

vanke

CHINA VANKE CO., LTD.*

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

(Stock code: 2202)

2023

ANNUAL REPORT



*For identification purpose only

Important Notice

1. The Board, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company warrant that in respect of the authenticity, accuracy and completeness of the information contained in 2023 Annual Report (hereinafter referred to as the "Report"), there are no misrepresentations, misleading statements or material omission, and individually and collectively accept full responsibility.
2. The Report has been approved by the Company's fifth meeting of the twentieth session of the Board (hereinafter referred to as the "Meeting"). Mr. XIN Jie, being a Non-executive Director, did not attend the meeting due to business engagement, and authorized Mr. Huang Liping, also a Non-executive Director to attend the Meeting and execute voting rights on behalf of him. Other Directors attended the Meeting in person.
3. The financial report of the Report has been audited by KPMG, which has issued an auditor's report with unqualified audit opinion.
4. YU Liang, Chairman of the Board and 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.
5. The Company's dividend distribution plan for the year of 2023: Currently, the industry is undergoing an in-depth adjustment, and after comprehensive consideration, the Company will not pay dividend, issue bonus shares, or issue any share capital by way of conversion of capital reserve for the year of 2023. The Dividend Distribution Proposal for 2023 shall also be submitted to the annual general meeting of the Company for consideration and approval by way of special resolution.
6. The Report contains forward-looking statements in relation to matters such as future plans and development strategies, which do not constitute any specific undertakings to investors by the Group. Investors are advised to be aware of the risks involved, understand the differences between plans, forecasts and undertakings, and pay attention to investment risks.
7. Investors are advised to refer to "Section 5 Corporate Governance Report" for the principal risks faced by the Group and countermeasures thereof.
8. Unless otherwise specified, the currency referred to in the Report is Renminbi.

The Report has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail, except for the financial report prepared in accordance with International Financial Reporting Standards, of which the English version shall prevail.

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Definition	Meaning
the Company	China Vanke Co., Ltd.
Vanke, the Group	China Vanke Co., Ltd. and its subsidiaries
Onewo	Onewo Space-tech Service Co., Ltd., 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 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, an associated company of the Group, and specifically emphasis on investment, development and operational management of shopping centers.
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 residents.
BG	the abbreviation to Business Group, which refers to business group, currently including Southern Regional BG, Shanghai Regional BG, Beijing Regional BG, Southwestern Regional BG, Northwestern Region BG, Central Regional BG, Northeastern Regional BG and Commercial BG, Property Service BG (Onewo).
BU	the abbreviation to Business Unit, which refers to business unit, including Logistics BU, Long-term Rental Apartment BU, Overseas BU, Hotel and Vacation BU.
“5+2” prefabricated Construction System	five (5) major construction methods: ① systematic template, ② full concrete exterior wall, ③ prefabricated inner partition wall, ④ climbing frame, ⑤ Interspersed effect improvement. Two (2) prefabricated applications: ① prefabricated decoration, ② moderate prefabrication.
“Onewo Town” or “Onewo Towns”	a strategically selected sub-district in which Onewo has multiple properties under management, and employees could commute between managed properties within 20 to 30 minutes, to reach coordinated operation and economics of scale through focused coverage.
REITs or REIT	the abbreviation to Real Estate Investment Trusts.
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
SZMC	Shenzhen Metro Group Co., Ltd.
Ying’an Company	Shenzhen Ying’an Financial Advisory Co., Ltd.
Yingjiazhong Partnership Enterprise	Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership)
Ying’an Partnership Enterprise	Shenzhen Ying’an Financial Advisory Enterprise (Limited Partnership)
Company Law	Company Law of the People’s Republic of China
Securities Law	Securities Law of the People’s Republic of China
SZSE Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Guidelines for Standard Operation	Shenzhen Stock Exchange Self-Regulatory Guidelines No. 1 – Standard Operation of Listed Companies on the Main Board
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 C1 of SEHK Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of SEHK Listing Rules
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.
B Share(s) (Domestic-listed Foreign Share(s))	the Company’s domestic-listed foreign ordinary share(s) with a nominal value of RMB1.00 each issued in 1993, which were listed on the SZSE and traded prior to June 2014.
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.
Articles of Association	Articles of Association of China Vanke Co., Ltd.
Reporting Period	1 January 2023 to 31 December 2023
RMB	Renminbi, unless otherwise specified



SECTION 1

To Shareholders

In 2023, in the face of the downward market, Vanke proactively adapted to safeguard cash flows and maintain normal and orderly operations. Throughout the year, we achieved a sales revenue of RMB376.12 billion, a year-on-year decrease of 9.8%, and maintained a scale at the second largest in the industry. We delivered a total of 289,000 units of residential buildings, apartments and commercial offices with high quality, receiving high praise from the customers. Despite the challenges faced by our development business, we still realized a steady growth in the operating service business, with a total full-scale revenue of RMB55.81 billion, representing a year-on-year increase of 8.9%, amongst them the revenue in consolidated statements amounted to RMB42.81 billion, representing a year-on-year increase of 13.8%. Our pre-tax gross profit margin of operating business increased by 5.2 percentage points, forming a batch of quality assets. And our net operating cash flow throughout the whole year was RMB3.91 billion, which has been positive for 15 consecutive years; and our asset-liability ratio excluding pre-sale payments on residential housing was 65.5%, which has decreased from a high of 76% in 2018 for 5 consecutive years.

At the same time, the Company's profits are under pressure, indicators as capital stock and cash-to-short-term-debt ratio have declined, the short-term pressure of shifting towards high-quality development still exists. First, during the period of excessive scale expansion, some investment judgments were over-optimistic, and it will take some time for these projects to be digested. Secondly, although our ability of operating service business has achieved sustainable development, the operating real estate was naturally characterized by long capital recovery cycle and high pressure on capital occupying, which can only be fully resolved when the relevant financing mechanism matures.

Facing the aforesaid problems, we have taken targeted measures and achieved results accordingly. High-quality assets of our operating business have been welcomed by the market, achieving a signing amount of RMB12.3 billion throughout the year. We were also fully committed to seizing opportunities such as REITs and real estate private investment funds. The CAMC-VX Warehousing and Logistic Close-end Infrastructure REIT and of CICC-SCPG REIT have officially entered the declaration/issuance stage.

The quality of new investments has significantly improved. In 2023, the Company acquired 43 new projects, 33 of them achieved opening sales within the year, and the period from land acquisition to opening was shortened to 4.4 months, contributing a sales of RMB51 billion and bringing an investment fulfillment rate of 88%. The inventory projects were accelerated their sell-through. With respect to the inventory of resources available for sale, the Company conducted a focused attack to enhance its market competitiveness through product adjustments, supporting improvements, flexible pricing strategies and refined management, with a sell-through rate over 60% in 2023. Along with the implementation of the urban real estate financing coordination mechanism, project development and construction funds will be more effectively guaranteed, which is also conducive to the revitalization and transformation of existing projects.

To Shareholders

Compared with developed countries, there is still much room for improvement in terms of the living conditions of and supporting facilities for urban residents. The urbanization process is still ongoing, and the new urban population in 2023 returned to a level close to 12 million. The potential demand in the real estate market remains vast. With the increasing support for specific city-based policies, potential demand will be effectively stimulated, and the Company is confident that it can tackle with its historical burden through its own redoubled efforts over a period of time, improve ability to transact and finance operating real estate, better secure the Company and support its long-term development.

Facing the future, Vanke will focus on the following aspects to promote itself to smoothly pass the model transformation:

Firstly, ensuring a safety bottom line. The Company will fulfill its main responsibilities, stick to its goal of outperforming the general trend on the sales side and maintain positive cash flows at the operating level. It will fully predict possible uncertainties in the future, realize the “reservoir” through bulk assets and equity transactions, and intensify the safety guarantee on a large scale. And in 2024, the payment collection through transaction will be no less than RMB30 billion.

Secondly, firmly reducing the leverage. In the next two years, the interest-bearing debt will be cut by more than RMB100 billion. And the Company will fully and actively integrate into the urban real estate financing coordination mechanism, and also actively promote the transformation of financing model.

Thirdly, unswervingly extending good products and services to the society and achieving sustainable endogenous development. On the basis of ensuring no problem in delivery, we will provide consumers with industry-leading houses and services, and continue to maintain a leading position in respect of residence and incremental value creation in communities by supporting endogenous development through competitive capability advantages and efficient management.

We will further enhance the advantages of our professional synergy in products, supporting facilities and property services, and maintain systematic stability in investment research and judgment, customer insight, product positioning, management efficiency, etc. And we will promote the future-oriented “Ideal Units for Future Cities” with vitality, low carbon and wisdom, and carry out intelligent strategic cooperation with leading enterprises in other industries.

Starting from the pain points of cities and customers, and responding to the requirement of “combining renting and purchasing”, we will continue to carry out rental housing construction and operation based on our own ability and experience in small-sized ordinary residences, keep the efficiency first in the industry, render new citizens with safe, convenient and warm living space, as well as help young people let go of their hands and feet to strive for a happy life.

Since the fourth quarter of the previous year, the market concerns about the industry and the Company have intensified. Under such critical circumstances, the Company received strong support from Shenzhen state-owned assets system, and also joint help from its partners including financial institutions. These supports played a great role in stabilizing our confidence and about which we will keep in mind. We will cherish the trust, redouble our efforts, win the challenges and continue to lead the way in the new phase of development.

SECTION 2

Corporate Information and Key Financial Highlights



The Company was established in Shenzhen Special Economic Zone in 1984, and with the approval of the “Shen Fu Ban (1988) No. 1509 Document” issued by the People’s Government of Shenzhen Municipality, implemented shareholding reform in 1988. Vanke issued and listed A Shares on 29 January 1991, and B shares on 28 May 1993 on the SZSE. On 25 June 2014, the Company’s B Shares were listed on the Main Board of the SEHK by means of introduction (B Conversion to H).

After 40 years of development, the Company has become a leading urban construction service provider in China, with its business focusing on the three most vibrant economic circles nationwide and key cities in Midwest China. In 2023, the Company continued to be listed on the Fortune Global 500, ranking 173rd. After making its debut on the Fortune Global 500 in 2016, the Company has remained on the list for eight consecutive years.

The Company has been persistently providing good products and good services to ordinary people, and adheres to the two principles of achieving synchronous development with cities and customers. In recent years, while consolidating its inherent advantages in residential development and property service business, the Company has proactively expanded its business areas to logistics and warehousing services, rental housing, commercial development and operation, standard office and industrial park, hotel and vacation, etc., laying a solid foundation for better satisfying people’s needs for a better life and realising sustainable development.

Corporate Information and Key Financial Highlights

I. Corporate Information

(I) General Information

Company Name (Chinese): 萬科企業股份有限公司(abbreviated as “萬科”)
Company Name (English): CHINA VANKE CO., LTD.* (abbreviated as “VANKE”)
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
Registered office address and correspondence address in Hong Kong: Room A, 43/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: ZHU Jiusheng, ZHU Xu
Alternate authorised representative for SEHK: YIP Hoi Man

(II) Contact Persons and Contact Information

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: Room A, 43/F, Bank of China Tower, 1 Garden Road, Hong Kong
Telephone number: 00852-23098888
Fax number: 00852-23288097

(III) Share Information

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: 02202, 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

Corporate Information and Key Financial Highlights

(IV) Disclosure of Information and Place Collection

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

Website address for publication of the Annual Report:

A Shares: www.cninfo.com.cn

H Shares: www.hkexnews.hk

Place for annual report collection: The Office of the Company’s Board of Directors

(V) Change in Registration

First registration date of the Company: 30 May 1984, location: Shenzhen

Date of change in registration: 23 August 2023, location: Shenzhen

Unified social credit code: 91440300192181490G

(VI) Certified Public Accountants and Legal Advisor Engaged

Certified public accountants engaged by the Company

Domestic: KPMG Huazhen LLP

Address: 8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing

Signing CPA: Zhou Yongming, Li Moran

Overseas: KPMG

Address: 8th Floor, Prince’s Building, 10 Chater Road, Central, Hong Kong

Legal advisor engaged by the Company

Domestic:

Guangdong Shujin Law Firm, address: 11th to 12th floor, Taiping Finance Tower, 6001 Yitian Road, Futian District, Shenzhen

Beijing Junhe (Shenzhen) Law Firm, address: Suite 2803-04, Tower Three, Kerry Plaza No.1-1, Zhongxinsi Road, Futian District, Shenzhen

Overseas: Paul Hastings

Address: 22nd floor, Bank of China Tower, 1 Garden Road, Hong Kong

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SECTION 3

Accounting and Financial Highlights

(I) Key accounting data and financial indicators

	Unit: RMB'000			
	2023	2022*	Fluctuation	2021*
Revenue	465,739,077	503,838,367	-7.56%	452,797,774
Gross Profit	67,448,208	98,053,664	-31.21%	95,691,293
Profit for the year	20,455,558	37,612,559	-45.62%	38,069,527
Net profit for shareholders of the Company	12,162,684	22,688,552	-46.39%	22,524,033
Net cash generated from operating activities	3,912,323	2,750,450	42.24%	4,113,161
Basic earnings per share (RMB)	1.03	1.96	-47.25%	1.94
Diluted earnings per share (RMB)	1.03	1.96	-47.25%	1.94
Net return on equity on a fully diluted basis (%)	4.85%	9.32%	decreased by 4.47 percentage points	9.55%
Net return on equity on weighted average basis (%)	4.91%	9.48%	decreased by 4.57 percentage points	9.78%
	31 December 2023	31 December 2022*	Fluctuation	31 December 2021*
Current assets	1,150,282,054	1,415,395,430	-18.73%	1,600,322,953
Current liabilities	821,785,258	1,077,801,573	-23.75%	1,311,446,467
Net assets attributable to shareholders of the Company	250,784,613	243,325,375	3.07%	236,516,394
Share capital ('000 shares)	11,930,709	11,630,709	increased by 300,000,000 shares	11,625,383
Net assets attributable to shareholders of the Company per share	21.15	21.05	0.46%	20.34
Gearing ratio	73.22%	76.92%	decreased by 3.70 percentage points	79.72%
Net debt ratio	54.66%	43.61%	increased by 11.05 percentage points	29.65%

*: In 2023, the Group has implemented the amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction. For details, please refer to Note 1(c) to the annual financial report.

Accounting and Financial Highlights

(II) Quarterly Key Financial Indicators

Unit: RMB'000

	The First quarter	The Second quarter	The Third quarter	The Fourth quarter
Revenue	68,474,007	132,418,583	89,415,901	175,430,586
Net profit attributable to shareholders of the Company	1,445,811	8,424,661	3,751,005	(1,458,793)
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	645,628	8,057,071	3,257,864	(2,166,722)
Net cash generated from operating activities	7,001,300	(5,136,801)	(1,629,176)	3,677,000

There is no material difference between the above financial indicators or their total amounts and the relevant financial indicators disclosed by the Company in its quarterly reports and semi-annual reports.

(III) Difference Arising from Accounting Standards of the PRC and the International Standards

Unit: RMB'000

	Net profit attributable to the shareholders of the Company		Total equity attributable to the shareholders of the Company	
	2023	2022	31 December 2023	31 December 2022
According to the international accounting standards	12,162,684	22,688,552	250,784,613	243,325,375
According to the PRC accounting standards	12,162,684	22,688,552	250,784,613	243,325,375
Breakdown and total reconciled according with international accounting standards:				
According to the international accounting standards	–	–	–	–
Differences		Nil		



SECTION 4

Directors' Report

I. Review and Analysis of Business Situation

During the Reporting Period, the national commercial housing market continued to adjust itself. According to the data from China Index Academy, the sales of Top 100 real estate enterprises decreased by 17.3% year-on-year, marking the third consecutive year of decline. The recovery of residents' confidence in buying houses was relatively slow.

The deep adjustment of the industry has brought great pressure to the operations of the Company. In 2023, the Group realized a revenue of RMB465.74 billion, representing a year-on-year decrease of 7.6%; and the net profit attributable to equity shareholders of the Company amounted to RMB12.16 billion, representing a year-on-year decrease of 46.4%. The decrease in net profit was mainly attributable to the decrease in the settlement scale and settlement gross margin of the development business, and the provision for impairment was made on certain development projects.

Facing the severe market situations, the Group firmly implemented the strategy of integration of real estate development and operation and services, and adhered to the business strategy and management action of "taking cash flow as the core".

During the Reporting Period, the Group's net operating cash flow was positive for 15 consecutive years, with the monetary funds in hand up to RMB99.81 billion, which could cover the interest-bearing liabilities due within one year and help maintain a 100% sales payment collection rate throughout the year. The Group strengthened mutual trust and cooperation with financial institutions, which provided strong support, and maintained continuous investment of financing resources. Throughout the year, the newly acquired financing was RMB89.7 billion, the newly acquired domestic financing was RMB76.6 billion, the composite cost of newly acquired financing was 3.61%, and the newly acquired overseas financing was RMB13.1 billion. And the Group continued to optimize its capital-debt structure, and had the asset-liability ratio after deducting the accounts on pre-sales of 65.5%, 2.1 percentage points lower than that at the end of 2022.

Directors' Report

Throughout the year, the sales of development business was RMB376.12 billion, ranking second in the industry, 289,000 units were delivered with quality assured, and 191 batches obtained their property ownership certificates upon delivery. Its operating service business achieved a full-scale income of RMB55.81 billion, representing a year-on-year increase of 8.9%. The growth in income scale was accompanied by an enhancement in operating efficiency. Among them, the net profit growth of property services was higher than the income growth. For the first time, the long-term rental apartment business realized the report profit under the cost method.

The holding business realized a closed-loop business model through asset transactions and REIT issue. As at the disclosure date of this Report, the REITs for SCPG Business have been put on sale, the REIT for VX warehousing and logistics have been reported to CSRC for acceptance, and the application to issue the REITs for affordable rental housing are under way. In addition, the Group is also continuously building the Pre REITs fund, and the project cooperation with CCB-VANKE Leasing Fund is also progressing smoothly.

During the Reporting Period, the Group received a number of awards in terms of brand, products, construction quality, ESG, etc. In 2023, the Company continued to be listed in the Global Top 500 according to the Fortune, ranking 173rd on the list; won such titles as the “Annual Influential Enterprise in China’s Real Estate Industry” as selected by China Real Estate Newspaper and the Organizing Committee of China International Real Estate & Architectural Technology Fair, the “Steady Development Enterprise” as selected by China Times, the “Top 10 Chinese Real Estate Enterprises with Product Strength” as selected by CRIC, Tianfu International Convention Centre of Chengdu won the “Luban Award of China Construction Projects”, Shenyang Jade Guanlan won the “Zhan Tianyou Award for China Civil Works”, and Jinan Persuasion Lane, Jinan Zhonglu Mansion Phase I, Panjin Vanke City Ruyuan, Shenyang Jade Riverside, Shenyang Hongmei Cultural and Creative Garden and Dalian The Stage were granted “Guangsha Award”. The Company also won the titles as the “12th China Charity Award” by the Ministry of Civil Affairs, the “Inclusive Award for Sustainable Development” as selected by the Finance magazine; received the honor of the best practice case in ESG of listed companies in 2023 as issued by China Association for Public Companies; as well as won the first place among the best ESG enterprises in China’s real estate industry in 2023 as selected by such overseas authoritative financial magazines as Institutional Investors and Asian Currency, and meanwhile won the best ESG practice award of best listed company according to the New Fortune.

(1) Market review in 2023

1. Real estate development

The sales of residential housing continue to decline across the country. According to data from National Bureau of Statistics, in 2023, the sales area of commercial housing nationwide was 1.12 billion square meters, a decrease of 8.5% year-on-year, while the sales amount was RMB11.7 trillion, a decrease of 6.5% year-on-year. According to the data from China Index Academy, the sales of Top 100 real estate enterprises decreased by 17.3% year-on-year.

The floor area of new construction projects and the investment in real estate development decline year on year. In 2023, the floor area of new construction projects in the country was 0.95 billion square meters, a decrease of 20.4% year-on-year. And the national investment in real estate development was RMB11.1 trillion, a decrease of 9.6% year-on-year.

The transaction area of the land market have dropped. According to China Index Academy, the supply of residential land in 300 cities across the country decreased by 20.6% year-on-year in terms of floor space supplied and sold, and 14.9% year-on-year in terms of residential land grant fees. The average premium rate of residential land was 4.7% for the year, up 1.7 percentage points from 2022.

The policies sent positive signals. In July 2023, the Meeting of the Political Bureau of the CPC Central Committee put forward that the real estate policies shall be adjusted and optimized timely, so as to adapt to the new situations of significant changes in the supply and demand relationship in Chinese real estate market. After that, both the central and local governments introduced a number of policies, which released positive signals from the aspects of recognizing housings but not loans, lowering down payment, lowering loan interest rate, relaxing purchase restrictions, etc., and supported rigid and improved housing demands. At the end of October, the Central Financial Work Conference emphasized that it was necessary to equally meet the reasonable financing needs of real estate enterprises of different ownerships, make good use of the policy toolbox subject to the involved city's policy, accelerate the construction of "three major projects" including affordable housing, and build a new model of real estate development.

Directors' Report

2. Property services

Changes in the industry brought challenges for acquiring new customers and expanding new markets. Affected by the decline in sales in the real estate industry, the business closely related to real estate in property services needs to improve the ability to expand the stock market and serve non-developer customers.

It's important to keep sufficient cash for a long slope with light snow. In 2023, the National Development and Reform Commission issued the Catalog for Guidance of Industrial Structure Adjustment (2024 Edition), pursuant to which property services are included in the “encouraged categories – business service industry”. In the long term, property services are a business of “the long slope with light snow”. The “long slope” is reflected in the fact that the business environment of the property services industry fluctuated in recent years, the overall renewal rate of the industry is still over 85%, and it has a “sustainability” attribute in part. “Light snow” is reflected in the fact that the industry’s overall profit margin is not high, however, according to CRIC’s calculation, the net profit margin of more than 70% of the Chinese residential projects just ranges between 5% and 8%. Under the attribute of “long slope with light snow”, it’s important to control the cash flow, and only by continuing to achieve a steady collection rate and generating profits with cash flow can we ensure the long-term steady progress of property services enterprises.

3. Logistics and warehousing

The market rent and occupancy rate of high-standard warehouses were under pressure. According to Jones Lang LaSalle, 24 major cities in China increased 11.79 million square meters of high-standard warehouse supplies in 2023, with a net absorption (i.e. newly increased rentable area less vacated areas) of 7.32 million square meters, and the overall supply and demand relationship continued to transform. The rent and occupancy rate of high-standard warehouses as a whole were under pressure. However, there was differentiation among regions, and the markets in the Greater Bay Area and Yangtze River Delta remained relatively stable.

Cold chain logistics developed steadily. The government intensively issued policies to strengthen the construction of national main cold chain logistics hubs, and promote the scale and high-quality development of the cold chain logistics industry. Meanwhile, the demand of terminal food consumption industries grew steadily, including catering, and fresh food e-commerce. Driven by policy support and terminal demand, the cold chain industry continued to maintain a relatively rapid growth.

Customers' requirements for operation services were higher. Simple room leasing and rent comparison were difficult to meet customers' demand. Under the demand for cost decreasing and benefit increasing in the full-chain supply chain, customers put forward higher requirements for products including dry and cold combination, automation and services including warehouse and distribution integrated, digitalization and greenization.

4. Rental housing

The policy environment continued to be optimized. In 2023, the central and local governments constantly introduced policies to support the development of rental housing in terms of finance, market regulation, tax preferences and other aspects.

Cities' performances diverged, and the overall market rents were steady with a slight decline. According to a report from Weifang Research Institute, the rents in most of the first-tier cities rose slightly in 2023, while the rents in most of the second and third-tier cities decline. Increased population mobility led to differentiation in the rental housing market in different cities.

Industry developments have given rise to diverse needs. Along with the development of the industry, the service targets of rental apartments have also extended from new urban youths and new entrants to family tenants and high-profile people, and product types such as large-scale rental communities and high-tech industry talent apartments have gradually emerged.

5. Retail property development and operations

Consumption categories were structurally differentiated. In 2023, the total retail sales of consumer goods in China increased by 7.2% year-on-year, among which, the categories related to social entertainment experience (e.g., catering, gold, silver and jewelry, sports and entertainment, cigarettes and wine, etc.) maintained relatively rapid growth, and the categories related to real estate and expensive optional consumer goods (e.g., decoration and furnishings, phonotape and videotape and home appliances, etc.) recorded slow growth. Consumer confidence remained below the 50-point mark.

Consumers paid attention to "cost-effective" products. Consumption in some types of businesses such as discount stores, personal care, fitness campaigns, and pressure release increased. The demand for travel and night time economy was strong. Consumers paid more attention to experiences and preferred historical culture and folk activities, etc.

New business openings hit a record low, returning to operations based on existing inventories. The growth rate of new business openings decreased to 6.8%, a record low, of which existing inventory renovation accounted for 14% of annual openings. The industry entered into competition over existing inventories.

Directors' Report

(2) Main work in the Reporting Period

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

During the Reporting Period, the Group realized a revenue of RMB465.74 billion, a year-on-year decrease of 7.6%. Net profit attributable to equity shareholders of the Company stood at RMB12.16 billion, down by 46.4% year-on-year. The basic earnings per share was RMB1.03, a year-on-year decrease of 47.3%. The fully diluted equity returns reached 4.8%, a decrease of 4.5 percentage point from 2022.

Categorized by business types, the revenue of the Group from real estate development and related asset operation businesses reached RMB429.75 billion, accounting for 92.3%; revenue from property services reached RMB29.43 billion, accounting for 6.3%.

Before deducting tax and surcharges, the gross profit margin of the real estate development and related asset operation business was 14.6%, representing a decrease of 5.1 percentage points from 2022 (The Group adopts the cost method to calculate operating assets, after adding back depreciation and amortization, the gross profit margin was 15.7%, down by 5.0 percentage points). In particular, the booked gross profit margin of development business was 14.8%. After deducting tax and surcharges, the operating profit margin of the Group's real estate development and related asset operation business was 10.3%, decreased by 4.2 percentage points from that of 2022. In particular, the operating profit margin of development business was 10.3%.

The Operation of the Group's Core 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	459,172,833	-7.47%	392,045,098	-1.97%	14.62%	decreased by 4.79 percentage points	10.58%	decreased by 3.92 percentage points
Among which: real estate development and related assets operation businesses	429,745,795	-8.65%	367,020,443	-2.87%	14.60%	decreased by 5.08 percentage points	10.32%	decreased by 4.22 percentage points
Property services	29,427,039	14.17%	25,024,655	13.45%	14.96%	increased by 0.54 percentage points	14.47%	increased by 0.58 percentage points
2. Other businesses ^(Note 4)	6,566,243	-13.81%	6,245,771	6.52%	4.88%	decreased by 18.15 percentage points	4.13%	decreased by 18.22 percentage points
Total	465,739,077	-7.56%	398,290,869	-1.85%	14.48%	decreased by 4.98 percentage points	10.49%	decreased by 4.13 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 adopts the cost method to calculate operating assets, and the gross profit margin deducts the depreciation and amortization of investment properties, fixed assets, intangible assets and long-term deferred expenses. After adding back depreciation and amortization, the gross profit margin was 15.58%.
 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.

(3) Business development

1. Real estate development business

(1) Sales and recognition

In 2023, the Group achieved contracted sales of 24.660 million square meters, and recorded contracted sales amount RMB376.12 billion, representing a year-on-year decrease of 6.2% and 9.8% respectively.

Refining target management and improving the sell-through performance. During the Reporting Period, the Group set sales targets for different types of products, such as residential units, parking spaces, businesses, offices and apartments, according to the classification of new additions and inventories, and continuously carried out process monitoring. Throughout the year, there were 50 newly opened projects, with sell-through rate of 67% in the opening day. Houses scattered in 6 projects located in Hefei, Dongguan, Hangzhou, Shanghai and other cities were sold out when they opened.

Developing a variety of sales channels and linking new and old customers. According to the trend changes in buyers' consumption habits and access to information channels, the Group actively played the role of online functions, opened a variety of services and live streaming accounts in various cities, and provided customers with more convenient information consultation on house purchase. From September 2023 to the end of the year, a total of 15,000 live streaming activities were completed, actively helping deals. In the whole year, the number of customer clues obtained through "Sharing Home" (an online customer acquisition tool) increased by 39% year-on-year, accounting for 14% of the Group's overall deals.

Directors' Report

Sales by geographical regions

	Areas Sold ('0000 square meters)	Proportion	Sales Amount (RMB hundred million)	Proportion
Southern Region	406.3	16.5%	892.7	23.7%
Shanghai Region	624.1	25.4%	1,291.4	34.2%
Beijing Region	432.5	17.5%	506.0	13.5%
Northeastern Region	235.5	9.5%	190.1	5.1%
Central Region	296.4	12.0%	340.5	9.1%
Southwestern Region	245.8	10.0%	266.0	7.1%
Northwestern Region	222.7	9.0%	243.8	6.5%
Others	2.7	0.1%	30.7	0.8%
Total	2,466.0	100.0%	3,761.2	100.0%

Note: The Beijing region includes Beijing, Hebei Province, Inner Mongolia Autonomous Region, Shandong Province, Shanxi Province and Tianjin; the Northeastern region includes Liaoning Province, Heilongjiang Province and Jilin Province; 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.

Directors' Report

The Group's real estate development and related supporting businesses in China are mainly distributed in 7 regions, with an accumulated operating income of RMB422.84 billion. The Group realized settlement area from real estate development business of 29.615 million square meters, representing a year-on-year decrease of 12.9%, and booked revenue of RMB401.61 billion, a decrease of 9.6% year-on-year. Booked gross profit margin accounted for 14.8% (the operating profit margin after deducting tax and surcharge: 10.3%).

Revenue and profit by different regions

	Revenue (RMB'0000)	Proportion	Net Profit Attributable to Vanke's Equity Holding (RMB'0000)	Proportion
Southern Region	10,320,320.90	24.41%	578,456.64	38.50%
Shanghai Region	14,278,772.61	33.77%	682,663.27	45.43%
Beijing Region	6,304,570.02	14.91%	(24,977.05)	-1.66%
South western Region	3,994,962.69	9.45%	156,495.02	10.42%
North western Region	2,488,137.11	5.88%	168,422.02	11.21%
Central Region	2,811,176.37	6.65%	88,147.95	5.87%
North eastern Region	2,085,671.67	4.93%	(146,811.46)	-9.77%
Total	42,283,611.37	100.00%	1,502,396.39	100.00%

As of the end of the Reporting Period, within the consolidated statements of the Group, there were 23.386 million square meters of sold resources that had not been completed and settled, a decrease of 30.4% from the previous year. The total contract price was approximately RMB360.44 billion, a decrease of 32.0% from the end of the previous year.

Directors' Report

(2) Investment and projects to be started and completed

In 2023, the estimated plot ratio-based floor area of newly started and resumed projects of the development business was approximately 17.063 million square meters, a year-on-year increase of 8.8%, completing 102.0% of the target set up at the beginning of the year. The estimated plot ratio based floor area of completed projects of its development business was approximately 31.335 million square meters, a decrease of 13.7% year-on-year, completing 97.1% of the target set up at the beginning of the year.

Adhering to high-quality and accurate investment, and focusing on projects with real demands and high investment fulfillment. Throughout the year, a total of 43 new projects were acquired, with a total planned estimated plot ratio based gross floor area (“GFA”) of 5.96 million square meters, a planned estimated plot ratio based GFA attributable to the Company’s equity holding of 3.333 million square meters, a total land price attributable to the Company’s equity holding of about RMB46.32 billion, and an average land price of RMB13,899 per square meter in new projects. During the Reporting Period, the newly acquired resources were mainly residential units that were mainly distributed in major cities such as Beijing, Shanghai, Hangzhou and Chengdu, etc.

Relying on the application of mature product models and lean management, and guaranteeing the fulfillment of new projects after investment. In 2023, 33 newly acquired projects have achieved opening sales, with the investment fulfillment reaching 88%. In addition to new investments, the Group also continued to improve its resource structure through resource revitalization and other means to the extent permitted by policies. During the year, the revitalized and optimized resources achieved RMB9.02 billion in contract sales.

As of the end of the Reporting Period, the Group’s total estimated plot ratio-based GFA under construction was approximately 58.856 million square meters, and its estimated plot ratio-based GFA attributable to the Company’s equity holding was approximately 37.272 million square meters. The total estimated plot ratio-based GFA of the planned projects was approximately 33.035 million square meters, and its estimated plot ratio-based GFA attributable to the Company’s equity holding was approximately 20.809 million square meters. In addition, the Group was also engaged in some urban renewal projects. According to the current planning conditions, its total estimated plot ratio-based GFA was approximately 3.739 million square meters.

For specific information about new projects of the Group, please refer to “Project Investment” under “Investment of Non-Raised Funds” in “Section 4 Director’s Report” in this Report.

(3) Products

Adhering to product origin management. For stock resources in the land stage, re-examine the product positioning and the input-output relationship, and fully explore product value. For new project resources, product line systems were relied on to accelerate the application of mature products. For example, Langshi, the representative of the improved product series, has been popularized and applied in 16 projects across Shanghai, Nanjing, Ningbo, Chengdu, etc.

Improving trading efficiency through professional collaboration. Greatly improve the “batch processing” capability of similar projects through product line construction in combination with supply chain management. Currently, a number of demonstration bases have been established in Zhengzhou, Nanjing, Nanchang and other places to speed up the popularization and replication of excellent practices.

Promoting the research and development of cutting-edge products. The research results of the future urban ideal unit were realized within this year. The Ideal Land in Jiading, Shanghai, as the first practical project, has won market recognition for its new products with “vitality”, “low-carbon” and “intelligence” as the three core scenarios. Through the year, the sales amount reached RMB12 billion, consisting of 2,103 sets sold and 238,000 square meters sales area, and ranking first in the set and area of sales there.

(4) Project quality and delivery

We adhered to high-quality delivery. In order to improve the quality of delivery, the Group formulated an engineering quality manual by coordinating the engineering, cost, customer service and purchasing by invitation to bid, and sorting out the excellent engineering practices from the customer’s perspective, strengthened professional abilities through systematic training and learning and examples setting, and guaranteed the stability of delivery through the construction of digital engineering management platform. In the year, 289,000 houses, apartments and commercial offices were delivered, involving 354 projects and 742 batches.

The construction quality obtained professional recognition. In 2023, 10 of the Group’s projects won awards of Chinese construction industry.

Directors' Report

We made efforts to serve customers before and after delivery. Adhering to the principle of “opening the construction site regularly”, we promoted process supervision and owners’ co-construction at all stages of projects, including the construction of major structures, decoration and landscape, covering 371 projects throughout the year, with a total of 159,700 customers participating in construction and supervision. In order to improve the living experience after delivery, 35 large-scale projects were selected. As for these projects, we improved infrastructure and supporting facilities such as schools, public transportation, supermarkets, restaurants and pharmacies, and provided auxiliary activities including cultural entertainment, weekend fairs, and houses with move-in conditions. Among them, each of Jiaxing Dream Home, Changchun Sunflower Town, Wuhan Dream City and other projects increased more than 1,000 households throughout the year. Through continuously promoting the efficiency of property ownership certificate processing, 191 customers among the delivery batches got their property ownership certificates at the repossession site in the year.

(5) Continue to promote the industrialization of green buildings and houses

The Group’s new projects have met the green building evaluation criteria for 10 consecutive years. As of the end of 2023, Vanke had satisfied the green building evaluation criteria by an aggregate of over 328 million square meters, with an additional 19,636,600 square meters meeting the green building evaluation criteria. Among them, 10,546,100 square meters of projects met the high-grade green building criteria (including National Green Building two-star, three-star, and U.S. LEED certification, etc.). The Group continued to promote the application of the “5 +2” prefabricated construction system, and the industrial application ratio of newly opened mainstream projects exceeded 90%.

(6) Agent construction

The Group has started its EPC and agent construction businesses since 2010, and mainly provided services to government departments, financial high-tech enterprises, etc., with the project types covering schools, affordable housings, industrial offices, urban renewal, medical care, commercial housings, etc. Facing the demands for agent construction business in the industry, the Group has been actively exploring and experimenting leveraging its accumulated operational experience and competencies. Up to now, there have been 341 agent construction projects with a total floor area of 39.97 million square meters. Currently, there are 89 managed projects in total with a floor area of 15.06 million square meters. In 2023, the Group’s EPC and agency construction business realized revenue of RMB12.31 billion, and won 132 awards, including ISA International Safety Award, China Architectural Engineering Decoration Award, China Steel Structure Gold Award, National Worker Pioneer, Provincial/Municipal Quality Structure Award, Provincial/Municipal Demonstration Site, etc.

2. Property services

Onewo is China’s leading omni-space service provider. Through the AIoT (Artificial Intelligence Internet of Things) and BPaaS (Business Process as a Service) solution, Onewo can realize Remote & Hybrid operations, and improve the efficiency of space services for customers.

Directors' Report

In 2023, Onewo achieved the revenue of RMB33.42 billion (including revenue from services rendered to Vanke Group), representing a year-on-year increase of 10.2%, of which the revenue from residential and consumer services in community space was RMB18.93 billion, accounting for 56.6% and representing a year-on-year increase of 13.0%, the revenue from commercial enterprises and urban space comprehensive services was RMB11.70 billion, accounting for 35.0% and representing a year-on-year increase of 4.6%, and the revenue from AIoT and BPaaS solutions was RMB2.79 billion, accounting for 8.4% and representing a year-on-year increase of 16.9%.

The Onewo Town strategy achieved results, and the gross profit margin of residential property services increased significantly. As at the end of 2023, Onewo built a total of 621 Onewo Towns, with 319 new residential property projects in Onewo Towns; and process renovation was carried out for a total of 150 Onewo Towns, including 1,124 residential property projects. Through process renovation and operation optimization, Onewo Towns achieved efficiency promotion, and the overall efficiency improvement of renovated Onewo Towns has reached 4.5%, resulting in an increase of 3.5% in the gross profit margin of the overall residential property projects, and a year-on-year increase of 55.5% in the gross profit margin of the overall residential property projects.

We implemented a customer diversification strategy and continuously enhanced service abilities. As the commercial office service brand of Onewo, Cushman & Wakefield Vanke Service, continued to promote the expansion of the five major sectors (Internet, high-end manufacturing, finance, biological medicine and multinational corporations) and further enriched the customer matrix. During the Reporting Period, Cushman & Wakefield Vanke Service increased 15 super-high-rise landmark projects and explored multiple operations for commercial enterprise customers, including dust-free management, energy management, investment attracting services, curtain wall lighting, and parking lot management services. The total revenue generated from these multiple operations amounted to RMB543 million, representing a year-on-year increase of 107.5%. The external expansion capability of Onewo's enterprise remote services was further validated, and the service boundaries were further extended.

The technology strategy contributed to the continuous improvement of space efficiency, and the effect of product launch was remarkable. During the Reporting Period, Onewo constantly promoted the launch and application of technology products, and enhanced the efficiency of residential business management through mature self-developed products, such as the Black Cat series of traffic products and property self-service terminal Pineapple No.1, as well as Ling Shi servers (an integrated system for integrating servers, traffic business, communication business, and inspection business in Onewo Towns). As of the end of the Reporting Period, Onewo launched a total of 459 Lingshi servers in projects, realizing an online rate of more than 99.3%. In addition, Onewo launched the first intelligent operation platform, Flying Pigeon Task Platform in the industry. The platform integrates intelligent task separation, assignment, deployment, and AI inspection, which can further save the management cost of on-site deployment and realize cost decreasing and benefit increasing.

Directors' Report

3. Logistic and warehousing

VX Logistic Properties is the Group's logistics and warehousing services and supply chain solutions platform, and started its domestic warehousing network in 2015. VX Logistic Properties has developed into the largest scale of cold chain warehousing in China.

Revenue has grown steadily, and revenue of cold chain has maintained a high growth rate. In 2023, the logistics business (including unconsolidated items) generated a revenue of RMB4.18 billion, representing a year-on-year increase of 17.2%, of which RMB2.30 billion was generated from the revenue of high-standard warehouses, representing a year-on-year increase of 6.3%; and RMB1.88 billion from the revenue of cold chain (excluding revenue of supply chain), representing a year-on-year increase of 33.9%.

The opening scale of cold chain continued to expand, and the occupancy rate remained high. VX Logistic Properties newly opened 8 projects with a leasable floor area of 439,000 square meters, including 7 cold chain with a leasable floor area of 306,000 square meters, and one high-standard warehouse with a leasable floor area of 133,000 square meters. As at the end of the Reporting Period, the cumulative leasable floor area of the opened projects was 10.02 million square meters, of which the occupancy rate of high-standard warehouses in the stable period was 88%, with a leasable floor area of 8,520,000 square metres and the utilization rate of warehouse of cold chain in the stable period was 77%, with a leasable floor area of 1,500,000 square meters.

We created standardized products and continuously upgraded operation service capabilities. During the Reporting Period, VX Logistic Properties continuously upgraded and improved its operation and service quality in the cold chain warehouse, and formulated corresponding operation standards and management mechanisms in terms of standardization, quality control and cost efficiency. Focused on the upstream supply chain collaboration and downstream terminal distribution needs of customers in the industry, VX also created standardized service products, such as BBC (drop shipping) and UWD (Unified Warehousing and Distribution), which were piloted in several parks to enhance customers' experiences and upgrade operation service capabilities.

We followed the industry-leading service standards, winning a high degree of recognition from customers. VX Logistic Properties actively learned about sub-industry standards from top-tier customers in catering, retail, food and other industries and established its own food quality and safety system. VX Logistic Properties extended its professional operation service influence and enhanced customer stickiness by constantly implementing service standards that are stricter than the industry requirements. During the Reporting Period, Haigang Park of Shanghai and Economic Development Park of Langfang obtained the first BRCGS S&D (Global Standards for Storage and Distribution, a food safety certification program recognized by the Global Food Safety Initiatives), the highest AA certification, among third-party cold chain logistics companies in China. Haitou Park of Xiamen and Lingang Park of Shanghai obtained A certification. In addition, a number of cold chain parks under VX Logistic Properties ranked first in terms of quality and safety in the annual assessment of major customers.

Responding to the national call for carbon peak, we fully implemented the green and sustainable development concept. As of the end of the Reporting Period, VX's accumulative certified floor area of green buildings reached more than 8.6 million square meters. 105 projects obtained three-star green certification, and 12 cold chain parks obtained LEED platinum/gold certification. In addition, VX Logistic Properties established photovoltaic grid-connected systems in 19 parks in China, covering 13 cities with strong electricity demand, with an installed capacity of 52.02MW and accumulated power generation exceeding 22 million kWh. VX Logistic Properties constantly improved its performance in environmental, social and corporate governance (ESG), and won the "2023 Enterprise ESG Carbon Neutrality Practice Case" granted by Xinhuanet and the "2023 ESG Model Enterprise in Chinese Logistics" granted by China Logistics & Purchasing.

4. Rental housing

The Group's "Port Apartment" is the largest centralised apartment provider in the PRC.

Revenues continued to grow and the business achieved overall profitability. The rental housing business (including unconsolidated items) realised revenue of RMB3.46 billion in 2023, representing a year-on-year increase of 6.8%. By expanding the opening scale, stabilizing high occupancy rates, and improving operational efficiency, the Port Apartment business will achieve overall profitability under the cost method in 2023, and business development has entered a new stage.

Continue to expand the scale and consolidated the leading position. During the Reporting Period, Port Apartment has newly acquired 22,800 rooms, with a net of 13,500 unveiled. As at the end of 2023, Port Apartment operated 233,300 rental houses and unveiled a total of 180,100 new units. Port Apartment has now established a presence in 31 cities across China, being the top three in the number of unveiled apartments in 24 cities including Beijing, Shenzhen, Guangzhou, Chengdu and Wuhan, etc..

Actively responded to the affordable rental housing policy. As of the end of the Reporting Period, Port Apartment has 147 affordable rental housing projects in 23 cities including Beijing, Tianjin, Shenzhen and Xiamen, involving 101,500 houses.

Innovated business model to enhance operational efficiency. By the end of 2023, the occupancy rate of Port Apartment was 95.76%, continuing to maintain a high level. Through the innovation of flexible lease term model, landing of KA manager system, deep cultivation of weighted strategic corporate clients, and strengthening of the construction of CRM system for major clients, Port Apartment served more than 5,000 enterprises, and the proportion of corporate clients increased to 23.0%, which brought a more stable client structure to the business. During the Reporting Period, Port Apartment continued to maintain a high operational efficiency, with the project front GOP margin of 88.4%, the rent collection rate of 99.0%, the own channel customer acquisition accounting for over 85%, up 5 percentage points year-on-year, overall channel rates declined to less than 0.6%.

Directors' Report

Upgraded the operation and service capacity of large-scale rental communities. Currently, Port Apartment has operated and managed 19 large-scale rental communities in 11 cities, further strengthening the comprehensive management and service capabilities in leasing, commerce, property management and other formats. Among them, the Xiamen Bay community of Port Apartment Yuaner was officially opened in 2023, with a total of 7,874 rooms in the project. 3,542 rooms were launched in the first phase of the project, which was fully rented upon opening. The Yuaner Caoqiao Community in Beijing was fully opened in 2023, with a total of 3,406 houses and an occupancy rate of 92.8% for the year.

Provides a warm lifestyle. By carrying out the community manager program, Port Apartment builds community activities and creates a rich and colorful youth community lifestyle. In 2023, Port Apartment stores across the country organized and held more than 1,390 community activities, opening a high-quality social circle for more than 100,000 Port Apartment customers, and constructed a series of IP brand activities with unique Port Apartment features, such as the “Yuncheng Carnival”, “Summer Escape Plan”, “Honor of Kings & Port Apartment National Competition”, and so on. In 2023, the customer satisfaction rate of Port Apartment was 94.8% and the customer renewal rate was 63%. The cumulative number of registrants on the online platform of Port Apartment reached 3.6 million, an increase of 33% year-on-year and the number of fans of the official account exceeded 1.1 million.

5. Retail property development and operations

The Group's retail property development and operation business includes shopping malls and community retail property facilities etc.

Maintaining revenue growth and increasing occupancy rate. During the Reporting Period, the operating income from the Group's commercial business (including non-consolidated items) was RMB9.11 billion, representing a year-on-year increase of 4.6%. Among them, the operating income from the commercial projects managed by SCPG was RMB5.7 billion, representing a year-on-year increase of 4.1%; and the occupancy rate was 94.8%, up 1.6 percentage points year-on-year.

Laying out businesses in economically developed areas and cities. As at the end of the Reporting Period, the Group has opened a total of 203 commercial projects (excluding light asset management projects) with a floor area of 11.58 million square meters; and the planned and under-construction commercial building area was 3.05 million square meters. Among them, SCPG has opened a total of 74 commercial projects (excluding light asset management projects) with a floor area of 7.14 million square meters; and the planned and under-construction commercial building area was 0.71 million square meters. Among the commercial projects managed and operated by the Group, those in the cities in the Yangtze River Delta and the Pearl River Delta accounted for more than 52%, those in the four first-tier cities accounted for 24%, and those in the first- and second-tier cities accounted for more than 90%.

Directors' Report

New projects opened smoothly. In 2023, 15 projects such as Chongqing In-City, Shanghai Longhuahui and Shenzhen Bay Rail In Shopping Center were opened and well received by consumers. Among them, Chongqing In-City achieved an investment attraction rate of 98.2% and an opening rate of 97.2%, and introduced core brands such as Galeries Lafayette, the first store in southwest China, and Tsutaya Books, the first store in Chongqing. Shanghai Longhuahui has achieved an opening rate of 85%, with 90% of the first-to-market brands, 81% of new customized image stores, and more than 70 first stores in the region. In May 2023, the RAIL IN Project in Shenzhen Bay, for which the Group cooperated with SZMC, was officially launched in Shenzhen Bay Super Headquarters Base, introducing well-known Bay Area brands, emerging brands, and actively building a portfolio of global flagship stores for technology brands.

Creating a benchmark for historical and cultural commercial blocks. The newly opened Hangzhou Birdland not only improves the daily life quality of the surrounding residents, but also attracts a large number of literary tourists, and becomes a benchmark for cultural and artistic commercial blocks, winning many government awards such as “Special Fund Project for Cultural Industry Development in Zhejiang Province, Second Batch of Key Cultural and Tourism Markets in Zhejiang Province, and Title of Hangzhou Municipal High-quality Pedestrian Street”. Fuzhou Yantai Mountain, an urban renewal project, has created the first store economy. During the Reporting Period, 28 first stores were introduced, with a total passenger flow up to 11 million. The project becomes the first popular destination for travel in Fujian and rated as the national night culture and tourism consumption gathering area by the Ministry of Culture and Tourism.

Expanded influence of commercial brands. As at the end of the Reporting Period, SCPG had established good cooperation with over 12,000 brands, with a digital membership of 34.32 million and a maximum monthly active membership of over 4.29 million, representing a 39.6% increase in monthly activity year-on-year. The 7th SCPG Flower Festival linked more than 100 projects in more than 50 cities nationwide, boosting total sales by 30% and customer traffic by more than 40% year-on-year.

6. Hotel and resort business

Promoted the development of quality resources for cultural and tourism vacations, and expanded the influence of brands. The Group holds 33 hotels in operation, covering core cities such as Beijing, Shenzhen, Guangzhou and Chengdu, and tourist resorts such as Yangshuo and Lijiang, and forms two self-operated brands, “Zhanyun” with high-end business as its positioning and “Youxiong” with urban humanities as its connotation. During the year, we opened the new Chaozhou Ancient City Youxiong and Suzhou Changyuan Youxiong, further expanding the influence of the brand Youxiong in the humanistic vacation field in Jiangnan.

Directors' Report

Practised the concept of “The ice frozen areas have a lot of opportunities to gain the fortune” and improved the service level of ice and snow sports. V-SKI (largest mountain and ski vacation brand in China), a brand under the Group, operated four ski resorts, namely Songhua Lake Resort in Jilin, Shijinglong Ski Resort in Beijing, Xishan Ski Resort in Beijing, and Mawanshan Ski Resort in Hohhot, with a total of 68 trails, and managed the ski schools of four ski resorts in Chongli, Chengde, Shuozhou and Yanqing in Beijing during 2023-2024 winter. In 2023, 730,000 person-times were received, a decrease of 11% year-on-year, realizing operating revenue of RMB280 million, unchanged year-on-year. During the Reporting Period, the brand influence of the Group's ski resorts continued to grow, with Songhua Lake Resort winning the World Ski Awards – Best Ski Resort in China for 2023, for seven consecutive years. The ski resorts managed by the Group have successively hosted many professional and mass skiing events, such as 2024 Asian Ski and Mountaineering Championships, National Alpine Skiing Junior Championships, “Vanke Cup” 10th National Undergraduate Skiing Challenge, the 2nd Beijing Winter Games, the 2nd National Skiing Championships for College Teachers, the National Ski Club Elite League of China Skiing Association, etc., to promote the development of ice and snow sports in China.

7. Operating business realized a closed-loop business model

A breakthrough was made in issuing public REITs. As of the disclosure date of this Report, CICC-SCPG REIT has completed offline quotation, with an estimated fundraising of RMB3.26 billion; the application materials of the REIT for logistics and warehousing were accepted by CSRC; and the REIT for affordable rental housing have completed the sorting and evaluation at the asset end, and the declaration is being carried out. The issue of public REITs will help the Company build a complete closed-loop business model of “investment, financing, management and exit”, realize more efficient operations of assets and funds, and accomplish sustainable and healthy business development under a lower financial burden.

Certain results have been achieved as to private equity funds. The Group and China Construction Bank jointly invested in the establishment of CCB-VANKE Leasing Fund, with a fund size of RMB10 billion. As of the end of the Reporting Period, CCB-VANKE Leasing Fund has executed contracts for 5 projects with a total scale of RMB2.815 billion to provide 5,021 affordable rental housings for the society, with the asset types covering commercial-to-rental conversion housing, collective land leasing housing and newly-built leasing housing in self-owned residences. The fund can help revitalize stock assets in the apartments, enhance capital circulation, and promote enhancement in asset efficiency. In addition, the Group is also actively trying and exploring consumer infrastructure funds, logistics and warehousing facilities funds, etc.

The value of operating assets has been widely recognized, and the transaction of bulk assets has progressed smoothly. In February 2024, the Group transferred its remaining 50% rights and interests in Shanghai Qibao Vanke Plaza to Link at the consideration of RMB2.384 billion. From 2008, the Group acquired the land parcel, and then underwent development, construction, operation and management until exit, realizing the shareholder IRR of 15.7%.

(4) Other main works

1. Technology-driven business development

During the Reporting Period, the Group focused on two main lines of work, namely “Focusing on business, creating high-tech products, and helping to improve business management” and “Strengthening technological capacity and core competitiveness of real estate technology through technological innovation” to provide support for business development.

Strengthening the management of operational business operation data, consolidating the data inventory of ready-to-sale business assets, and facilitating overall, dynamic and refined management of operational management decisions. For the operating business segment, improves basic information, opens up system data, determines the source of indicators, supports unified analysis of the group, and supports asset transaction data analysis; For the ready-to-sale business segment, directly obtains source data of business based on licenses, drawings, and image intelligent recognition technology, through refined operation management of core data such as area, price, progress, and output value data, support the dynamic management of the group's full assets and meet the requirements of resource inventory, plan control, business decision-making, and target management.

Cultivating the ability to acquire customers through the Internet, improving the efficiency of clue transformation, and applying online reception tools to improve customers' experience of house purchase. Actively conduct online live streaming to acquire customers, continuously summarize and optimize live streaming methods during normalized live streaming, create multiple projects with demonstration effects, and upgrade customer engagement and lead conversion rate while reducing customer acquisition costs; unify official customer acquisition tools and develop AI assistants to respond quickly to customer inquiries; provide customers with more comprehensive, three-dimensional and interactive house-buying services through live broadcasting services; promote the application of digital online signing to ensure that subscription signing is efficient and reliable.

Accelerating the application of digital drawing products, accelerating the research and development of 3D intelligent modeling products, and helping real estate development to improve efficiency. Based on years of accumulated drawing structuring capability, the “Tuyun” architectural drawing collaboration platform was launched, effectively achieving multi-version management of drawings and improving the efficiency of drawing-based collaboration. The research and development of core building elements of the 3D modeling platform and the plan and elevation map-making function was completed, achieving 2D and 3D integrated design and supporting project design to improve efficiency.

Directors' Report

2. Deepening the organization construction

In light of changes in the operating environment and business development needs, the Group continued to deepen the organizational reconstruction and task-talent matching. The development business took the development and operation headquarters as the leader, focused on solving the problems of fragmented capabilities and unstable trading performance starting from the origin of investment and products based on the resource asset base table; in terms of the operating and service businesses, we adhere to the strategy of integration of development, operation and services. On the one hand, we will focus on improving operational efficiency and competitiveness around frontline projects such as parks and stores. On the other hand, we will establish a commercial business unit to strengthen the overall construction of the Group's commercial business.

In 2023, the Group formulated a comprehensive work plan for talent cultivation focusing on cultural values, professional capabilities, management capabilities and new employees, and enriched the training forms through "Learning Map", "Daily Practice", "Situational Teaching" and "Online Interaction" on V-learning, an internal online learning platform. Meanwhile, the Group actively promoted and carried out the "Learning from the Best" activity, and promoted the benchmark stories and excellent practices of the strugglers, so as to support the enhancement of grassroots service and professionalism.

Since 2024, in order to actively adapt to changes in the market environment and meet the needs of business development, the Group has successively completed the organizational setup of city companies in the southern region and Shanghai, further promoting the efficient allocation and integration of resources among cities and the flexible allocation of talents, as well as improving efficiency and responding to project needs in a more timely manner by concentrating advantageous management resources.

3. ESG

The Group adheres to the concept of sustainable development, actively practises its corporate social responsibility, and is committed to integrate green and low-carbon concepts into the whole process of design, construction and operation, so as to create a resource-saving and environment-friendly green human settlement. In the meantime, it continues to promote the building of a green supply chain, advocate green leasing, actively explore the construction of carbon neutrality communities, etc., and conducts climate change risk analysis according to the Guidelines for Financial Information Disclosure Related to Climate Change (TCFD). Currently, it has formulated nearly 50 sustainable development goals, covering carbon emission reduction, waste reduction, energy use, customers, employees, suppliers and other aspects.

The Group's ESG performance has been widely recognized by rating and index institutions at home and abroad. The Group maintained the only highest A+ rating among mainland real estate companies in the Hang Seng ESG rating, and has been continuously included in Hang Seng ESG50 Index, Hang Seng Sustainable Development Enterprise Benchmark Index, Hang Seng A-share Low Carbon Selection Index and Hang Seng A-share Sustainable Development Enterprise Index, becoming one of the top 50 companies with the best ESG performance among large-scale companies listed in Hong Kong and one of the top 30 companies with the best ESG performance among large-scale companies listed in A-share. Meanwhile, it received Level AAA at the ESG rating by SZSE, ranking first in the environmental industry; and also received Level BBB at the MSCI-ESG rating, keeping a leading position in the industry.

(5) Analysis of operational and financial condition of the Group

1. Profit

During the Reporting Period, the Group realized a net profit of RMB20.46 billion, representing a decrease of 45.6% year-on-year. Net profit attributable to equity holding amounted to RMB12.16 billion, representing a year-on-year decrease of 46.4%, mainly due to the decrease in the settlement scale and settlement gross margin of the development business, and the provision for impairment was made on certain development projects. The Group also realized investment income of RMB2.69 billion, representing a decrease of 34.7% year-on-year, mainly due to the decrease in the gross margin of the unconsolidated items, the provision for impairment made on certain unconsolidated items, and the decrease of net gain on disposals of investment.

2. Liabilities

(1) Gearing ratio

As of the end of 2023, the Group's net gearing ratio was 54.7%, an increase of 11.0 percentage points from the end of 2022.

(2) Interest-bearing liabilities and their composition

As of the end of the Reporting Period, the Group's interest-bearing liabilities amounted to RMB320.05 billion in aggregate, representing 21.3% of total assets. These interest-bearing liabilities were mainly medium and long-term liabilities. Among these interest-bearing liabilities, interest-bearing liabilities due within one year amounted to RMB62.42 billion, representing 19.5% of total; interest-bearing liabilities of more than one year amounted to RMB257.63 billion, representing 80.5% of total.

By financing source, bank borrowings, bonds payable and other borrowings accounted for 61.7%, 24.8% and 13.5%, respectively.

By type of interest rates, liabilities with fixed interest rates accounted for 38.7% and liabilities with floating interest rates accounted for 61.3% of the interest-bearing liabilities.

By geographical location, domestic liabilities and overseas liabilities accounted for 80.3% and 19.7% respectively. RMB liabilities and foreign currency liabilities accounted for 80.9% and 19.1%, respectively.

Directors' Report

Overview of financing (as of 31 December 2023)

Unit: RMB'0000

Channel	Balance	Range of financing costs	Term structure
Bank loans	19,734,728.12	2.50% up to contracted Hibor rate float	Short-term borrowings, non-current liabilities due within one year, long-term borrowings
Bonds	7,923,055.65	2.90%~5.35%	Non-current liabilities due within one year, bonds payable
Other borrowings	4,347,367.69	2.75%-4.60%	Short-term borrowings, non-current liabilities due within one year, long-term borrowings
Total	32,005,151.46		

(3) Financing overview

The Group continued to optimize its debt structure and reduce financing costs through various financing instruments and was strongly supported by financial institutions by strengthening mutual trust and cooperation with them. In 2023, the composite cost of newly domestic increased financing was 3.61%.

During the Reporting Period, the Group issued the debenture bonds valued RMB10 billion, of which the corporate bonds valued RMB2 billion were issued with a coupon rate of 3.10% (in 3 years), and the medium-term notes valued RMB8 billion were issued in 4 times with a minimum coupon rate of 3.07% (in 3 years).

During the Reporting Period, the Group's actual interest expenses totalled RMB14.26 billion, of which the capitalised interest amounting to a total of RMB9.42 billion.

While maintaining stable financing for development projects, the Group continues to expand its financing channels and revitalizes its previous investments in operating assets through operating property loans. In January 2024, the Central Bank and the National Financial Regulatory Administration jointly issued a notice, clarifying that before the end of 2024, national commercial banks may issue operating property loans to some well-run real estate enterprises for "repaying their loans and open market bonds related to the stock real estate sector and their group holding companies (including consolidated subsidiaries)". The Group is actively negotiating with banks to expedite the release of operating financing resources.

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The Group actively transforms into a new financing model since the implementation of the urban real estate financing coordination mechanism. As at the disclosure date of this Report, 42 city projects have been listed in the white list of the housing and construction financing coordination mechanism in 22 cities, including Beijing, Guangzhou, Hangzhou, Chengdu, Chongqing, Nanchang and Kunming, and shall actively file the application according to detailed requirements of each city.

(4) Credit rating

During the Reporting Period, China Chengxin International Credit Rating Co., Ltd., a domestic rating agency, maintained the Group's corporate credit rating of AAA with a "stable" rating outlook.

As for international rating agencies, Standard & Poor's maintained the Group's credit rating of "BBB+", Fitch downgraded the Group's credit rating from "BBB+" to "BBB" in October 2023, and Moody's downgraded the Group's credit rating from "Baa1" to "Baa3" in November 2023. In March 2024, Moody's downgraded its credit rating to "Ba1" again, and Fitch downgraded its credit rating to "BB+" again.

Such international rating agencies downgraded their credit ratings to the Group were mainly because their views on the real estate industry in China tended to be pessimistic. Affected by turbulent market confidence and intensified panic, the prices of domestic and overseas bonds of the Group have experienced a significant decline at one point. In the face of the challenges brought about by the sharp fluctuations in market sentiment, the Group made every effort to ensure the safety of its operations, and arranged various funds and repayments in an orderly manner. As of the disclosure date of this Report, it has fully paid off the RMB2 billion medium-term notes due in January 2024 and the principal and interest of the USD630 million overseas bonds due in March 2024. In the meantime, the Group paid close attention to market changes, strengthened communication with all parties concerned, and responded to market concerns.

(5) Progress of the SASAC Support

In November 2023, State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government, SZMC and the Company jointly held a communication meeting among financial institutions, during which State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government stated that Vanke is an important member of Shenzhen SASAC's system, and that it has full confidence and sufficient financial resources and tools to help Vanke actively cope with the situation and resolve the risks through market-based and rule-of-law means such as project cooperation, optimization of equity investment structure, bond subscription and coordination of financing by financial institutions if it needs to do so or if Vanke encounters an extreme situation. The positive attitude of Shenzhen SASAC plays a key role in stabilizing market confidence. After that, Shenzhen SASAC coordinated a number of state-owned enterprises to dock with the Group, and promoted the implementation of various specific support measures. Among them, in March 2024, SZMC entered into the strategic placement agreement of CICC-SCPG REIT, and promised to subscribe 29.75% of the total number of fund share for sale, reflecting the strong support of the major shareholders for the Group and

Directors' Report

SCPG to revitalize their stock assets and further enhance their asset management capabilities. Besides SZMC, a couple of state-owned enterprises in Shenzhen are also supporting Vanke by way of bulk transactions, subscribing to REITs, project cooperation and other means.

3. Capital position

The Group achieved a net cash inflow from operations of RMB3.91 billion for the entire year, which has been remained positive for 15 consecutive years.

As of the end of the Reporting Period, the cash on hand held by the Group amounted to RMB99.81 billion, which was much higher than the sum of interest-bearing liabilities due within one year of RMB62.42 billion. Among the cash on hand, Renminbi accounted for 97.2%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 2.8%.

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 incurred an exchange loss of approximately RMB550 million, which was mainly due to the fact that the Company held some ruble asset positions and thus was affected by the depreciation of the ruble.

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 considered cost of hedges, and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates, the Group's effective cross currency swap (CCS) contract balance was US\$1 billion at the end of the Reporting Period. During the Reporting Period, there were US\$1.121 billion of CCS contract expiring and no newly-added hedging contract. During the effective period of the hedging contracts, the changes in the fair value of CCS had no material impact on the Group's profit and loss.

5. Analysis of inventory

As of the end of the Reporting Period, the Group's inventory amounted to RMB701.72 billion, representing a decrease of 22.6% from that at the end of 2022; of the aforesaid inventory, projects held for development amounted to RMB101.93 billion, accounting for 14.5%; properties under development amounted to RMB489.33 billion, accounting for 69.7%; and completed properties for sale (existing properties) amounted to RMB107.74 billion, accounting for 15.4%.

The Group appropriated provision for impairment of inventories for projects subject to risks based on its prudent market strategy. The provision of impairment of inventories during the Reporting Period was RMB3.49 billion and the impact on net profit attributable to the equity shareholders of the Company was RMB2.95 billion. As at the end of the Reporting Period, balance of inventory impairment provision amounted to RMB7.99 billion.

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Unit: RMB'0000

No.	City	Project	New Inventory Falling Price Reserves Made in the Year
1	Jinan	Jinan Emerald Word	7,452.40
2	Tangshan	Tangshan Park Metropolis Phase I	14,018.32
3	Tangshan	Tangshan Park Metropolis Phase II	6,093.02
4	Tangshan	Tangshan Fengrun Guanlan	10,556.03
5	Tianjin	Tianjin Baodi Plot 024 Project	22,614.96
6	Tianjin	Tianjin Four Seasons Riverside	22,047.10
7	Tianjin	Tianjin Qilin Wetland Vanke Town	21,053.95
8	Dalian	Dalian Emerald Light	5,243.19
9	Dalian	Dalian Park Metropolis	18,791.16
10	Harbin	Harbin Jinyu Yuefu	35,361.10
11	Shenyang	Shenyang Light of Tomorrow	7,547.37
12	Shenyang	Shenyang Fulihua Project	3,381.54
13	Shenyang	Shenyang Xichen Zhiguang	5,186.95
14	Shenyang	Shenyang Mansion One	22,247.85
15	Dongguan	Dongguan Gongyuanli	15,446.77
16	Foshan	Foshan Jinyu Peninsula	23,696.80
17	Foshan	Foshan Charming City	6,345.84
18	Nanning	Nanning Emerald Center	13,804.44
19	Jiaxing	Jiaxing Zhenjing Yayuan	9,663.14
20	Zhenjiang	Zhenjiang Emerald Park	7,066.62
21	Jinhua	Jinhua Jinli Jianglan	11,378.60
22	Jinhua	Jinhua Jinyun Jiangting	28,050.72
23	Jinhua	Jinhua Wancheng Huafu	20,045.12
24	Taizhou	Jingjiang Jingyue Oriental	11,902.25
Total			348,995.24

Directors' Report

6. Change of key performance indicators

Unit: RMB'000

Project	31-Dec-2023	31-Dec-2022	Change Range	Description
Other financial assets	2,191,465	5,131,808	-57.30%	Impact of disposal of partial investment
Biological assets	218,250	319,393	-31.67%	Impact of disposal of partial biological assets
Contract liabilities	308,638,338	465,580,958	-33.71%	Impact of decrease in pre-sale payments
Net other income	6,573,051	9,903,438	-33.63%	Increase in exchange losses
Other expenses	(973,702)	(1,404,718)	-30.68%	Decrease in related expenses
Share of profits less losses of associates and joint ventures	58,934	(776,606)	107.59%	Increase in investment income recognized under the equity method
Income tax	(24,514,618)	(35,805,267)	-31.53%	Decrease in taxable profit

7. Capital expenditure commitments

As of the end of the Reporting Period, the capital commitments of the Group reached RMB96.220 billion, including the construction contracts entered into or to be executed by the Group, as well as the land contracts signed and going or preparing to execute.

8. Contingent liabilities

In accordance with industry practice, the Group provided guarantee for mortgage loans taken by purchasers of the Company's properties of which mainly are provisional guarantee. 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 of the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB171.32 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.

9. Seizures, withholding and freezing of major assets

Nil.

10. Analysis of major holding and shareholding companies

Applicable Not applicable

11. Disclosure of major items according to relevant requirements of the “Guidelines for Self-regulation of Listed Companies in Shenzhen Stock Exchange No.3 – Industry Information Disclosure”

Applicable Not applicable

The Group does not have any “major items” as stipulated in relevant requirements of the “Guidelines for Self-regulation of Listed Companies in Shenzhen Stock Exchange No.3 – Industry Information Disclosure”.

12. Project follow-up investment

In order to directly link the project operating results with the interests of employees and encourage the follow-up investment personnel to create greater value for the Company and its shareholders, the Group launched project follow-up investment in 2014, and then continuously iteratively revised the follow-up investment system according to the development needs. During the Reporting Period, in response to changes in the business environment and in line with the development direction of integration of development, operation and services, the Group launched the Project Follow-up Investment System Version 7.0.

By the end of 2023, a total of 1,214 projects of the Group had been introduced the follow-up investment mechanism. Among the newly acquired projects during the Reporting Period, the follow-up subscription amount was RMB1.27 billion, accounting for 1.86% of the peak funds of follow-up projects and 3.58% of the peak equity funds of Vanke.

As at the disclosure date of this Report, the income distribution of the Group's project follow-up entities has been matched with the actual investment. At present, Vanke's project follow-up investment system has been in operation for ten years. For reasons such as reaching project liquidation or mock liquidation conditions, employees' follow-up interests in some projects have been withdrawn.

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(6) Future development prospects

So far, the real estate market is facing multiple changes that are mainly manifested as the transformation of supply and demand, the transformation of industry models and the adjustment of financing methods. In 2024, the Group will implement the work from following aspects:

1. Ensure the bottom line of safety

The development business insists on outperforming the general trend, and the cash flow at the operating level is positive. Strengthen large-scale transactions and equity transactions, collect more than RMB30 billion, and thicken the safety cushion.

2. Resolutely reduce leverage and promote the transformation of financing models

Reduce interest-paying debt by RMB100 billion in the next two years. Actively utilize financing tools such as operating property loans, fully integrate into the urban real estate financing coordination mechanism, and promote the transformation of financing models.

3. Produce “good products and good services” and continue to win customer reputation

Ensure high-quality project delivery. Through good products and good services, we will continue to consolidate customer reputation and market reputation. Further enhance the professional synergy advantages in products, supporting facilities and property services.

4. Be streamlined, efficient, and reduce cost

Promote a streamlined and efficient organization, maintain the stability of key employees, and support business development. Reduce management costs.

In 2024, the Group's existing projects (excluding newly acquired projects in the future) plan to newly commence and resume a plot ratio-based GFA of 10.718 million square meters, and it is estimated that the completed plot ratio-based GFA will be 22.057 million square meters. For details of the Group's commencement and completion plans in 2024, please refer to the “Development Status of Major Domestic Projects in 2023 and Development Plan for 2024”.

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Development of Major Domestic Projects in 2023 and Development Plan for 2024

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2023	Accumulated	Area not	Area to be completed in 2024	
					commenced construction in 2023		completion area by 2023	yet under construction as at the end of 2023		Area to be commenced construction in 2024
Beijing Region										
Aifudun Project, Beijing	Changping District	100.0%	23,084	113,651	-	-	113,651	-	-	-
Changyang Bandao, Beijing	Fangshan District	100.0%	437,179	859,085	-	-	859,085	-	-	-
Ruyuan C1, Beijing	Haidian District	49.0%	85,099	197,813	-	-	197,813	-	-	-
Golden Paradise, Beijing	Fangshan District	40.0%	65,967	155,293	-	-	155,293	-	-	-
Changyang Tiandi, Beijing	Fangshan District	69.0%	112,673	208,350	-	-	174,254	-	-	-
Jade Four Season (Phase II), Beijing	Tongzhou District	50.0%	61,717	123,434	-	-	123,434	-	-	-
Shoukai Vanke Centre, Beijing	Daxing District	50.0%	41,092	126,562	-	-	126,562	-	-	-
Changyang Bandao Central City, Beijing	Fangshan District	60.0%	63,950	155,502	-	-	155,502	-	-	-
City Twilight, Beijing	Tongzhou District	35.0%	34,657	122,483	-	-	122,483	-	-	-
Guancheng Villa, Beijing	Shunyi District	58.5%	187,830	170,568	-	-	123,435	-	-	-
Beijing Shunyi 28 Subdistrict Project	Shunyi District	49.5%	22,913	41,200	-	-	41,200	-	-	-
TBD Vanke Center, Beijing	Changping District	50.0%	68,944	202,751	-	-	202,751	-	-	-
Yunchuang Tiandi, Beijing	Tongzhou District	49.0%	80,131	143,992	-	-	82,580	-	-	-
South of Cuihu International, Beijing	Haidian District	100.0%	20,680	62,461	-	-	61,177	-	-	1,284
Jade Garden, Beijing	Changping District	40.9%	255,075	424,899	-	6,847	297,780	80,377	-	46,742
Jade Chang'an, Beijing	Mentougou District	49.4%	65,821	252,082	-	-	154,385	-	-	-
Metropolis No.79, Beijing	Chaoyang District	100.0%	16,782	51,895	-	24,712	24,712	-	-	10,816
Metropolis Binjiang, Beijing	Tongzhou District	88.8%	9,293	88,192	-	-	88,192	-	-	-
Beijing Junzhuang Project	Mentougou District	50.0%	74,720	44,200	-	-	-	44,200	-	-
Beijing Red Scarf Bridge Project	Chaoyang District	53.5%	15,593	90,000	-	-	90,000	-	-	-
North of Cuihu International, Beijing	Haidian District	50.0%	9,253	28,125	-	-	28,125	-	-	-
Beijing Vernon Town	Miyun District	32.1%	227,337	208,769	-	-	66,132	-	-	142,637
Beijing Emerald West Lake Project	Fengtai District	32.3%	230,356	265,159	-	89,359	164,107	68,427	-	-
Guancheng Dajia, Beijing	Shunyi District	49.8%	122,906	124,135	-	-	59,405	-	-	64,730
Qixiang Villa, Beijing	Fangshan District	99.4%	89,117	133,675	-	-	133,675	-	-	-
Feicuiyuntu, Beijing	Haidian District	98.6%	54,881	106,795	-	-	106,795	-	-	-
Feicui Shanxiao, Beijing	Shijingshan District	49.6%	202,551	346,500	-	74,002	161,901	-	-	50,908
City Twilight Dongwang, Beijing	Tongzhou District	54.9%	110,493	279,378	-	53,147	209,316	-	-	60,032
Beijing Emerald West Lake Yunlu	Fengtai District	99.8%	168,663	184,119	-	86,383	86,383	-	-	97,736
Guanchengwangxi, Beijing	Shunyi District	48.3%	43,326	64,988	-	64,988	64,988	-	-	-
Beijing Lake and Villa Project	Fangshan District	19.8%	133,033	210,500	-	165,785	165,785	-	-	44,715

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Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Accumulated	Area not	Area to be	Area to be
					commenced construction in 2023	Completed Area in 2023	yet under construction as at the end of 2023	commenced construction in 2024	Area to be completed in 2024
Beijing Donglu	Tongzhou District	49.8%	42,366	78,553	78,553	-	-	-	-
Beijing Xianghe Project 2012	Xianghe County	50.0%	342,826	513,139	-	-	246,386	266,753	-
Beijing Harrow Town	Xianghe County	50.0%	207,255	345,239	-	-	29,204	223,210	30,472
Peacock Lake - 77 Mu Land, 39 Mu Land Project, Bazhou	Bazhou City	64.8%	77,510	116,187	-	-	-	116,187	-
Times Light, Bazhou	Bazhou City	33.6%	44,355	110,814	-	35,481	35,481	-	-
Plots 231 and 232, Dachang	Dachang Hui Autonomous County	79.8%	76,388	146,269	-	-	-	-	-
Plots 233 and 234, Dachang	Dachang Hui Autonomous County	79.8%	50,606	84,303	-	-	84,303	-	-
Langfang The Light of Sailing	Yongqing County	89.5%	56,234	100,909	-	-	-	57,918	-
Dongjianta Project, Langfang	Guangyang District	37.6%	38,714	71,790	-	62,431	62,431	-	-
Spring Dew Mansion, Langfang	Anci District	55.6%	71,359	143,296	-	-	-	-	63,660
Central Park, Baotou	Qingshan District	55.2%	209,224	470,091	-	-	470,091	-	-
Baotou Jade City	Jiuyuan District	57.9%	369,999	845,957	21,646	306,402	306,402	359,530	135,681
Park Avenue Phase III, Tangshan	Lubei District	16.3%	230,191	557,693	-	-	-	462,891	52,774
Golden Paradise, Tangshan	Lubei District	41.0%	53,400	133,499	-	-	133,499	-	-
Nanhuchunxiao, Tangshan	Lunan District	24.0%	165,834	431,738	-	33,891	431,738	-	-
Tangshan Tang Dynasty Mansion	Lunan District	50.4%	106,070	259,591	-	104,223	223,782	-	35,809
Future City, Tangshan	High & New Technology Industries Development Zone	53.6%	208,676	521,166	46,673	233,672	289,782	-	141,646
Fengrun King Metropolis, Tangshan	Fengrun District	32.0%	50,879	122,743	-	-	122,743	-	-
Feicui Blue Mountain, Tangshan	High & New Technology Industries Development Zone	98.2%	80,103	205,215	-	3,081	205,215	-	-
Tangshan Xinhua Road Project	Lubei District	49.7%	17,265	120,854	-	-	-	120,854	-
Tangshan Gangdao Zhongxin	Fengnan District	53.5%	120,241	244,885	-	121,599	242,326	-	-
Tangshan Fengrunquanlan	Fengrun District	47.0%	47,403	52,144	-	22,998	22,998	-	29,146
Park Metropolis Phase I, Tangshan	Lubei District	99.1%	75,961	151,893	-	77,316	77,316	-	74,577
Park Metropolis Phase II, Tangshan	Lubei District	99.0%	41,372	82,737	43,926	-	-	38,811	38,811
Fengrunziyuan, Tangshan	Fengrun District	47.0%	76,364	152,720	-	-	-	-	-
Holiday Views, Qinhuangdao	Haigang District	60.0%	124,672	306,612	-	-	306,612	-	-
Beidaihe Town, Qinhuangdao	Beidaihe District	50.0%	76,384	84,881	-	-	84,881	-	-

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Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023		as at the end of 2023	Area to be commenced construction in 2024	
Mijas, Qinhuangdao	Beidaihe District	100.0%	85,659	92,357	-	7,315	44,082	-	-	-
Time Sea, Qinhuangdao	Beidaihe District	16.0%	89,811	94,707	-	-	76,304	-	-	-
Zhangjiakou Jingcheng Shangfang	Xiahuayuan District	32.0%	101,649	225,096	-	23,414	23,414	113,163	-	-
Jade Garden, Jinan	Lixia District	50.0%	87,149	220,858	-	-	220,858	-	-	-
Feicuishanyu, Jinan	Licheng District	98.8%	126,244	265,098	-	-	219,270	-	-	45,828
Metropolis, Jinan	Lixia District	32.0%	78,771	245,891	-	-	245,891	-	-	-
Baimaiyuefu, Jinan	Zhangqiu District	25.0%	201,116	402,189	-	92,360	274,668	-	-	101,244
Vanke Shanwang, Jinan	Shizhong District	42.3%	120,618	572,428	-	-	275,746	-	-	-
Jinan Quanxueli Industries Development Zone	High & New Technology	33.4%	133,532	333,345	-	-	333,345	-	-	-
Glamorous City, Jinan	Licheng District	66.6%	110,494	277,340	-	-	277,340	-	-	-
Jinan Fanrongli	Tianqiao District	48.6%	34,968	82,175	-	-	-	-	-	82,175
The Light of Beichen, Jinan	Tianqiao District	69.4%	133,789	294,551	-	185,014	185,014	-	-	57,412
Jinan Xueshan Vanke City Group II	Licheng District	99.5%	162,256	340,817	3,809	41,702	41,702	77,687	77,687	213,267
Jinan Xueshan Vanke City Group IV	Licheng District	99.6%	188,381	382,133	51,013	142,008	142,008	-	-	93,572
Jinan Xueshan Vanke City Group III	Licheng District	99.3%	78,506	211,965	-	211,965	211,965	-	-	-
Jinan Shizhong Vanke City	Shizhong District	99.8%	149,419	415,000	70,424	-	-	211,272	59,347	134,143
Times Light, Jiyang	Jiyang District	41.3%	129,000	338,000	-	-	237,577	53,536	53,536	46,887
Linyi New Metropolis Project	Hedong District	51.8%	154,165	354,580	-	-	354,580	-	-	-
Lushang Centre Dream Town Zhenyuan, Linyi	Lanshan District	69.4%	119,077	403,506	-	333,798	333,798	-	-	69,708
Lushang Centre Dream Town Ruyuan, Linyi	Lanshan District	50.4%	111,914	258,376	-	172,085	172,085	-	-	37,249
Zibo Vanke City Light	Zhangdian District	64.0%	50,578	131,000	-	-	-	35,223	35,223	95,777
Zibo Linzi Project	Linzi District	54.0%	118,288	295,720	-	79,115	176,622	37,189	37,189	-
Qingdao Town	Huangdao District	34.0%	933,293	947,988	-	-	481,567	388,001	-	65,583
City Twilight, Qingdao	Huangdao District	55.3%	123,719	284,109	-	-	252,872	-	-	-
Qingdao Shiniushan Road Project	Licang District	22.0%	203,831	503,511	59,161	-	-	251,449	-	185,370
King Metropolis Phase III, Qingdao	Chengyang District	60.0%	56,286	101,315	-	3,176	101,315	-	-	-
Feicui Changjiang, Qingdao	Huangdao District	100.0%	25,836	168,348	-	33,014	95,306	-	-	32,189
Qingdao Coastal Vanke City	Huangdao District	41.0%	260,948	657,903	-	214,475	450,050	-	-	139,946
Xinduhui, Qingdao	Huangdao District	46.0%	131,985	308,597	-	29,602	280,069	-	-	-
Jiaozhou Botanical Garden Project, Qingdao	Jiaozhou City	46.5%	52,937	153,622	-	2,904	153,622	-	-	-
Qingdao Yuantong Wulian Project	Huangdao District	93.7%	38,545	96,362	-	25,656	96,362	-	-	-
Qingdao Coastal Blue Mountain	Huangdao District	92.3%	20,000	50,000	-	50,000	50,000	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023				
Qingdao Purple County	Jimo District	47.7%	56,758	107,839	-	48,869	48,869	33,164	33,164	25,806
Qingdao Clouds of Bay	Chengyang District	50.0%	73,612	117,779	-	103,588	103,588	-	-	-
Qingdao Pingdu Ruyuan	Pingdu City	69.3%	25,872	56,918	-	-	-	-	-	56,918
Qingdao Clouds of Bay Phase II	Chengyang District	50.0%	91,379	162,139	17,778	10,539	10,539	36,993	-	68,938
Dream Town, Weifang	Weicheng District	99.0%	126,507	306,940	-	-	235,694	71,246	-	-
Weifang Metropark	Weicheng District	99.0%	115,009	253,020	35,597	135,254	135,254	79,437	43,319	-
Jade Academy, Shijiazhuang	Chang'an District	49.8%	165,164	411,747	77,318	-	217,615	-	-	97,050
Zijun, Shijiazhuang	Chang'an District	48.2%	30,908	95,408	-	-	95,408	-	-	-
Zhengding Culture Village Project, Shijiazhuang	Zhengding County	49.0%	61,496	126,622	-	-	126,622	-	-	-
Future City, Shijiazhuang	Luancheng District	46.9%	104,994	187,226	-	38,090	187,226	-	-	-
Shijiazhuang Jiashi Vanke Purple Terrace	Qiaoxi District	41.6%	56,613	141,766	-	141,766	141,766	-	-	-
Shijiazhuang Zhengding Cultural Village	Zhengding County	49.1%	44,134	85,113	-	85,113	85,113	-	-	-
Shijiazhuang Mechanical and Technical School Project	Xinhua District	67.0%	13,913	32,379	-	32,379	32,379	-	-	-
Vanke Jade Four Seasons, Shijiazhuang	Yuhua District	50.1%	93,957	233,140	-	-	-	-	-	196,678
Shijiazhuang Jade College Phase II	Chang'an District	69.1%	72,403	181,009	-	-	-	-	-	97,050
Shijiazhuang Metro Vanke Lanwan	Chang'an District	40.0%	40,943	102,509	-	-	-	-	-	90,867
Zi Yuan, Shijiazhuang	Yuhua District	100.0%	32,426	93,739	-	-	-	-	-	93,739
Lot No. 2019039, Baoding	Gaobeidian City	42.1%	22,320	44,640	-	-	-	-	-	-
Intercity Light, Zhuozhou	Zhuozhou City	90.5%	67,392	268,874	-	-	108,706	-	-	-
Xinchen Light, Zhuozhou	Zhuozhou City	79.8%	63,475	126,941	-	-	-	-	-	-
Dream Town, Taiyuan	Xiaodian District	49.6%	323,777	793,157	-	-	793,157	-	-	-
Blue Mountain, Taiyuan	Wanbailin District	51.0%	198,392	687,372	-	-	687,372	-	-	-
Transportation Company Land Lot, Taiyuan	Wanbailin District	100.0%	37,060	177,415	-	-	-	177,415	-	-
The Paradiso, Taiyuan	Jinyuan District	88.6%	40,047	148,134	-	-	148,134	-	-	-
Zi Yuan, Taiyuan	Yingze District	90.1%	74,373	210,065	-	-	210,065	-	-	-
City Lights, Taiyuan	Yingze District	90.1%	176,340	567,446	-	304,156	560,066	7,380	-	-
Taiyuan Town	Jiancaoping District	89.1%	263,066	431,177	-	3,735	428,879	-	-	2,298
Central Park, Taiyuan	Jinyuan District	50.0%	35,492	131,645	-	4,874	131,645	-	-	-
Jade Garden, Taiyuan	Jinyuan District	36.0%	75,832	258,344	-	-	236,859	-	-	21,485
Taiyuan Chunhe Jingming	Wanbailin District	41.0%	239,977	546,568	-	145,167	417,695	31,000	-	43,836
Qingxu Project, Taiyuan	Qingxu County	41.0%	107,438	315,677	-	89,384	282,305	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Accumulated completion area by 2023	Area not	Area to be completed in 2024
								yet under construction as at the end of 2023	
The Paradiso, Yangqu, Taiyuan	Yangqu County	50.0%	84,308	209,643	-	5,328	209,643	-	-
Jade Jinyang Lake, Taiyuan	Jinyuan District	48.8%	127,040	253,273	-	-	139,377	96,750	17,146
Taiyuan Lanwan Chuanqi	Jinyuan District	41.0%	64,605	226,418	-	18,424	226,418	-	-
Park Avenue, Taiyuan	Jinyuan District	33.0%	32,450	123,520	-	-	108,339	-	-
Taiyuan Beiyong Follow-up Phase	Xiaodian District	99.7%	290,515	907,253	316,483	186,185	186,185	184,566	79,674
Taiyuan Control Centre Project	Xiaodian District	40.0%	15,225	51,588	-	51,588	51,588	-	-
Time Light, Taiyuan	Yingze District	46.9%	82,717	262,691	78,317	-	-	-	184,374
Orient Community, Taiyuan	Xiaodian District	50.1%	153,520	371,792	-	-	-	22,518	203,535
Taiyuan Xuyuan	Qingxu County	49.7%	79,396	231,696	-	114,922	114,922	83,488	-
Violet, Jinzhong	Yuci District	50.0%	93,947	187,736	-	-	167,524	-	-
Glorious, Jinzhong	Yuci District	50.0%	29,143	57,501	-	-	46,693	-	-
Waterfront, Tianjin	Dongli District	100.0%	2,708,886	1,757,244	-	-	1,727,414	-	-
Binhai Metropolis, Tianjin	Binhai New District	40.0%	215,899	685,897	-	74,135	499,479	-	57,439
Jinyu International, Tianjin	Binhai New District	100.0%	108,389	192,177	-	-	161,232	-	-
Xinduhui, Tianjin	Nankai District	49.0%	40,068	139,099	-	-	65,500	73,599	-
Jade Avenue South, Tianjin	Xiqing District	34.0%	167,723	325,895	102,904	-	132,125	90,866	17,013
Jade Avenue North, Tianjin	Xiqing District	51.0%	192,144	378,267	-	89,719	89,719	285,003	81,262
Tianjin Emerald Riverside Project	Xiqing District	39.8%	198,161	340,467	10,297	-	177,807	36,199	85,813
Tianjin Vanke City	Dongli District	49.9%	147,353	182,155	-	-	126,666	-	-
Tianjin Qilin Wetland Vanke Town	Dongli District	69.1%	166,735	263,002	-	-	102,416	3,498	-
Xihuafu, Tianjin	Xiqing District	57.8%	181,503	297,355	-	26,207	297,355	-	-
Guanlan, Tianjin	Binhai New District	48.6%	90,781	196,849	-	-	168,224	20,452	-
North of Xilu, Tianjin	Xiqing District	98.8%	52,189	103,963	-	-	103,963	-	-
Four Season Binjiang, Tianjin	Beichen District	69.2%	136,700	291,952	81,554	21,916	144,148	64,402	64,402
Tianjin Baodi Lot 024 Project	Baodi District	99.2%	170,102	281,504	21,936	10,524	162,980	-	48,340
Tianjin Vanke Eco Light	Binhai New District	99.0%	70,557	112,890	-	86,797	86,797	-	26,093
Hujijayuan Plots #6-9, Tianjin	Binhai New District	99.0%	323,464	604,985	103,028	80,057	80,057	253,987	87,217
Tianjin Riverside Metropolis	Binhai New District	64.5%	120,938	301,160	142,383	-	-	-	116,870
Yantai Haiyuntai	Zhifu District	100.0%	311,614	444,000	-	-	433,357	-	-
Yantai Hill Palace	Zhifu District	51.0%	341,943	572,929	-	-	407,253	-	-
Yantai Emerald Park	Zhifu District	78.6%	57,892	116,000	-	-	116,000	-	-
Yantai Seattle	Zhifu District	41.0%	61,499	120,300	-	-	120,300	-	-
Yantai Tianyue Bay	Laishan District	44.5%	190,000	401,000	25,377	-	-	282,041	57,312

Directors' Report

Unit: sq.m.

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Yantai Emerald Avenue	Laishan District	24.0%	189,041	457,717	19,499	-	265,841	-	-	-
Yantai City Lights III	Fushan District	51.1%	55,711	150,600	-	-	128,925	-	-	-
Yantai Emerald of Changan	Laishan District	29.4%	105,056	189,100	-	-	189,100	-	-	-
Yantai Nanyao Lot B	Zhifu District	24.2%	43,072	107,248	-	24,858	96,186	-	-	11,062
Yantai Lake & Mountain	Zhifu District	38.4%	294,800	297,600	-	37,872	186,727	-	-	-
Yantai Wonder of the Sea	Laishan District	36.0%	69,494	175,691	-	122,591	122,591	-	-	53,100
Yantai Emerald Mansion	Fushan District	50.0%	112,117	271,432	-	174,738	174,738	-	-	96,694
Yantai Metropolis	Zhifu District	79.0%	81,207	227,360	-	197,153	197,153	-	-	-
Yantai Zhifu Vanke City Quanxueli Project	Zhifu District	50.0%	32,000	76,900	-	76,900	76,900	-	-	-
Yantai Zhifu Vanke City Bowenli	Zhifu District	39.0%	60,222	147,400	-	103,583	103,583	-	-	11,689
Yantai Dachengli	Zhifu District	49.5%	42,599	102,000	-	-	-	102,000	37,984	-
Yantai Four Seasons Light-year	Fushan District	59.0%	67,026	147,458	5,548	49,078	49,078	55,115	-	35,218
Jade Park, Weihai	Huancui District	57.4%	176,746	312,390	-	-	312,390	-	-	-
Jade Hill, Weihai	Huancui District	69.0%	124,947	192,216	37,908	116,202	116,202	-	-	32,441
Beijing Region subtotal			22,102,044	42,800,422	1,451,132	6,025,611	27,521,374	5,097,797	911,921	4,487,545

Northeastern Region

Shenyang Shoufu Cloud City	Huanggu District	97.2%	308,209	637,510	-	-	569,708	-	-	-
Fei Cui Zhi Guang Phase I, Shenyang	Tiexi District	18.0%	40,877	199,937	-	-	40,495	-	-	61,412
Fei Cui Zhi Guang Phase II, Shenyang	Tiexi District	54.0%	67,305	286,886	-	-	286,886	-	-	-
Xinda Dream Town, Shenyang	Hunnan District	40.1%	198,479	407,938	-	-	407,938	-	-	-
Fei Cui Xinduhui, Shenyang	Tiexi District	67.4%	61,217	140,799	-	-	140,799	-	-	-
Tomorrow Light, Shenyang	Sujiatun District	69.5%	127,099	285,412	-	-	285,412	-	-	-
Shenyang Keppel Project	Hunnan District	98.3%	73,638	186,295	-	20,135	175,537	-	-	10,758
China Travel Dream Town, Shenyang	Hunnan District	49.4%	1,018,234	1,057,074	-	33,917	547,398	258,709	-	31,298
Shenyang Furama Project	Heping District	91.0%	14,496	57,500	-	30,444	30,444	-	-	27,056
Wonderland Dajia (B Plot), Shenyang	Yuhong District	57.2%	77,800	147,970	-	-	147,970	-	-	-
UC Dream Town, Shenyang	Faku County	45.0%	102,154	250,618	-	9,326	82,448	146,586	-	1,572
Shenyang BMW Project	Tiexi District	98.1%	187,248	280,871	-	8,341	210,611	-	-	37,859
Wonderland Dajia (AC Plot), Shenyang	Yuhong District	57.2%	28,909	54,927	24,355	-	30,572	-	-	-
Beichenzhiguang, Shenyang	Shenbei New Area	68.3%	105,527	231,496	-	120,321	231,496	-	-	-
Dongdi, Shenyang	Shenhe District	64.0%	60,134	150,336	-	107,894	107,894	-	-	21,814

Directors' Report

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Shenyang Xichen Light	Tiexi District	99.2%	149,281	268,706	-	100,843	159,673	-	-	27,420
Shenyang Four Seasons Metropolis	Suijiatun District	37.1%	162,261	324,522	-	60,580	60,580	174,899	-	12,410
Shenyang Zhongde II Plot	Tiexi District	99.7%	62,921	94,381	-	-	-	-	-	-
Hun Nan Xin Du Xin, Shenyang	Hunnan District	98.5%	280,484	479,991	93,250	114,098	114,098	104,453	76,698	100,714
One Fuqian, Shenyang	Huanggu District	99.1%	75,869	136,564	-	-	-	-	-	64,482
Jinyu International, Anshan	Tiexi District	51.0%	225,715	667,199	-	-	655,497	-	-	-
High & New Dream Town, Anshan	Lishan District	68.0%	420,306	838,510	-	87,701	345,936	283,999	46,912	82,200
Panjin Xinglongtai Project	Xinglongtai District	98.1%	234,931	602,715	-	135,914	376,755	127,768	42,919	29,614
Changchun Whistler Town	Nanguan District	50.0%	399,715	484,714	31,035	-	424,118	5,906	5,906	10,246
Baicuiyuan, Changchun	Chaoyang District	100.0%	266,719	500,979	-	-	500,979	-	-	-
Dream Town, Changchun	Nanguan District	51.0%	350,965	1,068,964	-	-	872,713	196,251	-	-
City Twilight, Changchun	Lvyan District	96.3%	181,060	435,039	-	-	261,372	173,667	-	-
Changchun Fanrongli	Chaoyang District	41.7%	16,162	56,567	-	-	56,567	-	-	-
Jade Binjiang, Changchun	Nanguan District	92.3%	346,635	702,385	-	-	473,935	169,788	60,000	39,159
Changchun The Lake	Nanguan District	53.7%	45,315	132,409	-	-	132,409	-	-	-
Jade College, Changchun	Nanguan District	49.3%	82,000	184,668	-	-	184,668	-	-	-
Xichen Light, Changchun	Lvyan District	40.0%	154,246	303,002	-	-	303,002	-	-	-
Xiwang, Changchun	Kuancheng District	93.8%	155,044	289,702	-	9,088	181,505	-	-	22,640
Changchun BeiHu Xiwangdong Land Parcel	Kuancheng District	98.2%	129,436	237,602	-	-	99,909	80,023	-	22,922
Changchun Gongzhuling project	Gongzhuling City	41.0%	617,240	1,086,342	-	129,436	405,729	461,161	-	13,304
Xinlicheng, Changchun	Nanguan District	54.9%	50,349	65,270	-	-	36,162	-	-	-
Changchun Guigu Street Project	Gongzhuling City	41.0%	226,629	453,259	-	66,077	203,616	26,789	-	9,440
Changchun West Star A	Lvyan District	44.4%	77,486	163,981	-	32,717	163,981	-	-	-
Star Light City, Changchun	Nanguan District	38.9%	307,388	686,000	-	160,241	261,164	177,660	-	34,357
Sunflower Follow-up Project, Changchun	Gongzhuling City	41.0%	20,445	37,000	-	-	-	37,000	-	-
Sunflower Town Follow-up Second Tranche Land Lot Project, Changchun	Gongzhuling City	50.0%	331,163	590,791	-	-	-	590,791	-	-
Violet, Changchun	Chaoyang District	99.0%	91,160	236,014	-	85,631	93,855	54,427	-	13,916
Times Metropolis, Changchun	Kuancheng District	80.2%	102,916	294,142	-	99,100	124,305	32,642	-	59,938
Zitai, Changchun	Nanguan District	49.2%	105,213	188,917	-	87,709	87,709	-	-	34,102
No.59 Rongguang Road, Changchun	Erdao District	77.7%	82,282	205,705	61,929	46,446	46,446	-	-	89,801
Changchun Park Metropolis	Lvyan District	98.2%	170,500	336,494	25,051	132,003	132,003	182,504	59,144	21,987
Songhua Lake Project, Jilin	Fengman District	100.0%	531,598	600,000	-	-	289,617	310,383	41,056	-
Dream Town, Jilin	Fengman District	65.0%	728,139	1,857,122	-	103,886	1,688,211	-	-	30,418

Directors' Report

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Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023		as at the end of 2023	commenced construction in 2024	
Cherry Blossom Garden, Dalian	Lüshunkou District	100.0%	90,286	237,180	-	-	230,798	-	-	6,382
Jade Light, Dalian	Jinzhou District	88.6%	83,330	243,918	-	37,661	134,591	-	-	65,705
Future Light, Dalian	Jinzhou District	69.1%	212,731	464,721	-	9,198	344,552	108,813	-	11,356
Harbor, Dalian	Pulandian District	55.0%	581,172	968,300	-	-	542,590	425,710	108,204	-
Dalian The Park	Ganjingzi District	90.0%	19,131	37,627	-	-	37,627	-	-	-
King Metropolis, Dalian	Ganjingzi District	87.0%	40,199	73,256	-	-	73,256	-	-	-
City Twilight, Dalian	Ganjingzi District	93.4%	153,500	283,975	-	-	274,835	-	-	9,140
Zhongnanfu, Dalian	Zhongshan District	88.6%	15,300	32,400	-	-	32,400	-	-	-
Jade Garden, Dalian	Ganjingzi District	44.5%	146,290	248,710	-	-	221,998	26,712	-	-
Badongshu, Dalian	Ganjingzi District	88.6%	36,169	46,336	-	-	46,336	-	-	-
Xinduhui, Dalian	Ganjingzi District	95.7%	55,138	135,345	-	-	135,345	-	-	-
Binhai Metropolis, Dalian	Ganjingzi District	90.0%	10,955	26,292	-	-	26,292	-	-	-
Guan Xian Villa, Dalian	Ganjingzi District	48.7%	108,651	115,881	-	-	111,131	-	-	4,750
Metropolis Xinghai, Dalian	Shahekou District	26.5%	7,399	77,201	-	1,984	69,501	-	-	7,700
Feicui Chunxiao, Dalian	Lüshunkou District	72.6%	193,011	177,795	-	15,300	145,117	32,678	-	-
Dalian The Stage	Zhongshan District	62.1%	42,400	166,400	-	-	105,000	-	-	39,000
Dalian Zhong Shan Zhong	Zhongshan District	41.2%	2,968	33,000	-	-	33,000	-	-	-
Dajia, Dalian	Ganjingzi District	97.5%	25,636	44,232	-	-	44,232	-	-	-
Feicui Duhui, Dalian	Ganjingzi District	99.4%	125,744	311,150	-	-	297,755	-	-	-
Metropolis Park, Dalian	Ganjingzi District	99.6%	138,511	264,100	-	118,896	118,896	-	-	32,808
Dalian Dong Guan Street Project	Xigang District	99.0%	32,616	47,400	-	-	-	47,400	47,400	-
Dalian Zhongcheng Cuiwan Project	Ganjingzi District	99.0%	29,439	70,500	-	-	-	-	-	33,323
Jinyuyuefu, Harbin	Xiangfang District	67.1%	123,043	288,778	-	-	139,627	-	-	46,716
Binjiang Metropolis, Harbin	Daoli District	49.9%	29,360	126,036	-	-	96,487	-	-	29,549
Intelligent Future City Project, Harbin	Xiangfang District	54.5%	310,193	556,573	47,412	134,404	326,671	158,218	56,661	22,850
Shenzhen-Harbin Vanke Town Project, Harbin	Songbei District	40.2%	166,982	362,272	-	68,601	166,723	-	-	15,826
Harbin China-Russian Industrial Park Project	Songbei District	99.3%	150,603	233,082	-	114,490	155,376	-	-	24,244
Northeastern Region subtotal			12,583,656	24,657,685	283,032	2,282,382	15,942,258	4,394,937	544,900	1,260,188

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2023	Accumulated	Area not yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
					commenced construction in 2023		completion area by 2023	yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
Central Region										
Vanke Home, Wuhan	Hongshan District	98.9%	57,253	262,387	-	-	262,387	-	-	-
Golden Lake Courtyard, Wuhan	Jiangnan District	100.0%	72,575	402,715	-	-	340,641	29,923	29,923	-
Hankou Chuanqi, Wuhan	Jiangnan District	50.0%	223,165	1,127,688	-	-	1,127,688	-	-	-
Wuhan Changzheng Village	Hongshan District	100.0%	157,157	529,728	-	124,455	364,383	-	-	124,249
Vanke Fei Cui Jiu Xi, Wuhan	Caidian District	50.0%	160,682	370,689	-	-	370,689	-	-	-
Feicui Binjiang, Wuhan	Hanyang District	54.5%	231,048	929,943	-	296,571	718,786	-	-	-
Vanke Jinyu International, Wuhan	Hanyang District	94.5%	72,394	370,833	-	-	345,058	-	-	25,775
Weipeng Vanke Yuxibinjiang, Wuhan	Jiang'an District	40.0%	43,274	208,965	-	-	208,965	-	-	-
Vanke Gaoerfuxi'an, Wuhan	Dongxihu District	96.0%	35,075	96,278	-	-	96,278	-	-	-
Vanke Cloud City, Wuhan	Hongshan District	79.8%	119,037	425,989	-	-	251,194	62,913	-	60,923
Vanke Liantou Ideal Star 083 Land Lot, Wuhan	Jiangxia District	19.3%	65,548	185,404	-	49,837	134,634	-	-	19,217
Vanke Liantou Ideal Star 082 Land Lot, Wuhan	Jiangxia District	49.0%	64,726	176,069	-	790	125,299	-	-	-
Wuhan Jinyu Tiandi	Qiaokou District	49.8%	75,608	309,698	-	47,525	170,736	-	-	-
Vanke Xinduhui, Wuhan	Hongshan District	69.6%	59,917	287,499	-	102,945	287,499	-	-	-
Wuhan Vanke Poly Ideal City	Hongshan District	49.7%	278,684	957,661	-	86,543	327,138	529,830	-	-
Wuhan Vanke Park Avenue	Qiaokou District	48.8%	141,805	490,985	-	68,586	163,044	46,996	-	10,436
Vanke Huasheng Link City, Wuhan	Hannan District	48.4%	319,537	512,768	-	-	-	-	-	-
Wuhan Vanke Donghu Dibai	Hongshan District	99.1%	22,500	100,800	-	48,347	48,347	-	-	26,276
Wuhan Vanke Huangpi Hengdian 189 mu Project	Huangpi District	99.5%	126,042	315,065	-	-	-	315,065	-	-
Wuhan Vanke Jinyin Lake Circle 115 mu	Dongxihu District	99.4%	76,352	149,000	-	-	-	-	-	30,611
Wuhan Rhine Park	Caidian District	99.0%	85,371	213,426	-	-	-	95,207	-	-
Wuhan Jinyu Light-year	Hanyang District	49.2%	104,326	260,662	-	-	-	169,460	-	38,280
Wuhan Vanke Park No.5	Jiangnan District	48.5%	46,626	211,699	-	-	-	-	-	136,658
Wuhan Urban Construction Vanke Yunbo Riverside	Jiang'an District	49.5%	96,074	342,698	234,298	-	-	108,400	34,613	-
Wuhan Vanke Optics Valley Jinyao	Jiangxia District	32.1%	59,825	124,400	124,400	-	-	-	-	-
Vanke Colorful City, Ezhou	Gedian Development Zone	41.0%	126,026	295,397	-	23,993	281,972	-	-	-
Ezhou Vanke Cheng	Gedian Development Zone	65.3%	21,452	80,760	-	-	80,760	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Accumulated completion area by 2023	Area not	Area to be	Area to be
								yet under construction as at the end of 2023	commenced construction in 2024	completed in 2024
Ezhou 010 Project	Gedian Development Zone	98.3%	139,997	419,910	-	37,557	37,557	283,293	-	-
Yichang Vanke Ideal City	Yiling District	82.7%	182,149	437,180	-	3,192	352,943	-	-	30,318
Vanke Yicuijincheng, Yichang	Xiling District	59.3%	123,457	300,553	-	105,767	105,767	32,204	-	67,817
Yichang Vanke City Light	Wujiagang District	78.6%	49,016	127,401	-	45,683	45,683	-	-	22,329
Yichang Vanke Ideal City Late Phase	Yiling District	99.0%	55,431	88,689	-	-	-	88,689	18,643	-
Wonderland, Changsha	Yuelu District	49.6%	479,778	863,601	207,923	-	-	206,813	82,286	517,592
Zitai, Changsha	Tianxin District	70.0%	116,486	272,813	-	-	203,254	-	-	25,079
Jinyu Binjiang, Changsha	Yuelu District	58.0%	58,287	207,995	-	-	181,694	-	-	-
Glamorous City, Changsha	Yuhua District	100.0%	460,237	1,307,457	-	-	1,307,457	-	-	-
Jinyu International, Changsha	Yuelu District	51.0%	159,393	518,569	-	-	518,569	-	-	-
Golden Wheat Fields, Changsha	Yuhua District	90.0%	16,459	38,570	-	-	38,570	-	-	-
Golden Dream, Changsha	Yuelu District	99.5%	141,851	485,570	-	-	444,107	-	-	-
Sky Realm, Changsha	Yuhua District	45.0%	68,204	101,051	-	-	82,202	-	-	18,849
Binhe Road, Changsha	Wangcheng District	60.6%	35,324	122,498	-	-	88,074	-	-	-
Zhenwanhui, Changsha	Kaifu District	52.6%	39,990	261,188	-	-	-	160,944	95,004	100,244
Changsha Yuefu	Yuhua District	52.2%	95,133	237,035	9,993	168,361	168,361	-	-	68,674
Changsha Peninsula International	Kaifu District	99.2%	54,322	168,940	46,828	-	-	24,185	-	88,744
Changsha Songhu Tiandi	Changsha County	99.8%	359,801	1,044,000	131,141	-	-	737,340	313,859	141,149
Changsha Puyue Bay	Kaifu District	49.4%	76,865	230,595	230,595	-	-	-	-	-
Changsha Binjiang No.1	Yuelu District	99.6%	30,061	150,306	-	-	-	150,306	88,061	-
Sky City, Nanchang	Nanchang County	20.8%	195,547	491,358	-	-	460,778	-	-	30,580
Dream Town, Nanchang	Qingshanhu District	32.5%	299,708	417,362	-	-	417,362	-	-	-
Haishang Chuanqi, Nanchang	Qingshanhu District	50.0%	163,213	348,201	-	-	348,201	-	-	-
Cuidieyuan, Nanchang	Honggutan District	50.0%	80,120	184,273	-	-	166,367	-	-	17,906
Times Square, Nanchang	Honggutan District	30.0%	83,800	293,457	-	-	240,835	-	-	-
Hongdu 1951, Nanchang	Qingyunpu District	29.9%	27,879	94,785	-	-	94,785	-	-	-
Nanchang The Vanke Top Villa	Honggutan District	45.0%	57,493	145,076	-	-	145,076	-	-	-
Lot F04/F02, Nanchang Vanke Science City	Xinjian District	27.4%	209,526	391,123	-	80,441	117,092	-	-	-
Lot H01E01, Nanchang Vanke Science City	Xinjian District	30.0%	37,373	63,551	-	-	-	-	-	-
Nanchang Lune Sea	Qingshanhu District	24.1%	120,578	265,272	-	112,311	265,272	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Area not			
							Accumulated completion area by 2023	yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
Star Century, Nanchang	Xinjian District	49.2%	167,707	301,872	-	41,781	144,801	-	-	9,985
Jiang You Dong Fang, Nanchang	Nanchang County	40.3%	53,706	96,671	-	81,123	81,123	-	-	15,548
Nanchang Lianta Vanke Four Seasons Light-year	Xinjian District	16.9%	31,013	80,635	-	26,094	26,094	32,178	-	15,827
Nanchang Four Seasons Metropolis	Qingyunpu District	49.3%	123,877	248,419	103,237	-	-	-	-	152,570
Nanchang Metropolis Riverside	Xinjian District	14.0%	27,893	69,734	-	-	-	-	-	45,995
Vanke Metropolis, Zhengzhou	Erqi District	88.6%	333,940	1,000,262	-	-	1,000,262	-	-	-
Changjiyunlu, Zhengzhou	Zhongmu County	43.0%	132,422	140,993	-	-	77,228	63,765	-	-
Vanke Meijing Glamorous City, Zhengzhou	Xinzheng City	51.0%	327,697	802,558	-	-	802,558	-	-	-
Vanke Meijing Dream Town, Zhengzhou	Zhongyuan District	51.0%	508,421	1,560,281	-	-	1,560,281	-	-	-
Vanke Meijing Jinlanyuan, Zhengzhou	Zhongyuan District	41.0%	129,527	453,065	-	-	453,065	-	-	-
Racho Sante Fe, Zhengzhou	Zhongmu County	40.8%	181,326	313,738	-	11,931	310,114	-	-	-
Vanke Min'an Stars, Zhengzhou	Zhongyuan District	46.0%	17,754	71,933	-	-	71,933	-	-	-
Vanke Min'an Cloud City, Zhengzhou	Huiji District	41.1%	51,704	154,818	-	-	154,818	-	-	-
Vanke Xiwang, Zhengzhou	Zhongmu County	100.0%	60,374	150,588	-	-	150,588	-	-	-
Zhengzhou Vanke The City	Jinshui District	40.4%	33,156	172,068	-	-	172,068	-	-	-
Vanke Min'an Sanduhushan, Zhengzhou	Shangjie District	45.9%	374,620	422,303	-	-	51,787	324,285	-	-
Min'an Jiangshanfu, Zhengzhou	Huiji District	46.1%	70,853	283,197	-	62,456	283,197	-	-	-
Zhengzhou Bairong E5 Project	Erqi District	99.0%	59,332	236,904	-	-	9,656	-	-	-
Zhengzhou Xingyang Donglinhu Lot	Xingyang City	50.4%	195,223	362,942	-	19,700	85,871	158,198	-	-
Vanke Metropolis Xianyueyuan, Zhengzhou	Erqi District	69.0%	58,787	175,906	-	146,129	146,129	-	-	29,777
Vanke Luoda Temple Project, Zhengzhou	Zhongyuan District	43.0%	51,975	259,691	-	-	143,749	-	-	25,222
Zhengzhou Cloud Atlas	Zhongmu County	40.8%	193,049	350,278	-	45,124	120,696	-	-	14,232
Zhengzhou Laoyachen 93 mu Project	Huiji District	99.6%	62,282	260,673	-	-	-	-	-	133,451
Nanlonghu, Zhengzhou	Xinzheng City	42.0%	116,040	347,303	-	235,788	235,788	-	-	27,967
Zhengzhou Vanke City Phase 9	Zhongyuan District	41.1%	77,038	192,148	-	192,148	192,148	-	-	-
Zhengzhou Gucui Yinxiu	Jinshui District	50.4%	27,335	141,996	-	-	-	67,734	67,734	74,262
Zhengzhou Future Time	Jinshui District	99.1%	53,205	146,998	-	109,272	109,272	-	-	31,471
Zhengzhou Ideal Light	Erqi District	49.0%	30,174	105,988	-	-	-	-	-	105,988
Zhengzhou Shimi Senyu	Jinshui District	99.5%	46,550	78,865	-	-	-	-	-	78,865
Zhengzhou Cuiwan Zhongcheng Lot B13	Huiji District	99.0%	21,326	85,304	-	-	-	85,304	85,304	-
Zhengzhou Metropolitan Skyline	Erqi District	66.9%	78,972	236,509	-	-	-	-	-	177,933
Zhengzhou Vanke Min'an Yunhe Jinshang	Huiji District	50.0%	119,319	357,241	175,263	-	-	181,978	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2023	Accumulated	Area not yet under	Area to be	Area to be completed in 2024
					commenced construction in 2023		completion area by 2023	construction as at the end of 2023	commenced construction in 2024	
Vanke Chunhua Xiyuanjadi, Luoyang	Jianxi District	41.0%	35,616	173,933	-	95,385	95,385	-	-	78,548
Vanke Putian Long Tang, Zhoukou	Chuanhui District	40.2%	151,933	432,341	-	-	432,341	-	-	-
Vanke Putianlongtang Phase III, Zhoukou	Chuanhui District	44.1%	91,533	274,536	30,802	-	-	180,984	115,083	62,839
Central Region subtotal			11,055,236	30,360,276	1,294,480	2,469,835	18,446,456	4,135,994	930,510	2,682,186
Southern Region										
Zhenshanfu, Shenzhen	Nanshan District	10.0%	48,804	232,842	-	-	214,602	-	-	-
Cloud City, Shenzhen	Nanshan District	78.4%	394,044	1,335,510	-	-	1,304,348	-	-	-
Tianyu Garden, Shenzhen	Longgang District	100.0%	134,726	789,577	-	32,329	650,417	-	-	-
Shenzhen Bicycle Factory Project	Longgang District	79.3%	44,406	356,370	-	-	24,026	-	-	-
Vanke City of Stars, Shenzhen	Baoan District	78.6%	122,126	638,884	-	-	638,884	-	-	-
Zhenwanhui, Shenzhen	Nanshan District	42.9%	68,285	419,000	-	-	156,319	-	-	57,419
Huilong Business Center, Shenzhen	Longhua District	39.2%	20,339	142,400	-	-	142,400	-	-	-
Shenzhen Jinyu Lingfeng Park	Longgang District	5.0%	34,996	107,512	-	-	107,512	-	-	-
Luohu Food Building Project, Shenzhen	Luohu District	99.6%	6,676	67,800	-	-	-	-	-	-
Vanke Headquarter Building Project, Shenzhen	Nanshan District	100.0%	22,338	166,660	-	-	-	-	-	-
Yuecheng, Shenzhen	Longhua District	63.5%	90,221	457,952	-	280,999	363,974	-	-	80,072
Shenzhen Zhen Shanhai	Nanshan District	90.5%	13,073	63,093	-	63,093	63,093	-	-	-
Shenzhen Vanke Western Royal	Guangming District	79.7%	22,340	154,330	-	-	-	-	-	135,942
Vanke Metropolis, Shenzhen	Baoan District	60.3%	19,472	137,134	-	110,553	110,553	-	-	26,581
Shenzhen Sanxing Industrial Zone Project I	Futian District	100.0%	91,541	532,740	-	-	-	532,740	-	-
Shenzhen Sanxing Industrial Zone Project II	Futian District	100.0%	38,455	367,000	-	-	-	367,000	-	-
Beichen Light, Shenzhen	Longhua District	81.0%	16,142	93,680	-	93,680	93,680	-	-	-
Shenzhen Jiangang Mountain	Baoan District	48.8%	85,321	189,575	-	52,861	52,861	-	-	78,237
Shenzhen Shangjiaohuan	Longgang District	100.0%	43,011	207,928	-	-	-	-	-	207,928
Chegongmiao Dupont Project, Shenzhen	Futian District	37.5%	57,319	312,000	-	-	-	312,000	-	-
Elegant Lifestyle, Shenzhen	Nanshan District	49.7%	56,031	148,600	-	-	-	-	-	40,043
Future Light, Shenzhen	Baoan District	49.8%	98,082	215,570	-	-	-	-	-	119,146
Watercity, Dongguan	Tangxia Town	100.0%	596,786	428,303	-	1,065	413,152	-	-	15,151
Dream Town, Humen, Dongguan	Humen Town	57.4%	349,805	782,296	-	-	780,455	-	-	-
Vanke Cloud City, Dongguan	Humen Town	74.4%	124,395	373,182	-	-	368,436	-	-	-

Directors' Report

Unit: sq.m.

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							Accumulated completion area by 2023	yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
Vanke City Twilight Plaza, Dongguan	Humen Town	88.3%	29,391	140,366	-	-	140,366	-	-	-
Dongguan Chang'an Lianhu Road Project	Changan Town	97.3%	54,178	108,330	-	-	108,330	-	-	-
Dongjiang Star, Dongguan	Nancheng	45.1%	59,200	367,548	-	-	367,548	-	-	-
No.5 City, Dongguan	Gaobu Town	48.3%	102,054	285,643	-	1,576	285,378	-	-	-
Jinyu Plaza, Dongguan	Dongkeng Town	45.0%	17,420	78,388	-	-	78,388	-	-	-
Imperial Bay No.8 Project, Dongguan	Dongcheng Street	55.4%	159,856	152,101	-	77,952	149,946	-	-	-
Dongguan Sky City	Dalang Town	73.5%	34,519	131,926	-	-	131,926	-	-	-
Jade Pine Lake, Dongguan	Liaobu Town	90.0%	95,578	190,958	-	6,902	190,958	-	-	-
Dongguan Golden City Center	Nancheng	51.6%	13,967	61,695	-	-	61,695	-	-	-
Binhai Metropolis, Dongguan	Humen Town	78.6%	20,050	60,145	-	14,866	60,145	-	-	-
Vanke Shifu Golden Home, Dongguan	Liaobu Town	18.2%	51,675	186,150	-	118,452	169,160	-	-	16,990
Feicuidongwang, Dongguan	Nancheng	32.4%	58,146	155,797	-	-	155,797	-	-	-
Huanhulu Project in Songshanhu, Dongguan	Songshanhu	30.0%	23,037	44,142	-	-	-	-	-	-
Fenggang Wonderland, Dongguan	Fenggang Town	39.1%	50,325	101,437	-	-	101,437	-	-	-
Dongguan Zhujiang Vanke City	Machong Town	53.8%	15,561	46,524	-	944	46,524	-	-	-
Dongguan Vanke Golden Mile East	Liaobu Town	33.6%	57,766	173,297	-	18,471	173,297	-	-	-
Dongguan Vanke Hanbang Songhu Peninsula	Dalingshan Town	37.1%	128,605	190,629	-	-	190,629	-	-	-
Vanke City of Stars, Dongguan	Hongmei Town	64.2%	43,561	108,870	-	96,377	96,377	-	-	-
Dongguan Songyue Garden	Songshanhu	99.6%	99,734	123,010	-	50,958	50,958	-	-	42,207
Dongguan Future Light	Humen Town	47.7%	81,768	172,387	-	114,973	114,973	-	-	52,861
Dongguan Zhenshanyue	Houjie Town	39.5%	104,561	107,758	-	84,369	84,369	-	-	23,389
Dongguan The Park	Machong Town	99.3%	54,171	108,336	-	68,577	68,577	-	-	39,759
Southern Bay Dream Town, Dongguan Phase V	Humen Town	36.6%	34,284	75,438	-	-	-	-	-	75,438
Dalingshan North Station Project, Dongguan	Dalingshan Town	39.9%	109,416	482,160	126,254	-	-	355,906	226,401	-
Energy City, Dongguan	Fenggang Town	59.8%	41,350	139,284	139,284	-	-	-	-	72,118
Dongguan Zhenshanhui	Dongcheng Street	25.3%	41,067	170,308	-	-	-	-	-	-
Dongguan Vanke Zhongtian Century Waterfront	Wanjiang Street	40.9%	102,274	356,937	125,982	-	-	230,955	155,350	-
Dongguan Zhenwanhui	Nancheng Street	39.1%	73,216	226,969	226,969	-	-	-	-	59,320
Dongguan Zhenshanjing	Dongcheng Street	32.0%	59,443	119,414	88,061	-	-	31,353	24,857	27,539
Dream Town, Foshan	Chan Cheng District	100.0%	337,544	776,350	-	-	776,350	-	-	-
Vanke Plaza, Foshan	Chan Cheng District	88.0%	114,429	555,819	-	163,636	555,819	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023				
Jinyu Binjiang, Foshan	Shunde District	50.0%	113,224	452,880	-	-	452,880	-	-	-
Jinyu Binjiang Phase III, Foshan	Shunde District	98.8%	54,648	161,976	-	-	161,976	-	-	-
Vanke Center, Foshan	Nanhai District	100.0%	18,023	99,125	-	-	-	-	-	-
Xijiang Joy, Foshan	Gaoming District	45.4%	97,157	291,378	-	-	291,378	-	-	-
Yueduhui, Foshan	Chancheng District	100.0%	9,785	58,709	-	10,356	58,709	-	-	-
Jade Riverview, Foshan	Shunde District	98.1%	53,795	134,488	-	-	134,488	-	-	-
Yiduhui, Foshan	Nanhai District	100.0%	13,986	62,937	-	-	62,937	-	-	-
Glamorous City, Foshan	Sanshui District	91.3%	132,954	332,272	-	-	332,272	-	-	-
Star Converge, Foshan	Shunde District	90.0%	23,200	120,664	-	-	120,664	-	-	-
Skycity, Foshan	Shunde District	99.1%	86,789	390,553	-	-	35,129	151,143	-	-
Jingduhui, Foshan	Shunde District	91.6%	7,708	56,038	-	-	56,038	-	-	-
Golden Family, Foshan	Nanhai District	99.1%	52,222	182,777	-	-	182,777	-	-	-
Golden Times, Foshan	Chancheng District	98.9%	40,459	161,837	-	27,094	153,264	-	-	-
Jinyu Xijiangfu, Foshan	Gaoming District	49.6%	75,037	187,592	-	17,743	187,592	-	-	-
Golden Dream, Foshan	Shunde District	99.1%	46,666	233,327	-	60,704	60,704	140,802	-	-
Spring Dew Mansion, Foshan	Shunde District	49.5%	131,842	351,063	-	56,911	335,523	-	-	-
Vanke Nanhai Skycity, Foshan	Nanhai District	50.8%	178,080	480,816	-	120,190	241,032	-	-	48,452
Golden Island, Foshan	Gaoming District	50.0%	40,003	100,007	-	74,391	74,391	-	-	-
Metropolis, Foshan	Chancheng District	99.6%	74,505	223,215	-	55,838	55,838	-	-	68,704
Foshan Puyue Mountain	Nanhai District	69.4%	163,614	442,285	102,518	-	-	-	-	119,747
Foshan Zhenyu Yuefu	Nanhai District	50.8%	27,532	88,104	51,959	-	-	36,145	36,145	-
Vanke Dazhangxi Coast, Fuzhou	Yongtai County	51.0%	392,000	390,808	-	-	259,346	131,462	-	-
Jinyu Zhongyang, Fuzhou	Taijiang District	100.0%	25,397	128,512	-	-	128,512	-	-	-
One More, Fuzhou	Minhou County	51.0%	213,602	680,409	-	-	339,824	340,585	340,585	-
Jinyu Binjiang Garden, Fuzhou	Cangshan District	99.0%	80,013	415,774	-	27,932	298,986	-	-	35,036
Fuzhou Cangqian Jiuli	Cangshan District	100.0%	39,355	47,089	-	-	47,089	-	-	-
Zitai, Fuzhou	Mawei District	39.1%	113,570	156,200	-	41,782	109,847	-	-	-
Vanke Jinyu International, Fuzhou	Taijiang District	99.2%	205,862	624,811	-	-	624,811	-	-	-
Fuzhou Jinyu Tixiang	Cangshan District	99.0%	17,301	31,141	-	25,141	25,141	-	-	6,000
Fuzhou Vanke Jingxi Garden	Minhou County	99.0%	47,447	83,752	-	53,498	53,498	-	-	-
Fuzhou Tianhui Mansion	Cangshan District	50.7%	177,183	318,928	103,135	-	-	-	-	135,202
World Expo, Guangzhou	Panyu District	51.8%	82,354	431,742	-	56,545	232,085	126,981	-	10,276
Racho Sante Fe, Guangzhou	Huadu District	49.0%	210,252	126,172	-	-	126,172	-	-	-
Xingfuyu Garden, Guangzhou	Huangpu District	14.3%	259,300	546,644	-	32,730	546,644	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction as at the end of 2023		Area to be commenced construction in 2024		Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023		Area to be commenced construction in 2024	Area to be completed in 2024			
Yun Cheng Miku, Guangzhou	Tianhe District	98.9%	90,915	362,490	-	-	362,490	-	-	-	-	-
Guangzhou Lixiang Garden	Huangpu District	84.5%	103,306	297,739	-	-	297,739	-	-	-	-	-
Shangcheng Yufu, Guangzhou	Huangpu District	98.1%	119,785	313,140	-	-	295,867	-	-	-	-	-
Guangzhou Chunfeng Shili	Zengcheng District	97.0%	51,950	128,843	-	-	128,843	-	-	-	-	-
Wei Lai Zhi Qiu, Guangzhou	Panyu District	95.4%	13,750	22,160	-	-	22,160	-	-	-	-	-
Heron Hill, Guangzhou	Nansha District	95.6%	33,317	59,970	-	-	59,970	-	-	-	-	-
Guangzhou Taoyuanli Phase II	Zengcheng District	50.0%	71,175	123,982	-	-	123,982	-	-	-	-	-
Guangzhou the Future Forest Project	Baiyun District	99.6%	13,235	35,634	-	-	35,634	-	-	-	-	-
Guangzhou Yuanpeili Project	Huangpu District	99.2%	41,631	62,447	-	-	26,393	-	-	-	-	-
Guangzhou Mountain View Project	Huangpu District	96.9%	88,230	92,395	-	616	86,284	-	-	-	-	-
Guangzhou the Luna Project	Nansha District	90.7%	92,219	232,163	-	-	232,163	-	-	-	-	-
Xingfuyu Garden Phase V, Guangzhou	Huangpu District	66.5%	191,580	344,956	-	-	344,956	-	-	-	-	-
Golden Miles, Guangzhou	Zengcheng District	42.7%	45,450	136,080	-	-	121,366	-	-	-	-	-
Zengcheng Dream Town, Guangzhou	Zengcheng District	71.2%	133,653	400,957	-	50,340	225,706	-	-	-	-	-
Jinyuyuefu, Guangzhou	Baiyun District	45.6%	40,022	178,834	-	45,667	154,921	23,913	3,735	-	-	-
Guangzhou Jinmao Vanke Glamorous City	Zengcheng District	50.9%	162,497	487,700	-	115,579	153,213	168,755	53,288	65,649	-	-
Chengshizhiguang, Guangzhou	Huangpu District	91.6%	136,704	689,510	37,396	152,216	436,614	25,859	25,859	161,221	-	-
The New City, Guangzhou	Huangpu District	63.0%	95,307	505,710	125,273	-	-	80,944	46,051	292,236	-	-
Guangxin Asset Package Project, Guangzhou	Guangzhou City	50.0%	799,743	2,110,000	175,331	316,461	336,240	1,165,899	223,000	119,700	-	-
Dream Town, Qingyuan	Qingcheng District	100.0%	1,219,450	2,415,977	-	57,060	1,782,038	590,190	26,866	26,866	-	-
Gaozhiyuan, Sanya	Jiyang District	65.0%	387,807	481,796	291,128	195,680	264,865	-	-	162,824	-	-
Forest Holiday Park, Sanya	Jiyang District	65.0%	942,745	459,414	-	35,137	450,558	-	-	8,856	-	-
Lakeside Holiday Park, Sanya	Jiyang District	80.0%	397,080	436,425	-	-	436,425	-	-	-	-	-
Golden Miles, Sanya	Yazhou District	68.9%	63,614	157,911	-	157,911	157,911	-	-	-	-	-
Sanya Vanke Sanya Bay	Tianya District	30.6%	54,663	136,657	-	-	-	136,657	136,657	-	-	-
Haikou Jinyu Shijia	Meilan District	40.0%	44,105	108,056	-	-	108,056	-	-	-	-	-
Lunas Del Mar, Huizhou	Huidong County	100.0%	692,671	951,072	-	13,277	818,561	-	-	-	-	-
Huizhou Xiaoinkou Project	Huicheng District	78.1%	41,895	118,101	-	-	118,101	-	-	-	-	-
Wanhui Garden, Huizhou	Huiyang District	78.9%	73,333	194,184	-	-	187,756	-	-	-	-	-
Wanyue Garden, Huizhou	Huiyang District	30.4%	60,381	213,566	-	28,850	122,708	-	-	15,241	-	-
Jinfeng Garden, Huizhou	Huicheng District	37.6%	111,564	345,848	-	125,520	345,848	-	-	-	-	-
Wenhan Garden, Huizhou	Huiyang District	75.4%	44,695	162,673	-	61,805	61,805	-	-	17,854	-	-
Huizhou Shenqiu Huafu	Huiyang District	36.9%	8,777	21,063	-	-	-	-	-	21,063	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction as at the end of 2023		Area to be completed in 2024
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Dream Town, Nanning	Qingxiu District	84.7%	355,063	1,409,936	-	-	1,320,310	-	-	25,000
Jinyuzhongyang, Nanning	Liangqing District	40.1%	117,729	601,250	-	-	576,052	-	-	-
Star Converge, Nanning	Liangqing District	76.2%	155,510	506,545	-	20,088	429,492	-	-	-
Xingningdong Project, Nanning	Xingning District	99.0%	69,836	125,704	-	-	125,704	-	-	-
Jinyu International, Nanning	Liangqing District	51.9%	79,835	239,504	-	133,882	201,923	-	-	37,581
Nanning Emerald Centra	Liangqing District	70.1%	100,319	334,848	-	140,221	140,221	-	-	136,165
Nanning Vanke Elegant Mansion	Liangqing District	99.8%	56,270	168,788	-	33,586	33,586	-	-	36,169
Nanning Vanke Gongwang	Yongning District	100.0%	51,142	127,934	-	122,520	122,520	-	-	5,414
Bailu Project, Liuzhou	Liubei District	53.6%	457,860	1,254,115	-	229,718	753,757	358,993	30,000	74,653
Dream Town, Quanzhou	Fengze District	60.0%	136,741	478,591	-	-	478,591	-	-	-
Honor of the City, Quanzhou	Fengze District	30.7%	211,662	849,336	-	62,519	628,350	-	-	20,897
Jinyu Binjiang Phase 1, Jinjiang	Jinjiang City	44.0%	23,488	77,846	-	-	77,846	-	-	-
Jinjiang Vanke Jinyu International	Jinjiang City	99.3%	57,906	110,011	-	110,011	110,011	-	-	-
Vanke Plaza, Xiamen	Jimei District	100.0%	126,657	661,134	-	-	307,192	-	-	-
Heron Hill, Xiamen	Xiang'an District	93.5%	86,368	86,976	-	5,598	57,018	-	-	4,839
Heron Hill Phase II, Xiamen	Xiang'an District	47.1%	58,986	88,499	-	1,588	17,972	-	-	31,728
Vanke Shimaoxiwang, Xiamen	Tong'an District	32.0%	54,164	119,160	-	-	119,160	-	-	-
Longhai Jinyu Binjiang Garden, Zhangzhou	Longhai City	99.5%	81,659	245,181	-	161,809	245,181	-	-	-
The Paradiso, Zhongshan	Shiqi District	74.2%	143,852	418,450	-	-	418,450	-	-	-
Dream Town, Zhongshan	Guzhen Town	90.0%	139,968	419,808	-	-	419,808	-	-	-
Zhongshan Four Seasons Flower City	Wuguishan	60.0%	133,327	226,211	-	61,446	226,211	-	-	-
Central Park Phase I, Zhongshan	Guzhen Town	79.0%	21,633	64,897	-	23,525	64,897	-	-	-
Central Park Phase II, Zhongshan	Guzhen Town	99.3%	58,997	181,645	-	25,733	67,314	-	-	37,341
Western Coast, Zhongshan	Cuiheng New Area	99.3%	38,836	99,365	-	99,365	99,365	-	-	-
Zhongshan City Light	Minzhong Town	90.0%	70,714	212,141	-	53,342	106,687	-	-	11,059
Zhongshan Wanzhong Xincheng	Cuiheng New Area	49.5%	668,974	1,553,506	3,863	-	-	1,000,736	153,056	276,113
Jinyu International, Zhongshan	Guzhen Town	98.3%	109,251	278,149	-	98,673	98,673	-	-	36,349
Zhongshan Yuanshu	Cuiheng New Area	49.8%	99,039	198,077	114,908	-	-	83,169	83,169	32,923
Haiyu Peninsula Garden, Zhuhai	Xiangzhou District	50.0%	76,293	108,544	-	39,131	108,544	-	-	-
Glamorous City, Zhuhai	Doumen District	100.0%	137,061	274,122	-	-	274,122	-	-	-
Mangrove East Coast, Tangjiawan, Zhuhai	Xiangzhou District	16.0%	333,668	500,536	-	104,220	477,109	-	-	-
Jade Center, Zhuhai	Xiangzhou District	98.8%	27,077	81,310	-	-	81,310	-	-	-
Binhai Metropolis Garden, Zhuhai	Jinwan District	99.6%	110,972	170,997	-	5,700	148,103	-	-	-
Zhuhai Maritime City	Jinwan District	59.6%	165,047	254,008	-	87,037	87,037	-	-	31,374

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
								as at the end of 2023	Area to be commenced construction in 2024	
Zhuhai Metropolis Four Seasons	Xiangzhou District	39.7%	81,383	190,194	-	68,788	68,788	-	-	40,419
Zhuhai Starlight Coastal Garden	Jinwan District	42.9%	72,984	124,213	-	32,598	32,598	-	-	11,280
Zhuhai Qin'ao Legend	Xiangzhou District	94.3%	66,795	146,724	-	47,581	47,581	-	-	2,966
Plot 17#, Jinwan Binhai Business District, Zhuhai	Jinwan District	50.0%	33,277	66,553	-	-	-	-	-	14,805
Plot 18#, Jinwan Binhai Business District, Zhuhai	Jinwan District	49.9%	32,049	64,096	-	-	-	-	-	17,374
Jiangmen Vanke Golden City Central Garden	Pengjiang District	56.0%	36,947	92,222	-	-	90,796	-	-	-
Jiangmen Vanke Golden City Central Dongyuan	Pengjiang District	55.1%	32,080	88,239	-	-	88,239	-	-	-
Jiangmen Vanke Golden City Central Ziyuan	Pengjiang District	63.9%	21,613	54,033	-	53,821	53,821	-	-	-
Jiangmen Jinyuhuaifu	Pengjiang District	99.6%	80,939	196,280	-	50,697	50,697	-	-	61,598
Southern Region subtotal			19,712,965	49,649,210	1,712,061	5,342,804	32,587,415	6,392,187	1,565,019	3,431,114
Shanghai Region										
Xuhui Vanke Center, Shanghai	Xuhui District	51.0%	107,486	494,437	-	43,924	209,514	-	-	-
Jade Park, Shanghai	Pudong New District	90.0%	79,548	209,697	-	-	209,697	-	-	-
King Metropolis, Shanghai	Fengxian District	83.7%	58,531	134,622	-	-	134,622	-	-	-
Anting New Town Project, Shanghai	Jiading District	74.2%	624,428	504,437	-	-	460,205	-	-	44,232
Sky City, Shanghai	Qingpu District	49.8%	210,140	367,777	-	72,701	367,777	-	-	-
Zhongxing Road Project, Shanghai	Jing'an District	48.7%	31,034	109,754	-	-	66,261	-	-	-
Longhua Project, Shanghai	Xuhui District	54.8%	20,840	41,033	-	18,675	18,675	-	-	22,358
Shanghai City Next	Baoshan District	99.0%	80,805	145,450	-	-	145,450	-	-	-
Shanghai Atop the City	Jiading District	74.2%	83,682	162,392	-	-	162,392	-	-	-
Mancheng Project, Shanghai	Baoshan District	33.2%	295,244	566,942	-	150,695	399,576	-	-	97,920
Skycity of Star Island, Shanghai	Qingpu District	99.7%	41,464	75,630	-	-	75,630	-	-	-
Qibao 19-04 Plot, Shanghai	Minhang District	99.7%	34,000	99,000	24,750	-	-	74,250	74,250	-
Qiaogao Project, Shanghai	Xuhui District	33.2%	118,282	351,657	-	59,732	74,696	-	-	-
Emerald Albany Phase IV, Shanghai	Jing'an District	70.0%	43,841	252,087	-	-	-	-	-	-
Shanghai Songjiang Sea Reflection	Songjiang District	95.4%	119,000	249,000	249,000	-	-	-	-	148,434
Shanghai Langshi Huayu	Minhang District	50.5%	65,000	163,000	163,000	-	-	-	-	-
Shanghai Future City	Jiading District	48.9%	142,000	369,000	369,000	-	-	-	-	-
Shanghai Manchester City Phase II	Baoshan District	29.2%	49,755	101,322	101,322	-	-	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
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Park Avenue Phase I, Changzhou	Jintan District	68.7%	191,268	307,654	98,272	-	123,637	85,745	85,745	-
Park Avenue Phase II, Changzhou	Jintan District	68.7%	182,741	465,399	-	84,430	388,759	-	-	76,640
Education Town Project, Changzhou	Tianning District	99.6%	117,458	273,994	-	146,481	273,994	-	-	-
Guobin Road, Changzhou	Zhonglou District	50.3%	64,360	115,848	-	115,848	115,848	-	-	-
Changzhou Chaoqi Dongfang	Wujin District	50.0%	29,933	59,871	-	36,659	36,659	-	-	23,212
Vanke Zhenwanhui, Changzhou	Zhonglou District	100.0%	76,916	169,215	-	46,291	46,291	-	-	61,368
Liangzhu Culture Village, Hangzhou	Yuhang District	100.0%	3,108,146	2,671,811	-	122,729	2,207,325	-	-	112,520
Gongwang, Hangzhou	Fuyang District	100.0%	517,900	208,981	-	10,582	160,155	-	-	10,613
Jiuwang, Hangzhou	Fuyang District	20.0%	129,874	126,751	-	43,678	126,751	-	-	-
Hangzhou Quanxueli	Yuhang District	89.3%	78,527	133,496	-	-	133,496	-	-	-
Zhigu, Hangzhou	Gongshu District	90.0%	14,513	50,796	-	-	50,796	-	-	-
Wei Lai Zhi Guang, Hangzhou	Yuhang District	100.0%	72,618	171,953	-	35,550	171,953	-	-	-
Zhongchenghui (Phase II), Hangzhou	Gongshu District	99.3%	20,414	51,707	-	-	51,707	-	-	-
Donghai Xianhucheng Project in Yuhang District, Hangzhou	Yuhang District	14.9%	411,000	550,010	-	-	128,917	-	-	156,000
Zijinruigu, Hangzhou	Xihu District	17.2%	9,078	35,389	-	35,389	35,389	-	-	-
Jinmao Vanke New Metropolis, Hangzhou	Fuyang District	49.5%	63,457	177,678	-	-	177,678	-	-	-
Sunshine City, Hangzhou	Xiaoshan District	79.8%	68,538	186,798	-	-	-	-	-	186,798
Hangzhou Metro Vanke Sky City	Yuhang District	50.8%	434,580	760,055	-	297,433	630,318	-	-	129,737
Yunhe Vanke Center Phase II, Hangzhou	Gongshu District	42.9%	17,795	62,283	-	42,444	62,283	-	-	-
Pingyao Project, Hangzhou	Yuhang District	49.4%	81,473	108,194	-	-	108,194	-	-	-
Hangzhou Yuewang Mansion	Fuyang District	47.1%	92,480	93,405	-	60,489	93,405	-	-	-
Guniangqiao Plot, Hangzhou	Xiaoshan District	99.9%	85,728	223,126	-	172,467	172,467	-	-	50,659
Changi Bay, Hangzhou	Xiaoshan District	39.5%	50,176	130,458	-	-	120,963	-	-	-
Hangzhou Rainbow Sky City	Xiaoshan District	50.9%	115,664	176,746	-	176,746	176,746	-	-	-
Hangzhou Heyu Guangnian Mansion	Gongshu District	99.8%	52,863	137,444	-	130,356	130,356	-	-	7,088
Hangzhou Huyin Guangnian Mansion	Qiantang District	99.7%	47,976	144,973	-	-	-	-	-	144,973
Hangzhou Xingtu Guangnian Pavilion	Yuhang District	47.4%	78,088	218,646	-	-	-	-	-	-
Hangzhou Xingyu Guangnian Mansion	Yuhang District	53.2%	43,413	108,533	-	-	-	-	-	108,533
Jiangnan Reflections Mansion, Hangzhou	Binjiang District	43.6%	23,999	62,397	-	-	-	-	-	-
Hangzhou Comfy Oasis	Gongshu District	41.3%	26,861	45,664	45,664	-	-	-	-	-
Hangzhou Langshi Huzhu	Qiantang District	99.7%	28,765	71,913	71,913	-	-	-	-	-
Hangzhou Langshi Binyu	Binjiang District	58.7%	32,174	70,783	70,783	-	-	-	-	-
Hangzhou Hesong Yingxiang Mansion	Gongshu District	52.9%	35,612	96,152	96,152	-	-	-	-	-
Metropolis Oriental, Jiaxing	Haining City	98.9%	41,541	103,853	-	-	103,853	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Area not			
							Accumulated completion area by 2023	yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
Chaoqi Dongfang Phase II, Jiaxing	Haining City	71.8%	54,396	125,111	-	18,500	125,111	-	-	-
Zijingshoufu, Shaoxing	Zhuji City	36.4%	97,500	195,000	-	-	195,000	-	-	-
Lake Xanadu, Shaoxing	Yuecheng District	42.3%	80,609	119,023	-	119,023	119,023	-	-	-
Plot No. 8, West Fenglin Road, Shaoxing	Yuecheng District	99.5%	36,108	64,993	-	-	-	-	-	64,993
Plot No. 6, West Fenglin Road, Shaoxing	Yuecheng District	70.2%	67,488	93,111	51,167	-	-	41,944	41,944	-
Shaoxing Hupo Yinxiu Mansion	Yuecheng District	49.7%	56,095	129,008	-	-	-	-	-	129,008
Park Avenue, Zhangjiagang	Zhangjiagang City	46.0%	191,795	469,378	-	65,993	431,277	26,000	-	3,573
City Mansion, Hefei	Luyang District	49.0%	147,837	413,944	-	-	413,944	-	-	-
Future Light, Hefei	Feidong County	59.8%	197,179	435,884	-	76,357	432,962	-	-	2,922
Central Mansion, Hefei	Changfeng County	59.7%	212,512	430,563	-	16,151	430,563	-	-	-
Park Avenue, Hefei	Changfeng County	98.7%	122,070	256,262	-	-	256,262	-	-	-
Yunfeng Garden, Hefei	Baohu District	24.6%	163,503	418,618	-	10,717	306,037	-	-	-
Hefei Urban Xanadu Project	Shushan District	48.0%	61,120	127,439	-	-	-	-	-	127,439
Hefei Jinshangguang Yao	Feidong County	97.3%	59,634	122,860	-	-	-	-	-	58,469
Hefei Langshi	Baohu District	34.1%	89,780	179,560	145,750	-	-	-	-	179,560
Hefei Weixing Vanke Star Encounter Lightyear	Shushan District	38.0%	102,627	213,461	213,461	-	-	-	-	-
Hefei Isle Maison – Senyu	Baohu District	52.1%	70,879	165,137	165,137	-	-	-	-	-
Hefei Pushiyincui	Luyang District	47.6%	25,201	45,362	45,362	-	-	-	-	-
Binhe Road Huayuan, Jiaxing	Nanhu District	66.5%	40,421	80,821	-	60,814	60,814	-	-	20,007
Jiaxing Wangchenli	Nanhu District	32.0%	36,456	40,074	-	40,074	40,074	-	-	-
Jiaxing Lakeside Yinxiu	Nanhu District	96.0%	57,568	120,810	-	120,810	120,810	-	-	-
Jiaxing Zhenjing Yayuan	Nanhu District	97.6%	68,764	138,196	-	-	-	-	-	138,196
Jiaxing Yuli Future Community Project	Nanhu District	68.5%	115,452	168,576	-	-	-	-	-	168,576
Jiaxing Cloud Bay	Nanhu District	37.5%	139,964	185,452	113,566	-	-	-	-	131,677
Jiuduhui, Nanjing	Yuhuatai District	100.0%	126,058	313,446	-	-	313,446	-	-	-
The Paradiso, Nanjing	Jiangning District	100.0%	272,298	545,280	-	-	545,280	-	-	-
Xinduhui, Nanjing	Jiangning District	16.0%	36,043	106,067	-	-	72,691	-	-	-
Dream Town, Nanjing	Lishui District	98.6%	218,794	515,467	-	-	515,467	-	-	-
Jade Park, Nanjing	Jiangning District	49.7%	94,624	260,519	-	-	260,519	-	-	-
Metropolis, Nanjing	Yuhuatai District	59.6%	71,334	171,515	-	-	171,515	-	-	-
Jinyu International, Nanjing	Jiangning District	98.7%	38,824	193,817	-	-	129,741	-	-	64,076
Duhui Tiandi, Nanjing	Jiangning District	28.2%	108,522	398,905	-	90,473	398,905	-	-	-
Shi Dai Tian Yue, Nanjing	Jiangning District	19.5%	54,173	174,975	-	-	96,013	-	-	10,800

Directors' Report

Unit: sq.m.

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								yet under construction as at the end of 2023	commenced construction in 2024	completed in 2024
Metropolis Four Seasons, Nanjing	Jiangning District	25.8%	153,261	385,095	-	4,379	385,095	-	-	-
Lishui G09 Plot, Nanjing	Lishui District	59.6%	162,782	406,956	-	115,847	254,572	-	-	45,547
Nanjingnan Railway Station Project	Jiangning District	49.7%	37,697	96,968	-	53,171	88,519	-	-	8,449
Nanjing Vanke Emerald Riverside	Jianye District	39.8%	45,092	108,220	-	108,220	108,220	-	-	-
Nanjing Vanke City Halo	Qixia District	49.8%	61,493	175,483	-	175,483	175,483	-	-	-
Vanke Huayuxi'an, Nanjing	Jiangbei New District	34.1%	78,325	159,682	-	-	102,446	-	-	57,236
Nanjing Xiwangcheng	Gaochun District	50.4%	157,586	336,551	-	52,909	52,909	209,439	25,490	7,713
Nanjing Yuyue Light-year	Yuhuatai District	99.4%	47,295	70,942	-	70,942	70,942	-	-	-
Nanjing Duhui Muyu	Lishui District	73.9%	45,806	91,718	-	39,166	39,166	-	-	22,422
Nanjing Xinyue Light-year	Jiangbei New District	59.0%	23,706	36,727	-	36,727	36,727	-	-	-
Nanjing Zichen Light-year	Jiangning District	99.3%	31,275	62,548	-	60,048	60,048	-	-	2,500
Nanjing Duhui Qijing	Jiangning District	99.0%	24,787	61,950	-	-	19,033	-	-	42,917
Nanjing Langshi Garden	Yuhuatai District	59.8%	26,603	74,482	-	-	-	-	-	74,482
Nanjing Isle Maison-Yuhe	Yuhuatai District	69.6%	34,856	97,592	97,592	-	-	-	-	-
Nanjing Isle Maison Phase II	Yuhuatai District	44.2%	27,328	60,116	60,116	-	-	-	-	-
Glamorous City, Zhenjiang	Runzhou District	100.0%	795,100	942,820	-	-	920,071	22,749	-	-
Blue Mountain Garden, Zhenjiang	Dantu District	60.0%	285,683	404,048	-	-	404,048	-	-	-
Jade Park, Zhenjiang	Runzhou District	99.0%	112,889	247,049	-	35,961	139,806	-	-	107,243
The Paradiso, Zhenjiang	Jingkou District	41.9%	133,100	319,569	-	74,924	266,213	-	-	43,735
Haishang Chuanqi, Nantong	Chongchuan District	16.9%	175,297	309,421	-	-	309,421	-	-	-
Shengjiluxi Plot, Nantong	Chongchuan District	79.6%	75,362	168,138	-	38,906	168,138	-	-	-
City Twilight, Nantong	Tongzhou District	36.0%	55,124	110,152	-	10,540	110,152	-	-	-
Nantong Sea Moon	Tongzhou District	32.3%	182,772	392,952	-	134,366	392,952	-	-	-
Peninsula International, Nantong	Haimen District	58.9%	35,469	63,844	-	63,844	63,844	-	-	-
The One, Nantong	Tongzhou District	47.4%	50,625	91,125	-	37,094	71,871	-	-	-
Vanke West Land Lot Project, Nantong Haimen	Haimen District	50.2%	46,889	84,401	-	53,421	53,421	-	-	-
Junyuan South Land Lot Project, Nantong Haimen	Haimen District	95.8%	26,730	48,114	-	48,114	48,114	-	-	-
Land Lot North to Experimental School, Nantong	Haimen District	99.4%	52,328	115,122	-	-	-	-	-	65,542
Land Lot North to Central Innovation District, Nantong	Chongchuan District	77.7%	73,114	166,000	-	74,558	74,558	-	-	66,324

Directors' Report

Unit: sq.m.

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								yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
Nantong Green Vine Garden	Haimen District	37.2%	45,552	91,104	-	91,104	91,104	-	-	-
Nantong Yanyu Light-year	Tongzhou District	74.4%	90,960	163,737	-	23,978	23,978	-	-	18,764
Nantong Changchunteng	Tongzhou District	99.4%	99,177	168,785	-	43,157	43,157	78,014	78,014	30,563
Binsheng Zhenyuan, Ningbo	Jiangbei District	49.1%	74,357	143,433	-	-	143,433	-	-	-
Dongqian Lake Mogu Road Project, Ningbo	Yinzhou District	49.8%	49,902	50,401	-	-	50,401	-	-	-
Zhenhai Camel Project, Ningbo	Zhenhai District	99.3%	138,433	327,804	-	327,804	327,804	-	-	-
Haiyinglanting, Ningbo	Zhenhai District	99.3%	43,591	98,598	-	98,598	98,598	-	-	-
Cichen No.11 Land Lot Project, Ningbo	Jiangbei District	48.1%	41,850	66,960	-	-	66,960	-	-	-
Cichen No.12 Land Lot Project, Ningbo	Jiangbei District	49.0%	41,589	62,079	-	62,079	62,079	-	-	-
Land Lot West to Jiangnan Yipin, Ningbo	Yinzhou District	74.3%	53,253	113,574	-	113,574	113,574	-	-	-
Ningbo Binhongli	Jiangbei District	50.0%	12,089	23,764	-	23,764	23,764	-	-	-
Ningbo Langshili	Haishu District	50.6%	30,828	85,709	-	-	-	-	-	85,709
Ningbo Zhanlan Xiaoyue	Jiangbei District	50.0%	25,185	41,489	-	41,489	41,489	-	-	-
Ningbo Yueying Lantang	Haishu District	100.0%	52,928	119,798	-	119,798	119,798	-	-	-
Ningbo Star Travel Guangnian Mansion	Yinzhou District	52.9%	31,245	77,205	-	-	-	-	-	77,205
Ningbo Isle-Wenlan	Yinzhou District	78.1%	17,965	34,132	34,132	-	-	-	-	34,132
Ningbo Isle-Jiangfeng	Yinzhou District	57.3%	14,159	39,644	39,644	-	-	-	-	-
Ningbo Guanlan Yingxiang	Yinzhou District	78.8%	43,586	100,248	100,248	-	-	-	-	-
Jinhua Jinli Jianglan	Wucheng District	99.6%	89,731	161,515	-	-	-	-	-	161,515
Jinhua Wancheng Huafu	Wucheng District	79.6%	133,320	239,976	-	71,205	71,205	100,102	100,102	68,669
Jinhua Jin Yun Jiang Ting	Wucheng District	99.1%	47,249	85,036	-	-	-	-	-	85,036
Jinhua Wansheng Huafu	Wucheng District	69.2%	86,304	155,347	14,156	-	-	69,979	69,979	-
Shanhaishili, Taizhou	Luqiao District	99.2%	48,490	121,780	-	-	121,780	-	-	-
East of Dongjiayang Project, Taizhou	Jiaojiang District	50.4%	109,350	273,375	-	273,375	273,375	-	-	-
West of Dongjiayang Project, Taizhou	Jiaojiang District	50.4%	117,447	294,175	-	294,175	294,175	-	-	-
Golf Project, Kunshan	Kunshan City	100.0%	433,916	327,891	-	-	-	249,208	-	-
Glamorous City, Kunshan	Kunshan City	100.0%	309,217	773,042	-	-	773,042	-	-	-
Yujianshan, Suzhou	High & New Technology Industries Development Zone	44.5%	167,206	234,059	-	-	234,059	-	-	-
Haishang Chuanqi, Kunshan	Kunshan City	56.3%	163,930	246,067	-	-	246,067	-	-	-

Directors' Report

Unit: sq.m.

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Daxiang Shan She, Suzhou	High & New Technology Industries Development Zone	49.8%	138,470	193,663	-	21,989	77,491	-	-	-
Future City, Kunshan	Kunshan City	32.5%	350,761	514,618	-	14,597	464,532	-	-	50,086
Yunpu, Kunshan	Kunshan City	16.0%	18,068	117,701	-	-	117,701	-	-	-
Zhen Wan Ya Zhu, Changshu	Changshu City	48.0%	90,004	165,715	-	22,168	165,715	-	-	-
Zuo'an Project, Suzhou	Industries District	64.3%	22,826	199,358	-	-	-	-	-	-
Anyuanlu Project, Suzhou	Xiangcheng District	59.7%	88,260	194,172	-	60,320	194,172	-	-	-
Xiajia River Project, Kunshan	Kunshan City	92.5%	112,727	202,771	-	80,686	202,771	-	-	-
Wuzhong Party School Project, Suzhou	Wuzhong District	74.6%	12,735	52,520	-	-	-	52,520	-	-
Kunshan Jiangwan Lanting	Kunshan City	50.5%	74,327	186,188	-	186,188	186,188	-	-	-
Huayujiangnan, Suzhou	Xiangcheng District	44.6%	57,010	125,422	-	125,422	125,422	-	-	-
Yulinlong, Suzhou	Xiangcheng District	69.7%	63,778	159,445	-	123,323	123,323	-	-	36,122
Suzhou Oriental Yayuan	Industries District	37.1%	57,710	116,975	-	116,975	116,975	-	-	-
Suzhou Yihe Linglong Garden	Industries District	69.8%	99,167	158,636	-	-	-	-	-	66,267
Suzhou Chengnan Project	Wuzhong District	43.7%	26,356	57,973	-	-	-	-	-	57,973
Suzhou Four Seasons Starlight Garden	Xiangcheng District	54.2%	39,449	90,651	-	-	-	-	-	39,283
Suzhou Langxing Yayuan	Industries District	36.7%	57,816	104,047	-	-	-	-	-	104,047
Kunshan Langshi Yuhu Yayuan	Kunshan City	69.3%	59,739	137,360	137,360	-	-	-	-	-
Suzhou Isle Xujiang	Gusu District	49.0%	18,648	28,850	28,850	-	-	-	-	-
Ruian Xi'ao Village Plot, Wenzhou	Rui'an City	99.6%	70,151	195,804	-	195,804	195,804	-	-	-
Wenzhou Central Green Axis Lot D29/31	Lucheng District	6.4%	43,833	10,092	-	-	-	-	-	10,092
Sanxi District B-07 Plot, Wenzhou	Ouhai District	99.5%	65,766	197,565	-	-	197,565	-	-	-
Wenzhou Century AD	Longwan District	97.5%	87,184	191,805	-	74,290	74,290	-	-	90,111
Wenzhou Meilu	Rui'an City	91.7%	26,033	83,074	-	83,074	83,074	-	-	-
Wenzhou Reflections Plaza	Ouhai District	89.4%	48,825	137,200	-	-	-	-	-	137,200
Wenzhou Reflections Plaza II	Ouhai District	58.8%	16,894	42,235	-	-	-	-	-	42,235
Wuhu Zhongjiang Garden	Jiujiang District	33.0%	101,475	182,637	-	70,108	182,637	-	-	-
Wuhu Oriental Longyin Terrace	Jiujiang District	41.0%	52,669	94,692	-	40,066	94,692	-	-	-
Wuhu Xinda Vanke Prestigious	Jinghu District	50.5%	97,811	194,149	-	120,986	120,986	-	-	73,163
Golden Paradise, Wuxi	Xinwu District	100.0%	224,118	638,741	-	-	638,741	-	-	-
The Paradise, Wuxi	Binhu District	100.0%	154,468	353,144	-	81,903	353,144	-	-	-
Glamorous City, Wuxi	Binhu District	100.0%	962,116	1,318,256	-	-	1,318,256	-	-	-
Xinchengdao, Wuxi	Binhu District	100.0%	154,119	385,299	-	-	385,299	-	-	-

Directors' Report

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Guanhu Lizhu, Wuxi	Xinwu District	37.4%	181,761	262,841	-	-	223,339	-	-	39,502
Yunhe Chuangqi, Wuxi	Liangxi District	75.3%	81,834	183,998	-	-	183,998	-	-	-
Zhenjing, Wuxi	Huishan District	50.2%	51,065	102,866	-	102,866	102,866	-	-	-
Wuxi Meili Shangcheng	Xinwu District	72.0%	85,898	172,971	-	76,795	159,610	-	-	13,361
Qingteng Park, Wuxi	Huishan District	98.6%	39,669	98,307	-	98,307	98,307	-	-	-
Wanshan Lake, Wuxi	Xishan District	50.5%	108,075	216,646	-	112,947	112,947	-	-	103,699
Wuxi Oriental Bay	Huishan District	69.7%	83,130	197,096	-	-	-	21,400	21,400	85,343
Chenyang Jiadi, Jingjiang	Jingjiang City	50.0%	370,700	564,917	-	52,416	564,917	-	-	-
Jingjiang Jingyue Dongfang	Jingjiang City	54.2%	55,847	98,968	-	71,512	71,512	-	-	27,456
Huaihai Paradiso, Xuzhou	Quanshan District	85.0%	232,230	811,923	-	-	811,923	-	-	-
Xinduhui, Xuzhou	Tongshan District	89.4%	123,019	354,508	-	-	354,508	-	-	-
Jade Light, Xuzhou	Yunlong District	50.3%	100,556	293,564	-	-	269,831	-	-	23,733
Jielu, Xuzhou	Gulou District	30.8%	181,244	287,642	-	-	287,642	-	-	-
Maocun Project No.5 Land Project, Xuzhou	Tongshan District	42.8%	72,878	149,137	-	-	-	-	-	-
Times Light, Xuzhou	Tongshan District	42.8%	59,137	147,843	-	-	-	-	-	-
He Guang Cheng Yue, Xuzhou	Tongshan District	42.8%	103,670	266,228	-	-	-	-	-	-
Four Season City Xuzhou	Gulou District	22.0%	163,394	444,162	-	-	374,023	-	-	-
North Bus Terminal Project, Xuzhou	Gulou District	66.8%	67,922	169,385	-	169,385	169,385	-	-	-
Vanke Rising Mansion, Xuzhou	Quanshan District	50.0%	39,574	112,371	-	72,812	72,812	-	-	39,559
Xuzhou North Terminal Lot A Project	Gulou District	63.5%	22,708	48,905	-	-	-	-	-	48,905
Xuzhou North Terminal Lot C Project	Gulou District	57.7%	29,437	72,979	-	-	-	-	-	72,979
Shanshuijian, Xuzhou	Tongshan District	48.6%	166,603	373,791	-	135,987	135,987	-	-	81,100
Kunlun, Xuzhou	Yunlong District	69.7%	65,354	184,422	-	-	-	-	-	-
Xuzhou North Terminal Lot B Project	Gulou District	80.6%	26,830	60,752	-	-	-	-	-	49,433
Xuzhou Huaihai Yinxiu	Quanshan District	90.1%	9,746	26,853	-	-	-	-	-	26,853
Xuzhou Cuiwan Zhongcheng	Yunlong District	54.2%	68,868	156,111	-	-	-	-	-	42,556
Xuzhou Wushan Park Lot A Project	Gulou District	99.2%	76,730	88,481	-	-	-	-	-	19,122
Xuzhou Yungu	Quanshan District	50.0%	60,161	84,653	-	-	-	-	-	26,932
Shilichunfeng Eastside Plot, Suqian	Sucheng District	91.9%	28,207	63,836	-	63,836	63,836	-	-	-
Suqian West Lake Metropolis	Sucheng District	35.3%	35,557	88,892	-	36,045	36,045	-	-	44,690
Kunlun Shangguan, Suqian	Suyu District	99.5%	112,124	252,465	-	-	-	-	-	18,287
Feicui Yuntai, Yancheng	Yandu District	27.2%	126,022	272,904	-	6,568	272,904	-	-	-
Emerald College, Yancheng	Tinghu District	44.7%	39,251	78,648	-	3,802	78,648	-	-	-

Directors' Report

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					commenced construction in 2023	Completed Area in 2023				
Julongdongfang, Yancheng	Tinghu District	49.4%	66,055	167,053	-	70,210	70,210	-	-	31,464
Xinghuidongfang, Yancheng	Tinghu District	44.5%	79,231	198,078	5,134	-	-	99,010	9,768	62,661
Dream Town, Yangzhou	Hanjiang District	100.0%	297,139	317,787	-	-	316,833	-	-	954
Project 885, Yangzhou	Guangling District	34.9%	64,452	141,795	-	-	-	-	-	136,232
Feicui Yuntai, Yangzhou	Gaoyou City	43.0%	200,000	391,002	55,018	43,254	234,225	74,171	32,500	36,370
Four Seasons Metropolis, Yangzhou	Hanjiang District	51.7%	97,220	178,184	-	178,184	178,184	-	-	-
Yangzhou Ruyuan	Guangling District	36.2%	38,958	55,632	-	27,747	27,747	-	-	12,593
Yangzhou Vanke Dongwang	Guangling District	97.4%	56,285	81,614	60,309	21,305	21,305	-	-	18,231
Shanghai Region subtotal			25,099,674	45,747,327	2,656,858	8,156,808	31,935,822	1,204,531	539,192	5,354,678
Northwestern Region										
Jade Guobin, Xi'an	Yanta District	72.3%	149,013	489,475	-	-	489,475	-	-	-
Vanke Pu Yue, Xi'an	Weiyang District	97.4%	99,494	261,798	-	-	87,191	-	-	52,199
Dream Town, Xi'an	Chang'an District	100.0%	154,001	510,645	-	-	510,645	-	-	-
Dream Town Phase II, Xi'an	Chang'an District	100.0%	113,231	345,959	-	-	319,343	-	-	26,616
King Metropolis, Xi'an	Weiyang District	100.0%	106,667	384,044	-	-	384,044	-	-	-
Dream Town Yanyuan, Xi'an	Chang'an District	100.0%	89,377	199,691	-	-	184,474	-	-	-
Eastern Metropolis, Xi'an	Weiyang District	100.0%	167,626	637,348	-	114,353	637,348	-	-	-
Prestigious Academy, Xi'an	Yanta District	69.8%	114,745	478,105	-	-	476,857	-	-	-
City Twilight, Xi'an	Yanta District	78.6%	100,340	309,082	-	28,086	301,773	-	-	-
Feicui International, Xi'an	Yanta District	41.0%	283,130	1,003,798	-	80,912	775,217	-	-	80,478
Prestigious Academy Phase II, Xi'an	Yanta District	49.8%	55,255	162,224	-	-	162,224	-	-	-
City Twilight Phase II, Xi'an	Yanta District	40.8%	60,136	210,483	-	-	210,483	-	-	-
Yungu, Xi'an	Yanta District	78.7%	31,569	47,353	-	-	30,410	-	-	16,943
Xi'an Xinhe Xinyuan	Baqiao District	98.9%	107,647	257,335	-	114,440	257,335	-	-	-
Yuewan, Xi'an	Weiyang District	47.6%	75,406	177,782	-	25,524	155,804	-	-	-
Lan'an, Xi'an	Baqiao District	98.4%	127,139	260,198	-	-	248,230	-	-	-
Vanke Yanming Lake, Xi'an	Yanta District	65.3%	122,537	245,073	48,502	-	142,194	-	-	-
Xi'an Vanke Hyatt House	Weiyang District	59.7%	41,938	155,960	-	155,960	155,960	-	-	-
Vanke Yanming Lake Phase III, Xi'an	Yanta District	64.7%	58,449	116,898	-	-	-	28,404	-	20,527
Xi'an Vanke Four Seasons Flower City	Lantian County	57.2%	171,790	426,749	96,564	-	-	64,529	64,529	225,745
Xi'an Vanke Future Starlight	Xixian New Area	75.4%	64,431	171,576	-	-	-	62,994	-	77,507

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2023	Completed Area in 2023	Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
								as at the end of 2023	Area to be commenced construction in 2024	
Xi'an Vanke Fenghua Jinming	Xixian New Area	50.0%	84,011	210,026	-	-	-	-	-	97,646
Xi'an Gaoling Four Seasons Metropolis	Gaoling District	99.3%	156,968	439,509	-	-	-	340,202	133,861	65,411
Xi'an Vanke Dongwang	Yanta District	59.6%	180,567	748,897	109,499	-	-	196,415	147,649	349,253
Ideal City, Xi'an	Xixian New Area	90.1%	483,541	696,780	39,661	-	246,211	332,326	129,385	8,701
Vanke Metropolis Phase I, Xi'an	Xixian New Area	86.9%	141,500	358,801	-	1,294	294,534	-	-	-
Vanke Metropolis Phase II, Xi'an	Xixian New Area	65.9%	135,900	359,828	-	-	208,729	-	-	-
Vanke Golden Paradise, Xi'an	Xixian New Area	96.9%	74,515	149,030	-	78,924	149,030	-	-	-
Xi'an Metropolis Cloud	Xixian New Area	29.6%	148,195	438,115	-	-	413,265	-	-	-
Plots of 57 mu and 89 mu in Jinghe New Town, Xi'an	Xixian New Area	99.2%	97,326	223,788	-	-	-	87,095	-	60,577
King Metropolis, Xianyang	Qindu District	61.3%	76,999	265,498	-	92,399	265,498	-	-	-
Dream Town, Weinan	Linwei District	70.0%	556,062	1,160,770	-	239,914	632,490	96,019	-	118,336
Weinan Vanke Jinchen	Linwei District	50.0%	98,962	236,730	39,634	11,954	11,954	32,140	32,140	30,230
Dream Town, Lanzhou	Gaolan County	41.0%	373,305	1,099,787	-	178,942	943,698	81,789	-	51,182
Lanzhou Vanke Puyue Zhenyuan	Chengguan District	41.1%	44,549	169,279	-	90,069	169,279	-	-	-
Times Light, Lanzhou	Yuzhong County	50.1%	129,835	338,646	-	149,372	279,652	-	-	29,366
Lanzhou Pu Yue Lan An	Anning District	90.3%	65,510	229,337	-	45,839	229,337	-	-	-
Star Light Metropolis, Lanzhou	Xigu District	48.5%	74,588	253,603	-	253,603	253,603	-	-	-
Lanzhou Vanke City Late Phase 718 mu Project	Gaolan County	49.3%	467,499	1,152,289	-	85,713	85,713	886,372	-	42,506
Lanzhou New Area Vanke City	Lanzhou New Area	50.1%	406,623	1,179,205	-	-	-	892,481	-	104,948
Lanzhou Crystal City Project	Xigu District	75.6%	144,259	504,893	91,038	-	-	155,981	99,469	112,035
Dream Town Yunjing, Xining	Chengzhong District	38.2%	164,608	435,968	-	-	348,723	-	-	2,520
Dream Town Chengzhong District Follow-up, Xining	Chengzhong District	18.8%	195,454	515,848	-	39,861	241,474	93,440	32,502	75,112
Xining Vanke City Starlight	Chengzhong District	38.1%	129,625	332,909	-	76,014	76,014	-	-	43,580
Xining The Park	Chengbei District	32.0%	110,939	274,848	-	94,245	248,760	-	-	18,176
Rancho Sante Fe, Urumqi	Sayibak District	60.0%	204,798	208,972	-	-	208,972	-	-	-
Wonderland, Urumqi	High & New Technology Industries Development Zone	44.5%	172,600	541,957	-	3,349	494,421	-	-	-
Feicuitianjiao, Urumqi	Tianshan District	77.1%	70,388	178,846	-	-	178,846	-	-	-
Legend of Metropolis, Urumqi	Sayibak District	90.0%	42,879	105,523	-	-	105,523	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Accumulated	Area not	Area to be	Area to be	
					commenced construction in 2023	Completed Area in 2023	yet under construction as at the end of 2023	commenced construction in 2024	Area to be completed in 2024	
Metropolitan, Urumqi	Shuimogou District	80.0%	36,104	162,470	-	-	162,470	-	-	-
Tianshan Fu, Urumqi	Tianshan District	78.8%	120,098	280,301	-	98,775	269,128	-	-	11,173
Park Avenue, Urumqi	Midong District	57.8%	85,938	300,716	-	-	300,716	-	-	-
Legend of Metropolis Phase II, Urumqi	Sayibak District	54.3%	38,204	92,975	-	-	92,975	-	-	-
Urumqi Flowery Mansion	High & New Technology Industries Development Zone	92.5%	67,412	160,337	-	-	160,337	-	-	-
Jingyaoli, Urumqi	Sayibak District	98.4%	146,730	252,602	-	194,571	194,571	-	-	58,031
Urumqi Jinhui in Mansion	High & New Technology Industries Development Zone	68.9%	118,041	279,440	-	142,648	250,489	-	-	-
Urumqi Tianshan Mansion Phase II	Tianshan District	95.7%	41,285	78,790	-	36,209	51,091	-	-	12,292
Guanlanjingyuan Phase II, Urumqi	Shuimogou District	64.4%	17,101	51,281	-	51,281	51,281	-	-	-
Spring Dew Mansion, Urumqi	Shuimogou District	93.1%	42,501	101,381	-	90,222	90,222	-	-	5,155
Urumqi Tianshan Mansion Phase III	Tianshan District	92.8%	52,945	115,909	-	53,376	53,376	-	-	16,550
Metropolis Future City, Urumqi	Sayibak District	94.0%	362,906	745,111	91,573	223,960	223,960	131,716	131,716	217,318
Urumqi Metropolis Future City Phase II	Sayibak District	99.1%	205,286	419,558	34,850	-	-	251,492	61,744	45,178
City Light Chenxingyuan, Yinchuan	Xingqing District	32.7%	106,121	180,402	-	-	179,091	-	-	1,311
Vanke Jade Garden A/B Land Lot, Yinchuan	Jinfeng District	19.3%	297,366	435,601	2,467	126,552	435,601	-	-	-
Metropolis, Yinchuan	Jinfeng District	22.4%	230,123	484,807	-	211,450	211,450	-	-	273,357
School of Beijing Normal University Project, Yinchuan	Jinfeng District	38.7%	115,809	226,218	-	124,838	124,838	-	-	101,380
Yinchuan Jade Lake Wangguanijing	Helan County	42.5%	54,505	64,114	-	64,114	64,114	-	-	-
Yinchuan Vanke New Metropolis	Yongning County	19.5%	80,262	161,063	-	-	-	-	-	49,922
Yuehai Jewelry, Yinchuan	Jinfeng District	46.6%	89,484	218,459	131,608	-	-	-	-	64,364
Yinchuan Zhongfang · Vanke Jinyao	Jinfeng District	46.1%	55,094	110,188	23,007	-	-	87,181	87,181	-
Northwestern Region subtotal			9,689,241	24,582,981	708,403	3,378,763	14,530,443	3,820,576	920,176	2,565,625

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2023	Accumulated	Area not yet under	Area to be	Area to be completed in 2024
					commenced construction in 2023		completion area by 2023	construction as at the end of 2023	commenced construction in 2024	
Southwestern Region										
Vanke Huamao Plaza, Chengdu	Chenghua District	5.0%	29,720	208,037	-	-	208,037	-	-	-
No.5 Park Front Boutique Apartment, Chengdu	High & New Technology Industries Development Zone	75.0%	87,822	263,464	-	-	263,464	-	-	-
Jinse Yuefu Music Plaza, Chengdu	Chenghua District	60.0%	143,109	681,283	-	-	519,994	-	-	53,901
Jade Garden, Chengdu	Tianfu New District	51.5%	128,801	409,541	-	-	409,541	-	-	-
Vanke Cloud City (Phase I), Chengdu	Tianfu New District	98.8%	34,501	172,500	-	-	44,141	42,001	-	-
Vanke Cloud City (Phase II), Chengdu	Tianfu New District	98.8%	22,711	102,150	-	-	102,150	-	-	-
Jinxiu, Chengdu	Tianfu New District	99.3%	157,109	411,348	-	52,139	176,155	-	-	87,844
Yixin Lake 133 Mu Project, Chengdu	Shuangliu District	50.0%	88,336	265,010	-	-	-	223,680	-	41,330
Yixin Lake 122 Mu Project, Chengdu	Shuangliu District	50.0%	81,356	220,802	-	18,644	18,644	167,199	-	34,959
Park Legend, Chengdu	Tianfu New District	59.9%	108,704	329,283	-	133,826	298,585	-	-	-
Yuehaiyuan, Chengdu	Qingbaijiang District	43.4%	104,624	415,332	-	93,102	314,616	-	-	100,716
Xinchuanhui, Chengdu	High & New Technology Industries Development Zone	99.0%	22,765	83,524	-	-	83,524	-	-	-
Guo Shou Jia Yuan, Chengdu	Wenjiang District	40.0%	60,152	90,203	-	-	11,256	-	-	-
Chengdu Park Town	Tianfu New District	70.8%	186,279	653,977	-	162,217	295,758	134,263	-	108,159
Chengdu Gaoxian Park	Longquanyi District	33.4%	141,338	324,816	-	97,260	97,260	64,703	-	112,316
Chengdu Jinyuhuaifu	Tianfu New District	59.0%	34,838	158,704	-	-	-	-	-	158,704
Chengdu Zhiyuan	Chenghua District	44.7%	53,158	159,474	-	159,474	159,474	-	-	-
Chengdu He Yuan	Chenghua District	48.0%	22,230	44,459	-	44,459	44,459	-	-	-
Chengdu Guobin Shuyuan Phase II	Jinniu District	50.0%	14,161	35,402	-	35,402	35,402	-	-	-
Chengdu Jingrong City	Pidu District	98.9%	86,356	172,711	-	-	-	-	-	38,546
Chengdu Xingyao Tianfu	Tianfu New District	100.0%	33,475	66,949	-	-	-	-	-	66,949
Chengdu Guobin Shuyuan Phase I	Jinniu District	50.1%	25,937	64,843	-	64,843	64,843	-	-	-
Chengdu City Villa	Xinjin District	99.3%	250,116	289,060	-	-	50,417	155,337	-	16,700
Chengdu Urban Xanadu	Wuhou District	59.9%	54,727	109,454	109,454	-	-	-	-	-
Chengdu Isle Maison - Jiaozhi	Jinjiang District	59.5%	49,603	89,285	89,285	-	-	-	-	-
Chengdu Jinghong Vanke Zhangyi Xingguang	Pidu District	44.5%	29,383	58,766	58,766	-	-	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2023	Area not yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
					commenced construction in 2023	Completed Area in 2023				
Chengdu Starlight Metropolis	Xindu District	65.0%	34,422	68,844	23,270	-	-	45,574	45,574	-
Dream Light, Chengdu	Renshou County	69.9%	42,293	90,726	-	-	90,726	-	-	-
Tianfu Dream Town Phase I, Vanke	Renshou County	59.6%	665,368	788,220	-	61,727	455,819	184,464	-	47,268
Tianfu Dream Town Phase II, Vanke	Renshou County	59.6%	109,161	141,910	-	18,695	18,695	64,025	-	-
Meizhou Culture Village, Meishan	Dongpo District	70.0%	624,711	1,026,893	-	87,711	438,663	453,197	-	19,997
Renfeng, Meishan	Wenlin Town	38.7%	43,661	109,152	-	-	109,152	-	-	-
Chongli New Town Phase II, Meizhou	Chongli Town	75.5%	632,863	1,381,079	-	-	-	1,381,079	-	-
Jinrun Huafu, Nanchong	Gaoping District	100.0%	182,012	518,004	-	-	518,004	-	-	-
Vanke 17 Degrees, Xichang	Xichang City	27.1%	595,021	621,374	-	-	295,710	314,098	39,971	-
Dream Town, Chongqing	Yubei District	100.0%	278,167	654,420	-	-	654,420	-	-	-
Yuewan, Chongqing	Jiangbei District	45.0%	435,499	587,313	-	-	563,798	23,515	23,515	-
Joying Gold, Chongqing	Shapingba District	90.0%	175,000	693,541	-	-	693,541	-	-	-
The Stage, Chongqing	Jiangbei District	100.0%	129,535	654,263	-	38,633	496,917	-	-	-
Jinyu Academy, Chongqing	Nan'an District	47.5%	241,314	841,792	-	27,444	841,792	-	-	-
The Paradiso, Chongqing	Yubei District	90.7%	105,079	245,127	-	41,369	245,127	-	-	-
Tiandi, Chongqing	Yuzhong District	78.1%	193,147	1,157,040	-	272,308	756,223	57,181	-	43,070
Jinkai Yuefu, Chongqing	Yubei District	69.6%	173,474	306,765	-	-	306,765	-	-	-
Forest Park, Chongqing	Yubei District	65.5%	204,218	396,450	-	122,479	396,450	-	-	-
Ideal City Phase I, Chongqing	Shapingba District	99.0%	104,692	157,034	-	-	126,033	-	-	-
Jade Garden Commercial Project, Chongqing	Yubei District	99.5%	16,168	97,005	-	-	-	-	-	-
Ideal City Phase II, Chongqing	Shapingba District	50.2%	97,965	153,114	-	11,787	139,315	-	-	-
Ideal City Phase III, Chongqing	Shapingba District	48.2%	74,723	131,911	-	-	119,445	-	-	-
Yuelai 117 Mu Project, Chongqing	Yubei District	99.2%	78,000	115,324	-	29,883	115,324	-	-	-
Yuelai 493 Mu Project, Chongqing	Yubei District	99.0%	328,787	469,639	-	138,634	229,080	70,641	-	63,173
Shuitu 111 Mu Project, Chongqing	Beibei District	99.0%	73,686	108,607	-	50,583	108,607	-	-	-
Shuitu 103 Mu Project, Chongqing	Beibei District	99.2%	68,554	94,658	-	79,936	79,936	-	-	-
Fenghuanghu 424 Mu Project, Chongqing	Yongchuan District	97.8%	282,795	507,237	-	94,870	261,125	-	-	25,587
Shuitu 99 Mu Project, Chongqing	Beibei District	97.6%	66,014	98,991	-	-	98,991	-	-	-
Skycity Project, Chongqing	Jiangbei District	67.8%	26,447	111,327	-	108,066	108,066	-	-	3,261
Chongqing Four Seasons Flower City Phase III	Beibei District	98.2%	73,591	183,961	-	183,961	183,961	-	-	-
Hometown Phase I, Chongqing	Yubei District	98.9%	47,742	70,744	-	70,744	70,744	-	-	-
Jieshi 296 Mu Project, Chongqing	Banan District	99.3%	197,351	346,875	-	65,455	65,455	142,025	33,200	51,742

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Area		Completed Area in 2023	Accumulated completion area by 2023	Area not yet under construction		Area to be completed in 2024
				Planned plot ratio-based GFA	commenced construction in 2023			as at the end of 2023	Area to be commenced construction in 2024	
Hometown Phase II, Chongqing	Yubei District	99.0%	33,986	50,216	-	50,216	50,216	-	-	-
Star Light Skycity, Chongqing	Shapingba District	99.1%	115,558	150,000	-	-	-	98,103	98,103	23,060
Jiangnan Vanke City Phase II, Chongqing	Banan District	99.1%	152,648	201,000	-	-	-	201,000	-	-
Chongqing Qingshui Jiadi	Shapingba District	68.6%	114,360	219,960	29,568	-	-	79,283	79,283	83,214
Vanke Hometown • Pu Xiu, Chongqing	Yubei District	66.2%	96,571	141,114	89,929	-	-	-	-	50,299
Vanke Starlight Metropolis, Chongqing	Jiulongpo District	66.0%	18,832	37,393	-	-	-	-	-	37,393
Vanke Puyuan Puyu, Chongqing	Yubei District	99.8%	60,322	90,491	35,226	-	-	55,265	55,265	-
Joy City, Guiyang	Yunyan District	51.0%	85,341	262,728	-	-	262,728	-	-	-
Dream Town, Guiyang	Yunyan District	70.0%	343,142	921,846	-	-	921,846	-	-	-
Yunyan Metropolis, Guiyang	Yunyan District	20.5%	49,054	275,961	-	-	275,961	-	-	-
Jade Legend, Guiyang	Yunyan District	46.0%	109,630	314,021	-	-	306,029	-	-	-
Vanke Guiyang Chuan Qi, Guiyang	Yunyan District	56.0%	6,555	58,991	-	-	-	-	-	58,991
Huaxi Metropolis, Guiyang	Huaxi District	41.8%	159,115	396,929	-	-	396,929	-	-	-
Vanke Metropolis Huayang, Guiyang	Huaxi District	60.2%	72,043	367,137	-	-	367,137	-	-	-
Feicuitianjiao, Guiyang	Guanshanhu District	32.0%	69,977	243,231	-	8,998	243,231	-	-	-
Vanke Ideal City, Guiyang	Guanshanhu District	41.1%	287,563	794,299	39,987	-	666,302	88,010	55,124	-
Jade Binjiang, Guiyang	Nanming District	33.7%	98,327	217,051	-	55,832	217,051	-	-	-
Xiwang, Guiyang	Huaxi District	49.8%	101,230	337,555	-	-	-	337,555	-	-
Jade Garden Project, Guiyang	Guanshanhu District	46.5%	374,968	935,661	-	270,334	528,776	143,531	80,465	176,134
Xinduhui, Guiyang	Guanshanhu District	45.3%	612,054	816,429	-	93,954	602,800	95,227	39,345	76,591
Vanke Lushan, Guiyang	Yunyan District	49.6%	303,067	783,312	-	87,386	400,650	176,101	76,246	52,601
Guanhu, Guiyang	Huaxi District	63.9%	139,940	349,850	-	156,476	156,476	130,453	39,077	13,811
Guiyang Guanshan Jiadi	Yunyan District	69.0%	62,407	156,019	26,191	-	-	-	-	55,799
Baihua Avenue 88 Mu Project, Guiyang	Yunyan District	100.0%	58,811	182,315	80,639	-	-	101,676	101,676	-
Guiyang Metropolitan Impression	Guanshanhu District	100.0%	26,645	66,358	-	-	-	66,358	61,321	-
Changhong West Road Project, Kunming	Guandu District	39.7%	164,536	519,213	-	185,891	249,060	135,223	-	-
Kunming The Park	Guandu District	97.9%	213,037	556,887	-	-	397,812	-	-	-
Jinyu International, Kunming	Wuhua District	100.0%	105,484	315,494	-	-	256,450	-	-	59,044
Glamorous City, Kunming	Guandu District	100.0%	417,919	1,662,861	-	-	1,399,982	-	-	-
Yinhaiboan Project, Kunming	Xishan District	29.7%	243,605	432,098	-	-	381,815	-	-	-
Xinghejiayuan, Kunming	Guandu District	60.0%	108,375	444,474	-	91,240	405,659	-	-	38,815
Metropolitan, Kunming	Guandu District	24.1%	92,972	286,246	-	-	286,246	-	-	-
500 Miles, Kunming	Guandu District	39.7%	232,914	827,000	-	154,163	536,834	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2023	Accumulated	Area not yet under construction as at the end of 2023	Area to be commenced construction in 2024	Area to be completed in 2024
					commenced construction in 2023		completion area by 2023			
Dream Town, Kunming	Wuhua District	44.8%	246,576	902,714	-	-	723,264	-	-	102,734
Feihu Phase II, Kunming	Guandu District	99.8%	187,924	628,986	-	-	-	462,224	36,719	83,156
Jindaoying Project, Panlong District, Kunming	Panlong District	50.5%	98,998	322,711	-	-	-	80,054	-	78,931
Kunming Metropolitan Peninsula	Guandu District	40.0%	46,792	131,016	-	-	-	131,016	41,500	-
Kunming New 20, New 22 Project	Guandu District	40.0%	51,874	185,367	-	-	-	185,367	28,581	-
Dali Shisan Yue	Dali City	61.3%	152,108	574,053	22,095	51,881	184,192	364,874	-	2,367
Vanke Morcitta, Xishuangbanna	Menghai County	29.2%	454,043	745,967	170,673	40,203	142,545	412,016	30,000	92,029
China Fuxian Lake International Travel Resort, Yuxi	Chengjiang City	33.8%	4,431,237	1,795,413	-	51,090	532,512	1,074,641	-	63,733
Yuxi Fuxian Lake Laowu Street Project	Hongta District	39.7%	64,182	239,755	-	15,517	15,517	47,742	-	52,393
Southwestern Region subtotal			19,317,493	37,749,839	775,083	3,678,832	22,693,624	7,988,701	964,965	2,275,317
Total			119,560,309	255,547,740	8,881,049	31,335,035	163,657,392	33,034,723	6,376,683	22,056,653

Special Risk Warning:

The plan of commencement and completion for the projects above may adjust due to the following reasons:

- a. Changes in macroeconomic as well as the real estate market, or changes in the sales on an individual project;
- b. The new regulations require more stringent project approval, therefore processing of the licenses and certificates of projects under development may delay and affect the pace of development;
- c. The demolition progress of projects involving demolition may have an impact on the development plan;
- d. Significant weather changes may have an impact on the project schedule and then delay the completion of the project;
- e. Other significant events may have unpredictable impact on the project schedule.

Directors' Report

II. Investment of the Company

(I) Use of Proceeds

Applicable Not applicable

(II) Use of Non-Raised Proceeds

1. Investment in Financial Assets

(1) *Investment of securities*

Applicable Not applicable

(2) *Investment in derivatives*

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 include cross currency swaps ("CCS"). The risks exposed CCS are related to the exchange rate market risks and the certainty of cash flow of the Group's future foreign currency loan. The Group's control measures on derivative financial instruments are mainly reflected in the following aspects: regarding 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 level of the Group and related entities.

Change in market price or fair value of the derivatives invested during the Reporting Period, as well as the method, related assumptions and parameters used to analyse the fair value of derivatives should be disclosed

During the Reporting Period, a floating profit of RMB9,534,500 was incurred in CCS derivatives investment.

At the end of the Reporting Period, the fair value of CCS is determined with reference to market quotation of external financial institutions.

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

Directors' Report

Special opinion on derivative investment and risk control from independent directors, sponsors or financial advisors

The Company's independent directors believe that the Company can regulate derivative investment according to the actual conditions of business operations and the relevant regulations and requirements of the regulatory authorities, and comply with the principle of prudence to mitigate the possible loss associated with foreign currency loan in the event of significant fluctuations in exchange rate through derivative financial instruments such as CCS. The relevant arrangement of the Company had been prudent and reasonable.

Derivative positions as at the end of the Reporting Period

Unit: RMB'0000				
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 2023 (%)
CCS	1,191,276.20	712,580.00	953.45	1.77%

Directors' Report

(3) Information on fair value measurement items and holdings of foreign currency financial assets and financial liabilities

Information on fair value measurement items

Unit: RMB'0000

Item	Opening amount	Impact of change in accounting policies	Increase for the current period	Changes in fair value accounted in equity during the period	Impairment accrued in the current period	Disposal during the current period	Closing amount
Financial assets							
Of which: 1. Financial assets measured at fair value and whose changes are included in the current profit and loss	389,565.05	-	20,146.44	-	-	291,858.35	117,853.14
Of which: Derivative financial assets	4,505.39	-	-	15,059.75	-	-	19,565.14
2. Other investment in equity instruments	125,429.96	-	-	(22,775.14)	-	-	102,654.82
Subtotal of financial assets	519,500.40	-	20,146.44	(7,715.39)	-	291,858.35	240,073.10
Financial liabilities							
Of which: 1. Financial liabilities measured at fair value and whose changes are included in the current profit and loss	(19,179.20)	-	-	-	-	(19,179.20)	-
Of which: Derivative financial liabilities	(19,344.96)	-	-	10,856.40	-	-	(8,488.56)
Subtotal of financial liabilities	(38,524.16)	-	-	10,856.40	-	(19,179.20)	(8,488.56)

Directors' Report

Information on holdings of foreign currency financial assets and financial liabilities

Unit: RMB'0000

Item	Opening amount	Impact of change in accounting policies	Increase for the current period	Changes in fair value accounted in equity during the period	Impairment accrued in the current period	Disposal during the current period	Closing amount
Financial assets							
Of which: 1. Financial assets measured at fair value and whose changes are included in the current profit and loss	292,454.92	-	944.55	-	-	272,203.64	21,195.83
Of which: Derivative financial assets	4,505.39	-	-	15,059.75	-	-	19,565.14
2. Other investment in equity instruments	125,429.96	-	-	(22,775.14)	-	-	102,654.82
Subtotal of financial assets	422,390.27	-	944.55	(7,715.39)	-	272,203.64	143,415.79
Financial liabilities							
Of which: Derivative financial liabilities	(19,344.96)	-	-	10,856.40	-	-	(8,488.56)

For the above-mentioned project investment measured at fair value of the Company, the Company followed the control process of major investment projects, and fulfilled the necessary approvals after careful review by relevant professional departments.

(4) Investment in wealth management products

Unit: RMB'0000

Specific Type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	The amount due but not receive
Wealth management products of banks	Self owned capital	400,000.00	1,361.41	-
Total		400,000.00	1,361.41	-

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

Directors' Report

2. Equity investment

(1) During the Reporting Period, new additional investment amounted to RMB29.81 billion, which were used as follows:

- ① Promoted and established 15 new subsidiaries, each with registered capital of over RMB100 million, and actual investment had been made. The details are as follows:

No.	Name of the newly established company	Currency	Registered capital (original currency)	Actual investment by Vanke (RMB equivalent)	Scope of business
1	Shanghai Wanfujiang Real Estate Development Co., Ltd. (上海萬富江置業發展有限公司)	RMB	4,100,000,000.00	4,100,000,000.00	Real estate development and operation
2	Shanghai Wanjinglong Real Estate Co., Ltd. (上海萬京隆房地產有限公司)	RMB	3,800,000,000.00	1,938,000,000.00	Real estate development and operation
3	Nanjing Yuyue Real Estate Co., Ltd. (南京裕越置業有限公司)	RMB	2,950,000,000.00	2,950,000,000.00	Real estate development and operation
4	Beijing Yongshun Haoteng Real Estate Development Co., Ltd. (北京永順皓騰房地產開發有限公司)	RMB	2,910,000,000.00	1,769,280,000.00	Real estate development and operation
5	Hangzhou Wanzhao Real Estate Co., Ltd. (杭州萬昭置業有限公司)	RMB	1,730,000,000.00	1,038,000,000.00	Real estate development and operation
6	Nanjing Yuxiao Real Estate Co., Ltd. (南京裕驍置業有限公司)	RMB	1,680,000,000.00	1,344,000,000.00	Real estate development and operation
7	Chengdu Wanhai Jinxin Real Estate Co., Ltd. (成都萬海錦新置業有限公司)	RMB	1,460,000,000.00	1,168,000,000.00	Real estate development and operation
8	Zhejiang Jiaokong Wanlei Real Estate Co., Ltd. (浙江交控萬磊置業有限公司)	RMB	800,000,000.00	408,000,000.00	Real estate development and operation
9	Kunshan Kairui Real Estate Co., Ltd. (昆山凱瑞置業有限公司)	RMB	630,000,000.00	441,000,000.00	Real estate development and operation
10	Suzhou Huantai Real Estate Co., Ltd. (蘇州環泰置業有限公司)	RMB	252,000,000.00	138,600,000.00	Real estate development and operation

Directors' Report

No.	Name of the newly established company	Currency	Registered capital (original currency)	Actual investment by Vanke (RMB equivalent)	Scope of business
11	Jinan Wanwei Cold Chain Logistics Co., Ltd. (濟南萬緯冷鏈物流有限公司)	RMB	200,000,000.00	200,000,000.00	International container ship and general cargo ship transportation
12	Zhuji Wanbin Warehousing Co., Ltd. (諸暨市萬斌倉儲有限公司)	RMB	150,000,000.00	150,000,000.00	Cargo warehousing services
13	Ningxia Zhongji Real Estate Co., Ltd. (寧夏中基置業有限公司)	RMB	150,000,000.00	76,500,000.00	Real estate development and operation
14	Foshan Beiguang Warehousing Co., Ltd. (佛山市北光倉儲有限公司)	RMB	130,120,000.00	130,120,000.00	Cargo warehousing services
15	Ningxia Wanhong Chengyuan Real Estate Co., Ltd. (寧夏萬弘成遠房地產有限公司)	RMB	100,000,000.00	51,000,000.00	Real estate development and operation
Total		—	—	15,902,500,000.00	—

In addition, another 50 new companies were also promoted and established, with a total investment amount of RMB0.39 billion.

② Major companies acquired during the Reporting Period are as follows:

During the Reporting Period, a total of 40 companies were acquired with a total consideration of RMB5.40 billion.

③ During the year, the Group increased the capital of 42 subsidiaries by RMB8.12 billion, Tetris (Asia) Holding Company Limited increased its capital by RMB1.77 billion, Nanjing Yuxiao Real Estate Co., Ltd. increased its capital by RMB1.16 billion and other companies increased their capital by a total of RMB5.19 billion.

Directors' Report

(2) Investment in Projects

During the Reporting Period, the Group had 43 new development projects. The aggregate plot ratio-based GFA attributable to Vanke's equity holding amounted to approximately 3,333,000 sq.m., while the aggregate estimated plot ratio-based GFA amounted to approximately 5,960,000 sq.m..

Unit: sq.m.

No.	Project Name	Location	Shareholding	Site area	Plot ratio-based GFA attributable		Project process
					Planned plot ratio-based GFA	to equity holding of the Company	
1	Beijing Donglu	Tongzhou District	49.8%	42,366	78,553	39,119	Under construction
2	Subsequent plots of Taiyuan Yueduhui	Xiaodian District	99.7%	69,587	191,622	191,124	Under construction
3	Taiyuan Jinlu	Yingze District	46.9%	23,291	78,317	36,731	Under construction
4	Changsha Binjiang No.1	Yuelu District	99.6%	30,061	150,306	149,705	Pre-construction
5	Wuhan Urban Construction Vanke Yunbo Riverside	Jiang'an District	49.5%	96,074	342,698	169,542	Under construction
6	Wuhan Vanke Optics Valley Jinyao	Jiangxia District	32.1%	59,825	124,400	39,943	Under construction
7	Zhengzhou Vanke Min'an Yunhe Jinshang	Huiji District	50.0%	119,319	357,241	178,620	Under construction
8	Project-01 in the Binjiang Area of Longwan, Dongguan	Wanjiang Street	40.9%	36,098	125,982	51,565	Under construction
9	Project-02 in the Binjiang Area of Longwan, Dongguan	Wanjiang Street	40.9%	66,176	230,955	94,530	Pre-construction
10	Dongguan Zhenwanhui	Nancheng Street	39.1%	73,216	226,969	88,699	Under construction
11	Dongguan Zhenshanjing	Dongcheng Street	32.0%	59,443	119,414	38,212	Under construction
12	Foshan Zhenyu Yuefu	Nanhai District	50.8%	27,532	88,104	44,757	Under construction
13	Central Park, The New City, Guangzhou	Huangpu District	63.0%	38,320	206,217	129,834	Under construction
14	Sanya Vanke Sanya Bay	Tianya District	30.6%	54,663	136,657	41,762	Pre-construction

Directors' Report

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
15	Zhongshan Yuanshu	Cuiheng New Area	49.8%	99,039	198,077	98,563	Under construction
16	Hangzhou Comfy Oasis	Gongshu District	41.3%	26,861	45,664	18,855	Under construction
17	Hangzhou Langshi Huzhu	Qiantang District	99.7%	28,765	71,913	71,726	Under construction
18	Hangzhou Langshi Binyu	Binjiang District	58.7%	32,174	70,783	41,542	Under construction
19	Hangzhou Hesong Yingxiang Mansion	Gongshu District	52.9%	35,612	96,152	50,817	Under construction
20	Hefei Weixing Vanke Star Encounter Light Years	Shushan District	38.0%	102,627	213,461	81,051	Under construction
21	Hefei Isle Maison-Senyu	Baohe District	52.1%	70,879	165,137	86,053	Under construction
22	Hefei Pushiyincui	Luyang District	47.6%	25,201	45,362	21,597	Under construction
23	Nanjing Isle Maison-Yuhe	Yuhuatai District	69.6%	34,856	97,592	67,875	Under construction
24	Nanjing Isle Maison Phase II	Yuhuatai District	44.2%	27,328	60,116	26,595	Under construction
25	Ningbo Isle-Wenlan	Yinzhou District	78.1%	17,965	34,132	26,653	Under construction
26	Ningbo Isle-Jiangfeng	Yinzhou District	57.3%	14,159	39,644	22,708	Under construction
27	Ningbo Guanlan Yingxiang	Yinzhou District	78.8%	43,586	100,248	78,965	Under construction
28	Shanghai Songjiang Sea Reflection	Songjiang District	95.4%	119,000	249,000	237,646	Under construction
29	Shanghai Langshi Huayu	Minhang District	50.5%	65,000	163,000	82,380	Under construction
30	Shanghai Future City	Jiading District	48.9%	142,000	369,000	180,478	Under construction
31	Shanghai Manchester City Phase II	Baoshan District	29.2%	49,755	101,322	29,546	Under construction
32	Kunshan Langshi Yuhu Yayuan	Kunshan City	69.3%	59,739	137,360	95,191	Under construction
33	Suzhou Isle Xujiang	Gusu District	49.0%	18,648	28,850	14,142	Under construction

Directors' Report

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
34	Xi'an Vanke Dongwang Shangrui	Yanta District	59.6%	83,583	305,914	182,355	Under construction
35	Yinchuan Zhongfang · Vanke Jinyao	Jinfeng District	46.1%	55,094	110,188	50,753	Under construction
36	Chengdu Urban Xanadu	Wuhou District	59.9%	54,727	109,454	65,607	Under construction
37	Chengdu Isle Maison-Jiaozi	Jinjiang District	59.5%	49,603	89,285	53,133	Under construction
38	Chengdu Jinghong Vanke Zhangyi Xingguang	Pidu District	44.5%	29,383	58,766	26,151	Under construction
39	Chengdu Starlight Metropolis	Xindu District	65.0%	34,422	68,844	44,742	Under construction
40	Vanke Puyuan Puyu, Chongqing	Yubei District	99.8%	60,322	90,491	90,328	Under construction
41	Guiyang Metropolitan Impression	Guanshanhu District	100.0%	26,645	66,358	66,358	Pre-construction
42	Kunming Metropolitan Peninsula	Guandu District	40.0%	46,792	131,016	52,406	Pre-construction
43	Kunming New 20, New 22 Project	Guandu District	40.0%	51,874	185,367	74,147	Pre-construction
Total				2,301,610	5,959,931	3,332,506	

The total land premium attributable to the Company's equity holding and the total renovation cost of the above projects amounted to approximately RMB46.32 billion.

Directors' Report

During the Reporting Period, the Group acquired 3 logistics real estate projects, the leasable GFA of which is approximately 152,000 sq.m..

Unit: '0000 sq.m.

No.	City	Project name	Location	Shareholding	Site area	Planned Leasable GFA	Leasable GFA Attributable to the Company's Equity Holding	Progress
1	Nanjing	Cold Chain Project of Airport in Jiangning District, Nanjing	Jiangning District	49%	3.3	3.3	1.6	Pre-construction
2	Jiaxing	Phase I Project of Jiaxing Port Area	Pinghu City	100%	5.3	6.4	6.4	Pre-construction
3	Jiaxing	Phase II Project of Jiaxing Port Area	Pinghu City	100%	5.6	5.5	5.5	Pre-construction
Total					14.2	15.2	13.5	

Note: The abovementioned shareholding represents interest held by VX Logistics.

From the end of the Reporting Period to the date of this Report, the Group acquired 2 logistics projects, the leasable GFA of which is approximately 89,000 sq.m..

Unit: '0000 sq.m.

No.	City	Project name	Location	Shareholding	Site area	Planned Leasable GFA	Leasable GFA Attributable to Equity Holding	Progress
1	Foshan	Lishui Cold Chain Project	Nanhai District	51%	1.8	1.6	0.8	Pre-construction
2	Jinan	Innovation Zone Phase II Project	Innovation Zone	100%	10.2	7.3	7.3	Pre-construction
Total					12.0	8.9	8.1	

Note: The abovementioned shareholding represent interest held by VX Logistics.

III. Major Sale of Assets and Equity

(I) Major sale of assets

During the Reporting Period, there was no major sale of assets of the Company.

(II) Major sale of equity

During the Reporting Period, there was no major sale of equity of the Company.

IV. Structured entity controlled by the Company

Applicable Not applicable

V. Major Suppliers and Customers

(I) Major Suppliers

During the Reporting Period, the Group's purchases from the top 5 materials and equipment suppliers totaled RMB2.827 billion, representing 3.17% of the total purchases in the year and the percentage of which is less than 30%. Among which, the Group's purchases from the largest supplier was approximately RMB1.098 billion, accounting for 1.23% of the total purchases in the year. The purchase from related parties do not exist within the purchase from top 5 suppliers.

(II) Major Customers

The current main product of the Group is residential properties. The major customers are individuals, which are in a large number and fragmented. Only certain projects constructed for government or group purchases can generate higher turnovers. During the Reporting Period, the revenue from the top five customers was approximately RMB5.08 billion, representing 1.1% of the revenue of the Group for the year, and the percentage of which is less than 30%. Amongst them, the revenue from the largest customer was approximately RMB2.04 billion representing 0.4% of the revenue of the Group for the year. The sales to related parties do not exist within the sales to top five customers.

Directors' Report

VI. Details on the Company's Investor Relations Activities and Investor Protection

The Group has been always attaching great importance to investor relations. In 2023, the Company continued to enhance the information disclosure management according to the relevant regulations and Administrative Measures on Information Disclosure of China Vanke Co., Ltd., and released 514 domestic and overseas announcements to protect the “right to know” of the investors.

In addition to timely and sufficient information disclosure, the Group also focuses on the communication and interaction with the investors through various means.

In 2023, the Group received visits and telephone conferences of more than 400 times, participated in 36 face-to-face meetings/online meetings with domestic and overseas institutes, 2 Investor Day meetings and answered 400 inquiries of investors through the EasyIR platform of the Shenzhen Stock Exchange; the 2022 annual results presentation of the Company adopted the approach of on-site meeting and was broad-casted live over the Internet, and the 2023 interim results presentation adopted the approach of pure online video live broadcast. Both results presentations have issued announcements in advance to invite investors to actively participate and solicit related questions, and disclosed the record form of investor relations activities after such presentations. As of the end of the Reporting Period, the total number of views of the two result presentation conferences was over 339,000 person-times; through the “Vanke Investor Relations” WeChat official account, the Group pushed monthly sales announcements, regular reports, regular reports in one picture and other relevant information of the Company to enhance the interaction with investors. The articles it pushed through WeChat have achieved an annual reading quantity of 142,000 clicks. In addition, the Group also communicates with the investors through website, telephone, email and online interaction platforms, in order to maintain a long-term relationship of trust between the investors and the Company. The Company believes the implementation of shareholders communication policy is feasible and effective.

The Group set up an investor education base (hereinafter referred to as the “Base”) in 2015, which was awarded the title of “National Investor Education Base for Securities and Futures” in 2016. In 2023, the Base carried out various investor education and publicity activities on such themes as the fifth “May 15 National Investor Protection Publicity Day” and “World Investor Week 2023”. The Base organized online activities to publicize basic investment knowledge through knowledge maps, videos, comics and other popular science materials, and conducted offline activities to interpret and share professional insights for investors through investment education lectures and other activities. In an effort to improve the overall investor protection practice, the Base intensified its interaction with investors and provide investors with considerate investor education services, enabling investors have a better understanding of market risks, enhance their awareness of risk prevention and avoid irrational investments. Meantime, the Base was honoured “Excellent Investor Education Base in Shenzhen in 2023” by Shenzhen Investor Services Center.

Directors' Report

Details on the Group's investor meetings in 2023 are set out as follows:

Type of meeting	Date	Approach	Types of investor
JP Morgan meeting	2023.1	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2023.1	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2023.1	Telephone conference	Investors including securities companies, funds, etc.
UBS meeting	2023.1	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2023.2	Face-to-face meetings	Investors including securities companies, funds, etc.
2022 Annual Results Presentation	2023.3	Live and video roadshow	Investors including securities companies, funds, individual investors, etc.
Citi Securities meeting	2023.4	Face-to-face meetings	Investors including securities companies, funds, etc.
JP Morgan meeting	2023.4	Face-to-face meetings	Investors including securities companies, funds, etc.
CICC meeting	2023.4	Face-to-face meetings	Investors including securities companies, funds, etc.
CITIC Securities meeting	2023.4	Face-to-face meetings	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2023.4	Face-to-face meetings	Investors including securities companies, funds, etc.
COS-CMB Securities Ltd	2023.4	Telephone conference	Investors including securities companies, funds, etc.
Shenwan Hongyuan Securities meeting	2023.5	Face-to-face meetings	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2023.5	Face-to-face meetings	Investors including securities companies, funds, etc.
Hangzhou Investor Day meeting	2023.5	Face-to-face meetings	Investors including securities companies, funds, etc.
CITIC Securities meeting	2023.6	Face-to-face meetings	Investors including securities companies, funds, etc.
Hefei Investor Day meeting	2023.6	Face-to-face meetings	Investors including securities companies, funds, etc.
CICC meeting	2023.6	Face-to-face meetings	Investors including securities companies, funds, etc.
Citi Securities meeting	2023.6	Face-to-face meetings	Investors including securities companies, funds, etc.
2023 interim results presentation	2023.8	Video roadshow	Investors including securities companies, funds, individual investors, etc.
Haitong Securities Meeting	2023.9	Face-to-face meetings	Investors including securities companies, funds, etc.
Citi Securities meeting	2023.9	Face-to-face meetings	Investors including securities companies, funds, etc.
CITIC Securities meeting	2023.9	Face-to-face meetings	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2023.9	Face-to-face meetings	Investors including securities companies, funds, etc.
CICC Securities meeting	2023.9	Face-to-face meetings	Investors including securities companies, funds, etc.
Communication meeting of financial institutions	2023.11	Video roadshow	Investors including banks, securities companies, funds, etc.
Bank of America & BofA Securities meeting	2023.11	Face-to-face meetings	Investors including securities companies, funds, etc.
Citi Securities meeting	2023.11	Face-to-face meetings	Investors including securities companies, funds, etc.
Morgan Stanley meeting	2023.11	Face-to-face meetings	Investors including securities companies, funds, etc.
Shenwan Hongyuan Securities meeting	2023.11	Face-to-face meetings	Investors including securities companies, funds, etc.

Directors' Report

Type of meeting	Date	Approach	Types of investor
CITIC Securities meeting	2023.11	Face-to-face meetings	Investors including securities companies, funds, etc.
China Merchants Securities Meeting	2023.12	Face-to-face meetings	Investors including securities companies, funds, etc.
Tianfeng Securities meeting	2023.12	Face-to-face meetings	Investors including securities companies, funds, etc.
China Securities meeting	2023.12	Telephone conference	Investors including securities companies, funds, etc.
Bank of America & BofA Securities meeting	2023.11	Telephone conference	Investors including securities companies, funds, etc.
CICC Securities meeting	2023.11	Telephone conference	Investors including securities companies, funds, etc.
China Merchants Securities Meeting	2023.11	Telephone conference	Investors including securities companies, funds, etc.
Securities companies	During the Reporting Period	Small group or one-on-one	Changjiang Securities, Caitong Securities, Orient Securities, Soochow Securities, Guangfa Securities, Guolian Securities, Guosheng Securities, Guotai Junan Securities, Haitong International Securities, Haitong Securities, HSBC Qianhai Securities, Huatai Securities, Huachuang Securities, Huaan Securities, Ping An Securities, Shenwan Hongyuan Securities, Pacific Securities, Cinda Securities, Industrial Securities, Nomura Securities, China Merchants Securities, CICC, CSC Securities, CITIC Securities, BOC Securities, BOCI Securities, Barclays Bank, Citi Securities, DBS Bank, CGS-CIMB, CLSA, HSBC, JPMorgan, Morgan Stanley, SMBC NIKKO Securities, Sumitomo Mitsui Trust Bank, UBS, etc.
Funds and other investment companies and individual investors	During the Reporting Period	Small group or one-on-one	Dacheng Fund, Abu Dhabi Investment Authority, Fullgoal Fund, China Universal Asset Management, Golden Eagle Fund, Guangfa Fund, BOCOM Fund, China Southern Asset Management, Foresea Life Insurance, E Fund, Shenzhen DreamWorks Investment Management Co., Ltd., China Life, China Post Fund, China Merchants Fund, Allianz Hong Kong, AIA International Limited, Blue Crest Asia, Bank of America, Black Rock, Cape Ann Asset Management, Fenghe Fund Management, Lazard Asset Management, Matthews International Capital Management, Primas Asset Management, RWC Asset Management, Santa Lucia Asset Management, Wellington Management, etc.

Directors' Report

During the above investor communication and reception events, major issues discussed are the Company's daily operations, development strategies and the Company's opinions on the development of the industry to which each business is engaged.

In 2023, the Company and its management team received many awards as follows:

No.	Award	Awarding Body
1	2023 Listed Companies ESG – Best Practice Example	China Association for Public Companies
2	2023 Listed Companies ESG – Excellent Practice Example	
3	2022 Annual Report Results Presentation of Listed Companies – Best Practice Award	
4	2023 Secretary to the Board of Listed Companies – Best Practice Award	Shenzhen Research Association of Corporate Governance, and Financial Life Channel of Shenzhen Media Group
5	2023 Corporate Governance – Best Practice Example	
6	Greater Bay Area Listed Company – “Secretary to the Board” TOP 20	
7	Greater Bay Area Listed Company – “Green Governance” TOP 20	
8	Greater Bay Area Listed Company – Annual Contribution Award	Fortune Institutional Investor
9	No.173 in Fortune Global 500	
10	“All-Asia Executive Team 2023” Ranking – “All-Star Status”	
11	“All-Asia Executive Team 2023” Ranking – “Most Honored Company”	
12	“All-Asia Executive Team 2023” Ranking – “Best IR Professional” TOP1	
13	“All-Asia Executive Team 2023” Ranking – “Best IR Team” TOP1	
14	“All-Asia Executive Team 2023” Ranking – “Best IR Program” TOP1	
15	“All-Asia Executive Team 2023” Ranking – “Best Company Board” TOP1	
16	“All-Asia Executive Team 2023” Ranking – “Best ESG” TOP1	
17	“All-Asia Executive Team 2023” Ranking – “Best CFO” TOP1	
18	“All-Asia Executive Team 2023” Ranking – “Best CEO” TOP1	
19	2023 Hong Kong International ESG Ranking – Best ESG Pioneer Award	HKTKWW, Hong Kong International ESG Alliance
20	Top 100 Pioneers among China's ESG-Listed Companies	
21	Top 50 GBA Pioneers among China's ESG-Listed Companies	CCTV Finance
22	The 19th New Fortune Gold Medal Secretary to the Board – Hall of Fame	
23	The 5th New Fortune Best Listed Company	New Fortune
24	The 5th New Fortune Best Listed Company – Best ESG Practice Award	
25	2023 Asia Outstanding Enterprise Selection – Best for ESG in China	
26	2023 Asia Outstanding Enterprise Selection – Most Outstanding Company in China – Real Estate Sector	

Directors' Report

No.	Award	Awarding Body
27	The 14th China Listed Company Investor Relations Tianma Award – Best Investor Relations Award of China Listed Company	Securities Times
28	The 14th China Listed Company Investor Relations Tianma Award – New Media Award	
29	China Listed Company Value Ranking – Top 100 China's ESG-Listed Companies	
30	The 9th Investor Relations Award – “Certificate of Excellence”	Hong Kong Investor Relations Association
31	2023 CLS Zhiyuan Award – Environment-Friendly Pioneer Award	CLS.CN
32	2023 NetEase Finance • Excellent ESG Practice Case Selection – “Annual Governance Pioneer”	NetEase Finance
33	Quanjing Investor Relations Gold Award (2022) – Outstanding IR Company	Quanjing
34	Quanjing Investor Relations Gold Award (2022) – Outstanding IR Team	
35	Quanjing Investor Relations Gold Award (2022) – Best New Media Operation Award	
36	Quanjing Investor Relations Gold Award (2022) – Outstanding Secretary to the Board	
37	Wind China Listed Company in 2023 – Top 100 Best ESG Practices	Wind
38	Top 100 Hong Kong Stocks – No. 50 in Top 100 Overall Strength Companies	Research Center of Top 100 Hong Kong Stocks
39	The 8th Zhitong Finance Listed Company Selection – The Most Valuable Real Estate and Property Company	Zhitong Finance
40	2023 ESG Leader Award	Guangdong-Hong Kong-Macau Greater Bay Area Listed Companies Federation

Directors' Report

VII. Permitted Indemnity Provision

During the Reporting Period and up to the date of publication of the Report, no permitted indemnity provision which benefits the directors or supervisors of the Company was in force or is currently in force (whether entered into by the Company or not), and no permitted indemnity provision which benefits the directors or supervisors of associated companies of the Company was in force or is currently in force (if entered into by the Company).

The Company has arranged appropriate liability insurance for the directors and supervisors of the Company concerning the relevant legal actions they may be faced with.

VIII. Management Contracts

During the Reporting Period, no contracts concerning the operation and administration of the whole or any substantial part of the business of the Company were entered into or existed between the Company and any person other than the directors or full-time employees of the Company.

IX. Directors and Supervisors' Service contracts

Each of the directors and supervisors of the Company has entered into a service contract with the Company. No director or supervisor of the Company had entered into any service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

X. Relationship with Stakeholders

The Group strives to build up a diversified communication mechanism to engage with the government, shareholders, employees, customers and business partners so as to communicate and cooperate with stakeholders through more channels and methods. The Group is committed to responding to the call of national policies and actively creating values for shareholders through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting social public welfare affairs, in order to achieve sustainable development. The Group places significant emphasis on human resources. The Group provides a fair workplace, creating atmosphere of nondiscrimination and diversity among our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' performance. The Group administers its health and safety management system and ensures the adoption of the principles throughout the Group. The Group provides diversified trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations. The Group values the feedback from customers through daily communication, regular investigations, and so on. The Group has also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, the Group treats it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards. See the 2023 Sustainable Development Report for details.

Directors' Report

XI. Directors' Responsibility in Respect of the Financial Statements

The directors acknowledge their responsibility for the preparation of the financial statements of the Group as of the end of the Reporting Period.

The directors are not aware of any material uncertainties or events or conditions that may cast significant effect upon the Group's ability to continue to operate.

Please refer to the Audit Report for the statement of responsibilities of auditor of the Group for the audit of the financial statements.

XII. Charity Donation

During the Reporting Period, the amount of charity donation made by the Group was RMB117 million.

XIII. Compliance with Laws and Regulations

In 2023, the Group maintained compliance with relevant laws and regulations that have significant impacts on operations of the Group.

XIV. Information of Directors, Supervisors and Senior Management of the Company

Please refer to Section 5 "Corporate Governance Report" of the Report for the information of directors, supervisors and senior management of the Company.

XV. Principal Risks

Details of the principal risks facing the Group were delineated in Section 5 "Corporate Governance Report" of the Report.

XVI. Recommended dividend

For the dividend distribution proposal of the year 2023, please refer to Section 5 “Corporate Governance Report” of the Report.

XVII. Significant Events after the Reporting Period

1 March 2024: The Company intends to carry out the reporting and issuance for infrastructure REIT using certain high-standard warehousing and logistics parks owned by VX Logistics as infrastructure assets. The manager of publicly traded fund, China Asset Management Co., Ltd. and the manager of asset-backed securities, CITIC Securities Company Limited have submitted application materials to CSRC and the SZSE for the registration and listing of Huaxia VX Warehousing & Logistics Closed-end Infrastructure securities investment funds, and on 1 March 2024, the Company received a notification of acceptance of the application from the CSRC. The underlying assets of the Infrastructure REIT comprise three high standard warehouses and ancillary facilities located in Huzhou City, Zhejiang Province, Shaoxing City, Zhejiang Province and Foshan City, Guangdong Province.

Vanke Nexus Chunxi Market



*The Stellar Hotel & Serviced Apartments
in North Point, Hong Kong*



*Xiamen Gulangyu Island Intelligent City Project
– Intelligent Sprinkler Irrigation*



VX Logistics, Wuhan Dongxihu
Cold Chain Project



Shenzhen Huanshui – Port Apartments
Software Ecology Branch



Hangzhou Xixi Incity



Banyan Tree Hotel at Dongguan
Songshan Lake



Suzhou Changyuan Jiangnan House





Corporate Governance Report

The Company has always followed the corporate culture of simplicity, transparency, compliance and accountability, and has strictly complied with the laws, regulations and other requirements to improve its corporate governance and enhance its compliance standards. The shareholders' general meeting, the Board, the Supervisory Committee and the senior management of the Company strictly perform their respective rights and obligations in accordance with the duties conferred by the Articles of Association.

I. Overview of Corporate Culture and Corporate Governance

1. Corporate Culture

Based on the core values of “following fundamental principles in operation and teaming with striving partners”, the Company continues to deliver the sunshine and healthy corporate culture.

To customers: Vanke firmly believes that customers are our forever partners, so we respect and understand customers, constantly provide them with good products and services, and grow together with customers.

To employees: Vanke firmly believes that talent is the only capital, so we respect the personality of every employee, provide every employee with equal development opportunities, advocate a healthy and prosperous life, encourage employees to pursue physical and mental health and family harmony, and greatly enrich their personal life.

To the society: Vanke adheres to internal equality and external openness, dedicates itself to building “a sunshine system”, always pursues excellence to become a leader in China's real estate industry, and portrays a sunshine and healthy modern corporate image.

2. Corporate Governance

During the Reporting Period, the Company strictly complied with the Company Law, the Securities Law, the Governance Guidelines of Listed Company, the SEHK Listing Rules and other governance requirements and in light of the actual situation of the Company, continuously improved the governance structure of the Company and regulated the operation of the Company.

Provision C.1.6 of the Corporate Governance Code states that independent non-executive directors and other non-executive directors should attend general meetings and develop an unbiased understanding of the views of shareholders.

During the Reporting Period, the Company held a total of two general meetings. Due to other important business engagements, some of the directors did not attend the general meetings. For the attendance of directors, please see this section headed “2. Attendance of directors at the general meeting” under “IV. Shareholders and General Meeting”.

Other than the above, during the Reporting Period, the Company complied with all of the other code provisions of the Corporate Governance Code.

Corporate Governance Report

The Company has established a corporate governance structure with complete functions and checks and balances. The general meeting, the Board, the Supervisory Committee and senior management exercise their rights and obligations in strict accordance with the responsibilities stipulated in the Company's Articles of Association, and enhance the standardization of the Company's operation and safeguard the interests of shareholders and the Company by giving full play to the specialized committees of the Board of Directors and independent directors, to promote sustained and sound development of the Company. In 2023, the Company won a number of awards including "All-Star Status" and "Honored Companies" issued by Institutional Investor in the "All-Asia Executive Team 2023" Ranking.

The directors, supervisors and senior management officers of the Company also complied with the Model Code. The directors, supervisors, senior management officers and employees of the Company complied with relevant requirements in the Inside Information and Informer Management System and Rules for the Trading of Securities by Employees of the Company and other regulatory framework, to strictly control and contain inside information. Meanwhile, the Company strengthened inside information management, and related trainings.

There is no material difference between the actual situation of corporate governance of the Company and laws, administrative regulations and provisions issued by the CSRC regarding the corporate governance of listed companies.

II. Independence of the Company from the Largest Shareholder in Business, Staff, Asset, Organization and Finance

The business, staff, asset, organization and finance of the Company are completely independent from those of SZMC, the largest shareholder, the Company has its own independent and complete businesses and possesses the capabilities for independent operation.

III. An Overview on Competition in the Same Industry

Applicable Not applicable

Corporate Governance Report

IV. Shareholders and General Meeting

(I) General meetings held during the Reporting Period

1. Convention of general meetings

During the Reporting Period, the Company held a total of two general meetings, the details of which are as follows:

On 30 June 2023, the Company held the annual general meeting of 2022 at Vanke Center, No.33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China. The shareholders of A Shares and H Shares of the Company participated in the general meeting by way of on-site meeting and internet voting (only applicable to A Shareholders), with total shareholding representing 50.3194% of the total share capital of the Company, of which the shareholdings of A shareholders and H shareholders representing 52.0199% and 42.8811% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 30 June 2023 disclosed on the SEHK and the announcement dated 1 July 2023 disclosed on the website of cninfo (www.cninfo.com.cn) respectively.

On 8 March 2023, the Company held the first extraordinary general meeting of 2023 at Vanke Center, No.33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China. The shareholders of A Shares and H Shares of the Company participated in the general meeting by way of on-site meeting and internet voting (only applicable to A Shareholders), with total shareholding representing 52.5951% of the total share capital of the Company, of which the shareholdings of A shareholders and H shareholders representing 53.1924% and 49.5709% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 8 March 2023 disclosed on the SEHK and the announcement dated 9 March 2023 disclosed on the website of cninfo (www.cninfo.com.cn) by the Company.

2. Attendance of directors at the general meetings

During the Reporting Period, Directors actively sought the views of shareholders through various ways, and the Company regularly reported the views of investors to the Board. The attendance of the Directors of the Company at the general meetings are as follows:

Name	Position Held upon the convening of the first Extraordinary General Meeting of 2023	Position Held upon the convening of the 2022 Annual General Meeting	Attendance in Person (Time)
YU Liang	Chairman, Executive Director of the Nineteenth Session of the Board	Chairman, Executive Director of the Nineteenth Session of the Board Candidate for Executive Director of the Twentieth session of the Board	2
XIN Jie	Non-executive Director of the Nineteenth Session of the Board	Non-executive Director of the Nineteenth Session of the Board Candidate for Non-executive Director of the Twentieth Session of the Board	1

Corporate Governance Report

Name	Position Held upon the convening of the first Extraordinary General Meeting of 2023	Position Held upon the convening of the 2022 Annual General Meeting	Attendance in Person (Time)
ZHU Jiusheng	Executive Director of the Nineteenth Session of the Board	Executive Director of the Nineteenth Session of the Board Candidate for Executive Director of the Twentieth session of the Board	2
HU Guobin	Non-executive Director of the Nineteenth Session of the Board	Non-executive Director of the Nineteenth Session of the Board Candidate for Non-executive Director of the Twentieth session of the Board	1
HUANG Liping	Non-executive Director of the Nineteenth Session of the Board	Non-executive Director of the Nineteenth Session of the Board Candidate for Non-executive Director of the Twentieth session of the Board	1
LEI Jiangsong	Non-executive Director of the Nineteenth Session of the Board	Non-executive Director of the Nineteenth Session of the Board Candidate for Non-executive Director of the Twentieth session of the Board	1
WANG Yun	NA	Proposed Staff Representative Director	0
LIU Tsz Bun Bennett	NA	Candidate for Independent Director of the Twentieth session of the Board	0
LIM Ming Yan	NA	Candidate for Independent Director of the Twentieth session of the Board	1
SHUM Heung Yeung Harry	NA	Candidate for Independent Director of the Twentieth session of the Board	1
ZHANG Yichen	Independent Director of the Nineteenth Session of the Board	Independent Director of the Nineteenth Session of the Board Candidate for Independent Director of the Twentieth session of the Board	0
WANG Haiwu	Staff-representative Director of the Nineteenth Session of the Board	Staff-representative Director of the Nineteenth session of the Board	2
KANG Dian	Independent Director of the Nineteenth Session of the Board	NA	0
LIU Shuwei	Independent Director of the Nineteenth Session of the Board	NA	0
NG Kar Ling, Johnny	Independent Director of the Nineteenth Session of the Board	NA	1

Note: Certain directors or candidates for directors of the Company did not attend the general meetings in person due to other important business engagements, the Company has sent the minutes of the two general meetings to all members of the Board and the Supervisory Committee.

Corporate Governance Report

(II) Request for convening of extraordinary general meeting by preference share shareholders with recovered voting rights

Applicable Not applicable

(III) Shareholders' right

1. Convening of extraordinary general meeting

In accordance with the Articles of Association, any shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request the Board to convene an extraordinary general meeting. The Board shall reply, in writing, within ten (10) days of receiving such proposal, whether it consents to such request in accordance with the provisions of the laws, administrative regulations and the Articles of Association. If the Board rejects to convene such a general meeting or fails to reply within five (5) days of receiving such request, such shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request the Supervisory Committee to convene such an extraordinary general meeting in writing. If the Supervisory Committee fails to issue a notice of the general meeting within the required period, in which circumstance, shareholders individually or aggregately holding more than 10% of the shares of the Company for more than ninety (90) consecutive days are entitled to convene and chair such a general meeting.

During the Reporting Period, shareholders individually or aggregately holding more than 10% of the shares of the Company did not request to convene such an extraordinary general meeting.

2. Proposal of resolution at general meeting

The shareholder(s) individually or jointly holding more than 3% of the Company's issued shares with voting rights may submit extra proposed resolutions in writing to the convener of a general meeting ten (10) days prior to the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extra proposed resolutions within two (2) days after receipt thereof.

Candidates for non-independent directors can be proposed by last session of the Board or shareholder(s) individually or jointly holding more than 3% of the Company's outstanding issued shares with voting rights for 180 consecutive trading days.

Shareholder representatives among the candidates for Supervisors can be proposed by last session of the Supervisory Committee or shareholder(s) individually or jointly holding more than 3% of the Company's outstanding issued shares with voting rights.

The shareholder(s) individually or jointly holding more than 1% of the Company's outstanding issued shares may nominate the candidates for independent directors to be elected at the general meeting.

Corporate Governance Report

On 20 February 2023, the Board of the Company received the “Letter on the additional resolutions to the first extraordinary general meeting of China Vanke Co., Ltd. in 2023” issued by SZMC, proposing to submit the Resolution Regarding the Report on the Demonstration and Analysis of the Proposal to Issue A Shares to Specific Subscribers by the Company and the Authorization to the Board and/or its Authorized Persons in respect thereof as an additional resolution to the first extraordinary general meeting of 2023 for consideration. The proposal of SZMC is within the scope of the duties and powers of the Vanke’s general meeting. It has clear topics and specific resolutions, and conforms to the relevant provisions of laws, administrative regulations and the Articles of Association. The Board of the Company agreed to submit the above proposal to the general meeting for consideration. Other than that, no shareholder submitted any proposal to the general meeting during the Reporting Period.

3. Convening of extraordinary meeting of the Board

An extraordinary meeting of the Board may be convened if proposed by shareholders representing more than 10% of the voting rights. The Chairman shall convene the Board meeting within ten (10) days after receipt of proposal from the shareholders representing more than 10% of the voting rights.

During the Reporting Period, shareholders representing more than 10% of the voting rights did not propose to convene such an extraordinary meeting of the Board.

4. Enquiry to the Board

Shareholders could send enquiry to the Board through the address in the Corporate Information in the Annual Report in writing. Shareholders also have the right to inspect information relevant to the Company, including the Articles of Association and financial and accounting reports, according to the provisions in Articles of Association, after the capacity of shareholders, proved by written documents showing his or her holdings on certain class and number of Shares, verified by the Company.

As considered and approved and authorised at the first extraordinary general meeting of 2022, the Articles of Association has been modified and published by the Company. The latest version of the Articles of Association can be inspected on the website of CNINFO Network and SEHK respectively.

Corporate Governance Report

(IV) Investor relations

As of the end of 2023, the Company has 9,724,196,533 A Shares issued (including treasury shares), representing 81.51% of total shares of the Company; 2,206,512,938 H Shares were issued, representing 18.49% of total shares of the Company. H Shares are all public float and its total market value as at the end of 2023 was approximately HK\$16,990 million. For details, please refer to “Section 7 Change in Share and Information on Shareholders” in this Report.

The Company weighs the importance of investor relations, and focuses on interaction and communication with investors through various means. The details on the Company’s meetings with investors in 2023 can be referred in “VI Details on the Company’s Investor Relations Activities and Investor Protection” in “Section 4 Directors’ Report” in this Report.

V. Board of Directors

(I) Composition of the Board

In accordance with the Articles of Association, the Board of the Company comprises eleven Directors, including one Chairman, one staff representative Director and one or two vice-Chairmen, with the number of independent Director accounting for at least 1/3 of the total number. The term of office of each board of directors is three years.

The term of the Nineteenth Session of the Board has expired on the date of the 2022 annual general meeting of the Company, and the detailed list of Directors is as follows:

Executive directors: Mr. YU Liang (Chairman), Mr. ZHU Jiusheng and Mr. WANG Haiwu (staff representative Director).

Non-executive directors: Mr. XIN Jie, Mr. HU Guobin, Mr. HUANG Liping and Mr. LEI Jiangsong.

Independent non-executive directors (independent directors): Mr. KANG Dian, Ms. LIU Shuwei, Mr. NG Kar Ling, Johnny and Mr. ZHANG Yichen.

On 30 June 2023, the 2022 annual general meeting of the Company elected the members of the Twentieth session of the Board, with a term of three years. The detailed list of Directors is as follows:

Executive directors: Mr. YU Liang (Chairman), Mr. ZHU Jiusheng and Ms. WANG Yun (staff representative Director).

Non-executive directors: Mr. XIN Jie (vice-Chairman), Mr. HU Guobin, Mr. HUANG Liping and Mr. LEI Jiangsong.

Independent non-executive directors (independent directors): Mr. LIU Tsz Bun Bennett, Mr. LIM Ming Yan, Mr. SHUM Heung Yeung Harry and Mr. ZHANG Yichen.

Corporate Governance Report

(II) Duties and responsibilities of the Board and the management

The duties and responsibilities of the Board include: to implement the resolutions passed at general meetings; to determine the Company's business plans and investment schemes; to prepare the Company's annual financial budget and final accounts; to formulate the Company's profit distribution plan and loss recovery plan; to formulate the performance appraisal incentive plans; and to exercise other duties and powers specified in other laws, regulations or the provisions of the Articles of Association and authorized by the general meetings.

The duties and responsibilities of the management include: in charge of the production, operation and management of the Company; to organize and implement the resolutions adopted by the Board, the annual plans and investment plans of the Company; to formulate detailed rules and regulations of the Company; and other duties and powers authorized by the Articles of Association or by the Board.

(III) Performance of duties of the Board

1. Board meeting

During the Reporting Period, the Board held a total of 12 meetings, including 5 on-site meetings and 7 communication votings.

(1) *The Meeting of the Nineteenth Session of the Board*

During the Reporting Period, the Nineteenth Session of the Board held a total of 8 meetings, including 2 on-site meetings and 6 communication votings. The attendance of all directors at the Board meeting is as follows:

Name	Position	Number of Board Meetings	Board Meeting Attendance		Absence
			Attendance in person	Attendance by authorized person	
YU Liang	Chairman, Executive Director	8	8	0	0
XIN Jie	Non-executive Director	8	7	1	0
ZHU Jiusheng	President, Chief Executive Officer, Executive Director	8	8	0	0
HU Guobin	Non-executive Director	8	8	0	0
HUANG Liping	Non-executive Director	8	8	0	0
LEI Jiangsong	Non-executive Director	8	8	0	0
WANG Haiwu	Executive Director	8	8	0	0
KANG Dian	Independent Director	8	8	0	0
LIU Shuwei	Independent Director	8	8	0	0
NG Kar Ling, Johnny	Independent Director	8	7	1	0
ZHANG Yichen	Independent Director	8	7	1	0

Corporate Governance Report

The Company has established the mechanism to ensure the Board could obtain independent views and ideas. The Company may issue to each director a 14-day prior notice of a regular board meeting, and provide sufficient data and document at least 3 days before the date of meeting to be held, to ensure the directors have enough time to review relevant documents, and prepare sufficiently for the meeting. If a director cannot attend the meeting, he or she will be notified with matters to be discussed at the meeting, and will be given opportunity to express his or her opinions to the Board. If necessary, upon the approval of the Board, the specialized committees of the Board could hire agents to provide professional advice for their decision-making at the Company's expenses. If any director of the Company or its close associates own material interests in contracts or arrangements with the Company, he or she needs to make disclosure to the Board as soon as possible, and he or she will not be counted in the quorum of the board meeting. The Company believes that the implementation of the mechanism to ensure the Board can obtain independent views and ideas is sufficient and effective.

1) Two on-site Board meetings held by the Nineteenth Session of the Board in 2023

The Twenty-eighth Meeting of the Nineteenth Session of the Board

On 30 March 2023, the Twenty-eighth Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 30 March 2023, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 31 March 2023.

No.	Resolution
1	The 2022 Annual Report and its Summary
2	The Audited Financial Report for the Year 2022
3	The Company's Major Tasks for the Year 2022
4	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Value for the Year 2022
5	The Proposal on Profit Distribution for the Year 2022
6	The Internal Control Assessment Report for the Year 2022
7	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2023
8	The Resolution Regarding Confirmation of Economic Profit for the Year 2022
9	2022 Sustainable Development Report
10	The Resolution Regarding Proposal to the General Meeting for Authorisation of Financial Assistance by the Company and Majority-owned Subsidiaries to Third Parties
11	The Resolution Regarding Proposal to the General Meeting for Authorisation of Providing Guarantee by the Company and Majority-owned Subsidiaries to Other Majority-owned Subsidiaries
12	The Proposal on Authorising the President to Make Decisions on Matters Related to Supply Chain Financing Business
13	Resolution Regarding Requesting the Board of Directors to Authorize Subsidiaries to Carry out Foreign Exchange Hedging
14	Resolution Regarding Amendments to the Implementing Rules of the Remuneration and Nomination Committee

Corporate Governance Report

The Thirtieth Meeting of the Nineteenth Session of the Board

On 28 April 2023, the Thirtieth Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 28 April 2023, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 29 April 2023.

No.	Resolution
1	2023 First Quarterly Report and the Financial Statement

2) Six votings via telecommunication by the Nineteenth Session of the Board in 2023

No.	Meetings of the Nineteenth Session of the Board	Date of Submission to the Board	Resolution
1	Twenty-fifth Meeting	7 February 2023	<p>Resolution Regarding Compliance of the Company with Conditions of the Non-Public Issuance of A Shares</p> <p>Resolution Regarding the Company's Proposal for the Non-public Issuance of A Shares of the Company</p> <p>Resolution Regarding the Company's Plan of the Non-Public Issuance of A Shares of the Company</p> <p>Resolution Regarding Feasibility Research Report of the Company's Non-Public Issuance of A Shares to Raise Funds for Investment Projects</p> <p>Resolution Regarding the Report on the Use of Proceeds Previously Raised by the Company</p> <p>Resolution Regarding the Dilution of Current Shareholders' Returns as a Result of the Non-public Issuance of A Shares of the Company and the Proposed Remedial Measures</p> <p>Resolution Regarding the Shareholders' Dividend Return Plan of the Company for the Three Years from 2023 to 2025</p> <p>Resolution Regarding the Authorisation by the General Meeting to the Board and/or Its Authorised Persons to Proceed with the Relevant Matters Related to the Non-public Issuance at Its/Theirs Sole Discretion</p> <p>Resolution Regarding the Convention of the First Extraordinary General Meeting of 2023</p>

Corporate Governance Report

No.	Meetings of the Nineteenth Session of the Board	Date of Submission to the Board	Resolution
2	Twenty-sixth Meeting	20 February 2023	Resolution Regarding Additional Interim Resolution Proposed to 2023 First Extraordinary General Meeting and the Postponement of 2023 First Extraordinary General Meeting
3	Twenty-seventh Meeting	22 February 2023	Resolution Regarding Further Authorizing the Chairman of the Board to Deal with Matters in relation to the Issuance of Overseas Listed Foreign Shares (H shares) under the General Mandate
4	Twenty-ninth Meeting	11 April 2023	Resolution Regarding the Report on the Use of Proceeds Previously Raised by the Company
5	Thirty-first Meeting	24 May 2023	Resolution Regarding Proposing a General Mandate to the Board of Directors to Issue H Shares and/or A Shares of the Company at a General Meeting Resolution Regarding the Re-election of the Board and the Election of Non-independent Directors Resolution Regarding the Re-election of the Board and the Election of Independent Directors Resolution Regarding the Convention of the 2022 Annual General Meeting
6	Thirty-second Meeting	6 June 2023	Resolution Regarding the Proportionate Provision of Guarantees by Controlled Subsidiaries for Financing of Joint Venture Supplementary Resolution Regarding the Review of the Company's Annual Bonus Plan

Pursuant to relevant requirements, the progress and important facts of the related issues were published on the website of SEHK and in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively.

Corporate Governance Report

(2) Meetings of the Twentieth Session of the Board

During the Reporting Period, the Twentieth Session of the Board held a total of 4 meetings, including 3 on-site meetings and a communication voting. The attendance of Directors at Board meetings is as follows:

Name	Position	Number of Board Meetings	Board Meeting Attendance		
			Attendance in person	Attendance by authorized person	Absence
YU Liang	Chairman, Executive Director	4	4	0	0
XIN Jie	Vice Chairman, Non-executive Director	4	3	1	0
ZHU Jiusheng	President, Chief Executive Officer, Executive Director	4	4	0	0
HU Guobin	Non-executive Director	4	4	0	0
HUANG Liping	Non-executive Director	4	4	0	0
LEI Jiangsong	Non-executive Director	4	4	0	0
WANG Yun	Executive Director	4	4	0	0
LIU Tsz Bun Bennett	Independent Director	4	4	0	0
LIM Ming Yan	Independent Director	4	4	0	0
SHUM Heung Yeung Harry	Independent Director	4	4	0	0
ZHANG Yichen	Independent Director	4	3	1	0

Corporate Governance Report

1) Three on-site Board meetings held by the Twentieth Session of the Board in 2023

First Meeting of the Twentieth Session of the Board

On 30 June 2023, the First Meeting of the Twentieth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 30 June 2023, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 1 July 2023.

No.	Resolution
1	Resolution Regarding the Election of Chairman of the Twentieth Session of the Board
2	Resolution Regarding the Election of Members of Specialized Committees of the Twentieth Session of the Board
3	Resolution Regarding the Re-appointment of President and Chief Executive Officer
4	Resolution Regarding the Re-appointment of Secretary to the Board
5	Resolution Regarding the Re-appointment of Other Senior Management
6	Resolution Regarding the Change of Authorized Representative of the Company
7	Resolution Regarding the Delegate of Relevant Investment Decision-making Authority to the President

Second Meeting of the Twentieth Session of the Board

On 30 August 2023, the Second Meeting of the Twentieth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 30 August 2023, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 31 August 2023.

No.	Resolution
1	2023 Interim Report and its summary, Financial Statements, and Results Announcement
2	Resolution Regarding There Will Be no Distribution of Dividend nor Capitalisation of Equity Reserve for the 2023 Interim Period
3	Resolution on the Termination of the Issuance of A Shares to Specified Targets and Withdrawl of Application Documents

Corporate Governance Report

Third Meeting of the Twentieth Session of the Board

On 27 October 2023, the Third Meeting of the Twentieth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 27 October 2023, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 28 October 2023.

No.	Resolution
1	2023 Third Quarterly Report and the Financial Statement
2	Resolution Regarding the Election of Vice Chairman of the Board
3	Resolution Regarding Strengthening the Incentive and Restraint Mechanism and Amending Part of Management Policies of the Company

2) A voting via telecommunication by the Twentieth Session of the Board in 2023

No.	Times of Meetings of the Twentieth Session of the Board	Date of Submission to the Board	Resolution
1	Fourth Meeting	13 December 2023	Resolution Regarding the Provision of Guarantees by Vanke Property (Hong Kong) Company Limited for the Loans of UK Stage Project from Financial Institutions

An announcement regarding the matter was published in China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and CNINFO Network by the Company and were published on the website of SEHK in the form of overseas regulatory announcement as required.

Corporate Governance Report

2. Board's implementation of the resolutions approved at general meetings

(1) *Issue of bonds*

The Company's one-off or multiple issuances of debt financing instruments of not more than RMB30 billion was considered and approved at the first extraordinary general meeting of 2021. The Company's one-off or multiple issuances of debt financing instruments of not more than RMB50 billion was considered and approved at the first extraordinary general meeting of 2022.

From the beginning of 2023 to the date of this Report, the Group has issued a total of RMB8 billion of medium-term notes and RMB2 billion of corporate bonds.

(2) *Implementation of the proposal on dividend distribution for the year 2022*

According to the resolution of the 2022 annual general meeting, the Board organized and implemented the 2022 dividend payment plan of the Company. The 2022 dividend payment plan is based on the total share capital as at the record date for dividend distribution. A total of cash dividend of RMB8,063,272,365.72 (inclusive of tax) is proposed for distribution for 2022, representing 35.65% of the net profit attributable to equity shareholders of the Company in its consolidated financial statements for 2022. There will be no equity dividend nor capitalisation of equity reserve of the Company. If, based on the number of 11,857,753,479 shares (excluding treasury shares) of the Company, a cash dividend of RMB6.80 (inclusive of tax) was distributed for every 10 existing shares held as of the record date when dividend distribution was implemented. Any changes in the total number of shares on the record date for dividend distribution as a result of additional issue, repurchase, conversion of convertible bonds into equity and other circumstances, the dividend per share will be adjusted accordingly on the condition that the total dividend to be distributed remains unchanged. According to the rules, the Company's repurchase of shares in cash shall be considered as cash dividends. In 2022, the Company spent RMB1,291,541,933.32 (excluding transaction cost) to repurchase 72,955,992 A shares of the Company through centralised bidding. The funds used for such repurchase shall be considered as cash dividends of the Company for 2022, so the total amount of cash dividends of the Company for 2022 will be RMB9,354,814,299.04 (inclusive of tax), accounting for 41.36% of the net profit attributable to equity shareholders of the Company in its consolidated financial statements for 2022.

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The actual cash dividend paid to A shareholders and securities investment fund investors of A shares on the basis of every 10 existing shares held was RMB6.800000. When a shareholder transfers his/her shares, China Securities Depository and Clearing Corporation Limited will, according to the Notice from the Ministry of Finance, the State Administration of Taxation and China Securities Regulatory Commission Regarding Policies of Implementation of Differential Individual Income Tax on Dividends of Listed Companies (Cai Shui [2015] No. 101), withhold the amount exceeding the tax amount already deducted and such amount will be paid by the Company on its behalf, in accordance with the actual tax amount to be paid by the shareholder, which is calculated based on the holding period of the shares. Shareholding period is determined in unit of securities account of shareholders. According to the first-in, first-out principle, a supplementary tax amount of RMB1.360000 is required to be paid for transferring every 10 shares held within 1 month (inclusive); a supplementary tax amount of RMB0.680000 is required to be paid for transferring every 10 shares held over 1 month and less than 1 year (inclusive); no supplementary tax is required to be paid for transferring shares held over 1 year. An actual amount of RMB6.120000 cash dividend, after deducting a withholding income tax at a 10% rate, was paid to non-resident enterprise shareholders of A shares (including qualified foreign institutional investors QFII and qualified foreign institutional investors of Renminbi RQFII) on the basis of every 10 existing shares held. An actual amount of RMB6.120000 cash dividend, after deducting a withholding income tax at a 10% rate, was paid to the Hong Kong market investors holding the A shares of the Company through Shenzhen Hong Kong Stock Connect and Shanghai Hong Kong Stock Connect on the basis of every 10 existing shares held. For the Hong Kong market investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, by themselves or may entrust the Company to, apply to the competent tax authorities for the entitlement of the paid amount in excess of the tax payable based on the tax rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

For an individual shareholder of H shares who is a resident of a country or territory which has signed a dividend income tax agreement with the PRC, withholding income tax will be deducted at the relevant rate; for an individual shareholder who is a resident of a country or territory which has no dividend income tax agreement with the PRC, withholding income tax will be deducted at a 20% rate. The record date for A Shares was 24 August 2023, and ex-dividend date was 25 August 2023, while the ex-dividend date of H Shares was 14 July 2023, the record date for dividend distribution was 20 July 2023 and the date for dividend distribution was 25 August 2023. H shareholders (save in the case of HKSCC Nominees Limited) can choose to receive dividends entirely in RMB or HKD. If they select to receive cash dividends for the year 2022 entirely in HKD, the exchange rate for H Share's cash dividend was HK\$1 = RMB0.92065, being the median price of the exchange rate of Hong Kong dollars for Renminbi published by the People's Bank of China on the first working day (3 July 2023) after the approval of the dividend distribution proposal at the Company's annual general meeting of 2022.

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(3) In relation to the granting of a general mandate to the Board to issue shares

The First Extraordinary General Meeting of the Company in 2022 considered and passed the Resolution to propose a general mandate to the Board of Directors to issue shares of the Company at a general meeting.

On 9 March 2023, the Company successfully allotted and issued a total of 300,000,000 new H Shares, representing approximately 13.60% of the total issued H Shares and approximately 2.51% of the total issued share capital after completion of the placing, to not less than six placees (who and their ultimate beneficial owners are not connected persons (as defined in the SEHK Listing Rules) of the Company) at a price of HK\$13.05 per share. The gross proceeds from the Placing amounted to approximately HK\$3,915 million. After deducting all relevant costs and expenses (including commissions and legal fees), the total net proceeds from the Placing amounted to approximately HK\$3,903 million, or approximately RMB3,464 million based on the exchange rate as at 9 March 2023. 60% of the proceeds will be used to repay the Company's overseas debt financing and the remaining 40% will be used to replenish the Company's working capital, subject to adjustment if there are other requirements on the use and deposit of the proceeds in accordance with relevant laws, regulations, regulatory documents or authorities, and the Company undertakes that the proceeds will not be used for new residential development projects in the PRC. Upon completion of the placing, the total number of issued shares of the Company increased from 11,630,709,471 shares to 11,930,709,471 shares, of which the total number of issued H Shares increased from 1,906,512,938 shares to 2,206,512,938 shares, while the number of issued A shares remained unchanged at 9,724,196,533 shares.

Based on the aforesaid mandate by the general meeting and pursuant to the Measures for the Administration of Registration of Securities Offering by Companies Listed and other requirements, the relevant resolution to issue A Shares to specific targets was considered and approved at the First Extraordinary General Meeting of the Company through voting item by item in 2023. On 30 August 2023, the second meeting of the Twentieth Session of the Board and the second meeting of the eleventh session of the Supervisory Committee of the Company considered and approved the Resolution on the Termination of the Issuance of A Shares to Specified Targets and Withdrawal of Application Documents, whereby consent was given for the Company to terminate the Proposed Issuance of A Shares and to apply to the SZSE for withdrawal of the relevant application documents. On 1 September 2023, the Company received the Decision on Terminating the Review of China Vanke Co., Ltd.'s Application for Issuing Shares to Specified Targets issued by the Shenzhen Stock Exchange (SZSS [2023] No. 644), according to which the SZSE decided to terminate the review of China Vanke Co., Ltd.'s application for issuing A Shares to specified targets.

Corporate Governance Report

(IV) Training of Directors

During the Reporting Period, the directors, supervisors and senior management of the Company attended various trainings, including the Interpretation of the Reform of the Independent Director System of Listed Companies held by China Association for Public Companies, and inspected the urban renewal, residential property, logistics, long-term rental apartment, shopping mall and other projects in Shanghai, Suzhou, Zhengzhou, Nanjing and other cities to constantly promote their professional growth. In addition, the Company provided internal trainings for new directors on the guidelines for performance of duties to assist them in performing their duties.

(V) Independent Directors

During the Reporting Period, there are four independent non-executive directors, each with a term of three years. Each independent Director has confirmed his/her independence through independence confirmation letter as required by Rule 3.13 of the SEHK Listing Rules with the Company, and the Company recognizes the independence of the independent Directors. In 2023, all independent Directors performed their duties with due diligence. Not only did they attend Board meetings and listen to the reports on matters relating to the Company, participate in discussion at specialised committees, and review documents of the Board, but also delivered independent opinion and constructive advice to the Company on aspects such as bonus and dividend distribution, external guarantee, appointment of accounting firm and senior management, and internal control. During the Reporting Period, the Chairman of the Board of the Company and Independent Non-Executive Directors held one meeting in the absence of other directors.

1. Attendance of Independent Directors of the Nineteenth Session of the Board at the Board meetings

Attendance of Independent Directors at the Board meetings						
Name of independent Directors	Number of attendance required in the Board meetings during the Reporting Period	Attendance in person	Attendance by proxy	Number of Absent	If not attend in person for consecutive two times	
KANG Dian	8	8	0	0	No	
LIU Shuwei	8	8	0	0	No	
NG Kar Ling, Johnny	8	7	1	0	No	
ZHANG Yichen	8	7	1	0	No	

Corporate Governance Report

2. Attendance of Independent Directors of the Twentieth Session of the Board at the Board meetings

Attendance of Independent Directors at the Board meetings					
Name of independent Directors	Number of attendance required in the Board meetings during the Reporting Period	Attendance in person	Attendance by proxy	Number of Absent	If not attend in person for consecutive two times
LIU Tsz Bun Bennett	4	4	0	0	No
LIM Ming Yan	4	4	0	0	No
SHUM Heung Yeung Harry	4	4	0	0	No
ZHANG Yichen	4	3	1	0	No

3. Issues being disagreed by the Independent Directors with the Company

During the Reporting Period, independent Directors did not disagree with the issues of the Company.

(VI) Specialized committees of the Board

The Company has established three specialized committees, i.e. Audit Committee, Remuneration and Nomination Committee and Investment and Decision-making Committee. Those specialized committees will conscientiously perform their duties in accordance with Governance Guidelines of Listed Company, Corporate Governance Code, Articles of Associations, and Rules of Procedures of the Board and the implementation rules of each specialized committee. Independent Directors serve as the convener of each professional committee. Matters within the terms of reference of specialized committees should be approved by the specialized committees before submitting to the Board for consideration.

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The term of each specialized committees of the Nineteenth Session of the Board has expired on 30 June 2023, and the specialized committees of the Twentieth Session of the Board have been formed on 30 June 2023.

The attendance in specialized committee meetings of the Nineteenth Session of the Board of each member:

Name	Position	Audit Committee Meeting	Remuneration and Nomination Committee Meeting	Investment and Decision-making Committee Meeting
KANG Dian	Convener of Remuneration and Nomination Committee	–	3	–
NG Kar Ling, Johnny	Convener of Audit Committee, Member of Remuneration and Nomination Committee	3	3	–
ZHANG Yichen	Convener of Investment and Decision-making Committee	–	–	1
LIU Shuwei	Member of Audit Committee	3	–	–
XIN Jie	Member of Investment and Decision-making Committee	–	–	1
HU Guobin	Member of Remuneration and Nomination Committee	–	3	–
LEI Jiangsong	Member of Audit Committee	3	–	–
WANG Haiwu	Member of Investment and Decision-making Committee	–	–	1

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The attendance in specialized committee meetings of the Twentieth Session of the Board of each member:

Name	Position	Audit Committee Meeting	Remuneration and Nomination Committee Meeting	Investment and Decision-making Committee Meeting
SHUM Heung Yeung Harry	Convener of Remuneration and Nomination Committee	–	2	–
LIU Tsz Bun Bennett	Convener of Audit Committee	3	–	–
ZHANG Yichen	Convener of Investment and Decision-making Committee	–	–	2
LIM Ming Yan	Member of Audit Committee, Member of Remuneration and Nomination Committee	3	2	–
HU Guobin	Member of Remuneration and Nomination Committee	–	2	–
HUANG Liping	Member of Audit Committee	3	–	–
ZHU Jiusheng	Member of Investment and Decision-making Committee	–	–	2
LEI Jiangsong	Member of Investment and Decision-making Committee	–	–	2

1. Audit Committee

The Audit Committee is responsible for auditing the Company's financial information, reviewing the internal control and coordinating the communication, supervising and inspecting of the Company's internal and external audit, and inspecting and evaluating the Company's risk management system. The Audit Committee of the Nineteenth Session of the Board consists of Ng Kar Ling, Johnny and LIU Shuwei, both being independent non-executive Directors, and LEI Jiangsong, being a non-executive Director. Ng Kar Ling, Johnny served as the convener, and his term of office has expired on 30 June 2023. The Audit Committee of the Twentieth Session of the Board was established on 30 June 2023, and consists of LIU Tsz Bun Bennett (serving as convener) and LIM Ming Yan, both being independent non-executive Directors, and HUANG Liping, being a non-executive Director.

During the Reporting Period, the Audit Committee convened 6 committee meetings in accordance with the provisions of the Articles of Association and Implementing Regulations of the Audit Committee of the Board and discussed and reviewed matters including the arrangement of annual audit, regular financial reporting, profit distribution plan, internal control, engagement of certified public accountants, economic profit for the year, and provision for impairment and write-off of inventories and election of conveners.

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The Audit Committee reviewed the Company's annual financial statements for the year ended 31 December 2022, the first quarterly financial statements for the three months ended 31 March 2023, the interim financial statements for the six months ended 30 June 2023 and the third quarterly financial statements for the nine months ended 30 September 2023. In addition, the Audit Committee held a meeting to review the unaudited 2022 financial statements and approved to submit it to the auditors for audit and submitted its opinions to the Board for consideration.

Date of Meeting	Subject Matter
17 March 2023	<p>Listening to the report on the progress in the preparation of the 2022 financial report (first draft)</p> <p>Listening to the preliminary plan in relation to the provision for impairment of assets in 2022</p> <p>Listening to the 2022 internal audit supervision report</p> <p>Listening to the auditor's report on the progress in the audit of the 2022 financial report (first draft)</p> <p>Reviewing the 2022 financial report (first draft) and submitting it to the auditor for audit</p> <p>Considering the 2022 report on self-evaluation of internal control of the Company</p> <p>Considering the resolution on KPMG's communication and pre-consent policy for providing non-assurance services</p>
30 March 2023	<p>Considering the 2022 audited financial report</p> <p>Considering the resolution on making and write-off of impairment provisions for 2022</p> <p>Considering the 2022 profit distribution plan</p> <p>Considering the resolution on recognition of the Company's economic profit bonus for 2022</p> <p>Considering the resolution on re-appointment of an accounting firm for 2023</p> <p>Listening to the special explanation and independent opinions of independent directors on the capital utilization by related parties and external guarantee of the Company in 2022</p>
28 April 2023	<p>Considering the first quarter report and financial statements for 2023</p>
30 June 2023	<p>Considering the resolution on the election of the convener of the Audit Committee</p>
30 August 2023	<p>Listening to the interim financial and business reports for 2023</p> <p>Considering the 2023 semi-annual report, summary, financial statements and results announcement</p> <p>Considering the resolution on non-payment of dividends and non-conversion of capital reserve into share capital in the second half of 2023</p> <p>Listening to the report on the capital utilization by related parties and external guarantee of the Company in the second half of 2023</p>
27 October 2023	<p>Considering the report and financial statements for the third quarter of 2023</p>

Corporate Governance Report

2. Remuneration and Nomination Committee

The Remuneration and Nomination Committee is mainly responsible for studying the selection criteria and procedures for directors and president and making recommendations to the Board; widely searching qualified candidates for directors and president; reviewing the candidates for directors and president and making recommendations to the board; studying the assessment standards for directors and presidents, conducting assessments and making recommendations; studying and reviewing the remuneration policies and programs of directors and senior management (including share schemes under SEHK Listing Rules), and advise to the Board; reviewing the structure and composition of the Board and assessing the independence of independent directors; and so on.

The Remuneration and Nomination Committee of the Nineteenth Session of the Board consists of KANG Dian and Ng Kar Ling, Johnny, both being Independent Non-executive Directors, and HU Guobin, a Non-executive Director. KANG Dian served as the convener, and his term of office has expired on 30 June 2023. The Remuneration and Nomination Committee of the Twentieth Session of the Board was established on 30 June 2023, and consists of SHUM Heung Yeung Harry (serving as convener) and LIM Ming Yan, both being Independent Non-executive Directors, and HU Guobin, a Non-executive Director.

The Remuneration and Nomination Committee has adopted the policy of diversity of Board members in the implementation rules of the committee and actively implemented the policy in its work. The selection of directors will be subject to a series of diversities, including but not limited to gender, age, cultural and educational background, and professional experience, skills, and knowledge. On this basis, the decision will be made in consideration of the objective conditions, including the comprehensive value of the potential directors toward the Company's business and development, their contribution could be brought to the Board, and guarantee of diversity for the Board members. As of 31 December 2023, the Company has one female Director, which has satisfied the policy of diversity of the Board of the Company. Thus, the Company believes the implementation of the policy of diversity of the Board of the Company is feasible and effective.

During the Reporting Period, the Remuneration and Nomination Committee convened 6 committee meetings in accordance with the provisions of the Articles of Association and Implementing Regulations of the Remuneration and Nomination Committee of the Board, which discussed and reviewed the remuneration of senior management, economic profit bonus, annual bonus plan, general election of the Board, election of convener and appointment of senior management and other issues.

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Date of Meeting	Subject Matter
30 March 2023	Considering the resolution on confirming the Company's 2022 annual economic profit bonus
24 May 2023	Considering the resolution on the re-election of the Board and the election of Non-independent Directors Considering the resolution on the re-election of the Board and the election of Independent Directors
6 June 2023	Considering the resolution on the supplementary treatment of part of the annual bonus of the Company
30 June 2023	Considering the Resolution on the Election of the Convener of the Remuneration and Nomination Committee Considering the Resolution on the Re-appointment of Senior Management
27 October 2023	Considering the resolution on the election of Vice Chairman of the Board Considering the resolution on the amendments to the General Salary Scale of the Company Considering the resolution on the annual bonus plan for 2023-2025 Considering the resolution on matters related to economic profit bonus

3. Investment and Decision-making Committee

The Investment and Decision-making Committee is responsible for studying the Company's long-term strategic planning and major investment and financing decisions, and other significant items and making recommendations.

The Investment and Decision-making Committee of the Nineteenth Session of the Board consists of ZHANG Yichen, an independent non-executive director, XIN Jie, a non-executive director and WANG Haiwu, an executive director. ZHANG Yichen served as the convener, and his term of office has expired on 30 June 2023. The Investment and Decision-making Committee of the Twentieth Session of the Board was established on 30 June 2023, and consists of ZHANG Yichen (serving as convener), an Independent Non-executive Director, ZHU Jiusheng, an Executive Director, and LEI Jiansong, a Non-executive Director.

During the Reporting Period, the Investment and Decision-making Committee held 3 meetings, the convention of the meetings are in compliance with the provisions of the Articles of Association and Implementing Regulations of the Investment and Decision-making Committee of the Board and discussed and reviewed the matters regarding the amendment of co-investment mechanism, election of convener of the committee and so on.

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Date of Meeting	Subject Matter
30 March 2023	Listening to the 2022 Vanke Investment Report
30 June 2023	Resolution on election of convener of the Investment and Decision-making Committee
27 October 2023	Resolution on the Iteration of Co-investment Mechanism

VI. Supervisory Committee

As of 31 December 2023, the eleventh session of the Supervisory Committee consisted of three members, namely Mr. XIE Dong as the chairman of Supervisory Committee, Mr. LI Miao as a member of Supervisory Committee, and Mr. PAN Zhangliang as a staff representative supervisor. The biographies of the supervisors are detailed in this section under “VII. Directors, Members of Supervisory Committee and Senior Management”. The term of the eleventh session of the Supervisory Committee is three years commencing from the date of the 2022 annual general meeting held on 30 June 2023.

The tenth session of the Supervisory Committee consists of three members, namely Mr. XIE Dong as the chairman of Supervisory Committee, Mr. LI Miao as a member of Supervisory Committee, and Ms. QUE Dongwu as a member of Supervisory Committee in the capacity as a staff representative supervisor, whose term of office has expired on 30 June 2023.

The number and composition of the Supervisory Committee meet the regulatory requirements and the provisions of the Articles of Association.

The main functions and powers of the Supervisory Committee include signing written assessment opinions on the Company’s periodic reports, checking the Company’s finances, and supervising the behavior of directors and senior management in performing company duties. For details of the performance of the Supervisory Committee in 2023, please refer to “Section 8 – Report of Supervisory Committee”.

Corporate Governance Report

VII. Directors, Members of Supervisory Committee and Senior Management

(I) Basic information and work experience

1. Directors

Mr. **YU Liang**, born in 1965, is currently the Chairman of the Board. Mr. Yu obtained a bachelor's degree from Peking University in 1988 and a master's degree in Economics from Peking University in 1997. Mr. Yu joined the Company in 1990, has been a Director since 1994 and was subsequently appointed as a deputy general manager in 1996 and an executive deputy general manager and finance principal in 1999. Mr. Yu was the President of the Company from 2001 to January 2018. Mr. Yu was appointed as the Chairman of the Board since July 2017. Prior to joining the Company, Mr. Yu had worked for Shenzhen Foreign Trade Group.

Mr. **XIN Jie**, born in 1966, currently is the vice chairman of the Board of the Company, the secretary of the Party Committee and the chairman of the board of directors of SZMC. Mr. Xin obtained a bachelor's degree from Shenyang University of Technology in 1988, and obtained a master's degree of Business Administration from the Hong Kong Polytechnic University in 2005. Mr. Xin currently owns the title of senior engineer and senior economist. Mr. Xin used to work for Shenzhen Foreign Trade Group Co., Ltd.* and Shenzhen Changcheng Property Management Co., Ltd.*. He used to work as vice general manager of Shenzhen Changsheng Industrial Development Co., Ltd.* from August 1998 to February 1999; successively held the positions as the responsible person of preparatory committee and executive vice general manager, general manager and chairman of Shenzhen Shengtingyuan Hotel* from February 1999 to December 2004; held vice general manager of Shenzhen Changcheng Investment Holdings Co., Ltd.*, concurrently with chairman and general manager of Shenzhen Shengtingyuan Hotel* from December 2004 to October 2009; successively held positions as a director, general manager, vice secretary of the Party Committee, chairman and secretary of the Party Committee Shenzhen Tonge Group Co., Ltd. from October 2009 to September 2017, and holds the secretary of the Party Committee and the chairman of the board of directors of SZMC from September 2017 up to now. He has been served as a Director of the Company from July 2020 up to now. He has been served as the vice chairman of the Board of the Company from October 2023 up to now.

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Mr. **ZHU Jiusheng**, born in 1969, is currently a director, a member of the investment and decision-making committee of the Company, the President and Chief Executive Officer of the Company. Mr. Zhu obtained a master's degree in Economics from Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) in 1993 and a doctor's degree in Economics from Zhongnan University of Economics and Law in 2003. Mr. Zhu worked in Shenzhen branch of China Construction Bank Corporation (a company listed on the Shanghai Stock Exchange, stock code: 601939, and a company listed on the SEHK, stock code: 0939) from 1993 to 2012, and had successively served as vice president of Futian sub-branch (presiding), general manager of credit department and corporation department, vice president of Shenzhen Branch. Mr. Zhu joined Vanke in 2012 and held a position as a senior vice president of the Company from 2012 to 2015. Mr. Zhu has been the chairman of the board of directors of Shenzhen Vanke Financial Consultants Co., Ltd., a wholly-owned subsidiary of Vanke, from 2014 to March 2020, and had been the chairman of the board of directors and general manager of Shenzhen Pengding Chuangying Financial Information Services Co., Ltd, an affiliated enterprise of the Company from 2016 to January 2018. He has been the president and chief executive officer of the Company since January 2018, and has been the Director from July 2020 up to now. Mr. Zhu also used to concurrently serve as a non-executive director of E-House (China) Enterprise Holdings Limited (a company listed on the SEHK, stock code: 2048).

Mr. **HU Guobin**, born in 1965, currently is a director and a member of the remuneration and nomination committee of the Company, the secretary of the Party Committee and chairman of the board of directors of Shenzhen Capital Holdings Co., Ltd.. Mr. Hu obtained a bachelor's degree in management from Wuhan University in 1987, a master's degree of Economics from Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) in 1992, and a doctorate degree of Economics from Nankai University in 2002. Mr. Hu currently owns the title of principal senior accountant. Mr. Hu used to work in Shenzhen Construction Group*. From November 1997 to May 2019, he successively held positions as a principal staff member, an assistant researcher and deputy chief director of comprehensive management office of Shenzhen State-owned Assets Management Office, and chief director of budget office and enterprise no.2 office, the chief economist and deputy director of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality. From May 2019 up to now, he holds secretary of the Party Committee and chairman of the board of directors of Shenzhen Capital Holdings Co., Ltd. He has been served as a Director of the Company from July 2020 up to now.

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Mr. **HUANG Liping**, born in 1968, currently is the the Director of the Company, a member of Audit Committee, and the deputy secretary of the Party Committee, director and the general manager of SZMC. Mr. Huang obtained a bachelor's degree in engineering from Tongji University in 1991 and obtained a master's degree in engineering from Tongji University in 1994. Mr. Huang is currently a professor-level senior engineer. Mr. Huang successively held the positions as the engineer, deputy chief engineer, chief engineer of Shenzhen Gongkan Geotechnical Engineering Co. from April 1994 to June 1999, as the head of business department of SZMC, the deputy manager of the Line 2 construction branch, the deputy manager of the Line 7 construction branch (in charge), and the manager of the Line 7 construction branch from June 1999 to August 2014; as deputy general manager and Party Committee member of Shenzhen Metro Group Co., Ltd. from August 2014 to August 2018; as the deputy secretary of the Party Committee, director and general manager of Shenzhen Talent Anju Group Co., Ltd. from August 2018 to February 2021; and as the deputy secretary of the Party Committee, director and the general manager of SZMC from February 2021 till now. He has been served as the Director of the Company since June 2021.

Mr. **LEI Jiangsong**, born in 1970, currently is the Director and a member of the investment and decision-making committee of the Company, and a member of the Party Committee and deputy general manager of SZMC. Mr. Lei obtained a bachelor's degree from Huazhong University of Science and Technology in 1993 and a master's degree in management science and engineering from Tianjin University in 2006. Mr. Lei currently is a professor-level senior engineer, a state-registered first-class constructor, a certified budgeting engineer and a certified supervision engineer. From July 1993 to August 2003, Mr. Lei served as the technical division chief of the Hong Kong branch and deputy chief engineer of the overseas branch of Shenzhen Tongge Group Co., Ltd.. Since September 2003, he has been working in SZMC, and successively serving as the deputy manager of Line 5 construction branch, manager of Line 7 branch, general manager of Shenzhen Metro Engineering Consulting Co., Ltd., deputy general manager of construction headquarters and general manager of engineering centre I, executive director and secretary of the Party Committee of construction headquarters, chairman and secretary of the Party Committee of SZMC and deputy general manager of SZMC. He has been served as a Director of the Company since November 2021.

Ms. **WANG Yun**, born in 1975, is currently a staff representative Director and a partner in the Headquarters of Development and Operation of the Company. Ms. Wang obtained a Bachelor's degree from Huazhong University of Science and Technology in 1997 and a Master's degree from Wuhan University in 2000. She is currently a senior engineer. Ms. Wang joined the Company in 2000 and has served as Deputy Manager of the Planning and Design Department, Manager of the Engineering Management Department, Assistant General Manager and General Manager of the Architectural Research Centre of the Company, Vice President of the Company and Principal Partner of the Coordination Centre of the Company. She is currently a Party representative of Shenzhen, Vice President of the Building Industrialization Branch of the China Engineering & Consulting Association, Vice Chairman of the Green Building and Energy Conservation Professional Committee of the Chinese Society for Urban Studies and Vice Chairman of the Strategic Alliance for Technology Innovation in the Residential Technology Industry.

Corporate Governance Report

2. Independent Directors

Mr. **LIU Tsz Bun Bennett**, born in 1962, is currently an independent Director, the convener of the Audit Committee and an honorary consultant of the Hong Kong Business Accountants Association. Mr. Liu has rich practical experience in mergers, acquisitions, restructuring and listing projects in the capital markets of the mainland and Hong Kong. Mr. Liu obtained a bachelor's degree in economics from the London School of Economics and Political Science in 1985. He has the chartered accountant qualification in England and Wales as well as the Hong Kong Institute of Certified Public Accountants senior fellowship. He used to be a chairman of KPMG China and a senior advisor of KPMG Hong Kong, an accounting consulting expert of the Ministry of Finance of China and a Hong Kong member of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference. Mr. Liu is currently an independent director and chairman of audit committee of board of directors in both of Ping An Life Insurance Company of China, Ltd. and Shenzhen WeBank Co., Ltd., and an independent director of China CITIC Bank Corporation Limited (a company listed on the Shanghai Stock Exchange, stock code: 601998; a company listed on the SEHK, stock code: 0998).

Mr. **LIM Ming Yan**, born in 1963, is currently an independent Director, a member of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company. Mr. Lim obtained a bachelor degree in Mechanical Engineering and Economics from the University of Birmingham, United Kingdom in 1985, and completed the Advanced Management Program at Harvard Business School in 2002. Mr. Lim has rich experience in property development and investment in the PRC and Singapore. Mr. Lim served for over 22 years in Capitaland Limited ("Capitaland", a company listed on Singapore Exchange Limited, stock code: C31 and Over-The-Counter Bulletin Board (OTCBB), stock code: CLLDY), where he served as the chief operating officer, president and chief executive officer. Mr. Lim also held key positions in various subsidiaries of Capitaland, including the executive president of Ascott Limited, a subsidiary of Capitaland, and the chief executive officer of Capitaland (China) Investment Co., Ltd. Mr. Lim is currently a non-executive and chief independent director of Sembcorp Industries Ltd (a company listed on Singapore Exchange Limited, stock code: U96). Mr. Lim was a non-executive director of Central China Real Estate Limited (a company listed on the SEHK, stock code: 0832).

Mr. **SHUM Heung Yeung Harry**, born in 1966, is currently an independent Director and the convener of the Remuneration and Nomination Committee of the Company, the chairman of Council of the Hong Kong University of Science and Technology, chairman of International Digital Economy Academy and the double employed professor of Institute for Advanced Study, Tsinghua University. Mr. Shum obtained a doctorate degree of robotic from the School of Computer Science at Carnegie Mellon University in 1996, and served successively as the director of Microsoft Research Asia, vice president of Microsoft Worldwide and executive vice president of Microsoft Worldwide, where he headed Microsoft's Technology and Research division and was responsible for driving Microsoft's overall technology strategy, tactics and forward-looking research and development efforts over the medium to long term. Mr. Shum is a foreign member of National Academy of Engineering of the United States of America and a fellow of the Royal Academy of Engineering of the United Kingdom. Mr. Shum is currently an independent non-executive director of Meituan and Youdao, Inc., and was an independent director of Oriental Pearl Media Co., Ltd.

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Mr. **ZHANG Yichen**, born in 1963, is currently an independent director and a convenor of the investment and decision-making committee of the Company, the chairman and chief executive officer of CITIC Capital Holdings Limited. Mr. Zhang graduated from the Massachusetts Institute of Technology in 1986 and holds a bachelor's degree in Computer Science. Mr. Zhang successively worked at Greenwich Capital Markets, Bank of Tokyo, New York Branch as Head of Proprietary Trading, and Merrill Lynch as Managing Director of Debt Capital Market for Greater China from 1987 to 2000. Mr. Zhang joined CITIC Group in 2000. From 2000 to 2002, he served as an executive director of CITIC Pacific and the president of CITIC Pacific Communications. He participated in the founding of CITIC Capital Holdings Limited ("CITIC Capital") in 2002. Currently, he serves as the chairman and chief executive officer of CITIC Capital. Mr. Zhang also currently serves as director or other positions in certain companies invested by CITIC Capital, such as the chairman of the board of directors of Grand Foods Holdings Limited (McDonald's Master Franchises in Mainland China and Hong Kong), chairman of Harbin Pharmaceutical Group Holding Co., Ltd., director of AsiaInfo Technologies Limited (a company listed on the SEHK; stock code: 1675). Mr. Zhang currently serves as an independent director of Hong Kong Exchanges and Clearing Limited (a company listed on the SEHK, stock code: 0388). Mr. Zhang is a member of the 11th, 12th, 13th and 14th National Committees of the Chinese People's Political Consultative Conference. Mr. Zhang used to served as the chairman of the board of directors of Genertec Universal Medical Group Company Limited (a company listed on the SEHK, stock code: 2666), chairman of Harbin Pharmaceutical Group Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 600664), director of S.F. Holding Co., Ltd. (a company listed on SZSE; stock code:002352), etc..

3. Members of Supervisory Committee

Mr. **XIE Dong**, born in 1965, is currently the chairman of the supervisory committee of the Company and chairman of labour union of the Company and is also a member of specialized committee of the board of supervisors of China Association for Public Companies. Mr. Xie obtained a bachelor's degree from Nanjing Engineering Institution in 1987. He received a master's degree in Business Administration from Shanghai Jiaotong University in 1997 and a doctorate degree in Management therefrom in 2007. Mr. Xie joined the Company in 1992, and had successively served as a manager, general manager, director of the human resources department, deputy general manager of the Company and executive vice president of the Company. Mr. Xie has been a member and the chairman of the Supervisory Committee since 2014. Before joining Vanke, Mr. Xie used to work for Shenzhen RGB Electronics Co., Ltd. of China Shenzhen TV Company (Headquarters).

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Mr. **LI Miao**, born in 1973, currently is a supervisor of the Company, a director and finance director of SZMC. Mr. Li obtained a bachelor's degree in 1993, and a master degree of Business Administration in 2009, both from Shanghai University of Finance and Economics. Mr. Li currently is a senior accountant and possesses qualification of certified public accountant (non-practicing member). Mr. Li used to work in Shenzhen Nanyou (Holdings) Ltd. and Shenzhen Press Group. He held positions as a director and finance director of Shenzhen Development Group from September 2010 to December 2016. He holds position as a director and finance director of Shenzhen Yan Tian Port Group Co., Ltd. from December 2016 to November 2020 and position as a director and finance director of SZMC from November 2020 up to now. Mr. Li has been served as a member of Supervisory Committee of the Company since July 2020, and currently serves as a supervisor of Shenzhen Investment Holdings Co., Ltd. and Shenzhen Water Group Co., Ltd.. Mr. Li used to concurrently hold position as a director of Shenzhen Yan Tian Port Holdings Co., Ltd. (a company listed on SZSE, stock code: 000088).

Mr. **Pan Zhangliang**, born in 1980, is currently a staff representative supervisor and a partner of the Southern Regional Business Group of the Company. Mr. Pan obtained his Bachelor's degree from Zhejiang University in 2004. Mr. Pan joined the Company in 2004 and has served as the director of the general manager office of Guangzhou Vanke Real Estate Company Limited, manager of the human resources department of Shenzhen Vanke Real Estate Company Limited and the deputy director and director of the Group office of the Company. He is currently a member of the Shenzhen Youth Federation and a representative of the Shenzhen Futian District People's Congress.

4. Senior Management

Mr. **ZHU Jiusheng**, for the biography of Mr. Zhu, please refer to the section "Directors".

Ms. **HAN Huihua**, born in 1982, is currently an executive vice president and finance principal of the Company. Ms. HAN obtained a master's degree in Administration from Jiangxi University of Finance and Economics in 2008, and a bachelor's degree in Administration from University of Science and Technology of China in 2003. Ms. HAN is a non-practising member of the Chinese Institute of Certified Public Accountants. Ms. HAN joined the Company in 2008, and successively held positions of business manager, assistant general manager and vice general manager of finance and internal control department, and central partner of financial management function in management center of the Company. Ms. Han has been serving as the Executive Vice President and the Financial Principal of the Company since March 2020. Currently, she also serves as the supervisor of Onewo (a company listed on the SEHK, stock code: 2602), a holding subsidiary of the Company. Before joining the Company, Ms. Han used to work in local tax bureau of Xiushui County in Jiujiang City, Jiangxi Province.

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Mr. **LIU Xiao**, born in 1979, currently is an executive vice president and the chief operating officer of the Company. Mr. Liu obtained his bachelor's degree of economics and master's degree of economics from Renmin University of China in 2000 and 2003, respectively, and graduated from Harvard Business School with master's degree of business administration in 2008. Mr. Liu joined Vanke in 2009, and used to hold positions as general manager of investment, financing and marketing department of the Company, the general manager of Zhejiang Vanke Nandu Real Estate Company Limited, chief partner and chief executive officer of Business Group of Northern District, and concurrently held position as chief partner of Beijing Vanke Enterprise Company Limited. Mr. Liu has been served as the executive vice president and chief operating officer of the Company since June 2021. Before joining Vanke, he used to work in Mckinsey & Company.

Ms. **ZHU Xu**, born in 1975, is currently the Secretary of the Board of the Company. Ms. Zhu had successively obtained a bachelor's degree in Economics in Hunan College of Finance and Economics (currently known as Hunan University), a master's degree in Management in Zhongnan University of Economics and Law, a master's degree in Public Policy in University College London and a master's degree in Corporate Governance in Open University of Hong Kong. Ms. Zhu is a British Chevening scholar, a registered tax accountant, and an associate of Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries). She has been served as the secretary of the Board of the Company since March 2016. Before joining Vanke, Ms. Zhu used to work in the Shenzhen Municipal Office of the State Administration of Taxation, Nationz Technologies Inc. (a company listed on SZSE, stock code: 300077), and Shenzhen Grandland Decoration Group Co., Ltd. (a company listed on SZSE, stock code: 002482). Ms. Zhu acts as a director of GLP Holdings Limited.

(II) Name and reasons for the change in directors, members of the Supervisory Committee and senior management during the Reporting Period

The Company received a notification from the Labour Union Committee of the Company on 21 June 2023 that Ms. WANG Yun was elected democratically by the staff representative meeting of the Company as a staff representative director of the Twentieth session of the Board of the Company and Mr. Pan Zhangliang was elected as a staff representative supervisor of the Eleventh session of the Supervisory Committee of the Company.

On 30 June 2023, by way of a cumulative voting system at the annual general meeting of 2022 of the Company, HU Guobin, HUANG Liping, LEI Jiangsong, XIN Jie, YU Liang and ZHU Jiusheng (sequenced by phonetic transcription of last names) were elected as non-independent directors of the Twentieth session of the Board, LIU Tsz Bun Bennett, LIM Ming Yan, SHUM Heung Yeung Harry and ZHANG Yichen (sequenced by phonetic transcription of last names) were elected as independent directors of the Twentieth session of the Board, and LI Miao and XIE Dong (sequenced by phonetic transcription of last names) were elected as non-staff representative member(s) of the Eleventh session of the Supervisory Committee. Both term of office of the Twentieth session of the Board of the Company and the Eleventh session of the Supervisory Committee of the Company shall be three years since the commencement of 2022 Annual General Meeting.

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On the same day, KANG Dian, LIU Shuwei and NG Kar Ling, Johnny, independent directors of the Nineteenth session of the Board of the Company, and WANG Haiwu, staff representative director of the Nineteenth session of the Board of the Company retired from the positions as directors of the Company. QUE Dongwu, staff representative supervisor of the Tenth session of the Supervisory Committee will retire from the position as a supervisor of the Company. The five directors and supervisors have been diligent and responsible during their term of office, and have played a positive role in protecting the legitimate rights and interests of investors and promoting the standardized operation and healthy development of the Company. The Company would like to express its heartfelt gratitude to the five directors and supervisors for their contribution to the development of the Company.

On 30 June 2023, at the first meeting of the Twentieth session of the Board of the Company, YU Liang was elected as the chairman of the Board of the Company, ZHU Jiusheng was re-appointed as the president and chief executive officer of the Company, HAN Huihua as the executive vice president and finance principal, LIU Xiao as the executive vice president and the chief operating officer, and ZHU Xu as the Company Secretary, all of whom will serve until the expiration of the term of the Twentieth session of the Board. At the first meeting of the Eleventh session of the supervisory committee held on the same day, XIE Dong was elected as the chairman of the supervisory committee of the Company, and his term of office will expire at the end of the Eleventh session of the supervisory committee. There is no change in directors, members of the Supervisory Committee and senior management during the Reporting Period.

On 27 October 2023, at the third meeting of the Twentieth session of the Board of the Company, XIN Jie, Director, was elected as the vice chairman of the Twentieth session of the Board of the Company, and his term of office will expire at the end of the Twentieth session of the Board.

Corporate Governance Report

(III) Details of remuneration for 2023

Eight directors, supervisors and senior management working full-time in the Company voluntarily waived their 2023 annual bonuses and received total remuneration (before tax) of RMB7.661 million from the Group in 2023 during their tenure of office; four independent directors received total remuneration (before tax) of RMB1.5 million from the Group in 2023 during their tenure of office as directors.

XIN Jie, the vice chairman of the Board, HU Guobin, HUANG Liping, LEI Jiansong, the directors, and LI Miao, the supervisor, who do not hold positions in the Company, had waived Directors' and supervisors' emoluments from the Group.

Since the disclosure date of this report, the chairman, chief executive and chairman of Supervisory Committee voluntarily receive RMB10,000 monthly salary before tax of the Company.

Unit: RMB'0000

Name	Title	Sex	Age	Period of service	Total annual remuneration (before tax) in 2023
YU Liang	Chairman of the Board	Male	59	2017.7~2026.6	127.0
XIN Jie	Vice Chairman of the Board	Male	58	2023.10-2026.6	0
ZHU Jiusheng	Director	Male	55	2020.7-2026.6	118.9
	President, CEO			2018.2-2026.6	
HU Guobin	Director	Male	59	2020.7-2026.6	0
HUANG Liping	Director	Male	56	2021.6-2026.6	0
LEI Jiansong	Director	Male	54	2021.11-2026.6	0
WANG Yun	Staff Representative Director	Female	49	2023.7-2026.6	57.3
LIU Tsz Bun Bennett	Independent Director	Male	62	2023.7-2026.6	30.0
LIM Ming Yan	Independent Director	Male	61	2023.7-2026.6	30.0
SHUM Heung Yeung Harry	Independent Director	Male	58	2023.7-2026.6	30.0
ZHANG Yichen	Independent Director	Male	61	2020.7~2026.6	60.0
XIE Dong	Chairman of Supervisory Committee	Male	59	2014.3~2026.6	111.5
LI Miao	Supervisor	Male	51	2020.7~2026.6	0
PAN Zhangliang	Staff Representative Supervisor	Male	44	2023.7-2026.6	39.4
HAN Huihua	Executive Vice President, Finance Principal	Female	42	2020.3~2026.6	104.8
LIU Xiao	Executive Vice President, Chief Operation Officer	Male	45	2021.6~2026.6	102.7
ZHU Xu	Secretary to the Board	Female	49	2016.3~2026.6	104.5
Total					916.1

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Note 1: WANG Yun and PAN Zhangliang were appointed as staff representative director and staff representative supervisor of the Company in July 2023, respectively, and the remuneration in above table is for the service period.

Note 2: Total remuneration (before tax) includes the remuneration paid by the Company to directors, supervisors and senior management, as well as the "five social insurances and the housing fund" paid by the Company.

Directors and supervisors who left the Company during the Reporting Period received total remuneration (before tax) of RMB2.055 million from the Group in 2023 during their tenure of office.

Unit: RMB'0000

Name	Title	Sex	Age	Period of service	Total remuneration (before tax) during the service period in 2023
WANG Haiwu	Former Staff Representative Director	Male	46	2020.7~2023.6	52.2
KANG Dian	Former Independent Director	Male	76	2017.7~2023.6	30.0
LIU Shuwei	Former Independent Director	Female	72	2017.7~2023.6	30.0
NG Kar Ling, Johnny	Former Independent Director	Male	64	2017.7~2023.6	30.0
QUE Dongwu	Former Staff Representative Supervisor	Female	58	2020.7~2023.6	77.0
Total					219.2

Note 1: Upon completion of the transition of the Board and Supervisory Committee in June 2023, the above person has ceased to be the director and the supervisor of the Company, and the remuneration in above table is for the service period.

Note 2: Total remuneration (before tax) includes the remuneration paid by the Company to directors and supervisors, as well as the social insurances paid by the Company.

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As of the disclosure date of this Report, several business unit of the Group has not yet issued bonus for the year 2023, and the Group's statistics on the compensation of the top five individuals who paid with the highest cash compensation for 2023 to date are summarized below:

Unit: RMB'0000

Ranking	Total remuneration (before tax) received from the Company	Any remunerations received from shareholders or other connected entities
1	696.3	No
2	459.5	No
3	404.6	No
4	392.4	No
5	369.8	No
Total	2,322.6	—

(IV) Change in shareholding during the Reporting Period

Shareholdings of the current directors, supervisors and senior management in the Company:

Unit: Share

Name	Title	Number of shares held at the beginning of the Period	Change during the Period	Number of shares held as at the end of the Period	Shares held at the end of Reporting Period as a percentage of total number of shares
YU Liang	Chairman of the Board	7,394,945	0	7,394,945	0.0620%
XIE Dong	Chairman of Supervisory Committee	1,652,645	0	1,652,645	0.0139%
ZHU Jiusheng	Director, President and Chief Executive Officer	195,900	0	195,900	0.0016%
HAN Huihua	Executive Vice President, Financial Principal	141,000	0	141,000	0.0012%
LIU Xiao	Executive Vice President, Chief Operation Officer	157,600	0	157,600	0.0013%
ZHU Xu	Secretary to the Board	138,800	0	138,800	0.0012%
Total		9,680,890	0	9,680,890	0.0811%

Note: For details of change in shareholdings of directors, supervisors and senior management during the Reporting Period, please refer to "Section 7 Change in Share Capital and Information on Shareholders". Save as above-mentioned, other directors or supervisors did not hold shares of the Company.

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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 Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws) or interests or short positions held in the Company or associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws)) required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the SEHK Listing Rules.

VIII. Compliance with the Corporate Governance Code by the Company

(I) Corporate Governance Functions

The Board is responsible for the formulation of corporate governance policies of the Company and performance of the following corporate governance functions:

- (1) to formulate and review the corporate governance policies and practices;
- (2) to review and monitor the training and continuing professional development of the Directors and senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to formulate, review and monitor the code of conduct applicable to Directors and employees; and
- (5) to review the Company's compliance with Corporate Governance Code and the disclosure in corporate governance report.

During the Reporting Period, the Board has reviewed and monitored the training and professional development of the Directors and senior management and performed its corporate governance duties in compliance with the relevant laws and regulations. It has also put great efforts on improving the Company's corporate governance practices.

(II) Chairman, President and Chief Executive Officer

The Chairman of the Board and the President assume different responsibilities. According to the Articles of Association, the Chairman of the Board is mainly responsible for presiding over the Board meetings and supervising and inspecting the implementation of Board resolutions; and the President is mainly responsible for the management of daily operation of the Company, reporting to the Board and implementing Board resolutions.

During the Reporting Period, Mr. YU Liang served as the Chairman of the Board of the Company; Mr. ZHU Jiusheng served as the President and Chief Executive Officer.

Corporate Governance Report

IX. Securities Transactions of Directors and Supervisors

The Company established rules like Inside Information and Informer Management System and Rules Trading Securities by Employees of the Company. The requirements of the relevant internal rules of the Company are no less strict than the standards set out in the Model Code. During the Reporting Period, some Directors and Supervisors increase their shareholdings in the shares of the Company. After inquiries to the Directors and Supervisors, the Company confirmed that the Directors and Supervisors complied with relevant internal regulations of the Company and the Model Code, and did not conduct any securities transactions in breach of the Model Code.

X. Directors and Supervisors' Interests in Contracts

During the Reporting Period, no Director or Supervisor of the Company has material interests in the transactions, arrangements and contracts of the Company or any of its subsidiaries.

XI. Disciplinary Actions Taken Against the Company or its Directors, Members of Supervisory Committee and Senior Management During the Reporting Period

There was no disciplinary action taken against the Company or its Directors, members of Supervisory Committee and senior management during the Reporting Period.

XII. Relevant Information on Senior Management

(I) Establishment and implementation of appraisal, incentive and reward mechanisms for senior management

1. Composition of remuneration

The Group's remuneration system consists of fixed salary and annual bonus.

- (1) **Fixed salaries.** All staff receive fixed salaries. The amount of a fixed salary is determined according to the importance of the position to the Company and the basic living needs of the staff. The higher the position holds, the smaller proportion the fixed salary will be in the total remuneration that goes with that position.
- (2) **Annual Bonus.** The third meeting of the Twentieth Session of the Board considered and approved the Resolution Regarding Strengthening the Incentive and Restraint Mechanism and Amending Part of Management Policies of the Company. As the real estate industry has entered a new development stage and the Company continued to deepen its strategy of placing the equal emphasis on real estate development, operation and services, some management mechanisms in relation to employee assessment, incentives and restraints are no longer applicable, so that the new Board has reviewed such mechanisms. The Board considered and approved the Annual Bonus Plan for 2023-2025, which continues to adopt the net profit as the assessment indicator to bind the interests of employees with that of shareholders. The cash remuneration plan of the Chairman of the Board and the President continues for 2023-2025 to be linked to annual net profit, and the annual stock price change is added as an adjustment coefficient, where the annual average of daily re-right closing price of the Company's A-share will be used as a comparison indicator to prioritize the interests of shareholders.

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On 27 October 2023, the Board confirmed the intention to make research on and formulate a new long-term incentive and restraint mechanism. The relevant responsibilities and obligations of the economic profit bonus plan have been fully fulfilled and ceased to take effect.

(II) Company secretary

The Company Secretary is Ms. Zhu Xu. Ms. Zhu Xu owns the qualification of a member of the Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and meets the requirements under Rule 3.28 of the SEHK Listing Rules. At the same time, the Company has appointed Ms. Yip Hoi Man (who works in Hong Kong) as Assistant Company Secretary to assist Ms. Zhu Xu, Ms. Yip Hoi Man also meets the requirements under Rule 3.28 of the SEHK Listing Rules.

In 2023, both Ms. Zhu Xu and Ms. Yip Hoi Man have received over 15 hours of relevant profession trainings according to the requirements in Rule 3.29 of the SEHK Listing Rules.

XIII. Employees

(I) Composition of Employees

As of 31 December 2023, there were 131,097 employees on the Group's payroll, among which employees in real estate development decreased by 14% year on year. Categorized by gender, 72,578 employees were male and 58,519 employees were female.

As classified by age, 50,088 employees were at or under the age of 29; 75,196 employees were between the ages of 30 to 49 (both ages inclusive); 5,813 employees were at or over the age of 50;

As classified by geographical location, 130,852 employees were in Mainland China; 198 employees were in Hong Kong, Macau and Taiwan regions; 47 employees were at overseas.

(II) Remuneration

The overall remuneration system of the Group continues to implement the concept of "providing competitive remuneration in the industry in accordance with the principles of marketization to retain and attract outstanding talents". During the Reporting Period, the Group accrued employee remuneration and benefits totaling RMB16.99 billion.

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(III) Training

The Group trains employees according to the philosophy of highly unified cultural heritage and diversified talent trainings. The Group has established a general training system of its headquarters and a decentralized training system for each BG, BU, which are connected by the Joyful Learning online mobile platform. In Vanke, we advocate all employees to explore the learning opportunities by themselves, encourage employees to learn in the real world, and create opportunities for each striver to challenge himself, learn and develop continuously.

This year, Vanke continued the “Talent Training Plan” and built a “3+1” training management system focusing on the direction of specialization and Vanke-ization, developing courses related to the cultivation of corporate culture and the enhancement of professional skills.

Around “Vanke-ization”, Vanke continued to strengthen its culture and value. In 2023, 17 thematic training sessions were conducted for all Group employees, covering more than 680 core management personnel. The thematic training covered all BG/BUs, including headquarters management and frontline managers. In the training, Vanke emphasized respect between people and encouraged employees to actively express their opinions, aiming to enhance employees’ recognition of corporate values.

Around “specialization”, Vanke has set headquarters’ study days, special training for business partners, and professionalism enhancement training for grassroots leaders in the Group’s headquarters and each BG/BU. In 2023, Vanke will continue to develop more diversified forms of training. A number of demonstration bases reflecting professional integration capability will be built under the leadership of the Development and Operation Headquarters. According to the dimensions of different project types (mainstream residential/large real estate/complex commercial office) and product modules (façade/landscape/finishing, etc.), a number of demonstration bases representing the ideal presentation state of products with correct origin and high cost effectiveness will be built under the principle of professional integration, which will become an important position for combining practice and training.

In addition, Vanke focused on strengthening the “service power” pillar of the “3+1” training management system in 2023. In order to realize the professional certification of operation and service employees, Vanke relies on the Joyful Learning platform, combining online training with the star-level certification mechanism, so as to support employees to continuously improve their own abilities and realize the goal of independent learning.

Corporate Governance Report

XIV. Profit Appropriation and Dividend Distribution Proposal

Currently, the industry is undergoing an in-depth adjustment, and after comprehensive consideration, the Company will not pay dividend, issue bonus shares, or issue any share capital by way of conversion of capital reserve in 2023.

1. The real estate industry has undergone profound changes. Over the past three years, the external operating environment of the real estate industry saw significant changes, and the current real estate market is still in the midst of adjustment. The Company's sales scale for 2023 declined by 9.8% year-on-year on top of the 33.6% year-on-year decline that had already occurred in 2022. The sales amount of the top 100 real estate enterprises in January to February this year decreased by more than 50% year-on-year, and the significant decline in sales combined with market confidence turbulence significantly increased the uncertainty of the Company's operations.
2. Some investors hope that the Company will retain sufficient funds to cope with market challenges. At present, investors' views on dividends are widely divergent. Debt investors generally hope that the Company will reduce dividends to increase its debt repayment capacity; some equity investors hope that the Company will continue its stable dividend policy, which will be conducive to attracting long-term and stable equity investors; some equity investors hope that the Company will retain sufficient funds to cope with various market extremes and remind the Company of the uncertainty in the current equity financing environment, and suggest the Company not to distribute dividend for the year 2023.

Considering that the current business environment is still full of uncertainties, in order to better safeguard the operational security of the Company, after comprehensive weighing and consulting with the major shareholders, the aforesaid dividend distribution proposal has been formulated. The Company believes that this initiative will help the Company to better survive the industry adjustment period.

The Company's proposals on dividend distribution for the past three years are as follows:

Year	Proposal on dividend distribution
2022	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB6.8 (inclusive of tax) would be distributed for every 10 existing shares held
2021	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB9.761257 (inclusive of tax) would be distributed for every 10 existing shares held
2020	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB12.5 (inclusive of tax) would be distributed for every 10 existing shares held

Corporate Governance Report

The Company's distribution of cash dividends for the past three years are as follows:

Unit: RMB						
Year	Cash dividend (including tax)	Net profit of the parent company	Net profit attributable to shareholders of the parent company in the Company's consolidated financial statements	As a percentage of the net profit of the parent company	As a percentage of the net profit attributable to shareholders of the parent company in the Company's financial consolidated statements	Profit available for appropriation in the Company's consolidated financial statements for the year
2022	9,354,814,299.04	14,571,458,923.68	22,617,778,516.45	64.20%	41.36%	102,100,161,663.78
2021	11,276,621,873.75	24,945,811,004.21	22,524,033,383.22	45.20%	50.06%	106,418,640,153.17
2020	14,522,165,251.25	40,984,723,712.04	41,515,544,941.31	35.43%	34.98%	125,056,842,434.03
Accumulated cash dividends in the past three years as a percentage to the average net profit attributable to equity shareholders of the parent company in the Company's consolidated financial statements in the past three years						121.70%

XV. The Implementation of Share Option Incentive Scheme, Employee Shareholding Plans or Other Employee Incentives of the Company

During the Reporting Period, there was no share option incentive scheme, employee shareholding plans or other employee incentives implemented by the Company. Certain businesses of the Group implemented co-investment mechanism, and part of employees participated into the co-investment of the businesses (projects).

XVI. Internal Control and Risk Management

1. Risk Management

In 2023, the Company continuously improved and strengthened the functions of risk identification, monitoring and prevention at the board of directors and internal management levels, wherein the board of directors authorized the Audit Committee to be responsible for assessing and confirming the nature and degree of risks that the Company was willing to accept so as to achieve its strategic objectives, and for checking and evaluating whether the risk management system established by the Company was operating effectively.

With a view to promoting the Company to continuously achieve its business objectives, the relevant departments of the Company conduct research on external risk factors such as economic situation, industrial policy, market competition and resource supply, and internal risk factors such as financial situation, capital situation, asset management and operation management, in accordance with the established development strategies; and identify and evaluate main risks, providing a basis to formulate risk response strategies. The Company establishes a hierarchical and grades risk management framework, releases a risk management manual, and continuously monitor soundness, reasonableness and effectiveness of the risk management system, so as to enhance risk control and prevention capabilities.

Corporate Governance Report

After careful evaluation, the major risks currently faced by the Company and relevant countermeasures are as follows:

(I) Environmental risks

The real estate industry is closely related to the macro-economy, the stage of development of the urbanization process and the demographic structure. In the medium to long term, China's urbanization process is far from over, and the urban population will continue to grow in the future, thus the real estate market still has potential. In the short term, the real estate market declined significantly, and there are still problems such as lack of confidence in the market and urban differentiation. In 2023, affected by factors such as confidence and expectations, sales were significantly below reasonable levels, and there was an excessive decline of the market. Corporate liquidity is also under short-term pressure due to the market environment.

As the economy recovered and urban-based policies continue to be strengthened, the Company believes that confidence for house-purchasing will continue to improve and the market will gradually recover from the excessive decline. The Company will rely on a prudent business strategy to face the environmental changes and has taken various measures to protect the sales base. At the same time, the Company adheres to the operation strategy of "cash flow as the core", keeping expenditure within the limits of revenues, and continuously strengthening cash flow management and risk control standards; improves the security of cash flow by adjusting the term of debt, optimizing the structure of debt and opening up financing channels, etc.; and continuously improves the quality of its investment and enhances the strength of its products on the basis of ensuring security, so as to further build a competitive advantage in high-quality development.

(II) Business risks

Centering on the strategic positioning of "urban construction service provider", the Company actively renders customers with diversified products and services for a better life in the fields of real estate development, property services, logistics and warehousing services, rental housing, commercial development and operation, etc., and develops in step with the city. In the course of project development, factors such as difficult business environment for construction enterprises, untimely supply of main building materials, shortage in labor forces, labor disputes, safety accidents, natural disasters and bad weather may bring about risks in construction schedule, project cost, housing quality and customer satisfaction, which may affect the Company's operating results and brand reputation. In the meantime, there are differences in the core business logic of operations and services, as well as different stages of business cycle. Perfecting different business development models, continuously enhancing business efficiency and customer satisfaction, and establishing and consolidating competitive advantages are still significant tasks faced by the Company.

Corporate Governance Report

With regard to real estate development, the Company has established systems covering development quality, schedule, safety, materials and cost management. The engineering managers of each business group/institution and front-line business unit monitor safety production, project quality, project progress, etc. in real time, dynamically keep an eye on supplier operations and project performance, and consummate construction safety guarantee measures; In the meantime, with the aim of guaranteeing high quality delivery on time, they set up a special team to follow up on materials, labor and project payments to ensure that the quality and progress meets the requirements. Centering on own capabilities, they actively explore business value orientation, customer reputation, business operation, financial return level, etc. of various operations and services, and coordinate internal and external advantages and resources to continuously boost their core business capabilities and improve products and services.

(III) Talent risk

Facing persistent and severe challenges from the market environment, the Company was obviously less attractive to outstanding young employees as to its development business, and also faced great challenges in retaining outstanding talents.

The Company strengthened the publicity and promotion of “Internal Great Rivers and Seas”, and launched live streaming activities on internal job recommendation to provide more development opportunities for outstanding talents within the Group. In the meantime, based on the development strategy of paying equal attention to service development and operation, the Company insisted on implementing the universal work plan of talent cultivation, and carried out a series of work around cultural values, professional ability, management ability and new employee training, tilting training resources to grassroots strugglers, and providing training opportunities and growth space to front-line partners by organizing a series of training activities.

(IV) Compliance risk

Businesses of the Company are subject to a wide range of laws and policies at home and abroad. And changes in housing sales, construction regulations, property management regulations, financial and tax regulations, personal information and data regulations in various regions, as well as in listing rules in Chinese mainland and Hong Kong, may have an impact on the Company.

In 2023, the Company continued to strengthen its corporate compliance efforts to prevent compliance risks, monitor violations and respond to non-compliance incidents. In accordance with relevant laws, regulations and policies, the Company continuously improves its overall knowledge level and management awareness of legal and compliance requirements. It dispatched dedicated personnel to study changes in regulations and policies, and timely put into effect relevant requirements into business activities and operational management; invited internal and external experts to give training on the latest regulations and policies, deepened policy understanding, and timely adjusted business to adapt to policy requirements; consulted external experts and had experienced employees handle compliance-related issues; as well as regularly conducted internal control inspections and audits to ensure the operation and management of the Company to comply with relevant regulations, policies and guidelines.

Corporate Governance Report

(V) Information security risk

In the era of Internet, artificial intelligence, big data and cloud computing, it has become one of the focuses of daily management to keep the information system running efficiently and well and to strengthen the security of data and personal information. In recent years, the Company's business diversification has increased, its business processes have become increasingly complex and diverse, its data volume has expanded rapidly, its data sensitivity has been continuously enhanced, and the requirements for domestic and foreign safety and compliance laws and regulations have been continuously strengthened, all of which has not only put forward higher requirements for security management of the information system, but also brought challenges to a series of work covering information system planning, development, operation and continuous upgrading.

The Company continued to carry out informatization construction to cover all businesses, control processes and links, and realized the data security link between mobile applications and various systems by means of integration to ensure the security and compliance of data in the process of collection, storage, transmission and processing. The Company actively promoted the planning, design, implementation and optimization of information security and compliance, and formulated and implemented information security and compliance management systems and security strategies; continued to attach importance to implementing the regulatory requirements for national security compliance, and ensured continuous and effective operations of its information security and compliance management system through information security standard certification and national security level protection certification; as well as ensured the security of the Company's information systems and information assets through technologically centralized information security control, offensive and defensive confrontation and emergency response mechanism, and prevention from external malicious intrusion.

(VI) Fraud risk

Despite the fact that the Company has established an internal control system covering all business areas, the Company currently has a total of more than 130,000 personnel and its business covers more than 100 cities, which increases the difficulty of monitoring and control, if there is a poor flow of information, the widespread use of high technology that brings about more insidious means of fraud, and the possibility that human resources for internal control and supervision may not be sufficient, thus providing an opportunity for fraud to be committed.

The core values of Vanke are, of course, the path to success and the spirit of partnership and struggle. The Company advocates a healthy and sunny corporate culture, continuously builds a justice and equity system, requires all its employees to abide by the principle of honesty and trustworthiness, sets up an effective separation of duties, and forms a working mechanism under which each performs their own duties, assumes their own responsibilities, and mutually constrains each other.

Corporate Governance Report

The Company upholds the attitude of “zero tolerance” for fraud, sets up a website called “Vanke Integrity”, publicizes its anti-fraud policy, and furnishes smooth internal and external channels to receive reports on fraud. The headquarters and its inferior various business groups have set up supervision and audit functions, designated dedicated personnel to perform internal anti-fraud functions, carried out comprehensive general audits, special audits and investigations, and played a supervisory role. By regularly and irregularly reporting potential conflicts of interest among employees, conducting integrity investigations, reaching integrity commitments, and concluding the Sunshine Cooperation Agreement with all its partners, Vanke continuously upgrades its own integrity system, devoting to creating a healthy and clean business environment and safeguarding the healthy development of its business.

2. Internal Monitoring

The Board of Directors of the Company is responsible for establishing, perfecting and effectively implementing internal control as well as evaluating its effectiveness in line with the provisions of enterprise internal control systems. The Board of Directors authorizes the Audit Committee to continuously supervise the Company’s internal monitoring systems, evaluate the effective implementation and self-evaluation of internal control, as well as guide and coordinate internal audit and other relevant matters.

The Company has established a set of relatively complete and effective internal control systems, and has established systematic internal control and necessary internal supervision mechanisms from the company level to the business process levels. Due to the inherent limitations of internal control, continuous changes in the internal environment, macro environment as well as policies and regulations may lead to inapplicability or deviation of the original control activities. In response, the Company will supplement and improve its internal control systems in a timely manner, so as to provide a reasonable guarantee for legal compliance of its own operations and management, asset safety, and authenticity and completeness of its financial reports and related information.

The Company conducts self-evaluation of internal control every year. The evaluation period for 2023 is from 1 January 2023 to 31 December 2023. The businesses included in the evaluation scope embrace real estate development, property services, logistics and warehousing services, rental housing, commercial development and operation, etc.; and the matters included in the evaluation scope embrace internal environment, risk assessment, control activities, information and communication as well as internal oversight. In the meantime, independent evaluations of the efficiency and effectiveness of the Company’s internal control design and operation were conducted through risk checks, internal audits and supervisory inspections, with an internal control audit report issued by KPMG Huazhen LLP (Special General Partnership).

Corporate Governance Report

The Board of Directors believes that the internal control system as established by the Company does not have material weaknesses in completeness, compliance and effectiveness, and that the Company has maintained effective internal control over financial reporting and has not identified material weaknesses in internal control over non-financial reporting in 2023.

During the Reporting Period, the Audit Committee has reviewed the effectiveness of the Company's systems for risk management and internal control. Based on the review results of the Audit Committee, the systems for risk management and internal control during the Reporting Period were deemed effective and adequate.

XVII. Audit

(I) Appointment and remuneration of auditors

Please refer to "Appointment of certified public accountants" in "Section 6 Significant Events".

(II) Confirmations by Directors and auditors

All Directors of the Company confirmed their responsibilities for the preparation of consolidated financial statements for the year ended 31 December 2023. KPMG Huazhen LLP, the auditor of the Company, confirmed its auditor's responsibilities for the audit of the consolidated financial statements in the Independent Auditor's Report of the financial statements for the year ended 31 December 2023.

XVIII. Rectification of Self-Inspection Issues for Special Governance Actions of the Company

Applicable Not applicable

Significant Events

I. Undertakings

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

After becoming the largest shareholder of the Group, SZMC has been showing its supports on Vanke's mixed ownership structure, urban ancillary services provider strategy and business partnership mechanism, operation and management undertaken by Vanke's management team in accordance with a pre-determined strategic objective as well as the deepening of development model of "Railway + Property". 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.

1. Undertakings related to maintenance of independence of the Company

In order to maintain the independence of the Company as a 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 to the board and finance 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 or be entitled to remuneration in SZMC and companies under its control.
2. Financial officers of the listed Company shall not work at SZMC and companies under its control.
3. Personnel, employment relationship and payroll administration of the listed Company 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.

Significant Events

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 funds 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 subsidiaries.
4. The listed Company and its subsidiaries shall pay tax as an independent entity.

III. Independence of departments of the listed Company

1. The listed Company shall legally establish a sound structure of corporate governance and an independent and complete organizational structure which are completely separated from the departments of SZMC. The listed Company shall not share business departments 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.

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 companies controlled by it and the listed Company, SZMC and the companies 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 market economy rules and relevant laws, regulations, normative documents and relevant requirements of SZMC, ensure the transparency, fairness and reasonableness of the transaction price, abstain from voting on the resolutions related to the party transactions between SZMC and other companies 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 medium and small-sized shareholders) will not be harmed through the related party transactions.

Significant Events

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 seize the assets of the listed Company.

SZMC shall and shall procure the companies controlled by it to strictly comply with the relevant requirements of CSRC regarding the independence of listed companies, and shall not make use of the positions 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 harm 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 medium and small-sized shareholders due to such breach.”

2. *Undertakings on avoiding competition in the same industry*

In order to maintain the independence of the listed Company and to avoid competition in the same industry and its adverse effects on the listed Company, SZMC made the following undertakings:

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

Significant Events

3. 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 departments
2. SZMC and companies controlled by SZMC will not use the position 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 medium and small-sized shareholders through the related party transactions.
3. SZMC and companies controlled by SZMC will not seize the funds of the listed Company through borrowing, payment of debts, advance payment or any other means.
4. For any related party transactions between SZMC and the companies controlled by it and the listed Company, SZMC and the companies 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 market economy rules and relevant laws, regulation, normative documents and relevant requirements of SZMC, ensure the transparency, fairness and reasonableness of the transaction price, abstain from voting on the resolutions related to the related party transactions between SZMC and other companies 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 medium and small-sized shareholders) will not be harmed through the related party transactions.
5. SZMC or companies controlled by SZMC will strictly comply with the relevant laws and regulations and the articles of association of the listed Company to fulfill the decision-making procedures of related party 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 regulations and will not carry out the related party transactions which will harm the interests of the listed Company and its medium and small-sized 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 medium and small-sized shareholders.

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

Significant Events

(II) The Assets and Projects of the Company Subject to a Profit Forecast, and the Reporting Period is Within the Profit Forecast Period. The Company Shall Explain Whether the Assets and Projects Have Achieved the Profit Forecast and the Relevant Reasons

Applicable Not applicable

II. Information on the Non-Operating Use of Funds of the Company by the Controlling Shareholder and its Related Parties

Applicable Not applicable

During the Reporting Period, there was no non-operating use of funds of the Company by the controlling shareholder of the Company and its related parties.

III. Illegal external guarantees

Applicable Not applicable

IV. During the Reporting Period, the Explanation of “Non-standard Auditors’ Report” Given by the Board, the Supervisory Committee and Independent Directors

Applicable Not applicable

V. Reason for Changes in Accounting Policies, Accounting Estimates and Accounting Treatment as Compared to the Financial Report for the Prior Year

Applicable Not applicable

VI. Reason for Retrospective Restatement to Correct Major Accounting Errors During the Reporting Period

Applicable Not applicable

There were no major accounting errors corrections of the Company requiring retrospective restatement during the Report Period.

VII. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Prior Year

Applicable Not applicable

During the Reporting Period, the Company acquired 105 new subsidiaries and reduced 112 subsidiaries.

Significant Events

VIII. Appointment of Certified Public Accountants

The annual general meeting of 2022 resolved to re-appoint KPMG Huazhen LLP and KPMG as the Company's auditors for the year of 2023. The following table shows the details on the appointment of the certified public accountants of the Company:

Type	2023	Years of consecutive service	2022
Audited item	Auditor	Audit fee (Unit: RMB'0000)	Auditor
			Audit fee (Unit: RMB'0000)
The Group's consolidated financial statements prepared in accordance with the PRC accounting standards for business enterprises and the internal control audit report	KPMG Huazhen LLP	1,680	1,680
The Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards	KPMG		
Signing CPA	Zhou Yongming	3 years	Zhou Yongming
Signing CPA	Li Moran	5 years	Li Moran

The above-mentioned audit fee included the travelling expenses incurred during the auditing period. The Company did not change auditors in previous three years.

IX. Suspension in Trading or Delisting upon Publication of Annual Report

Applicable Not applicable

X. Matters Related to Bankruptcy and Reorganization

Applicable Not applicable

During the Reporting Period, there was no bankruptcy or reorganization event of the Company.

Significant Events

XI. Material Litigation or Arbitration

Applicable Not applicable

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

XII. Penalties and rectification

Applicable Not applicable

During the Reporting Period, there were no material penalties or rectification of the Company.

XIII. Credit status of the Company and its largest shareholder

The Company and its largest shareholder SZMC had not failed to comply with any valid court order or fulfill any significant payment obligations that fell due during the Reporting Period.

XIV. Major connected transactions

Applicable Not applicable

During the Reporting Period, the Company did not enter into any other connected or continuing connected transactions which are required to be disclosed in this annual report under the SEHK Listing Rules, and other significant related party transactions disclosed in Note 34 of the financial statements do not constitute a connected transaction which is required to be disclosed under Chapter 14A of the SEHK Listing Rules.

XV. Major Contracts and their Implementation

(I) Entrustment, sub-contracting or leasing arrangements

1. Entrustment

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

2. Sub-contracting

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

3. Leasing

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

Significant Events

(II) Major guarantees

1. Guarantees

The following is the details of the major guarantees to be disclosed as of 31 December 2023

Unit: RMB'0000

External guarantees given by the Company and its subsidiaries (excluding guarantees provided for its subsidiaries)								
The guaranteed party	Date of disclosure of relevant announcement in relation to the limit on the guaranteed amount	Limit on guaranteed amount	Actual effective date	Actual guaranteed amount	Type of guarantee	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Shanghai Shenyang Investment Management Co., Ltd.	2016/12/16	2,050.00	2016/12/16	451.00	Joint liability guarantee	8 years	No	No
Shanghai Shenyang Investment Management Co., Ltd.	2019/8/21	2,399.32	2019/9/29	1439.10	Joint liability guarantee	8 years	No	No
Shanghai Shenyang Investment Management Co., Ltd.	2019/8/21	516.19	2019/9/29	325.54	Joint liability guarantee	8 years	No	No
Champion Estate (HK) Limited	2023/8/18	HK\$372,275,000	2023/8/21	10,785.05	General guarantee liability	5 years	No	No
Total limit on the amount of external guarantees approved during the Reporting Period (A1)			33,736.31	Actual amount of external guarantees during the Reporting Period (A2)				10,785.05
Total limit on the amount of external guarantees which has been approved and in effect at the end of the Reporting Period (A3)			38,701.82	Total balance of actual amount of external guarantees at the end of the Reporting Period (A4)				13,000.69

Significant Events

Guarantees given by the Company to its subsidiaries								
The guaranteed party	Date of disclosure of relevant announcement in relation to the limit on the guaranteed amount	Limit on guaranteed amount	Actual effective date	Actual guaranteed amount	Type of guarantee	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Chengdu Wanlong Industrial Town Real Estate Co., Ltd.	2019/11/28	130,000.00	2019/12/10	0	Joint liability guarantee	7 years	Yes	No
Wuhan Yutianxingye Land Co., Ltd.	2019/11/28	262,500.00	2019/12/5	262,500.00	Joint liability guarantee	7 years	No	No
Vanke (Chongqing) Enterprises Company Limited	2021/11/10	580,000.00	2021/11/19	580,000.00	Joint liability guarantee	18 years	No	No
Vanke (Xinjiang) Enterprises Company Limited	2022/1/12	70,000.00	2022/1/25	70,000.00	Joint liability guarantee	18 years	No	No
Zhengzhou Rongwang Real Estate Development Co., Ltd.	2022/11/29	112,000.00	2022/12/13	112,000.00	Joint liability guarantee	6 years	No	No
Shenzhen Vanke Development Co., Ltd.	2022/11/29	388,000.00	2022/11/24	150,000.00	Joint liability guarantee	6 years	No	No
			2023/3/31	180,000.00	Joint liability guarantee	6 years	No	No
			2023/4/27	58,000.00	Joint liability guarantee	6 years	No	No
Foshan Shunde Wanbin Real Estate Co. Ltd. (佛山市順德區萬彬房地產有限公司)	2023/3/2	316,500.00	2023/3/16	105,000.00	Joint liability guarantee	13 years	No	No
Foshan Vanke Enterprise Co., Ltd. (佛山市萬科企業有限公司)	2023/4/18	210,000.00	2023/4/21	210,000.00	Joint liability guarantee	12 years	No	No
Fuzhou Wanbin Real Estate Co., Ltd. (福州市萬濱房地產有限公司)	2023/4/18	140,000.00	2023/4/20	140,000.00	Joint liability guarantee	13 years	No	No
Yunnan Zhewan Real Estate Co., Ltd. (雲南浙萬置業有限公司)	2023/3/2	260,000.00	2023/5/12	260,000.00	Joint liability guarantee	13 years	No	No
Yunnan Vanke Enterprise Co., Ltd.	2023/3/2	110,000.00	2023/5/12	110,000.00	Joint liability guarantee	13 years	No	No
Vanke (Chongqing) Enterprises Company Limited	2023/7/21	150,000.00	2023/7/17	0.00	Joint liability guarantee	13 years	No	No
Beijing Wanyong Real Estate Development Co., Ltd. (北京萬永房地產開發有限公司)	2023/9/27	400,000.00	2023/9/25	0.00	Joint liability guarantee	13 years	No	No
Total limit on the amount of guarantees for subsidiaries approved during the Reporting Period (B1)			1,586,500.00	Actual amount of guarantees for subsidiaries during the Reporting Period (B2)				1,063,000.00
Total limit on the amount of guarantees for subsidiaries which has been approved at the end of the Reporting Period (B3)			3,129,000.00	Total balance of actual amount of guarantees for subsidiaries at the end of the Reporting Period (B4)				2,237,500.00

Significant Events

The guaranteed party	Date of disclosure of relevant announcement in relation to the limit on the guaranteed amount	Guarantees given by the subsidiaries to the subsidiaries					Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
		Limit on guaranteed amount	Actual effective date	Actual guaranteed amount	Type of guarantee				
Chericourt Company Limited	2020/6/18	HK\$1 billion	2020/6/17	25,187.68	Joint liability guarantee	To 2024/5/19	No	No	
Wealth Honour Limited	2022/8/22	HK\$3 billion	2022/8/18	0.00	Joint liability Guarantee, shares pledge	1 year	Yes	No	
Wealth Honour Limited	2023/8/18	HK\$5.24 billion	2023/8/18	187,639.96	General guarantee liability, shares pledge	1 year	No	No	
Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd.	2022/4/28	205,000.00	2022/4/28	205,000.00	Joint liability guarantee	5 years	No	No	
Beijing Hengyi Enterprise Management Co., Ltd.	2018/10/12	323,400.00	2018/10/10	323,400.00	Joint liability guarantee	To the date of the termination of the cooperative development of the target project between the two parties	No	No	
Vanke (Chongqing) Enterprises Company Limited	2023/9/23	44,000.00	2023/9/21	44,000.00	Pledge guarantee	To the date of completion of transaction, release of pledge registration of land use right and construction in progress	No	No	
Total limit on the amount of guarantees for subsidiaries approved during the Reporting Period (C1)			518,859.28	Actual amount of guarantees for subsidiaries during the Reporting Period (C2)				231,639.96	
Total limit on the amount of guarantees for subsidiaries which has been approved at the end of the Reporting Period (C3)			1,137,881.28	Total balance of actual amount of guarantees for subsidiaries at the end of the Reporting Period (C4)				785,227.64	

Significant Events

Total guaranteed amount of the Company (being the sum of the previous three major items)			
Total limit on the amount of guarantees approved during the Reporting Period (A1+B1+C1)	2,139,095.59	Actual amount of guarantees during the Reporting Period (A2+B2+C2)	1,305,425.01
Total limit on the amount of guarantees which has been approved at the end of the Reporting Period (A3+B3+C3)	4,305,583.10	Total balance of actual amount of guarantees at the end of the Reporting Period (A4+B4+C4)	3,035,728.33
Proportion of actual amount of guarantees (being A4+B4+C4) to the net assets attributable to equity shareholders of the listed companies as at the end of the year 2023			12.10%
Including:			
Balance of guaranteed amount provided for shareholders, beneficial controlling parties and their connected parties (D)			0
Balance of guaranteed amount provided directly or indirectly for the guaranteed party with gearing ratio over 70% (E)			1,763,639.96
Total guaranteed amount over 50% of the net asset (F)			0
Sum of the above three guarantees (D+E+F)			1,763,639.96
For outstanding guarantees, description on the guarantee liabilities occurred or possible joint and several liabilities of repayment demonstrated during the Reporting Period (if any)			Nil
Description of provision of external guarantee in violation of prescribed procedures (if any)			Nil

Note:

1. Except for the guarantees provided to Wealth Honour Limited, including share pledge and land use rights and construction in progress pledge for Vanke (Chongqing) Enterprises Company Limited with a credit limit of 440 million, no collateral was provided for other guarantees of the Company and its subsidiaries.
2. The guarantee items listed above have not provided counter guarantees.

2. Illegal external guarantees

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

(III) Other major contracts

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

Significant Events

XVI. Explanation of Other Significant Events

(1) Disclosure under Rule 13.22 of the SEHK Listing Rules

As at 31 December 2023, the Group's receivables from affiliated company amounted to RMB145.317 million, which represent approximately 9.7% based on the proportion of assets as defined in Rule 14.07(1) of the SEHK Listing Rules.

Pursuant to Rule 13.22 of the SEHK Listing Rules, as at 31 December 2023, the unaudited combined statement of financial position of the affiliated companies with receivables in the Group's consolidated financial statements and the interest in these affiliated companies attributable to the Group are set out below:

	Combined Statement of Financial Position (Unaudited) RMB million
Non-current assets	119,934
Current assets	541,218
Current liabilities	478,576
Non-current liabilities	77,839
Net assets	104,737

As at 31 December 2023, the Group's attributable interest in these affiliated companies amounted to RMB53,587 million.

Notes:

1. Affiliated enterprises include associates and joint ventures of the Group;
2. The unaudited combined statement of financial position of the affiliated companies has been prepared on the basis of the financial position of these companies as at 31 December 2023.

XVII. Significant events of the Company's subsidiaries

Applicable Not applicable

During the Reporting Period, Onewo implemented significant events such as profit distribution, scrip dividend, share repurchase, H share full circulation. For details, please refer to the relevant announcements disclosed by Onewo on the SEHK.

Significant Events

XVIII. Purchase, Sales or Redemption of the Listed Securities of the Company

Applicable Not applicable

During the Reporting Period, the Proposed Non-public Issuance of A Shares was considered and approved at the twenty-fifth meeting of the Nineteenth session of the Board of the Company on 10 February 2023, i.e., the Company intended to issue not more than 1,100 million A Shares (inclusive) to not more than 35 Subscribers under the General Mandate, and it is expected that the total proceeds to be raised (regardless relevant issuance expenses) shall not exceed RMB15 billion (inclusive). The Proposal for Proposed Non-public Issuance of A Shares was approved by the Shareholders at the 2023 First EGM on 8 March 2023. However, the second meeting of the Twentieth session of the Board and the second meeting of the Eleventh session of the Supervisory Committee of the Company considered and approved the “Resolution on the Termination of the Issuance of Shares to Specified Targets and Withdrawal of Application Documents” on 30 August 2023. Therefore, the Company did not carry out any non-public issuance of A Shares during the Reporting Period.

During the Reporting Period, the Company entered into the Placing Agreement on 2 March 2023 with the Placing Agents in relation to the Placing of 300,000,000 new H Shares at the Placing Price of HK\$13.05 per H Share. On 9 March 2023, the Company allotted 300,000,000 H Shares at HK\$13.05 per share to not less than 6 allottees, representing 13.60% of total issued H Shares and 2.51% of total issued shares capital after the completion of such allotment. The allotment raised a total of HK\$3.915 billion.

Onewo, a subsidiary of the Company, has commenced the H-share repurchase since 11 December 2023 and has repurchased a total of 2,185,600 H shares of Onewo up to 31 December 2023, with a total amount payment of approximately HK\$53,538,882.52 (excluding transaction costs).

Save as disclosed hereinabove, during the Reporting Period, the Company and its subsidiaries did not purchase, dispose or redeem any listed securities of the Company or its subsidiaries.

XIX. Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association of the Group which would oblige the Group to offer new shares to existing Shareholders on a pro-rata basis.

Change in Share and Information on Shareholders

I. Change in Shares

(I) Change in the shares of the Company (As of 31 December 2023)

Unit: Share

Classification of Share	31 December 2022		Increase/Decrease (+, -)		31 December 2023	
	Quantity	Percentage of shareholding	Issuance of new shares	Others	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	7,529,318	0.06%	0	-268,650	7,529,318	0.06%
4. Shares held by foreign investors	-	-	-	-	-	-
Total number of restricted shares	7,529,318	0.06%	0	-268,650	7,260,668	0.06%
II. Non-restricted Shares						
1. RMB-denominated ordinary shares	9,716,667,215	83.54%	0	+268,650	9,716,935,865	81.44%
2. Overseas listed foreign shares	1,906,512,938	16.39%	+300,000,000	0	2,206,512,938	18.49%
Total number of non-restricted shares	11,623,180,153	99.94%	+300,000,000	+268,650	11,923,448,803	99.94%
III. Total number of shares	11,630,709,471	100.00%	+300,000,000	0	11,930,709,471	100.00%

Note:

- As at 9 March 2023, the Company successfully allotted 300,000,000 H Shares, representing 13.60% of all issued H Shares and 2.51% of the entire issued share capital upon completion of the allotment, to not less than six placees, at a price of HK\$13.05 per share with gross proceeds of HK\$3,915 million from the allotment.
- During the Reporting Period, the Company implemented the general election of the Board and the Supervisory Committee. WANG Haiwu and QUE Dongwu ceased to serve as directors and supervisors, respectively, and the restricted shares held by each of them will be released from selling restrictions after the lock-up period in accordance with the regulations. For details, please refer to the "Tables of changes in restricted shares during the Reporting Period".

Change in Share and Information on Shareholders

(II) Tables of changes in restricted shares during the Reporting Period

Unit: Share

Name of shareholder	Number of restricted shares held at the end of last year	Number of restricted shares with restrictions released during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares held at the end of the Reporting Period	Reason for selling restrictions	Date of selling restrictions removal
YU Liang	5,546,209	0	0	5,546,209	Held an office of Directors,	Executed in accordance with the SelfRegulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 10 – Share Change Management
XIE Dong	1,239,484	0	0	1,239,484	Supervisors and senior	
ZHU Jiusheng	146,925	0	0	146,925	management of the	
HAN Huihua	105,750	0	0	105,750	Company	
LIU Xiao	118,200	0	0	118,200		
ZHU Xu	104,100	0	0	104,100		
WANG Haiwu	112,500	112,500	0	0		
QUE Dongwu	156,150	156,150	0	0		
Total	7,529,318	268,650	0	7,260,668		

Change in Share and Information on Shareholders

II. Issue and listing of securities

(I) Issue of securities during the Reporting Period

Applicable Not applicable

On 9 March 2023, the Company successfully allotted and issued a total of 300,000,000 new H Shares, representing approximately 13.60% of the total issued H Shares and approximately 2.51% of the total issued share capital after completion of the Placing, to not less than six placees (who and their ultimate beneficial owners are not connected persons (as defined in the SEHK Listing Rules) of the Company) at a price of HK\$13.05 per share (the closing price of the Company on the Stock Exchange on the day before the date of entering into the Placing Agreement (1 March 2023) was HK\$13.90 per share). The gross proceeds from the Placing amounted to approximately HK\$3,915 million. After deducting all relevant costs and expenses (including commissions and legal fees), the total net proceeds from the Placing amounted to approximately HK\$3,903 million (net proceeds of approximately HK\$13.01 per H share), or approximately RMB3,464 million based on the exchange rate as at 9 March 2023. 60% of the proceeds shall be used to repay the Company's overseas debt financing and the remaining 40% will be used to replenish the Company's working capital, subject to adjustment if there are other requirements on the use and deposit of the proceeds in accordance with relevant laws, regulations, regulatory documents or authorities, and the Company undertakes that the proceeds will not be used for new residential development projects in the PRC. As of the end of the Reporting Period, all of the proceeds from the placement have been fully utilized, and the use of the proceeds was in accordance with the Company's disclosed plan for the use of the proceeds. Upon completion of the Placing, the total number of issued shares of the Company increased from 11,630,709,471 Shares to 11,930,709,471 Shares, of which the total number of issued H Shares increased from 1,906,512,938 Shares to 2,206,512,938 Shares, while the total number of issued A Shares remained unchanged at 9,724,196,533 Shares.

During the Reporting Period, the Company issued first tranches of corporate bonds RMB2.0 billion to qualified investors in public; the Company completed the issuance of four medium-term notes in the interbank market with an issue size of RMB8.0 billion.

For details of Company's bonds and medium-term notes, please refer to "Section 9 Relevant Information on Bonds" of this Report.

(II) Explanation on changes in the total number of shares and shareholding structure of the Company and on changes in the asset and liability structure of the Company

For changes in share capital, please refer to the "(I) Issue of securities during the Reporting Period" in this section.

(III) As of the end of the Reporting Period, the Company did not have any internal employee shares.

Change in Share and Information on Shareholders

III. Information on Shareholders (As of 31 December 2023)

(I) Information on shareholders

							Unit: Share
	564,673 (including 564,600 A Shareholders and 73 H Shareholders)	Total number of Shareholders as at 29 February 2024		555,213 (including 555,140 A Shareholders and 73 H Shareholders)			
	Shareholdings of the top 10 shareholders						
Name of shareholder	Classification of Shareholder	Percentage of shareholding	Total number of shares held	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	27.18%	3,242,810,791	0	0	0	
HKSCC NOMINEES LIMITED	Foreign legal person	18.49%	2,206,357,086	+299,992,771	0	0	
Yingjiazhong Enterprise Partnership	Domestic ordinary legal person	3.68%	438,703,992	0	0	275,701,996	
Hong Kong Securities Clearing Company Limited	Foreign legal person	1.97%	235,571,702	-197,627,154	0	0	
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.55%	185,478,200	0	0	0	
CMW Asset Management – CMB – CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Funds, wealth management products, etc.	1.17%	139,745,820	-6,510,000	0	0	
CLIC – Traditional – Ordinary Insurance Product-005L-CT001 Hu	Funds, wealth management products, etc.	1.16%	137,952,736	+137,952,736	0	0	
China Securities Finance Corporation Limited	Domestic ordinary legal person	1.11%	132,669,394	0	0	0	
Ying'an Partnership Enterprise	Domestic ordinary legal person	1.02%	122,230,826	0	0	122,230,826	
New China Life Insurance Company Ltd. –Dividend – Personal Dividend-018L-FH002 SZ	Funds, wealth management products, etc.	0.52%	61,923,449	-106,855,399	0	0	
Remarks on strategic investor or ordinary legal person becoming top 10 shareholders after placing of new shares	Nil						
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	Nil						
Special explanation on the existence of repurchase dedicated accounts among the top ten Shareholders (if any)	China Vanke Co., Ltd. repurchased 72,955,992 shares of the repurchase dedicated accounts, accounting for 0.61% of total share capital.						

Change in Share and Information on Shareholders

Shareholdings of the top 10 Shareholders		
Name of shareholder	Number of non-restricted shares held	Class of shares
SZMC	3,242,810,791	A Shares
HKSCC NOMINEES LIMITED	2,206,357,086	H Shares
Yingjiazhong Partnership Enterprise	438,703,992	A Shares
Hong Kong Securities Clearing Company Limited	235,571,702	A Shares
Central Huijin Asset Management Co., Ltd.	185,478,200	A Shares
CMW Asset Management – CMB –CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	139,745,820	A Shares
CLIC – Traditional – Ordinary Insurance Product – 005L – CT001 Hu	137,952,736	A Shares
China Securities Finance Corporation Limited	132,669,394	A Shares
Ying'an Partnership Enterprise	122,230,826	A Shares
New China Life Insurance Company Ltd. –Dividend – Personal Dividend-018L-FH002 SZ	61,923,449	A Shares
Remarks on the related party relationship or action in concert between the top 10 Shareholders of non-restricted shares and between the top 10 Shareholders of non-restricted shares and top 10 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.	
Top 10 ordinary Shareholders involved in margin trading business description (if any)	The refinancing securities lending business carried out by SZMC since July 2022 lent a total of 5,018,000 A Shares of the Company held by it, accounting for 0.04% of the Company's total share capital, which has been fully recovered. According to the “Announcement on the Progress of the Refinancing and Securities Lending Business Carried Out by the Shareholders” disclosed by the Company on 25 July 2023, SZMC plans to continue to carry out the refinancing securities lending business. However, SZMC has not actually carried out the refinancing and securities lending business during the implementation period. According to the confirmation with SZMC, SZMC currently has no plan to continue the refinancing and securities lending business with its holding of the shares of the Company.	
Shareholders involved in contracted repurchase transactions	Nil	

Change in Share and Information on Shareholders

Note 1: HKSCC NOMINEES LIMITED is the nominal holder of the shares held by the Company's nonregistered shareholders of H shares.

Note 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.

Note 3: In the above table, the total number of A shareholders at the end of 2023 and 28 February 2023 refers to the number of shareholders after combining margin trading accounts.

As of 31 December 2023, the total share capital of the Company was 11,930,709,471, including 9,724,196,533 A Shares and 2,206,512,938 H Shares. Of which, the "total share capital" includes 72,955,992 A Shares repurchased during the year and managed as treasury shares.

Remarks on top 10 Shareholders involved in the lending of shares in margin trading business

Applicable Not applicable

Unit: Share

Remarks on top 10 Shareholders involved in the lending of shares in margin trading business								
Name of shareholder (full name)	Shareholding in ordinary and credit accounts at the beginning of the period		Number of unreturned shares under refinancing securities lending at the beginning of the period		Shareholding in ordinary and credit accounts at the end of the period		Number of unreturned shares under refinancing securities lending at the end of the period	
	Proportion		Proportion		Proportion		Proportion	
	Total Number	to total share capital	Total Number	to total share capital	Total Number	to total share capital	Total Number	to total share capital
SZMC	3,242,810,791	27.18%	0	0	3,242,810,791	27.18%	0	0

Changes in the top 10 Shareholders compared with the previous period

Applicable Not applicable

Unit: Share

Remarks on top 10 Shareholders involved in the lending of shares in margin trading business					
Name of shareholder (full name)	Newly added/ Withdrawn shareholder during the Reporting Period	Number of unreturned shares under refinancing securities lending at the end of the period		Shareholding in ordinary and credit accounts at the end of the period, and number of unreturned shares under refinancing securities lending at the end of the period	
		Proportion to total		Proportion to total	
		Total Number	share capital	Total Number	share capital
CLIC - Traditional - Ordinary Insurance Product-005L-CT001 Hu	Newly added	Unaware	Unaware	Unaware	Unaware
CLIC - Traditional - Ordinary Insurance Product-005L-CT001 SZ	Withdrawn	Unaware	Unaware	Unaware	Unaware

Note: The above two shareholders are both insurance products of CLIC, but the Company is unable to know the relationship between the above two shareholders.

Change in Share and Information on Shareholders

(II) Number of shares held by the top 10 shareholders of restricted shares and the conditions of selling restrictions as at the end of the Reporting Period

Unit: Share

No.	Name of shareholder of restricted shares	Number of restricted shares held	Date on which listing and trading may commence	Increase in the number of shares that may be listed and traded	Conditions of selling restrictions
1	YU Liang	5,546,209			
2	XIE Dong	1,239,484			
3	ZHU Jiusheng	146,925			Selling restrictions were imposed according to relevant regulations of the SZSE.
4	HAN Huihua	105,750	-	-	
5	LIU Xiao	118,200			
6	ZHU Xu	104,100			
	Total	7,260,668			

(III) Controlling shareholders and de facto controllers

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

(IV) The accumulated number of shares pledged by the Company's largest Shareholder reached 80% of the number of the Company's shares held by him/her

Applicable Not applicable

Change in Share and Information on Shareholders

(V) Shareholders holding 10% or more of the equity interests in the Company

As of 31 December 2023, SZMC holds 3,242,810,791 A Shares in the Company, representing 27.18% of the total number of shares in the Company, and is the largest shareholder of the Company. Details are set out below:



Basic Information of SZMC is as following:

Date of registration:	31 July 1998
Registered capital:	RMB46,622,160,000
Legal representative:	XIN Jie
Registered address:	Metro Building, No. 1016 Fu Zhong Yi Road, Lianhua Street, Futian District, Shenzhen
Business Scope:	<p>Planning, design, construction, financing, operation, resource development and operation, land allocation and property development and operation of rail transit and other government investment decision- making projects;</p> <p>(I) Investment and organization of various industrial projects (franchises, proprietary and proprietary projects shall apply separately);</p> <p>(II) Domestic commerce, material supply and marketing (franchises, proprietary and proprietary projects shall apply separately);</p> <p>(III) Design, produce, publish and represent domestic and overseas advertising business;</p> <p>(IV) Property management;</p> <p>(V) Rail transit-related business consulting, education and training.</p>

Change in Share and Information on Shareholders

(VI) Restrictions to reduction in shareholdings for controlling Shareholders, de facto controllers, re-organization parties and other commitment bodies

Applicable Not applicable

IV. Specific implementation of share repurchase in the Reporting Period

Applicable Not applicable

V. Shareholding by the substantial shareholders and other persons as defined by the Securities and Futures Ordinance

To the best knowledge of directors of the Company, as of 31 December 2023, in accordance with relevant requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), other than directors, members of Supervisory Committee or chief executive, 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 of total issued A-Share capital	Percentage of total issued H-Share capital	Percentage of total issued share capital
SZMC	Beneficial owner	3,242,810,791	Long Position	A Shares	33.35%	–	27.18%
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 Shares	5.78%	–	4.71%
		24,245,900	Long Position	H Shares	–	1.10%	0.20%
BlackRock, Inc.	Interest of controlled corporations	123,646,924	Long Position	H Shares	–	5.60%	1.04%
		2,708,636	Short Position	H Shares	–	0.12%	0.02%
JPMorgan Chase & Co.	Interest of controlled corporations	94,375,712	Long Position	H Shares	–	4.28%	0.79%
		82,352,131	Short Position	H Shares	–	3.73%	0.69%
	Investment Manager	7,242,600	Long Position	H Shares	–	0.33%	0.06%
	Person holding a guaranteed interest in shares	784,400	Long Position	H Shares	–	0.04%	0.01%
Citigroup Inc.	Approved Lending Agent	24,732,682	Long Position	H Shares	–	1.12%	0.21%
		Interest of controlled corporations	21,946,092	Long Position	H Shares	–	0.99%
	Interest of controlled corporations	11,706,918	Short Position	H Shares	–	0.53%	0.10%
Shanghai Wealspring Asset Management Co. Ltd.	Approved Lending Agent	107,117,759	Long Position	H Shares	–	4.85%	0.90%
		Investment Manager	155,617,200	Long Position	H Shares	–	7.05%

Change in Share and Information on Shareholders

Save as disclosed above, the Company is not aware of any other person (other than the directors, supervisors, chief executives of the Company) who should disclose their interest or short position in accordance with the requirements of the the Securities and Futures Ordinance of Hong Kong and SEHK Listing Rules.

VI. The public float as required by SEHK Listing Rules

As of the disclosure date of the Report, there are 2,206,512,938 H Shares of the Company listed on the Main Board of SEHK, which are all public float, accounting for 18.49% of total share capital in the Company. The Company has obtained the waiver from strict compliance with the requirement of H shares proportion as the total number of share capital of the Company pursuant to Rule 8.08(1) (b) under the SEHK Listing Rules when the H Share of the Company was listed on Main Board of the SEHK. As at the disclosure date of the Report, the public float of the Company complied with such waiver.

Report of Supervisory Committee

In 2023, the Supervisory Committee of the Company stood firmly on the Company's culture and values, diligently performed their duties and safeguarded the interests of the Company, its shareholders and employees, in accordance with the requirements of Company Law and Articles of Association. The main duties of the Supervisory Committee for the year 2023 were presented as follows:

I. Convention of Meetings

In 2023, a total of 4 meetings were held by the Tenth Session of the Supervisory Committee, review and approved 23 resolutions; a total of 3 on-site meetings were held by the Eleventh Session of the Supervisory Committee, review and approved 6 resolutions. The details of the meetings and resolutions were as follows:

(I) A total of 2 on-site supervisory meetings were held by the Tenth Session of the Supervisory Committee in 2023

1. The Fourteenth Meeting of the Tenth Session of the Supervisory Committee

The Fourteenth Meeting of the Tenth Session of the Supervisory Committee was held on 30 March 2023. The meeting considered and approved the following resolutions:

No.	Issues for consideration and approval
1	The 2022 Annual Report and its Summary
2	The Audited Financial Report for the Year 2022
3	The Report of the Supervisory Committee of the Company for the Year 2022
4	The Company's Major Tasks for the Year 2023
5	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Value for the Year 2022
6	The Proposal on Profit Distribution for the Year 2022
7	The Internal Control Assessment Report for the Year 2022
8	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2023
9	The Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2022
10	2022 Report on Sustainable Development
11	The Resolution Regarding Proposal to the General Meeting for Authorisation of Financial Assistance by the Company and majority-owned subsidiaries to Third Parties
12	The Resolution Regarding Proposal to the General Meeting for Authorisation of Providing Guarantee to the Company and majority-owned subsidiaries
13	Proposal on Authorising the President to Make Decisions on Matters Related to Supply Chain Financing
14	Consideration of a Resolution to Authorize a Subsidiary to Commence Foreign Exchange Hedging

Report of Supervisory Committee

2. The Fifteenth Meeting of the Tenth Session of the Supervisory Committee

The Fifteenth Meeting of the Tenth Session of the Supervisory Committee was held on 28 April 2023. The meeting considered and approved 2023 First Quarterly Report and the Financial Statement.

(II) Two votings via telecommunication by the Tenth Session of the Supervisory Committee in 2023

No.	Meetings of the Tenth Session of the Supervisory Committee	Date of Submission to the Supervisory Committee	Resolution
1	Thirteenth Meeting	7 February 2023	Resolution Regarding Compliance of the Company with Conditions of the Non-Public Issuance of A Shares Resolution Regarding the Company's Proposal for the Non-public Issuance of A Shares of the Company Resolution Regarding the Company's Plan of the Non-Public Issuance of A Shares of the Company Resolution Regarding Feasibility Research Report of the Company's Non-Public Issuance of A Shares to Raise Funds for Investment Projects Resolution Regarding the Report on the Use of Proceeds Previously Raised by the Company Resolution Regarding the Dilution of Current Shareholders' Returns as A Result of the Non-public Issuance of A Shares of the Company and the Proposed Remedial Measures Resolution Regarding the Shareholders' Dividend Return Plan of the Company for the Three Years from 2023 to 2025
2	Sixteenth Meeting	24 May 2023	Resolution Regarding the Re-election of the Supervisory Committee and the Election of Non-staff Representative Supervisor

In 2023, a total of 3 on-site meetings were held by the Eleventh Session of the Supervisory Committee, at which 6 resolutions were considered and approved. The details of the meetings and resolutions were as follows:

(III) A total of 3 on-site supervisory meetings were held by the Eleventh Session of the Supervisory Committee in 2023

1. The First Meeting of the Eleventh Session of the Supervisory Committee

On 30 June 2023, the first meeting of the Eleventh Session of the Supervisory Committee was held to consider and approve the Resolution Regarding the Election of Chairman of the Supervisory Committee.

Report of Supervisory Committee

2. The Second Meeting of the Eleventh Session of the Supervisory Committee

On 30 August 2023, the second meeting of the Eleventh Session of the Supervisory Committee was held to consider and approve the following resolutions:

No.	Resolution
1	2023 Interim Report, its Summary and Financial Statement, and Results Announcement
2	Resolution Regarding No Distribution of Dividend nor Capitalisation of Equity Reserve for the 2023 Interim Period
3	Resolution Regarding the Termination of the Issuance of A Shares to Specified Targets and Withdrawal of Application Document

3. The Third Meeting of the Eleventh Session of the Supervisory Committee

On 27 October 2023, the third meeting of the Eleventh Session of the Supervisory Committee was held to consider and approve the following resolutions:

No.	Resolution
1	2023 Third Quarterly Report and the Financial Statement
2	Resolution Regarding Strengthening the Incentive and Restraint Mechanism and Amending Part of Management Policies of the Company

II. Performance of Duties by Members of the Supervisory Committee

During the Reporting Period, all the meetings were held by the Supervisory Committee according to the Articles of Association, and all members of the Supervisory Committee who have the right to participate attended the meetings in person. Besides, all members of the Supervisory Committee presented at board meetings, when partial members attended at general meeting of the Company, and none of them objected items under their supervision.

III. Inspection Tours

In 2023, the Supervisory Committee of the Company carried out more inspecting and visiting work on each BG and BU. Through on-site inspection, meetings and seminars, trainings, audit and investigations, the committee inspected and supervised the operation management, risk management, internal control, the management's performance of duties, protection of shareholders' and employees' interest of the BG and BU. It covered financial, investment, marketing, fundraising, construction cost and other aspects. The committee supervised relevant personnel to diligently perform their duties, control risks and fine-tune their internal control systems, to prevent professional ethics risk.

Report of Supervisory Committee

IV. Opinions on Certain Issues of the Company

(I) Statutory compliance

In 2023, members of the Supervisory Committee continued to supervise the Company's operations through presenting at important meetings such as operation decision meetings and board meetings, reviewing reports on special projects, on-site inspection and meeting with staff. The Supervisory Committee is of the view that the decision-making procedures of the general meeting and the board meeting are lawful and that the Board and the management team of the Company have faithfully fulfilled the resolutions at the general meeting in compliance with the relevant laws, regulations and the Articles of Association, and no actions in violation of laws, regulations and Articles of Association or damage the interest of the Company have been found when directors and senior management discharging the Company's duties.

The Supervisory Committee had reviewed the Company's internal control self-assessment report and internal control audit report by KPMG Huazhen LLP and the Company's corporate governance report, and was of the view that the report reflected the actual situation of the Company's corporate governance, risk management and internal control, and agreed to publish the abovementioned reports.

(II) Financial monitoring

In 2023, the Supervisory Committee continued to review the Company's financial situation through the review of financial reports and inspection tours, and monitored the Company's operation and its risks. The Supervisory Committee also provided assessment opinions to each regular report and was of the opinion that the procedures for the preparation and review of regular reports by the Board of the Company were in line with laws, administrative regulations and the provisions of the CSRC and SZSE, and the contents of the reports reflected the actual situation of the listed company in a true, accurate and complete manner, without any false records, misleading statements or major omissions.

(III) Internal control system

The Supervisory Committee was of the view that the Company has established a comprehensive, regulated and effective internal control system and is strictly adhering to it. The establishment of the internal control system is in compliance with the requirements of the relevant laws and regulations, so as to ensure that the Company can achieve its strategic objectives of operation and development. The Assessment Report on Internal Control has comprehensively, objectively and truly reflected the actual situation of corporate governance and internal controls and the construction of the Company's internal controls was continuously improved.

In 2024, the Supervisory Committee of the Company will continue to fulfil their duties, faithfully and diligently perform their supervisory duties, supervise the standard operation of the Company and safeguard the interest of the Company, its stakeholders such as shareholders and employees, surrounding the overall operational objectives and key tasks of the Company and in accordance with the provisions of Company Law, Securities Law, Articles of Association and the listing rules.

Relevant Information on Bonds

I. Enterprise Bonds

Applicable Not applicable

II. Corporate Bonds

Applicable Not applicable

(I) Basic Information of Corporate Bonds

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. 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%	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.	SZSE
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 II)	20 Vanke 06	149142	18 June 2020 to 19 June 2020	19 June 2020	19 June 2027	120,000	3.90%		
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 II)	21 Vanke 02	149358	21 January 2021 to 22 January 2021	22 January 2021	22 January 2028	110,000	3.98%		

Relevant Information on Bonds

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. 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%	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.	SZSE
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%		
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%		
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%		
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%		

Relevant Information on Bonds

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. 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%	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.	SZSE
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%		
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (fourth tranche)	22 Vanke 07	148099	28 October 2022 to 31 October 2022	31 October 2022	31 October 2027	250,000	3.45%		
China Vanke Co., Ltd. 2023 corporate bonds to professional investors in public (first tranche) (variety I)	23 Vanke 01	148380	21 July 2023 to 24 July 2023	24 July 2023	24 July 2026	200,000	3.10%		

Relevant Information on Bonds

								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
Qualified investors arrangement (if any)									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

(II) Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

During the Reporting Period, based on the actual situation of the Company and the current market environment, the Company exercised the 21 Vanke 01, 20 Vanke 01, 20 Vanke 03, 20 Vanke 05 and 20 Vanke 07 issuer's redemption option, and delisted the aforesaid corporate bonds from the SZSE.

Relevant Information on Bonds

(IV) Intermediary agencies

Name of bonds	Name	Office address	Signing CPA	Contact person	Telephone number
20 Vanke 02, 20 Vanke 04, 20 Vanke 06, 20 Vanke 08, 21 Vanke 02, 21 Vanke 03, 21 Vanke 04, 21 Vanke 05, 21 Vanke 06, 22 Vanke 01, 22 Vanke 01, 22 Vanke 02, 22 Vanke 03, 22 Vanke 04, 22 Vanke 05, 22 Vanke 06, 22 Vanke 07	CITIC Securities Co., Ltd.	North Block, Excellence Times Plaza Phase 2, No.8, Zhong Xin San Road, Futian District, Shenzhen, Guangdong	-	Yang Fang	021-20262380
	KPMG Huazhen LLP	8/F, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing	Fang Jiong, Chen Yongyi, Li Moran	Li Moran	0755-25473335
	Guangdong Shujin Law Firm	11th to 12th floor, Taiping Finance Tower, 6001 Yitian Road, Futian District, Shenzhen	-	Wang Cuiping	13480145387
20 Vanke 02, 20 Vanke 04, 20 Vanke 06, 20 Vanke 08, 21 Vanke 02	China Chengxin International Credit Rating Co., Ltd.	60101, Building 1, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	-	Shi Shi	010-85172818
21 Vanke 03, 21 Vanke 04, 21 Vanke 05, 21 Vanke 06, 22 Vanke 01, 22 Vanke 02, 22 Vanke 03, 22 Vanke 04, 22 Vanke 05, 22 Vanke 06, 22 Vanke 07	China Lianhe Credit Rating Co., Ltd.	12/F, PICC Office Tower, 2 Jianguomenwai Street, Chaoyang District, Beijing	-	Liu Deng	18566603268

Whether there were changes to the above agencies during the Reporting Period

Yes No

Relevant Information on Bonds

(V) Use of proceeds from fund-raising activities

During the Reporting Period, the Company used the proceeds from fund-raising activities in accordance with the purposes set out in the prospectus and there was no change in the use of the proceeds from fund-raising activities.

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

Applicable Not applicable

(VII) 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 operational cash inflows had provided a 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.

Relevant Information on Bonds

III. Debt financing instruments of non-financial enterprises

✓Applicable Not applicable

(I) 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	The way of repay capital with interest	Trading Floor
China Vanke Co., Ltd. medium-term notes in 2021 (second tranche)	21 Vanke MTN002	102100912	28 April 2021 to April 2021	29 April 2021	29 April 2024	200,000	3.52%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and	the National Association of Financial Market Institution Investors
China Vanke Co., Ltd. medium-term notes in 2021 (third tranche)	21 Vanke MTN003	102101821	2 September 2021 to 3 September 2021	6 September 2021	6 September 2024	200,000	3.08%	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. medium-term notes in 2022 (first tranche)	22 Vanke MTN001	102280222	25 January 2022 to 26 January 2022	27 January 2022	27 January 2025	300,000	2.95%		
China Vanke Co., Ltd. medium-term notes in 2022 (second tranche)	22 Vanke MTN002	102280265	14 February 2022 to 15 February 2022	16 February 2022	16 February 2025	300,000	2.98%		
China Vanke Co., Ltd. medium-term notes in 2022 (third tranche)	22 Vanke MTN003	102280364	23 February 2022 to 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 to 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 to 11 August 2022	12 August 2022	12 August 2025	200,000	2.9%		
China Vanke Co., Ltd. Green medium-term notes in 2022 (third tranche)	22 Vanke GN003	132280088	19 September 2022 to 20 September 2022	21 September 2022	21 September 2025	200,000	3.2%		

Relevant Information on Bonds

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate	The way of repay capital with interest	Trading Floor
China Vanke Co., Ltd. medium-term notes in 2022 (forth tranche)	22 Vanke MTN004	102282715	13 December 2022 to 14 December 2022	15 December 2022	15 December 2025	200,000	3.00%	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 Institution Investors
China Vanke Co., Ltd. medium-term notes in 2022 (fifth tranche)	22 Vanke MTN005	102282785	26 December 2022 to 27 December 2022	28 December 2022	28 December 2025	370,000	3.00%		
China Vanke Co., Ltd. medium-term notes in 2023 (first tranche)	23 Vanke MTN001	102381014	20 April 2023 to 21 April 2023	23 April 2023	23 April 2026	200,000	3.11%		
China Vanke Co., Ltd. medium-term notes in 2023 (second tranche)	23 Vanke MTN002	102381172	10 May 2023 to 11 May 2023	12 May 2023	12 May 2026	200,000	3.10%		
China Vanke Co., Ltd. medium-term notes in 2023 (third tranche)	23 Vanke MTN003	102381399	13 June 2023 to 14 June 2023	15 June 2023	15 June 2026	200,000	3.07%		
China Vanke Co., Ltd. medium-term notes in 2023 (forth tranche)	23 Vanke MTN004	102381621	5 July 2023 to 6 July 2023	7 July 2023	7 July 2026	200,000	3.07%		
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

(II) Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

Relevant Information on Bonds

(IV) Intermediary agencies

Name of bonds	Name	Office address	Contact person	Telephone number
21 Vanke MTN001, 22 Vanke GN001	Industrial and Commercial Bank of China Limited	12/F, North Block Financial Center, No. 5055 Shennan East Road, Shenzhen	Xu Chao	15818580898
21 Vanke MTN001, 21 Vanke MTN002, 21 Vanke MTN003, 22 Vanke MTN002, 22 Vanke GN002, 22 Vanke GN003	Industrial Bank Co., Ltd.	15/F, Industrial Bank Building, No. 20 Chaoyangmen North Street, Chaoyang District, Beijing	Xu Hao	010-89926522
21 Vanke MTN002, 21 Vanke MTN003, 22 Vanke MTN001, 22 Vanke MTN004, 22 Vanke GN001, 23 Vanke MTN001	Bank of China Limited	1 Fuxingmen Nei Street, Xicheng District, Beijing	Xie Zhijian	010-66592416
22 Vanke MTN001, 22 Vanke GN002, 22 Vanke GN003	China Merchants Bank Co., Ltd.	22/F, China Merchants Bank Shenzhen Branch Building, 2016, Futian District, Shenzhen	Luo Yingying	0755-88026159
22 Vanke MTN002, 23 Vanke MTN003	China Minsheng Banking Corporation Limited	Minsheng Finance Building, Haitian Road, Futian District, Shenzhen	Wei Yingzhu	0755-82806447
22 Vanke MTN003, 23 Vanke MTN002	Agricultural Bank of China Limited	Agricultural Bank, No. 69 Jianguomennei Avenue, Dongcheng District, Beijing	Fan Kai	010-85209781
22 Vanke MTN003, 23 Vanke MTN002	Ping An Bank Co., Ltd.	5047 Shennan East Road, Luohu District, Shenzhen	Le Xiuxin	021-50979147
22 Vanke MTN004, 23 Vanke MTN004	Shanghai Pudong Development Bank Co., Ltd.	No. 12, Zhongshan East 1st Road, Shanghai	Ge Xinwei	021-31884016
22 Vanke MTN005, 23 Vanke MTN001	Bank of Communications Co., Ltd.	No. 188, Yincheng Middle Road, Pudong New Area, Shanghai	Xiong Jie	0755-88020793

Relevant Information on Bonds

Name of bonds	Name	Office address	Contact person	Telephone number
22 Vanke MTN005	Postal Savings BANK of China Co., Ltd.	Orient Asset Building, No.410 Fuchengmen Nei Street, Xicheng District Beijing	Hou Huijuan	010-68859499
21 Vanke MTN001, 21 Vanke MTN002, 21 Vanke MTN003, 22 Vanke MTN001, 22 Vanke MTN002, 22 Vanke MTN003 22 Vanke MTN004, 22 Vanke MTN005, 22 Vanke GN001, 22 Vanke GN002, 22 Vanke GN003, 23 Vanke MTN001, 23 Vanke MTN002, 23 Vanke MTN003	Dentens Beijing office	16-21F, Tower B, ZT International Center, No.10, Chaoyangmen Nandajie, Chaoyang District, Beijing	Cheng Xiangbo	13161988499
21 Vanke MTN001	China Chengxin International Credit Rating Co., Ltd.	60101, Building 1, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Shi Shi	010-85172818
21 Vanke MTN002, 21 Vanke MTN003, 22 Vanke MTN001, 22 Vanke MTN002, 22 Vanke MTN003, 22 Vanke MTN004, 22 Vanke MTN005, 22 Vanke GN001, 22 Vanke GN002, 22 Vanke GN003 23 Vanke MTN001, 23 Vanke MTN002, 23 Vanke MTN003	China Lianhe Credit Rating Co., Ltd.	12/F, PICC Office Tower, 2 Jianguomenwai Street, Chaoyang District, Beijing	Liu Deng	18566603268

Whether there were changes to the above agencies during the Reporting Period

Yes No

(V) Use of proceeds from fund-raising activities

During the Reporting Period, the Company used the proceeds from fund-raising activities in accordance with the purposes set out in the prospectus and there was no change in the use of the proceeds from fund-raising activities.

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

Applicable Not applicable

Relevant Information on Bonds

(VII) 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 operational cash inflows had provided a 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.

IV. Convertible corporate bonds

Applicable Not applicable

The Company did not have convertible corporate bonds during the Reporting Period.

V. Losses in scope of the consolidated financial statements in excess of 10% of net assets at the end of the previous year during the Reporting Period

Applicable Not applicable

VI. Overdue interest-bearing debt other than bonds at the end of the Reporting Period

Applicable Not applicable

VII. Whether there were violations of regulations during the Reporting Period

Yes No

Independent Auditor's Report



Independent auditor's report to the shareholders of China Vanke Co., Ltd.
(incorporated in the People's Republic of China with joint stock limited liability)

Opinion

We have audited the consolidated financial statements of China Vanke Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 199 to 312, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.¹

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key audit matters (continued)

Net realisable value of inventories	
<i>Refer to note 19 to the consolidated financial statements and the accounting policies in note 1(q).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2023, the aggregate carrying value of the Group's properties held for development ("PHD"), properties under development ("PUD") and completed properties held for sale (together "inventories") was significant. These properties are stated at the lower of cost and net realisable value.</p> <p>The calculation of the net realisable value for each property development project at the financial reporting date is performed by management.</p> <p>The calculation of the net realisable value of inventories involves significant management judgement and estimation in preparing the updated estimations of the costs to complete each property development project for PHD and PUD as well as in assessing the expected future net selling prices for each property development project (with reference to recent sales transactions in nearby locations), the estimated future selling costs and the relevant taxes.</p>	<p>Our audit procedures to assess the net realisable value of inventories included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the preparation and monitoring of management budgets and forecasts of construction and other costs for each property development project; • on a sample basis, discussing with management the progress of property development project and the development budgets reflected in the latest forecasts for each property development project; • evaluating the valuation methodology adopted by management for assessing the net realisable value of inventories and comparing the key estimates and assumptions adopted in the valuations, including those relating to average net selling prices, with market available data and the sales budget plans maintained by the Group;

Independent Auditor's Report

Key audit matters (continued)

Net realisable value of inventories (continued)	
<i>Refer to note 19 to the consolidated financial statements and the accounting policies in note 1(q).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>We identified the assessment of net realisable value of the Group's inventories as a key audit matter because of the significance of inventories to the assets of the Group and because of the inherent risks involved in estimating the costs to complete each property development project and the future selling prices for each property development project, particularly in light of the current economic circumstances and various property market measures introduced in various cities across Chinese Mainland.</p>	<ul style="list-style-type: none"> on a sample basis, comparing the estimated construction costs to complete each property development project with the Group's latest budgets and comparing the costs incurred to 31 December 2023 with budgets made at 31 December 2022 to assess the accuracy of management's forecasting and budgeting process; performing sensitivity analyses to determine the extent of changes in key estimates and assumptions that, either individually or collectively, would be required for inventories to be materially misstated and considering the likelihood of such a movement in those key estimates and assumptions arising and the potential for management bias in their selection.

Independent Auditor's Report

Key audit matters (continued)

Provision for land appreciation tax ("LAT") in Chinese Mainland	
<i>Refer to notes 6 and 28 to the consolidated financial statements and the accounting judgement and estimates in note 1(x).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>LAT in Chinese Mainland is one of the main components of the Group's taxation charge.</p> <p>LAT is levied on sale of properties at progressive rates ranging from 30% to 60% based on the appreciation of land value. At the end of each financial reporting period, management estimates the provision for LAT based on its understanding and interpretation of the relevant tax rules and regulations and the estimated total sales of properties less total deductible expenditure, which includes lease charges for land use rights, property development costs, borrowing costs and development expenditure. When the LAT is subsequently determined, the actual payments may be different from the estimates.</p> <p>We identified provision for LAT in Chinese Mainland as a key audit matter because of its significance to the consolidated financial statements and because the estimated provisions for LAT are based on management's judgement and interpretation of the relevant tax laws and regulations and practices.</p>	<p>Our audit procedures to assess the provision for LAT in Chinese Mainland included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the calculation of the estimated LAT provisions; • engaging our internal taxation specialists to evaluate the Group's LAT provisions as at 31 December 2023 which involved challenging the Group's assumptions and judgements based on our experience, knowledge and understanding of the practices of the application of the relevant tax laws by the various local tax bureaus; • challenging the Group's assumptions and judgements based on our assessment of the value of the deductible expenditure; • re-calculating, on a sample basis, the provision for LAT and comparing our calculations with the amounts recorded by the Group.

Independent Auditor's Report

Key audit matters (continued)

Revenue recognition for property development projects (“PDP”)	
<i>Refer to note 3 to the consolidated financial statements and the accounting policies in note 1(z)(i).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue arising from sales of PDP accounted for 86% of the Group’s revenue for the year ended 31 December 2023.</p> <p>Such revenue is recognised at a point in time when all of the following criteria have been met:</p> <p>(i) the sale and purchase agreement has been signed;</p> <p>(ii) the related deposit has been received and the arrangements for the settlement of the remaining proceeds have been confirmed; and</p> <p>(iii) the property is accepted by the customer, or deemed as accepted according to the sale and purchase agreement, whichever is earlier.</p> <p>We identified the recognition of revenue for PDP as a key audit matter because of its significance to the Group and because small errors in recognition of revenue for each PDP, in aggregate, could have a material impact on the Group’s profit for the year.</p>	<p>Our audit procedures to assess the recognition of revenue for PDP included the following:</p> <ul style="list-style-type: none"> evaluating the design, implementation and operating effectiveness of key internal controls over the recording of revenue for PDP; inspecting the terms of the standard sale and purchase agreements for sales of PDP to assess the Group’s revenue recognition policies for sales of PDP, with reference to the requirements of the prevailing accounting standards; inspecting, on a sample basis for sales of PDP recognised during the year, documents which evidenced that the properties were accepted by the customer, or deemed as accepted and assessing whether the related revenue has been recognised in accordance with the Group’s revenue recognition accounting policies; inspecting, on a sample basis, documents which evidenced that the properties were accepted by the customer, or deemed as accepted before and after the end of the financial period to assess whether the related revenue has been recognised in the appropriate financial period.

Independent Auditor's Report

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Guen Kin Shing.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

28 March 2024

Consolidated statement of profit or loss

for the year ended 31 December 2023

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000 Note 1(c)
Revenue	3(a)	465,739,077	503,838,367
Cost of revenue		(398,290,869)	(405,784,703)
Gross profit		67,448,208	98,053,664
Other net income	4	6,573,051	9,903,438
Selling and marketing expenses		(12,272,116)	(12,412,367)
Administrative expenses		(10,126,726)	(14,059,033)
Other expenses		(973,702)	(1,404,718)
Profit from operations		50,648,715	80,080,984
Lease liability charges		(893,775)	(980,908)
Finance costs	5(a)	(4,843,698)	(4,905,644)
Share of profits less losses of associates and joint ventures	16	58,934	(776,606)
Profit before taxation		44,970,176	73,417,826
Income tax	6(a)	(24,514,618)	(35,805,267)
Profit for the year		20,455,558	37,612,559
Attributable to:			
Equity shareholders of the Company		12,162,684	22,688,552
Non-controlling interests		8,292,874	14,924,007
Profit for the year		20,455,558	37,612,559
Earnings per share (RMB)			
Basic and diluted	10	1.03	1.96

The accompanying notes form part of these financial statements. Details of dividend payable to equity shareholders of the Company attributable to the profit for the year are set out in note 30(d).

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000 Note 1(c)
Profit for the year		20,455,558	37,612,559
<hr/>			
Other comprehensive income for the year (after tax and reclassification adjustments)			
<i>Item 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)		(245,030)	(625,364)
Share of other comprehensive income of associates		(234,334)	(138,224)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		47,513	642,399
Cash flow hedge:			
Net movement in the hedging reserve	9	130,617	(449,795)
Share of other comprehensive income of associates		1,673,473	(5,531,624)
Other comprehensive income for the year		1,372,239	(6,102,608)
<hr/>			
Total comprehensive income for the year		21,827,797	31,509,951
<hr/>			
Attributable to:			
Equity shareholders of the Company		13,037,744	17,088,326
Non-controlling interests		8,790,053	14,421,625
Total comprehensive income for the year		21,827,797	31,509,951

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2023

	Note	31 December 2023 RMB'000	31 December 2022 RMB'000 Note 1(c)
Non-current assets			
Property, plant and equipment	11	38,332,903	35,133,670
Investment properties	12	128,215,536	119,407,195
Intangible assets and goodwill	14	9,751,014	10,309,985
Interests in associates and joint ventures	16	130,562,531	129,511,502
Biological assets		218,250	319,393
Other financial assets	17	2,191,465	5,131,808
Other non-current assets	18	5,938,836	6,494,070
Deferred tax assets	28(b)(ii)	39,379,575	36,140,933
		354,590,110	342,448,556
Current assets			
Inventories and other contract costs	19	706,998,914	913,730,553
Contract assets	20(a)	13,678,360	10,927,515
Trade and other receivables	21	329,777,411	353,511,585
Other current assets	22	13,614	18,142
Pledged and restricted deposits		2,871,178	2,782,965
Cash and cash equivalents	23	96,942,577	134,424,670
		1,150,282,054	1,415,395,430
Current liabilities			
Trade and other payables	24	383,118,158	473,072,657
Contract liabilities	20(b)	308,638,338	465,580,958
Bank loans and borrowings from financial institutions	25	43,572,666	48,146,286
Bonds payable	26	20,458,192	17,950,541
Lease liabilities	27	1,959,530	1,958,553
Current taxation	28(a)	64,038,374	71,092,578
		821,785,258	1,077,801,573
Net current assets		328,496,796	337,593,857
Total assets less current liabilities		683,086,906	680,042,413

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2023

	Note	31 December 2023 RMB'000	31 December 2022 RMB'000 Note 1(c)
Non-current liabilities			
Bank loans and borrowings from financial institutions	25	197,764,143	180,773,281
Bonds payable	26	59,871,016	68,815,570
Lease liabilities	27	19,644,594	22,065,726
Deferred tax liabilities	28(b)(ii)	1,159,455	1,214,557
Provisions		450,399	412,292
Other non-current liabilities	29	1,263,768	1,124,157
		280,153,375	274,405,583
NET ASSETS			
		402,933,531	405,636,830
CAPITAL AND RESERVES			
Share capital	30	11,930,709	11,630,709
Treasury shares		(1,291,800)	(1,291,800)
Reserves		240,145,704	232,986,466
Total equity attributable to equity shareholders of the Company			
		250,784,613	243,325,375
Non-controlling interests			
		152,148,918	162,311,455
TOTAL EQUITY			
		402,933,531	405,636,830

Approved and authorised for issue by the board of directors on 28 March 2024.

Zhu Jiusheng
Director

Wang Yun
Director

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Attributable to equity shareholders of the Company												
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve			Non-controlling interests RMB'000	Total equity RMB'000	
								(non-recycling) RMB'000	Other reserves RMB'000	Retained profits RMB'000			
Balance at 1 January 2023		11,630,709	(1,291,800)	22,632,579	117,743,677	(4,475,876)	(313,054)	(846,718)	231,965	97,379,860	242,691,342	162,300,164	404,991,506
Impact on amendments to IAS 12		-	-	-	-	-	-	-	-	634,033	634,033	11,291	645,324
Balance at 1 January 2023		11,630,709	(1,291,800)	22,632,579	117,743,677	(4,475,876)	(313,054)	(846,718)	231,965	98,013,893	243,325,375	162,311,455	405,636,830
Changes in equity for 2023													
Profit for the year		-	-	-	-	-	-	-	-	12,162,684	12,162,684	8,292,874	20,455,558
Other comprehensive income	9	-	-	-	-	1,213,974	130,617	(469,531)	-	-	875,060	497,179	1,372,239
Total comprehensive income		-	-	-	-	1,213,974	130,617	(469,531)	-	12,162,684	13,037,744	8,790,053	21,827,797
Issuance of shares	30(b)	300,000	-	3,164,186	-	-	-	-	-	-	3,464,186	-	3,464,186
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	-	-	-	(8,063,272)	(8,063,272)	-	(8,063,272)
Appropriation to statutory reserves	30(c)(i)	-	-	-	8,483,860	-	-	-	-	(8,483,860)	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	-	8,685,762	8,685,762
Acquisitions of subsidiaries	35	-	-	-	-	-	-	-	-	-	-	840,300	840,300
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	-	(1,622,807)	-	(1,622,807)	(1,333,468)	(2,956,275)
Disposals of partial interests in subsidiaries		-	-	-	-	-	-	-	643,387	-	643,387	1,122,357	1,765,744
Disposals of subsidiaries	36	-	-	-	-	-	-	-	-	-	-	(153,897)	(153,897)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(8,823,582)	(8,823,582)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	-	(19,290,062)	(19,290,062)
Others		-	-	-	-	-	-	13,143	-	(13,143)	-	-	-
Balance at 31 December 2023		11,930,709	(1,291,800)	25,796,765	126,227,537	(3,261,902)	(182,437)	(1,303,106)	(747,455)	93,616,302	250,784,613	152,148,918	402,933,531

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Attributable to equity shareholders of the Company												
	Note	Share capital	Treasury shares	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve (non-recycling)	Other reserves	Retained profits	Non-controlling interests		Total equity
		RMB'000	RMB'000	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
Impact on amendments to IAS 12		-	-	-	-	-	-	-	-	563,260	563,260	20,414	583,674
Balance at 1 January 2022		11,625,383	-	22,555,066	111,186,520	(65,894)	136,741	(208,853)	(1,974,273)	93,261,704	236,516,394	156,840,057	393,356,451
Changes in equity for 2022													
Profit for the year		-	-	-	-	-	-	-	-	22,688,552	22,688,552	14,924,007	37,612,559
Other comprehensive income	9	-	-	-	(4,409,982)	(449,795)	(740,449)	-	-	(5,600,226)	(502,382)	(6,102,608)	
Total comprehensive income		-	-	-	(4,409,982)	(449,795)	(740,449)	-	-	22,688,552	17,088,326	14,421,625	31,509,951
Issuance of shares	30(b)	5,326	-	77,513	-	-	-	-	-	-	82,839	-	82,839
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	-	-	-	(11,276,622)	(11,276,622)	-	(11,276,622)
Appropriation to statutory reserves	30(c)(i)	-	-	-	6,557,157	-	-	-	-	(6,557,157)	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	-	7,506,330	7,506,330
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	-	4,144,101	4,144,101
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	-	(393,629)	-	(393,629)	(3,467,292)	(3,860,921)
Disposals of interests in subsidiaries		-	-	-	-	-	-	-	2,599,867	-	2,599,867	6,758,961	9,358,828
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	-	(554,427)	(554,427)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(7,831,284)	(7,831,284)
Repurchase of shares	30(b)	-	(1,291,800)	-	-	-	-	-	-	-	(1,291,800)	-	(1,291,800)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	-	(15,506,616)	(15,506,616)
Others		-	-	-	-	-	-	102,584	-	(102,584)	-	-	-
Balance at 31 December 2022		11,630,709	(1,291,800)	22,632,579	117,743,677	(4,475,876)	(313,054)	(846,718)	231,965	98,013,893	243,325,375	162,311,455	405,636,830

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Operating activities			
Cash generated from operations	23(b)	33,712,517	40,089,968
Income tax paid		(29,800,194)	(37,339,518)
Net cash generated from operating activities		3,912,323	2,750,450
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	35	(1,794,920)	(8,383,938)
Investment in associates and joint ventures		(8,527,928)	(10,158,297)
Other investments		(110,718)	(251,635)
Acquisitions of property, plant and equipment, investment properties and intangible assets		(8,334,153)	(12,826,706)
Net cash inflow from disposals of subsidiaries	36	711,061	1,453,307
Proceeds from disposal of property, plant and equipment		345,252	77,834
Proceeds from disposals of investments		5,692,278	7,641,027
Interest received		2,521,591	2,532,054
Net cash flow from redemptions of wealth management product		4,528	2,445
Investment income received		4,877,367	6,883,638
Net cash used in from investing activities		(4,615,642)	(13,030,271)

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Financing activities			
Capital element of lease rentals paid	23(c)	(1,722,453)	(1,505,959)
Interest element of lease rentals paid	23(c)	(893,775)	(980,908)
Proceeds from H shares placement		3,464,186	–
Capital contributions from non-controlling interests		8,403,741	14,373,417
Payments to non-controlling interests		(15,143,128)	(15,775,073)
Proceeds from bank loans, borrowings from financial institutions and bonds	23(c)	91,747,713	142,351,344
Proceed from advance payment from contracted parties	23(c)	–	308,000
Repayment of bank loans, borrowings from financial institutions and bonds	23(c)	(88,395,575)	(100,872,403)
Repayment of shares repurchase		–	(1,291,800)
Dividends and interest paid		(34,273,873)	(33,167,700)
Net cash (used in)/generated from financing activities		(36,813,164)	3,438,918
Net decrease in cash and cash equivalents		(37,516,483)	(6,840,903)
Cash and cash equivalents at 1 January	23(a)	134,424,670	140,708,459
Effect of foreign exchange rate changes		34,390	557,114
Cash and cash equivalents at 31 December	23(a)	96,942,577	134,424,670

The accompanying notes form part of these consolidated financial statements.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Group and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- other current assets (see note 1(h));
- equity investments (see note 1(h)); and
- derivative financial instruments (see note 1(i)).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(ac)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

(i) New and amended IFRSs

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

- IFRS 17, *Insurance contracts*
- Amendments to IAS 1, *Classification of liabilities as current or non-current*
- Amendments to IAS 1, *Disclosure of accounting policies*
- Amendments to IAS 8, *Definition of accounting estimates*
- Amendments to IAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended IFRSs are discussed below:

Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The change in accounting policy has also been reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(i) New and amended IFRSs (continued)

- The impact of the changes on financial statements for the current period

The following table summarises the impact of amendments to IAS 12 on the consolidated financial position as at 31 December 2023.

	Increase to the account captions applying amendments to IAS 12 at 31 December 2023 RMB'000
Deferred tax assets	689,765
Interests in associates and joint ventures	36,512
Deferred tax liabilities	30,757
Reserves	683,173
Non-controlling interests	12,347

There is no impact to the Company's financial position.

The following table summarises the impact of amendments to IAS 12 on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

	Increase/ (decrease) to the account captions applying amendments to IAS 12 For the year ended 31 December 2023 RMB'000
Share of profits less losses of associates and joint ventures	11,478
Income tax	(38,718)
Profit for the year	50,196
Attributable to:	
Equity shareholders of the Company	49,140
Non-controlling interests	1,056
Total comprehensive income for the year	50,196
Attributable to:	
Equity shareholders of the Company	49,140
Non-controlling interests	1,056

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(i) New and amended IFRSs (continued)

- The impact of the changes on financial statements for the comparative period

The following table summarises the impact of amendments to IAS 12 on the consolidated profit for the year ended 31 December 2022 and the consolidated total equity at 1 January 2022 and 31 December 2022, respectively.

	Profit for the year ended 31 December 2022 RMB'000	Total equity at 31 December 2022 RMB'000	Total equity at 1 January 2022 RMB'000
The amount of account captions before adjustment	37,550,909	404,991,506	392,772,777
The impact of the deferred tax related to assets and liabilities arising from a single transaction	61,650	645,324	583,674
The amount of account captions after adjustment	37,612,559	405,636,830	393,356,451

The following table summarises the impact of amendments to IAS 12 on the consolidated financial position as 31 December 2022.

	The amount before adjustment RMB'000	The effect of the adjustment RMB'000	The amount after adjustment RMB'000
Deferred tax assets	35,485,475	655,458	36,140,933
Interests in associates and joint ventures	129,486,468	25,034	129,511,502
Deferred tax liabilities	1,179,389	35,168	1,214,557
Reserves	232,352,433	634,033	232,986,466
Non-controlling interests	162,300,164	11,291	162,311,455

There is no impact to the Company's financial position.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(i) New and amended IFRSs (continued)

- The impact of the changes on financial statements for the comparative period (continued)

The following table summarises the impact of amendments to IAS 12 on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022.

	The amount before adjustment RMB'000	The effect of the adjustment RMB'000	The amount after adjustment RMB'000
Share of profits less losses of associates and joint ventures	(798,717)	22,111	(776,606)
Income tax	(35,844,806)	39,539	(35,805,267)
Profit for the year	37,550,909	61,650	37,612,559
Attributable to:			
Equity shareholders of the Company	22,617,779	70,773	22,688,552
Non-controlling interests	14,933,130	(9,123)	14,924,007
Total comprehensive income for the year			
Attributable to:			
Net amount after tax of comprehensive income	31,448,301	61,650	31,509,951
Equity shareholders of the Company	17,017,553	70,773	17,088,326
Non-controlling interests	14,430,748	(9,123)	14,421,625

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(i) New and amended IFRSs (continued)

- The consolidated financial position as at 1 January 2022 after the retrospective application of the amendments to IAS 12.

	At 1 January 2022 RMB'000
Non-current assets	
Property, plant and equipment	32,631,565
Investment properties	108,521,492
Intangible assets and goodwill	8,542,126
Interests in associates and joint ventures	144,452,255
Other financial assets	2,874,594
Other non-current assets	7,832,794
Deferred tax assets	34,128,488
	338,983,314
Current assets	
Inventories and other contract costs	1,083,598,314
Contract assets	10,390,002
Trade and other receivables	356,067,288
Other current assets	22,482
Pledged and restricted deposits	8,643,985
Cash and cash equivalents	140,708,459
Assets held for sale	892,423
	1,600,322,953
Current liabilities	
Trade and other payables	541,059,314
Contract liabilities	636,858,514
Bank loans and borrowings from financial institutions	53,842,277
Bonds payable	6,576,207
Lease liabilities	1,925,950
Current taxation	71,184,205
	1,311,446,467
Net current assets	288,876,486
Total assets less current liabilities	627,859,800

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(i) New and amended IFRSs (continued)

- The consolidated financial position as at 1 January 2022 after the retrospective application of the amendments to IAS 12. (continued)

	At 1 January 2022 RMB'000
<hr/>	
Non-current liabilities	
Bank loans and borrowings from financial institutions	154,322,279
Bonds payable	53,020,572
Lease liabilities	24,309,642
Deferred tax liabilities	1,374,351
Provisions	275,163
Other non-current liabilities	1,201,342
	<hr/>
	234,503,349
	<hr style="border-top: 1px dashed black;"/>
NET ASSETS	393,356,451
	<hr/>
CAPITAL AND RESERVES	
Share capital	11,625,383
Reserves	224,891,011
	<hr/>
Total equity attributable to equity shareholders of the Company	236,516,394
Non-controlling interests	156,840,057
	<hr/>
TOTAL EQUITY	393,356,451
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Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(c) Changes in accounting policies (continued)

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the “Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025 (the “Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“MPF”) scheme to reduce the long service payment (“LSP”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of 2022, with the corresponding adjustment to the comparative carrying amount of the LSP liability. This change in accounting policy did not have any impact on the opening balance of equity at 1 January 2022, and the cash flows and earnings per share amounts for the year ended 31 December 2022. It also did not have a material impact on the company-level statement of financial position as at 31 December 2022 and 31 December 2023.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(u), (v) or (y) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(p)), unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see note 1(ac)).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see note 1(ac)). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 1(p)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(f) Joint operation

The Group classifies joint arrangements as joint operations when the Group has rights to the individual assets, and obligations for the individual liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the inventories arising from the joint operation;
- its share of the revenue from the sale of the inventories by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(g) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 1(p)).

(h) Other investments in debt and equity securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 31(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(z)(vi)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale.

Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(h) Other investments in debt and equity securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(z)(v)).

(i) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation (see note 1(j)).

The Group designates only the change in fair value of the spot element of the foreign exchange derivatives as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity. The forward elements and foreign currency basis spread are separately accounted for as costs of hedging; they are recognised in other comprehensive income and accumulated in costs of hedging reserve as a separate component within equity.

(j) Cash flow hedges

The amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged items affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting (including when the hedging instrument is sold, expires, is terminated or is exercised), then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)**(k) Investment properties**

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. Rental income from investment properties is accounted for as described in note 1(z)(iv).

Depreciation is calculated to write off the costs of investment properties, less their residual value of 0% to 7%, if any, using the straight-line method over their estimated useful lives of 20 to 70 years. Both the useful life and residual value, if any, are reviewed annually.

(l) Property, plant and equipment

The following items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment loss (see note 1(p)):

- buildings held for own use which are situated on leasehold land (see note 1(o));
- properties leased for own use; and
- other items of plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Useful life	Residual value%
Leasehold land and properties leased for own use	unexpired term of lease	0%
Buildings held for own use	the shorter of the unexpired term of lease and 70 years	0% – 5%
Improvements to premises	5 – 10 years	0%
Machinery and motor vehicles	5 – 20 years	0% – 5%
Electronics and other equipment	3 - 10 years	0% – 5%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(m) Biological assets

Biological assets consist of consumable biological assets and bearer biological assets in the Group. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets, such as piglets, commercial pigs and commercial broilers. Bearer biological assets are those other than consumable biological assets which are not agricultural produce but, rather, are held to bear produce, such as breeding pigs, reserve pigs and parent generation broilers.

(i) Consumable biological assets

The consumable biological assets are initially measured at cost. The cost of any consumable biological asset by way of self-planting, cultivating, propagating or breeding is the necessary cost directly attributable to this asset prior to the harvest.

If the net realizable value of a consumable biological asset is lower than its carrying amount, provision of impairment loss is made and recognised in the profit or loss for the current period as the excess of the carrying amount over the net realizable value. If the factors affecting the impairment of the consumable biological asset no longer exist, the amount of write-down shall be resumed and shall be reversed from the original provision for the impairment loss before being recognised in the profit or loss for the current period.

(ii) Bearer biological assets

The bearer biological assets are initially measured at cost:

- The cost of purchased bearer biological assets includes the cost of purchase, relevant taxes, insurance premiums and other costs directly attributable to the purchase of such assets.
- For bearer biological assets contributed by investors, the cost of the bearer biological assets is stated at the value stipulated in the investment contract or agreement. If the value stipulated in the investment contract or agreement is not a fair value, the actual cost shall be recognised at the fair value.
- Cost of self-cultivated bearer biological assets includes the necessary cost incurred prior to crown closure, such as feed cost, labor cost, indirect costs to be apportioned and borrowing costs eligible for capitalization incurred before reaching the intended production and operation purpose (mature age).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)**(m) Biological assets (continued)****(ii) Bearer biological assets (continued)**

Depreciation is calculated to write off the cost of items of bearer biological assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Useful life	Residual value%
Breeding pig	36 months	10%
layer	14 months	15(RMB)/per

Where parts of an item of bearer biological assets have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

The bearer biological assets are reviewed at the end of each financial year to determine whether there is objective evidence of impairment. If there is any evidence indicating that the recoverable amount of the bearer biological assets is lower than the carrying amounts, provision of impairment loss is recognised in the profit or loss for the current period as the excess of the carrying amount over the recoverable amount. Once the provision for impairment of bearer biological assets is recognised, it shall not be reversed during the life of the assets.

(n) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(p)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(n) Intangible assets (other than goodwill) (continued)

The estimated useful lives for the current and comparative periods are as follows:

Operating rights	Project operation period
Executable property management contracts	Remaining contract period

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Group recognises an infrastructure operating right arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. A public premise operating right received as consideration for providing construction services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the public premise operating right is measured at cost, which includes capitalised borrowing costs (see note 1(ab)), less accumulated amortisation and impairment losses (see note 1(p)).

(o) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(o) Leased assets (continued)

(i) As a lessee (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 1(p)), except for the right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 1(q).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within 12 months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory in 'property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(o) Leased assets (continued)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(z)(iv).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(z)(iv), then the Group classifies the sub-lease as an operating lease.

(p) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for ECLs on the following item:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates and joint ventures) and
- contract assets (see note 1(r));

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)**(p) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments and contract assets (continued)***Measurement of ECLs (continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(p) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU" s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(p) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 1(p)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(q) Inventories and other contract costs

(i) Property development

Cost of properties comprises specifically identified cost, including the acquisition cost of interests in freehold and leasehold land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 1(ab)) and any other costs incurred in bringing the properties to their present location and condition. In the case of properties developed by the Group which comprise of multiple units to be sold individually, the cost of each unit is determined by apportionment of the total development costs for that development project to each unit on a per square foot basis, unless another basis is more representative of the cost of the specific unit.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(q) Inventories and other contract costs (continued)

(i) Property development (continued)

Net realisable value represents the estimated selling price less any estimated costs of completion and costs to be incurred in selling the property.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 1(q)(i)), property, plant and equipment (see note 1(l)) or intangible assets (see note 1(n)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see note 1(z)).

(r) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(z)(iii)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 1(p)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(s)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(z)(iii)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(s)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(z)(vi)).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(s) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(p)(i)).

(t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitor that are held for meeting short-term cash commitments, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 1(p)(i)).

(u) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(v) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, using the effective interest method.

(w) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(w) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(x) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(x) Income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 1(k), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(y) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(z) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(z) Revenue and other income (continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognized when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

(ii) Provision of services

Revenue from services including property management services is recognised when services are rendered.

(iii) Construction contracts

The Group's construction activities under construction contracts with customers for office premises and residential buildings create or enhance real estate assets controlled by the customers.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time during the construction process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those services.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group applies the most likely amount approach to estimate such variable consideration by considering the single most likely amount in a limited range of possible consideration amounts, taking into account the Group's current progress and future performance expectations compared to the agreed completion timeline.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(z) Revenue and other income (continued)

(iii) Construction contracts (continued)

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(v) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(aa) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(aa) Translation of foreign currencies (Continued)

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(ab) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(ac) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(ad) Related parties

- (1) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Material accounting policies (continued)

(ad) Related parties (continued)

(2) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ae) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Accounting judgements and estimates

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgments:

(i) Classification between subsidiaries, joint ventures and associates

The Group co-operated with certain third parties to engage in property development project through certain entities. In accordance with the respective co-operation agreements, the Group has the right to acquire certain percentage of the equity interest in these entities at a pre-determined price when certain conditions set out in these agreements are met. The Group has made judgment on the classification of these entities to subsidiaries, joint ventures or associates in accordance with the respective agreements, articles of associations and the involvement of the Group and the other parties in these entities. The Group will continuously evaluate the situation and such investments are accounted for in accordance with accounting policies set out in notes 1(d) and (e).

(ii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after their completion, whereas, the properties are accounted for as investment properties under construction if the properties are intended to be held to earn rentals and/or for capital appreciation.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Accounting judgements and estimates (continued)

(b) Sources of estimation uncertainty

Notes 14 and 31 contain information about the assumptions and their risk factors relating to goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Properties for sale

As explained in note 1(q), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) PRC Land Appreciation Tax ("LAT")

As explained in note 6(a), LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and relevant property development expenditures. Given the uncertainties of the calculation basis of land appreciation tax to be interpreted by the local tax bureau and the actual appreciation of land value may be different from the original estimates, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in estimates would affect profit or loss in future years.

(iii) Impairment for trade and other receivables

The Group estimates loss allowance for expected credit losses for trade and other receivables resulting from the expected cash shortfalls. The Group bases the estimates on the information about past events, current conditions and forecasts of future economic conditions. If above conditions were to deteriorate, actual provisions would be higher than estimated.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Accounting judgements and estimates (continued)

(b) Sources of estimation uncertainty (continued)

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(v) Revenue recognition

As explained in policy note 1(z), revenue from construction contracts is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the manufacturing and construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 20 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

In addition, the contract assets arising from construction contracts are reclassified to receivables when the right to the consideration has become unconditional and are disclosed in note 21, rather than note 20.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting**(a) Revenue**

The principal activities of the Group are development and sale of properties in People's Republic of China (the "PRC").

(i) The amount of each significant category of revenue is as follows:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of properties and related services	408,934,362	450,601,146
Property management and related services	29,427,039	25,773,938
Construction contracts	12,338,519	12,171,810
Other services	5,919,174	6,820,722
	456,619,094	495,367,616
Revenue from other sources		
Gross rentals from investment properties	9,119,983	8,470,751
	465,739,077	503,838,367

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

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB324.5 billion (31 December 2022: RMB491.0 billion). This amount mainly represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the properties under development for sale, when the properties are assigned to the customers, which is expected to occur over the next 12 to 36 months (2022: next 12 to 36 months).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales that had an original expected duration of one year or less.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(a) Revenue (continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date (continued)

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following eight reportable segments.

- Property development (Beijing region/Northeastern region/Southern region/Shanghai region/Central region/Northwestern region/Southwestern region): given the importance of the property development division to the Group, the Group's property development business is segregated into seven reportable segments on a geographical basis, as the divisional manager for each of these regions report directly to the senior executive team. All seven segments derive their revenue mainly from development and sale of residential properties. Details about the cities covered by each of these regions are set out in note 3(b)(i).
- Property management: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties shopping arcades and office buildings, as well as those developed by the external property developers.

(i) Segment results and assets

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, other investments and current assets in Chinese Mainland with the exception of deferred tax assets and other corporate assets.

Revenue and expenses are allocated to the reportable segments with reference to sales before sales related taxes generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

The measure used for reporting segment profit is the profit before PRC Corporate Income Tax ("CIT"), excluding share of profits or losses of associates or joint ventures, dividend income, other income (other than interest income and net exchange gain/(loss)) and other expenses in Chinese Mainland, but including the loss allowance and the profit arising from the inter-segment transactions. LAT which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	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	
2023									
Revenue from external customers									
before tax	63,045,700	20,856,717	103,203,209	142,787,726	28,111,764	24,881,371	39,949,627	29,427,039	452,263,153
Inter-segment revenue	24,666	4,670	88,351	24,707	4,751	12,772	20,864	3,996,981	4,177,762
Reportable segment revenue, before tax	63,070,366	20,861,387	103,291,560	142,812,433	28,116,515	24,894,143	39,970,491	33,424,020	456,440,915
Reportable segment profit/(loss)	1,214,779	(1,219,384)	11,415,463	12,466,965	2,373,739	3,179,935	1,947,666	2,159,557	33,538,720
Reportable segment assets	240,607,560	66,749,847	341,159,251	343,585,670	131,536,897	74,729,342	145,729,487	37,722,280	1,381,820,334

Notes to the financial statements

(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
	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	
	2022								
Revenue from external customers									
before tax	68,786,443	36,446,598	100,361,164	137,542,753	33,059,279	33,770,118	54,939,411	25,773,938	490,679,704
Inter-segment revenue	181,904	2,557	711,986	135,711	3,471	18,847	16,130	4,550,385	5,620,991
Reportable segment revenue, before tax	68,968,347	36,449,155	101,073,150	137,678,464	33,062,750	33,788,965	54,955,541	30,324,323	496,300,695
Reportable segment profit	5,941,580	3,699,477	12,096,149	17,254,160	3,667,478	5,393,700	2,792,860	1,711,788	52,557,192
Reportable segment assets	276,357,129	89,440,321	395,971,860	431,800,263	133,427,778	89,085,157	168,232,758	36,200,630	1,620,515,896

Beijing region:	Northeastern region:	Southern region:	Shanghai region:	Central region:	Northwestern region:	Southwestern region
Beijing, Tianjin, Qingdao, Jinan, Yantai, Taiyuan, Shijiazhuang, Tangshan, Qinhuangdao, Zhangjiakou, Jinzhong, Linyi, Zibo, Weihai, Baotou and Xiong'an, etc	Dalian, Shenyang, Anshan, Fushun, Yingkou, Panjin, Changchun, Jilin and Harbin, etc	Shenzhen, Guangzhou, Dongguan, Foshan, Fuzhou, Xiamen, Zhuhai, Jiangmen, Zhongshan, Qingyuan, Huizhou, Nanning, Liuzhou, Sanya, Putian, Quanzhou, Jinjiang and Zhangzhou, etc	Shanghai, Hangzhou, Suzhou, Nanjing, Ningbo, Xuzhou, Nantong, Wuxi, Zhenjiang, Changshu, Yangzhou, Kunshan, Shaoxing, Yancheng, Changzhou, Jiaxing, Haining, Jingjiang, Rui'an, Taicang, Gaoyou, Suqian, Haimen, Taizhou, Jinhua, Ma'anshan Huzhou, Jianguyin, Wenzhou, Wuhu and Hefei, etc	Nanchang, Changsha, Zhengzhou, Wuhan, Yichang, E'zhou and Zhoukou, etc	Xi'an, Lanzhou, Xining, Yinchuan, Xianyang, Weinan and Urumqi, etc	Chongqing, Chengdu, Guiyang, Nanchong, Kunming, Yuxi, Xishuangbanna, Dali, Yongchuan, Xichang and Meishan, etc

Notes to the financial statements

(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

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Revenue		
Reportable segment revenue before tax	456,440,915	496,300,695
Elimination of inter-segment revenue	(4,177,762)	(5,620,991)
Unallocated revenue	13,475,924	13,158,663
Consolidated revenue	465,739,077	503,838,367
Profit		
Reportable segment profit	33,538,720	52,557,192
Elimination of inter-segment profit	(1,141,594)	(620,123)
Share of profits less losses of associates and joint ventures	58,934	(776,606)
Dividend income	46,667	41,684
Other income	4,082,750	6,170,439
Other expenses	(595,824)	(922,803)
Unallocated expenses	(6,184,225)	(4,041,487)
LAT	15,164,748	21,009,530
Consolidated profit before taxation	44,970,176	73,417,826
Assets		
Reportable segment assets	1,381,820,334	1,620,515,896
Elimination of inter-segment receivables	(645,567,796)	(663,791,060)
Unallocated assets	768,619,626	801,119,150
Consolidated assets	1,504,872,164	1,757,843,986

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, intangible assets and goodwill, interests in associates and joint ventures, biological assets, other financial assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the properties sold. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated, in the case of intangible assets, other financial assets and other non-current assets, and the location of operations, in the case of interests in associates and joint ventures.

	Revenue from external customers	
	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Chinese Mainland	465,211,360	503,151,711
Hong Kong Special Administrative Region ("Hong Kong") and overseas	527,717	686,656
	465,739,077	503,838,367

	Specified non-current assets	
	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000 Notes 1(c)
Chinese Mainland	304,512,965	293,671,764
Hong Kong	4,551,901	4,438,532
The United States of America	5,481,026	7,002,243
The United Kingdom	664,643	1,195,084
	315,210,535	306,307,623

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

4 Other net income

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Interest income	2,997,068	3,571,437
Dividend income from investments	46,667	41,684
Forfeited deposits and compensation from customers	534,473	642,418
Net gain on disposals of subsidiaries, joint ventures and associates	2,077,843	4,612,857
Net gain on disposal of other current assets	86,113	22,417
Net gain on disposal of other financial assets	418,274	333
Net gain on disposals of property, plant and equipment	10,858	12,759
Fair value change	340,113	4,917
Net exchange (loss)/gain	(553,435)	119,878
Gain on previously held interest in associate upon taking control	–	215,104
Others	615,077	659,634
	6,573,051	9,903,438

5 Profit before taxation

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

(a) Finance costs

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Borrowings costs	14,264,754	12,041,883
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress (<i>Note</i>)	(9,421,056)	(7,136,239)
	4,843,698	4,905,644

Note: The borrowing costs have been capitalised at a weighted average rate of 3.82% (2022: 3.97%) per annum.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

5 Profit before taxation (continued)

(b) Staff costs

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Salaries, wages and other benefits	15,487,228	18,933,558
Contributions to defined contribution plans	1,498,602	1,484,434
	16,985,830	20,417,992

In 2010, the Group launched Economic Profits Bonus Plan (the “Plan”) as a supplement to the existing employee remuneration system. On October 2023, the board confirmed that the relevant responsibilities and obligations of the Plan have been fully fulfilled and ceased to take effect. Economic Profits Bonus was not accrued in 2023 (2022: reversed RMB106 million).

The Company and its subsidiaries in Chinese Mainland participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the PRC municipal and provincial government authorities, whereby the Company and its subsidiaries in Chinese Mainland are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

(c) Other items

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Depreciation and amortisation	9,080,795	9,299,963
Impairment loss on trade and other receivables and other non-current assets	377,877	481,916
Auditors' remuneration	16,800	16,800
Cost of inventories (note 19(a))	354,851,660	366,002,752

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

6 Income tax in the consolidated statement of profit or loss**(a) Taxation in the consolidated statement of profit or loss represents:**

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000 Notes 1(c)
Current tax		
Provision for CIT, Hong Kong Profits Tax and U.S. income tax	12,546,749	17,789,376
Provision for LAT	15,181,805	21,025,128
Withholding tax	53,120	27,816
	27,781,674	38,842,320
Deferred tax		
Origination and reversal of temporary differences (note 28(b)(i))	(3,267,056)	(3,037,053)
	24,514,618	35,805,267

(i) CIT, Hong Kong Profits Tax and U.S. income tax

The provision for CIT is calculated based on the estimated taxable income at the rates applicable to each company in the Group. The income tax rates applicable to the principal subsidiaries in Chinese Mainland are 25% (2022: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year.

The U.S. income tax comprises federal income tax calculated at 21% and state income tax calculated at the rates ranging from 0% to 10% on the estimated assessable profits of the subsidiaries of the Company which were incorporated in U.S.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

6 Income tax in the consolidated statement of profit or loss (continued)**(a) Taxation in the consolidated statement of profit or loss represents: (continued)****(iii) Withholding tax**

A withholding tax of 10% is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008. Under the China-Hong Kong Tax Treaty and the relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% equity interests or more of a PRC enterprise is entitled to a reduced withholding tax rate of 5%. Some overseas subsidiaries of the Group are entitled to a reduced withholding tax rate of 5%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000 Notes 1(c)
Profit before taxation	44,970,176	73,417,826
Less: LAT	(15,164,748)	(21,009,530)
Profit before CIT, Hong Kong Profits Tax and U.S. income tax	29,805,428	52,408,296
Notional tax calculated at applicable income tax rate of the relevant group entities concerned	6,362,061	12,657,939
Non-taxable income	(167,992)	(10,421)
Non-deductible expenses	2,541,563	2,488,967
Effect of temporary difference not recognised	1,419,421	347,337
Utilisation of previously unrecognised tax losses	(561,902)	(847,751)
Over-provision in respect of prior years	(243,281)	159,666
CIT, Hong Kong Profits Tax and U.S. income tax	9,349,870	14,795,737
LAT	15,164,748	21,009,530
Income tax expense	24,514,618	35,805,267

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

7 Directors', supervisors' and chief executive's emoluments

	Year ended 31 December 2023			Year ended 31 December 2022	
	Directors'/ supervisors' fee RMB'000	Basic salaries, allowances and other benefits RMB'000	Bonuses and Retirement benefit RMB'000	Total RMB'000	Total RMB'000
Executive directors					
Mr. YU Liang	–	1,150	120	1,270	4,049
Mr. WANG Haiwu*	–	462	60	522	2,339
Ms. WANG Yun [#]	–	513	60	573	–
President, executive director and Chief Executive Officer					
Mr. ZHU Jiusheng	–	1,069	120	1,189	5,943
Non-executive directors					
Mr. XIN Jie	–	–	–	–	–
Mr. HU Guobin	–	–	–	–	–
Mr. HUANG Liping	–	–	–	–	–
Mr. LEI Jiansong	–	–	–	–	–
Independent non-executive directors					
Mr. KANG Dian*	300	–	–	300	600
Ms. LIU Shuwei*	300	–	–	300	600
Mr. Ng Kar Ling, Johnny*	300	–	–	300	600
Mr. ZHANG Yichen	600	–	–	600	600
Mr. LIU Tsz Bun Bennett [#]	300	–	–	300	–
Mr. LIM Ming Yan [#]	300	–	–	300	–
Dr. SHUM Heung Yeung Harry [#]	300	–	–	300	–
Supervisors					
Mr. XIE Dong	–	995	120	1,115	4,828
Ms. QUE Dongwu*	–	770	–	770	2,654
Mr. LI Miao	–	–	–	–	–
Mr. PAN Zhangliang [#]	–	333	60	393	–
2023	2,400	5,292	540	8,232	22,213

* These executive directors, independent non-executive directors and supervisors were ceased appointment during the year. Their emoluments disclosed above represent the emoluments received during their position as a director or supervisor.

[#] These executive directors, independent non-executive directors and supervisors were appointed on 30 June 2023.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, none (2022: 1) of them are directors or supervisors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other 5 (2022: 4) individuals are as follows:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Salaries and other emoluments	9,697	3,911
Discretionary bonuses	12,777	27,630
Contributions to retirement benefit scheme	752	469
	23,226	32,010

The emoluments of the 5 (2022: 4) individuals with the highest emoluments are within the following bands:

	Year ended 31 December 2023 Number of individuals	Year ended 31 December 2022 Number of individuals
HK\$4,000,001 – HK\$4,500,000	3	–
HK\$5,000,001 – HK\$5,500,000	1	–
HK\$6,000,001 – HK\$6,500,000	–	1
HK\$7,000,001 – HK\$7,500,000	–	1
HK\$7,500,001 – HK\$8,000,000	1	–
HK\$10,500,001 – HK\$11,000,000	–	1
HK\$11,500,001 – HK\$12,000,000	–	1

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

9 Other comprehensive income

	Year ended 31 December 2023					
	Attributable to equity shareholders of the Company					
	Exchange	Hedging	Fair value	Total	Non-controlling	Total OCI
	reserve	reserve	reserve		interests	
RMB'000	RMB'000	(non-recycling)	RMB'000	RMB'000	RMB'000	RMB'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at FVOCI (non-recycling)	-	-	(245,030)	(245,030)	-	(245,030)
Share of other comprehensive income of associates	-	-	(224,501)	(224,501)	(9,833)	(234,334)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	90,107	-	-	90,107	(42,594)	47,513
Cash flow hedge reserve:						
Effective portion of changes in fair value of hedging instruments recognised during the year	-	128,544	-	128,544	-	128,544
Cash flow hedge reserve:						
Reclassification adjustments for amounts transferred to profit or loss	-	(128,544)	-	(128,544)	-	(128,544)
Costs of hedging reserve: Change in fair value for the year	-	130,617	-	130,617	-	130,617
Share of other comprehensive income of associates	1,123,867	-	-	1,123,867	549,606	1,673,473
Total	1,213,974	130,617	(469,531)	875,060	497,179	1,372,239

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

9 Other comprehensive income (continued)

	Year ended 31 December 2022					
	Attributable to equity shareholders of the Company					
	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total OCI RMB'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at FVOCI (non-recycling)	-	-	(625,364)	(625,364)	-	(625,364)
Share of other comprehensive income of associates	-	-	(115,085)	(115,085)	(23,139)	(138,224)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	(90,844)	-	-	(90,844)	733,243	642,399
Cash flow hedge reserve: Effective portion of changes in fair value of hedging instruments recognised during the year	-	1,014,200	-	1,014,200	-	1,014,200
Cash flow hedge reserve: Reclassification adjustments for amounts transferred to profit or loss	-	(1,014,200)	-	(1,014,200)	-	(1,014,200)
Costs of hedging reserve: Change in fair value for the year	-	(449,795)	-	(449,795)	-	(449,795)
Share of other comprehensive income of associates	(4,319,138)	-	-	(4,319,138)	(1,212,486)	(5,531,624)
Total	(4,409,982)	(449,795)	(740,449)	(5,600,226)	(502,382)	(6,102,608)

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

10 Earnings per share (“EPS”)

The calculation of basic EPS is based on the profit attributable to equity shareholders of the Company of RMB12,162,684,000 (2022: RMB22,688,552,000) and weighted average of 11,782,753,000 ordinary shares (2022: 11,593,943,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2023 No. of shares (‘000)	2022 No. of shares (‘000)
Issued ordinary shares at 1 January	11,557,753	11,625,383
Effect of ordinary shares issued and repurchased	225,000	(31,440)
Weighted average number of ordinary shares at 31 December	11,782,753	11,593,943

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Property, plant and equipment

	Buildings held for own use RMB'000	Improvements to premises RMB'000	Leasehold land RMB'000	Machinery and motor vehicles RMB'000	Electronics and other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2022	17,293,105	16,964,502	6,410,454	1,024,533	1,682,683	3,398,129	46,773,406
Additions	282,600	1,507,457	-	557,487	233,558	1,122,399	3,703,501
Transfer in	2,360,595	873,370	774,840	438,701	-	(2,670,803)	1,776,703
Disposals	(615,041)	(56,423)	(200,835)	(41,970)	(107,665)	-	(1,021,934)
Change in consolidation scope	959,438	804	509,036	634,190	286,328	-	2,389,796
Exchange adjustments	(999)	1,717	41,720	51	9,968	-	52,457
At 31 December 2022	20,279,698	19,291,427	7,535,215	2,612,992	2,104,872	1,849,725	53,673,929
At 1 January 2023	20,279,698	19,291,427	7,535,215	2,612,992	2,104,872	1,849,725	53,673,929
Additions	436,955	696,871	-	334,129	282,539	3,778,651	5,529,145
Transfer in	3,363,951	244,465	414,672	438,216	-	(2,708,000)	1,753,304
Disposals	(1,464,428)	(9,824)	(504,054)	(116,441)	(103,384)	-	(2,198,131)
Change in consolidation scope	69,897	(41,222)	153,414	(19,976)	29,824	-	191,937
Exchange adjustments	(1,849)	645	15,716	(67)	3,696	-	18,141
At 31 December 2023	22,684,224	20,182,362	7,614,963	3,248,853	2,317,547	2,920,376	58,968,325
Accumulated depreciation:							
At 1 January 2022	4,104,452	7,849,287	788,200	404,708	995,194	-	14,141,841
Charge for the year	924,961	2,509,797	194,731	247,868	253,659	-	4,131,016
Written back on disposals	(179,266)	(10,360)	(36,935)	(31,625)	(66,214)	-	(324,400)
Change in consolidation scope	247,232	14	35,900	252,631	51,403	-	587,180
Exchange adjustments	(372)	1,027	650	49	3,268	-	4,622
At 31 December 2022	5,097,007	10,349,765	982,546	873,631	1,237,310	-	18,540,259
At 1 January 2023	5,097,007	10,349,765	982,546	873,631	1,237,310	-	18,540,259
Charge for the year	812,831	1,737,856	267,621	372,565	218,351	-	3,409,224
Written back on disposals	(1,036,107)	(8,850)	(93,294)	(71,988)	(82,920)	-	(1,293,159)
Change in consolidation scope	3,849	(39,524)	(1,081)	(15,100)	29,441	-	(22,415)
Exchange adjustments	(345)	418	165	(67)	1,342	-	1,513
At 31 December 2023	4,877,235	12,039,665	1,155,957	1,159,041	1,403,524	-	20,635,422
Net book value:							
At 31 December 2022	17,806,989	8,142,697	6,459,006	2,089,812	914,023	2,920,376	38,332,903
At 31 December 2023	15,182,691	8,941,662	6,552,669	1,739,361	867,562	1,849,725	35,133,670

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties

(a) Reconciliation of carrying amount

	2023		2022	
	Completed properties RMB'000	Properties under development RMB'000	Completed properties RMB'000	Properties under development RMB'000
Cost:				
At 1 January	118,593,829	17,923,999	100,702,377	20,722,184
New lease	581,768	–	1,908,786	–
Additions of construction costs	–	1,026,828	–	2,313,275
Change in consolidation scope	(817,868)	221,923	4,354,320	–
Transfer from inventories and others	13,813,254	–	8,310,174	–
Exchange adjustment	71,372	–	134,683	–
Transfer upon completion	1,896,708	(1,896,708)	5,111,460	(5,111,460)
Disposals	(540,465)	–	(383,690)	–
Lease termination	(1,439,895)	–	(1,544,281)	–
At 31 December	132,158,703	17,276,042	118,593,829	17,923,999
Accumulated depreciation:				
At 1 January	16,979,493	–	12,771,929	–
Change in consolidation scope	(217,994)	–	192,547	–
Charge for the year	5,011,878	–	4,554,749	–
Exchange adjustment	11,143	–	21,798	–
Disposals	(260,070)	–	(47,037)	–
Lease termination	(426,004)	–	(514,493)	–
At 31 December	21,098,446	–	16,979,493	–
Impairment provision:				
At 1 January	131,140	–	131,140	–
Reversal for the year	(10,377)	–	–	–
At 31 December	120,763	–	131,140	–
Net book value:				
At 1 January	101,483,196	17,923,999	87,799,308	20,722,184
At 31 December	110,939,494	17,276,042	101,483,196	17,923,999

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(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties (continued)

(a) Reconciliation of carrying amount (continued)

As at 31 December 2023, the fair value of the Group's investment properties, excluding leased properties to earn rental income, was approximately RMB129,850,587,000 (31 December 2022: RMB116,293,029,000). This fair value, is determined by the directors of the Company with reference to mainly the valuation performed, using the discounted cash flow ("DCF") approach and the direct market comparison ("DMC"), by Jones Lang LaSalle and Cushman & Wakefield, which are independent qualified professional valuers.

The valuation for completed properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The valuation for properties under development was arrived at by making reference to comparable sales as available in the relevant market. The construction cost incurred, estimated construction cost to complete the development, discount rate and estimated developer's profit as at the date of valuation are also taken into account.

The fair value of the investment properties disclosed at the end of the reporting period is categorised into Level 3 valuations: Fair value measured using significant unobservable inputs, as defined in IFRS 13, Fair value measurement.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties (continued)

- (b) The Group leases out investment properties under operating leases. The leases run for an initial period of two to twenty years. The lease payments include fixed rentals and variable lease payment based on business performance of the tenants.

Undiscounted lease payments under operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2023 RMB'000	2022 RMB'000
Within 1 year	6,086,772	5,118,170
After 1 year but within 2 years	4,685,472	3,854,609
After 2 years but within 3 years	4,625,033	3,733,642
After 3 years but within 4 years	4,633,517	3,668,186
After 4 years but within 5 years	4,820,149	3,724,255
After 5 years	5,089,889	4,114,512
	29,940,832	24,213,374

Certain of the Group's investment properties were pledged for bank loans, see note 25 for details.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

13 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	31 December 2023 RMB'000	31 December 2022 RMB'000
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	6,459,006	6,552,671
– leased properties for own use	(ii)	1,492,262	1,347,755
		7,951,268	7,900,426
Investment properties, carried at depreciated cost			
– leasehold land	(i)	43,548,095	41,171,959
– leased properties to earn rental income	(ii)	18,081,550	20,834,802
		61,629,645	62,006,761
		69,580,913	69,907,187

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

13 Right-of-use assets (continued)

Except for lease liability charges, the analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Property, plant and equipment	461,268	682,216
Investment properties	3,070,148	2,587,293
	3,531,416	3,269,509
	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Expense relating to leases of low-value assets and short-term leases	113,111	201,612

During the year, additions to right-of-use assets are set out in note 11 and note 12(a), respectively.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 23(d) and 27, respectively.

(i) Leasehold land

The principal activities of the Group are development and sale of properties in PRC. The acquisition cost of interests in leasehold land for property development for sale in the ordinary course of business are presented in 'inventory' (see note 19). 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill

	Property management contracts RMB'000	Operating right and others RMB'000	Goodwill RMB'000	Total RMB'000
Cost:				
At 1 January 2022	5,219,306	730,438	3,822,323	9,772,067
Exchange adjustment	–	–	17,325	17,325
Acquisition of subsidiaries	799,474	3,984	1,562,638	2,366,096
At 31 December 2022 and 1 January 2023	6,018,780	734,422	5,402,286	12,155,488
Exchange adjustment	–	–	6,484	6,484
Change in consolidation scope	58,516	15,604	–	74,120
At 31 December 2023	6,077,296	750,026	5,408,770	12,236,092
Accumulated amortisation:				
At 1 January 2022	645,584	584,357	–	1,229,941
Charge for the year	539,699	74,499	–	614,198
Acquisition of subsidiaries	–	1,364	–	1,364
At 31 December 2022 and 1 January 2023	1,185,283	660,220	–	1,845,503
Charge for the year	620,194	39,499	–	659,693
Change in consolidation scope	(17,640)	(2,478)	–	(20,118)
At 31 December 2023	1,787,837	697,241	–	2,485,078
Net book value:				
At 31 December 2023	4,289,459	52,785	5,408,770	9,751,014
At 31 December 2022	4,833,497	74,202	5,402,286	10,309,985

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill (continued)

(a) Goodwill

Before 1 January 2023, goodwill acquired through business combinations is allocated to the following cash-generating units (“CGUs”) for impairment testing:

- Fujian Bon Property Group Co., Ltd. (the “Bon Property”) CGU
- Shanghai Yango Intelligent Life Service Group Co., Limited (“Yango”) CGU
- Vanke Overseas Investment Holding Company Limited CGU
- Huanshan Group Co., Ltd. (“Huanshan”) CGU

The Group had reorganised the structure of its operation that changes the composition of the existing CGUs to which the goodwill has been allocated. The original CGUs had been reorganised and integrated into new CGUs, respectively. The reorganisation was completed in 2023. Goodwill has been reallocated to the new CGUs by using a relative value approach to reflect the goodwill associated with the reorganised units.

The carrying amount of goodwill allocated to each of the new CGUs is as follows:

	31 December 2023 RMB'000
Residential business group	3,419,014
Commercial business group	201,000
Vanke Overseas Investment Holding Company Limited	226,118
Huanshan	1,562,638
	5,408,770

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill (continued)

(a) Goodwill (continued)

The recoverable amounts of the CGUs are determined based on value-in-use (“VIU”) of the CGUs to which the goodwill is allocated. These calculations use pre-tax cash flow projections based on financial budgets of the CGUs approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates below. The growth rates do not exceed the long-term average growth rate for the related industry in which the CGUs operate. The pre-tax discount rates below reflect specific risks relating to the relevant industry and the CGUs themselves and macro-environment of the relevant region.

The key assumptions used in the estimation of VIU were as follows:

	31 December 2023
Annual growth rates of revenue	10%-15%
Long-term growth rate	2%
Pre-tax discount rates	16%-17%

The recoverable amounts of Huanshan are determined based on VIU calculations. These calculations use pre-tax cash flow projections based on financial budgets of the CGUs approved by management covering a five-year period. Cash flow beyond the five-year period are extrapolated using the estimated terminal growth rates below. The growth rates don't exceed the long-term average growth rate for the related industry in which the CGUs operate.

The key assumptions used in the estimation of value in use were as follows.

	31 December 2023
Weighted average growth rate of revenue	7.9%
Long-term growth rate	0%
Pre-tax discount rate	10.7%

Management have undertaken sensitivity analysis on the impairment test of goodwill. With regard to the assessment of the value-in-use of the CGUs, the management believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

Based on the results of the above, the Group determines that there is no impairment on goodwill as at 31 December 2023 (31 December 2022: Nil).

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(Expressed in thousands in Renminbi unless otherwise indicated)

15 Investments in subsidiaries

The following are the particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital ('000)	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shenzhen Vanke Development Company Limited	Shenzhen	RMB600,000	100%	95%	5%	Property development
Guangzhou Vanke Enterprises Company Limited	Guangzhou	RMB5,000,000	100%	100%	-	Property development
Shanghai Vanke Enterprises Company Limited	Shanghai	RMB10,000,000	100%	-	100%	Property development
Beijing Vanke Enterprises Company Limited	Beijing	RMB2,000,000	100%	95%	5%	Property development
Foshan Vanke Property Company Limited	Foshan	RMB60,000	100%	-	100%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB300,000	100%	-	100%	Property development
Zhuhai Vanke Development Company Limited	Zhuhai	RMB10,000	100%	100%	-	Property development
Xiamen Vanke Enterprises Company Limited	Xiamen	RMB1,200,000	100%	100%	-	Property development
Fuzhou Vanke Development Company Limited	Fuzhou	RMB20,000	100%	100%	-	Property development
Hainan Vanke Corporate Management Company Limited	Hainan	RMB10,000	100%	100%	-	Property development
Nanjing Vanke Enterprises Company Limited	Nanjing	RMB150,000	100%	100%	-	Property development
Suzhou Vanke Enterprises Company Limited	Suzhou	RMB100,000	100%	100%	-	Property development
Ningbo Vanke Enterprises Company Limited	Ningbo	RMB150,000	100%	100%	-	Property development
Hefei Vanke Enterprises Company Limited	Hefei	RMB200,000	100%	100%	-	Property development
Tangshan Vanke Real Estate Development Company Limited	Tangshan	RMB200,000	100%	-	100%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000	100%	15%	85%	Property development
Shenyang Vanke Enterprises Company Limited	Shenyang	RMB100,000	100%	95%	5%	Property development
Dalian Vanke Property Company Limited	Dalian	RMB30,000	100%	100%	-	Property development
Changchun Vanke Real Estate Development Company Limited	Changchun	RMB50,000	100%	95%	5%	Property development
Yantai Vanke Enterprises Company Limited	Yantai	RMB30,000	100%	100%	-	Property development
Taiyuan Vanke Enterprises Company Limited	Taiyuan	RMB100,000	100%	100%	-	Property development
Qingdao Vanke Enterprises Company Limited	Qingdao	RMB1,000,000	100%	100%	-	Property development
Vanke (Chengdu) Enterprises Company Limited	Chengdu	RMB500,000	100%	90%	10%	Property development
Wuhan Vanke Real Estate Company Limited	Wuhan	RMB150,000	100%	95%	5%	Property development
Vanke (Chongqing) Enterprises Company Limited	Chongqing	RMB100,000	100%	100%	-	Property development
Xi'an Vanke Enterprises Company Limited	Xi'an	RMB20,000	100%	100%	-	Property development
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000	100%	100%	-	Property development
Yunnan Vanke Enterprises Company Limited	Kunming	RMB40,000	100%	100%	-	Property development
Vanke (Xinjiang) Enterprises Company Limited	Urumqi	RMB100,000	100%	95%	5%	Property development
Zhejiang Zhenan Vanke Real Estate Company Limited	Wenzhou	RMB1,300,000	100%	100%	-	Property development
Wuhu Vanke Real Estate Company Limited	Wuhu	RMB60,000	100%	100%	-	Property development
Yangzhou Vanke Real Estate Company Limited	Yangzhou	RMB10,000	100%	100%	-	Property development
Zhengzhou Vanke Enterprises Company Limited	Zhengzhou	RMB100,000	100%	100%	-	Property development

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(Expressed in thousands in Renminbi unless otherwise indicated)

15 Investments in subsidiaries (continued)

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital ('000)	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Xuzhou Vanke Enterprises Company Limited	Xuzhou	RMB100,000	100%	100%	–	Property development
Jinan Vanke Enterprises Company Limited	Jinan	RMB100,000	100%	100%	–	Property development
Guangxi Vanke Corporate Management Company Limited	Nanning	RMB10,000	100%	100%	–	Property development
Changzhou Vanke Enterprises Company Limited	Changzhou	RMB20,000	100%	100%	–	Property development
Lanzhou Vanke Enterprises Company Limited	Lanzhou	RMB100,000	100%	100%	–	Property development
Shijiazhuang Vanke Real Estate Development Company Limited	Shijiazhuang	RMB50,000	100%	–	100%	Property development
Zhongshan Vanke Enterprises Company Limited	Zhongshan	RMB100,000	100%	100%	–	Property development
Changsha Vanke Enterprises Company Limited	Changsha	RMB69,000	100%	100%	–	Property development
Zhejiang Vanke Nandu Real Estate Company Limited	Hangzhou	RMB3,650,000	100%	–	100%	Property development
Wuxi Vanke Enterprises Company Limited	Wuxi	RMB20,000	100%	100%	–	Property development
Nantong Vanke Real Estate Company Limited	Nantong	RMB50,000	100%	–	100%	Property development
Jiangxi Vanke Yida Property Investment Company Limited	Nanchang	RMB100,000	50%	50%	–	Property development
Jiaxing Vanke Real Estate Development Company Limited	Jiaxing	RMB100,000	100%	–	100%	Property development
Yancheng Vanke Real Estate Development Company Limited	Yancheng	RMB20,000	100%	–	100%	Property development
Ha'erbin Vanke Enterprises Company Limited	Ha'erbin	RMB100,000	100%	100%	–	Property development
Baotou Vanke Real Estate Company Limited	Baotou	RMB10,000	100%	100%	–	Property development
Jiangmen Vanke Enterprise Company Limited	Jiangmen	RMB100,000	100%	100%	–	Property development
Huizhou Vanke Enterprises Company Limited	Huizhou	RMB20,000	100%	100%	–	Property development
Linyi Vanke Enterprises Company Limited	Linyi	RMB100,000	100%	100%	–	Property development
Vanke Overseas Investment Holding Company Limited	The Cayman Islands/ Hong Kong	HKD7,500	75%	–	75%	Property Investment holding
Vanke Real Estate (HK) Company Limited	Hong Kong	HKD6,309,217	100%	80%	20%	Investment holding
Vanke Property (HK) Company Limited	Hong Kong	USD490,000	100%	–	100%	Investment holding
Vanke Property Real Estate (HK) Company Limited	Hong Kong	USD90,000	100%	49%	51%	Investment holding
Dongguan Vanke Architectural Technology Research Company Limited	Dongguan	RMB20,000	100%	100%	–	Others
Vanke Holdings USA LLC	U.S.	USD972,501	100%	–	100%	Investment holding
Jilin Songhua Lake International Resorts Company Limited	Jilin	RMB1,100,000	100%	–	100%	Tourism
Vanke Logistics Development Company Limited	Shanghai	RMB35,968,000	75%	75%	–	Warehousing service
Zhuhai Port Apartment Management Company Limited	Zhuhai	RMB5,000	100%	–	100%	Long-term rentals
Onewo Inc.	Shenzhen	RMB1,178,469	56.06%	50.92%	5.14%	Property services
Yango	Shanghai	RMB212,500	56.06%	–	56.06%	Property management, Commercial complex management services
Bon Property	Fuzhou	RMB62,100	56.06%	–	56.06%	Property services
Huanshan	Qingdao	RMB144,981	100%	–	99.41%	Cultivation

No individual non-controlling interest is considered material to the Group as at 31 December 2023 and 2022.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

16 Interests in associates and joint ventures

(a) Interests in associates

	31 December 2023 RMB'000	31 December 2022 RMB'000 Notes 1(c)
Listed in Hong Kong	4,316,380	4,329,032
Unlisted	64,376,060	64,407,394
	68,692,440	68,736,426

As at 31 December 2023, the market value of the interests in associates listed in Hong Kong was RMB2,518,986,000 (31 December 2022: RMB2,767,567,000).

Management considers that none of the associates of the Group will have a significant impact to the financial position and performance of the Group individually.

	31 December 2023 RMB'000	31 December 2022 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	69,101,253	69,145,239
Aggregate impairment loss on interest in an associate	(408,813)	(408,813)
Aggregate amounts of the Group's share of those associates' profit or loss for the year	(324,258)	(822,477)
Aggregate amounts of the Group's share of those associates' other comprehensive income for the year	1,439,139	(7,381,451)

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

16 Interests in associates and joint ventures (continued)

(b) Interests in joint ventures

Management considers that none of the joint ventures of the Group will have significant impact to the financial position and performance of the Group individually.

	31 December 2023 RMB'000	31 December 2022 RMB'000 Notes 1(c)
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	61,870,091	60,775,076
Aggregate amounts of the Group's share of those joint ventures' profit or loss	383,192	45,871

17 Other financial assets

	31 December 2023 RMB'000	31 December 2022 RMB'000
Equity securities designated at FVOCI (non-recycling)		
– Listed equity securities	1,026,548	1,254,300
Financial assets measured at FVPL		
– Listed equity securities	3,684	2,722,036
– Unlisted equity securities	1,161,233	1,155,472
	1,164,917	3,877,508
	2,191,465	5,131,808

The Group designated its investments in certain companies at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividend was received on the investments during the year (2022: Nil).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

18 Other non-current assets

	31 December 2023 RMB'000	31 December 2022 RMB'000
Prepayments for acquisitions and properties development	3,819,416	4,137,093
Others	2,119,420	2,356,977
	5,938,836	6,494,070

19 Inventories and other contract costs

	31 December 2023 RMB'000	31 December 2022 RMB'000
Properties held for development	101,934,081	111,704,959
Properties under development	489,334,693	695,301,171
Completed properties for sale	107,738,323	98,070,445
Others	2,710,680	2,019,405
Contract costs	5,281,137	6,634,573
	706,998,914	913,730,553

- (a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2023 RMB'000	2022 RMB'000
Carrying amount of inventories sold	351,361,708	365,552,934
Write-down of inventories	3,489,952	449,818
	354,851,660	366,002,752

Certain of the Group's inventories were pledged for bank loans, see note 25 for details.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

19 Inventories and other contract costs (continued)

(b) Contract costs

Contract costs capitalised as at 31 December 2023 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "selling and marketing expenses" in the statement of profit or loss in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB 6,728,301,000 (2022: RMB6,356,484,000).

The amount of capitalised contract costs that is expected to be recovered after more than one year is RMB510,143,000 (31 December 2022: RMB1,200,790,000).

20 Contract assets and contract liabilities

(a) Contract assets

	31 December 2023 RMB'000	31 December 2022 RMB'000
Contract assets		
Arising from performance under construction contracts	13,678,360	10,927,515
Receivables from contracts with customers within the scope of IFRS15, which are included in "Trade and other receivables (Note 21)"	7,301,250	7,511,245

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets.

The amount of contract assets that is expected to be recovered after more than one year is RMB1,247,807,000 (2022: RMB862,582,000), all of which relates to retentions.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

20 Contract assets and contract liabilities (continued)

(b) Contract liabilities

	31 December 2023 RMB'000	31 December 2022 RMB'000
Contract liabilities		
Property development	308,638,338	465,580,958

The Group receives 20% - 100% of the contract value as a deposit from customers when they sign the sale and purchase agreement and the rest of the consideration is paid according to payment schedules. This deposit is recognised as a contract liability until the properties are controlled by the customer.

Movements in contract liabilities

	2023 RMB'000	2022 RMB'000
Balance at 1 January	465,580,958	636,858,514
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(339,302,853)	(410,449,850)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments excluding amounts recognised as revenue during the year	171,341,287	226,344,530
Change in consolidation scope	11,018,946	12,827,764
Balance at 31 December	308,638,338	465,580,958

The amount of forward sales deposits and instalments received expected to be recognised as income after more than one year is RMB36,106 million (31 December 2022: RMB96,699 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables

	Notes	31 December 2023 RMB'000	31 December 2022 RMB'000
Trade receivables, net of loss allowance	(a)	7,301,250	7,511,245
Other receivables, net of loss allowance	(b)	109,523,200	118,792,438
Prepayments, net of loss allowance	(c)	67,440,056	73,260,608
Amounts due from associates	(d)	50,731,547	49,744,066
Amounts due from joint ventures	(d)	94,585,707	104,158,174
Derivative financial instruments	24(d)	195,651	45,054
		329,777,411	353,511,585

All of the trade and other receivables, apart from receivables of RMB3,364 million (31 December 2022: RMB 3,857 million), are expected to be recovered within one year.

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(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables (continued)**(a) Ageing analysis**

As at the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the date the trade receivables recognised and net of loss allowance, is as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Within 1 year	5,885,726	6,413,684
1 to 2 years	874,336	545,512
2 to 3 years	197,120	215,363
Over 3 years	344,068	336,686
	7,301,250	7,511,245

The Group's credit policy is set out in note 31(a).

- (b) Other receivables mainly included deposits paid for the acquisition of land and advances made to non-controlling shareholders of certain subsidiaries. Allowance for other debtors related to certain long outstanding deposits and management assessed that only a portion of the receivables is expected to be recovered.

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(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables (continued)

- (c) Prepayments include prepayments for inventories of RMB9,933 million (31 December 2022: RMB 8,975million), prepaid CIT of RMB14,323 million (31 December 2022: RMB16,032 million) and prepaid LAT of RMB8,927 million (31 December 2022: RMB12,220 million) and prepaid value-added tax (“VAT”) of RMB25,931 million (31 December 2022: RMB31,050 million). Impairment provision for prepayments relates to certain prepayments for leasehold land, which are not expected to be recoverable.
- (d) The amounts due from associates and joint ventures as at 31 December 2023 include amounts of RMB21,613 million (31 December 2022: RMB20,848 million) which are interest-bearing at market rate, unsecured and repayable on demand. The interest income from these associates and joint ventures amounted to RMB908 million (31 December 2022: RMB1,482million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

22 Other current assets

At 31 December 2023, other current assets mainly represented investments in wealth management products with maturity dates of less than one year.

23 Cash and cash equivalents

(a) Cash and cash equivalents comprises

	31 December 2023 RMB'000	31 December 2022 RMB'000
Cash at bank and on hand	96,942,577	134,424,670

As at the end of the reporting period, bank deposit balances amounted RMB191.1 million (2022: RMB23.6 million) were held with Huishang Bank, an associate of the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(b) Reconciliation of profit before taxation to cash generated from operation

	Note	2023 RMB'000	2022 RMB'000 Notes 1(c)
Profit before taxation		44,970,176	73,417,826
Adjustments for:			
Write-down of inventories	19(a)	3,489,952	449,818
Impairment loss on trade and other receivables and other non-current assets	5(c)	377,877	481,916
Depreciation and amortisation	5(c)	9,080,795	9,299,963
Net gain on disposals of property, plant and equipment	4	(10,858)	(12,759)
Net gain on disposals of subsidiaries, joint ventures and associates	4	(2,077,843)	(4,612,857)
Net gain on disposal of other financial assets	4	(418,274)	(333)
Gain on previously held interest in associate upon taking control	4	–	(215,104)
Net gain on disposal of other current assets	4	(86,113)	(22,417)
Fair value changes	4	(340,113)	(4,917)
Lease liability charges		893,775	980,908
Finance costs	5(a)	4,843,698	4,905,644
Interest income	4	(2,997,068)	(3,571,437)
Dividend income from investments	4	(46,667)	(41,684)
Share of profits less losses of associates and joint ventures		(58,934)	776,606
Net exchange loss/(gain)	4	553,435	(119,878)
Changes in working capital:			
Decrease in inventories and other contract costs		234,175,021	196,495,994
Decrease in trade and other receivables and contract assets		18,847,349	2,838,154
Decrease in trade and other payables and contract liabilities		(277,483,691)	(240,955,475)
Cash generated from operations		33,712,517	40,089,968

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and borrowings from financial institutions RMB'000 Note 25	Bonds payable RMB'000 Note 26	Interest payables RMB'000	Lease liabilities RMB'000 Note 27	Total RMB'000
At 1 January 2023	228,498,247	85,607,718	1,631,374	24,024,279	339,761,618
Changes from financing cash flows:					
Proceeds from bank loans, borrowings from financial institutions and bonds	81,811,113	9,936,600	–	–	91,747,713
Repayment of bank loans, borrowings from financial institutions and bonds	(71,413,811)	(16,981,764)	–	–	(88,395,575)
Interest paid	–	–	(14,054,479)	–	(14,054,479)
Capital element of lease rentals	–	–	–	(1,722,453)	(1,722,453)
Interest element of lease rentals paid	–	–	–	(893,775)	(893,775)
Total changes from financing cash flows	10,397,302	(7,045,164)	(14,054,479)	(2,616,228)	(13,318,569)
Exchange adjustments	1,341,126	668,002	(176,072)	–	1,833,056
Other changes:					
Increase in lease liabilities from entering into new leases during the period	–	–	–	431,397	431,397
Decrease in lease liabilities from termination of leases during the period	–	–	–	(1,105,704)	(1,105,704)
Interest expenses (Note 5(a))	–	–	4,843,698	–	4,843,698
Lease liability charges	–	–	–	893,775	893,775
Capitalised borrowing costs (Note 5(a))	–	–	9,421,056	–	9,421,056
Change in consolidation scope	584,283	–	–	(23,395)	560,888
Total other changes	584,283	–	14,264,754	196,073	15,045,110
At 31 December 2023	240,820,958	79,230,556	1,665,577	21,604,124	343,321,215

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans and borrowings from financial institutions RMB'000 Note 25	Bonds payable RMB'000 Note 26	Interest payables RMB'000	Lease liabilities RMB'000 Note 27	Payable/ (advance) to contracted parties RMB'000	Total RMB'000
At 1 January 2022	207,938,527	58,026,317	1,942,720	26,235,592	(308,000)	293,835,156
Changes from financing cash flows:						
Proceeds from bank loans, borrowings from financial institutions and bonds	112,299,124	30,052,220	-	-	-	142,351,344
Repayment of bank loans, borrowings from financial institutions and bonds	(95,864,633)	(5,007,770)	-	-	-	(100,872,403)
Repayment of advance payment from contracted parties	-	-	-	-	308,000	308,000
Interest paid	-	-	(12,382,740)	-	-	(12,382,740)
Capital element of lease rentals	-	-	-	(1,505,959)	-	(1,505,959)
Interest element of lease rentals paid	-	-	-	(980,908)	-	(980,908)
Total changes from financing cash flows	16,434,491	25,044,450	(12,382,740)	(2,486,867)	308,000	26,917,334
Exchange adjustments	2,260,302	2,536,951	29,511	-	-	4,826,764
Other changes:						
Increase in lease liabilities from entering into new leases during the period	-	-	-	2,028,882	-	2,028,882
Decrease in lease liabilities from termination of leases during the period	-	-	-	(1,896,500)	-	(1,896,500)
Interest expenses (Note 5(a))	-	-	4,905,644	-	-	4,905,644
Lease liability charges	-	-	-	980,908	-	980,908
Capitalised borrowing costs (Note 5(a))	-	-	7,136,239	-	-	7,136,239
Change in consolidation scope	1,864,927	-	-	(837,736)	-	1,027,191
Total other changes	1,864,927	-	12,041,883	275,554	-	14,182,364
At 31 December 2022	228,498,247	85,607,718	1,631,374	24,024,279	-	339,761,618

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases, excluding the acquisition of land use right as inventory, comprise the following:

	2023 RMB'000	2022 RMB'000
Within operating cash flows	113,111	201,612
Within investing cash flows	167,103	448,790
Within financing cash flows	2,616,228	2,486,867
	2,896,442	3,137,269

These amounts relate to the following:

	2023 RMB'000	2022 RMB'000
Purchase of leasehold land for own use	167,103	448,790
Lease rentals paid	2,729,339	2,688,479
	2,896,442	3,137,269

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

24 Trade and other payables

		31 December 2023 RMB'000	31 December 2022 RMB'000
	Notes		
Trade creditors and bills payable	(a)	221,696,072	289,241,525
Other payables and accruals	(b)	101,586,843	122,397,187
Amounts due to associates	(c)	22,599,000	24,361,700
Amounts due to joint ventures	(c)	35,346,119	35,426,814
Receipts in advance		1,805,238	1,260,189
Derivative financial instrument	(d)	84,886	193,450
Contingent consideration		–	191,792
		383,118,158	473,072,657

Notes:

- (a) An amount of RMB7,933 million (31 December 2022: RMB7,709 million) included in trade and other payables is expected to be settled after one year.

Ageing analysis of trade creditors and bills payables included in trade and other payables as at the end of the reporting period, based on the due date:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Current or payable on demand	213,762,682	281,532,695
Due after one year	7,933,390	7,708,830
Total	221,696,072	289,241,525

- (b) Other payables and accruals mainly include advances from non-controlling interests of certain subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB1,524 million (31 December 2022: RMB1,035 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.
- (c) The amounts of RMB458 million (31 December 2022: RMB243 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the year amounted to RMB10 million (2022: RMB39 million). The remaining amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

24 Trade and other payables (continued)

Notes: (continued)

- (d) The Group entered into cross currency swap (“CCS”) contracts for hedging purpose. These CCS contracts are measured at fair value. The effective portion of gains and losses on CCS qualifying for hedge accounting as at 31 December 2023 was recognised in the other comprehensive income and calculated separately in equity in hedging reserve.

The notional amount of outstanding CCS contracts as at 31 December 2023 is RMB7,126 million (31 December 2022: RMB11,913 million), and the fair value of related derivative financial liability is RMB85 million (2022: derivative financial liabilities at RMB193 million) and derivative financial assets at RMB196 million (2022: RMB45 million).

25 Bank loans and borrowings from financial institutions

This note provides information about the contractual terms of the Group’s bank loans and borrowings from financial institutions. For more information about the Group’s exposure to interest rate risk, please refer to note 31(c).

	31 December 2023		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	544,390	–	544,390
Unsecured	39,145,648	3,366,777	42,512,425
Interest payables	515,851	–	515,851
	40,205,889	3,366,777	43,572,666
Non-current			
Secured	20,048,711	–	20,048,711
Unsecured	137,608,532	40,106,900	177,715,432
	157,657,243	40,106,900	197,764,143

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

25 Bank loans and borrowings from financial institutions (continued)

	31 December 2022		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	2,364,109	–	2,364,109
Unsecured	38,010,857	7,350,000	45,360,857
Interest payables	421,320	–	421,320
	40,796,286	7,350,000	48,146,286
Non-current			
Secured	12,715,556	–	12,715,556
Unsecured	137,275,725	30,782,000	168,057,725
	149,991,281	30,782,000	180,773,281

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

25 Bank loans and borrowings from financial institutions (continued)

The secured bank loans are secured over share of interests in certain subsidiaries of the Group and other assets as below:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Inventories	19,432,398	6,334,756
Investment properties	13,539,596	10,535,073
Property, plant and equipment	1,507,550	767,289
	34,479,544	17,637,118

Bank loans and borrowings from financial institutions are interest-bearing at 2.50% to 3 months HIBOR Float 2.26% per annum (2022: 3.00% to 3 months HIBOR Float 2.26% per annum).

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

	31 December 2023 RMB'000	31 December 2022 RMB'000
After 1 year but within 2 years	84,314,587	58,223,605
After 2 years but within 5 years	65,929,134	87,159,745
After 5 years	47,520,422	35,389,931
	197,764,143	180,773,281

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

26 Bonds payable

	Note	31 December 2023 RMB'000	31 December 2022 RMB'000
Current			
Bonds issued under			
Medium Term Note (“MTN”) Programme	(a)	10,063,664	11,214,848
RMB Corporate Bonds	(b)	3,296,594	5,577,300
RMB MTN Programme	(c)	5,999,282	–
Interest payables		1,098,652	1,158,393
		20,458,192	17,950,541
Non-current			
Bonds issued under MTN Programme	(a)	12,668,037	22,328,886
RMB Corporate Bonds	(b)	18,535,005	19,825,940
RMB MTN Programme	(c)	28,667,974	26,660,744
		59,871,016	68,815,570
		80,329,208	86,766,111

Notes:

- (a) Vanke Real Estate Hong Kong (“VREHK”), a wholly owned subsidiary of the Group, established a 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%. At 31 December 2023, RMB3,441 million of non-current bonds issued under the Programme are repayable after 1 year but within 2 years, RMB7,106 million of non-current bonds issued under the Programme are repayable after 2 year but within 5 years, and RMB2,121 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 RMB33 billion to qualified investors. These bonds are unsecured and interest-bearing at 2.90% to 4.11% per annum. At 31 December 2023, RMB11,928 million of non-current bonds are repayable after 1 year but within 2 years, and RMB6,607 million of which are repayable after 2 years but within 5 years.
- (c) The Group issued notes under the MTN programme which are listed on the National Association of Financial Market Institution Investors. These bonds are unsecured and interest-bearing at 2.90% to 3.76% per annum. At 31 December 2023, RMB20,680 million of non-current bonds issued under the programme are repayable after 1 year but within 2 years, and RMB7,988 million of which are repayable after 2 years but within 5 years.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

27 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current reporting period:

	31 December 2023	
	Present value of the lease payments RMB'000	Total lease payments RMB'000
Within 1 year	1,959,530	2,672,882
After 1 year but within 2 years	2,344,419	2,703,568
After 2 years but within 3 years	2,286,134	2,596,616
After 3 years	15,014,041	21,157,576
	19,644,594	26,457,760
Balance at 31 December	21,604,124	29,130,642
Less: total future interest expenses		(7,526,518)
Present value of lease liabilities		21,604,124
	31 December 2022	
	Present value of the lease payments RMB'000	Total lease payments RMB'000
Within 1 year	1,958,553	2,638,269
After 1 year but within 2 years	2,020,635	2,674,932
After 2 years but within 3 years	2,076,663	2,680,471
After 3 years	17,968,428	23,961,837
	22,065,726	29,317,240
Balance at 31 December	24,024,279	31,955,509
Less: total future interest expenses		(7,931,230)
Present value of lease liabilities		24,024,279

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2023 RMB'000	31 December 2022 RMB'000 Notes 1(c)
Income taxes	13,118,119	14,298,169
LAT	50,920,255	56,794,409
	64,038,374	71,092,578

LAT provisions have been made pursuant to Guo Shui Fa (2006) No. 187 “Circular of State Administration of Taxation on Relevant Issues of Settlement and Management of Land Appreciation Tax for Real Estate Developers”. The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses RMB'000	Write-down of inventories and impairment of investment properties RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Accruals for construction costs RMB'000	Accrual for LAT RMB'000	Unrealised profits RMB'000	Impairment loss of trade and other receivables RMB'000	Other temporary differences RMB'000	Fair value adjustments arising from business combinations RMB'000	Withholding tax RMB'000	Total RMB'000 Note 1(c)
Deferred tax arising from:												
At 1 January 2022	14,907,117	132,936	(29,817)	610,568	1,964,141	13,367,183	1,351,838	343,475	1,451,230	(1,194,611)	(149,923)	32,754,137
Credited/(charged) to profit or loss (note 6(a))	3,240,678	(23,131)	(5,351)	44,890	136,150	(507,135)	(11,315)	39,063	(41,974)	153,071	12,107	3,037,053
Acquisition of subsidiaries	329,669	-	-	-	25,680	121,486	-	-	-	(33)	-	476,802
Disposals of subsidiaries	(173,668)	-	-	-	-	(1,167,948)	-	-	-	-	-	(1,341,616)
At 31 December 2022 and 1 January 2023	18,303,796	109,805	(35,168)	655,458	2,125,971	11,813,586	1,340,523	382,538	1,409,256	(1,041,573)	(137,816)	34,926,376
Credited/(charged) to profit or loss (note 6(a))	4,683,922	6,358	(134,192)	279,049	152,368	(1,666,017)	(267,980)	36,709	(12,455)	185,116	4,178	3,267,056
Acquisition of subsidiaries	149,884	-	-	-	-	61,664	-	-	-	-	-	211,548
Disposals of subsidiaries	(184,860)	-	-	-	-	-	-	-	-	-	-	(184,860)
At 31 December 2023	22,952,742	116,163	(169,360)	934,507	2,278,339	10,209,233	1,072,543	419,247	1,396,801	(856,457)	(133,638)	38,220,120

(ii) Reconciliation to the consolidated statement of financial position

	31 December 2023 RMB'000	31 December 2022 RMB'000 Notes 1(c)
Representing:		
Deferred tax assets	39,379,575	36,140,933
Deferred tax liabilities	(1,159,455)	(1,214,557)
	38,220,120	34,926,376

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position (continued)

(c) Deferred tax assets not recognised:

Deferred tax assets has not been recognised in respect of the following items:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Tax losses	5,029,072	5,752,988
Deductible temporary differences	9,509,965	6,119,818
At 31 December	14,539,037	11,872,806

The deductible temporary differences will not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses expired/will expire in the following years:

	31 December 2023 RMB'000	31 December 2022 RMB'000
2023	–	973,520
2024	208,333	423,703
2025	1,236,696	1,733,290
2026	1,083,999	1,661,515
2027	899,667	960,960
2028	1,600,377	–
	5,029,072	5,752,988

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position (continued)

(d) Deferred tax liabilities not recognised

Pursuant to the Implementation Rules of the Enterprise Income Tax Law, overseas investors of foreign investment enterprises shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group recognised the deferred tax liabilities in relation to the distributable profits expected to be distributed in foreseeable future.

At 31 December 2023, temporary differences relating to the undistributed profits of domestic subsidiaries that have not been recognised as deferred tax liability amounted to RMB14,417 million (31 December 2022: RMB14,974 million). Deferred tax liabilities of RMB947 million (31 December 2022: RMB981 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and management expects that it is probable that these profits will not be distributed in the foreseeable future.

29 Other non-current liabilities

The balance mainly represents the amounts that are held on behalf of the owners committees in the property management sector by the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
Balance at 1 January 2022		11,625,383	-	22,555,066	111,186,520	371,944	12,149,804	157,888,717
Changes in equity for 2022:								
Profit for the year		-	-	-	-	-	14,571,459	14,571,459
Total comprehensive income		-	-	-	-	-	14,571,459	14,571,459
Issuance of shares	30(b)	5,326	-	77,513	-	-	-	82,839
Repurchase of shares	30(b)	-	(1,291,800)	-	-	-	-	(1,291,800)
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	(11,276,622)	(11,276,622)
Appropriation of statutory reserves	30(c)(i)	-	-	-	6,557,157	-	(6,557,157)	-
Balance at 31 December 2022 and 1 January 2023		11,630,709	(1,291,800)	22,632,579	117,743,677	371,944	8,887,484	159,974,593
Changes in equity for 2023:								
Profit for the year		-	-	-	-	-	15,425,199	15,425,199
Total comprehensive income		-	-	-	-	-	15,425,199	15,425,199
Issuance of shares	30(b)	300,000	-	3,164,186	-	-	-	3,464,186
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	(8,063,272)	(8,063,272)
Appropriation of statutory reserves	30(c)(i)	-	-	-	8,483,860	-	(8,483,860)	-
Balance at 31 December 2023		11,930,709	(1,291,800)	25,796,765	126,227,537	371,944	7,765,551	170,800,706

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)

(b) Share capital

Issued share capital

	2023		2022	
	No. of shares ('000)	RMB'000	No. of shares ('000)	RMB'000
A shares - registered, issued and fully paid of RMB1 each:				
At 1 January and 31 December	9,724,197	9,724,197	9,724,197	9,724,197
H shares - registered, issued and fully paid of RMB1 each:				
At 1 January	1,906,512	1,906,512	1,901,186	1,901,186
Shares issued	300,000	300,000	5,326	5,326
At 31 December	2,206,512	2,206,512	1,906,512	1,906,512
At 1 January	11,630,709	11,630,709	11,625,383	11,625,383
At 31 December	11,930,709	11,930,709	11,630,709	11,630,709

Included in the A shares are 7,260,668 shares (2022: 7,529,318 shares) with restriction to transfer.

On 9 March 2023, the Company issued 300,000,000 new H shares under general mandate through a placement. The aggregate gross proceeds from the placing are approximately RMB3,475 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing are approximately RMB3,464 million. The share capital has increased by RMB300 million, while RMB3,164 million were credited to share premium.

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 2022, the Company repurchased an aggregate of 72,955,992 shares of its own shares, at a consideration of RMB1,291,800,290.12. 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)

(c) Nature and purpose of reserves

(i) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law, the Group is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make up for previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2023, the directors proposed to transfer RMB8,483,860,000 (2022: RMB6,557,157,000) of the Company's current year's net profit to this reserve.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(aa).

(iii) Hedging reserve

The hedging reserve consists of cash flow hedge reserve and cost of hedging reserve. Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss. The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element and foreign currency basis spread of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

(v) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)

(d) Distributability of reserves and dividends

At 31 December 2023, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of the Company Law of the PRC, was RMB7,765,551,000 (31 December 2022: RMB8,887,484,000).

- (i) The directors proposed that the Company will not pay dividend for the year of 2023 due to the industry is undergoing an in-depth adjustment.
- (ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023 RMB'000	2022 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.68 per share (2022: RMB0.97 per share)	8,063,272	11,276,622

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)**(e) Capital management (continued)**

The Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Group. Net debt is calculated as total bank loans and borrowings from financial institutions and bonds payable excluding interest payable less cash and cash equivalents and pledged and restricted deposits. The gearing ratio of the Group at 31 December 2023 and 2022 is calculated as follows:

	2023 RMB'000	2022 RMB'000
Bank loans and borrowings from financial institutions	240,820,958	228,498,247
Bonds payable	79,230,556	85,607,718
Less: Cash and cash equivalents	(96,942,577)	(134,424,670)
Pledged and restricted deposits	(2,871,178)	(2,782,965)
Net debt	220,237,759	176,898,330
Total equity	402,933,531	405,636,830
Gearing ratio	54.66%	43.61%

31 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, pledged and restricted deposits, contract assets, trade and other receivables and other financial assets, and the carrying amounts of these assets represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged and restricted deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low.

Except for the financial guarantee given by the Group as set out in notes 33 and 34(d), the Group does not provide any other guarantee which would expose the Group to credit risk.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(i) Trade receivables and contract assets

Credit risk from sale of properties is minimised as the Group normally receives full payment from buyers before the transfer of property ownership. Credit risk from construction contracts is minimised as the customers are mainly government related parties with good credit record and the contracts include payment schedules which require stage payments over the construction period once milestones are reached.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, trade receivables amounted to RMB7,301 million or 0.49% of total assets (31 December 2022: RMB7,511 million or 0.43% of total assets), and contract assets amounted to RMB13,678 million or 0.91% of total assets (2022: RMB10,928 million or 0.62% of total assets). The corresponding credit risk to the Group is therefore considered insignificant.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023:

	Gross carrying amount RMB'000	Expected loss rate %	Loss allowance RMB'000
Within 1 year	6,075,227	3.12	189,501
1 - 3 years	1,275,541	16.00	204,085
Over 3 years	560,429	38.61	216,361
	7,911,197		609,947

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2023 RMB'000	2022 RMB'000
Balance at 1 January	361,523	240,288
Amounts reversal during the year	(44,256)	(61,378)
Impairment losses recognised during the year	306,200	207,411
Change in consolidation scope	(13,520)	(24,798)
Balance at 31 December	609,947	361,523

No loss allowance in respect of contract assets was accrued during the reporting period since the expected credit loss from contract assets is considered immaterial.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(a) Credit risk (continued)****(ii) Other receivables and other non-current assets**

In respect of amounts due from associates and joint ventures, the Group assesses and closely monitors their financial conditions and profitability to manage their credit risk.

In respect of other receivables due from third parties, the Group monitors the exposures and manages them based on historical settlement records and past experience, current conditions and forecasts of future economic conditions.

At each reporting date, the Group measures the expected credit losses of other receivables in following ways:

If, at the reporting date, the credit risk on other receivable has not increased significantly since initial recognition, the Group measures the loss allowance for other receivable at an amount equal to 12-month expected credit loss. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if the credit risk on other receivable has increased significantly since initial recognition and no impairment loss has occurred. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if impairment losses has occurred since initial recognition.

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables as at 31 December 2023:

	Gross carrying amount RMB'000	12- month expected credit loss allowance RMB'000
For other receivables that the credit risk has not increased significantly since initial recognition:	105,538,763	224,694
	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivables that the credit risk has increased significantly since initial recognition and no impairment loss has occurred:	2,383,121	809,265

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Other receivables and other non-current assets (continued)

	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivables that impairment losses have occurred since initial recognition:	3,903,172	1,267,897

Expected loss rates are based on historical loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of other receivables during the year is as follows:

	2023 RMB'000	2022 RMB'000
Balance at 1 January	2,241,835	1,984,363
Amounts reversals during the year	(124,852)	(68,806)
Impairment losses recognised during the year	183,731	313,706
Change in consolidation scope	1,142	12,572
Balance at 31 December	2,301,856	2,241,835

During the year, management concluded that the credit risk of investment instruments which included in other non-current assets increased significantly since initial recognition. An impairment loss of RMB57 million was made during the year ended 31 December 2023 (2022: RMB91 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflow					
	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
31 December 2023						
Bank loans and borrowings from financial institutions	241,336,809	280,220,912	53,788,625	91,594,265	76,415,332	58,422,690
Bonds payable	80,329,208	85,106,260	21,583,358	37,896,783	23,440,890	2,185,229
Lease liabilities	21,604,124	29,130,642	2,672,882	2,703,568	7,692,260	16,061,932
Trade creditors and accruals	342,096,916	342,281,571	334,348,179	7,933,392	–	–
Other non-current liabilities	1,263,768	1,402,756	–	1,148,679	–	254,077
Total	686,630,825	738,142,141	412,393,044	141,276,687	107,548,482	76,923,928

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

	Contractual undiscounted cash outflow					
	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
31 December 2022						
Bank loans and borrowings						
from financial institutions	228,919,567	264,316,101	57,850,204	65,963,014	96,057,118	44,445,765
Bonds payable	86,766,111	93,414,741	19,287,796	21,533,776	50,400,944	2,192,225
Lease liabilities	24,024,279	31,955,509	2,638,269	2,674,932	7,902,984	18,739,324
Trade creditors and accruals	415,302,915	415,503,261	407,794,431	7,708,830	–	–
Other non-current liabilities	1,124,157	1,267,742	–	1,013,665	–	254,077
Total	756,137,029	806,457,354	487,570,700	98,894,217	154,361,046	65,631,391

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from its bank loans and borrowings from financial institutions. Bank loans and borrowings from financial institutions issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest-bearing borrowings are disclosed in notes 25 and 26 to the consolidated financial statements.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	31 December 2023		31 December 2022	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate borrowings:				
Bank loans and borrowings from financial institutions	2.75%~4.60%	44,670,677	4.10% ~ 6.16%	34,532,000
Bonds payable	2.90%~5.35%	79,230,556	2.56% ~ 5.35%	81,110,698
		123,901,233		115,642,698
Variable rate borrowings:				
Bank loans and borrowings from financial institutions	Floating rate based on Hibor/RFR/LPR	196,150,281	Floating rate based on Hibor/LPR/RFR	193,966,247
Bonds payable	Floating rate based on Libor	–	Floating rate based on Libor	4,497,020
		196,150,281		198,463,267
Total net borrowings		320,051,514		314,105,965
Fixed rate borrowings as a percentage of total borrowings		39%		37%

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2023, it is estimated that a general increase of 50 basis points in interest rates of bank loans and borrowings from financial institutions of the Group, with all other variables held constant, would have decreased the Group's profit after tax and total equity by approximately RMB267 million (31 December 2022: RMB323 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2022.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate bank loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation.

(d) Currency risk

The functional currency of the Company and its principal subsidiaries is Renminbi ("RMB"). The Group is exposed to currency risk primarily on cash and cash equivalents, other financial assets, trade and other receivables and borrowings which are denominated in United States dollars (USD), Hong Kong dollars (HKD), and Great Britain Pound (GBP).

Cash and cash equivalents denominated in foreign currencies are as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
USD	801,988	7,398,597
HKD	84,576	927,900
GBP	63,236	28,807

Other financial assets denominated in foreign currencies are as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
USD	135,077	130,984

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

Trade and other receivables denominated in foreign currencies are as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
USD	652,353	959,435
HKD	537,879	2,685
GBP	174	–

Bank loans and borrowings from financial institutions and bonds payable denominated in foreign currencies, excluding amount hedge against by CCS contracts, are as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
USD	13,800,972	19,908,485
HKD	33,818,822	25,686,488
GBP	817,747	746,864

Trade and other payables denominated in foreign currencies are as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
USD	6,472,115	58,909
HKD	133,617	309,124
GBP	32,502	11,331

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk

The following table provides information on the CCS contracts which have been designated as cash flow hedges of the foreign exchange risk inherent in the Group's foreign currency borrowings and bonds at the end of the reporting period:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Notional amount		
– CCS contracts	7,125,800	11,912,762
Carrying amount qualified for hedge accounting (note)		
– CCS contracts	110,765	148,396

Note: CCS contracts amounted to RMB110,765,000 are included in the "Trade and other receivables" and "Trade and other payables" line item in the consolidated statement of financial position.

The CCS will mature in the next 5 years. The Group adopts rollover strategy to match the maturity of hedging instruments with the maturity of the related USD borrowings and bonds (see note 31(b)) and have fixed exchange rates of USD against RMB ranging from 6.7280 to 6.9200 (2022: 6.7280 to 6.9200).

The Group seeks to hedge the foreign exchange spot rate only and applies a hedge ratio of 1:1. The existence of an economic relationship between the hedging instruments and hedged items is determined by matching their critical contract terms. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counter parties and the Group's own credit risk on the fair value of the CCS contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(d) Currency risk (continued)****(i) Hedges of foreign exchange risk (continued)**

The following table provides a reconciliation of the cash flow hedge reserve and deferred costs of hedging reserve in respect of foreign exchange risk and shows the effectiveness of the hedging relationships:

	2023 RMB'000	2022 RMB'000
Cash flow Hedge Reserve		
Balance at 1 January	–	–
Effective portion of the cash flow hedge recognised in other comprehensive income	128,544	1,014,200
Amounts reclassified to profit or loss (note (i))	(128,544)	(1,014,200)
Balance at 31 December (note (ii))	–	–
Costs of Hedging Reserve		
Balance at 1 January	(313,054)	136,741
Costs of hedging for the year	117,236	(400,207)
Amounts reclassified to profit or loss (note (i))	13,381	(49,588)
Balance at 31 December (note (ii))	(182,437)	(313,054)
Change in spot element of hedging instruments during the year	128,544	1,014,200
Change in value of hedged item used to determine hedge effectiveness during the year	(128,544)	(1,014,200)

Notes:

- (i) Amounts reclassified to profit or loss are recognised in the “Finance costs” line item in the consolidated statement of profit or loss (see note 5(a)).
- (ii) The entire balance in cash flow hedge reserve and costs of hedging reserve relates to continuing hedges.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk (continued)

Based on the assumption that HKD continue to be pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant. Management estimated that a 1% (2022: 1%) appreciation of USD/HKD against RMB, the Group's net profit and equity would be both decreased by approximately RMB520 million (2022: decreased by RMB367 million respectively). Management estimated that a 1% (2022: 1%) appreciation of GBP against RMB, the Group's net profit and equity would be both decreased by approximately RMB8 million (2022: decreased by RMB7 million respectively).

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant. Financial assets and liabilities denominated in currencies other than RMB held by subsidiaries of the Group in Hong Kong or overseas which the functional currencies are not RMB were not accounted for in the analysis.

(e) Fair values

(i) 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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(e) Fair values (continued)

(i) Financial instruments measured at fair value (continued)

31 December 2023

Items	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
CCS contracts	195,651	–	195,651	–
Unlisted equity securities	1,161,233	–	–	1,161,233
Non-trading listed securities	1,026,548	1,026,548	–	–
Trading listed equity securities	3,684	3,684	–	–
Other current assets*	13,614	–	–	13,614
Recurring fair value measurement assets	2,400,730	1,030,232	195,651	1,174,847
Derivative financial instruments – CCS contracts	(84,886)	–	(84,886)	–
Recurring fair value measurement liabilities	(84,886)	–	(84,886)	–

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(e) Fair values (continued)

(i) Financial instruments measured at fair value (continued)

31 December 2022

Items	Fair value at 31 December 2022 RMB'000	Fair value measurements as at 31 December 2022 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
CCS contracts	45,054	–	45,054	–
Unlisted equity securities	1,155,472	2,881	–	1,152,591
Non-trading listed securities	1,254,300	1,254,300	–	–
Trading listed equity securities	2,722,036	2,722,036	–	–
Other current assets*	18,142	–	–	18,142
Recurring fair value measurement assets	5,195,004	3,979,217	45,054	1,170,733
Derivative financial instruments				
– CCS contracts	(193,450)	–	(193,450)	–
Contingent consideration	(191,792)	–	–	(191,792)
Recurring fair value measurement liabilities	(385,242)	–	(193,450)	(191,792)

* Other current assets measured at fair value represent 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 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: Nil).

(ii) Fair value of financial assets and liabilities carried at other than fair value.

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 31 December 2022 and 2023.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

32 Commitments

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

	31 December 2023 RMB'000	31 December 2022 RMB'000
Construction and development contracts	94,807,752	156,385,821
Land agreements	1,412,702	2,568,748
	96,220,454	158,954,569

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

33 Contingent liabilities

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB171,320 million (31 December 2022: RMB224,365 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.

Details of the financial guarantees issued by the Group for certain associates and joint ventures are set out in note 34(d).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

34 Material related party transactions

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

(a) Transactions with key management personnel

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

	2023 RMB'000	2022 RMB'000
Short-term employee benefits	11,354	35,660

(ii) In 2023, the Group sold some properties to certain key management personnel at total consideration of RMB20,660,000 with cost of sales of RMB14,128,000 (2022: Nil).

(b) Project management fee charged by the Group

During 2023, the Group charged associates and joint ventures project management fee amounted to RMB325 million (2022: RMB485 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

34 Material related party transactions (continued)

(c) Malls management fee paid by the Group

During 2023, the Group paid associates malls management fee amounted to RMB161 million (2022: RMB45 million).

(d) Financial guarantees issued

As at 31 December 2023, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB130 million (2022: RMB28 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.

(e) Transactions with a shareholder

In 2015, the Group cooperated with the 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. As at 31 December 2023, the outstanding payables balances was RMB9,065 million (31 December 2022: RMB8,747 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 31 December 2023, the outstanding receivables balances was RMB286 million (31 December 2022: payables balances RMB225 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 31 December 2023, the Group's investment in the Projects amounted to RMB25 million.

(f) Security service fee paid by the Group

In 2023, the Group paid security service and other fees amounted to RMB5,326 million (2022: RMB5,400 million) to Shenzhen Vanyu SecurePro Co., Ltd., and Hainan Wanjing Environmental Sanitation Technology Service Co., Ltd., associates of the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

35 Acquisitions of subsidiaries

During the year, the Group has acquired certain subsidiaries which held property development projects.

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

	2023 RMB'000
Current assets	34,709,800
Non-current assets	1,988,287
Current liabilities	(29,911,754)
Non-current liabilities	(549,926)
Non-controlling interest	(840,300)
Net assets acquired attributable to the Group	5,396,107
Total consideration	5,396,107
Consideration paid in prior years for the acquisitions	(2,590,956)
Consideration to be paid subsequent to current year	(400,613)
Consideration paid during the year	2,404,538
Total cash and cash equivalents acquired	(833,955)
Consideration paid for prior years' acquisitions	224,337
Net cash outflow	1,794,920

- (a) The acquired subsidiaries' major assets are properties held for development, properties under development and completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties. The above subsidiaries contributed an aggregate revenue and net profit attributable to the equity shareholders is immaterial.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

36 Disposal of subsidiaries

During the year, 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 associate of the Group respectively.

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

	2023 RMB'000
Current assets	4,537,992
Non-current assets	1,250,948
Current liabilities	(3,687,386)
Non-current liabilities	(231,427)
Non-controlling interests	(153,897)
Remaining interests after disposal as interests in joint ventures and associates	(5,855)
Net assets attributable to the Group disposed of	1,710,375
Total consideration	1,371,028
Consideration received in prior years for the disposals	(280,985)
Consideration to be received subsequent to current year	–
Consideration received, satisfied in cash	1,090,043
Cash and cash equivalents disposed of	(520,618)
Consideration received for the disposals in prior years	141,636
Net cash inflow	711,061

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

37 Company-level statement of financial position as at 31 December 2023

	31 December 2023 RMB'000	31 December 2022 RMB'000
Non-current assets		
Property, plant and equipment	3,569,108	3,573,261
Investments in subsidiaries	67,720,991	61,212,810
Interests in associates and joint ventures	2,207,434	2,697,348
Other financial assets	474,839	474,839
Other non-current assets	267,039	267,039
	74,239,411	68,225,297
Current assets		
Trade and other receivables	438,158,141	432,867,105
Other current assets	99,337	87,626
Cash and cash equivalents	18,397,364	44,542,800
	456,654,842	477,497,531
Current liabilities		
Bank loans, borrowings from financial institutions	36,202,379	40,636,040
Bonds payable	10,240,744	6,509,134
Trade and other payables	149,279,135	166,486,588
Contract liabilities	4,043,500	4,043,500
	199,765,758	217,675,262
Net current assets	256,889,084	259,822,269
Total assets less current liabilities	331,128,495	328,047,566

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

37 Company-level statement of financial position as at 31 December 2023 (continued)

	31 December 2023 RMB'000	31 December 2022 RMB'000
Non-current liabilities		
Bank loans and borrowings from financial institutions	113,124,811	121,586,289
Bonds payable	47,202,978	46,486,684
	160,327,789	168,072,973
NET ASSETS	170,800,706	159,974,593
CAPITAL AND RESERVES		
Share capital	11,930,709	11,630,709
Treasury stock	(1,291,800)	(1,291,800)
Reserves	160,161,797	149,635,684
TOTAL EQUITY	170,800,706	159,974,593

38 Non-adjusting events after the reporting period

(a) After the end of the reporting period the directors proposed that the Company will not pay dividend. Further details are disclosed in note 30(d).

(b) Redemptions of Bonds

On 29 January 2024, The Group repaid a total of RMB2 billion of medium term notes.

On 11 March 2024, The Group repaid a total of US\$630 million of medium term notes.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

39 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i> (“2020 amendments”)	1 January 2024
Amendments to IAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i> (“2022 amendments”)	1 January 2024
Amendments to IFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to IAS 7, <i>Statement of cash flows</i> and IFRS 7, <i>Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Financial Summary

	2023	2022	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Consolidated Results					
Revenue	465,739,077	503,838,367	452,797,774	419,111,678	367,893,878
Profit before taxation	44,970,176	73,417,826	70,352,749	103,755,529	106,116,493
Income tax	(24,514,618)	(35,805,267)	(32,283,222)	(44,457,413)	(50,984,878)
Profit for the year	20,455,558	37,612,559	38,069,527	59,298,116	55,131,615
Attributable to:					
Equity shareholders of the Company	12,162,684	22,688,552	22,524,033	41,515,545	38,872,087
Non-controlling interests	8,292,874	14,924,007	15,545,494	17,782,571	16,259,528
Consolidated Assets					
Non-current assets	354,590,110	342,448,556	338,983,314	321,790,033	290,940,096
Inventories and other contract costs	706,998,914	913,730,553	1,083,598,314	1,008,434,340	901,807,080
Cash and cash equivalents	96,942,577	134,424,670	140,708,459	185,662,380	159,738,651
Other current assets	346,340,563	367,240,207	376,016,180	353,354,218	377,517,470
Bank loans and borrowings from financial institutions	241,336,809	228,919,567	208,164,556	202,336,050	196,142,559
Bonds payable	80,329,208	86,766,111	59,596,779	57,266,100	62,908,538
Receipts in advance/contract liabilities	308,638,338	465,580,958	636,858,514	630,747,211	577,047,227
Other liabilities	471,634,278	570,940,520	641,329,967	629,047,136	623,325,857
Capital and Reserves	402,933,531	405,636,830	393,356,451	349,844,474	270,579,116
Total equity attributable to equity shareholders of the Company	250,784,613	243,325,375	236,516,394	224,510,953	188,058,492
Non-controlling interests	152,148,918	162,311,455	156,840,057	125,333,521	82,520,624
Basic earnings per share (RMB)					
Basic earnings per share (RMB)	1.03	1.96	1.94	3.62	3.47
Dividends per share(taxes included) (RMB)	–	0.68	0.97	1.25	1.05

Contents of Documents Available for Inspection

1. Financial Statements containing the signature and seal of the Company's legal representative and Supervisor of Finance;
2. Original copy of the audit report containing the seal of the account firm and the signature of the certified public accountants;
3. Original copy of all the company documents and announcements disclosed in the newspaper designated by CSRC during the reporting period;
4. Annual report disclosed in other securities markets.

The Company should keep the original copy or the legally effective copy of the above documents at the Company's office of the Board.

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