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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 2023

The board of directors (the "**Board**") of China Merchants Land Asset Management Co., Limited (the "**Manager**") as manager of China Merchants Commercial Real Estate Investment Trust ("**CMC REIT**" or "**China Merchants Commercial REIT**") is pleased to announce the audited financial results of CMC REIT and its subsidiaries for the year ended 31 December 2023 (the "**Reporting Year**") as follows:

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2023	2022 **("2022 Relevant Year")**	**Change**
Revenue (RMB'000)	**489,159**	431,702	13.3%
Net Property Income (RMB'000)	**355,230**	318,286	11.6%
Financial Costs (RMB'000)	**137,163**	94,863	44.6%
Distributable Income (RMB'000)	**94,647**	138,551	-31.7%
Payout ratio	**100%**	100%	–
Distribution per Unit (HK$)	**0.0925**	0.1400	-34.0%
Distribution per Unit Yield[1]	**6.9%**	7.0%	-0.1pp

	31 December 2023	31 December 2022	**Change**
Total Assets (RMB million)	**10,388**	10,824	-4.0%
Net Assets Attributable to Unitholders (RMB million)	**3,392**	3,659	-7.3%
Net Asset Value per Unit Attributable to Unitholders (RMB)	**3.01**	3.24	-7.1%
Value of Portfolio (RMB million)	**9,251**	9,547	-3.1%
Gearing Ratio[2]	**39.0%**	37.4%	1.6pp

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

Economic growth in China was choppy in 2023. Affected by the slump in the real estate sector, GDP growth slowed somewhat in the second half of the year. GDP growth for the first half of 2023 was 5.5% but for 2023 as a whole it was weighed down to 5.2%, an underwhelming annual growth rate taking into consideration the relatively low base in 2022. While other segments of the economy were relatively sluggish, there was steady growth in consumer spending. In 2022 the populace tended to have a lower propensity to consume because of the Covid pandemic and in-person shopping activity was subdued. With the lifting of Covid restrictions in 2023 retail sales rebounded by a credible 7.2%. In particular, revenue in the catering sector recorded an excellent increase of 20.4%. The job market has also improved slightly, with the year-end surveyed urban unemployment rate dropping by 0.4 percentage points over the year to 5.1%.

Despite the recovery in employment, the office rental market in Shenzhen remained under pressure in 2023. Weak demand, coupled with the launch of a large number of delayed projects, has weighed on both the rents and occupancy rates of office buildings. Over the year, the new supply of office buildings in Shenzhen reached 850,000 sq.m., more than half of which were located at Shenzhen Bay Super Headquarters Base and the Qianhai area in Nanshan District. The launch of projects in Baoan Center, adjacent to Nanshan District, further intensified competition in the office market in the western part of Shenzhen. Shenzhen's office rents dropped by 8.4% as compared to the end of last year, from RMB203.5/sq.m. to RMB186.5/sq.m. while the vacancy rate increased by 3.2 percentage points to 26.1%. In Nanshan District, Grade-A office rents declined even more, by 9.2% to RMB187.5/sq.m. while the vacancy rate worsened by 2.7 percentage points to 27.4%.

Beijing's office building market was also anemic, with new supply of 610,000 sq.m. in the city, mainly located along the East Second Ring Road and in the emerging commerce area. Although most tenants currently prefer to renew their lease in-situ to avoid incurring relocation and renovation costs, their bargaining power has increased. The office rent in Beijing dropped by 7.3% from RMB321.5/sq.m. a year ago to RMB297.9/sq.m. while the vacancy rate increased 2.7 percentage points to 18.7%. The CBD area where Onward Science & Trade Centre is located was no exception, there was a drop of 6.2% in market rent from the end of last year to RMB335.8/sq.m. there was a 2.9 percentage point rise in vacancy rate to 13.0%.

The Shenzhen retail property market was characterized by starkly different circumstances. In 2023, retail properties with a total floor area of 310,000 sq.m. were launched in Shenzhen, the lowest supply in 5 years. Amid limited supply, coupled with a resurgence in consumption, the performance of retail property sector improved. The rents of premium retail property at ground floor in Shenzhen were approximately RMB802.9/sq.m., basically unchanged from the end of last year, while the vacancy rate decreased by 1.5 percentage points to 8.9%. The performance of Nanshan District was slightly weaker than that of the city due to the impact of new projects, and the rent there decreased by 4.4% from RMB779.3/sq.m. to RMB745.3/sq.m. in 2023, with the vacancy rate rose by 2.0 percentage points to 14.1%.

PROPERTY OVERVIEW

Property	Occupancy rate (%) as at			Passing Rent (RMB/sq.m.) as at		
	31 Dec 2023	30 Jun 2023	31 Dec 2022	**31 Dec 2023**	30 Jun 2023	31 Dec 2022
Office						
New Times Plaza	**89.6**	79.9	84.0	**173.9**	177.9	184.4
Cyberport Building	**81.4**	82.8	85.9	**131.3**	126.3	126.1
Technology Building	**100.0**	100.0	100.0	**133.6**	132.4	129.8
Technology Building 2	**96.6**	91.2	90.5	**124.1**	125.2	120.1
Onward Science & Trade Center	**81.9**	76.7	70.0	**301.4**	313.3	319.3
Average	**90.0**	85.5	85.9			
Retail						
Garden City Shopping Centre	**73.7**	53.2	72.2	**152.3**	171.9	181.1
Property Portfolio	**86.8**	79.3	83.2	**–**	–	–

Over the Reporting Year, the average occupancy rate of our office buildings increased 4.1 percentage points to 90.0%. There was a marked improvement in occupancy rates at our Grade-A office buildings. At Onward Science & Trade Center the occupancy rate increased by 11.9 percentage points while New Times Plaza the occupancy rate increased by 5.6 percentage points. To achieve this, the passing rent at these two properties was allowed to decrease by around 6%. In contrast, at our three properties in the Net Valley there was no need to trade rental rates for occupancy and the passing rent increased by varying percentages compared to the same period in 2022.

The occupancy rate of Garden City Shopping Centre, our only retail property, was significantly affected for most of 2023 as it underwent upgrading works that left one-third of the floor area subject to renovation work and unoccupied during most of the year. Currently, the occupancy rate has recovered to 73.7%. As the renovation and upgrading of Garden City Shopping Centre has been completed, over time the occupancy rate is expected to further recover to pre-renovation levels.

Property Valuation

Property	Valuation (RMB million) as at **31 Dec 2023**	30 Jun 2023	31 Dec 2022	YOY change
Office				
New Times Plaza	**2,000**	2,030	2,084	-4.0%
Cyberport Building	**1,076**	1,079	1,073	0.3%
Technology Building	**942**	942	927	1.6%
Technology Building 2	**1,089**	1,113	1,113	-2.2%
Onward Science & Trade Center	**2,584**	2,660	2,730	-5.3%
Retail				
Garden City Shopping Centre	**1,560**	1,600	1,620	-3.7%
Property Portfolio	**9,251**	9,424	9,547	-3.1%

A revaluation of our properties was carried out as at 31 December 2023, by Knight Frank Petty Limited, an independent property valuer and CMC REIT's principal valuer. The market value of our portfolio declined from RMB9,547 million to RMB9,251 million at the end of 2023 December, a decrease of RMB296 million.

New Times Plaza

During the Reporting Year of 2023, the occupancy rate of New Times Plaza increased by 5.6 percentage points. However, due to the impact of the overall economic downturn and the competition from adjacent Grade-A office buildings, the Manager lowered its asking rents to a certain extent, in order to boost the occupancy rate, which resulted in a decrease of the passing rent by RMB10.5/sq.m. or 5.7%. In 2024, the Manager will continue to prioritize the occupancy rate as the main business objective and efficiently utilize various resources to optimize operating conditions.

The valuation of New Times Plaza was impacted by the drop in Grade-A office rents in Shenzhen and the overall instability in the leasing market. Its valuation decreased by RMB84 million or 4% compared to the same period last year, dropping from RMB2,084 million to RMB2,000 million.

Cyberport Building, Technology Building, and Technology Building 2

Against the background of a sluggish economic environment, the operational performance of Net Valley Properties generally continued to improve. During the Reporting Year, both the occupancy rate and passing rent of Technology Building 2 increased, with the occupancy rate rising by 6.1 percentage points as compared to a year ago while the passing rent increased by RMB4.0/sq.m., representing a growth of 3.3%. Technology Building continued to maintain full occupancy while its passing rent increased to RMB133.6/sq.m., representing a growth of 2.9%. At Cyberport Building there was a 4.5 percentage point decrease in occupancy rate as compared to the previous year-end but the current rental rate increased by RMB5.2/sq.m., equivalent to a 4.1% increase.

In terms of valuation, Technology Building 2 decreased by 2.2%, while there was an increase in the valuation of Cyberport Building and Technology Building, by 0.3% and 1.6% respectively.

Onward Science & Trade Center

The occupancy rate of the Onward Science & Trade Center increased significantly from 70.0% to 81.9%, rising by 11.9 percentage points as compared to the same period last year. Due to the adoption of a more lenient leasing policy, the passing rent decreased from RMB319.3/sq.m. to RMB301.4/sq.m., representing a decrease of 5.6%. In 2024, the Manager will continue to focus on improving the occupancy rate while minimizing any impact to the passing rent.

In terms of valuation, the Onward Science & Trade Centre experienced a decrease as compared to the same period last year, mainly due to the impact of the decrease in market rent and the property passing rent, as well as the shortening remaining land use period.

Garden City Shopping Centre

Due to the staggered closing of sections at Garden City Shopping Centre as part of its renovation project, the occupancy rate fell to as low as 53.2% in mid-2023, which is one of the main reasons for the underperformance of this asset in 2023. In order to quickly bring the occupancy rate back up and attract new tenants, the Manager then offered appropriate rental reductions and incentives. The result was a decrease of RMB28.8/sq.m. or 15.9% in passing rent as compared to the end of 2022.

The weaker-than-expected recovery in overall economy also hampered the recovery of operations at Garden City Shopping Centre, and therefore the Manager has been focusing on placing resources in Garden City Shopping Centre to increase its attractiveness to retailers. The completion of Garden City Shopping Centre's refurbishment at the end of 2023 ushered in a brand new look, with the introduction of a large number of new tenants and significantly increased foot traffic. Occupancy was restored to 73.7%, representing an increase of 20.5 percentage points as compared to the mid-2023, and even a 1.5 percentage points increase as compared to the same period in 2022.

The renovation of Garden City Shopping Centre greatly affected its operating income in 2023 and this has had an impact on its valuation. Because of the lower passing rent, the assessed value of the mall decreased by RMB60 million as compared to the last year.

FINANCIAL REVIEW

Rental Income for Each Property

	Reporting Year *RMB million*	2022 Relevant Year *RMB million*	**Change**
New Times Plaza	**107.8**	116.9	**-7.8%**
Cyberport Building	**49.6**	33.7	**47.2%**
Technology Building	**61.8**	50.4	**22.6%**
Technology Building 2	**54.1**	43.7	**23.8%**
Garden City Shopping Centre	**51.6**	79.0	**-34.7%**
Onward Science & Trade Center	**116.3**	55.2	**110.7%**
Total	**441.2**	378.9	**16.4%**

The rental income of CMC REIT for the Reporting Year was RMB441.2 million, an increase of RMB62.3 million over the rental income in 2022 Relevant Year.

The property operating expenses of CMC REIT for the Reporting Year were RMB133.9 million. At RMB51.8 million, property management expenses were the largest component (38.7%). Operation manager's fee and other taxes contributed to RMB 23.8 million (17.8%) and RMB 50.0 million (37.3%) of the property operating expenses respectively. After deducting property operating expenses, net property income was approximately RMB355.2 million.

Financial costs for the Reporting Year were RM137.2 million, mainly comprising interest expense on bank borrowings.

Capital Structure

Total net borrowings of CMC REIT were RMB4,054 million, equivalent to a gearing ratio of 39.0%. This ratio is lower than the permitted limit of 50% as stipulated by the Code on Real Estate Investment Trusts (the "**REIT Code**"). Gross liabilities (excluding net assets attributable to unitholders) as a percentage of gross assets were 53.0% (2022 year end: 62.6%).

The debt profile of CMC REIT is as follows:

Bank Loan (RMB million)	**Repayable on**	**Type**	**Interest Rate**	**% Total**
2,400	2026.08.30	secured	2.93%	59.2%
1,620	2025.12.15	secured	3.55%	40.0%
34	2025.12.15	secured	LPR(1 year) – 0.45%	0.8%

In July 2023, CMC REIT entered into a 3 year facility agreement with Industrial Bank Co. Ltd., Shenzhen Branch, as lender in respect of a new RMB2,400 million loan facility at an interest rate of 2.93%. The new loan facility was fully drawn in August 2023 and used to prepay part of an existing offshore facility with an interest rate of 3.55%. This drawdown on a loan facility with a lower fixed interest rate to prepay a loan facility with a higher fixed interest rate resulted in substantial savings on interest expense for CMC REIT. As the RMB2,400 million loan facility was used entirely for the refinancing of an existing offshore loan facility, 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 regarding this matter published on 28 July 2023.

Net Assets Attributable to Unitholders

As at 31 December 2023, net assets attributable to Unitholders amounted to RMB3,392 million (31 December 2022: RMB3,659 million) or RMB3.01 per Unit, equivalent to HKD3.32 per Unit ("**NAV per Unit**") based on central parity rate as announced by the People's Bank on 29 December 2023. (31 December 2022: RMB3.24 per Unit, equivalent to HKD3.63).

The closing unit price of HKD1.34 on 29 December 2023 was at a 59.6% 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 RMB94.65 million (2022 Relevant Year: RMB138.55 million). Based on the Distributable Income, the final distribution per unit for 2023 is HK$0.0450 ("**Final Distribution**"). Including the interim distribution per unit of HK$0.0475 that has already been paid, the total distribution per unit to Unitholders for the Reporting Year is HK$0.0925 (equivalent to RMB0.0839). 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 2023.

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 Wednesday, 10 April 2024 to Friday, 12 April 2024, both days inclusive, during which period no transfer of units will be registered, and the record date will be on Friday, 12 April 2024. 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 Tuesday, 9 April 2024. The payment of the Final Distribution will be made on Thursday, 30 May 2024.

ASSETS ENHANCEMENT

On 29 December 2023, renovation works at Garden City Shopping Centre North Zone were completed and the section was reopened for trial operations. This was the last section to be renovated and thus marked the completion of Garden City Shopping Centre's asset enhancement plan. All areas were officially reopened on 26 January 2024. Despite the significant volatility in passing rent and occupancy rate of Garden City Shopping Centre during the asset enhancement period, the leasing and operations team worked steadfastly on signing new tenants and the resettlement of existing tenants. This resulted in a strong recovery in occupancy and revenue by the end of the year.

At present, leases have been signed for 89% of the all rentable area. After its official reopening, the single-day footfall on the first weekend exceeded 50,000 per day, and single-day tenant sales reached a record high of RMB2.5 million. Going forward, the team at Garden City Shopping Centre will enlarge the mall's footfall by expanding the VIP membership program, and at the same time improve the tenant experience and satisfaction to accelerating new signings and enhance tenancy retention.

Asset Enhancement Budget

Up to 31 December 2023, the cumulative capital expenditure related to asset enhancement is RMB180.0 million, broken down as follows:

Technology Building 2	RMB7.4 million
Cyberport Building	RMB13.1 million
New Times Plaza	RMB25.4 million
Garden City Shopping Centre	RMB134.1 million

OUTLOOK

"Stability" is the theme for China's economy in 2024. The Chinese government is providing strong support to the economy by proactively adjusting its monetary and fiscal policies to support economic development and stabilize the market. At the beginning of 2024, the Ministry of Housing and Urban-Rural Development delegated the function of urban real estate regulation and control to provincial government leading to the introduction of favourable local policies, the revoking of restrictions on purchases and the lowering of down payments. In February, the People's Bank of China lowered the 5-year Loan Prime Rate, which further reduced the cost for home buyers and boosted activity within the property market. Nonetheless, the year will remain a challenging one for China as geopolitical conflicts intensify while US interest rate market remains uncertain.

In respect of the commercial property market, the National Development and Reform Commission has continued to reiterate the height restriction rule for buildings, and some localities have also issued guidelines to moderate the construction of commercial properties. However, a large number of offices under construction in Shenzhen and Beijing will still be coming to the market in the short to medium term, which will continue to exert downward pressure on the office market in these two cities. New Times Plaza in particular has been facing unrelenting competition from newly launched premium Grade-A office buildings in the Qianhai and Houhai areas. The Manager continues to monitor the office markets in these two cities closely, and the relevant asset management strategies will be optimized from time to time to ensure that the office properties under CMC REIT can weather the anticipated downturn in the most efficient manner.

In contrast, retail properties will continue to benefit from the government's policy to stimulate consumption as a means of promoting economic expansion. Consumer spending still has much growth potential in the long term and CMC's asset enhancement of Garden City Shopping Centre in 2023 has been timed to take full advantage of this. With the all-round improvement in the space, brand and services of the project providing a more comfortable shopping environment for the surrounding residents, the mall is now well placed to compete for and attract shopper traffic. No new shopping centers will enter the market in Nanshan District in 2024, and this creates the conducive conditions for better performance at our mall.

In terms of fund management and governance, with an aim to broaden sources of income and reduce expenditure, the Manager seeks to provide stakeholders with high-quality and sustainable returns. The Manager will closely monitor market conditions and adjust its operating strategies flexibly to help its properties generate high-quality returns for CMC REIT's unitholders. The current acquisition strategy of CMC REIT is focused on offices in the core business districts of first-tier cities and shopping centers in first- and second-tier cities with relatively strong purchasing power. The Manager continues to seek suitable investment targets in these markets, with a view to diversifying the asset class and location of CMC REIT's portfolio, enhancing the portfolio's robustness and increasing the returns to Unitholders. The Manager will maintain the gearing ratio of CMC REIT stable and further expand the asset under management, by adopting various investment strategies. At the same time, the Manager will review the capital structure of CMC REIT from time to time, with a view to further optimizing the debt structure and exploring further cost reductions, including funding costs and project management fees. The Manager believes there is a reasonable chance that the distributable income of CMC REIT will recover in 2024, given the incremental income from the reopening of Garden City Shopping Center and the full year's impact of the RMB2,400 million refinancing in 2023.

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

Breakdown for all properties	**Percentage of GRA**	**Percentage of monthly rental income**
Health Care Service	**15.5%**	14.7%
Scientific and Information Technology	**15.5%**	13.3%
Real Estate	**9.6%**	13.0%
Leasing and Business Service	**8.1%**	12.2%
Finance	**8.0%**	15.1%
Food and Beverage	**6.1%**	7.1%
Department Store	**5.6%**	5.2%
Wholesale and Retail	**3.9%**	3.3%
Life Service	**3.7%**	3.4%
Logistics	**3.1%**	3.6%
Petroleum	**2.4%**	2.9%
Construction and Engineering	**1.9%**	2.5%
Hotel	**1.1%**	0.9%
Others	**2.3%**	2.8%
Vacant	**13.2%**	–

Breakdown for office buildings	**Percentage of GRA**	**Percentage of monthly rental income**
Scientific and Information Technology	**19.3%**	15.6%
Health Care Service	**19.2%**	17.2%
Real Estate	**11.9%**	15.2%
Leasing and Business Service	**10.1%**	14.2%
Finance	**10.0%**	17.6%
Wholesale and Retail	**4.9%**	3.9%
Logistics	**3.9%**	4.2%
Petroleum	**3.0%**	3.4%
Construction and Engineering	**2.4%**	2.9%
Food and Beverage	**1.7%**	1.8%
Hotel	**1.4%**	1.0%
Education	**1.1%**	0.9%
Others	**1.1%**	2.1%
Vacant	**10.0%**	–

Breakdown for retail property (Garden City Shopping Centre)	**Percentage of GRA**	**Percentage of monthly rental income**
Department Store	**28.7%**	36.2%
Food and Beverage	**24.6%**	38.3%
Life Service	**16.8%**	20.0%
Supermarket	**3.6%**	5.5%
Vacant	**26.3%**	–

Breakdown for New Times Plaza	**Percentage of GRA**	**Percentage of monthly rental income**
Real Estate	**31.8%**	39.3%
Logistics	**13.0%**	14.0%
Petroleum	**10.2%**	11.6%
Leasing and Business Service	**6.8%**	6.3%
Science and Information Technology	**6.6%**	5.7%
Finance	**6.0%**	9.1%
Construction and Engineering	**5.7%**	5.6%
Hotel	**4.8%**	3.6%
Education	**1.5%**	1.2%
Others	**3.2%**	3.6%
Vacant	**10.4%**	–

Breakdown for Cyberport Building	**Percentage of GRA**	**Percentage of monthly rental income**
Scientific and Information Technology	**41.1%**	47.7%
Leasing and Business Service	**20.5%**	24.2%
Wholesale and Retail	**11.0%**	11.9%
Life Service	**3.0%**	5.1%
Finance	**2.5%**	5.6%
Food and Beverage	**1.6%**	3.5%
Construction and Engineering	**1.0%**	1.1%
Others	**0.7%**	0.9%
Vacant	**18.6%**	–

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

Breakdown for Technology Building 2	Percentage of GRA	Percentage of monthly rental income
Scientific and Information Technology	**49.9%**	46.9%
Wholesale and Retail	**13.7%**	13.5%
Finance	**13.4%**	14.4%
Leasing and Business Service	**4.9%**	5.5%
Health Care Service	**4.7%**	5.4%
Real Estate	**3.8%**	5.3%
Education	**3.8%**	4.2%
Food and Beverage	**2.4%**	4.8%
Vacant	**3.4%**	–

Breakdown for Onward Science & Trade Center	Percentage of GRA	Percentage of monthly rental income
Finance	**30.5%**	41.7%
Leasing and Business Service	**20.9%**	29.6%
Real Estate	**11.4%**	10.2%
Scientific and Information Technology	**5.9%**	5.1%
Food and Beverage	**3.9%**	1.5%
Construction and Engineering	**3.1%**	3.8%
Health Care Service	**3.0%**	4.0%
Wholesale and Retail	**0.5%**	0.6%
Other	**2.4%**	3.4%
Life Service	**0.3%**	0.1%
Vacant	**18.1%**	–

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 December 2023:

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**9.2%**	12.1%
2024	**15.3%**	20.3%
2025	**20.4%**	21.8%
2026	**18.5%**	20.6%
2027	**6.8%**	6.9%
2028	**7.8%**	7.4%
2029 and beyond	**8.8%**	10.9%
Vacant	**13.2%**	–

Lease Expiry Profile of office buildings

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**11.3%**	13.8%
2024	**18.3%**	22.6%
2025	**22.0%**	21.6%
2026	**17.1%**	17.9%
2027	**7.3%**	6.8%
2028	**7.2%**	6.3%
2029 and beyond	**6.8%**	11.0%
Vacant	**10.0%**	–

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

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**0.8%**	2.1%
2024	**3.0%**	6.9%
2025	**13.7%**	23.4%
2026	**24.6%**	36.9%
2027	**4.7%**	7.5%
2028	**10.4%**	13.2%
2029 and beyond	**16.5%**	10.0%
Vacant	**26.3%**	–

Lease Expiry Profile of New Times Plaza

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**34.5%**	42.9%
2024	**8.6%**	9.3%
2025	**19.0%**	21.2%
2026	**10.8%**	12.0%
2027	**0.3%**	0.3%
2028	**3.7%**	3.2%
2029 and beyond	**12.7%**	11.1%
Vacant	**10.4%**	–

Lease Expiry Profile of Cyberport Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**23.4%**	29.2%
2025	**24.7%**	30.6%
2026	**17.6%**	20.9%
2027	**10.6%**	12.5%
2028	**3.8%**	3.5%
2029 and beyond	**1.3%**	3.3%
Vacant	**18.6%**	–

Lease Expiry Profile of Technology Building

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2023	**7.9%**	8.5%
2024	**25.7%**	24.6%
2025	**46.5%**	47.5%
2026	**19.9%**	19.4%
2027 and beyond	**–**	–
Vacant	**–**	–

Lease Expiry Profile of Technology Building 2

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**15.0%**	17.1%
2025	**12.5%**	14.7%
2026	**27.4%**	28.3%
2027	**21.5%**	22.0%
2028	**19.6%**	16.6%
2029 and beyond	**0.6%**	1.3%
Vacant	**3.4%**	–

Lease Expiry Profile of Onward Science & Trade Center

Expiry Period	Percentage of GRA	Percentage of monthly rental income
2024	**25.1%**	34.7%
2025	**9.5%**	8.2%
2026	**13.4%**	16.8%
2027	**8.4%**	7.0%
2028	**10.0%**	8.7%
2029 and beyond	**15.5%**	24.6%
Vacant	**18.1%**	–

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 Code on Real Estate Investment Trusts (the "**REIT Code**") and other relevant rules and regulations.

The corporate governance policies of CMC REIT have been adopted having due regard to the requirements under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2023 will be set out in the 2023 Annual Report.

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 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

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 2023.

SUMMARY OF ALL SALE AND PURCHASE OF REAL ESTATE

CMC REIT did not enter into any real estate sales and purchases during the Reporting 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, in conjunction with the external auditors of CMC REIT.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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, 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Directors of the REIT Manager on 14 March, 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of CMC REIT for the Reporting Year will be despatched to Unitholders on or before 30 April 2023 and will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and CMC REIT at www.cmcmreit.com.

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

Hong Kong, 14 March 2024

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	**2023** **RMB'000**	2022 *RMB'000*
Revenue	*4*	**489,159**	431,702
Property operating expenses	*5*	**(133,929)**	(113,416)
Net property income		**355,230**	318,286
Exchange losses		**(1,194)**	(336,288)
Other income, gains and losses	*6*	**25,244**	16,681
Reversal of impairment losses (impairment losses) under expected credit loss model, net		**2,484**	(4,794)
(Decrease) increase in fair value of investment properties		**(394,450)**	32,912
Manager's fee		**(15,515)**	(17,550)
Trust and other expenses		**(11,789)**	(7,366)
Finance costs	*7*	**(137,163)**	(94,863)
Loss before tax and distribution to unitholders	*8*	**(177,153)**	(92,982)
Income taxes	*9*	**(12,236)**	(104,405)
Loss for the year, before distribution to unitholders		**(189,389)**	(197,387)
Distribution to unitholders		**(94,647)**	(138,551)
Loss for the year and total comprehensive expense for the year, after distribution to unitholders		**(284,036)**	(335,938)
(Loss) profit for the year, before distribution to unitholders attributable to:			
Unitholders		**(172,317)**	(209,544)
Non-controlling interests		**(17,072)**	12,157
		(189,389)	(197,387)
Total comprehensive (expense) income for the year, after distribution to unitholders attributable to:			
Unitholders		**(266,964)**	(348,095)
Non-controlling interests		**(17,072)**	12,157
		(284,036)	(335,938)
Basic loss per unit	*10*	**RMB(0.15)**	RMB(0.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	**2023** **RMB'000**	2022 *RMB'000*
Non-current assets			
Investment properties	*11*	**9,251,000**	9,547,000
Prepayments for construction works	*12*	**4,070**	–
Property, plant and equipment		**611**	695
		9,255,681	9,547,695
Current assets			
Trade and other receivables, and prepayments	*12*	**2,121**	3,442
Amounts due from related companies		**1,042**	77,221
Time deposits with maturity over three months		**50,072**	55,290
Cash and cash equivalents		**1,079,011**	1,140,712
		1,132,246	1,276,665
Total assets		**10,387,927**	10,824,360
Current liabilities			
Trade and other payables	*13*	**141,998**	150,570
Amounts due to related companies		**145,579**	140,308
Amounts due to non-controlling interests		**19,754**	17,929
Distribution payable		**45,541**	130,040
Tax payable		**46,389**	26,246
		399,261	465,093
Non-current liabilities, excluding net assets attributable to unitholders			
Amounts due to non-controlling interests		**–**	1,125,586
Secured bank borrowings	*14*	**4,053,724**	4,052,639
Rental deposit received from tenants	*13*	**7,087**	23,909
Deferred tax liabilities		**1,047,271**	1,109,865
Total non-current liabilities, excluding net assets attributable to unitholders		**5,108,082**	6,311,999
Total liabilities, excluding net assets attributable to unitholders		**5,507,343**	6,777,092
Non-controlling interests		**1,488,659**	388,379
Net assets attributable to unitholders		**3,391,925**	3,658,889
Number of units in issue		**1,127,819,549**	1,127,819,549
Net asset value per unit attributable to unitholders	*15*	**RMB3.01**	RMB3.24

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 *RMB'000*	2022 *RMB'000*
Loss for the year attributable to unitholders, before distribution to unitholders	**(172,317)**	(209,544)
Adjustments on amount that are attributable to unitholders:		
Decrease (increase) in fair value of investment properties	**314,862**	(27,819)
Non-cash finance costs	**–**	4,600
Exchange losses	**1,603**	333,657
(Reversal of impairment losses) impairment losses under expected credit loss model, net	**(2,483)**	4,792
Depreciation	**92**	80
Deferred tax	**(47,110)**	32,785
Total distributable income to unitholders	**94,647**	138,551
Interim distribution, paid to unitholders *(note (ii))*	**49,106**	75,918
Final distribution, payable to unitholders *(note (iii))*	**45,541**	62,633
Total distribution for the year	**94,647**	138,551
Payout ratio *(note (i))*	**100%**	100%
DPU		
Proposed final distribution per unit to be paid		
Before taking into account the effect of the distribution commitment	**RMB0.0839**	RMB0.1228
After taking into account the effect of the distribution commitment *(note iv)*	**RMB0.0839**	RMB0.2294

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

(iii) The proposed final distribution per unit of RMB0.0404 (2022: RMB0.0555) for the year ended 31 December 2023 is calculated based on the final distribution to be paid to unitholders of RMB45,541,000 (2022: RMB62,633,000) for the year and 1,127,819,549 (2022: 1,127,819,549) units in issue as at 31 December 2023.

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

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

The final DPU for the year ended 31 December 2023 is HK$0.0925 (equivalent to RMB0.0839) (2022: HK$0.2614 (equivalent to RMB0.2294) after taking into account the effect of the distribution commitment). All distributions are settled in Hong Kong dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the relevant provisions of the Trust Deed, the REIT Code and disclosures required by the Rules Governing the Listing of Securities on the HKSE.

3. PRINCIPAL ACCOUNTING POLICIES

Application of new and amendments to IFRSs

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

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendment to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

4. REVENUE AND SEGMENT INFORMATION

Revenue recognition

	2023	2022
	RMB'000	*RMB'000*
Rental income from office buildings and a shopping centre	**441,166**	378,943
Management fee income	**29,733**	36,258
Carpark income	**8,100**	7,907
Others	**10,160**	8,594
Revenue from contracts with customers recognised over time	**47,993**	52,759
	489,159	431,702

The Group's investment properties are leased to tenants under operating leases with rentals payable monthly. The lease payments are generally fixed term, except 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 RMB1,498,000 (2022: RMB1,524,000) for the current year.

Segment revenues and results

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

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*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Rental income from office buildings and a shopping centre	107,771	49,569	61,834	54,064	51,613	116,315	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	64,892	116,315	489,159
Segment results	6,429	48,114	72,279	24,445	(121,439)	(44,315)	(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)

For the year ended 31 December 2022

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Rental income from office buildings and a shopping centre	116,930	33,735	50,384	43,652	78,999	55,243	378,943
Revenue from contracts with customers recognised over time	15,813	5,503	5,423	5,302	20,718	–	52,759
Segment revenue	132,743	39,238	55,807	48,954	99,717	55,243	431,702
Segment results	95,277	31,175	86,133	48,033	39,687	61,870	362,175
Exchange losses							(336,288)
Other income							1,118
Manager's fee							(17,550)
Trust and other expenses							(7,366)
Finance costs							(95,071)
Loss before tax and distribution to unitholders							(92,982)
Income taxes							(104,405)
Loss for the year, before distribution to unitholders							(197,387)

Segment assets and liabilities

As at 31 December 2023

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

As at 31 December 2022

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

Other segment information

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

For the year ended 31 December 2022

	New Times Plaza *RMB'000*	Cyberport Building *RMB'000*	Technology Building *RMB'000*	Technology Building 2 *RMB'000*	Garden City Shopping Centre *RMB'000*	Onward Science and Trade Center *RMB'000*	Total *RMB'000*
Addition to investment properties arising acquisition of subsidiaries	–	–	–	–	–	2,693,690	2,693,690
Addition to investment properties	14,961	5,308	–	2,992	24,329	26,808	74,398
(Decrease) increase in fair value of investment properties	(7,961)	2,692	39,000	9,008	(19,329)	9,502	32,912
Depreciation	–	–	–	–	79	2	81

5. PROPERTY OPERATING EXPENSES

	2023 RMB'000	2022 RMB'000
Advertising and promotion	**3,147**	5,245
Agency fee	**3,432**	2,739
Property management expenses	**51,801**	54,084
Operations manager's fee	**23,808**	20,864
Other taxes	**49,967**	26,332
Others	**1,774**	4,152
	133,929	113,416

6. OTHER INCOME, GAINS AND LOSSES

	2023 RMB'000	2022 RMB'000
Interest income from bank deposits	**15,953**	11,898
Compensation income	**9,109**	2,567
Government subsidy	**85**	2,000
Others	**97**	216
	25,244	16,681

7. FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Interest expense on bank borrowings	**137,163**	90,263
Amortisation of upfront payments	**–**	4,600
	137,163	94,863

8. LOSS BEFORE TAX AND DISTRIBUTION TO UNITHOLDERS

	2023 RMB'000	2022 RMB'000
Loss before tax and distribution to unitholders has been arrived at after charging:		
Auditors' remuneration	**1,830**	1,801
Depreciation	**123**	81
Trustee's remuneration	**1,849**	1,720
Principal valuer's fee	**170**	459

9. INCOME TAXES

	2023	2022
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")		
Current year	**65,873**	53,990
Overprovision in prior years	**(7,715)**	(89)
Withholding tax		
Current year	**16,672**	16,063
Deferred tax	**(62,594)**	34,441
	12,236	104,405

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.

Under the Law of the People's Republic of China on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory income tax rate of the PRC subsidiaries is 25% for the current year and prior period.

10. BASIC LOSS PER UNIT

The calculation of the basic loss per unit before distribution to unitholders is based on the loss for the year, before distribution to unitholders attributable to unitholders of RMB172,317,000 (2022: RMB209,544,000) with the number of units of 1,127,819,549 (2022: 1,127,819,549) in issue during the year.

There were no dilutive potential units during the year ended 31 December 2023 and 31 December 2022, therefore the diluted loss per unit has not been presented.

11. INVESTMENT PROPERTIES

	2023	2022
	RMB'000	*RMB'000*
FAIR VALUE		
At the beginning of the year	**9,547,000**	6,746,000
Additions during the year	**98,450**	74,398
Acquisition of subsidiaries	**–**	2,693,690
Fair value changes on investment properties	**(394,450)**	32,912
At the end of the year	**9,251,000**	9,547,000

12. TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**3,113**	7,817
Less: Allowance for credit losses	**(1,614)**	(4,927)
	1,499	2,890
Other receivables and prepayments	**4,692**	552
Total trade and other receivables, prepayments and prepayments	**6,191**	3,442
Less: prepayments for construction works shown under non-current assets	**(4,070)**	–
	2,121	3,442

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

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

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**464**	1,832
More than 1 month but within 3 months	**792**	925
Over 3 months	**243**	133
	1,499	2,890

13. TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables	**5,815**	13,203
Other taxes payables	**922**	21,335
Rental receipt in advance	**14,549**	7,363
Receipt on behalf of tenants *(note)*	**11,112**	8,262
Rental deposit received from tenants	**75,775**	86,185
Accruals and other payables	**19,545**	26,004
Dividend payable to a shareholder of a subsidiary	**21,367**	12,127
	143,270	161,276
Less: Rental deposit received from tenants shown under non-current liabilities	**(7,087)**	(23,909)
	141,998	150,570

Note:

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

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

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**508**	901
Over 3 months	**5,307**	12,302
	5,815	13,203

14. SECURED BANK BORROWINGS

	2023	2022
	RMB'000	*RMB'000*
Secured bank borrowings	**4,053,724**	4,052,639

The maturity of the secured bank borrowings are as follows:

	2023	2022
	RMB'000	*RMB'000*
Within a period of more than two years but not exceeding five years	**4,053,724**	4,052,639

15. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The net asset value per unit attributable to unitholders is calculated by dividing the net assets attributable to unitholders as at 31 December 2023 of RMB3,391,925,000 (2022: RMB3,658,889,000) by the number of units in issue of 1,127,819,549 (2022: 1,127,819,549) units as at 31 December 2023.

16. NET CURRENT ASSETS

At 31 December 2023, the Group's net current assets, calculated as current assets less current liabilities, amounted to RMB732,985,000 (2022: net current assets of RMB811,572,000).

17. TOTAL ASSETS LESS CURRENT LIABILITIES

At 31 December 2023, the Group's total assets less current liabilities amounted to RMB9,988,666,000 (2022: RMB10,359,267,000).

18. CAPITAL COMMITMENT

	2023	2022
	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	**76,286**	28,522