

vanke

CHINA VANKE CO., LTD.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2202)

INTERIM REPORT 2022



*For identification purpose only

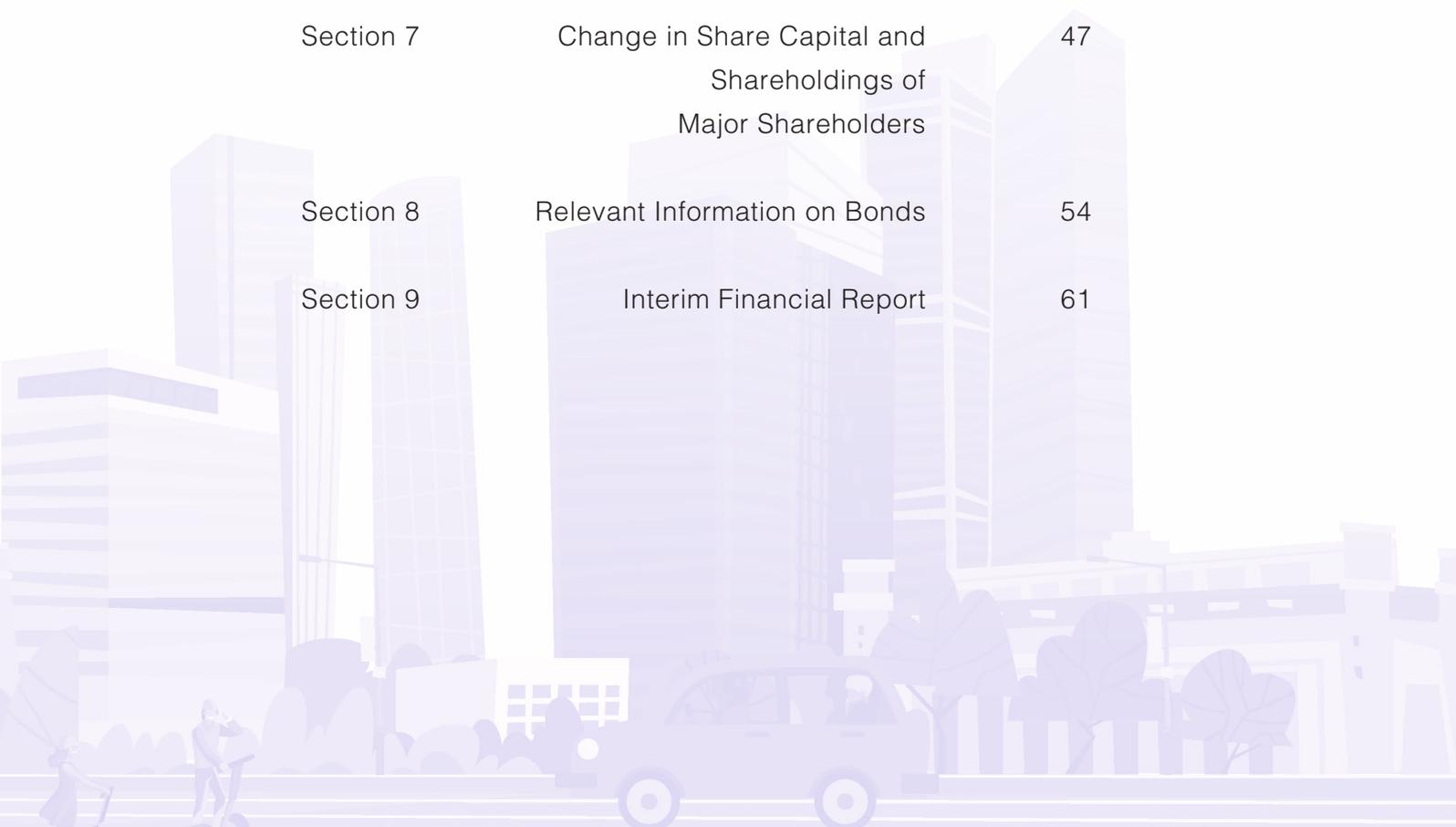
Important Notice:

1. The board of directors (the “**Board**”), the supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in the interim report for 2022 (the “**Report**” or the “**Interim Report**”) does not contain any misrepresentation, misleading statement or material omission, and they jointly and severally accept responsibility for the truthfulness, accuracy and completeness of its contents.
2. The Report was considered and approved at the nineteenth meeting of the nineteenth session of the Board (the “**Meeting**”) held on 30 August 2022. Mr. NG Kar Ling, Johnny, an independent non-executive director was not able to attend the Meeting in person due to business engagements and authorised Ms. LIU Shuwei, another independent non-executive director to attend the Meeting and vote on his behalf at the Meeting. All other directors of the Company attended the Meeting in person.
3. There will be no distribution of dividend, bonus share or capitalisation of equity reserve of the Company for the 2022 interim period.
4. The interim financial report was prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”). The interim financial report 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.
5. Mr. YU Liang, Chairman of the Board and Ms. HAN Huihua, Executive Vice President and Finance Principal declare that the financial report contained in the Report is warranted to be true, accurate and complete.
6. Unless otherwise specified, the currency referred to in the Report is Renminbi (“**RMB**”).
7. The Report contains forward-looking statements such as future plans, which do not constitute any specific undertakings by the Group to its investors. Investors are advised to pay attention to investment risks.

The Report has been prepared in Chinese and English, respectively. In case of discrepancy, the Chinese version shall prevail, except for the interim financial report prepared in accordance with IAS 34, of which the English version shall prevail.

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Definition

Term	Meaning
The Company	China Vanke Co., Ltd.
Vanke or the Group	China Vanke Co., Ltd. and its subsidiaries
SZMC	Shenzhen Metro Group Co., Ltd.
Yingjiazhong Partnership Enterprise	Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership)
Ying'an Partnership Enterprise	Shenzhen Ying'an Financial Advisory Enterprise (Limited Partnership)
The Board	The board of directors of the Company
Supervisory Committee	The supervisory committee of the Company
Onewo	Onewo Inc, an omni-space service provider. It mainly comprises of: Vanke Service, a community space service provider; Cushman & Wakefield Vanke Service, a commercial space service provider; CITY UP, an urban space integrated service provider; and Vanrui Technology, which provides AIoT (Artificial Intelligence Internet of Things) and BPaaS (Business Process as a Service) solutions services
SCPG	SCPG Holdings Co., Limited, incorporated in the Cayman Islands , a commercial property development and operation capability platform under the Group
VX Logistic Properties	Vanke Logistics Development Co., Ltd., a logistics and warehousing service and supply chain solutions platform of the Group
Port Apartment	Zhuhai Port Apartment Management Company Limited, a long-term rental apartment brand under the Group, is committed to providing residential solutions for urban youths

Term	Meaning
BG	Business Group, which currently including 7 regional BG that responsible for development business, i.e. Southern Regional BG, Shanghai Regional BG, Beijing Regional BG, Southwestern Regional BG, Northwestern Region BG, Central Regional BG, and Northeastern Regional BG; and Property Service BG (i.e. Onewo)
BU	Business Unit, including SCPG BU, Logistics BU, Long-term Rental Apartment BU, Overseas BU, Hotel and Vacation BU, Meisha Education BU and Food BU
Central Bank	The People's Bank of China
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
SZSE Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Standardized Operation Guideline	No. 1 Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange – Standardized Operation of Main Board Listed Companies
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
SEHK Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	Corporate Governance Code set out in Appendix 14 of SEHK Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of SEHK Listing Rules
Articles of Association	Articles of Association of China Vanke Co., Ltd.
Reporting Period or Period	1 January 2022 to 30 June 2022

Definition

Term	Meaning
A Share(s) (RMB-denominated Ordinary Share(s))	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SZSE and traded in Renminbi
H Share(s) (Overseas-listed Foreign Share(s))	overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SEHK and traded in Hong Kong dollars
RMB	Renminbi, unless otherwise specified

Section 1 Basic Corporate Information

I. Basic Information

Company Name (Chinese): 萬科企業股份有限公司

Company Name (English): CHINA VANKE CO., LTD.

Registered address: Vanke Center, No. 33 Huanmei Road,
Dameisha, Yantian District, Shenzhen, the People's Republic of China

Postal code: 518083

Office address: Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen,
the People's Republic of China

Postal code: 518083

Principal place of business in Hong Kong: 55/F, Bank of China Tower, 1 Garden Road, Hong Kong

Website address: www.vanke.com

E-mail address: IR@vanke.com

Legal representative: YU Liang

Authorised representatives for SEHK: WANG Hai Wu and ZHU Xu

Alternate authorised representative for SEHK: YIP Hoi Man

II. Contact Persons and Contact Details

Secretary to the Board and company secretary: ZHU Xu

E-mail address: IR@vanke.com

Securities affairs representative: JI Jianghua

E-mail address: IR@vanke.com

Contact address: Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen,
the People's Republic of China

Telephone number: 0755-25606666

Fax number: 0755-25531696

Assistant company secretary: YIP Hoi Man

E-mail address: IR@vanke.com

Contact address: 55/F, Bank of China Tower, 1 Garden Road, Hong Kong

Telephone number: 00852-23098888

Fax number: 00852-23288097

Section 1

Basic Corporate Information

III. Information of Stock

Stock exchange on which the Company's A shares are listed: SZSE

Stock short name of A shares: Vanke A

Stock code of A shares: 000002

Stock exchange on which the Company's H shares are listed: SEHK

Stock short name of H shares: China Vanke, Vanke H^{note}

Stock code of H shares: 2202, 299903^{note}

Note: The stock short name and stock code are only applied for trading of the Company's H shares converted from the B shares of the Company held by the original B shareholders of the Company through domestic securities companies' trading system

H share registrar: Computershare Hong Kong Investor Services Limited

Contact address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

IV. The Place for Information Disclosure and Collection

Media for disclosure of information: "China Securities Journal", "Securities Times", "Shanghai Securities News", "Securities Daily", CNINFO Network, HKEXnews website of SEHK

Website address for publication of the Interim Report:

A shares: www.cninfo.com.cn

H shares: www.hkexnews.hk

Place for interim report collection: The Office of the Company's Board of Directors

V. Modification of Registration

First registration date of the Company: 30 May 1984

Location: Shenzhen

Date of change in registration: 14 July 2017

Location: Shenzhen

Unified social credit code: 91440300192181490G

Section 2 Accounting and Financial Highlights

1. Key accounting data and financial indicators

Unit: RMB'000

Items	30-Jun-2022	31-Dec-2021	Increase/ (decrease) over the beginning of the year
Current assets	1,537,755,754	1,600,322,953	-3.91%
Current liabilities	1,243,438,045	1,311,446,467	-5.19%
Total equity attributable to equity shareholders of the Company	234,234,877	235,953,134	-0.73%
Share capital (1,000 shares)	11,625,383	11,625,383	No change
Net assets per share attributable to equity shareholders of the Company (RMB)	20.28	20.30	-0.10%

Items	Jan-Jun 2022	Jan-Jun 2021	Increase/ (decrease) over the same period of the previous year
Revenue	206,916,289	167,110,935	23.82%
Gross profit	42,330,067	38,328,875	10.44%
Profit before taxation	31,166,968	28,737,092	8.46%
Profit for the Period attributable to equity shareholders of the Company	12,222,659	11,046,938	10.64%
Basic earnings per share (RMB)	1.05	0.95	10.57%
Diluted earnings per share (RMB)	1.05	0.95	10.57%
Return on equity (fully diluted)	5.22%	4.98%	Increased by 0.24 percentage point
Return on equity (weighted average)	5.06%	4.79%	Increased by 0.27 percentage point
Net cash flow generated from operating activities	8,288,021	6,781,561	22.21%

Note: During the Reporting Period, the Company repurchased 72,955,992 A Shares, which were not cancelled as at 30 June 2022. The treasury shares had been deducted from the shares used for calculation of net assets per share, basic earnings per share and diluted earnings per share attributable to the shareholders of the Company and weighted average return on equity.

Section 2

Accounting and Financial Highlights

2. Differences between domestic accounting standards and overseas accounting standards

Unit: RMB'000

Items	PRC accounting standards	International Financial Reporting Standards
Net profit attributable to equity shareholders of the Company	12,222,659	12,222,659
Total equity attributable to equity shareholders of the Company	234,234,877	234,234,877
Explanations for the difference		Nil

Section 3 Management Discussion and Analysis

I. Business Review and Analysis

During the first half of 2022, the sales of commercial housing fell sharply across the country, and successive measures were introduced in various places to stabilize the market. In the face of a rapidly changing business environment, the Group promoted the building of the development business as a whole, and continued to improve the operational efficiency and competitiveness of its operation and service businesses in accordance with the business strategy formulated at the beginning of the year, while adhering to sound operation and maintaining a healthy financial position, with various tasks carried out in an orderly manner.

During the Reporting Period, the Group continued to maintain its industry-leading credit rating, with further improvement in its debt structure and financing cost. As of the end of the Reporting Period, all indicators of the Group met the requirements of the capital monitoring and financing management rules for key real estate enterprises, with net gearing ratio at 35.5% and cash on hand (including pledged and restricted deposits) of RMB141.07 billion, much higher than the sum of short-term borrowings and interest-bearing liabilities due within one year of RMB62.64 billion, and a gearing ratio excluding receipts of prepayments at 68.4%. Among interest-bearing liabilities, the proportion of long-term liabilities was 77.6%. As at the end of the Reporting Period, the comprehensive average financing cost of existing financing was 4.08%, which decreased further as compared with last year. During the first half of the year, the net cash flow generated from operating activities was RMB8.29 billion.

During the first half of the year, the Group realized an operating income of RMB206.92 billion, a year-on-year increase of 23.8%, and the profit for the period attributable to equity shareholders of the Company amounted to RMB12.22 billion, representing a year-on-year increase of 10.6%. In particular, booked revenue from property development business was RMB178.88 billion, representing a year-on-year increase of 23.9%. The revenue growth rate of property services was 42.2% and the revenue growth rates of logistics & warehousing, rental housing and retail property development and operation (including non-consolidated items) at 39.1%, 12.3% and 10.4% respectively.

I. Market review

The floor area of residential housing sold across the country decreased sharply. According to data from National Bureau of Statistics, from January to June, the sales area of commercial housing nationwide was 689 million square meters, a decrease of 22.2% year-on-year, while the sales amount was RMB6.61 trillion, a decrease of 28.9% year-on-year. In particular, the rate of decrease in the sales area of commercial housing during the first five months of the year continued to widen, and the rate of decrease narrowed in June.

The growth rate of investment in property development turned negative year-on-year, with the decrease in the floor area of new construction projects widen. During the first half of the year, pressure on investment in the industry increased, and investment in property development nationwide decreased 5.4% year-on-year. The declining trend continued in the area of new construction projects in the first half of the year, with a decrease of 34.4% year-on-year.

Section 3

Management Discussion and Analysis

The land sold decreased. According to data from the China Index Academy, in the first half of 2022, the planned gross floor area of residential land supply and the planned gross floor area sold in 300 cities across the country decreased by 47.0% and 54.2% year-on-year respectively, and the average premium rate of residential land sold was approximately 4%, representing a decrease of 13 percentage points as compared to the corresponding period last year.

The growth rate of real estate loans slowed down. The People's Bank of China data showed that the balance of real estate loans from major financial institutions across the country stood at RMB53.11 trillion in the end of June, representing a growth of 4.2% year-on-year, which decreased by 3.7 percentage points compared to the end of last year.

The operation of service business faced challenges and opportunities. Under the epidemic prevention and control, property services accelerated their integration into community grassroots governance, and became increasingly important. Under the pandemic, the needs of the logistics industry for the resilience and security of the supply chain system further increased, and with the support of policies such as “strengthening the chain and supplementing the chain”, development opportunities have arisen for the cold chain. Rental housing continued to be supported by policies and subsidised rental housing has been included in the public REITS pilot programme, which opened up the business closed-loop of “financing, investment, management and exit” of the rental housing industry. The commercial property operation was generally more affected by the pandemic, however, prime shopping centers demonstrated higher operation resilience due to their scarcity.

II. Overview of main businesses

The Group's core businesses include “real estate development and related asset operation” and “property services”.

During the first half of 2022, the Group achieved a revenue of RMB206.92 billion, representing a year-on-year increase of 23.8%, and profit attributable to equity shareholders of the Company of RMB12.22 billion, representing a year-on-year increase of 10.6%. Basic earnings per share amounted to RMB1.05, representing a year-on-year increase of 10.6%. Fully diluted return on equity was 5.22%, representing an increase of 0.24 percentage point as compared to last year.

There will be no dividend distribution, bonus share, or capitalisation of equity reserve of the Group for the 2022 interim period.

Divided in business segments, during the first half of the year, the operating revenue derived from the property development and related asset operation business amounted to RMB191.67 billion, accounting for 92.6% of the Group's revenue; revenue derived from property services amounted to RMB12.19 billion, accounting for 5.9% of the Group's revenue.

Section 3 Management Discussion and Analysis

The Operation of the Group's Main Businesses

Unit: RMB'000

Industry	Revenue		Cost of Sales		Gross Profit Margin ^{Note 1}		Operating Profit Margin ^{Note 2}	
	Amount	Growth/ decrease	Amount	Growth/ decrease	Amount	Growth/ decrease	Amount	Growth/ decrease
1. Core businesses	203,864,369	22.74%	162,069,685	26.31%	20.50%	Decreased by 2.25 percentage points	16.41%	Decreased by 1.60 percentage points
Including: Real estate development and related assets operation businesses	191,672,022	21.68%	151,730,346	25.12%	20.84%	Decreased by 2.18 percentage points	16.52%	Decreased by 1.52 percentage points
Property services	12,192,347	42.19%	10,339,339	46.82%	15.20%	Decreased by 2.68 percentage points	14.75%	Decreased by 2.71 percentage points
2. Other businesses ^{Note 4}	3,051,920	202.01%	2,516,537	430.43%	17.54%	Decreased by 35.51 percentage points	16.78%	Decreased by 35.52 percentage points
	206,916,289	23.82%	164,586,222	27.80%	20.46% ^{Note 3}	Decreased by 2.48 percentage points	16.42%	Decreased by 1.80 percentage points

Notes: 1. Gross profit margins figures are before taxes and surcharges.

2. The operating profit margins have deducted taxes and surcharges.

3. The Group has adopted cost model to measure the operating assets, including investment properties, property, plant and equipment and intangible assets. The depreciation and amortisation of operating assets, which are recorded in the operating cost, have been deducted in the calculation of gross profit margin. After adding back the depreciation and amortisation, the gross profit margin was 21.67%.

4. The revenue of the other businesses mainly includes revenue from farming business and operating management fees, brand management fees, and business management-related fees collected from associates and joint ventures.

Section 3 Management Discussion and Analysis

III. Overview of business development

1. Property development business

(1) Sales and recognition

During the first half of 2022, the Group achieved sales of 12.907 million sq m and sales of RMB215.29 billion, representing a decrease of 41.1% and 39.3% year-on-year respectively. Among the products sold, 85.0% was attributable to residential properties, 9.6% to commercial offices and 5.4% to other ancillary facilities.

Sales by geographical region

	Area Sold (‘0000 square meters)	Proportion	Sales Amount (RMB hundred million)	Proportion
Southern Region	208.8	16.2%	475.3	22.1%
Shanghai Region	345.1	26.7%	782.5	36.3%
Beijing Region	221.5	17.2%	260.4	12.1%
Northeastern Region	103.3	8.0%	90.1	4.2%
Central Region	134.7	10.4%	194.8	9.0%
Southwestern Region	126.3	9.8%	149.9	7.0%
Northwestern Region	148.1	11.5%	163.7	7.6%
Other	2.9	0.2%	36.2	1.7%
Total	1,290.7	100.0%	2,152.9	100.0%

Note: The Beijing region includes Beijing, Hebei Province, Shandong Province, Shanxi Province and Tianjin; the Northeastern region includes Liaoning Province, Heilongjiang Province, Jilin Province and Inner Mongolia Autonomous Region; the Central region includes Hubei Province, Henan Province, Hunan Province and Jiangxi Province; the Southern region includes Guangdong Province, Fujian Province, Hainan Province and Guangxi Zhuang Autonomous Region; the Shanghai region includes Shanghai, Anhui Province, Jiangsu Province and Zhejiang Province; the Northwestern region includes Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Qinghai Province and Xinjiang Uygur Autonomous Region; the Southwest region includes Sichuan Province, Chongqing, Guizhou Province and Yunnan Province; others include: Hong Kong, New York, San Francisco, London and Seattle.

Revenue from settlement continued to grow. During the first half of the year, revenue from the Group’s property development and relevant ancillary business was RMB189.49 billion. Divided by Regions, the Southern region, Shanghai region, Beijing region, Northeastern region, Central region, Southwestern region and Northwestern region accounted for 23.16%, 33.65%, 12.47%, 5.89%, 7.19%, 9.66% and 7.80% respectively. In the first half of 2022, the Group realized booked area of 13.102 million square meters, representing a year-on-year increase of 17.5%, and booked revenue of RMB178.88 billion, representing a year-on-year increase of 23.9%, from property development business. The booked gross profit margin was 21.9% (17.3% after deduction of taxes and surcharges).

Section 3

Management Discussion and Analysis

Revenue and profit by different regions

	Revenue		Net Profit Attributable to Vanke's Equity Holding	
	(RMB'000)	Proportion	(RMB'000)	Proportion
Southern Region	43,885,705	23.16%	1,388,058	10.55%
Shanghai Region	63,755,760	33.65%	6,571,978	49.95%
Beijing Region	23,623,476	12.47%	918,550	6.98%
Northeastern Region	11,158,674	5.89%	483,600	3.68%
Central Region	13,630,038	7.19%	1,056,484	8.03%
Southwestern Region	18,313,752	9.66%	779,323	5.92%
Northwestern Region	14,778,676	7.80%	1,451,737	11.03%
Other	339,995	0.18%	507,901	3.86%
Total	189,486,076	100.00%	13,157,631	100.00%

As of the end of the Reporting Period, within the consolidated statements of the Group, there were 43.268 million square meters of sold resources that had not been completed and booked, decreased by 7.4% as compared with the end of previous year. Total contract amount was approximately RMB667.27 billion, a decrease of 6.1% from the end of the previous year.

(2) *Investment and projects to be started and completed*

The scale of new construction fell and completed floor area continued to increase. In the first half of 2022, the development business of the Group realized new construction of estimated floor area of approximately 10.688 million sq m, representing a year-on-year decrease of 38.9% and accounting for 55.7% of that planned at the beginning of the year (for the first half year of 2021: 55.5%). The completed plot ratio-based floor area of development business amounted to 14.437 million sq m, representing a year-on-year increase of 17.8% and accounting for 37.0% of that planned at the beginning of the year (for the first half year of 2021: 34.2%). The floor area to be completed for the whole year is expected to be nearly the same as that planned at the beginning of the year.

Ensured the smooth delivery of projects. In the first half of the year, the Group overcame the adverse impact of the pandemic and realised the smooth delivery of 115,000 houses.

Insisted on keeping expenditure within the limits of revenues and enhanced investment quality. In the first half of 2022, the Group acquired 19 new projects with a planned plot ratio-based gross floor area ("GFA") of 3.078 million sq m and planned plot ratio-based GFA attributable to the Company's equity holding of 2.131 million sq m. The total land premium of the above projects amounted to RMB38.68 billion, and total land premium attributable to the Company's equity holding amounted to approximately RMB24.83 billion. Tier-1 and Tier-2 cities accounted for 95.6% of the investment amount.

Section 3 Management Discussion and Analysis

Project resources remained at a reasonable level. As of the end of the Reporting Period, the Group's projects under construction had a plot ratio-based GFA of approximately 100.074 million sq m and a plot ratio-based GFA attributable to the Company's equity holding of approximately 62.815 million sq m; plot ratio-based GFA of projects under planning amounted to approximately 37.154 million sq m, with a GFA attributable to Company's equity holding of approximately 23.459 million sq m. In addition, the Group also participated in certain urban renewal projects, based on the current planning conditions, the aggregate plot ratio-based GFA was approximately 5.243 million sq m.

For details of the projects acquired during the Reporting Period, please refer to the following table. The Group's equity interests in the projects listed in this section may change as a result of the introduction of cooperation parties for joint development in some of these projects. The current percentages of shareholdings are for investors' reference at this stage only.

Unit: sq m

No.	Project name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Plot ratio-based GFA attributable to equity holding of the Company	Project process
1	Qingdao Clouds of City Four Season	Huangdao District	41.0%	43,229	103,750	42,537	Pre-construction
2	Zhengzhou Shanhe Road Phase II	Zhongyuan District	43.0%	18,164	90,613	38,982	Pre-construction
3	International Vanke Elegant Mansion Project, Shenzhen	Nanshan District	49.7%	56,031	148,600	73,795	Pre-construction
4	Future Light, Shenzhen	Baoan District	50.0%	98,082	215,570	107,850	Pre-construction
5	Fuzhou City Lights Project	Cangshan District	50.7%	177,183	318,928	161,824	Under construction
6	Golden Miles Project, Sanya	Yazhou District	68.9%	63,614	159,036	109,560	Under construction
7	Jinyu International, Zhongshan	Guzhen Town	98.4%	109,251	278,149	273,699	Under construction
8	Plot 17#, Jinwan Binhai Business District, Zhuhai	Jinwan District	51.0%	33,277	66,553	33,942	Pre-construction
9	Plot 18#, Jinwan Binhai Business District, Zhuhai	Jinwan District	51.0%	32,049	64,096	32,689	Pre-construction
10	Changzhou Zhenwanhui Project	Zhonglou District	100.0%	76,916	169,215	169,215	Under construction
11	Hangzhou Xingtu Guangnian Pavilion	Yuhang District	73.7%	78,088	218,646	161,230	Under construction
12	Hangzhou Xingyu Guangnian Mansion	Yuhang District	54.7%	43,413	108,533	59,335	Under construction
13	Hefei Urban Xanadu Project	Shushan District	48.0%	61,120	127,439	61,209	Under construction
14	Hefei Jinshangguang Yao	Feidong District	97.3%	59,634	122,860	119,555	Pre-construction
15	Nanjing Langshi Garden	Yuhuatai District	99.9%	26,603	74,482	74,386	Under construction
16	Ningbo Star Travel Guangnian Mansion	Yinzhou District	55.0%	31,245	77,212	42,467	Under construction
17	Subsequent DK4/5 plots of Ideal City, Xi'an	Xixian New Area	100.0%	23,834	40,532	40,532	Pre-construction
18	Lanzhou Crystal City Project	Xigu District	67.2%	144,259	504,893	339,469	Under construction
19	Urumqi Qimashan 135 mu Project	Sayibak District	100.0%	89,868	188,723	188,723	Under construction
Total				1,265,860	3,077,830	2,130,999	

Section 3

Management Discussion and Analysis

From the end of the Reporting Period to the date of publication of the Report, the Group acquired the following new development projects:

Unit: sq m

No.	Project name	Location	Shareholding	Site area	Planned estimated GFA	Estimated GFA attributable to equity holding of the Company	Project process
1	Guangzhou Huangpu New Town Project	Huangpu District	63.0%	56,987	299,493	188,687	Under construction
2	Chongqing Central Park 145 Mu Land Lot	Yubei District	100.0%	96,571	141,114	141,114	Pre-construction
Total				153,558	440,607	329,801	

(3) Project management

Strengthened the construction of product lines and aligning product standards. A number of representative projects in key cities were selected for residential product iteration research. In the first half of the year, 56 key projects were selected for product enhancement and 15 seed projects were selected for product line alignment.

Strengthened the management of complex projects by classification and categorisation. Gathering the strengths of internal and external professionals through the product competence center, and in accordance with the “Management Measures for Product Strategy and Planning and Design”, the Group established management by class and category for 93 key complex projects through centralized processes such as special review, taking into account of investment amount, impact, technical difficulty, team organization matching, and project stage urgency, so as to control the key nodes and ensure that the products are rightly made.

(4) Products and services

During the pandemic, for the convenience of contract signing by our customers, the Group fully utilized the online contract signing function and completed online contract signing for 27,000 houses.

In order to facilitate customers’ understanding of the quality control and progress of the project in time, the Group upgraded the activities of “Online Opening of Construction Sites” to “Building Homes with Owners”. By increasing regular participation in construction quality inspections, and customer participation in building topping out ceremonies, face-to-face meetings, etc., more customers were invited to participate in project construction on site in more ways. Such activities already received over 35,000 person-time customer participation. The satisfaction on overall delivery quality further improved compared to 2021.

The Group continued to carried out the customer care plans under “Building Beautiful Communities with Owners Together”, and extended the “self-governance” of community owners and “government participation and support” model for old community renewal.

During the first half of the year, a total of 94 delivery batches from 30 branch companies within the Group achieved delivery of houses with property ownership certificates, accounting for 35% of all delivery batches and representing an increase of 10 percentage points over 2021.

Section 3

Management Discussion and Analysis

2. Property services

In the first half of the year, Onewo achieved RMB14.35 billion in revenue (including revenue from services provided to the Vanke Group), representing a year-on-year increase of 38.2%, of which RMB8.08 billion or 56.3% was generated from community space living consumption services, representing a year-on-year increase of 34.8%; revenue from commercial and urban space integrated services was RMB5.11 billion, accounting for 35.6% and representing a year-on-year increase of 39.7%; revenue from AIoT and BPaaS solution services was RMB1.16 billion, accounting for 8.1% and representing a year-on-year increase of 59.0%.

In terms of community space residential and consumer services, Onewo covered over 120 large and medium-sized cities of China (including Hong Kong), with 4,096 properties contracted for management and 3,035 properties under management. During the Reporting Period, focusing on consumption demand from residents inside the community, Onewo Inhome under Onewo launched the Onewo Research (萬物研選) to provide upgraded services such as single product renewal, component repair, partial renovation, kitchen and bathroom quick installation, and whole house renovation for residents.

In terms of commercial and urban space services, Onewo provided property and facility management services focusing on sectors such as internet, high-end manufacturing, finance, and strategic emerging industries. During the Reporting Period, it newly acquired 6 new clients from Fortune 500 companies, certain new energy car companies and unicorn enterprises, and 4 super high-rise landmark projects. As of the end of the Reporting Period, Onewo has 1,929 projects contracted for property and facilities management and 1,706 projects under management. The urban space integrated services of Onewo now manages 59 projects in 25 cities. During the Reporting Period, facing the complex epidemic situation in Shatou subdistrict, Shenzhen, Onewo gathered 820 volunteers from Guangzhou, Foshan, Changsha and Xiamen and arrived the place overnight within 20 hours to contribute firm power to the rapid suppress of the epidemic. Onewo introduced an innovative model of “whole-area smart operation” for grassroots governance in Tangjiadun subdistrict in Wuhan, gradually taking over the governance of the local old communities and exploring a long-term governance model.

In terms of AIoT and BPaaS solution services, Onewo continued to explore offline business scenario of property management and develop cloud access, cloud customer service, cloud maintenance, cloud scheduling, cloud inspection, cloud cleaning and other smart products, enhancing on-site operation and management efficiency through the combination of software and hardware. In 12 communities managed by it in Shenzhen and Wuhan, Onewo installed “Pineapple No.1” self-service terminals on a trial basis to meet the daily operation needs of owners for access cards, monthly parking cards, registration, payment, housing transfer, etc.

In July 2022, the spin-off and overseas listing application of Onewo was approved by CSRC.

3. Logistic and warehousing services

During the first half of the year, the Group's logistics business (including unconsolidated projects) generated a revenue of RMB1.86 billion, representing a year-on-year increase of 39.1%, of which RMB1.04 billion was generated from the revenue of high-standard warehouses, representing a year-on-year increase of 13.0%; and RMB0.82 billion from the revenue of cold storage, representing a year-on-year increase of 94.7%.

VX Logistic Properties acquired 5 projects, including 1 high-standard warehouse, 4 cold storage projects, with a total leasable floor area of 0.378 million square meters.

As of the end of the Reporting Period, VX Logistic Properties operated and managed a total of 157 projects in 47 cities in China, with a total leasable floor area of 11.64 million square meters, servicing over 1,200 clients. Among them, 126 were high-standard warehouses, with a leasable floor area of 10.02 million square meters, and 42 were cold chain parks (including 11 dry and cold mixed chain projects) with a leasable floor area of 1.62 million square meters.

During the first half of the year, VX Logistic Properties unveiled projects of 735,000 square meters, including high-standard warehouses with a leasable floor area of 578,000 square meters, and cold chain parks with a leasable floor area of 157,000 square meters. To date, the gross floor area of self-owned unveiled projects reached 9.014 million square meters. The occupancy rate in the stable stage of high-standard warehouses was 91%, and occupancy rate in the stable stage of cold chains was 78%.

In addition, VX Logistic Properties tried adopting the "asset-light" business model. In the first half of the year, VX Logistic Properties operate three logistics parks under entrusted operation mode.

The professionalism and product and service capabilities of VX Logistic Properties have been recognised. During the Reporting Period, the VX Chengdu Xinjin Centralized Supervision Warehouses for Imported Cold Chain Food passed the national and provincial traceability management platform filing and acceptance, and won the bid for the food ingredients main warehouse service provider project of the 31st World University Summer Games in Chengdu, expecting to provide food storage and transportation for the Games. In May, Wanwei Shanghai Fengxian Lingang Park obtained the TÜV Rheinland and BRE Zero Carbon Building Certification, making it the first zero carbon building certification for a logistics park in China.

During the pandemic, VX Logistic Properties dedicated on fulfilling its social responsibility, mobilizing various resources to support the epidemic prevention and flexible supply chain solutions to ensure the continuous operation of the logistics network, with more than 700 employees nationwide live in the logistic parks to ensure supply.

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4. *Rental housing*

The Group's "Port Apartment" is the largest centralised long-term rental apartment provider in the PRC. It has established a presence in 33 cities across China. During the Reporting Period, Port Apartment acquired 10 new projects in 7 cities, including Shenzhen, Guangzhou, Xiamen and Foshan, with 9,674 rooms. As of the end of the Reporting Period, Port Apartment operated 209,900 long-term rental apartments and unveiled a total of 169,500 new apartments, leading in the number of unveiled apartments in 26 cities including Shenzhen, Fuzhou, Jinan, Shenyang, Tianjin, Xi'an, Changchun, Guangzhou, Beijing, Chengdu, Wuhan and Hefei.

During the first half of the year, the rental housing business (including unconsolidated projects) of the Group realised operating revenue of RMB1.48 billion during the Reporting Period, representing a year-on-year increase of 12.3%. As affected by the pandemic, some areas have been subject to rental restrictions and rising operating costs. In order to overcome the operating pressure, Port Apartment continued to strengthen the sales atmosphere of all staff and innovated self-owned channel marketing model. In addition, it strengthened the development of sales and service capabilities for corporate customers and achieved sound results. In the first half of the year, the proportion of customer acquisition of Port Apartment through self-owned channels reached 79%, representing an increase of 1 percentage point from 2021. Online platform registrants reached 2.34 million, an increase of 17% compared to the end of 2021. The marketing expense ratio was 1.01%, a decrease of 0.38 percentage point year-on-year. It acquired 160 corporate customers and currently provided customized employee leasing and living services for over 1,900 companies, accounting for 16.6% of rental customers.

As of the end of the Reporting Period, the occupancy rate of Port Apartment was 94.0%. In the first half of the year, the periodic customer satisfaction of Port Apartment was 95%, and the renewal rate was 56%.

Port Apartment actively responded to the national policy on subsidized rental housing. As of the end of the Reporting Period, 48 projects with 41,000 rooms in Shenzhen, Xiamen, Wuhan and other cities were included in subsidized rental housing across the country.

During the pandemic, Port Apartment earnestly implemented various preventive and control measures, proactively assisted the community to carry out epidemic prevention work, and provided caring services to customers. In Xiamen and Foshan, the international health stations operated by Port Apartment provided isolation services for over 10,000 arrivals in the first half of the year.

5. Retail property development and operations

During the Reporting Period, the revenue of commercial business (including unconsolidated projects) of the Group was RMB4.01 billion, a year-on-year growth of 10.4%. Among them, the revenue of retail property projects managed by SCPG was RMB2.75 billion, a year-on-year increase of 12.2%.

As of the end of the Reporting Period, the commercial business of the Group had unveiled a total floor area of 11,948,000 square meters. In addition, the floor area of retail property projects under planning and under construction was 4,411,000 square meters. The overall occupancy rate unveiled projects was 91.3%, and that of retail property projects opening for more than 1 year was 91.6%.

SCPG continued to expand its project portfolio through a “optimal mix of asset-light and asset-heavy business” model by newly developing 1 heavy asset-based project (Changsha Center In-City (長沙中心印象城)) and 1 management provision project (Shanghai Senlan In-City (上海森蘭印象城)), with a total floor area of 264,000 square meters in the first half of the year. As of the end of the Reporting Period, it had a total of 35 management provision projects, with an area under management of 2.313 million square meters, of which 63.5% were third-party projects.

Top ten retail property projects operated by the Group (including SCPG) (by revenue)

Project	City	Floor area (Square meter)	Occupancy rate	Revenue January to June 2022 (RMB'0000)
Shanghai Qibao Vanke Plaza	Shanghai	237,193	96.4%	20,447
Shenzhen SCPG Center Shopping Plaza	Shenzhen	203,673	95.8%	17,284
Shanghai Nanxiang In-City MEGA	Shanghai	336,880	97.6%	16,621
Hangzhou Xixi In-City	Hangzhou	251,145	97.0%	14,777
Longgang Vanke Plaza	Shenzhen	128,925	96.9%	12,164
SCPG Huidelong Hangzhou Olympic In-City	Hangzhou	239,618	96.8%	10,474
Wenzhou In-City MEGA	Wenzhou	235,807	90.6%	8,929
Jinan In-City	Jinan	156,630	95.0%	8,369
Shanghai Songjiang In-City	Shanghai	152,971	94.9%	8,327
Tianjin Xiqin In-City	Tianjin	266,450	98.0%	7,449

SCPG continued to construct member ecology. The number of digital members was 18.08 million, and the number monthly active members was 2.11 million, representing a year-on-year growth of 13%.

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In terms of tenants, SCPG has established good cooperation with nearly 8,000 brands.

During the Reporting Period, SCPG initiated the renewal and iteration of the brand library and the multi-dimensional labeling management to further enhance its refined commercial management.

(IV) Technology-driven business development

During the Reporting Period, the Group focused on the two main lines of “concentrate on services and create good products with technology to help improve business management” and “strengthen technological capacity and core competitiveness of real estate technology through technological innovation” to provide support for the business.

1. **Enhanced data intelligence to promote and protect capital security and improve capital efficiency.** The Group developed and applied a number of financial and operational cash flow forecasting models and capital risk control algorithms to improve the safety and efficiency of capital usage.
2. **Strengthened data operation to enhance sales experience and build digital marketing capabilities.** The Group realized multi-channel data integration, gradually increased the proportion of self-own channels, built online sales and service capabilities, and empowered sales conversion and improved customer experience through tools such as “online property sales offices”, “visualized parking spaces” and “self-service terminals”.
3. **Strengthened technical research and development, made breakthroughs in the technical difficulties of design drawings and BIM models to improve the quality of design and construction.** Based on the capability of digitalized drawings, the Group continued to increase the scope of services in various dimensions such as asset management, drawing management, drawing inspection application, procurement management and engineering inspection.

(V) Analysis of operations and financial position

1. *Profit*

During the Reporting Period, the Group realized a net profit of RMB18.10 billion, representing a year-on-year increase of 11.9%. Net profit attributable to equity shareholders of the Company amounted to RMB12.22 billion, representing a year-on-year increase of 10.6%. The fully diluted return on equity was 5.2%, up by 0.2 percentage point from the same period of 2021.

The gross profit margin of the Group's property development and related asset operation business (before tax and surcharges) decreased by 2.2 percentage points from that of 2021 to 20.85%. The operating profit margin (after taxes and surcharges) was 16.52%, representing a decrease of 1.5 percentage points from the same period of 2021. In particular, the booked gross profit margin (before taxes and surcharges) of property development business was 21.9% and the operating profit margin (after taxes and surcharges) was 17.3%.

2. *Liabilities*

(1) *Gearing ratio*

As at the end of the Reporting Period, net gearing ratio of the Group was 35.5%.

(2) *Interest-bearing liabilities and their composition*

As at the end of the Reporting Period, the Group's interest-bearing liabilities amounted to RMB280.23 billion, representing an increase of RMB14.26 billion from that at the beginning of the year and accounting for 14.9% of total assets.

These interest-bearing liabilities were mainly medium and long-term liabilities. Among them, interest-bearing liabilities due within one year amounted to RMB62.64 billion, representing 22.4% of total; interest-bearing liabilities of more than one year amounted to RMB217.59 billion, representing 77.6% of total.

By financing source, bank borrowings, bonds and other borrowings accounted for 58.9%, 24.5% and 16.6%, respectively.

By type of interest rates, liabilities with fixed interest rates accounted for 41.2% and liabilities with floating interest rates accounted for 58.8% of the interest-bearing liabilities. Pledged interest-bearing liabilities amounted to RMB2.81 billion, accounting for 1.0% of the total interest-bearing liabilities.

By geographical location, domestic liabilities and overseas liabilities accounted for 76.8% and 23.2% respectively. RMB liabilities and foreign currency liabilities accounted for 77.5% and 22.5%, respectively.

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Management Discussion and Analysis

(3) Financing overview

The Group continued to optimize its debt structure through different kinds of financing instruments to reduce its financing costs. As at the end of the Reporting Period, the Group's comprehensive average financing cost of existing financing was 4.08%.

During the Reporting Period, the Group completed the issuance of corporate bonds in two tranches totaling RMB2.99 billion with a minimum coupon rate of 2.90% (3+2-year term), and completed the issuance of medium term notes in four tranches totaling RMB8.51 billion with a minimum coupon rate of 2.95% (3-year term).

During the first half of the year, the Group's actual interest expenses totalled RMB6.29 billion, of which the capitalised interest amounting to a total of RMB3.83 billion.

In July and August, the Group completed the issuance of corporate bonds totaling RMB3.4 billion, and completed the issuance of green medium term notes in two tranches totaling RMB5.0 billion with a minimum coupon rate of 2.9% (3-year term).

(4) Rating

During the Reporting Period, international credit rating agencies S&P, Moody's and Fitch maintained "BBB+", "Baa1" and "BBB+" long-term corporate credit ratings for the Company, respectively, with a "stable" rating outlook. China Chengxin International Credit Rating Co., Ltd. a domestic rating agency, maintained the Group's credit rating as AAA, with stable rating outlook.

3. Capital position

During the Reporting Period, the Group achieved a net cash inflow from operations of RMB8.29 billion. As at the end of the Reporting Period, the cash on hand (including pledged and restricted deposits) held by the Group amounted to RMB141.07 billion, which was much higher than the sum of interest-bearing liabilities due within one year of RMB62.64 billion. Among the cash and cash equivalents, Renminbi accounted for 95.6%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 4.4%.

4. Risk of fluctuations in exchange rates

The Group conducts a majority of its business operations in the PRC. Most of the revenue and expenses are denominated in Renminbi. During the Reporting Period, the Group recorded a net exchange gain of approximately RMB1.06 billion.

In order to constantly control the medium-and long-term fluctuation risks of the exchange rate, the Group persisted with dynamic management of matching of foreign currency asset and liability, term structure and offshore liquidity risk, and utilised natural hedging and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates of foreign currency liability, the Group's effective cross currency swap (CCS) balance was US\$1.721 billion at the end of the Reporting Period. During the Reporting Period, CCS contracts amounted US\$150 million expired, and there was no new hedging contract. During the effective period of the hedging contracts, the changes in the fair value of CCS had no impact on the Group's profit and loss.

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Management Discussion and Analysis

5. Analysis of inventory

As at the end of the Reporting Period, the Group's inventory amounted to RMB1,023.03 billion, representing a decrease of 4.9% from that at the end of 2021; of the aforesaid inventory, projects held for development amounted RMB128.52 billion, accounting for 12.6%; properties under development amounted to RMB793.89 billion, accounting for 77.6%; and completed properties for sale (existing properties) amounted to RMB98.15 billion, accounting for 9.6%.

6. Contingent liabilities

In accordance with industry practice, the Group provided provisional guarantee for mortgage loans taken by purchasers of the Company's properties. The terms of the provisional guarantee commenced on the day the guarantee agreement becoming effective up to the day on which the ownership certificates of the properties purchased by the customers being obtained and the mortgage being registered and delivered to the mortgage banks. As at the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB231.54 billion. The Group has not suffered any material loss due to the aforesaid guarantees. The Group is of the view that it does not need to make any provisions for such guarantees in the financial statements.

7. Change of key performance indicators

Unit: RMB'000

Item	30-Jun-2022	31-Dec-2021	Change	Description
Intangible assets and goodwill	10,574,391	8,542,126	23.79%	Effect of the merger and acquisition of Huanshan Group Co., Ltd. (環山集團股份有限公司)
Biological assets	228,497	–	–	Effect of the merger and acquisition of Huanshan Group Co., Ltd. (環山集團股份有限公司)
Pledged and restricted deposits	3,165,320	8,643,985	-63.38%	Release of certain restricted deposits
Assets held for sale	–	892,423	-100.00%	Decrease in assets held for sale
Current bonds payable	20,152,965	6,576,207	206.45%	Increase in bonds approaching maturity

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Item	Jan-Jun 2022	Jan-Jun 2021	Change	Description
Other expenses	(774,318)	(521,957)	48.35%	Increase in bad debt losses and external compensation for individual businesses
Finance costs	(2,463,654)	(3,797,270)	-35.12%	Decrease in finance cost, increase in capitalised interest
Share of profits less losses of associates and joint ventures	(276,922)	2,211,526	-112.52%	Decrease in investment income recognised under the equity method

(VI) Future development prospects

The current business environment is complex. In the second half of the year, the Group will continue to focus on “rebound to stable, then the enhancement”, in accordance with the plan at the beginning of the year:

Firstly, we will maintain a healthy financial position through stable operation, continue to strengthen its cash flow management, optimise its debt structure and finance costs and maintain its industry-leading credit rating.

Secondly, for the development business, we will give full play to the coordination and management role of the headquarters of development and operation headquarter, build capability sharing, unify standards and refine management mechanism to enhance overall operation.

Thirdly, the operational efficiency and competitiveness of operation business will continue to be improved.

II. Investment analysis

1. Overview

Applicable Not applicable

2. Significant equity investment gained during the Reporting Period

Applicable Not applicable

3. Significant ongoing non-equity investment during the Reporting Period

Applicable Not applicable

4. Investment in Financial Assets

(1) Investment of securities

Applicable Not applicable

(2) Derivatives investment

Remarks on risk analysis and management of derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk, etc.)

As of the end of the Reporting Period, the Group's derivative financial instruments mainly included Cross Currency Swap (CCS). The risks faced by CCS are related to exchange rate market risks and the certainty of the Group's future foreign currency debt cash flows. The Group's control measures on derivative financial instruments are mainly reflected in: For derivatives trading, the Group strictly regulates the authorization and business operation procedures, carefully selects and determines the types and quantities of new derivative financial instruments, and strictly controls the credit levels of the Group and related entities.

With regard to change in market price or fair value of the derivatives invested during the Reporting Period, specific method, related assumptions and parameters for analysis of the fair value of derivatives should be disclosed

The fair value of CCS at the end of the Reporting Period was determined by reference to the market quotation of external financial institutions. During the Reporting Period, a floating gain of RMB3,723,100 was incurred in CCS derivatives investment.

Remarks on whether there has been a material change in the accounting policy and accounting measurement principles for the Company's derivatives during the Reporting Period as compared with those of the previous Reporting Period

Nil

Special opinion of independent non-executive directors on derivative investment and risk control of the Company

The independent non-executive directors of the Company are of the view that CCS and other financial derivatives mitigate possible losses associated with foreign currency loans in the event of significant change in exchange rates or interest rates according to the actual situation of business operations, in accordance with the relevant regulations and regulations of the regulatory authorities, standardize derivatives investment and follow the principle of prudence. The relevant arrangements of the Company had been prudent and reasonable.

Section 3 Management Discussion and Analysis

Derivative positions as at the end of the Reporting Period

Unit: RMB'000

Type of contracts	Contract amount as at the beginning of the Period	Contract amount as at the end of the Period	Profit or loss during the Reporting Period	Contract amount as a percentage of the Company's net assets as at the end of the Reporting Period (%)
CCS	11,929,122	11,544,640	3,723	2.95%

III. Disposal of material assets and equity interest

1. Disposal of material assets

The Company did not dispose of any material assets during the Reporting Period.

2. Disposal of material equity interest

The Company did not dispose of any material equity interests during the Reporting Period.

IV. Analysis of principal subsidiaries and associates

No information on principal subsidiaries and associates of the Company during the Reporting Period is required to be disclosed.

V. Structured entity controlled by the Company

Applicable Not applicable

VI. Risks of the Company and Countermeasures

During the Reporting Period, the Company considered that there were no material uncertainties or circumstances that would materially affect the Company's ability to continue as a going concern. The principal risks currently faced by the Company and countermeasures thereof are not materially different from those at the end of the previous year. For details, please refer to "5.16 Internal Control and Risk Management" under "Section 5 Corporate Governance Report" of Annual Report 2021 of the Company.

VII. Events after the Reporting Period

No.	Date of announcement	Brief introduction of item
1	25 August 2022	Upon consideration and approval at the 2021 Annual General Meeting, the First A Shareholders Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022, the Company's dividend distribution plan for the year 2021 was approved, which resulted in a total cash dividend of RMB11,276,621,873.75 (inclusive of tax) and to provide the "scrip dividend" option to eligible H shareholders (" Script Dividend Arrangement for H Shares "). On 25 August 2022, a total of 5,326,096 H shares were issued upon the effectiveness of the Scrip Dividend Arrangement for H Shares.

Section 4 Corporate Governance

I. Details of the Annual General Meeting and Extraordinary General Meeting Held during the Reporting Period

(1) General meetings held during the Reporting Period

On 28 June 2022, the Company held the Annual General Meeting of 2021, the First A Shareholders Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022. The shareholders of the Company participated in the meetings via on-site meeting and internet voting (only applicable to holders of A shares). Holders with total shareholding representing 50.62% of the total issued share capital of the Company attended the Annual General Meeting of 2021. The shareholdings of A shareholders and H shareholders who attended the First A Shareholdings Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022 represented 50.60% and 48.42% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 28 June 2022 disclosed on the website of SEHK.

(2) Request for Convening of Extraordinary General Meeting by Preferred Shareholders with Restored Voting Rights

Applicable Not applicable

II. Change in directors, supervisors and senior management during the Reporting Period

During the Reporting Period, there were no changes in the directors, supervisors and senior management of the Company.

III. Proposal of Profit Distribution during the Reporting Period

There will be no distribution of dividend, bonus share or capitalisation of equity reserve for the interim period of 2022.

IV. Number of Employees and Their Remuneration and Benefits

As of 30 June 2022, there were 130,292 employees on the Group's payroll.

During the Reporting Period, the Group accrued employee remuneration and benefits totalling RMB10.471 billion.

V. The implementation of share option incentive scheme, employee shareholding plans or other employee incentives of the Company

During the Reporting Period, there was no implementation of share option incentive scheme, employee shareholding plans or other employee incentives of the Company.

VI. Corporate Governance

Provision F.2.2 of Corporate Governance Code states that the Chairman of the Board shall attend the annual general meeting and shall invite the Chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and any other committees to attend.

Some Independent Non-Executive Directors and Non-Executive Directors did not attend the annual general meeting of 2021, the first A shareholders class meeting of 2022 and first H shareholders class meeting of 2022 (the "Meetings") held by the Company on 28 June 2022 due to COVID-19 or other important business engagements at the same time. Mr. YU Liang, Chairman of the Board, Mr. ZHU Jiusheng and Mr. WANG Haiwu, Directors, Mr. XIE Dong, Chairman of the Supervisory Committee and other senior management of the Company attended the Meetings and had adequate communication and exchange with the shareholders of the Company, the Company has circulated the record of the Meetings to the directors for their information.

Section 4

Corporate Governance

Other than the above, during the Reporting Period, the Company complied with all of the other code provisions as set out in part 2 of the Corporate Governance Code.

The Company has adopted the standards prescribed in the Model Code as the code of conduct in dealing in securities by the directors and supervisors of the Company. After inquiries to all the directors and supervisors, all the directors and supervisors of the Company confirmed that they had fully complied with the requirements of the Model Code during the Reporting Period.

The Report was reviewed by the audit committee of the Board. Other than those disclosed in the Report, during the Reporting Period, no significant changes affecting the performance of the Company should be disclosed in accordance with the paragraphs 32 and 40(2) of Appendix 16 to the SEHK Listing Rules.

Section 5 Environmental and Social Responsibility

Vanke has always pursued a green and low-carbon development path, actively practiced its social corporate responsibility, and continuously explored the direction and path of sustainable development. The Company has put forward about 50 sustainable development goals, covering emission reduction, waste reduction, energy use, climate change, customers, employees, suppliers and other aspects, setting goals and charting the course for sustainable development in the future.

Vanke is currently rated BBB by MSCI-ESG ranking, low risk ranking from Sustainalytics and has continuously been included in the Hang Seng Sustainable Enterprise Benchmark Index and the Hang Seng ESG50 Index.

Developing green buildings. The Company formulated the Vanke Guideline for Green Building Standards, and established a “people-centric” green technology system to provide customers with a safe, healthy and comfortable building environment. In combination with the climate, environmental and resource characteristics of the area where the building is located, the Company has specified requirements for the architectural design from safety, durability, health and comfort, convenience of life, resource-saving and liveable environment. The Company focuses on energy conservation design of buildings, with higher standards than the current industry standards. It sets high requirements for the heat transfer coefficient of the main parts of enclosing structures such as external walls, roofs, external windows and curtain walls, and heat gain coefficient of solar energy, and specifies guidelines for the water use efficiency of sanitary appliances and the application proportion of green building materials. We have jointly developed a new integrated system of thermal insulation structure with cooperative enterprises, which can effectively solve the problem of maintaining and repairing the thermal insulation layer throughout the life cycle of the building. The new integrated system has been significantly enhanced in terms of anti-falling and durability. As of 30 June 2022, Vanke had a total of 297 million sq. m. GFA which meets the green building standards. During the Reporting Period, Vanke added 25 property development projects which meet one star and above level green standards, 16 green warehouse three star certified projects, and 2 LEED (Leadership in Energy and Environmental Design, a green architecture evaluation system) platinum gold certificates, among of which the cold chain logistic park of VX Logistic Properties located in Qiantang New District, Hangzhou is the first centralized logistic and redistribution system which graded as platinum gold level, and, when at the same time, received the highest score globally from LEED logistic and redistribution centre certification programme.

Vanke set several development goals in green building to further promote green building design: for example, the logistics business will reduce the life cycle carbon intensity of buildings through building energy efficiency and renewable energy use to build a zero-carbon intelligent logistics benchmark park. On 17 May 2022, the Shanghai Fengxian Lingang Park, developed and constructed by VX Logistic Properties, was awarded the Net Zero Carbon Building Certificate, making it the first net-zero carbon building certification project for logistics parks in China.

Section 5

Environmental and Social Responsibility

Promoting industrial construction continuously. The Company has worked on the industrialized construction system for nearly two decades and gradually figured out a mature path for its promotion and application. Since 2018, the Company has applied a full set of “5+2” system by applying a large number of dry construction methods and using intelligent interconnection + green site to improve its management mode, while continuously exploring industrialized construction techniques and expanding those techniques to large complex projects. Currently, the “5+2+X” industrialized building system has been formed, and the Company will continue to explore different structural types of industrialized building systems and further apply its usage in large complex projects, contributing its power to the green and healthy development of the construction industry.

Practicing green operation. The Company has been actively practicing the green development concept and making good use of resources and energy by formulating and implementing the Administrative Measures for Energy Conservation and Consumption Reduction, and introducing green technologies such as the intelligent energy system and the reclaimed water and rainwater utilization to enhance energy and water resource management from various aspects. The Company has fully adopted green operation practices in its shopping malls, properties, logistics, hotels and other businesses by setting up several goals on energy efficiency, emission reduction, water conservation and waste reduction, and actively exploring green operation paths to enhance the effectiveness of green operations across the Group. Take the logistics business, for example, it uses the Internet of Things (IoT) platform to aggregate and count energy consumption data in each park, monitor and horizontally compare energy savings in real time, forming a special energy-saving plan to collect real-time equipment operating parameters and temperature conditions in the warehouse. The platform also collects operational data in the park to guide the park in improving equipment use efficiency to achieve energy conservation and emission reduction. The Company has also set relevant goals, actively taking green operation into practice in its logistics park.

Conducting climate change risk analysis. The Company completed the first climate change risk analysis by classifying the risks based on the framework of the Task Force on Climate-related Financial Disclosures (“TCFD”). In the analysis, it identified the applicable risk items according to the risk types and each business sector of the Company, carried out research and policy analysis to identify the entity and transformation risks at the industry and enterprise operation level, developed the list of climate change risks, carried our risk ranking from two dimensions of occurrence probability and influence degree, and created a climate risk matrix. In the future, we will improve our climate risk scenario analysis, identify the climate risks and potential opportunities faced by different businesses of the Company in different scenarios, improve the effectiveness of climate risk management and grasp climate opportunities.

Section 5 Environmental and Social Responsibility

Creating a green supply chain. Through the introduction of green and low-carbon standards in the purchase requirements and the adoption of relevant certification results, the Company promotes suppliers to carry out green and low-carbon certifications such as green building materials, the carbon footprint of products and the environmental life of products. The Company follows the Green Procurement Guidelines for China's Real Estate Industry to improve procurement standards and systems, and comprehensively consider energy conservation and environmental protection factors in product design, procurement, production, packaging, logistics, sales, service, recycling and reuse. In cooperation with the Public Environment Research Centre, we have established a "Greenlist" online application platform to include supply chain enterprises with outstanding performance in energy conservation and emission reduction in the "Greenlist" and make priority purchases from them. We work with upstream and downstream enterprises to implement social responsibilities such as environmental protection and energy conservation and emission reduction, thereby creating a green supply chain.

Solidifying and expanding target poverty alleviation to help rural vitalization. During the Reporting Period, the Company has continued to respond to the achievements in poverty alleviation and difficulty overcoming, and effectively link them to rural vitalization. In July 2022, the Company continued to help revitalise the villages by participating in the Guangdong Province and Shenzhen City 630 Relief Day. In Shaoguan City of Guangdong Province, the Company continued to promote the construction of the multi-town rural revitalization demonstration belt project in Ruyuan Yao Autonomous County, Shaoguan City. At present, the Company has completed several constructions, including the construction of the 3km greenway demonstration zone on Rugui Highway, the expansion of Guitou primary School and renovation of its sports ground, and the construction of the Yao-akka symbiosis plaza theme area. Construction work is underway for the remaining 24km of the greenway, the expansion of Yangxi Primary School, the Eight Views of Bibei and the Big Village of Bibei, which are planned to be completed by the end of 2022. In Shantou City of Guangdong Province, on the recommendation of the Shenzhen Rural Revitalization and Cooperation and Exchange Bureau and the Shenzhen Aid Shantou Headquarters, the Company donated to build a public town centre nursery to solve the problem of lack of local educational support. At present, the donation of funds is completed, and we have assisted the Shenzhen Aid Shantou Headquarters to complete the selection of eight nursery projects.

Section 6 Significant Events

I. Undertakings Performed during the Reporting Period and Not Fulfilled as at the End of the Reporting Period by the Company's De Facto Controller, Shareholders, Related Parties, Acquirers, the Company and Other Parties related to the Undertakings

SZMC, after becoming the largest shareholder of the Group, has publicly expressed its support on the mixed ownership structure of Vanke, the urban ancillary services provider strategy, the employee partnership mechanism of Vanke, the operation and management undertaken by Vanke's management team in accordance with pre-determined strategic objective, and the deepening of the "Railway + Property" development model. SZMC made the following undertakings in the report of detailed change in equity on 18 March 2017. As of the end of the Reporting Period, SZMC had fulfilled its undertakings.

(I) Undertakings related to maintenance of independence of the Company

In order to maintain the independence of the listed company, SZMC made the following undertakings:

1. Independence of staff of the listed company

1. Senior management (the general manager, deputy general manager, secretary of the board and financial principal etc.) of the listed company shall solely work for the listed company and be entitled to remuneration paid by the listed company, and shall not hold an office apart from directors and supervisors and be entitled to remuneration in SZMC and companies under its control.
2. Financial officers of the listed company shall not work at the SZMC and companies under its control.
3. Personnel, employment relationship and payroll administration are independent from SZMC and companies under its control.
4. SZMC shall exercise rights of shareholder through general meeting and recommend candidates for directors, supervisors and senior management of the listed company in accordance with laws and regulations or articles of association of the listed company and other rules. SZMC shall not interfere with personnel appointment and removal of the listed company beyond the general meeting or board of directors.

II. Financial independence of the listed company

1. The listed company shall establish independent finance and accounting department as well as independent finance and accounting mechanism and financial management system.
2. The listed company shall be capable of making financial decisions independently. SZMC shall not interfere with the usage and movement of fund by the listed company beyond the general meeting or board of directors of the listed company.
3. The listed company shall maintain its independent bank account. SZMC and companies under its control shall not share bank account with the listed company and its majority-owned subsidiaries.
4. The listed company and its majority-owned subsidiaries shall pay tax as an independent entity.

III. Independence of entities of the listed company

1. The listed company shall legally establish a sound corporate governance structure and an independent and complete organizational structure which are completely separated from the entities of SZMC. The listed company shall not share business entities or premises with SZMC and companies under its control.
2. The listed company shall operate independently. SZMC shall not interfere with the operation management of the listed company beyond the general meeting or board of directors.



Section 6 Significant Events

IV. Independence of business of the listed company

1. The listed company shall have independent assets, staff and qualifications for operating activities as well as capabilities required for independent operation of business in the market.
2. SZMC shall not require the listed company to provide goods, services or other assets to SZMC at nil consideration or on obviously unfair terms. For any related party transactions between SZMC and the enterprises controlled by it and the listed company, SZMC and the enterprises controlled by it shall perform legal procedures and enter into agreements legally based on the normal commercial principles of justice, fairness and openness and in accordance with the rules of market economy and relevant laws, regulation, normative documents and relevant requirements of SZMC, ensure the transparency, fairness and reasonableness of the transaction price, perform the obligation of abstaining from voting on the resolutions related to the related party transactions between SZMC and other enterprises controlled by it and the listed company at the general meeting and board meeting, and procure the listed company to perform the obligation of information disclosure in a timely manner, in order to ensure that the interest of the listed company and other shareholders (especially minority shareholders) will not be prejudiced through the related party transactions.

V. Independence of assets of the listed company

1. The listed company shall have a business system relating to its operations as well as complete and independent assets, and the assets shall be under the control of the listed company and independently owned and operated by the listed company.
2. Other than normal operating transactions, SZMC and companies under its control shall not illegally appropriate the assets of the listed company.

SZMC shall ensure that it and the companies controlled by it shall strictly comply with relevant requirements of China Securities Regulatory Commission regarding the independence of the listed company, and shall not make use of its capacity as a shareholder to violate the standard procedures of the listed company, not go beyond its power and interfere the operation management activities of the listed company and its subsidiaries, not impair the interests of the listed company and its subsidiaries and not prejudice the legitimate interests of the listed company and other shareholders. SZMC shall assume relevant legal responsibilities caused by the breach of undertakings above, including but not limited to the compensation for all loss caused to the listed company and its minority shareholders due to such breach.”

(II) Undertakings on avoiding competition in the same industry

In order to maintain the independence of the listed company and to avoid causing adverse impact to the listed company due to competition in the same industry, SZMC made the following undertakings:

“During the period when SZMC holds no less than 20% of the shareholder voting rights of Vanke and SZMC is the shareholder holding the largest proportion of Vanke’s shareholder voting rights:

1. Under the principle in favor of the listed company and in compliance with laws and regulations, SZMC will give priority to the interests of the listed company and its subsidiaries in event of a conflict of interest between SZMC and companies controlled by it and the listed company and its subsidiaries due to substantial or potential competition in the same industry.
2. SZMC will not use any information known or understood by the listed company to assist SZMC or any third party in any business activity in which there is substantial competition or potential competition in the business undertaken by the listed company.
3. If the interest of the listed company is damaged due to violation of the above undertakings by SZMC and companies controlled by SZMC, SZMC will bear the corresponding liability according to law.”

(III) Undertakings on regulating related party transactions

In order to regulate the possible related party transactions with the listed company after the completion of this change in equity, SZMC made the following undertakings:

- “1. SZMC and companies controlled by SZMC will strictly exercise the rights of shareholders in accordance with the provisions of laws, regulations and other normative documents, fulfill the obligations of shareholders and maintain the independence of the listed company in terms of assets, finance, personnel, business and institutions.
2. SZMC and companies controlled by SZMC will not use its capacity as a shareholder to facilitate the listed company to pass resolutions at the general meetings or meetings of the board of directors that will infringe the lawful rights and interests of the minority shareholders through related party transactions.

Section 6

Significant Events

3. SZMC and companies controlled by it will not use the funds of the listed company through borrowing, debt repayment (on their behalf), advance payment or any other means.
4. For any related party transactions between SZMC and the enterprises controlled by it and the listed company, SZMC and the enterprises controlled by it shall perform legal procedures and enter into agreements legally based on the normal commercial principles of justice, fairness and openness and in accordance with the rules of market economy and relevant laws, regulations, normative documents and relevant requirements of SZMC, ensure the transparency, fairness and reasonableness of the transaction price, perform the obligation of abstaining from voting on the resolutions related to the related party transactions between SZMC and other enterprises controlled by it and the listed company at the general meeting and board meeting of the listed company, and procure the listed company to perform the obligation of information disclosure in a timely manner, in order to ensure that the interest of the listed company and other shareholders (especially minority shareholders) will not be prejudiced through the related party transactions.
5. SZMC or companies controlled by SZMC will strictly comply with the requirements of the relevant laws and regulations and the articles of association of the listed company to fulfill the decision-making procedures of related transaction and the corresponding information disclosure obligations.

SZMC will ensure that SZMC and companies controlled by it will not seek special interests through related party transactions with the listed company beyond the aforementioned stipulations and will not carry out the related party transactions which will prejudice the interests of the listed company and its minority shareholders. In the event of violation of the above undertakings, SZMC will bear the corresponding legal liability, including but not limited to liability for all losses suffered by the listed company and its minority shareholders.

Once the above undertakings are signed, they will take effect immediately, until SZMC ceases to be a related party of the listing company.”

II. Non-operational use of capital of the listed company by the controlling shareholder or other related parties

Applicable Not applicable

III. Illegal external guarantees

Applicable Not applicable

IV. Appointment and termination of certified public accountants

Was the interim financial report audited?

Yes No

The Interim Report of the Company was not audited, and was reviewed by KPMG.

V. Explanation of the Board and the Supervisory Committee on the “non-standard audit report” of the accounting firm during the Reporting Period

Applicable Not applicable

VI. Explanation of the Board on the “non-standard audit report” for the previous year

Applicable Not applicable

VII. Litigation matters

During the Reporting Period, there were no material litigation or arbitration of the Company.

VIII. Major related party (connected) transactions



Section 6

Significant Events

1. Related party (connected) transactions related to daily operations

During the Reporting Period, the Company had no major related party (connected) transaction related to daily operations.

2. Related party (connected) transactions involving asset or equity acquisition or disposal

During the Reporting Period, the Company had no related party (connected) transaction involving material asset or equity acquisition or disposal.

3. Related party (connected) transactions involving investment in third parties

During the Reporting Period, the Company did not have any major related party (connected) transactions of joint and external investment.

4. Amounts due to or from related parties

During the Reporting Period, the Company had no substantial amount due to or from related parties.

Non-operational amount due to or from related parties

During the Reporting Period, the Company had no substantial non-operational amount due to or from related parties.

5. Deals with related financial companies

There were no deposits, loans, credits, or other financial services between the Company, its related financial companies and the related parties.

6. Deals with related financial companies

There were no deposits, loans, credits, or other financial services between the financial companies controlled by the Company and the related parties.

7. Other major related party transactions

During the Reporting Period, the Company had no other major related party transaction.

IX. Major contracts and their implementation

1. Entrustment, sub-contracting or leasing arrangements

(1) Entrustment

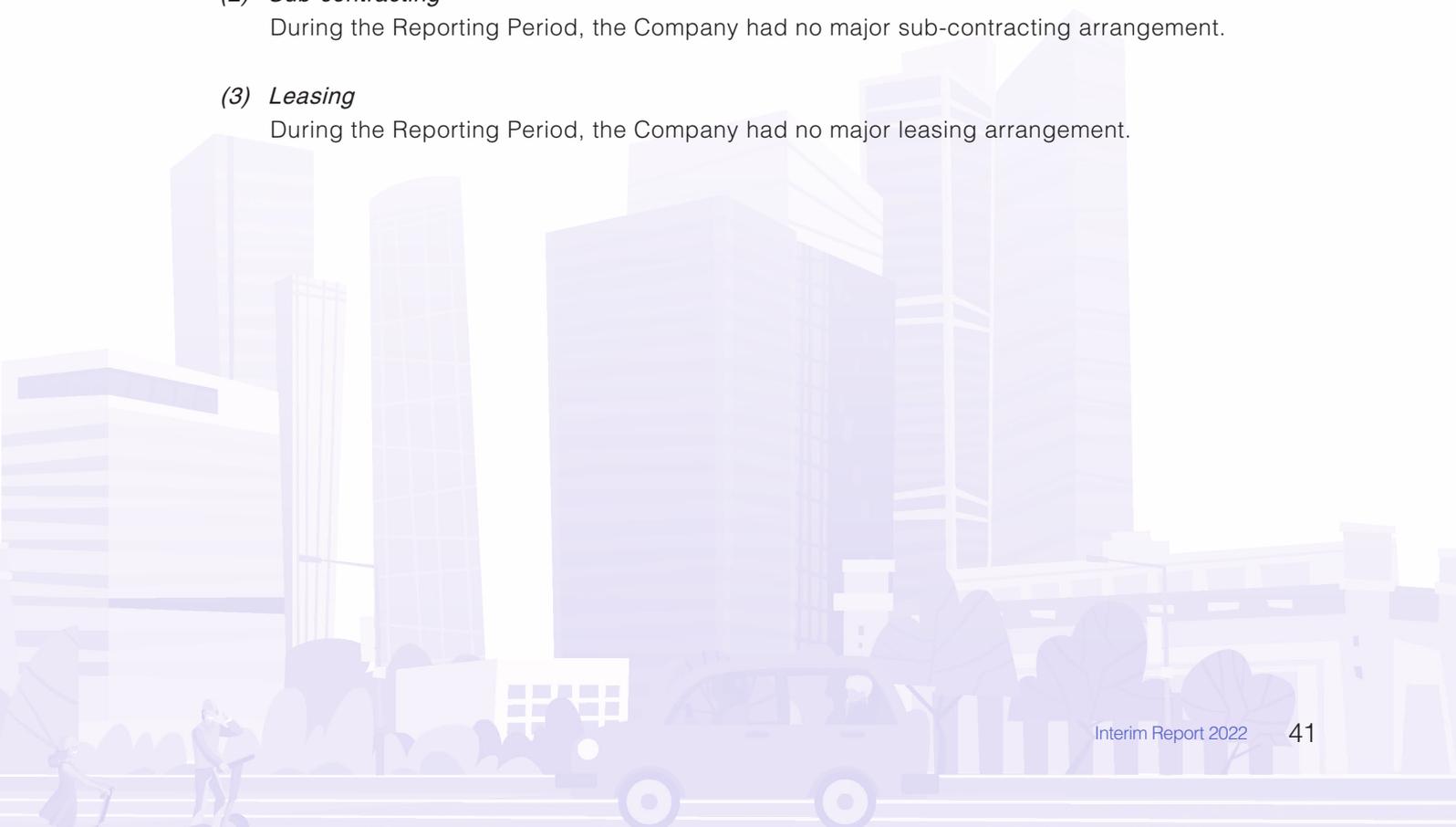
During the Reporting Period, the Company had no major entrustment arrangement.

(2) Sub-contracting

During the Reporting Period, the Company had no major sub-contracting arrangement.

(3) Leasing

During the Reporting Period, the Company had no major leasing arrangement.



Section 6 Significant Events

2. Major guarantees (1) Guarantees

Unit: RMB'0000

No.	Principal of the guarantee (% of equity interest held by Vanke)	Guarantor	Remaining guaranteed amount as at the end of the Reporting Period	Type of guarantee	Date when the guarantee began	Due date of the guarantee
1.	Chericourt Company Limited (75%)	Vanke Overseas Investment Holding Company Limited (75%)	55,591.95	Joint liability guarantee	2020/6/17	2023/5/19
2.	Wealth Hour Limited (95%)	Vanke Property (Hong Kong) Company Limited (100%) JUBILANT CASTLE LIMITED (95%)	121,099.83	Joint liability guarantee	2021/8/24	2022/8/24
3.	Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd. (100%) ^{Note 1}	Guangzhou Vanke Enterprise Co., Ltd (100%)	205,000.00	Joint liability guarantee	2022/4/28	2027/4/27
4.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	820.00	Joint liability guarantee	2016/12/16	2024/12/15
5.	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Yunnan Vanke Enterprise Co. Ltd. (100%)	3,046.00	Joint liability guarantee	2017/12/29	2022/12/28
6.	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Yunnan Vanke Enterprise Co. Ltd. (100%)	21,931.18	Joint liability guarantee	2018/1/19	2023/1/19
7.	Beijing Hengyi Enterprise Management Co., Ltd. (100%) ^{Note 1}	Beijing Vanke Enterprises Company Limited (100%)	323,400.00	Joint liability guarantee	2018/10/10	2023/12/31
8.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	434.19	Joint liability guarantee	2019/9/29	2027/9/28
9.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	1,836.80	Joint liability guarantee	2019/9/29	2027/9/28
10.	Chengdu Wanxing Industrial Town Real Estate Co., Ltd. (99%)	China Vanke Co., Ltd	210,000.00	Joint liability guarantee	2019/12/12	2026/12/12
11.	Chengdu Wanlong Industrial Town Real Estate Co., Ltd. (99%)	China Vanke Co., Ltd	130,000.00	Joint liability guarantee	2019/12/10	2026/12/10
12.	Wuhan Yutianxingye Land Co., Ltd. (99%)	China Vanke Co., Ltd	262,500.00	Joint liability guarantee	2019/12/5	2026/12/5
13.	Foshan Nanhai District Wanxuan Property Co., Ltd. (100%)	China Vanke Co., Ltd	100,000.00	Joint liability guarantee	2019/12/12	2026/12/12
14.	Guangzhou Wanxi Enterprise Management Co., Ltd. (50%) ^{Note 2}	Guangzhou Vanke Enterprise Co., Ltd. (100%)	1,319,175.00	General guarantee	2020/12/3	2025/12/3
15.	Shenzhen Vanke Development Co., Ltd. (100%)	Shenzhen Vanke Hongshuwan Property Development Co., Ltd. (100%)	107,100.00	Joint liability guarantee	2020/11/11	Two years upon the expiration of the performance period of the master contract
16.	Vanke (Chongqing) Enterprises Company Limited (100%)	China Vanke Co., Ltd	580,000.00	Joint liability guarantee	2021/11/19	2036/11/19
17.	Vanke (Xinjiang) Enterprises Company Limited (100%)	China Vanke Co., Ltd	70,000.00	Joint liability guarantee	2022/1/25	2037/1/25

During the Reporting Period, the Company, when its majority-owned subsidiaries provided RMB2.050 billion guarantees to other majority-owned subsidiaries, itself provided RMB700 million guarantees to its controlling subsidiaries, but none of them provided guarantees to associates and joint ventures. The aforementioned entities all performed strict approval procedures pursuant to provisions of the regulatory requirements. For details, please refer to the announcement of the Company on the website of CNINFO (www.cninfo.com.cn).

As of 30 June 2022, the outstanding amount of guarantees provided by the Company was RMB35.119 billion, accounting for 14.88% of the audited net assets attributable to equity shareholders of the Company as at the end of 2021. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries was RMB21.647 billion, while the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associates and joint ventures was RMB13.472 billion. The Company and its majority-owned subsidiaries did not provide external guarantees. The Company also had no overdue guarantee or guarantees involving with litigations.

(2) Illegal external guarantees

During the Reporting Period, the Company did not provide illegal external guarantees.

3. Major contracts in daily operation

Applicable Not applicable

4. Other major contracts

During the Reporting Period, the Company had no other major contracts.

Notes:

1. All the guarantees provided by the Group to subsidiaries, joint ventures and associate companies, except a guarantee provided by Guangzhou Vanke Enterprises Co., Ltd. to Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd. regarding the contractual obligation to construct resettlement housing, and a guarantee provided by Beijing Vanke Enterprises Company Limited to Beijing Hengyi Enterprise Management Co., Ltd. regarding guarantees on duty performing the contractual obligation under a share transfer agreement, are guarantees on performing duty to repay financing. As of 30 June 2022, all the master contracts related to guarantees are performed under normal status, and the Group believe the contingent liabilities triggered by such guarantees shall not impose any material adverse impact on the financial situation and operating performance of the Group.
2. Guangzhou Wanxi Enterprise Management Co., Ltd. ("Guangzhou Wanxi"), as the joint venture of the Group, borrowed a syndicated loan and provided its assets as security guarantee. Besides, Guangzhou Vanke Enterprises Co., Ltd. will provide extra liquidity support when operating cash inflow generated Guangzhou Wanxi cannot pay back the syndicated loan in time and in full amount. As of 30 June 2022, Guangzhou Wanxi operates in stable status, and the syndicated loan is paid back normally in time with no guarantee measures triggered. It is expected that the possibility that the Group needs to provide extra liquidity support is remote.

Section 6 Significant Events

X. Entrusted wealth management

Unit: RMB'000

Specific Type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	Amount due but not received
Wealth management products of banks	Self-owned capital	3,150,000.0	23,561.6	-

The list of individual item with significant amount or low safety, poor liquidity, non-principal guaranteed high risk wealth management products.

Applicable Not applicable

Entrusted wealth management is expected to fail to recover the principal or there may be other circumstances that may result in impairment.

Applicable Not applicable

XI. Explanation of other significant events

Nil.

XII. Significant events of the Company's subsidiaries

As at the disclosure date of this report, the proposed spin-off and separate listing of Onewo by the Company to the SEHK has been approved by the CSRC.

XIII. Details on the Company's investor meetings

The 2021 annual results presentation of the Company was broadcasted live only over the Internet, the "Announcement Regarding Video Webcast of 2021 Annual Results Presentation and Questions Collection" was published in advance on HKEXnews of SEHK, inviting investors to actively participate and collect relevant questions. The questions collected covered a number of aspects including industry policies, corporate strategies, development of the business, the development of the operational businesses and dividend policies. Management provided answers to key investor concerns during annual results presentation and in the Q&A session. As of 30 June 2022, the total number of views of the annual results presentation was approximately 140,000.

In addition, during the Reporting Period, the Company received surveys by institutional investors such as securities companies and funds, and individual investors via phone conference, exchanged views on the Company's daily operations, development strategies and views on the industry and market environment and provided publicly available information based on regular reports and temporary announcements of the Company.

Section 6 Significant Events

Type of meeting	Date	Approach	Types of investors
2021 Annual Results Presentation	2022.3	Video roadshow	Investors including securities companies, funds, individual investors, etc
Guangfa Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
J.P. Morgan meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
UBS Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Credit Suisse Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Haitong Securities Meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Orient Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Industrial Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Credit Suisse Securities meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
Goldman Sachs Securities meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
J.P. Morgan meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
CICC meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Shenwan Hongyuan Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
CSC Meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Orient Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Guosen Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.

Note: The above-mentioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.

Section 6 Significant Events

Type of meeting	Date	Approach	Types of investors
Securities companies	During the Reporting Period	Small Group or one-on-one phone conference	Guangfa Securities, Guosen Securities, Huachuang Securities, Cinda Securities, Changjiang Securities, China Merchants Securities, Guosheng Securities, Zheshang Securities, CICC, BOCI, Citi Securities, BNP Paribas, Taiwan SinoPac Securities, HSBC, etc.
Funds and other investment companies and individual investors	During the Reporting Period	Small Group or one-on-one phone conference	Baoying Fund, HFT Fund, NCAM, China Life, Dacheng Fund, PICC AMC, Taikang Asset Management, Harvest Fund, Ping An Asset Management, Fidelity International, GIC, Oaktree Capital, Eastspring, Norges Bank, Capital Group, etc.

Section 7 Change in Share Capital and Shareholdings of Major Shareholders

I. Change in share capital

(1) Change in share capital (as at 30 June 2022)

Unit: Share

Classification of Share	31 December 2021			30 June 2022	
	Quantity	Percentage of shareholding	Changes (+,-)	Quantity	Percentage of shareholding
I. Restricted Shares					
1. State-owned shares and shares held by the State-owned legal persons	-	-	-	-	-
2. Shares held by the domestic legal person	-	-	-	-	-
3. Shares held by domestic natural persons	6,643,268	0.06%	+192,525	6,835,793	0.06%
4. Shares held by foreign investors	-	-	-	-	-
Total number of restricted shares	6,643,268	0.06%	+192,525	6,835,793	0.06%
II. Non-restricted Shares					
1. RMB-denominated ordinary shares	9,717,553,265	83.59%	-192,525	9,717,360,740	83.59%
2. Overseas listed foreign shares	1,901,186,842	16.35%	0	1,901,186,842	16.35%
Total number of non-restricted shares	11,618,740,107	99.94%	-192,525	11,618,547,582	99.94%
III. Total Number of Shares	11,625,383,375	100.00%	0	11,625,383,375	100.00%

Notes:

- As at 30 June 2022, the Company had repurchased a total of 72,955,992 A shares of the Company by way of centralised bidding, all of which will be deposited in a designated account for share repurchase and will not be entitled to voting rights at general meetings of the Company, profit distribution, capitalisation of equity reserve, subscription of new shares and convertible bonds, etc. during the deposit period, and shall not be pledged or lent. The repurchased shares will be used for the purpose of "necessity for maintaining the value of the Company and safeguarding the rights and interests of shareholders", and all the repurchased shares will be used for sale. If the Company fails to implement the above-mentioned purpose within 36 months after the completion of the share repurchase, the unused portion will be cancelled in accordance with the relevant procedures.
- In August 2022, the Scrip Dividend Arrangement for H shares in dividend distribution for the year 2021 of the Company became effective and 5,326,096 additional H shares of the Company were issued and listed for trading on SEHK on 26 August 2022. Following the creation of the new shares, the total number of issued shares of the Company increased from 11,625,383,375 shares to 11,630,709,471 shares, of which the total number of issued H shares increased from 1,901,186,842 shares to 1,906,512,938 shares, while the total number of issued A Shares remained unchanged at 9,724,196,533 shares. For details of the changes in the share capital of the Company's H shares, please refer to the "Announcement Regarding the Effectiveness of the Scrip Dividend Arrangement for H Shares in Dividend Distribution for the Year 2021" on 25 August 2022 and the Next Day Disclosure Return of the Company as disclosed on the website of SEHK.

Section 7

Change in Share Capital and Shareholdings of Major Shareholders

(2) Change in Restricted Shares during the Reporting Period

Unit: Share

Name of shareholder	Number of restricted shares held at the end of the previous year	Number of restricted shares with restrictions lifted during the year	Number of restricted shares increased during the year	Number of restricted shares held at the end of the Reporting Period	Reason for selling restrictions	Date of selling restrictions removal
Yu Liang	5,479,684	0	66,525	5,546,209	held an office of Directors, Supervisors and senior management of the Company	Executed in accordance with the Self-Regulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 10 – Shares Movement Management
Xie Dong	1,118,059	0	15,000	1,133,059		
Wang Haiwu	0	0	37,500	37,500		
Que Dongwu	45,525	0	22,500	68,025		
Han Huihua	0	0	28,500	28,500		
Zhu Xu	0	0	22,500	22,500		
Total	6,643,268	0	192,525	6,835,793	-	-

Note: During the Reporting Period, Yu Liang, Chairman of the Board, Xie Dong, Chairman of the Supervisory Committee, Wang Haiwu, staff representative Director, Que Dongwu, staff representative supervisor, Han Huihua, Executive Vice President and finance principal, and Zhu Xu, Secretary of the Board, acquired an additional 256,700 A shares in total. In accordance with the relevant regulations, the aforesaid shares shall be subject to a lock-up restriction of 75% of the shares held.

II. Issue and listing of securities

Applicable Not applicable

During and after the Reporting Period, the Company issued three tranches of corporate bonds to qualified investors in public, totalling RMB6.39 billion.

The Company completed the issuance of five medium-term notes (including green medium-term notes) in the interbank market with a total issue size of RMB13 billion. For details of Company's bonds and medium-term notes, please refer to section 8 "Relevant Information on Bonds" of this report.

Change in Share Capital and Shareholdings of Major Shareholders

III. Information on Shareholders (As at 30 June 2022)

(1) Information on shareholders

				Unit: Share		
Total number of Shareholders as at 30 June 2022	481,046 (including 480,970 A Shareholders and 76 H Shareholders)	Total number of Shareholders as at 31 July 2022	518,181 (including 518,106 A Shareholders and 75 H Shareholders)			
Shareholdings of the top 10 shareholders						
Name of shareholder	Classification of Shareholder shareholding	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period	Change in shares during the Reporting Period	Number of restricted shares held	Number of pledged or lock-up shares
SZMC	Domestic state-owned legal person	27.89%	3,242,810,791	0	0	0
HKSCC NOMINEES LIMITED	Foreign legal person	16.35%	1,901,043,427	-15,745	0	0
Yingjiazhong Partnership Enterprise	Domestic ordinary legal person	3.77%	438,703,992	0	0	438,703,992
Hong Kong Securities Clearing Company Limited	Foreign legal person	3.60%	418,719,173	+78,056,831	0	0
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.60%	185,478,200	0	0	0
New China Life Insurance Company Ltd. – Dividend – Personal Dividend-018L-FH002 SZ	Funds, wealth management products, etc.	1.48%	171,778,848	+90,155,703	0	0
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Funds, wealth management products, etc.	1.26%	146,255,820	0	0	0
China Securities Finance Corporation Limited	Domestic state-owned legal person	1.14%	132,669,394	0	0	0
Ying'an Partnership Enterprise	Domestic ordinary legal person	1.05%	122,230,826	0	0	108,991,900
CLIC – Traditional – Ordinary Insurance Product-005L-CT001 SZ	Funds, wealth management products, etc.	0.71%	83,031,047	+54,004,279	0	0
Remarks on strategic investor or ordinary legal person becoming top 10 shareholders after placing of new shares	Not applicable					
Remarks on the related party relationship or action in concert of the aforementioned shareholders	"Yingjiazhong Enterprise Partnership" and "Ying'an Enterprise Partnership" are parties acting in concert. Other than the above, it is not known to the Company as to whether there are connections or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the abovementioned shareholders.					
Description of entrusting/being entrusted voting rights or waiving voting rights of the aforementioned shareholders	Not applicable					
Shareholders involved in margin trading business description	SZMC plans to continue to carry out the refinancing securities lending business, with its holding of no more than 97,241,965 A shares of the Company (no more than 1% of the Company's A shares), accounting for approximately 0.836% of the Company's total share capital, and the ownership of the lent shares will not be transferred.					
Special explanation on the existence of repurchase dedicated accounts among the top ten Shareholders	Not applicable					

Section 7

Change in Share Capital and Shareholdings of Major Shareholders

Shareholdings of the top 10 shareholders		
Name of shareholder	Number of	Class of shares
	non-restricted shares held	
SZMC	3,242,810,791	RMB-denominated ordinary shares (A shares)
HKSCC NOMINEES LIMITED	1,901,043,427	Overseas listed foreign shares (H shares)
Yingjiazhong Partnership Enterprise	438,703,992	RMB-denominated ordinary shares (A shares)
Hong Kong Securities Clearing Company Limited	418,719,173	RMB-denominated ordinary shares (A shares)
Central Huijin Asset Management Co., Ltd.	185,478,200	RMB-denominated ordinary shares (A shares)
New China Life Insurance Company Ltd. –Dividend – Personal Dividend-018L-FH002 SZ	171,778,848	RMB-denominated ordinary shares (A shares)
CMS Wealth – CMB – De Ying No. 1Specialised Asset Management Plan	146,255,820	RMB-denominated ordinary shares (A shares)
China Securities Finance Corporation Limited	132,669,394	RMB-denominated ordinary shares (A shares)
Ying'an Partnership Enterprise	122,230,826	RMB-denominated ordinary shares (A shares)
CLIC – Traditional – Ordinary Insurance Product-005L-CT001 SZ	83,031,047	RMB-denominated ordinary shares (A shares)

Notes:

1. HKSCC NOMINEES LIMITED is the nominal holder of shares held by the Company's non-registered shareholders of H shares.
2. Hong Kong Securities Clearing Company Ltd. is the nominal holder of shares held by non-registered shareholders who hold A shares of the Company through Northbound Trading under Shenzhen-Hong Kong Stock Connect.
3. In the above table, the total number of A shareholders on 30 June 2022 and 31 July 2022 refers to the number of shareholders after combining margin trading accounts.

As at 30 June 2022, the total number of issued Shares amounted to 11,625,383,375 (including treasury shares), of which the numbers of A shares and H shares amounted to 9,724,196,533 and 1,901,186,842 respectively.

Change in Share Capital and Shareholdings of Major Shareholders

(2) Controlling shareholder and de facto controller

There were neither controlling shareholders nor de facto controllers in the Company, and this situation remained the same during the Reporting Period.

(3) Shareholding by substantial shareholders as required by the Securities and Futures Ordinance of Hong Kong

As at 30 June 2022, to the best knowledge of the Company's Directors, in accordance with the relevant requirements of the SFO, the interests and short positions of the Company held by substantial shareholders are as follows:

Name of shareholder	Capacity (types of interest)	Number of shares held	Nature of Interest (shares)	Types of Shares	Percentage	Percentage	Percentage
					of total issued A-Share capital	of total issued H-Share capital	of total issued share capital
SZMC	Beneficial owner	3,242,810,791	Long Position	A	33.01%	–	27.89%
Shenzhen Ying'an Financial Advisory Co., Ltd. (深圳盈安財務顧問有限公司)	Interest of controlled corporations	561,739,618	Long Position	A	5.78%	–	4.83%
		24,245,900	Long Position	H	–	1.28%	0.21%
Citi group Inc.	Interest of controlled corporations	5,631,358	Long Position	H	–	0.30%	0.05%
		4,591,732	Short Position	H	–	0.24%	0.04%
	Approved lending agent	242,532,418	Long Position	H	–	12.76%	2.09%
JP Morgan Chase & Co.	Interest of controlled corporations	12,025,441	Long Position	H	–	0.63%	0.10%
		8,419,181	Short Position	H	–	0.44%	0.07%
	Investment manager	49,980,916	Long Position	H	–	2.63%	0.43%
	Person holding a guaranteed interest in shares	647,047	Long Position	H	–	0.03%	0.01%
	Approved lending agent	33,239,982	Long Position	H	–	1.75%	0.29%
BlackRock, Inc.	Interest of controlled corporations	100,273,326	Long Position	H	–	5.27%	0.86%
		3,775,523	Short Position	H	–	0.20%	0.03%

Save as disclosed above, the Company is not aware of any other person (other than the directors, supervisors, senior management of the Company) who should disclose their interest or short position in accordance with the requirements of the SFO and SEHK Listing Rules.

Section 7

Change in Share Capital and Shareholdings of Major Shareholders

(4) Purchase, disposal or redemption of the listed securities of the Company or its subsidiaries by the Company or its subsidiaries during the Reporting Period

The Resolution in relation to the Partial Repurchase of A Shares was considered and passed at the fifteenth meeting of the nineteenth session of the Board of the Company on 30 March 2022 and agreed that in order to safeguard the value of the Company and the interests of shareholders, the Company repurchased the RMB-denominated ordinary shares (A Shares) of the Company by way of centralized price competition with its funds raised. The total amount of funds used for the repurchase shall be no more than RMB2.5 billion and no less than RMB2.0 billion, and the repurchase price shall not be higher than RMB18.27 per share. The repurchase period shall be three months from the date on which the share repurchase plan was considered and approved by the Board of the Company (30 March 2022 to 30 June 2022).

As at 30 June 2022, the Company's share repurchase plan had expired and the Company had repurchased 72,955,992 A shares of the Company by way of centralised bidding, representing 0.63% of the total share capital of the Company (including the number of shares repurchased), with the highest transaction price of RMB18.27 per share and the lowest transaction price of RMB17.01 per share, for a total transaction amount of RMB1,291,541,933.32 (excluding transaction costs).

Saved as disclosed above and in section 8 of the Report, during the Reporting Period, the Company and its subsidiaries did not purchase, dispose or redeem any listed securities of the Company or its subsidiaries.

Change in Share Capital and Shareholdings of Major Shareholders

IV. Changes in shareholdings of directors, supervisors and senior management

As at the disclosure date of the Report, shareholdings of the current directors, supervisors and senior management in the Company:

Name	Title	Number of shares held at the beginning of the Period	Change	Number of shares held as at the disclosure date of the report	Shares held as at the disclosure date of the report as a percentage of total number of shares
YU Liang	Chairman of the Board	7,306,245	+88,700	7,394,945	0.0636%
XIE Dong	Chairman of Supervisory Committee	1,490,745	+40,000	1,530,745	0.0132%
WANG Haiwu	Staff Representative Director	0	+120,000	120,000	0.0010%
QUE Dongwu	Staff Representative Supervisor	60,700	+60,000	120,700	0.0010%
HAN Huihua	Executive Vice President, Finance Principal	0	+67,000	67,000	0.0006%
LIU Xiao	Executive Vice President, Chief Operation Officer	0	+120,000	120,000	0.0010%
ZHU Xu	Secretary to the Board	0	+40,000	40,000	0.0003%
Total		8,857,690	+535,700	9,393,390	0.0808%

Note: Save as abovementioned, other directors, supervisors and senior management did not hold shares of the Company.

All the shares held by the aforementioned persons in the Company were beneficially owned A shares, and they were all in long positions. Save for the aforementioned, the Company was not aware of any interests or short positions held by the Company's directors, supervisors, senior management and relevant associates recorded in the register required to be kept in accordance with section 352 of the SFO or interests or short positions held in the Company or associated corporations (as defined in Part XV of the SFO) required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the SEHK Listing Rules.

Section 8 Relevant Information on Bonds

1. Basic information on corporate bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
China Vanke Co., Ltd. 2019 corporate bonds specialized in rental housing to qualified investors in public (second tranche)	19 Vanke 02	112976	25 September 2019 to 26 September 2019	26 September 2019	26 September 2024	250,000	3.55%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (first tranche) (variety I)	20 Vanke 01	149056	13 March 2020 to 16 March 2020	16 March 2020	16 March 2025	150,000	3.02%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (first tranche) (variety II)	20 Vanke 02	149057	13 March 2020 to 16 March 2020	16 March 2020	16 March 2027	100,000	3.42%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (second tranche) (variety I)	20 Vanke 03	149123	18 May 2020 to 19 May 2020	19 May 2020	19 May 2025	100,000	2.56%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (second tranche) (variety II)	20 Vanke 04	149124	18 May 2020 to 19 May 2020	19 May 2020	19 May 2027	150,000	3.45%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (third tranche) (variety I)	20 Vanke 05	149141	18 June 2020 to 19 June 2020	19 June 2020	19 June 2025	80,000	3.20%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (third tranche) (variety II)	20 Vanke 06	149142	18 June 2020 to 19 June 2020	19 June 2020	19 June 2027	120,000	3.90%	

Section 8

Relevant Information on Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (fourth tranche) (variety I)	20 Vanke 07	149296	12 November 2020 to 13 November 2020	13 November 2020	13 November 2025	38,100	3.50%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (fourth tranche) (variety II)	20 Vanke 08	149297	12 November 2020 to 13 November 2020	13 November 2020	13 November 2027	160,000	4.11%	
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (first tranche) (variety I)	21 Vanke 01	149357	21 January 2021 to 22 January 2021	22 January 2021	22 January 2024	190,000	3.38%	
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (first tranche) (variety II)	21 Vanke 02	149358	21 January 2021 to 22 January 2021	22 January 2021	22 January 2028	110,000	3.98%	
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (second tranche) (variety I)	21 Vanke 03	149477	19 May 2021 to 20 May 2021	20 May 2021	20 May 2026	100,000	3.40%	
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (second tranche) (variety II)	21 Vanke 04	149478	19 May 2021 to 20 May 2021	20 May 2021	20 May 2028	56,600	3.70%	

Section 8

Relevant Information on Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to professional investors in public (third tranche) (variety I)	21 Vanke 05	149567	23 July 2021 to 26 July 2021	26 July 2021	26 July 2026	230,000	3.19%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date,
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to professional investors in public (third tranche) (variety II)	21 Vanke 06	149568	23 July 2021 to 26 July 2021	26 July 2021	26 July 2028	70,000	3.49%	while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (first tranche) (variety I)	22 Vanke 01	149814	3 March 2022 to 4 March 2022	4 March 2022	4 March 2025	89,000	3.14%	
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (first tranche) (variety II)	22 Vanke 02	149815	3 March 2022 to 4 March 2022	4 March 2022	4 March 2027	110,000	3.64%	
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety I)	22 Vanke 03	149930	2 June 2022 to 6 June 2022	6 June 2022	6 June 2027	35,000	2.90%	
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety II)	22 Vanke 04	149931	2 June 2022 to 6 June 2022	6 June 2022	6 June 2029	65,000	3.53%	
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety I)	22 Vanke 05	149975	7 July 2022 to 8 July 2022	8 July 2022	8 July 2027	290,000	3.21%	
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety II)	22 Vanke 06	149976	7 July 2022 to 8 July 2022	8 July 2022	8 July 2029	50,000	3.70%	

Section 8 Relevant Information on Bonds

Trading floor of corporate bonds for listing and trading	The SZSE
Qualified investors arrangement	The bonds are issued publicly to professional investors in compliance with Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》) and having a qualified account of A share securities in the Shenzhen branch of the China Securities Depository and Clearing Corporation Limited.
Trading mechanisms applicable	Centralized bidding and block trading methods
Whether there is a risk of termination of listing and trading (if any) and countermeasures	Not applicable

(I) Overdue bonds

Applicable Not applicable

(II) Triggering and implementing of issuer or investor option terms and investor protection terms

Applicable Not applicable

The value date of 19 Vanke 01 was 26 February 2019 and the term of the bond is 5 years, with the Company's coupon adjustment option and investors' put option at the end of the third year. In January 2022, the Company decided to carry out the execution of the put option of 19 Vanke 01. According to the data provided by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the number of sheets of "19 Vanke 01" sold back was 19,970,000 and the sale back amount was RMB1,997,000,000.00 (excluding interest). After this effective sale back, the number of sheets of remaining bonds unsold was 30,000. The amount for exercising the put options has been in place on 28 February 2022, the Company has paid the principal and current interest to the holders of "19 Vanke 01" bonds who have effectively reported the sale back. In view of the small amount of the bond remained, the Company has reached consensus with the holders of the existing bond that the Company has paid the current bond in advance on 7 March 2022 and the bond was delisted from the SZSE on that day.

(III) Adjustments to credit rating results during the Reporting Period

Applicable Not applicable

Section 8 Relevant Information on Bonds

(IV) The implementation of and changes to the guarantees, debt repayment plans and debt repayment guarantee measures during the Reporting Period and the impact on the interests of bond investors

✓ Applicable □ Not applicable

During the Reporting Period, no guarantee was provided for the corporate bonds issued by the Company.

The funds to be used to repay the corporate bonds issued by the Company mainly come from the cash flows generated from the Group's daily operations. During the Reporting Period, the Group maintained a healthy financial structure, with adequate cash and cash equivalents to meet its short-term debt obligations. The steady cash inflows had provided a strong guarantee to the repayment of the principal amount and interest of the Company's corporate bonds.

During the Reporting Period, there had not been any material change in the debt repayment plans and debt repayment guarantee measures for corporate bonds.

II. Basic information on debt financing instruments of non-financial enterprises

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate	Repayment of capital with interest	Trading Floor
China Vanke Co., Ltd. medium-term notes in 2021 (first tranche)	21 Vanke MTN001	102100209	27 January 2021 - 29 January 2021	29 January 2021	29 January 2024	200,000	3.76%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.	The National Association of Financial Market Institutional Investors
China Vanke Co., Ltd. medium-term notes in 2021 (second tranche)	21 Vanke MTN002	102100912	28 April 2021 - 29 April 2021	29 April 2021	29 April 2024	200,000	3.52%		
China Vanke Co., Ltd. medium-term notes in 2021 (third tranche)	21 Vanke MTN003	102101821	2 September 2021 - 3 September 2021	6 September 2021	6 September 2024	200,000	3.08%		
China Vanke Co., Ltd. medium-term notes in 2022 (first tranche)	22 Vanke MTN001	102280222	25 January 2022 - 26 January 2022	27 January 2022	27 January 2025	300,000	2.95%		

Section 8 Relevant Information on Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate	Repayment of capital with interest	Trading Floor
China Vanke Co., Ltd. medium-term notes in 2022 (second tranche)	22 Vanke MTN002	102280265	14 February 2022 - 15 February 2022	16 February 2022	16 February 2025	300,000	2.98%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.	The National Association of Financial Market Institutional Investors
China Vanke Co., Ltd. medium-term notes in 2022 (third tranche)	22 Vanke MTN003	102280364	23 February 2022 - 24 February 2022	25 February 2022	25 February 2025	200,000	3.0%		
China Vanke Co., Ltd. Green medium-term notes in 2022 (first tranche)	22 Vanke GN001	132280068	19 July 2022 - 20 July 2022	21 July 2022	21 July 2025	300,000	3.0%		
China Vanke Co., Ltd. Green medium-term notes in 2022 (second tranche)	22 Vanke GN002	132280075	10 August 2022 - 11 August 2022	12 August 2022	12 August 2025	200,000	2.9%		
Qualified investors arrangement (if any)			Medium-term notes are issued to institutional investors in the national interbank bond market (except for those whose purchase is prohibited by national laws and regulations)						
Trading mechanisms applicable			Price-enquiry transaction, Requests for Quote and click-to-trade						
Whether there is a risk of termination of listing and trading (if any) and countermeasures			Not applicable						

(I) Overdue bonds

Applicable Not applicable

(II) Triggering and implementing of issuer or investor option terms and investor protection terms

Applicable Not applicable

(III) Adjustments to credit rating results during the Reporting Period

Applicable Not applicable

Section 8

Relevant Information on Bonds

(IV) The implementation of and changes to the guarantees, debt repayment plans and debt repayment guarantee measures during the Reporting Period and the impact on the interests of bond investors

Applicable Not applicable

During the Reporting Period, no guarantee was provided for the debt financing instruments of non-financial enterprises issued by the Company.

The funds to be used to repay the debt financing instruments of non-financial enterprises issued by the Company mainly come from the cash flows generated from the Group's daily operations. During the Reporting Period, the Group maintained a healthy financial structure, with adequate cash and cash equivalents to meet its short-term debt obligations. The steady cash inflows had provided a strong guarantee to the repayment of the principal amount and interest of the Company's debt financing instruments of non-financial enterprises.

During the Reporting Period, there had not been any material change in the debt repayment plans and debt repayment guarantee measures relating to the debt financing instruments of non-financial enterprises.

III. Enterprise bonds

Applicable Not applicable

IV. Convertible corporate bonds

Applicable Not applicable

V. Losses in the consolidated statement of income in excess of 10% of net assets at the end of the previous year during the Reporting Period

Applicable Not applicable

Interim Financial Report Section 9 Independent Review Report



Review report to the board of directors of China Vanke Co., Ltd.
(incorporated in the People's Republic of China with joint stock limited liability)

Introduction

We have reviewed the interim financial report of China Vanke Co., Ltd. (the "Company") and its subsidiaries (the "Group") which set out on pages 62 to 93, which comprises the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review 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. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
30 August 2022

Section 9 Interim Financial Report

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022 – unaudited

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Revenue	3(a)	206,916,289	167,110,935
Cost of revenue		(164,586,222)	(128,782,060)
Gross profit		42,330,067	38,328,875
Other net income	4	4,543,934	4,020,829
Selling and marketing expenses		(4,831,669)	(4,303,557)
Administrative expenses		(6,900,756)	(6,661,302)
Other expenses		(774,318)	(521,957)
Profit from operations		34,367,258	30,862,888
Lease liability charges		(459,714)	(540,052)
Finance costs	5(a)	(2,463,654)	(3,797,270)
Share of profits less losses of associates and joint ventures		(276,922)	2,211,526
Profit before taxation		31,166,968	28,737,092
Income tax	6	(13,064,227)	(12,563,573)
Profit for the period		18,102,741	16,173,519
Attributable to:			
Equity shareholders of the Company		12,222,659	11,046,938
Non-controlling interests		5,880,082	5,126,581
Profit for the period		18,102,741	16,173,519
Earnings per share (RMB)			
Basic and diluted	7	1.05	0.95

The accompanying notes form part of this interim financial report.

Interim Financial Report Section 9

Condensed Consolidated Statement of profit or loss and other comprehensive income

For the six months ended 30 June 2022 – unaudited

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Profit for the period	18,102,741	16,173,519
<i>-----</i>		
Other comprehensive income for the period		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves (non-recycling)	(469,730)	99,699
Share of other comprehensive income of associates	261,738	(98,956)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(95,529)	(98,582)
Cash flow hedge:		
Net movement in the hedging reserve	(363,925)	(103,623)
Share of other comprehensive income of associates	(121,939)	1,324,659
Other comprehensive income for the period	(789,385)	1,123,197
Total comprehensive income for the period	17,313,356	17,296,716
Attributable to:		
Equity shareholders of the Company	10,957,211	12,023,736
Non-controlling interests	6,356,145	5,272,980
Total comprehensive income for the period	17,313,356	17,296,716

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Condensed Consolidated Statement of Financial Position

At 30 June 2022 – unaudited

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment	8	34,486,192	32,631,565
Investment properties	9	109,815,788	108,521,492
Intangible assets and goodwill		10,574,391	8,542,126
Interests in associates and joint ventures		141,578,423	144,449,332
Biological assets		228,497	–
Other financial assets		2,464,704	2,874,594
Other non-current assets	11	8,456,270	7,832,794
Deferred tax assets		33,881,719	33,517,920
		341,485,984	338,369,823
Current assets			
Inventories and other contract costs	12	1,031,206,984	1,083,598,314
Contract assets		10,950,749	10,390,002
Trade and other receivables	13	354,500,786	356,067,288
Other current assets		24,193	22,482
Pledged and restricted deposits		3,165,320	8,643,985
Cash and cash equivalents	14	137,907,722	140,708,459
Assets held for sale		–	892,423
		1,537,755,754	1,600,322,953
Current liabilities			
Trade and other payables	15	526,502,753	541,059,314
Contract liabilities		587,605,743	636,858,514
Bank loans and borrowings from financial institutions	16	44,462,463	53,842,277
Bonds payable	17	20,152,965	6,576,207
Lease liabilities		1,883,132	1,925,950
Current taxation		62,830,989	71,184,205
		1,243,438,045	1,311,446,467
Net current assets		294,317,709	288,876,486
Total assets less current liabilities		635,803,693	627,246,309

The accompanying notes form part of this interim financial report.

Interim Financial Report Section 9

Condensed Consolidated Statement of Financial Position

At 30 June 2022 – unaudited

		At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	16	167,602,250	154,322,279
Bonds payable	17	49,980,542	53,020,572
Lease liabilities		23,772,810	24,309,642
Deferred tax liabilities		1,239,862	1,344,534
Provisions		327,878	275,163
Other non-current liabilities		1,171,789	1,201,342
		244,095,131	234,473,532
NET ASSETS		391,708,562	392,772,777
CAPITAL AND RESERVES			
	18		
Share capital		11,625,383	11,625,383
Treasury shares		(1,291,800)	–
Reserves		223,901,294	224,327,751
Total equity attributable to equity shareholders of the Company		234,234,877	235,953,134
Non-controlling interests		157,473,685	156,819,643
TOTAL EQUITY		391,708,562	392,772,777

Approved and authorised for issue by the board of directors on 30 August 2022.

Zhu Jiusheng
Director

Wang Haiwu
Director

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 – unaudited

Note	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve	Other reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 2022	11,625,383	-	22,555,066	111,186,520	(65,894)	136,741	(208,853)	(1,974,273)	92,698,444	235,953,134	156,819,643	392,772,777
Changes in equity for the six months ended 30 June 2022												
Profit for the period	-	-	-	-	-	-	-	-	12,222,659	12,222,659	5,880,082	18,102,741
Other comprehensive income	-	-	-	-	(649,717)	(363,925)	(251,806)	-	-	(1,265,448)	476,063	(789,385)
Total comprehensive income	-	-	-	-	(649,717)	(363,925)	(251,806)	-	12,222,659	10,957,211	6,356,145	17,313,356
Dividends approved in respect of the previous period	18(b)	-	-	-	-	-	-	-	(11,276,621)	(11,276,621)	-	(11,276,621)
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	2,021,188	2,021,188
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	2,761,197	2,761,197
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	(39,349)	-	(39,349)	(1,018,098)	(1,057,447)
Disposals of partial interests in subsidiaries		-	-	-	-	-	-	(67,698)	-	(67,698)	1,545,821	1,478,123
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(22,646)	(22,646)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(4,457,223)	(4,457,223)
Repurchase of shares		-	(1,291,800)	-	-	-	-	-	-	(1,291,800)	-	(1,291,800)
Capital reduction of subsidiaries of non-controlling interests		-	-	-	-	-	-	-	-	-	(6,532,342)	(6,532,342)
Balance at 30 June 2022	11,625,383	(1,291,800)	22,555,066	111,186,520	(715,611)	(227,184)	(460,659)	(2,081,320)	93,644,482	234,234,877	157,473,685	391,708,562

The accompanying notes form part of this interim financial report.

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Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 – unaudited

Note	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve	Other reserves	Retained profits	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 2021	11,617,732	22,431,887	97,466,324	(1,222,772)	387,285	(705,865)	(3,880,410)	98,416,772	224,510,953	125,333,521	349,844,474	
Changes in equity for the six months ended 30 June 2021												
Profit for the period	-	-	-	-	-	-	-	11,046,938	11,046,938	5,126,581	16,173,519	
Other comprehensive income	-	-	-	1,063,114	(103,623)	17,307	-	-	976,798	146,399	1,123,197	
Total comprehensive income	-	-	-	1,063,114	(103,623)	17,307	-	11,046,938	12,023,736	5,272,980	17,296,716	
Dividends approved in respect of the previous period	18(b)	-	-	-	-	-	-	(14,522,165)	(14,522,165)	-	(14,522,165)	
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	20,504,080	20,504,080	
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	871,260	871,260	
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	(141,759)	-	(141,759)	(247,171)	(388,930)	
Disposals of partial interests in subsidiaries		-	-	-	-	-	(5,225)	-	(5,225)	6,892,950	6,887,725	
Disposals of subsidiaries		-	-	-	-	-	-	-	-	(92,535)	(92,535)	
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	(3,470,258)	(3,470,258)	
Capital reduction of subsidiaries of non-controlling interests		-	-	-	-	-	-	-	-	(13,209,608)	(13,209,608)	
Balance at 30 June 2021	11,617,732	22,431,887	97,466,324	(159,658)	283,662	(688,558)	(4,027,394)	94,941,545	221,865,540	141,855,219	363,720,759	

The accompanying notes form part of this interim financial report.

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Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2022 – unaudited

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Operating activities			
Cash generated from operations		31,430,141	34,283,730
Income tax paid		(23,142,120)	(27,502,169)
Net cash generated from operating activities		8,288,021	6,781,561
Investing activities			
Acquisitions of property, plant and equipment and investment properties		(5,146,208)	(2,434,881)
Other cash flows generated from/(used in) investing activities		293,705	(4,523,428)
Net cash used in investing activities		(4,852,503)	(6,958,309)
Financing activities			
Dividends and interest paid		(9,847,380)	(13,080,076)
Other cash flows arising from financing activities		3,109,257	14,592,927
Net cash (used in)/generated from financing activities		(6,738,123)	1,512,851
Effect of foreign exchange rate changes		501,868	(12,705)
Net (decrease)/increase in cash and cash equivalents		(2,800,737)	1,323,398
Cash and cash equivalents at 1 January	14	140,708,459	185,662,380
Cash and cash equivalents at 30 June	14	137,907,722	186,985,778

The accompanying notes form part of this interim financial report.

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Basis of preparation

China Vanke Co., Ltd. (the “**Company**”) is a company established and domiciled in the People’s Republic of China (the “**PRC**”). This condensed consolidated interim financial reports (“**interim financial reports**”) as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates and joint ventures. The Group’s principal activities are development and sale of properties in the PRC.

The interim financial reports have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), including compliance with International Accounting Standard (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue by the Company’s Board of Director on 30 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The interim financial report 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 (“**HKICPA**”). KPMG’s independent review report to the Board of Directors is included on page 61.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial report as comparative information does not constitute the Group’s annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2021 are available from the Company’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 30 March 2022.

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Changes in accounting policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IFRS 3, *Reference to the Conceptual Framework*
- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to IAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to IFRSs 2018-2020 Cycle

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

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are development and sale of properties in the PRC.

The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of properties	181,469,803	147,123,530
Property management and related services	12,192,347	8,574,985
Construction contracts	6,593,913	7,571,298
Other businesses	2,717,071	817,424
	202,973,134	164,087,237
Revenue from other sources		
Gross rentals from investment properties	3,943,155	3,023,698
	206,916,289	167,110,935

The Group's customer base is diversified and does not have a customer with whom transactions have exceeded 10% of the Group's revenue.

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting

Since the development of operating business and change in internal organization structure, the Group divided the Northern region into Beijing region and Northeastern region, and divided the Central-western region into Central region and Southwestern region in second half of 2021. The Group also adjusted Nanchang and Changsha to Central region from Shanghai region and Southern region respectively (cities included in each region are disclosed below) in the second half of 2021. The Group has not restated segment information for 2021 since the information is not available and the cost to develop it would be excessive. The combined segment information of Beijing region and Northeastern region, Central region and Southwestern region in 2022 are largely in the same scope of Northern region and Central-western region in 2021 respectively, and no segment information for the current period on old basis of segmentation is disclosed.

(i) Segment results and assets

	Property development								Total RMB'000
	Beijing region RMB'000	Northeastern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central region RMB'000	Northwestern region RMB'000	Southwestern region RMB'000	Property management RMB'000	
	For six months ended								
30 June 2022									
Revenue from external customers	23,623,476	11,158,674	43,885,705	63,755,760	13,630,038	14,778,676	18,313,752	12,192,347	201,338,428
Inter-segment revenue	13,594	1,244	122,703	21,841	3,020	3,127	3,757	2,158,089	2,327,375
Reportable segment revenue	23,637,070	11,159,918	44,008,408	63,777,601	13,633,058	14,781,803	18,317,509	14,350,436	203,665,803
Reportable segment profit	1,745,402	1,085,420	4,583,203	11,342,392	1,777,434	2,846,636	552,275	807,063	24,739,825
As at 30 June 2022									
Reportable segment assets	304,507,791	102,912,757	431,502,547	473,016,874	142,019,775	102,934,852	185,624,579	26,896,236	1,769,415,411

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

	Property development						Total RMB'000
	Northern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central and western region RMB'000	North and western region RMB'000	Property management RMB'000	
For six months ended							
30 June 2021							
Revenue from external customers	23,170,206	42,517,954	44,967,692	36,991,937	7,847,797	8,574,985	164,070,571
Inter-segment revenue	2,037	5,194	40,325	43,190	3,316	1,807,854	1,901,916
Reportable segment revenue	23,172,243	42,523,148	45,008,017	37,035,127	7,851,113	10,382,839	165,972,487
Reportable segment profit	1,735,859	6,293,189	5,906,254	4,378,965	1,643,960	1,043,430	21,001,657
As at 30 June 2021							
Reportable segment assets	424,636,787	454,585,721	517,372,521	282,626,260	120,350,840	19,009,522	1,818,581,651

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

Beijing region:	Northeastern region:	Southern region:	Shanghai region:	Central region:	Northwestern region:	Southwestern region:
Beijing, Hebei Province, Shandong Province, Shanxi Province and Tianjin	Liaoning Province, Heilongjiang Province, Jilin Province and Inner Mongolia Autonomous Region	Guangdong Province, Fujian Province, Hainan Province and Guangxi Zhuang Autonomous Region	Shanghai, Anhui Province, Jiangsu Province and Zhejiang Province	Hubei Province, Henan Province, Hunan Province and Jiangxi Province	Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Qinghai Province and Xinjiang Uygur Autonomous Region	Sichuan Province, Chongqing, Guizhou Province and Yunnan Province

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(ii) Reconciliation of reportable segment revenue, profit or loss and assets

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	203,665,803	165,972,487
Elimination of inter-segment revenue	(2,327,375)	(1,901,916)
Unallocated revenue	5,577,861	3,040,364
Consolidated revenue	206,916,289	167,110,935
Profit		
Reportable segment profit	24,739,825	21,001,657
Elimination of inter-segment profit	(250,383)	(508,284)
Share of profits less losses of associates and joint ventures	(276,922)	2,211,526
Dividend income	14,086	23,222
Other net income/(expense)	132,594	(647,253)
Land appreciation tax ("LAT")	6,807,768	6,656,224
Consolidated profit before taxation	31,166,968	28,737,092
Assets		
Reportable segment assets	1,769,415,411	1,818,581,651
Elimination of inter-segment receivables	(672,960,399)	(634,383,121)
Unallocated assets	782,786,726	770,904,584
Consolidated assets	1,879,241,738	1,955,103,114

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

4 Other net income

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Interest income	1,902,667	2,805,242
Dividend income	14,086	23,222
Forfeited deposits and compensation from customers	347,287	273,880
Net gain on disposals of subsidiaries, joint ventures and associates	652,972	396,778
Net (loss)/gain on disposals of other financial assets	(270)	20,000
Net gain on disposal of other current assets	14,817	227,088
Net gain on disposals of property, plant and equipment	8,300	116
Fair value changes	18,535	(7,822)
Net exchange gain	1,062,993	55,867
Gain on previously held interest in associate upon taking control	215,563	–
Others	306,984	226,458
	4,543,934	4,020,829

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Borrowings costs	6,289,881	6,312,538
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress	(3,826,227)	(2,515,268)
	2,463,654	3,797,270

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

5 Profit before taxation (continued)

(b) Staff costs

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Salaries, wages and other benefits	9,742,084	7,902,357
Contributions to defined contribution plans	729,114	473,209
	10,471,198	8,375,566

(c) Other items

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Depreciation and amortisation	4,311,811	3,694,243
Cost of inventories	145,347,213	113,912,011
Project management fee charged to associates and joint ventures	(270,528)	(268,444)

6 Income tax in the condensed consolidated statement of profit or loss

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Current tax		
Provision for Corporation income tax ("CIT"), Hong Kong Profits Tax and U.S. income tax	7,517,054	7,422,210
Provision for LAT	6,822,921	6,663,064
Withholding tax	27,815	341,315
	14,367,790	14,426,589
Deferred tax		
Origination and reversal of temporary differences	(1,303,563)	(1,863,016)
	13,064,227	12,563,573

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

7 Earnings per share (“EPS”)

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of 12,222,659,000 (six months ended 30 June 2021: RMB11,046,938,000) and weighted average of 11,624,807,000 ordinary shares (six months ended 30 June 2021: 11,617,732,000 ordinary shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2022	2021
	No. of shares	No. of shares
	('000)	('000)
Issued ordinary shares at 1 January	11,625,383	11,617,732
Effect of repurchased shares	(576)	–
Weighted average number of ordinary shares	11,624,807	11,617,732

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

8 Property, plant and equipment

During the six months ended 30 June 2022, the Group's property, plant and equipment increased RMB1,854,627,000 (six months ended 30 June 2021: increased RMB664,205,000) mainly due to the acquisition of a subsidiary, Huanshan Group Co., Ltd. (see note 24).

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

9 Investment properties

Movements of investment properties are analysed as follows:

	Completed properties RMB'000	Properties under development RMB'000
Cost:		
At 1 January 2022	100,702,377	20,722,184
New leases	867,622	—
Additions of construction costs	—	1,218,733
Disposal of a subsidiary	(968,787)	—
Transfer from inventories and others	2,735,443	—
Transfer upon completion	2,794,124	(2,794,124)
Disposals	(237,899)	—
Lease termination	(863,614)	—
Exchange adjustment	46,981	—
At 30 June 2022	105,076,247	19,146,793
Accumulated depreciation:		
At 1 January 2022	12,771,929	—
Disposal of a subsidiary	(80,442)	—
Charge for the period	1,940,642	—
Disposals	(75,340)	—
Lease termination	(290,308)	—
Exchange adjustment	9,631	—
At 30 June 2022	14,276,112	—
Impairment:		
At 1 January 2022 and 30 June 2022	131,140	—
Net book value at 30 June 2022	90,668,995	19,146,793

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

10 Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Notes	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	5,912,715	5,622,254
– leased properties for own use	(ii)	1,666,651	1,674,018
		7,579,366	7,296,272
Investment properties, carried at depreciated cost			
– leasehold land	(i)	37,679,241	36,379,542
– leased properties to earn rental income	(ii)	22,051,455	22,568,082
		59,730,696	58,947,624
		67,310,062	66,243,896

Notes:

(i) Leasehold land

The principal activities of the Group are development and sale of properties in the PRC. The acquisition cost of interests in leasehold land for property development for sale in the ordinary course of business are presented in inventory and other contract costs (see note 12). The interests in leasehold land which are held to earn rental income and/or for capital appreciation are presented in 'investment properties'. The Group presents interests in leasehold land that do not meet the definition of inventory or investment property in 'property, plant and equipment'.

(ii) Leased properties

The Group has obtained the right to use properties for its own use or earn rental income through tenancy agreements. The leases typically run for an initial period of 10 to 20 years.

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Other non-current assets

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Prepayments for acquisitions and properties development (Note)	6,047,254	5,287,086
Others	2,409,016	2,545,708
	8,456,270	7,832,794

Note: The balance mainly included payments for land development projects for the purpose of acquisition of land and other properties development.

12 Inventories and other contract costs

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Properties held for development	128,521,113	159,313,570
Properties under development	793,933,286	828,395,035
Completed properties for sale	98,145,211	86,951,841
Others	2,466,749	1,011,237
Contract costs	8,140,625	7,926,631
	1,031,206,984	1,083,598,314

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

13 Trade and other receivables

	Notes	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade receivables, net of loss allowance	(a)	6,537,890	4,771,279
Other receivables, net of loss allowance		119,688,215	128,049,457
Prepayments, net of loss allowance		82,266,462	85,234,890
Amounts due from associates	(b)	46,015,551	46,566,499
Amounts due from joint ventures	(b)	99,992,668	91,445,163
		354,500,786	356,067,288

Notes:

- (a) As at the end of the reporting period, the ageing analysis of trade receivables, based on the date the trade recognised and net of loss allowance, is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 year	5,613,610	3,767,388
1 to 2 years	432,405	424,626
2 to 3 years	251,843	252,915
Over 3 years	240,032	326,350
	6,537,890	4,771,279

- (b) The amounts due from associates and joint ventures as at 30 June 2022 of RMB22,061 million (2021: RMB22,265 million) are interest-bearing at market rate, unsecured and repayable on demand. The gross interest income from these associates and joint ventures amounted to RMB792 million during the reporting period (six months ended 30 June 2021: RMB910 million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Cash and cash equivalents

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Cash at bank and on hand	137,907,722	140,708,459

As at the end of the reporting period, bank deposit balances amounted RMB116 million (2021: RMB195 million) were held with Huishang Bank, an associate of the Group.

15 Trade and other payables

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade creditors and bills payable	(a)	310,859,538	330,536,573
Other payables and accruals	(b)	152,769,583	143,839,349
Amounts due to associates	(c)	21,930,925	23,014,522
Amounts due to joint ventures	(c)	39,142,194	41,391,381
Receipts in advance		1,169,463	1,364,286
Derivative financial instruments		439,258	721,411
Contingent consideration		191,792	191,792
		526,502,753	541,059,314

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Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

15 Trade and other payables (continued)

Notes:

- (a) Ageing analysis of trade creditors and bills payables included in trade and other payables as at the end of the reporting period, based on due date, is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Current or payable on demand	303,707,431	323,860,523
Due after one year	7,152,107	6,676,050
Total	310,859,538	330,536,573

- (b) Other payables and accruals include advances from non-controlling interests of subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB5,554 million (31 December 2021: RMB4,617 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.

- (c) The amounts of RMB1,371 million (31 December 2021: RMB3,807 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the period amounted to RMB20 million (six months ended 30 June 2021: RMB49 million). The remaining amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

16 Bank loans and borrowings from financial institutions

	At 30 June 2022		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	1,650,306	–	1,650,306
Unsecured	23,887,702	18,545,000	42,432,702
Interest payables	306,333	73,122	379,455
	25,844,341	18,618,122	44,462,463
Non-current			
Secured	8,859,527	–	8,859,527
Unsecured	130,669,043	28,073,680	158,742,723
	139,528,570	28,073,680	167,602,250

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16 Bank loans and borrowings from financial institutions (continued)

	At 31 December 2021		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	14,014,944	–	14,014,944
Unsecured	15,533,304	24,068,000	39,601,304
Interest payables	215,891	10,138	226,029
	29,764,139	24,078,138	53,842,277
Non-current			
Secured	2,080,932	–	2,080,932
Unsecured	117,567,667	34,673,680	152,241,347
	119,648,599	34,673,680	154,322,279

The secured bank loans are secured with certain inventories, investment properties, pledge deposit and property, plant and equipment with aggregate carrying value of RMB12,575 million (2021: RMB18,125 million) or pledged by the shares of equity interest or the receivables under the future lease agreement and tuition fee in certain subsidiaries.

At 30 June 2022 and 31 December 2021, non-current interest-bearing loans and borrowings were repayable as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
After 1 year but within 2 years	49,407,336	66,846,309
After 2 years but within 5 years	100,332,203	76,765,869
After 5 years	17,862,711	10,710,101
	167,602,250	154,322,279

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17 Bonds payable

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Current			
Bonds issued under			
Medium Term Note (“MTN”) Programme	(a)	10,861,241	504,432
RMB Corporate Bonds	(b)	7,699,851	4,501,313
Interest payables		1,591,873	1,570,462
		20,152,965	6,576,207
Non-current			
Bonds issued under MTN Programme	(a)	21,689,514	30,510,074
RMB Corporate Bonds	(b)	14,313,996	16,521,269
RMB MTN Programme	(c)	13,977,032	5,989,229
		49,980,542	53,020,572
		70,133,507	59,596,779

Notes:

- (a) Vanke Real Estate Hong Kong (“VREHK”), a wholly-owned subsidiary of the Group, established an MTN Programme (“the Programme”) which is listed on the Stock Exchange of Hong Kong. These bonds are unsecured and interest-bearing at 3.15% to 5.35% per annum. At 30 June 2022, RMB9,675 million of non-current bonds issued under the Programme are repayable after 1 year but within 2 years, RMB3,339 million of non-current bonds issued under the Programme are repayable after 2 years but within 5 years, and RMB8,675 million of which are repayable after 5 years.
- (b) The Company was approved by the China Securities Regulatory Commission (“CSRC”) for public issuance of corporate bonds not exceeding RMB37 billion to qualified investors. These bonds are unsecured and interest-bearing at 1.90% to 4.11% per annum. At 30 June 2022, RMB1,379 million of non-current bonds are repayable after 1 year but within 2 years and RMB12,935 million of which are repayable after 2 years but within 5 years.
- (c) The Group issued notes under the Medium Term Note programme which are listed on the National Association of Financial Market Institution Investors. These bonds are unsecured and interest-bearing at 2.95% to 3.76% per annum. At 30 June 2022, RMB3,994 million of non-current bonds issued under the programme are repayable after 1 year but within 2 years, and RMB9,983 million of which are repayable after 2 years but within 5 years.

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18 Capital, reserves and dividends

(a) Share capital

Issued share capital

	No. of shares (‘000)	Share Capital RMB’000
A shares issued and fully paid of RMB1 each:		
At 1 January and 30 June 2022	9,724,197	9,724,197
H shares issued and fully paid of RMB1 each:		
At 1 January and 30 June 2022	1,901,186	1,901,186
Total issued shares		
At 1 January and 30 June 2022	11,625,383	11,625,383

Included in the A shares are 6,835,793 shares (31 December 2021: 6,643,268 shares) with restriction to transfer.

The holders of A and H shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All A and H shares rank equally with regard to the Company’s residual assets.

During the six months ended 30 June 2022, the Company repurchased an aggregate of 72,955,992 shares of its own shares, at a consideration of RMB1,291,800,000. The repurchased shares will all be used for resale. If the Company fails to implement the purpose within 36 months after the completion of the share repurchase, the unused repurchased shares will be cancelled.

(b) Dividends

Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the period.

	Six months ended 30 June	
	2022	2021
	RMB’000	RMB’000
Final dividend in respect of the previous financial year, approved during the period, of RMB0.97 per share (31 December 2021: RMB1.25 per share)	11,276,621	14,522,165

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19 Financial instruments measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-levels fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical financial instruments
- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: fair value measured using significant unobservable inputs

30 June 2022

Items	Fair value at 30 June 2022	Fair value measurements as at 30 June 2022 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Unlisted equity securities	1,072,860	2,590	–	1,070,270
Non-trading listed securities	1,391,844	1,391,844	–	–
Other current assets	24,193	–	–	24,193
Recurring fair value measurement assets	2,488,897	1,394,434	–	1,094,463
Derivative financial instruments:				
– CCS contracts	(439,258)	–	(439,258)	–
Contingent consideration	(191,792)	–	–	(191,792)
Recurring fair value measurement liabilities	(631,050)	–	(439,258)	(191,792)

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19 Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

31 December 2021

Items	Fair value at 31 December 2021	Fair value measurements as at 31 December 2021 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Unlisted equity securities	1,036,983	–	–	1,036,983
Non-trading listed securities	1,833,455	1,833,455	–	–
Trading listed equity securities	4,156	4,156	–	–
Other current assets*	20,587	–	–	20,587
Recurring fair value measurement assets	2,895,181	1,837,611	–	1,057,570
Derivative financial instruments				
– CCS contracts	(721,411)	–	(721,411)	–
Contingent consideration	(191,792)	–	–	(191,792)
Recurring fair value measurement liabilities	(913,203)	–	(721,411)	(191,792)
Assets held for sale	892,423	–	–	892,423
Non-recurring fair value measurement assets	892,423	–	–	892,423

* Other current assets measured at fair value represents the Group's investments in wealth management products, which were measured at fair value through profit and loss, and the fair value is determined by calculating based on the discounted cash flow method.

During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2021: nil).

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2022 and 31 December 2021.

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20 Commitments

Capital commitments outstanding at 30 June 2022 not provided for in the financial statements were as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Construction and development contracts	185,252,947	218,056,728
Land agreements	5,099,506	7,450,810
	190,352,453	225,507,538

Commitments mainly related to land and development costs for the Group's properties under development.

21 Contingent Liabilities

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangements of property buyers. The outstanding guarantees to the banks amounted to RMB231,540 million (31 December 2021: RMB244,427 million), which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties.

The directors do not consider it probable that the Group will sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property buyers default payment. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

In addition, the Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

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22 Material related party transactions

Except for transactions disclosed in other parts of the interim financial report, the details of other material related party transactions are as follows:

(a) Transactions with key management personnel

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Short-term employee benefits	5,536	5,137

(b) Malls management fee paid by the Group

During the period, the Group paid associates malls management fee amounted to RMB17 million (six months ended 30 June 2021: RMB19 million).

(c) Financial guarantees issued

As at 30 June 2022, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB13,472 million (31 December 2021: RMB13,938 million).

The directors do not consider it probable that a claim will be made against the Group under any of these guarantees. Accordingly, the Group did not recognise any deferred income in this respect.

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22 Material related party transactions (continued)

(d) Transactions with a shareholder

In 2015, the Group cooperated with the Shenzhen Metro Group Co., Ltd. (“**Shenzhen Metro Group**”) to jointly develop Mangrove Bay and Shenzhen North Station Project (“**the Projects**”). The Group’s investment in the Projects amounted to RMB5,993 million. At 30 June 2022, the outstanding payables balances were RMB8,662 million (31 December 2021: RMB8,676 million).

In 2020, the Group set up Foshan Nanhai Wantie Property Development Co., Ltd. together with Shenzhen Metro Property Co., Ltd., a wholly-owned subsidiary of Shenzhen Metro Group, as a non-controlling shareholder, to jointly develop Foshan Nanhai New Transport Depot Upper Cover Project. The Group’s investment in the project amounted to RMB2.8 billion. As at 30 June 2022, the outstanding payables balances were RMB511 million (31 December 2021: RMB545 million).

In 2020, the Group and Shenzhen Metro Group set up a joint venture, Shenzhen Metro Vanke Industrial Development Co., Ltd, to jointly acquire and develop transit-oriented development projects in the Greater Bay Area and other major cities. The Group subscribed for the registered capital in proportion to its 50% equity interest in the joint venture amounted to RMB500 million. At 30 June 2022, the Group’s investment in the Projects amounted to RMB25 million.

(e) Security service fee paid by the Group

During the period, the Group paid security service fee amounted to RMB2,641 million (six months ended 30 June 2021: RMB2,183 million) to Shenzhen Wanyu Security Service Technology Co., Ltd., an associate of the Group.

23 Non-adjusting events after the reporting period

(a) Issuance of bonds

In July 2022, the Group completed the public issuance of RMB3.4 billion corporate bonds to eligible investors, including RMB2.9 billion of the 5-year term with a coupon rate of 3.21%, and RMB500 million of 7-year term with a coupon rate of 3.70%.

In July 2022, the Group completed the issuance of the first tranche of green medium-term notes of RMB3 billion, of 3-year term with a coupon rate of 3.0%.

In August 2022, the Group completed the issuance of the second tranche of green medium-term notes of RMB2 billion, of 3-year term with a coupon rate of 2.9%.

(b) Repayment of bonds

In July 2022, the Group repaid the remaining 81,943 shares of bonds “17 Vanke 01” amount to RMB8,194,300.

(c) Dividend payments

On 28 June 2022, the Group’s Annual General Meeting of 2021, the first A Shareholders Class Meeting of 2022 and the first H Shareholders Class Meeting of 2022 considered and approved the Company’s dividend distribution plan of 2021, the total amount of cash dividends for distribution of 2021 is RMB11,276,621,000 (inclusive of tax), and approved the scrip dividend scheme for H Shares in the dividend distribution. The Company completed the 2021 dividend distribution on 25 August 2022, distributed cash dividend of RMB11,204,037,000, and the remaining dividend was paid in 5,326,096 H-share scrip dividend shares.

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24 Acquisitions of subsidiaries

The acquisitions of these subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	At Acquisition date RMB'000
Current assets	32,010,788
Non-current assets	4,661,512
Current liabilities	(21,953,466)
Non-current liabilities	(1,923,742)
Non-controlling interests	(2,761,197)
Net assets acquired attributable to the Group	10,033,895
Goodwill on acquisition	1,562,638
Total consideration	11,596,533
Consideration paid in prior years for the acquisitions	(9,000,228)
Consideration to be paid subsequent to current period	(26,290)
Consideration paid during the period	2,570,015
Total cash and cash equivalents acquired	(461,081)
Consideration paid for prior years' acquisitions	1,623,880
Net cash outflow	3,732,814

During the six months ended 30 June 2022, the Group has acquired certain subsidiaries which held property development projects and Huanshan Group Co., Ltd., which principally engaged in the provision of breeding industry and related services. The Group obtained control over Huanshan Group Co., Ltd., and recognized the goodwill of RMB1,563 million based on the difference between the consideration and the fair value of the identifiable assets and liabilities of Huanshan Group Co., Ltd.

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25 Disposal of subsidiaries

During the period, the Group has disposed certain subsidiaries which held property development projects. Subsequent to the disposals, these entities are no longer subsidiaries of the Group and certain of these subsidiaries became joint ventures or associates of the Group respectively.

The combined effect of such disposals on the Group's assets and liabilities is set out below:

	At Disposal date RMB'000
Current assets	20,924,934
Non-current assets	1,511,154
Current liabilities	(18,169,449)
Non-current liabilities	(607,988)
Non-controlling interests	(22,646)
Remaining interest after disposal as interest in joint ventures and associates	(466,100)
Net assets attributable to the Group disposed of	3,169,905
Total consideration	3,571,563
Consideration received in prior years for the disposals	(2,120,354)
Consideration to be received subsequent to current period	(682,007)
Consideration received, satisfied in cash	769,202
Cash and cash equivalents disposed of	(282,465)
Consideration received for the disposals in prior years	404,556
Net cash inflow	891,293