continues to explore opportunities to improve the balance sheet of CMC REIT, by reducing interest and other expenses and increasing efficiency. This August, the Manager completed a RMB2.4 billion loan replacement exercise for CMC REIT, resulting in a 62 basis points decrease in interest rate from 3.55% to 2.93%, equivalent to reducing interest expenses by approximately RMB15 million annually. At the same time, the Manager continues to search for investment opportunities that can provide a solid foundation for the future development of CMC REIT in the presently chaotic marketplace.

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 2023, and their percentage contribution to Gross Rental Income in June 2023:

Breakdown for all properties	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**16.1%**	15.9%
Scientific and Information Technology	**13.8%**	12.3%
Real Estate	**9.3%**	13.5%
Finance	**7.9%**	15.7%
Leasing and Business Service	**7.5%**	13.2%
Food and Beverage	**5.1%**	6.5%
Department Store	**3.4%**	4.1%
Wholesale and Retail	**3.4%**	3.1%
Logistics	**3.2%**	3.9%
Life Service	**2.9%**	3.6%
Petroleum	**2.3%**	3.0%
Hotel	**1.1%**	1.0%
Construction and Engineering	**1.1%**	1.4%
Others	**2.2%**	2.8%
Vacant	**20.7%**	–

Breakdown for office buildings	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**19.9%**	18.3%
Scientific and Information Technology	**17.0%**	14.1%
Real Estate	**11.6%**	15.4%
Finance	**9.8%**	18.0%
Leasing and Business Service	**9.3%**	15.1%
Wholesale and Retail	**4.2%**	3.6%
Logistics	**3.9%**	4.5%
Petroleum	**2.9%**	3.5%
Food and Beverage	**1.7%**	1.9%
Hotel	**1.4%**	1.1%
Construction and Engineering	**1.4%**	1.6%
Others	**2.4%**	2.9%
Vacant	**14.5%**	–

Breakdown for retail property (Garden City Shopping Centre)	**Percentage of GRA**	**Percentage of monthly rental income**
Food and Beverage	**19.3%**	37.5%
Department Store	**17.9%**	32.3%
Life Service	**12.6%**	23.9%
Supermarket	**3.4%**	6.3%
Vacant	**46.8%**	–

Breakdown for New Times Plaza	**Percentage of GRA**	**Percentage of monthly rental income**
Real Estate	**30.7%**	41.7%
Logistics	**12.9%**	15.3%
Petroleum	**10.0%**	12.5%
Finance	**5.9%**	9.8%
Science and Information Technology	**5.0%**	4.8%
Hotel	**4.8%**	3.9%
Construction and Engineering	**3.1%**	4.0%
Leasing and Business Service	**2.8%**	2.6%
Education	**1.4%**	1.2%
Others	**3.3%**	4.2%
Vacant	**20.1%**	–

Breakdown for Cyberport Building	**Percentage of GRA**	**Percentage of monthly rental income**
Scientific and Information Technology	**41.6%**	48.2%
Leasing and Business Service	**21.1%**	24.7%
Wholesale and Retail	**10.5%**	11.5%
Life Service	**3.3%**	5.1%
Construction and Engineering	**2.8%**	3.9%
Food and Beverage	**1.6%**	3.5%
Finance	**1.2%**	2.3%
Others	**0.7%**	0.8%
Vacant	**17.2%**	–

Breakdown for Technology Building	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**100.0%**	100.0%

Breakdown for Technology Building 2	**Percentage of GRA**	**Percentage of monthly rental income**
Scientific and Information Technology	**44.0%**	45.0%
Finance	**13.4%**	14.8%
Wholesale and Retail	**10.1%**	10.4%
Health Care Service	**8.8%**	9.8%
Leasing and Business Service	**4.9%**	5.7%
Real Estate	**3.8%**	5.2%
Education	**3.8%**	4.1%
Food and Beverage	**2.4%**	5.0%
Vacant	**8.8%**	–

Breakdown for Onward Science & Trade Center	**Percentage of GRA**	**Percentage of monthly rental income**
Finance	**30.9%**	43.1%
Leasing and Business Service	**22.3%**	35.0%
Real Estate	**11.4%**	10.5%
Food and Beverage	**3.9%**	1.5%
Health Care Service	**3.0%**	4.1%
Scientific and Information Technology	**1.4%**	1.1%
Others	**3.8%**	4.7%
Vacant	**23.3%**	–

Note: The Tenants' industry sector are based on the classification of the REIT 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 2023:

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**20.7%**	25.4%
2024	**15.0%**	20.7%
2025	**19.3%**	20.9%
2026	**12.0%**	14.5%
2027	**5.8%**	5.9%
2028 and beyond	**6.5%**	12.6%
Vacant	**20.7%**	–

Lease Expiry Profile of office buildings

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**22.7%**	25.3%
2024	**17.5%**	22.3%
2025	**20.7%**	20.2%
2026	**11.5%**	13.4%
2027	**6.2%**	5.7%
2028 and beyond	**6.9%**	13.1%
Vacant	**14.5%**	–

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

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**12.5%**	25.9%
2024	**4.5%**	10.4%
2025	**13.5%**	26.0%
2026	**13.9%**	21.7%
2027	**4.5%**	7.7%
2028 and beyond	**4.3%**	8.3%
Vacant	**46.8%**	–

Lease Expiry Profile of New Times Plaza

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**40.7%**	54.6%
2024	**4.5%**	5.1%
2025	**21.5%**	26.3%
2026	**6.8%**	8.6%
2027	**0.2%**	0.2%
2028 and beyond	**6.2%**	5.2%
Vacant	**20.1%**	–

Lease Expiry Profile of Cyberport Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**21.1%**	26.1%
2024	**26.3%**	31.8%
2025	**19.7%**	24.2%
2026	**7.0%**	8.0%
2027	**5.8%**	7.8%
2028 and beyond	**2.9%**	2.1%
Vacant	**17.2%**	–

Lease Expiry Profile of Technology Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**9.4%**	10.2%
2024	**25.7%**	24.7%
2025	**45.0%**	45.4%
2026	**19.9%**	19.7%

Lease Expiry Profile of Technology Building 2

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**27.1%**	27.8%
2024	**14.3%**	16.3%
2025	**12.4%**	14.7%
2026	**14.8%**	16.3%
2027	**21.5%**	22.6%
2028 and beyond	**1.1%**	2.3%
Vacant	**8.8%**	–

Lease Expiry Profile of Onward Science & Trade Center

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**3.3%**	4.6%
2024	**25.1%**	35.7%
2025	**4.2%**	2.0%
2026	**12.0%**	15.4%
2027	**6.6%**	4.8%
2028 and beyond	**25.5%**	37.5%
Vacant	**23.3%**	–

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 for 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.

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 under review, 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 2023.

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, in conjunction with the external auditors of CMC REIT.

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 and CMC REIT at www.cmcreit.com, and will be despatched to Unitholders on or around Wednesday, 28 September 2023.

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

Hong Kong, 30 August 2023

As of the date of this announcement, the Board comprises Mr. HUANG Junlong (Chairman) and Mr. LI Yao as Non-executive Directors, Mr. GUO Jin and Mr. ZHONG Ning as Executive Directors, and Mr. LIN Chen, Ms. WONG Yuan Chin, Tzena and Mr. WONG Chun Sek, Edmund as Independent Non-executive Directors.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

		For six months period ended	
	NOTES	**2023**	2022
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**238,010**	175,043
Property operating expenses	*5*	**(59,351)**	(49,990)
Net property income		**178,659**	125,053
Exchange losses		**(105)**	(93,518)
Other income	*6*	**11,738**	6,363
(Decrease) increase in fair value of investment properties		**(166,976)**	17,279
Manager's fee		**(7,862)**	(8,435)
Trust and other expenses		**(2,639)**	(1,659)
Finance costs	*7*	**(66,334)**	(30,523)
(Loss) profit before tax and distribution to unitholders	*8*	**(53,519)**	14,560
Income tax expenses	*9*	**(10,379)**	(41,804)
Loss for the period, before distribution to unitholders		**(63,898)**	(27,244)
Distribution to unitholders		**(49,106)**	(75,918)
Loss for the period and total comprehensive expense for the period, after distribution to unitholders		**(113,004)**	(103,162)
(Loss) profit for the period, before distribution to unitholders attributable to:			
Unitholders		**(57,275)**	(32,090)
Non-controlling interests		**(6,623)**	4,846
		(63,898)	(27,244)
Total comprehensive (expense) income for the period, after distribution to unitholders attributable to:			
Unitholders		**(106,381)**	(108,008)
Non-controlling interests		**(6,623)**	4,846
		(113,004)	(103,162)
Basic loss per unit	*10*	**RMB(0.05)**	RMB(0.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTES	**As at 30 June 2023** ***RMB'000*** **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Non-current assets			
Investment properties	*11*	**9,424,000**	9,547,000
Property, plant and equipment		**631**	695
		9,424,631	9,547,695
Current assets			
Trade receivables and prepayments	*12*	**14,085**	3,442
Amounts due from related companies		**6,365**	77,221
Time deposits with maturity over three months		**202,509**	55,290
Cash and cash equivalents		**959,282**	1,140,712
		1,182,241	1,276,665
Total assets		**10,606,872**	10,824,360
Current liabilities			
Trade and other payables	*13*	**128,747**	150,570
Amounts due to related companies		**142,339**	140,308
Amounts due to non-controlling interests		**20,082**	17,929
Distribution payable		**49,106**	130,040
Tax payables		**59,702**	26,246
		399,976	465,093

	NOTES	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Non-current liabilities, excluding net assets attributable to unitholders			
Amounts due to non-controlling interests		**–**	1,125,586
Secured bank borrowings	*14*	**4,052,599**	4,052,639
Rental deposit received from tenants		**25,424**	23,909
Deferred tax liabilities		**1,077,161**	1,109,865
Total non-current liabilities, excluding net assets attributable to unitholders		**5,155,184**	6,311,999
Total liabilities, excluding net assets attributable to unitholders		**5,555,160**	6,777,092
Non-controlling interests		**1,499,204**	388,379
Net assets attributable to unitholders		**3,552,508**	3,658,889
Number of units in issue		**1,127,819,549**	1,127,819,549
Net asset value per unit attributable to unitholders	*15*	**RMB3.15**	RMB3.24

DISTRIBUTION STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period attributable to unitholders, before distribution to unitholders	**(57,275)**	(32,090)
Adjustments on amount that are attributable to unitholders:		
Decrease (increase) in fair value of investment properties	**129,395**	(10,815)
Non-cash finance costs	**–**	2,400
Exchange losses	**200**	93,518
Impairment losses under expected credit loss model, net	**96**	–
Depreciation	**58**	39
Deferred tax	**(23,368)**	22,866
Total distributable income to unitholders (note (ii))	**49,106**	75,918
Payout ratio (note (i))	**100%**	100%
Distributions per unit ("DPU")		
Before taking into account the effect of the distribution commitment	**RMB0.0435**	RMB0.0673
After taking into account the effect of the distribution commitment (note (iii))	**RMB0.0435**	RMB0.1141

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 condensed 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 intends to distribute to the Unitholders an amount of 100% of annual total distributable income of China Merchants Commercial REIT for each relevant period from the 10 December 2019 ("**Listing Date**") to 31 December 2022, and at least 90% of the total annual distributable income for each financial year thereafter.

(ii) The proposed interim distribution per unit of RMB0.0435 (six months ended 30 June 2022: RMB0.0673) for the six months ended 30 June 2023 is calculated based on the interim distribution to be paid to unitholders of RMB49,106,000 (six months ended 30 June 2022: RMB75,918,000) for the period and 1,127,819,549 (six months ended 30 June 2022: 1,127,819,549) units in issue as at 30 June 2023.

(iii) Pursuant to the DPU commitment deed entered into among, Eureka, China Merchants Commercial REIT and the Trustee, Eureka has undertaken to make a payment to the Trustee for the benefit of China Merchants Commercial REIT if the annualised provisional DPU is less than the annualised committed DPU for the relevant periods as set out below:

Relevant period	Annualised committed DPU
Listing Date to 31 December 2019	HK$0.2360 per unit
12 months ending 31 December 2020	HK$0.2360 per unit
12 months ending 31 December 2021	HK$0.2541 per unit
12 months ending 31 December 2022	HK$0.2614 per unit

The interim DPU for the period ended 30 June 2023 is HK$0.0475 (equivalent to RMB0.0435) (six months ended 30 June 2022: HK$0.1307 (equivalent to RMB0.1141)) after taking into account the effect of the distribution commitment. All distributions are settled in Hong Kong dollars.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 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 condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of China Merchants Commercial REIT.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have 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. PRINCIPAL ACCOUNTING POLICES

Application of new and amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

Except as described below, the application of the new and amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In addition, the Group will apply Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's consolidated financial statements for the year ending 31 December 2023.

IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendment also clarifies that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expect to affect the disclosures of the Group's accounting policies in the Group's annual consolidated financial statements for the year ending 31 December 2023.

4. REVENUE AND SEGMENT INFORMATION

Revenue recognition

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Rental income from office buildings and a shopping centre	**217,431**	144,196
Management fee income	**12,170**	20,815
Carpark income	**3,844**	4,059
Others	**4,565**	5,973
Revenue from contracts with customers recognised over time	**20,579**	30,847
	238,010	175,043

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.

For the period ended 30 June 2023 (unaudited)

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *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	5,472	3,136	2,615	3,035	6,321	–	20,579
Segment revenue	58,744	28,062	32,894	30,404	31,988	55,918	238,010
Segment results	(10,803)	29,046	42,798	25,403	(41,810)	(21,766)	22,868
Exchange losses							(105)
Other income							57
Manager's fee							(7,862)
Trust and other expenses							(2,639)
Finance costs							(65,838)
Loss before tax and distribution to unitholders							(53,519)
Income taxes							(10,379)
Loss for the period, before distribution to unitholders							(63,898)

For the period ended 30 June 2022 (unaudited)

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Rental income from office buildings and a shopping centre	57,109	11,723	20,531	20,144	34,689	–	144,196
Revenue from contracts with customers recognised over time	9,076	2,755	2,807	2,656	13,553	–	30,847
Segment revenue	66,185	14,478	23,338	22,800	48,242	–	175,043
Segment results	50,932	353	23,622	18,361	41,997	12,057	147,322
Exchange losses							(93,518)
Other income							1,046
Manager's fee							(8,435)
Trust and other expenses							(1,659)
Finance costs							(30,196)
Profit before tax and distribution to unitholders							14,560
Income taxes							(41,804)
Loss for the period, before distribution to unitholders							(27,244)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of exchange losses, certain other income, other unallocated operating expenses and other unallocated finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

As at 30 June 2023 (unaudited)

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Segment assets	**2,215,476**	**1,153,582**	**1,036,710**	**1,189,739**	**1,680,004**	**2,972,690**	**10,248,201**
Unallocated assets							**358,671**
Consolidated total assets							**10,606,872**
Segment liabilities	**356,329**	**216,191**	**186,002**	**224,895**	**252,446**	**198,786**	**1,434,649**
Unallocated liabilities							**4,120,511**
Consolidated total liabilities							**5,555,160**

As at 31 December 2022 (audited)

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping mall *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Segment assets	2,275,123	1,137,041	1,020,794	1,185,451	1,739,989	3,043,289	10,401,687
Unallocated assets							422,673
Consolidated total assets							10,824,360
Segment liabilities	358,275	209,802	177,909	220,216	266,448	1,354,748	2,587,398
Unallocated liabilities							4,189,694
Consolidated total liabilities							6,777,092

5. PROPERTY OPERATING EXPENSES

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Advertising and promotion	**1,290**	1,275
Agency fee	**337**	122
Property management expenses	**21,231**	25,849
Operations manager's fee	**10,947**	7,072
Other taxes	**24,231**	15,264
Others	**1,315**	408
	59,351	49,990

6. OTHER INCOME

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income from bank deposits	**6,864**	5,547
Compensation income	**4,826**	774
Others	**48**	42
	11,738	6,363

7. FINANCE COSTS

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expense on bank borrowings	**66,334**	28,123
Amortisation of upfront payments	**–**	2,400
	66,334	30,523

8. (LOSS) PROFIT BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) profit before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	**388**	1,572
Depreciation	**74**	39
Trustee's remuneration	**944**	860
Principal valuer's fee	**120**	83

9. INCOME TAXES

	For six months period ended	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax		
PRC EIT		
Current period	**25,888**	17,567
Under(over)provision in prior period	**523**	(247)
Withholding tax		
Current period	**16,672**	–
Deferred tax	**(32,704)**	24,484
	10,379	41,804

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

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 RMB57,275,000 (six months ended 30 June 2022: RMB32,090,000) and the number of units of 1,127,819,549 (six months ended 30 June 2022: 1,127,819,549) in issue during the period.

There were no dilutive potential units during the period ended 30 June 2023 and 30 June 2022, therefore the diluted earnings per unit has not been presented.

11. INVESTMENT PROPERTIES

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
FAIR VALUE		
At the beginning of the period/year	**9,547,000**	6,746,000
Additions during the period/year	**43,976**	74,398
Acquisition of subsidiaries	**–**	2,693,690
Fair value changes on investment properties	**(166,976)**	32,912
At the end of the period/year	**9,424,000**	9,547,000

12. TRADE RECEIVABLES AND PREPAYMENTS

	30 June 2023 *RMB'000* **(unaudited)**	31 December 2022 *RMB'000* (audited)
Trade receivables	**13,629**	2,890
Prepayments	**456**	552
Total trade receivables and prepayments	**14,085**	3,442

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 demand note:

	30 June 2023 *RMB'000* **(unaudited)**	31 December 2022 *RMB'000* (audited)
Within 1 month	**5,402**	1,832
More than 1 month but within 3 months	**4,592**	925
Over 3 months	**3,635**	133
	13,629	2,890

13. TRADE AND OTHER PAYABLES

	30 June 2023 *RMB'000* **(unaudited)**	31 December 2022 *RMB'000* (audited)
Trade payables	**8,097**	13,203
Other tax payables	**11,729**	21,335
Rental receipt in advance	**10,106**	7,363
Receipt on behalf of tenants *(note)*	**7,201**	8,262
Rental deposit received from tenants	**82,618**	86,185
Accruals and other payables	**13,149**	26,004
Dividend payable to a shareholder of a subsidiary	**21,271**	12,127
	146,074	161,276
Less: Rental deposit received from tenants shown under non-current liabilities	**(25,424)**	(23,909)
	128,747	150,570

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 during the period. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 month	**1,210**	901
More than 1 month but within 3 months	**–**	–
Over 3 months	**6,887**	12,302
	8,097	13,203

14. SECURED BANK BORROWINGS

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Secured bank borrowings	**4,052,599**	4,052,639

The maturity of the secured bank borrowings is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within a period of more than two years but not exceeding five years	**4,052,599**	4,052,639

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 2023 of RMB3,552,508,000 (31 December 2022: RMB3,658,889,000) by the number of units in issue of 1,127,819,549 units as at 30 June 2023 (31 December 2022: 1,127,819,549).

16. NET CURRENT ASSETS

At 30 June 2023, the Group's net current assets, calculated as current assets less current liabilities, amounted to RMB782,265,000 (31 December 2022: RMB811,572,000).

17. TOTAL ASSETS LESS CURRENT LIABILITIES

At 30 June 2023, the Group's total assets less current liabilities amounted to RMB10,206,896,000 (31 December 2022: RMB10,359,267,000).

18. CAPITAL COMMITMENT

	30 June 2023 ***RMB'000*** **(unaudited)**	31 December 2022 *RMB'000* (audited)
Capital expenditure in respect of the improvement works of investment properties contracted for but not provided in the condensed consolidated financial statements	**57,907**	28,522

19. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Group's announcement dated 28 July 2023, a wholly-owned subsidiary of China Merchants Commercial REIT entered into a facility agreement with Industrial Bank Co., Ltd., Shenzhen Branch as lender in respect of a loan facility in an amount up to RMB2,400,000,000. On 30 August 2023, the bank borrowing with RMB2,400,000,000 is drawn down and bears interest at a fixed rate of 2.93% per annum with maturity with 3 years for early repayment of part of the existing secured bank borrowings.