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China Merchants Commercial Real Estate Investment Trust

*(a Hong Kong collective investment scheme authorised 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 2026

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 unaudited financial results of the CMC REIT and its subsidiaries for the six months ended 30 June 2026 (the “**Reporting Period**”) as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2026	2025	
	("2025 Relevant Period")		
Revenue (RMB'000)	191,657	225,004	-14.8%
Net Property Income (RMB'000)	135,220	168,726	-19.9%
Financial Cost (RMB'000)	56,240	58,126	-3.2%
Distributable Income (RMB'000)	39,728	57,461	-30.9%
Payout Ratio	100%	100%	–
Distribution per Unit (HK\$)	0.0407	0.0558	-27.1%
Annual Distribution Yield ¹	8.2%	9.1%	-0.9pp

	30 June 2026	31 December 2025	Change
Total Assets (RMB' million)	9,744	9,723	0.2%
Net Assets Attributable to Unitholders (RMB' million)	2,787	2,899	-3.9%
Net Assets per Unit Attributable to Unitholders (RMB)	2.47	2.57	-3.9%
Value of Portfolio (RMB' million)	8,720	8,701	0.2%
Gearing Ratio ²	43.8%	42.3%	1.5pp

Notes:

- (1) Based on the closing unit price of CMC REIT on 30 June 2026 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

In the first half of 2026, driven by the ongoing implementation of various growth-stabilizing policies and the accelerated optimization of the national industrial structure, China's gross domestic product (GDP) grew by 4.7% year-on-year. This was a slowdown from 5.2% in 2025, but considering the multiple internal and external challenges the economy was facing, the outcome was well within what is considered reasonable. The consumer sector displayed some structural improvement, with total retail sales in the first half of the year rising 1.3% year-on-year. Services emerged as the main driver for the consumer rebound as the recovery in goods consumption has yet to gain momentum. The consumer price index (CPI) rose by 1.0% year-on-year, reflecting a mild upward trend in overall prices amidst persistent headwinds to domestic demand expansion. The employment situation was stable with the average national urban unemployment at 5.2%. Monetary policy was maintained at a prudent moderately loose stance. Following multiple reserve requirement ratio (RRR) and interest rate cuts in 2025, the central bank focused on using structural monetary tools in the first half of 2026, lowering the re-lending and re-discount rates to maintain ample market liquidity and drive down total real financing costs for the economy.

Shenzhen's Grade-A office market remained in a period of adjustment, with the citywide average rental rate falling to RMB144.2/sq.m., down 3.4% from the end of 2025. Driven by a structural recovery in demand, the citywide vacancy rate edged down to 29.1%. Nanshan District, supported by high-tech enterprises, demonstrated greater rental resilience than the broader market. The average rental rate in the district declined by only 2.8% from the end of 2025 to RMB155.5/sq.m. However, due to supply pressures within the district, its vacancy rate rose by 1.0 percentage point to 29.8%. Beijing's office market displayed a divergence between volume and price, as rental rates remained under pressure while vacancy rates improved. The citywide average rental rate fell to RMB191.3/sq.m., down 7.0% from the end of 2025. Within the CBD submarket, the rental rate stood at RMB212.7/sq.m., down 3.0% from the end of 2025, highlighting the resilience of core areas. In the absence of new supply, the citywide vacancy rate improved to 15.3%, while the CBD vacancy rate fell further to 11.8%.

The retail property market in Nanshan District underperformed the Shenzhen citywide average because of its existing excess inventory. At the end of June, the ground-floor rental rate for prime retail properties in Shenzhen's Nanshan District stood at RMB654.5/sq.m., a slight decrease of 0.95% from the end of 2025. In comparison, the citywide ground-floor rental rate for prime retail properties stood at RMB693.5/sq.m., down only 0.5%. Over the past 6 months, the Nanshan District's retail vacancy rate rose by 0.6 percentage point to 17.40%, which remained significantly higher than the citywide retail vacancy rate of 9.2%.

During the year, CMC REIT continued to ramp up its investments in the Hong Kong property sector, with a focus on student accommodation and serviced apartments and is actively seeking out high-quality assets for portfolio expansion. Supported by a steady influx of mainland students and young professionals, residential rental demand in Hong Kong remained robust, driving rental rates upward. In the first half of the year, private residential rental rates rose by a cumulative 2.64%, demonstrating the strong demand in the residential rental market and highlighting the investment appeal of apartments.

For the second half of 2026, China's economy will still need to navigate a complex and volatile external environment, while the recovery of domestic demand remains anemic. However, along with the ongoing implementation of industrial policy reform and the gradual unlocking of the potential of the consumer market, the economic growth is expected to remain stable as a whole. The commercial real estate market will continue to show marked divergence—core areas with a strong demand formation are likely to stabilize first, while peripheral regions will continue to face adjustment pressures. On the policy front, targeted regulatory measures will continue to be implemented, fostering economic growth while guarding against potential risks.

PROPERTY OVERVIEW

Property	Occupancy rate (%) as at			Passing Rent (RMB/sq.m.) as at		
	30 Jun 2026	31 Dec 2025	30 Jun 2025	30 Jun 2026	31 Dec 2025	30 Jun 2025
Office						
New Times Plaza	65.1	66.1	56.4	141.6	141.9	144.6
Cyberport Building	80.0	79.4	86.3	120.6	125.2	127.0
Technology Building	50.7	72.8	97.4	71.9	146.4	142.6
Technology Building 2	84.9	80.2	89.5	119.3	123.2	120.9
Onward Science & Trade Center	86.5	93.8	92.2	180.3	196.4	219.3
Average	<u>72.5</u>	<u>77.0</u>	<u>81.2</u>			
Garden City Shopping Centre	<u>98.8</u>	<u>96.5</u>	<u>98.2</u>	<u>116.0</u>	<u>122.3</u>	<u>121.7</u>
Property Portfolio	<u>77.6</u>	<u>80.8</u>	<u>84.5</u>			

Note: In the published unaudited operating statistics for the second quarter, the occupancy rate of the Onward Science & Trade Center as of 30 June 2026 was originally shown as 92.2%. However, it was subsequently confirmed that, based on the effective date of the formal lease with a new tenant, the occupancy rate would only reach 92.2% on 1 July 2026. The calculation of the passing rent for the property as of 30 June 2026 was also affected by this factor.

During the Reporting Period, the occupancy rate of the overall property portfolio decreased from 80.8% to 77.6%, a decline of 3.2 percentage points. Affected by the expiry of large-area leases at the Technology Building and the Onward Science & Trade Center, the average occupancy rate of office buildings dropped from 77.0% to 72.5%. Overall, our passing rents also declined, particularly reflected in these two properties.

Property Valuation

Property	Valuation as at		
	30 Jun 2026	31 Dec 2025	30 Jun 2025
Office (RMB million)			
New Times Plaza	1,845	1,867	1,885
Cyberport Building	1,009	1,030	1,046
Technology Building	823	895	947
Technology Building 2	1,032	1,047	1,065
Onward Science & Trade Center	2,294	2,345	2,411
Retail (RMB million)			
Garden City Shopping Centre	1,521	1,517	1,465
Apartment (HKD million)			
CM+U 2 Austin Avenue	226	–	–

A revaluation of our properties was carried out as at 30 June 2026, by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and CMC REIT's principal valuer. As of 30 June 2026, the original property portfolio's valuation decreased from RMB8,701 million to RMB8,524 million (excluding the newly added apartment), representing a decrease of approximately 2.0%. The valuation of Technology Building decreased by RMB72 million, with the largest decrease among the properties in the portfolio, while the valuation of Onward Science & Trade Center decreased by RMB51 million. The valuations of New Times Plaza, Cyberport Building, and Technology Building 2 all saw slight declines. The valuation of Garden City Shopping Centre bucked the trend, slightly increasing by RMB4 million.

In addition, the valuation of a student accommodation named CM+U 2 Austin Avenue CMC REIT acquired in Hong Kong in January 2026 was HKD226 million. The property is scheduled to commence operations during August and is expected to be nearly fully occupied.

If the newly acquired CM+U 2 Austin Avenue in Hong Kong during the year is included, the total property valuation as of 30 June 2026 is RMB8,720 million.

New Times Plaza

There has been no appreciable improvement in the Shenzhen Grade-A office market. In spite of the challenging environment, operations at New Times Plaza did not change much compared with the end of last year. The occupancy rate fell marginally from 66.1% to 65.1% while the passing rent remained relatively stable at RMB141.6/sq.m.

Under the continuous influence of the downturn of the Shenzhen Grade-A office market, New Times Plaza's valuation decreased by RMB22 million to RMB1,845 million as at 30 June 2026.

Cyberport Building, Technology Building and Technology Building 2

The occupancy rate and passing rent of our Grade-B offices in the Net Valley (Technology Building, Technology Building 2, and Cyberport Building) has also been affected to varying degrees.

In the second quarter, the occupancy rate of Technology Building went to a low point following the exit of Shenzhen Qianhai Shekou Free Trade Zone Hospital. The property has since secured multiple new leases, lifting the occupancy rate back to 50.7%. However, due to the lower rental rates of the new leases signed, the overall passing rent declined significantly to RMB71.9/sq.m. At Technology Building 2, the occupancy rate rose 4.7 percentage points to 84.9%, while the passing rent fell by RMB3.9/sq.m. to RMB119.3/sq.m. compared with the end of last year. Cyberport Building maintained a stable occupancy rate of around 80%, while its passing rent weakened to RMB120.6/sq.m.

In terms of valuation, Technology Building's valuation decreased by RMB72 million to RMB823 million. The valuations of Technology Building 2 and Cyberport Building decreased by 1.4% and 2.0% respectively.

Onward Science & Trade Center

Amid the continued oversupply in Beijing's office leasing market, competition among Grade-A offices is intensifying. The adverse leasing market conditions had a greater impact on Onward Science & Trade Center, and following several lease expiries, its occupancy rate fell 7.3 percentage points to 86.5% and the passing rent declined 8.2% to RMB180.3/sq.m. compared with the end of last year. However, based on leases already signed, the occupancy of the property is expected to rebound in the coming quarter.

As a result of the sizable decrease in market rent in Beijing and the shortening duration of Onward Science & Trade Center's land lease, the valuation of this property decreased by RMB51 million to RMB2,294 million.

Garden City Shopping Centre

Operations at Garden City Shopping Centre have continued to improve, and its occupancy rate increased 2.3 percentage points to 98.8%. Both customer footfall and sales volume recorded steady improvement. However, due to the remaining vacant shops in the mall are in the marginal areas, the passing rent, generally lower than the mall's average, has dropped to RMB116/sq.m.

The valuation of Garden City Shopping Centre as of 30 June 2026 was RMB1,521 million, representing an increase of RMB4 million.

CM+U 2 Austin Avenue

CMC REIT completed the acquisition of a new property in Hong Kong on 29 January 2026, which has been renovated into a student accommodation named CM+U 2 Austin Avenue. The renovation period is scheduled to run from May through July. The property is now almost fully pre-leased, and officially commenced operations on 15 August.

As at 30 June 2026, the valuation of 2 Austin Avenue was HKD226 million. The property was acquired at HKD206 million.

FINANCIAL REVIEW

Rental Income for each property

RMB million

	Reporting Period	2025 Relevant Period	Change
New Times Plaza	32.5	33.7	-3.6%
Cyberport Building	21.6	23.3	-7.3%
Technology Building	6.0	33.7	-82.2%
Technology Building 2	23.5	28.6	-17.8%
Garden City Shopping Centre	41.3	44.2	-6.3%
Onward Science & Trade Center	40.2	32.2	24.8%
CM+U 2 Austin Avenue	0.6	—	—
Total	165.7	195.7	-15.3%

The rental income of the Reporting Period was RMB165.7 million, a decrease of 15.3% when compare to the 2025 Relevant Period.

The property operating expenses of CMC REIT for the Reporting Period were RMB56.4 million (2025 Relevant Period: RMB56.3 million). Property management expenses was the largest component contributing to RMB23.6 million (41.9%) of property operating expenses. Other taxes and operations manager's fee contributed to 38.7% and 14.8% of the property operating expenses respectively. After deducting property operating expenses, net property income was RMB135.2 million for the Reporting Period.

Finance costs for the Reporting Period fell by 3.2% to RMB56.2 million (2025 Relevant Period: RMB58.1 million), and mainly comprised interest expense on bank borrowings.

Capital Structure

Total borrowings of CMC REIT were RMB4,264 million, leading to a gearing ratio of 43.8%. 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 of CMC REIT were 57.4% (2025 year end: 55.9%).

The debt profile of CMC REIT is as follows:

Amount of Bank Borrowing (RMB'000)	Maturity Date	Type	Interest Rate	% Total
19,851	2027.05.27	secured	2.30%	0.5%
20,714	2027.05.27	secured	2.30%	0.5%
192,894	2028.12.29	secured	2.80%	4.5%
4,002,600	2028.01.24 ⁽¹⁾	secured	2.30%	93.8%
28,347	2027.03.19	secured	2.80%	0.7%

⁽¹⁾ RMB2.5 million repayable each year on 24 July, RMB2.5 million repayable each year on 24 January, with the remainder repayable on 24 January 2028.

Net Assets Attributable to Unitholders

As at 30 June 2026, net assets attributable to Unitholders amounted to RMB2,787 million (31 December 2025: RMB2,899 million) or RMB2.47 per Unit, equivalent to HKD2.84 per Unit (“**NAV per Unit**”) based on central parity rate as announced by the People’s Bank on 30 June 2026 (31 December 2025: RMB2.57 per Unit, equivalent to HKD2.85).

The closing unit price of HKD0.99 on 30 June 2026 was at a 65.1% 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 RMB39.73 million (2025 Relevant Period: RMB57.46 million). Based on the Distributable Income, the distribution per unit to Unitholders for the Reporting Period is HKD0.0407 (equivalent to RMB0.0352), which represents an annual distribution yield of 8.2%, based on the closing unit price on 30 June 2026 (being HK\$0.99).

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

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

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

Closure of Register of Unitholders

For the purpose of determining entitlement for the Interim Distribution, the register of Unitholders will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026, both days inclusive, during which period no transfer of units will be registered, and the record date will be on Friday, 11 September 2026. In order to qualify for the Interim Distribution, all unit certificates with completed transfer forms must be lodged with the unit registrar of CMC REIT, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 7 September 2026. The payment of the Interim Distribution will be made on Friday, 30 October 2026.

OUTLOOK

In 2026, the external environment remains relatively complex, with ongoing geopolitical conflicts continuing to disrupt global supply chains. Judging from China's July economic data, economic growth momentum has weakened somewhat; the recovery in consumption has fallen short of expectations; the decline in fixed-asset investment has accelerated; the job market remains under pressure; and imbalances between market supply and demand still need to be resolved. Although exports from the artificial intelligence sector and high-tech investment have provided some cushioning, their supportive effect has moderated. The service sector and strategic emerging industries continue to demonstrate resilience. The government is continuing to increase fiscal support, but it will take time for these policies to filter through and yield tangible results.

The real estate sector remains in a phase of structural adjustment, and the supply-demand mismatch in the commercial real estate market has yet to ease. The office markets in Beijing and Shenzhen continue to face supply pressures, and vacancy rates are expected to remain high. A large volume of office properties is still set to enter the market in Shenzhen this year, while new supply in Beijing is limited in the short term, though the scale of projects scheduled to enter the market over the subsequent three years is substantial. Compounded by state-owned office buildings across various regions offering rental discounts to newly established businesses—which has intensified market competition—landlords' bargaining power remains weak, and a downward pressure on rental rates persists. The retail property sector is showing marked divergence. Even as consumer spending is recovering slowly, shopping centers located in mature commercial districts with a solid customer base and relatively low competitive pressure remain a bright spot in an otherwise dreary property sector.

Affected by the overall economic environment, CMC REIT's office properties will continue to operate under pressure, and face a dilemma between falling rental rates and rising vacancy rates. On the retail front, Garden City Shopping Centre continues to perform well, with occupancy rates, foot traffic and sales steadily increasing. Rental rates are experiencing only temporary adjustments due to the optimization and rearrangement of tenants within the mall. Moreover, the renovation of CMC REIT's newly acquired student accommodation project in Hong Kong is progressing smoothly. Leveraging its prime location, the project is almost fully pre-leased ahead of its opening, making it a high-quality, counter-cyclical addition to CMC REIT's portfolio.

Overall, CMC REIT continues to face significant challenges, including declining market rental rates and occupancy rates fluctuations at certain properties, and competitive pressures from newer buildings at some others. The Manager will continue to monitor market trends, flexibly adjust leasing and operational strategies, and enhance the attractiveness of its properties. Meanwhile, the Manager is continuing to strengthen cost control. In January of this year, CMC REIT completed a RMB4.1 billion refinancing to further curb interest expenses. Going forward, the Manager will continue to identify more high-quality, diversifying assets across the Greater China region, with a focus on counter-cyclical asset classes such as student accommodation and serviced apartments. This approach aims to further diversify the asset portfolio and spread revenue streams, with the goal of achieving long-term, steady growth in distribution per unit.

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 2026, and their percentage contribution to Gross Rental Income in June 2026:

Breakdown for all properties	Percentage of GRA	Percentage of monthly rental income
Health Care Service	6.2%	8.2%
Leasing and Business Service	12.7%	16.8%
Scientific and Information Technology	10.2%	12.0%
Food and Beverage	6.2%	7.6%
Life Service	16.5%	20.5%
Department Store	2.5%	1.2%
Wholesale and Retail	5.7%	6.5%
Finance	2.4%	7.7%
Real Estate	6.5%	9.3%
Petroleum	1.4%	2.4%
Manufactury	0.4%	0.6%
Logistics	1.6%	2.3%
Education	1.2%	1.3%
Hotel	4.1%	3.6%
Vacant	22.4%	—

Breakdown for office buildings	Percentage of GRA	Percentage of monthly rental income
Health Care Service	7.6%	10.5%
Leasing and Business Service	15.7%	21.6%
Scientific and Information Technology	12.7%	15.5%
Wholesale and Retail	7.0%	8.4%
Finance	3.0%	9.8%
Real Estate	8.1%	11.9%
Food and Beverage	3.8%	4.0%
Petroleum	1.8%	3.1%
Manufacturing	0.5%	0.7%
Logistics	2.0%	2.9%
Hotel	5.1%	4.7%
Education	1.4%	1.8%
Life Service	3.7%	5.0%
Vacant	27.5%	—

Breakdown for retail property (Garden City Shopping Centre)	Percentage of GRA	Percentage of monthly rental income
Department Store	12.7%	5.3%
Food and Beverage	16.0%	20.0%
Life Service	70.0%	74.7%
Vacant	1.3%	—

Breakdown for New Times Plaza	Percentage of GRA	Percentage of monthly rental income
Petroleum	6.2%	11.2%
Logistics	6.9%	10.4%
Manufacturing	1.8%	2.7%
Food and Beverage	5.2%	2.1%
Leasing and Business Service	15.3%	21.3%
Real Estate	8.6%	16.0%
Science and Information Technology	5.1%	7.8%
Hotel	5.9%	8.3%
Finance	2.2%	8.0%
Education	2.0%	2.9%
Wholesale and Retail	1.2%	1.9%
Life Service	4.7%	7.4%
Vacant	34.9%	—

Breakdown for Cyberport Building	Percentage of GRA	Percentage of monthly rental income
Scientific and Information Technology	35.9%	43.2%
Leasing and Business Service	18.6%	19.9%
Wholesale and Retail	16.0%	17.6%
Finance	3.6%	11.1%
Life Service	2.4%	3.0%
Food and Beverage	1.0%	2.3%
Real Estate	0.8%	0.9%
Education	1.7%	2.0%
Vacant	20.0%	—

Breakdown for Technology Building	Percentage of GRA	Percentage of monthly rental income
Health Care Service	21.2%	42.6%
Wholesale and Retail	10.2%	22.0%
Hotel	19.3%	35.4%
Vacant	49.3%	—

Breakdown for Technology Building 2	Percentage of GRA	Percentage of monthly rental income
Scientific and Information Technology	26.9%	29.2%
Leasing and Business Service	21.0%	21.7%
Wholesale and Retail	3.7%	3.9%
Real Estate	17.0%	22.6%
Education	2.6%	3.2%
Food and Beverage	7.9%	12.3%
Life Service	5.8%	7.1%
Vacant	15.1%	—

Breakdown for Onward Science & Trade Center	Percentage of GRA	Percentage of monthly rental income
Leasing and Business Service	24.1%	28.1%
Health Care Service	22.2%	26.8%
Real Estate	13.1%	10.2%
Finance	9.9%	20.0%
Wholesale and Retail	8.2%	8.9%
Food and Beverage	3.9%	2.3%
Life Service	4.8%	3.4%
Logistics	0.1%	0.1%
Scientific and Information Technology	0.2%	0.2%
Vacant	13.5%	–

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

Lease Expiry Profile of all properties

The following tables set out the tenant expires of the properties shown as a percentage of their GRA and as a percentage of monthly rental income as of June 2026:

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	7.7%	13.5%
2027	12.3%	18.8%
2028	18.3%	23.6%
2029	9.9%	12.5%
2030	5.9%	8.7%
2031	3.6%	3.3%
2032 and beyond	19.9%	19.6%
Vacant	22.4%	–

Lease Expiry Profile of office buildings

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	5.9%	9.8%
2027	12.3%	19.7%
2028	19.6%	26.0%
2029	10.1%	13.5%
2030	5.6%	9.0%
2031	3.4%	3.3%
2032 and beyond	15.6%	18.7%
Vacant	27.5%	–

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

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	15.3%	26.5%
2027	12.3%	15.7%
2028	12.9%	15.3%
2029	9.3%	9.0%
2030	7.5%	7.2%
2031	4.7%	3.0%
2032 and beyond	36.7%	23.3%
Vacant	1.3%	—

Lease Expiry Profile of New Times Plaza

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	11.8%	24.5%
2027	6.8%	11.0%
2028	17.6%	28.5%
2029	10.3%	16.4%
2030	8.8%	11.5%
2031	—	—
2032 and beyond	9.8%	8.1%
Vacant	34.9%	—

Lease Expiry Profile of Cyberport Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	8.0%	9.0%
2027	24.8%	33.4%
2028	20.6%	22.6%
2029	23.7%	28.3%
2030	1.8%	2.1%
2031	—	—
2032 and beyond	1.1%	4.6%
Vacant	20.0%	—

Lease Expiry Profile of Technology Building 2

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	5.1%	5.9%
2027	20.8%	25.6%
2028	45.9%	52.9%
2029	4.7%	6.3%
2030	—	—
2031	8.4%	9.3%
Vacant	15.1%	—

Lease Expiry Profile of Technology Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2028	1.7%	6.8%
2029	2.8%	4.8%
2030	—	—
2031	10.3%	22.0%
2032 and beyond	35.9%	66.4%
Vacant	49.3%	—

Lease Expiry Profile of Onward Science & Trade Center

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2026	0.8%	0.9%
2027	12.8%	20.4%
2028	12.3%	11.7%
2029	9.4%	8.4%
2030	15.5%	19.3%
2031	—	—
2032 and beyond	35.7%	39.3%
Vacant	13.5%	—

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 C1 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. However, various statistics regarding the employees of the REIT Manager, the Operations Manager and the Property Manager are disclosed annually in CMC REIT’s Environmental, Social and Governance Report published concurrently with each Annual Report.

NEW UNITS ISSUED

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

REPURCHASE, SALE OR REDEMPTION OF UNITS

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

PUBLIC FLOAT OF THE UNITS

Based on the information that is publicly available and as far as the REIT Manager is aware, not less than 25% of the issued units were held in public hands as at 30 June 2026.

SUMMARY OF ALL SALE AND PURCHASE OF REAL ESTATE

During the Reporting Period, CMC REIT acquired 100% interest in a special purpose vehicle that holds 100% interest of Hong Kong CM+U 2 Austin Avenue with a total floor area of 2,165 sq.m. For details, please refer to our announcements dated 29 December 2025 and 29 January 2026, respectively.

REVIEW OF FINANCIAL RESULTS

The unaudited interim results of CMC REIT for the Reporting Period have been reviewed by the Disclosures Committee and Audit Committee of the Manager in accordance with their respective terms of reference. The interim financial report for the six months ended 30 June 2026 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of interim financial information performed by the independent auditor of the entity*”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is to be included in the interim report to be sent to Unitholders.

PUBLICATION OF INTERIM REPORT

The interim report of CMC REIT for the Reporting Period will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and CMC REIT at www.cmcreit.com, and will be despatched to Unitholders on or before Wednesday, 30 September 2026.

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, 25 August 2026

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

		Six months ended 30 June	
		2026	2025
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	191,657	225,004
Property operating expenses	3	<u>(56,437)</u>	<u>(56,278)</u>
Net property income		135,220	168,726
Exchange(losses)/gains		(740)	704
Other net income	4	17,338	5,605
(Reversal of)/provision for impairment losses under expected credit loss model, net		(60)	301
Decrease in fair value of investment properties		(175,301)	(180,597)
Manager's fee		(5,787)	(7,570)
Trust and other expenses		(5,354)	(2,841)
Finance costs	5	<u>(56,240)</u>	<u>(58,126)</u>
Loss before tax and distribution to unitholders	6	(90,924)	(73,798)
Income tax expenses	7	<u>892</u>	<u>(5,990)</u>
Loss for the period, before distribution to unitholders		(90,032)	(79,788)
Minimum interim distribution to unitholders in accordance with the Trust Deed		<u>(39,639)</u>	<u>(51,715)</u>
Loss for the period and total comprehensive income for the period, after distribution to unitholders		(129,671)	(131,503)
Loss for the period, before distribution to unitholders attributable to:			
Unitholders		(82,673)	(48,336)
Non-controlling interests		<u>(7,359)</u>	<u>(31,452)</u>
		(90,032)	(79,788)
Total comprehensive income for the period, after distribution to unitholders attributable to:			
Unitholders		(122,312)	(100,051)
Non-controlling interests		<u>(7,359)</u>	<u>(31,452)</u>
		(129,671)	(131,503)
Basic loss per unit before distribution to unitholders	8	RMB(0.07)	RMB(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026

(Expressed in RMB)

		At 30 June 2026 <i>RMB'000</i> <i>(unaudited)</i>	At 31 December 2025 <i>RMB'000</i> <i>(audited)</i>
	<i>Note</i>		
Non-current assets			
Investment properties	9	8,720,412	8,701,000
Property, plant and equipment		253	291
		<u>8,720,665</u>	<u>8,701,291</u>
Current assets			
Trade and other receivables, and prepayments	10	17,675	12,372
Amounts due from related companies		8,854	3,742
Time deposits		50,213	110,070
Cash and cash equivalents		946,266	895,875
		<u>1,023,008</u>	<u>1,022,059</u>
Total assets		<u>9,743,673</u>	<u>9,723,350</u>
Current liabilities			
Trade and other payables	11	157,287	139,201
Amounts due to related companies		137,446	143,253
Amounts due to non-controlling interests		35,824	33,290
Distribution payable		35,755	34,953
Tax payable		54,302	45,766
Secured bank borrowings	12	266,807	108,242
		<u>687,421</u>	<u>504,705</u>

		At 30 June 2026 <i>RMB'000</i> <i>(unaudited)</i>	At 31 December 2025 <i>RMB'000</i> <i>(audited)</i>
	<i>Note</i>		
Non-current liabilities, excluding net assets attributable to unitholders			
Secured bank borrowings	12	3,997,600	4,000,100
Deferred tax liabilities		900,615	930,442
Long-term other payables		8,340	–
		<u>4,906,555</u>	<u>4,930,542</u>
Total liabilities, excluding net assets attributable to unitholders		<u>5,593,976</u>	<u>5,435,247</u>
Non-controlling interests		<u>1,362,990</u>	<u>1,388,622</u>
Net assets attributable to unitholders		<u>2,786,707</u>	<u>2,899,481</u>
Number of units in issue	13	<u>1,127,819,549</u>	<u>1,127,819,549</u>
Net asset value per unit attributable to unitholders	13	<u>RMB2.47</u>	<u>RMB2.57</u>

DISTRIBUTION STATEMENT

for the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss for the period attributable to unitholders, before distribution to unitholders	(82,673)	(48,336)
Adjustments on amount that are attributable to unitholders:		
Decrease in fair value of investment properties	148,346	126,257
Exchange losses/(gains)	1,277	(636)
Impairment losses/(reversal of impairment losses) under expected credit loss model, net	32	(343)
Depreciation	23	31
Deferred tax	(27,277)	(19,512)
Total distributable income to unitholders (note ii)	39,728	57,461
Interim distribution proposed by the manager (note ii)	39,728	57,461
Payout ratio (note i)	100%	100%
Distribution per unit (“DPU”)		
Interim distribution per unit, to be paid to unitholders	RMB0.0352	RMB0.0509

Notes:

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

The total interim distribution proposed by the manager for the six months ended 30 June 2026 included the minimum interim distribution in accordance with the Trust Deed of RMB35,755,000 (for the six months ended 30 June 2025: RMB51,715,000) and a voluntary interim distribution declared after the end of the reporting period of RMB3,973,000 (for the six months ended 30 June 2025: RMB5,746,000). The voluntary interim distribution has not been recognised as distribution payable at the end of the reporting period.

- (ii) The proposed interim distribution per unit of RMB0.0352 (six months ended 30 June 2025: RMB0.0509) for the six months ended 30 June 2026 is calculated based on the interim distribution to be paid to unitholders of RMB39,728,000 (six months ended 30 June 2025: RMB57,461,000) for the period and 1,127,819,549 (six months ended 30 June 2025: 1,127,819,549) units in issue as at 30 June 2026.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

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

On 15 October 2025, the Manager and the Trustee entered into the first supplemental deed to amend the Trust Deed, thereby removing the automatic expiry date clause and making the term of China Merchants Commercial REIT from eighty years to perpetual with certain ways remained to terminate China Merchants Commercial REIT.

The principal activity of China Merchants Commercial REIT is investment holding and its subsidiaries own and invest in income-producing commercial properties in ShenZhen, Beijing and Hong Kong 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, Room 805, 8/F, China Merchants Plaza, No.303 Des Voeux Rd Central, Sheung Wan, Hong Kong and DB Trustees (Hong Kong) Limited at Level 60, International Commerce Centre 1 Austin Road, West Kowloon, Hong Kong.

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

2 REVENUE AND SEGMENT INFORMATION

Revenue recognition

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Rental income from office buildings, a shopping centre and a student hostel	165,647	195,721
Revenue from contracts with customers recognised over time		
Management fee income	20,325	20,076
Carpark income	4,060	4,566
Others	1,625	4,641
	26,010	29,283
	191,657	225,004

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 RMB2,953,000 (six months ended 30 June 2025: RMB1,231,000) for the current period.

Segment revenues and results

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

Six months ended 30 June 2026

	New Times Plaza 2026 RMB'000	Cyberport Building 2026 RMB'000	Technology Building 2026 RMB'000	Technology Building 2 2026 RMB'000	Onward Science & Trade Center 2026 RMB'000	Garden City Shopping Centre 2026 RMB'000	CM+U 2 Austin Avenue 2026 RMB'000	Total 2026 RMB'000
Rental income from office buildings, a shopping centre and a student hostel	32,487	21,562	5,960	23,536	40,170	41,354	578	165,647
Revenue from contracts with customers recognised over time	<u>7,022</u>	<u>2,875</u>	<u>487</u>	<u>2,936</u>	<u>–</u>	<u>12,690</u>	<u>–</u>	<u>26,010</u>
Segment revenue	39,509	24,437	6,447	26,472	40,170	54,044	578	191,657
Segment results	<u>3,979</u>	<u>(1,272)</u>	<u>(54,954)</u>	<u>5,327</u>	<u>(16,181)</u>	<u>35,672</u>	<u>3,633</u>	<u>(23,796)</u>
Exchange gain								(740)
Other income								993
Manager's fee								(5,787)
Trust and other expenses								(5,354)
Finance costs								<u>(56,240)</u>
Loss before tax and distribution to unitholders								(90,924)
Income taxes								<u>892</u>
Loss for the period, before distribution to unitholders								<u>(90,032)</u>

Six months ended 30 June 2025

	New Times Plaza 2025 <i>RMB'000</i>	Cyberport Building 2025 <i>RMB'000</i>	Technology Building 2025 <i>RMB'000</i>	Technology Building 2 2025 <i>RMB'000</i>	Onward Science & Trade Center 2025 <i>RMB'000</i>	Garden City Shopping Centre 2025 <i>RMB'000</i>	Total 2025 <i>RMB'000</i>
Rental income from office buildings and a shopping centre	33,697	23,297	33,702	28,578	32,234	44,213	195,721
Revenue from contracts with customers recognised over time	<u>6,860</u>	<u>3,090</u>	<u>2,413</u>	<u>3,396</u>	<u>–</u>	<u>13,524</u>	<u>29,283</u>
Segment revenue	40,557	26,387	36,115	31,974	32,234	57,737	225,004
Segment results	<u>5,142</u>	<u>1,719</u>	<u>35,736</u>	<u>16,011</u>	<u>(76,287)</u>	<u>10,167</u>	<u>(7,512)</u>
Exchange gain							704
Other income							1,488
Manager's fee							(7,570)
Trust and other expenses							(2,841)
Finance costs							<u>(58,067)</u>
Loss before tax and distribution to unitholders							(73,798)
Income taxes							<u>(5,990)</u>
Loss for the period, before distribution to unitholders							<u>(79,788)</u>

Segment assets and liabilities

As at 30 June 2026

	New Times Plaza 2026 RMB'000	Cyberport Building 2026 RMB'000	Technology Building 2026 RMB'000	Technology Building 2 2026 RMB'000	Onward Science & Trade Center 2026 RMB'000	Garden City Shopping Centre 2026 RMB'000	CM+U 2 Austin Avenue 2026 RMB'000	Total 2026 RMB'000
Segment assets	2,090,900	1,109,651	944,228	1,136,955	2,557,426	1,587,427	200,111	9,626,698
Unallocated assets								<u>116,975</u>
Consolidated total assets								<u>9,743,673</u>
Segment liabilities	314,145	196,877	157,006	208,632	97,870	244,947	11,475	1,230,952
Unallocated liabilities								<u>4,363,024</u>
Consolidated total liabilities								<u>5,593,976</u>

As at 31 December 2025

	New Times Plaza 2025 RMB'000	Cyberport Building 2025 RMB'000	Technology Building 2025 RMB'000	Technology Building 2 2025 RMB'000	Onward Science & Trade Center 2025 RMB'000	Garden City Shopping Centre 2025 RMB'000	Total 2025 RMB'000
Segment assets	2,089,531	1,135,546	1,023,396	1,160,875	2,616,253	1,567,211	9,592,812
Unallocated assets							<u>130,538</u>
Consolidated total assets							<u>9,723,350</u>
Segment liabilities	310,907	200,824	172,532	209,411	101,285	236,489	1,231,448
Unallocated liabilities							<u>4,203,799</u>
Consolidated total liabilities							<u>5,435,247</u>

3 PROPERTY OPERATING EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Property management expenses	23,629	23,678
Other taxes	21,829	20,298
Operations manager's fee	8,333	9,115
Others	2,646	3,187
	<u>56,437</u>	<u>56,278</u>

4 OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest income from bank deposits	1,622	3,521
Compensation income (<i>note</i>)	15,663	1,916
Others	53	168
	<u>17,338</u>	<u>5,605</u>

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

5 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest expense on bank borrowings	<u>56,240</u>	<u>58,126</u>

6 LOSS BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss before tax and distribution to unitholders has been arrived at after charging:		
Depreciation	38	47
Trustee's remuneration	811	974
Principal valuer's fee	<u>176</u>	<u>108</u>

7 INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax		
PRC Enterprise Income Tax (“EIT”)		
Current period	24,317	25,891
(Over)/under-provision in prior period	(726)	14
Withholding tax		
Current period	9,467	11,810
Hong Kong Profits Tax		
Current period	78	–
Deferred tax	(34,028)	(31,725)
	<u>(892)</u>	<u>5,990</u>

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

For the six months ended 30 June 2026, Hong Kong profits tax was subject to the rate of 16.5% on the estimated assessable profit. 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.

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 period, before distribution to unitholders attributable to unitholders of RMB82,673,000 (six months ended 30 June 2025: RMB48,336,000) and the number of units of 1,127,819,549 (six months ended 30 June 2025: 1,127,819,549) in issue during the period.

9 INVESTMENT PROPERTIES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
FAIR VALUE		
At the beginning of the period/year	8,701,000	8,987,000
Exchange adjustments	(5,326)	–
Acquisition of subsidiaries	194,044	–
Additions during the period/year	5,995	29,306
Fair value changes on investment properties	<u>(175,301)</u>	<u>(315,306)</u>
At the end of the period/year	<u>8,720,412</u>	<u>8,701,000</u>

Exchange Adjustments

The exchange loss on translation is attributable to the Group’s investment properties in Hong Kong, amounting to RMB5,326,000. These amounts are included in exchange reserve.

10 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade receivables	8,149	3,199
Less: allowance for credit losses	(688)	(604)
	<u>7,461</u>	<u>2,595</u>
Other receivables	<u>2,609</u>	<u>3,753</u>
Financial assets measured at amortised cost	10,070	6,348
Prepayments	7,605	5,799
Prepaid income tax	–	225
Total trade and other receivables, and prepayments	<u>17,675</u>	<u>12,372</u>

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 subsequent collection rate of trade receivables is 43%.

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 1 month	4,651	1,671
More than 1 month but within 3 months	2,406	610
Over 3 months	<u>404</u>	<u>314</u>
	<u>7,461</u>	<u>2,595</u>

11 TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Payables for properties renovation and decoration	24,353	30,997
Accruals and other payables	22,442	18,063
Receipts on behalf of tenants	6,875	8,909
	<u>53,670</u>	<u>57,969</u>
Financial liabilities measured at amortised cost		
Rental deposits received from tenants	79,538	75,270
Other taxes payables	16,320	583
Rental received in advance	7,759	5,379
	<u>157,287</u>	<u>139,201</u>

12 SECURED BANK BORROWINGS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current	266,807	108,242
Non-current	3,997,600	4,000,100
	<u>4,264,407</u>	<u>4,108,342</u>

The maturity of the secured bank borrowings are as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within a period of one year	266,807	108,242
Within a period of more than one year but not exceeding two years	5,000	5,000
Within a period of more than two years but not exceeding five years	3,992,600	3,995,100
	<u>4,264,407</u>	<u>4,108,342</u>

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 30 June 2026 of RMB2,786,707,000 (31 December 2025: RMB2,899,481,000) by the number of units in issue of 1,127,819,549 units as at 30 June 2026 (31 December 2025: 1,127,819,549).

14 NET CURRENT ASSETS

At 30 June 2026, the Group's net current assets, calculated as current assets less current liabilities, amounted to RMB335,587,000 (31 December 2025: net current assets of RMB517,354,000).

15 TOTAL ASSETS LESS CURRENT LIABILITIES

At 30 June 2026, the Group's total assets less current liabilities amounted to RMB9,056,252,000 (31 December 2025: RMB9,218,645,000).

16 CAPITAL COMMITMENT

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Capital expenditure in respect of the improvement works of investment properties contracted for but not provided in the consolidated financial statements	<u>5,442</u>	<u>3,371</u>

17 ACQUISITION OF SUBSIDIARIES

On 29 January 2026, the Group acquired 100% of the equity interest in Lyric Melody Limited and its subsidiaries (together, "Lyric Group") at approximately cash consideration of HK\$205,387,000 (equivalent to RMB183,688,000), of which, HK\$10,000,000 (equivalent to RMB8,340,000) will be retained in the designated account as security retention, and to be paid to the original owner of Lyric Group on 29 January 2028.

Lyric Melody Limited is an investment holding company. Lyric Melody Limited is principally engaged in property investment in Hong Kong. Assets acquired and liabilities recognised at the date of acquisition are set out as follows:

	<i>RMB'000</i>
Investment properties	194,044
Trade and other receivables	1,344
Trade and other payables	(7,385)
Deferred tax liabilities	<u>(4,315)</u>
Total identifiable net assets	<u>183,688</u>
Consideration transferred	
Cash and cash equivalents	175,348
Consideration payable	<u>8,340</u>
	<u>183,688</u>
Net cash outflow arising on acquisition of assets through acquisition of subsidiary:	
Cash consideration paid in current period	(175,348)
Less: Cash and cash equivalents acquired	<u>—</u>
Net cash outflow	<u>(175,348)</u>