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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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**") hereby announces the audited financial results of CMC REIT and its subsidiaries for the year ended 31 December 2024 (the "**Reporting Year**") as follows:

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2024	2023 (“**2023 Relevant Year**”)	**Change**
Revenue (RMB’000)	**529,359**	489,159	8.2%
Net Property Income (RMB’000)	**383,722**	355,230	8.0%
Financial Costs (RMB’000)	**131,846**	137,163	-3.9%
Distributable Income (RMB’000)	**116,649**	94,647	23.2%
Payout ratio	**100%**	100%	–
Distribution per Unit (HK$)	**0.1120**	0.0925	21.1%
Distribution per Unit Yield[1]	**9.2%**	6.9%	2.3pp

	As at 31 December 2024	As at 31 December 2023	**Change**
Total Assets (RMB million)	**10,081**	10,388	-3.0%
Net Assets Attributable to Unitholders (RMB million)	**3,096**	3,392	-8.7%
Net Asset Value per Unit Attributable to Unitholders (RMB)	**2.75**	3.01	-8.6%
Value of Portfolio (RMB million)	**8,987**	9,251	-2.9%
Gearing Ratio[2]	**40.5%**	39.0%	1.5pp

Notes:

(1) Based on the closing price of the units of CMC REIT on the last business day in the relevant year.

(2) This is calculated by dividing total borrowings over total assets.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, hindered by weak domestic consumption, China's economic growth slowed to 5.0%, which was in line with the government's target for the year. The total retail sales of consumer goods increased by only 3.5% year-on-year, and the consumer price index rose by 0.2% year-on-year. The nation-wide urban unemployment rate was at 5.1% in December 2024, the same as at the end of 2023. It is worth noting that exports were relatively strong, with annual exports of goods growing by 7.1%. The domestic benchmark interest rate was lowered three times during the year, and the government continued to stimulate economic activity through loose monetary policies.

The real estate sector remained weak throughout the year, with both investment in real estate and new home sales declining significantly across the country. New home sales market picked up in the fourth quarter, but the commercial real estate market remained weak. The Shenzhen commercial real estate market also faced immense challenges. Office rents were under pressure in 2024, with an average citywide decline of 9.3%. Nanshan District, supported by demand from high-tech enterprises, saw a lesser decline of 7.2%. By the end of 2024, the market rent of Grade A office buildings in Nanshan District fell to RMB173.9 per square meter. In terms of vacancy rates, additional new supply caused the city's vacancy rate to rise by 0.4 percentage points, and Nanshan District's by 0.5 percentage points, to 26.6% and 27.9%, respectively.

Beijing commercial real estate market environment continued to maintain a downward trend. Landlords continued to support occupancy rates by reducing their asking rents. The rental rate of Grade A office space in the city fell by 17.8% in 2024, and the average rental rate at the end of the year was approximately RMB244.8 per square meter. The rent in the CBD area also fell sharply, by 18.9% over 2023 to RMB272.5 per square meter. However, due to the limited number of new buildings entering the market, and landlords' discounting of rental rates, the vacancy rates in the city and the CBD area were relatively resilient, shrinking by 0.4 and 0. 1 percentage points to 18.3% and 13.0%, respectively.

The Shenzhen retail property market was relatively stable in 2024. Retail rents and vacancy rates in Nanshan District both improved and were better than that of Shenzhen citywide. Retail rental rates in Nanshan District recorded a 1.6% increase over the year and the average rent of premium ground floor retail space rose to RMB756.90 per square meter while the vacancy rate decreased by 2.0 percentage points to 12.1%. Shenzhen citywide retail rents were dragged down by new entrants to the market and dropped by 2.8% while the vacancy rate increased by 0.9 percentage points to 8.0%.

PROPERTY OVERVIEW

Property	Occupancy rate (%) as at			Passing Rent (RMB/sq.m.) as at		
	31 Dec 2024	30 Jun 2024	31 Dec 2023	**31 Dec 2024**	30 Jun 2024	31 Dec 2023
Office						
New Times Plaza	**74.1**	92.3	89.6	**149.8**	152.9	173.9
Cyberport Building	**91.3**	91.1	81.4	**128.7**	127.2	131.3
Technology Building	**100.0**	100.0	100.0	**139.6**	137.4	133.6
Technology Building 2	**99.8**	100.0	96.6	**123.3**	122.7	124.1
Onward Science & Trade Center	**94.0**	91.1	81.9	**261.6**	290.1	301.4
Average	**89.8**	94.7	90.0			
Retail						
Garden City Shopping Centre	**93.5**	88.4	73.7	**126.1**	128.5	152.3
Property Portfolio	**90.6**	93.5	86.8	**–**	–	–

Over the Reporting Year, the average occupancy rate of our office buildings fluctuated somewhat, rising almost 5% by mid-year before weakening almost 5% to end the year little changed at 89.8%.

Benefiting from the strong post-renovation leasing momentum at Garden City Shopping Centre, CMC REIT's sole retail asset, the overall occupancy rate of CMC REIT's property portfolio increased from 86.8% at the end of the 2023 period to 90.6% at the end of the Reporting Year.

Property Valuation

Property	Valuation (RMB million) as at **31 Dec 2024**	30 Jun 2024	31 Dec 2023
Office			
New Times Plaza	**1,905**	1,939	2,000
Cyberport Building	**1,066**	1,066	1,076
Technology Building	**942**	942	942
Technology Building 2	**1,076**	1,076	1,089
Onward Science & Trade Center	**2,512**	2,516	2,584
Retail			
Garden City Shopping Centre	**1,486**	1,539	1,560
Property Portfolio	**8,987**	9,078	9,251

A revaluation of our properties as at 31 December 2024 was carried out by an independent property valuer, Knight Frank Petty Limited, the principal valuer of CMC REIT. The market value of our portfolio declined from RMB9,251 million to RMB8,987 million at the end of 2024 December, a decrease of RMB264 million.

New Times Plaza

During the Reporting Year, the occupancy rate of New Times Plaza decreased by 15.5 percentage points due to the lease expiration of several tenants occupying large areas. Due to the general weakening of office rental market throughout Shenzhen and competition from surrounding Grade-A office buildings, the passing rent of New Times decreased significantly, by 13.9% to RMB24.10/sq.m. In 2025, to improve the building's overall operating statistics, the leasing team will actively compete for quality tenants.

The valuation of New Times Plaza was impacted by the city-wide drop in Grade-A office rents in Shenzhen. Its assessed valuation decreased by RMB95 million or 4.8% compared to the same period last year, dropping from RMB2,000 million to RMB1,905 million.

Cyberport Building, Technology Building, and Technology Building 2

In contrast to the CMC REIT's Grade-A offices, the three properties in the Net Valley (i.e. Cyberport Building, Technology Building, and Technology Building 2) achieved an improvement in operating revenue compared to the same period in 2023. The occupancy rate of Cyberport Building increased by 9.9 percentage point as compared to the same period last year but the passing rent decreased by RMB2.6/sq.m., representing a decrease of 2%. Technology Building continued to maintain full occupancy while it's passing rent increased by a further 4.5% to RMB139.6/sq.m. The occupancy rate of Technology Building 2 increased by 3.2 percentage point as compared to the end of last year while maintaining its passing rent at roughly the same levels.

In terms of valuation, the assessed value of Technology Building remained unchanged while there was a marginal decrease in the valuation of Technology Building 2 and Cyberport Building.

Onward Science & Trade Center

The occupancy rate of the Onward Science & Trade Center increased materially from 81.9% to 94.0%, rising by 12.1 percentage points as compared to the same period last year. This significant improvement was achieved despite the more challenging office leasing environment in the second half of the year at the cost of a lower passing rent rate as we opted to compete aggressively on pricing. Due to the adoption of this leasing strategy, the passing rent weakened from RMB301.4/sq.m. to RMB261.6/sq.m., representing a fall of 13.2%.

The valuation of Onward Science & Trade Centre decreased 2.8% as compared to the same period last year, dropping from RMB2,584 million to RMB2,512 million.

Garden City Shopping Centre

Post its 2023 asset enhancement, Garden City Shopping Centre has continued to gather operational momentum and its customer traffic has all but recovered. As a result, the occupancy rate increased significantly in 2024, by 19.8 percentage points to 93.5% year-on-year. However, as we have given a degree of base rent incentives to certain new tenants in exchange for variable turnover rent, the passing rent decreased materially by RMB26.2/sq.m., to 126.1/sq.m. As competition among shopping malls intensifies, we will continue to launch a series of promotional activities and discount campaigns to further enhance the customer traffic and sales at Garden City Shopping Centre.

Occupancy at Garden City Shopping Centre may have recovered in 2024, but its valuation was still affected by its lower passing rent, and the assessed value of the mall decreased by RMB74 million to RMB1,486 million as compared to the last year.

FINANCIAL REVIEW

The revenue of CMC REIT for the Reporting Year was RMB529.4 million, an increase of RMB40.2 million over the revenue in 2023 Relevant Year. The growth in revenue was mainly driven by a 6.1% increase in rental income to RMB467.9 million, details of the rental income of each property are set out below.

Rental Income for Each Property

RMB million

	Reporting Year	2023 Relevant Year	**Change**
New Times Plaza	**94.2**	107.8	**-12.6%**
Cyberport Building	**49.0**	49.6	**-1.2%**
Technology Building	**65.9**	61.8	**6.6%**
Technology Building 2	**56.7**	54.1	**4.8%**
Garden City Shopping Centre	**80.4**	51.6	**55.8%**
Onward Science & Trade Center	**121.7**	116.3	**4.6%**
Total	**467.9**	441.2	**6.1%**

The property operating expenses of CMC REIT for the Reporting Year increased 8.7% to RMB145.6 million. At RMB59.9 million, property management expenses were the largest component (41.1%). Operation manager's fee and other taxes contributed to RMB28.0 million (19.2%) and RMB48.2 million (33.1%) of the property operating expenses respectively. After deducting property operating expenses, net property income was approximately RMB383.7 million, an increase of 8.0% over 2023 Relevant Year.

Finance costs for the Reporting Year fell by 3.9% to RMB131.8 million, and mainly comprised interest expense on bank borrowings.

Capital Structure

CMC REIT had total net borrowing of RMB4,086 million as at 31 December 2024, representing a gearing ratio of 40.5%. This ratio is below the 50% limit permitted under the Code on Real Estate Investment Trusts (the "**REIT Code**").

As at 31 December 2024, the ratio of total liabilities (excluding net assets attributable to unitholders) to total assets of CMC REIT was 54.8% (2023: 53.0%).

A summary of CMC REIT's bank borrowings as of 31 December 2024 is set out below:

Amount of Bank Borrowings (RMB million)	Repayment Date	Type	Annualised Interest Rate	Percentage
10	2025.02.28	secured	2.93%	0.2%
48	2025.05.27	secured	4.75%	1.3%
30	2025.12.15	secured	LPR (1 year) – 0.45%	0.7%
1,622	2025.12.15	secured	3.55%	39.7%
2,376	2026.08.30	secured	2.93%	58.1%

In January 2025, CMC REIT (through its wholly-owned subsidiary) entered into a 5 year facility agreement with an independent third party bank (as lender) in respect of a loan facility in an amount up to RMB4.1 billion at a fixed interest rate of 2.80% per annum. An amount of RMB4,008 million was drawn down from this new loan facility in January 2025 and used to fully prepay the former offshore facilities with fixed rates of 3.55% and 2.93% in the table above. This drawdown on a loan facility with a lower interest rate to prepay loans with higher interest rates will result in substantial savings on interest expense for CMC REIT in 2025. As the RMB4,008 million that was drawn down was used entirely for the refinancing of existing offshore loan facilities, the drawdown did not materially affect the gearing of CMC REIT. For further details on this refinancing, please refer to the announcement of CMC REIT dated 27 January 2025.

Net Assets Attributable to Unitholders

As at 31 December 2024, net assets attributable to Unitholders amounted to RMB3,096 million (31 December 2023: RMB3,392 million) or RMB2.75 per Unit, equivalent to HKD2.97 per Unit ("**NAV per Unit**") based on central parity rate as announced by the People's Bank on 31 December 2024. (31 December 2023: RMB3.01 per Unit, equivalent to HKD3.32).

The closing unit price of HKD1.22 on 31 December 2024 was at a 58.9% 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 Year was RMB116.65 million (2023 Relevant Year: RMB94.65 million). Based on the Distributable Income, the final distribution per unit for 2024 is HK$0.0520 ("**Final Distribution**"). Including the interim distribution per unit of HK$0.0600 that has already been paid, the total distribution per unit to Unitholders for the Reporting Year is HK$0.1120 (equivalent to RMB0.1034). 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 will distribute to the Unitholders 100% of the Distributable Income for 2024.

The Final 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 the Final Distribution.

The Final Distribution payable to Unitholders will be paid in Hong Kong dollar. The exchange rate of the distribution per unit for the Reporting Year 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 Final Distribution, the register of Unitholders will be closed from 10 April 2025 to 11 April 2025, both days inclusive, during which period no transfer of units will be registered, and the record date will be on 11 April 2025. In order to qualify for the Final 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 9 April 2025. The payment of the Final Distribution will be made on or about 30 May 2025.

Asset Enhancement

The capital expenditure on asset enhancement for the Reporting Year with comparative figures is set out below. The bulk of assets enhancement works were completed in 2023, but a portion of the associated capital expenditure was only booked in 2024 to match the actual payments to contractors.

	Reporting Year	2023 Relevant year
Technology Building 2	RMB0.3 million	RMB7.4 million
Cyberport Building	RMB0.1 million	RMB13.1 million
New Times Plaza	RMB12.3 million	RMB25.4 million
Garden City Shopping Centre	RMB118.5 million	RMB134.1 million
Total	**RMB131.2 million**	**RMB180 million**

OUTLOOK

The economic outlook for 2025 is full of uncertainty. The further escalation of the US tariffs has spawned market concerns about inflationary pressure in the US. An extended tariff war will lead to higher inflation in the US. The outlook of US interest rate market is uncertain, resulting in significant pressure on global financial markets. At the same time, the weakness of certain areas in China's economy in 2024 has also made the market worried about it's prospects for expansion going forward. The weakness of the real estate market, the low propensity of consumers to spend and surging government debt will remain problematic areas for China's economy in 2025. In addition, manufacturing overcapacity may introduce additional challenges.

To tackle these challenges, the government is taking active measures to rebalance economic activity. At the end of 2024, the Central Economic Work Conference once again, after 14 years, set the tone of monetary policy as "moderately loose", indicating that there is a high possibility of further reductions in bank reserve requirements and interest rates in 2025. At the same time, the tone of the fiscal policy has been set to be "more active", and it has been made clear that the deficit ratio will increase in 2025. Debt pressure will be resolved by issuing ultra-long-term treasury bonds, special bonds and other instruments to support employment and consumption. The loose monetary policy and active fiscal policy are aimed at injecting new impetus into the economy, alleviating downward pressure, and laying the foundation for a stronger economy in 2025.

For the consumer market, at the beginning of the year, the Ministry of Finance has earmarked RMB81 billion for the first batch of funds for the trade-in of consumer goods in 2025, and expanded the categories and amount of subsidies to cover digital products such as mobile phones. According to the Ministry of Commerce's statistics, during Chinese New Year in 2025, the sales of major retail and catering enterprises nationwide increased by 4.1% year-on-year, and the sales of home appliances and communication devices of key monitored retail enterprises increased by more than 10% year-on-year.

However, a sustained recovery of consumer confidence and rebound in corporate investment for expansion still depend on growth expectations and the duration of the current accommodative policy stance. While the situation is improving, it cannot be denied that office buildings in Shenzhen and Beijing will continue to face the challenges of oversupply and weak demand in the near term. As existing vacancies still need to be digested and new supply continues to enter the market, the outlook for the office building market in 2025 remains pessimistic. For the retail property market, despite the fact that the consumer subsidy policy has stimulated the willingness of retail tenants to spend, the overall retail market remains sluggish, and the outlook for 2025 is still mixed.

In 2025, a material portion of the office leases, in particular those for Grade A offices within the property portfolio will expire, resulting in the dilemma of either increasing vacancy rates or further weakening of rental rates. The Manager will focus on rebuilding occupancy at the CMC REIT's Grade-A properties as the primary goal. In the face of fierce market competition, the Manager will adjust rental rates dynamically according to the market situation, and also offer flexible lease terms where applicable. While rental income will come under pressure, non-operating expenditure as a mitigating factor, in particular interest costs, will be reduced at the same time. The Manager will also conduct a comprehensive assessment and review of the performance of various assets, and actively seek opportunities for capital optimization, so as to improve operational efficiency. The Manager will also look for more high-quality diverse asset class investments in the Greater China region to further diversify the income base of CMC REIT and achieve sustainable growth in DPU in the long run.

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 31 December 2024, and their percentage contribution to Gross Rental Income in December 2024:

Breakdown for all properties	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**16.0%**	17.9%
Scientific and Information Technology	**13.4%**	12.5%
Leasing and Business Service	**10.3%**	8.8%
Food and Beverage	**8.2%**	8.0%
Finance	**7.7%**	16.9%
Department Store	**7.6%**	6.2%
Wholesale and Retail	**6.0%**	5.3%
Life Service	**6.0%**	4.2%
Real Estate	**4.9%**	7.0%
Logistics	**3.0%**	3.6%
Petroleum	**2.3%**	3.1%
Construction and Engineering	**2.2%**	3.1%
Hotel	**1.1%**	1.0%
Others	**1.9%**	2.4%
Vacant	**9.4%**	–

Breakdown for office buildings	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**20.2%**	21.3%
Scientific and Information Technology	**16.7%**	14.9%
Leasing and Business Service	**12.9%**	10.4%
Finance	**9.7%**	20.1%
Wholesale and Retail	**7.5%**	6.3%
Real Estate	**6.2%**	8.4%
Logistics	**3.7%**	4.3%
Food and Beverage	**3.1%**	2.4%
Petroleum	**2.9%**	3.7%
Construction and Engineering	**2.7%**	3.7%
Hotel	**1.5%**	1.2%
Education	**1.2%**	1.0%
Others	**1.5%**	2.3%
Vacant	**10.2%**	–

Breakdown for retail property (Garden City Shopping Centre)	Percentage of GRA	Percentage of monthly rental income
Department Store	**37.9%**	38.6%
Food and Beverage	**28.1%**	37.6%
Life Service	**27.5%**	23.8%
Vacant	**6.5%**	–

Breakdown for New Times Plaza	Percentage of GRA	Percentage of monthly rental income
Logistics	**12.8%**	17.8%
Real Estate	**11.9%**	17.3%
Petroleum	**9.9%**	15.8%
Construction and Engineering	**7.6%**	10.6%
Science and Information Technology	**6.7%**	8.2%
Food and Beverage	**6.1%**	3.3%
Leasing and Business Service	**5.3%**	6.0%
Hotel	**4.8%**	5.0%
Finance	**4.1%**	9.8%
Education	**2.1%**	2.3%
Wholesale and Retail	**1.9%**	2.6%
Others	**0.9%**	1.3%
Vacant	**25.9%**	–

Breakdown for Cyberport Building	Percentage of GRA	Percentage of monthly rental income
Scientific and Information Technology	**37.9%**	38.3%
Leasing and Business Service	**25.1%**	25.8%
Wholesale and Retail	**19.5%**	17.6%
Finance	**4.1%**	9.1%
Life Service	**2.0%**	2.5%
Food and Beverage	**1.4%**	2.7%
Others	**1.3%**	4.0%
Vacant	**8.7%**	–

Breakdown for Technology Building	Percentage of GRA	Percentage of monthly rental income
Health Care Service	**100.0%**	99.5%
Leasing and Business Service	**0.0%**	0.5%

Breakdown for Technology Building 2	Percentage of GRA	Percentage of monthly rental income
Scientific and Information Technology	**44.1%**	40.7%
Wholesale and Retail	**13.5%**	13.1%
Finance	**13.4%**	14.5%
Leasing and Business Service	**10.6%**	10.2%
Health Care Service	**9.8%**	9.5%
Real Estate	**3.8%**	5.3%
Education	**2.5%**	2.6%
Food and Beverage	**2.1%**	4.1%
Vacant	**0.2%**	–

Breakdown for Onward Science & Trade Center	Percentage of GRA	Percentage of monthly rental income
Finance	**30.8%**	46.0%
Leasing and Business Service	**29.8%**	26.0%
Real Estate	**11.7%**	11.3%
Wholesale and Retail	**6.5%**	2.5%
Food and Beverage	**3.9%**	1.9%
Health Care Service	**3.5%**	4.4%
Construction and Engineering	**3.4%**	3.6%
Scientific and Information Technology	**1.2%**	0.9%
Other	**3.2%**	3.4%
Vacant	**6.0%**	–

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 31 December 2024:

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**8.3%**	15.0%
2025	**26.1%**	29.9%
2026	**19.2%**	22.6%
2027	**11.7%**	11.5%
2028	**10.2%**	7.8%
2029	**8.4%**	6.8%
2030 and beyond	**6.7%**	6.4%
Vacant	**9.4%**	–

Lease Expiry Profile of office buildings

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**10.1%**	18.3%
2025	**28.6%**	32.7%
2026	**17.3%**	21.3%
2027	**12.1%**	11.8%
2028	**7.4%**	6.4%
2029	**7.8%**	7.2%
2030 and beyond	**6.5%**	2.3%
Vacant	**10.2%**	–

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

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**0.6%**	0.4%
2025	**12.4%**	21.5%
2026	**23.9%**	33.5%
2027	**9.3%**	12.0%
2028	**16.2%**	16.4%
2029	**9.3%**	5.7%
2030 and beyond	**21.8%**	10.5%
Vacant	**6.5%**	–

Lease Expiry Profile of New Times Plaza

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**13.2%**	19.8%
2025	**19.7%**	30.7%
2026	**9.0%**	14.0%
2027	**5.1%**	6.8%
2028	**8.4%**	10.2%
2029	**9.0%**	12.0%
2030 and beyond	**9.7%**	6.5%
Vacant	**25.9%**	–

Lease Expiry Profile of Cyberport Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**6.6%**	6.9%
2025	**24.2%**	29.8%
2026	**16.4%**	17.4%
2027	**17.7%**	20.5%
2028	**3.8%**	3.1%
2029	**21.0%**	18.2%
2030 and beyond	**1.6%**	4.1%
Vacant	**8.7%**	–

Lease Expiry Profile of Technology Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**2.3%**	2.3%
2025	**77.8%**	78.6%
2026 and beyond	**19.9%**	19.1%
Vacant	**–**	–

Lease Expiry Profile of Technology Building 2

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**–**	–
2025	**14.4%**	16.9%
2026	**25.8%**	26.5%
2027	**33.1%**	33.4%
2028	**19.7%**	16.2%
2029	**6.6%**	6.6%
2030 and beyond	**0.2%**	0.4%
Vacant	**0.2%**	–

Lease Expiry Profile of Onward Science & Trade Center

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**30.2%**	42.7%
2025	**9.7%**	8.9%
2026	**20.8%**	24.3%
2027	**6.5%**	3.8%
2028	**4.4%**	2.1%
2029	**0.8%**	0.8%
2030 and beyond	**21.6%**	17.4%
Vacant	**6.0%**	–

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 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 Manager with various provisions of the Trust Deed, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), 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 C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**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 Manager has adopted a code containing rules on dealings by the directors and the Manager equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Throughout the Reporting Year, the 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 respects. The governance framework of CMC REIT and the Corporate Governance Report for the year ended 31 December 2024 will be set out in the 2024 Annual Report.

EMPLOYEES

CMC REIT is an externally managed trust and does not employ any staff. However, various statistics regarding the employees of the Manager, the operations manager and the property manager are disclosed annually in CMC REIT's Environmental, Social and Governance Report.

NEW UNITS ISSUED

During the Reporting Year, 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 Year, 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 Manager is aware, not less than 25% of the issued units of CMC REIT were held in public hands as of 31 December 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 Year.

REVIEW OF FINANCIAL RESULTS

The final results of CMC REIT for the Reporting Year have been reviewed by the Disclosures Committee and Audit Committee of the Manager in accordance with their respective terms of reference. The figures in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes of CMC REIT and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 thereto as set out in this announcement have been approved by the Board of the Manager on 17 March 2025.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of the Manager on 17 March 2025. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of CMC REIT for the Reporting Year will be dispatched to Unitholders on or before 30 April 2025 and will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and CMC REIT at www.cmcreit.com.

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, 17 March 2025

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	2	**529,359**	489,159
Property operating expenses	3	**(145,637)**	(133,929)
Net property income		**383,722**	355,230
Exchange losses		**(1,897)**	(1,194)
Other net income	4	**16,043**	25,244
(Impairment losses)/reversal of impairment losses under expected credit loss model, net		**(261)**	2,484
Decrease in fair value of investment properties		**(393,219)**	(394,450)
Manager's fee		**(17,422)**	(15,515)
Trust and other expenses		**(9,175)**	(11,789)
Finance costs	5	**(131,846)**	(137,163)
Loss before tax and distribution to unitholders	6	**(154,055)**	(177,153)
Income tax expenses	7	**(24,295)**	(12,236)
Loss for the year, before distribution to unitholders		**(178,350)**	(189,389)
Distribution to unitholders		**(111,186)**	(94,647)
Loss for the year and total comprehensive income for the year, after distribution to unitholders		**(289,536)**	(284,036)
Loss for the year, before distribution to unitholders attributable to:			
Unitholders		**(184,774)**	(172,317)
Non-controlling interests		**6,424**	(17,072)
		(178,350)	(189,389)
Total comprehensive income for the year, after distribution to unitholders attributable to:			
Unitholders		**(295,960)**	(266,964)
Non-controlling interests		**6,424**	(17,072)
		(289,536)	(284,036)
Basic loss per unit	8	**RMB(0.16)**	RMB(0.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	NOTES	**2024** *RMB'000*	2023 *RMB'000*
Non-current assets			
Investment properties	*9*	**8,987,000**	9,251,000
Prepayments for construction works		**–**	4,070
Property, plant and equipment		**379**	611
		8,987,379	9,255,681
Current assets			
Trade and other receivables, and prepayments	*10*	**6,177**	2,121
Amounts due from related companies		**–**	1,042
Time deposits		**101,072**	50,072
Cash and cash equivalents		**986,607**	1,079,011
		1,093,856	1,132,246
Total assets		**10,081,235**	10,387,927
Current liabilities			
Trade and other payables	*11*	**188,936**	141,998
Amounts due to related companies		**147,130**	145,579
Amounts due to non-controlling interests		**18,748**	19,754
Distribution payable		**49,168**	45,541
Tax payable		**46,364**	46,389
Secured bank borrowings	*12*	**1,710,055**	–
		2,160,401	399,261
Non-current liabilities, excluding net assets attributable to unitholders			
Secured bank borrowings	*12*	**2,376,058**	4,053,724
Rental deposits received from tenants		**–**	7,087
Deferred tax liabilities		**987,248**	1,047,271
		3,363,306	5,108,082
Total liabilities, excluding net assets attributable to unitholders		**5,523,707**	5,507,343
Non-controlling interests		**1,461,563**	1,488,659
Net assets attributable to unitholders		**3,095,965**	3,391,925
Number of units in issue	*13*	**1,127,819,549**	1,127,819,549
Net asset value per unit attributable to unitholders	*13*	**RMB2.75**	RMB3.01

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	RMB'000	*RMB'000*
Loss for the year attributable to unitholders, before distribution to unitholders	**(184,774)**	(172,317)
Adjustments on amount that are attributable to unitholders:		
Decrease in fair value of investment properties	**354,635**	314,862
Exchange losses	**1,623**	1,603
Impairment losses/(reversal of impairment losses) under expected credit loss model, net	**255**	(2,483)
Depreciation	**44**	92
Deferred tax	**(55,134)**	(47,110)
Total distributable income to unitholders *(note (i))*	**116,649**	94,647
Interim distribution, paid to unitholders *(note (ii))*	**62,018**	49,106
Final distribution, proposed by the manager *(note (iii))*	**54,631**	45,541
Total distribution for the year	**116,649**	94,647
Payout ratio *(note (i))*	**100%**	100%
Distribution per unit ("DPU")		
Interim distribution per unit, paid	**RMB0.0550**	RMB0.0435
Final distribution per unit, to be paid to unitholders	**RMB0.0484**	RMB0.0404
	RMB0.1034	RMB0.0839

Notes:

(i) Pursuant to the Trust Deed, the total distributable income is profit for the year, 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 for the relevant year. 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.

(ii) The 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 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.

(iii) The proposed final distribution per unit of RMB0.0484 (2023: RMB0.0404) for the year ended 31 December 2024 is calculated based on the final distribution to be paid to unitholders of RMB54,631,000 (2023: RMB45,541,000) for the year and 1,127,819,549 (2023: 1,127,819,549) units in issue as at 31 December 2024.

The final distribution to be paid to unitholders includes the minimum distribution in accordance with the Trust Deed of RMB49,168,000 (2023: RMB40,987,000) and a voluntary final distribution declared after the end of the reporting period of RMB5,463,000. The voluntary final distribution has not been recognised as distribution payable as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 Asset 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-generating commercial properties in Shenzhen and Beijing with the objective of generating 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 financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of China Merchants Commercial REIT.

2. REVENUE AND SEGMENT INFORMATION

Revenue recognition

	2024	2023
	RMB'000	*RMB'000*
Rental income from office buildings and a shopping centre	**467,899**	441,166
Revenue from contracts with customers recognised over time		
Management fee income	**40,967**	29,733
Carpark income	**9,812**	8,100
Advertising and air-conditioning income	**10,681**	10,160
	61,460	47,993
	529,359	489,159

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.

The gross rental income from investment properties includes variable lease payments that do not depend on an index or a rate of RMB1,275,000 (2023: RMB1,498,000) for the current year.

Segment results, assets and liabilities

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

The year ended 31 December 2024

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Onward Science and Trade Center *RMB'000*	Garden City Shopping Centre *RMB'000*	Total *RMB'000*
Rental income from office buildings and a shopping centre	94,199	49,018	65,907	56,689	121,711	80,375	467,899
Revenue from contracts with customers recognised over time	17,457	6,378	5,421	7,300	–	24,904	61,460
Segment revenue	111,656	55,396	71,328	63,989	121,711	105,279	529,359
Segment results	(26,070)	33,629	60,346	38,701	31,926	(134,510)	4,022
Exchange losses							(1,897)
Other income							1,168
Manager's fee							(17,422)
Trust and other expenses							(9,175)
Finance cost							(130,751)
Loss before tax and distribution to unitholders							(154,055)
Income taxes							(24,295)
Loss for the year, before distribution to unitholders							(178,350)

The year ended 31 December 2023

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Onward Science and Trade Center *RMB'000*	Garden City Shopping Centre *RMB'000*	Total *RMB'000*
Rental income from office buildings and a shopping centre	107,771	49,569	61,834	54,064	116,315	51,613	441,166
Revenue from contracts with customers recognised over time	17,308	6,079	5,246	6,081	–	13,279	47,993
Segment revenue	125,079	55,648	67,080	60,145	116,315	64,892	489,159
Segment results	6,429	48,114	72,279	24,445	(44,315)	(121,439)	(14,487)
Exchange losses							(1,194)
Other income							2,020
Manager's fee							(15,515)
Trust and other expenses							(11,789)
Finance costs							(136,188)
Loss before tax and distribution to unitholders							(177,153)
Income taxes							(12,236)
Loss for the year, before distribution to unitholders							(189,389)

Segment assets and liabilities

As at 31 December 2024

	New Times Plaza ***RMB'000***	**Cyberport Building** ***RMB'000***	**Technology Building** ***RMB'000***	**Technology Building 2** ***RMB'000***	**Onward Science and Trade Center** ***RMB'000***	**Garden City Shopping Centre** ***RMB'000***	**Total** ***RMB'000***
Segment assets	**2,139,589**	**1,163,548**	**1,069,791**	**1,182,814**	**2,816,351**	**1,534,799**	**9,906,892**
Unallocated assets							**174,343**
Consolidated total assets							**10,081,235**
Segment liabilities	**328,880**	**211,664**	**185,390**	**217,643**	**132,686**	**268,934**	**1,345,197**
Unallocated liabilities							**4,178,510**
Consolidated total liabilities							**5,523,707**

As at 31 December 2023

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

Other segment information

For the year ended 31 December 2024

	New Times Plaza *RMB'000*	**Cyberport Building** *RMB'000*	**Technology Building** *RMB'000*	**Technology Building 2** *RMB'000*	**Onward Science and Trade Center** *RMB'000*	**Garden City Shopping Centre** *RMB'000*	**Total** *RMB'000*
Addition to investment properties	**12,349**	**104**	**–**	**258**	**–**	**116,508**	**129,219**
Decrease in fair value of investment properties	**(107,349)**	**(10,104)**	**–**	**(13,258)**	**(72,000)**	**(190,508)**	**(393,219)**
Depreciation	**22**	**–**	**–**	**–**	**57**	**18**	**97**

For the year ended 31 December 2023

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Onward Science and Trade Center *RMB'000*	Garden City Shopping Centre *RMB'000*	Total *RMB'000*
Addition to investment properties	7,523	–	–	11	2,513	88,403	98,450
(Decrease)/increase in fair value of investment properties	(91,523)	3,000	15,000	(24,011)	(148,513)	(148,403)	(394,450)
Depreciation	23	–	–	–	58	42	123

3. PROPERTY OPERATING EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Advertising and promotion	**7,051**	3,147
Agency fee	**857**	3,432
Property management expenses	**59,902**	51,801
Operations manager's fee	**28,020**	23,808
Other taxes	**48,238**	49,967
Others	**1,569**	1,774
	145,637	133,929

4. OTHER NET INCOME

	2024	2023
	RMB'000	*RMB'000*
Interest income from bank deposits	**11,236**	15,953
Compensation income *(note)*	**5,117**	9,109
Others	**(310)**	182
	16,043	25,244

Note:

The amount represents compensation income arising from the tenants' cancellation of rental contracts in relation to breach of the contract terms by such tenants.

5. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest expense on bank borrowings	**131,846**	137,163

6. LOSS BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	2024	2023
	RMB'000	*RMB'000*
Loss before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	**1,330**	1,830
Depreciation	**97**	123
Trustee's remuneration	**1,968**	1,849
Principal valuer's fee	**550**	170

7. INCOME TAX EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")		
– Current year	**71,425**	65,873
– Under/(over) provision in respect of prior years	**203**	(7,715)
Withholding tax		
– Current year	**12,690**	16,672
Deferred tax *(note 17)*	**(60,023)**	(62,594)
	24,295	12,236

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

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

8. 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 year, before distribution to unitholders attributable to unitholders of RMB189,995,000 (2023: RMB172,317,000) with the number of units of 1,127,819,549 (2023: 1,127,819,549) in issue during the year.

9. INVESTMENT PROPERTIES

	2024	2023
	RMB'000	*RMB'000*
FAIR VALUE		
At the beginning of the year	**9,251,000**	9,547,000
Additions during the year	**129,219**	98,450
Fair value changes on investment properties	**(393,219)**	(394,450)
At the end of the year	**8,987,000**	9,251,000

10. TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**2,405**	3,113
Less: allowance for credit losses	**(932)**	(1,614)
	1,473	1,499
Other receivables and prepayments	**4,704**	4,692
Total trade and other receivables, and prepayments	**6,177**	6,191
Less: prepayments for construction works shown under non-current assets	**–**	(4,070)
	6,177	2,121

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**644**	464
More than 1 month but within 3 months	**642**	792
Over 3 months	**187**	243
	1,473	1,499

11. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**–**	5,815
Other taxes payables	**919**	922
Rental received in advance	**6,289**	14,549
Receipts on behalf of tenants *(note)*	**8,671**	11,112
Rental deposits received from tenants	**85,391**	75,775
Payables for mall renovation and decoration	**61,718**	–
Accruals and other payables	**25,948**	19,545
Dividend payable to a shareholder of a subsidiary	**–**	21,367
	188,936	149,085
Less: rental deposits received from tenants shown under non-current liabilities	**–**	(7,087)
	188,936	141,998

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**–**	508
Over 3 months	**–**	5,307
	–	5,815

12. SECURED BANK BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Current	**1,710,055**	–
Non-current	**2,376,058**	4,053,724
	4,086,113	4,053,724

The maturity of the secured bank borrowings are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within a period of one year	**1,710,055**	–
Within a period of more than one year but not exceeding two years	**2,376,058**	1,710,055
Within a period of more than two years but not exceeding five years	**–**	2,343,669
	4,086,113	4,053,724

13. 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 31 December 2024 of RMB3,095,965,000 (2023: RMB3,391,925,000) by the number of units in issue of 1,127,819,549 (2023: 1,127,819,549) units as at 31 December 2024.

14. NET CURRENT (LIABILITIES)/ASSETS

At 31 December 2024, the Group's net current liabilities, calculated as current assets less current liabilities, amounted to RMB1,066,545,000 (2023: net current assets of RMB732,985,000).

15. TOTAL ASSETS LESS CURRENT LIABILITIES

At 31 December 2024, the Group's total assets less current liabilities amounted to RMB7,920,834,000 (2023: RMB9,988,666,000).

16. CAPITAL COMMITMENT

	2024	2023
	RMB'000	*RMB'000*
Capital expenditure in respect of the improvement works of investment properties contracted for but not provided in the consolidated financial statements	**4,604**	76,286