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Vanke Overseas Investment Holding Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01036)

2024 Interim Report

For the six months ended 30 June 2024

Corporate Information

BOARD OF DIRECTORS

Executive Directors

SUN Jia (*Chairman*)

YIP Hoi Man

(*Chief Executive Officer and appointed as alternate to Mr. Sun Jia with effect from 23 May 2024*)

DING Changfeng

Non-Executive Director

Han Huihua

Independent Non-Executive Directors

CHING Hiu Yuen (appointed with effect from 23 May 2024)

CHOI Fan Wai

ZHANG Anzhi

LAW Chi Yin, Cynthia

(resigned with effect from 23 May 2024)

AUDIT COMMITTEE

CHOI Fan Wai (*Chairman*)

CHING Hiu Yuen (appointed with effect from 23 May 2024)

ZHANG Anzhi

LAW Chi Yin, Cynthia

(resigned with effect from 23 May 2024)

REMUNERATION COMMITTEE

ZHANG Anzhi (*Chairman*)

YIP Hoi Man

CHOI Fan Wai

NOMINATION COMMITTEE

CHING Hiu Yuen (*Chairman*)

(appointed with effect from 23 May 2024)

LAW Chi Yin, Cynthia (*Chairman*)

(resigned with effect from 23 May 2024)

SUN Jia

ZHANG Anzhi

COMPANY SECRETARY

LAI Ivy

AUDITOR

KPMG

(Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)

LEGAL ADVISORS TO THE COMPANY

Reed Smith Richards Butler LLP (*as to Hong Kong law*)

Maples and Calder (Hong Kong) LLP

(*as to Cayman Islands law*)

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

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Wan Chai

Hong Kong

Management Discussion and Analysis

BUSINESS REVIEW

During the six months ended 30 June 2024 (the “Period”), the Group continued to provide asset management services (the “Management Services”) to Vanke Property (Hong Kong) Company Limited (“VPHK”) and certain of its subsidiaries (including other subsidiaries of China Vanke Co., Ltd (“China Vanke”)) (the “VPHK Parties”) pursuant to the management services framework agreement entered into by the Group and the VPHK Parties in 2022. For details of the Management Services, please refer to the Company’s announcement dated 26 October 2022 and circular dated 23 November 2022.

During the Period, the Group continued to hold various equity interests in certain properties in Hong Kong and San Francisco in the United States of America (the “US”) which included the followings (collectively, the “Investments”):

Location/project	Effective interest	Segment	Type	Status
Various units and car park spaces of Regent Centre 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong (“Regent Centre”)	100%	Property investment	Industrial	Leasing stabilised
62, 64, 66 and 68 Chun Yeung Street, Hong Kong (“The Stellar”)	100%	Hotel and serviced apartments	Hotel and serviced apartments	Began operation in September 2023
No. 221-233 Yee Kuk Street, Sham Shui Po, Hong Kong (“Bondlane I”)	100%	Property development	Residential	Under development
Sha Tin Town Lot No. 643, located at Hin Wo Lane, Sha Tin, New Territories, Hong Kong (the “Hin Wo Lane Property”)	50%	Property development	Residential	Under development
657 and 663–667 Mission Street, San Francisco, California, the US (“Mission”)	45%	Property development	Commercial	Completed

Management Discussion and Analysis *(continued)*

BUSINESS REVIEW *(continued)*

During the Period, the Group's revenue is mainly derived from (i) the leasing of units and car parking spaces in Regent Centre; (ii) the leasing of hotel rooms and serviced apartments in The Stellar (which was completed and opened in September 2023); and (iii) provision of asset management services. Revenue for the Period was approximately HK\$165.2 million (six months ended 30 June 2023: HK\$181.8 million), representing a decrease of 9% from the corresponding period in 2023. The overall decrease in revenue of the Group was mainly due to the combined effect of (i) an increase in revenue generated from The Stellar due to its opening in September 2023; but which was reduced by (ii) the absence of interest income on the investment instruments during the Period as the principals on the investment instruments for funding the development of the property located at 25 Park Row, New York, the US have been fully recovered during the last financial year and, as at 31 December 2023, the Group no longer had any interest in the investment instruments; and (iii) the decrease in revenue generated from the asset management services as VPHK Parties reduced their invested capital in relevant projects in the United Kingdom (the "UK") and the US.

The Group's investment in Regent Centre was at a fair value of approximately HK\$1,993.1 million as at 30 June 2024 (31 December 2023: HK\$1,993.1 million). There has been no change in the valuation methodology of the Group's investment properties. After netting off the fair value of such part of Regent Centre that was disposed of approximately HK\$9.9 million, the fair value gain amounted to HK\$9.9 million for the Period (six months ended 30 June 2023: HK\$74.3 million).

Asset management

The Group provides Management Services to the VPHK Parties with respect to VPHK Parties' projects in Hong Kong, the UK and the US. In return, the Management Service fees were charged by the Group calculated at (i) 1.25% per annum of the total capital of the relevant projects invested by VPHK Parties in the UK and the US; and (ii) 1.8% per annum of the total capital of the relevant projects invested by VPHK Parties in Hong Kong. During the Period, the Group's revenue from the provision of asset management services amounted to approximately HK\$95.3 million (six months ended 30 June 2023: HK\$109.6 million), representing a decrease of approximately 13%. The decrease was primarily attributable to the reduced total capital invested by the VPHK Parties in the relevant projects located in the UK and the US during the Period.

Segment profit from the provision of asset management services amounted to approximately HK\$32.6 million for the Period (six months ended 30 June 2023: HK\$31.7 million), representing an increase of 3%. The increase was mainly due to the decrease in direct operating expenses of the asset management teams during the Period.

Property Investment

During the Period, the Group's investment properties comprised various portions of Regent Centre, which is located at 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong. A portion of Regent Centre was disposed by the Group during the Period and net gain on such disposal of approximately HK\$1.3 million (six months ended 30 June 2023: HK\$7.9 million) was recorded. As at 30 June 2024, the Group owns a total gross floor area of approximately 634,000 square feet (31 December 2023: 637,000 square feet), representing approximately 62% (31 December 2023: 62%) of the total gross floor area, of Regent Centre.

During the Period, the Group renewed the leases of Regent Centre at a stable rental reversion. Occupancy of Regent Centre decreased to 91% as at 30 June 2024 (30 June 2023: 95%) with passing rent at HK\$9.4 per square foot as at 30 June 2024 (30 June 2023: HK\$9.5 per square foot). Apart from monthly rent, the tenants are responsible for payment of property management fees to the landlord, whose income has been accounted for as part of the revenue of the Group. Total revenue from the leasing of units and car parking spaces in Regent Centre during the Period was approximately HK\$46.0 million (six months ended 30 June 2023: HK\$48.8 million).

Segment profit before change in fair value of investment properties of the Group amounted to approximately HK\$23.1 million for the Period (six months ended 30 June 2023: HK\$24.8 million), representing a decrease of 7%. The decrease was mainly due to the decrease in net gain on disposal of certain units of Regent Centre as less area was sold during the Period.

Management Discussion and Analysis *(continued)*

BUSINESS REVIEW *(continued)*

Property development

The Group's property development projects comprise (i) investment in the development of the West Rail Tsuen Wan West Station TW6 property development project (the "TW6 Project" and also known as "The Pavilia Bay"); (ii) investment in Mission; (iii) the development of Bondlane I; and (iv) investment in the development of the Hin Wo Lane Property.

One of the Group's property development projects is represented by investment in Ultimate Vantage Limited ("Ultimate Vantage"), an associate of the Group in which the Group holds 20% equity interests thereof. Ultimate Vantage is a special purpose vehicle established in January 2013 for the development of the TW6 Project. Up to the date hereof, all units have been sold at gross proceeds of approximately HK\$10.1 billion and all of the sold units of The Pavilia Bay have been handed over to the buyers.

Gold Value Limited ("Gold Value"), an associate of the Group in which the Group holds 20% equity interests thereof, was formed by the Group and the joint venture partner in Ultimate Vantage (the "TW6 Partner") in November 2016 for the purpose of providing first and second mortgage financing to the buyers of the TW6 Project on market terms. Finance for the business of Gold Value is provided by the Group and the TW6 Partner by way of interest-bearing shareholder's loans on a several basis and in proportion to each of the parties' shareholding interest in Gold Value.

The Group's total investment in Ultimate Vantage and Gold Value (collectively, the "TW6 Associates"), comprising the share of net assets of the Group in the TW6 Associates as well as amounts due from Gold Value, amounted to approximately HK\$32.7 million as at 30 June 2024 (31 December 2023: HK\$170.0 million). The decrease in total investment of the Group during the Period was mainly due to the partial repayment of the amount due from Gold Value of approximately HK\$3.9 million (out of the repayment of mortgages by the buyers of The Pavilia Bay to Gold Value) and the receipt of dividend from Ultimate Vantage of HK\$133.4 million.

Another of the Group's property development is represented by investment in 657-667 Mission Street Venture LLC, an associate of the Group in which the Group holds 45% equity interests thereof, and its subsidiaries (collectively, the "Mission Street Group"). The Mission Street Group owns Mission with a total gross floor area of approximately 155,000 square feet.

During the Period, the Group had shared a loss of approximately HK\$21.4 million (six months ended 30 June 2023: HK\$109.2 million) from Mission Street Group. The decrease in share of loss was mainly due to the decrease in fair value of Mission resulting from various local market factors during the six months ended 30 June 2023, but not during the Period.

The Group also owns the entire equity interest in Bondlane I and 50% effective interest in the Hin Wo Lane Property. Bondlane I and the Hin Wo Lane Property are being redeveloped into residential properties and are both under development during the Period in accordance with the development plan. As at 30 June 2024, Bondlane I was written down to net realisable value resulting from various local market factors.

Segment loss amounted to approximately HK\$94.8 million for the Period (six months ended 30 June 2023: HK\$117.9 million), representing a decrease of 20%. The decrease in segment loss was mainly due to the combined effect of (i) the share of the decrease in fair value of Mission resulting from various local market factors which amounted to approximately HK\$87.8 million during the six months ended 30 June 2023, but not during the Period; and (ii) the provision provided for Bondlane I of HK\$72.0 million during the Period (six months ended 30 June 2023: nil).

Management Discussion and Analysis *(continued)*

BUSINESS REVIEW *(continued)*

Hotel and serviced apartments

During the Period, the Group's hotel and serviced apartments comprised The Stellar. The Group owns the entire equity interest in The Stellar. The Stellar was redeveloped into hotel and serviced apartments and launched in September 2023.

Average occupancy of The Stellar amounted to approximately 88% (six months ended 30 June 2023: nil) with average room rate at HK\$902 during the Period (six months ended 30 June 2023: nil). The revenue generated from The Stellar during the Period amounted to approximately HK\$23.9 million (six months ended 30 June 2023: nil).

Segment profit amounted to approximately HK\$3.3 million for the Period (six months ended 30 June 2023: nil) due to The Stellar's opening in September 2023.

Head office and corporate expenses

Head office and corporate expenses, net of unallocated income, were approximately HK\$3.8 million during the Period (six months ended 30 June 2023: HK\$8.9 million). The decrease was mainly due to the decrease in office rental expenses and staff costs as a result of the decrease in the average headcount of the head office to 6 (six months ended 30 June 2023: 8) during the Period.

Finance income

Finance income for the Period amounted to approximately HK\$12.2 million (six months ended 30 June 2023: HK\$8.5 million), comprising interest income on bank deposits and bank balances of approximately HK\$11.6 million for the Period (six months ended 30 June 2023: HK\$7.7 million) and interest income on shareholders' loans due from Gold Value of approximately HK\$0.6 million for the Period (six months ended 30 June 2023: HK\$0.8 million). The increase in finance income is mainly due to the increase in bank interest rates during the Period.

Events after the Reporting Period

There have been no matters that have occurred subsequent to the end of the Period which have significantly affected, or may significantly affect the Group's operations, results or state of affairs.

FINANCIAL REVIEW

Liquidity, financial resources, gearing and capital structure

Equity attributable to shareholders of the Company amounted to approximately HK\$4,242.7 million as at 30 June 2024 (31 December 2023: HK\$4,295.6 million). The decrease was mainly due (i) to the deficit attributable to the shareholders of the Company for the Period of approximately HK\$29.5 million; and (ii) the declaration of 2023 final dividend of approximately HK\$23.4 million.

The Group's interest-bearing bank and other borrowings of approximately HK\$387.2 million as at 30 June 2024 (31 December 2023: HK\$385.4 million) were mainly denominated in Hong Kong dollars. The bank loan of approximately HK\$353.8 million (31 December 2023: HK\$367.1 million) was arranged on a floating rate basis, while the lease liabilities of approximately HK\$33.4 million (31 December 2023: HK\$18.3 million) were arranged on a fixed rate basis. The increase was mainly due to the combined effect of (i) the partial repayment of bank loan during the Period; and (ii) the increase in lease liabilities resulting from the entering into a new office lease during the Period.

The Group has a banking facility amounting to approximately HK\$707.6 million (31 December 2023: HK\$721.2 million) in which approximately HK\$354.0 million (31 December 2023: HK\$367.6 million) has been utilised as at 30 June 2024.

Management Discussion and Analysis *(continued)*

FINANCIAL REVIEW *(continued)*

Liquidity, financial resources, gearing and capital structure *(continued)*

After deducting other borrowing costs capitalised of approximately HK\$0.2 million (31 December 2023: HK\$0.5 million), the total outstanding bank loan was approximately HK\$353.8 million (31 December 2023: HK\$367.1 million). As at 30 June 2024, the maturity profile of outstanding bank loan was as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within 1 year	353,814	–
After 1 year but within 2 years	–	367,058
	353,814	367,058

As at 30 June 2024, the debt-to-equity ratio of the Company, which is calculated as interest-bearing bank and other borrowings divided by total equity of the Group, was 9.1% (31 December 2023: 9.0%). The ratio of net debts (interest-bearing bank and other borrowings net of bank balances and cash) divided by total equity was nil (31 December 2023: nil).

The Group's bank balances and cash amounted to approximately HK\$479.5 million as at 30 June 2024 (31 December 2023: HK\$610.3 million). The Stellar and Bondlane I are both free from encumbrances for the time being which can be leveraged to raise funds and bring in additional cash resources to the Group as and when required. Taking these into account, it is expected that the Group should have sufficient working capital for its current requirements.

Risk of fluctuations in exchange rates

As the Group operates in Hong Kong, the US and the UK, all its assets and liabilities are denominated in Hong Kong dollar, the US dollar and pound sterling. The Group will monitor the foreign exchange exposures and take appropriate measures from time to time in order to minimise the Group's foreign exchange exposures.

Capital commitments

The Group had no contractual commitment as at 30 June 2024 (31 December 2023: HK\$6.9 million).

Contingent liabilities and financial guarantees

As at 30 June 2024, a wholly-owned subsidiary of the Company engaging in the businesses of property investment has been granted a banking facility of HK\$707.6 million (31 December 2023: HK\$721.2 million), of which HK\$354.0 million (31 December 2023: HK\$367.6 million) has been utilised, which is subject to a guarantee given by the Company to the bank for up to 100% (31 December 2023: 100%) of the fund drawn down.

As at 30 June 2024, a joint venture company indirectly held as to 50% by the Company engaging in the business of property development has been granted term loan facilities of HK\$744.6 million (31 December 2023: HK\$744.6 million), of which HK\$314.8 million (31 December 2023: HK\$314.8 million) has been utilised, which is subject to a guarantee given by the Company, in accordance with the relevant joint venture agreement, to the bank for up to 50% (31 December 2023: 50%) of the fund drawn down.

Management Discussion and Analysis *(continued)*

FINANCIAL REVIEW *(continued)*

Pledge of assets

As at 30 June 2024, the Group's secured bank loan was secured by the following assets of the Group:

- (i) the entire share capital of Access Rich Limited, Cheer Win Limited, Chericourt Company Limited, WK Parking Limited and WK Property Financial Limited (collectively, the "Regent Centre Companies"), all being the subsidiaries of the Company which hold Regent Centre;
- (ii) the entire share capital of Future Best Developments Limited, the holding company of the Regent Centre Companies; and
- (iii) floating charge over all the rental related receivables of the Regent Centre Companies.

Significant investments held, material acquisitions and disposals of subsidiaries and associates

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associates during the Period.

EMPLOYEES AND REMUNERATION POLICY

The Group had 98 employees as at 30 June 2024 (30 June 2023: 98). Staff costs (including emoluments of directors of the Company (the "Directors")) were approximately HK\$60.3 million (six months ended 30 June 2023: HK\$67.0 million) during the Period.

VPHK provides administrative and management support to the Group on a cost basis. No such fee was payable to VPHK during the Period (six months ended 30 June 2023: HK\$3.5 million) as all administrative expenses (including rental expenses) were paid by the Group directly to the landlord and suppliers during the Period.

The executive Directors periodically review the adequacy of the staffing of the Group by reference to the Group's business requirements. Should there be employees recruited under the Group, their remuneration and benefit packages will be structured on market terms with regard to individual responsibility and performance. All eligible employees in Hong Kong are enrolled to a defined mandatory provident fund scheme. Other employment benefits are awarded at the discretion of the Group.

DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Period (six months ended 30 June 2023: nil).

Management Discussion and Analysis *(continued)*

OUTLOOK

Year 2024 was expected to be a year filled with uncertainties as a result of the high interest rates, tightening monetary policies and political tension etc.. Despite these uncertainties having brought certain level of impact on the markets which the Group operates in, the Group is financially healthy and is prepared for any economic impact that may arise from the aforesaid uncertainties.

Notwithstanding the cancellation of all the demand-side management measures for residential properties by the Hong Kong Government, we did not see persistent improvement in the property market activities during the Period under review. The market sentiment is that homebuyers have become more cautious as a result of the prolonged high interest rates, the high supply of residential properties and the anticipation of its further increase add pressure to the property market and therefore, potential homebuyers have taken a “wait and see approach” and delayed purchase decisions. In view of the above, it is reasonably expected that property prices will face pressure in the latter half of the year. Despite the challenges lying ahead, the Group will continue to seek good investment opportunities in the market which create value for all the Shareholders as a whole.

The Group’s investment property in Hong Kong, Regent Centre, is expected to maintain the occupancy rate and the passing rent in the second half of 2024. The Group’s hotel and serviced apartments, The Stellar, is expected to maintain the occupancy rate and the average room rate in the second half of 2024. The sales of residential properties for Bondlane I are expected to contribute revenue to the Group upon the handover of the sold units to the buyers in the second half of 2024. Last but not least, the Group’s asset management business is expected to generate stable revenue and profit in the second half of 2024.

Report on Review of Interim Financial Information



Review report to the Board of Directors of Vanke Overseas Investment Holding Company Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 10 to 25 which comprises the consolidated statement of financial position of Vanke Overseas Investment Holding Company Limited and its subsidiaries (the "Group") as of 30 June 2024 and the related 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 condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial information to be in compliance with the relevant provisions thereof, and to be in compliance with either International Accounting Standard 34 ("IAS 34"), *Interim financial reporting*, issued by the International Accounting Standards Board or Hong Kong Accounting Standard 34 ("HKAS 34"), *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants, depending on whether the issuer's annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") or Hong Kong Financial Reporting Standards ("HKFRSs") respectively. As the annual financial statements of the Group are prepared in accordance with both IFRSs and HKFRSs, the directors are responsible for the preparation and presentation of the interim financial information in accordance with both IAS 34 and HKAS 34.

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

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 and HKAS 34.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 August 2024

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024 – unaudited

		For the six months ended	
	Note	30 June 2024	30 June 2023
		HK\$'000	HK\$'000
Revenue	3	165,160	181,799
Cost of services		(91,879)	(89,561)
Gross profit		73,281	92,238
Other income and net gain	4	3,971	8,856
Administrative and other operating expenses		(83,502)	(43,292)
Increase in fair value of investment properties		9,900	74,303
Operating profit		3,650	132,105
Finance income	5(a)	12,192	8,472
Finance costs	5(b)	(12,564)	(19,570)
Share of results of associates		(21,374)	(109,210)
Share of results of joint ventures		(10)	(15)
(Loss)/profit before taxation	5	(18,106)	11,782
Income tax	6	(11,217)	(9,247)
(Loss)/profit for the period		(29,323)	2,535
Attributable to:			
Shareholders of the Company		(29,323)	2,535
Non-controlling interests		-	-
(Loss)/profit for the period		(29,323)	2,535
		HK\$	HK\$
(Loss)/earnings per share – basic and diluted	7	(0.08)	0.01

The notes on pages 16 to 25 form part of this interim financial information. Details of dividends paid and payable to shareholders of the Company are set out in note 8.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 – unaudited

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
(Loss)/profit for the period	(29,323)	2,535
Other comprehensive income for the period:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of the financial statements of overseas subsidiaries	(178)	1,037
Total comprehensive income for the period	(29,501)	3,572
Attributable to:		
Shareholders of the Company	(29,501)	3,572
Non-controlling interests	–	–
Total comprehensive income for the period	(29,501)	3,572

The notes on pages 16 to 25 form part of this interim financial information.

Consolidated Statement of Financial Position

At 30 June 2024

	Note	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Non-current assets			
Investment properties	9	1,993,100	1,993,100
Property, plant and equipment		983,675	980,279
Interests in associates	10	109,458	251,936
Interests in joint ventures		267,096	256,114
		3,353,329	3,481,429
Current assets			
Properties under development	11	973,073	939,657
Trade and other receivables	12	89,426	76,668
Tax recoverable		2,882	3,283
Bank balances and cash		479,527	610,286
		1,544,908	1,629,894
Current liabilities			
Trade and other payables	13	(148,115)	(328,517)
Contract liabilities		(44,219)	(36,272)
Lease liabilities		(9,826)	(5,026)
Bank loan		(353,814)	–
Tax payable		(26,862)	(16,534)
		(582,836)	(386,349)
Net current assets		962,072	1,243,545
Total assets less current liabilities		4,315,401	4,724,974
Non-current liabilities			
Bank loan		–	(367,058)
Lease liabilities		(23,575)	(13,308)
Deferred tax liabilities		(49,075)	(48,984)
		(72,650)	(429,350)
NET ASSETS		4,242,751	4,295,624

Consolidated Statement of Financial Position *(continued)*

At 30 June 2024

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
CAPITAL AND RESERVES		
Share capital	3,895	3,895
Reserves	4,238,857	4,291,730
Total equity attributable to shareholders of the Company	4,242,752	4,295,625
Non-controlling interests	(1)	(1)
TOTAL EQUITY	4,242,751	4,295,624

The notes on pages 16 to 25 form part of this interim financial information.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited

	Attributable to shareholders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
At 1 January 2024	3,895	1,030,877	4,591	3,256,262	4,295,625	(1)	4,295,624
Changes in equity for the six months ended 30 June 2024:							
Loss for the period	-	-	-	(29,323)	(29,323)	-	(29,323)
Other comprehensive income	-	-	(178)	-	(178)	-	(178)
Total comprehensive income	-	-	(178)	(29,323)	(29,501)	-	(29,501)
Final dividend approved in respect of the previous year (note 8(b))	-	-	-	(23,372)	(23,372)	-	(23,372)
At 30 June 2024	3,895	1,030,877	4,413	3,203,567	4,242,752	(1)	4,242,751
At 1 January 2023	3,895	1,030,877	3,550	3,263,621	4,301,943	(1)	4,301,942
Changes in equity for the six months ended 30 June 2023:							
Profit for the period	-	-	-	2,535	2,535	-	2,535
Other comprehensive income	-	-	1,037	-	1,037	-	1,037
Total comprehensive income	-	-	1,037	2,535	3,572	-	3,572
Final dividend approved in respect of the previous year (note 8(b))	-	-	-	(35,058)	(35,058)	-	(35,058)
At 30 June 2023	3,895	1,030,877	4,587	3,231,098	4,270,457	(1)	4,270,456

The notes on pages 16 to 25 form part of this interim financial information.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024 – unaudited

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
Operating activities		
Net cash (used in)/generated from operations	(98,367)	5,303
Hong Kong Profits Tax paid	–	(1,296)
Overseas tax paid	(397)	–
Net cash (used in)/generated from operating activities	(98,764)	4,007
Investing activities		
Net proceed from disposal of investment properties	11,201	29,700
Payments for additions of property, plant and equipment	(630)	(60,722)
Repayments from investment instruments	–	42,398
Bank interest received	11,576	7,684
Interest received from an associate	616	788
Repayment from a joint venture	8	–
Repayment from an associate	3,985	3,632
Advances to joint ventures	(11,000)	(9,017)
Payment for additional investment in an associate	(16,010)	(3,421)
Net cash (used in)/generated from investing activities	(254)	11,042
Financing activities		
Interest and other borrowing costs paid	(11,616)	(19,638)
Capital element of lease rentals paid	(5,763)	(5,181)
Interest element of lease rentals paid	(592)	(129)
Repayment of a bank loan	(13,600)	(30,000)
Net cash used in financing activities	(31,571)	(54,948)
Net decrease in cash and cash equivalents	(130,589)	(39,899)
Cash and cash equivalents at the beginning of the period	610,286	585,114
Effect of foreign exchange rate changes	(170)	977
Cash and cash equivalents at the end of the period	479,527	546,192
Analysis of the balances of cash and cash equivalents at 30 June		
Bank balances and cash	479,527	546,192

Major non-cash transaction

During the six months ended 30 June 2024, dividend from an associate received amounting to HK\$133,400,000 (six months ended 30 June 2023: nil) was settled through the current account with that associate.

The notes on pages 16 to 25 form part of this interim financial information.

Notes to the Unaudited Interim Financial Information

1 GENERAL INFORMATION

Vanke Overseas Investment Holding Company Limited (the “Company” and together with its subsidiaries, the “Group”) is a limited liability company incorporated under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the address of its principal office in Hong Kong is Room A, 43rd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong. The principal activities of the Group are asset management, property development and property investment.

The Board considers the immediate holding company and the ultimate holding company of the Company to be Wkland Investments Company Limited and China Vanke Co., Ltd.. Wkland Investments Company Limited is a company incorporated in the British Virgin Islands with limited liability, while China Vanke Co., Ltd. is a joint stock company with limited liability incorporated in the People’s Republic of China and the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively.

2 BASIS OF PREPARATION

The unaudited consolidated interim financial information (the “Interim Financial Information”) has been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”) and Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The Interim Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes which are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies as required by accounting standards are set out below.

The IASB has issued certain amendments to IFRSs that are first effective for the current accounting period of the Group. The equivalent revised HKFRSs consequently issued by the HKICPA as a result of these developments have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

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

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

The Interim Financial Information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs or HKFRSs.

The Interim Financial Information is unaudited, but has been reviewed by KPMG, the Company’s independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 9 of the Interim Financial Information. In addition, this Interim Financial Information has been reviewed by the Company’s Audit Committee.

Notes to the Unaudited Interim Financial Information *(continued)*

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue recognised during the period is as follows:

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers within the scope of HKFRS 15 recognised over time</i>		
Property management fee income	8,296	8,809
Asset management fee income	95,254	109,620
Income from hotel and serviced apartments	23,896	–
<i>Revenue from other sources</i>		
Rental income from investment properties	37,714	40,036
Interest income on investment instruments	–	23,334
	165,160	181,799

(b) Segment reporting

The Group's chief operating decision maker assesses the performance of the operating segment primarily based on segment profit. Segment profit represents the profit earned by the segment and excludes mainly head office and corporate expenses (net of unallocated income), finance income and income tax.

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following four segments:

Property investment:	The leasing of the Group's investment properties to earn rental and management fee income and to gain from the appreciation in properties' values in the long term
Property development:	Sales of properties, share of the results of associates and joint ventures which principal activities are property development and financing from the Group's perspective, interest income from an associate and interest income on investment instruments
Asset management:	Asset management fee income from the provision of asset management services
Hotel and serviced apartments:	Income from operating hotel and services apartments

Revenue from customers which accounts for 10% or more of the Group's revenue are set out below:

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
Property development segment – Customer A	–	23,334
Asset management segment – entities controlled by the ultimate holding company	95,254	109,620

Notes to the Unaudited Interim Financial Information *(continued)*

3 REVENUE AND SEGMENT INFORMATION *(continued)*

(b) Segment reporting *(continued)*

The segment results are as follows:

For the six months ended 30 June 2024 (the "Period")

	Property investment HK\$'000	Property development HK\$'000	Asset management HK\$'000	Hotel and serviced apartments HK\$'000	Total HK\$'000
Revenue	46,010	–	95,254	23,896	165,160
Segment results before changes in fair value of investment properties and net gain on disposal of investment properties	21,842	(94,829)	32,616	3,332	(37,039)
Increase in fair value of investment properties	9,900	–	–	–	9,900
Net gain on disposal of investment properties	1,301	–	–	–	1,301
Segment results	33,043	(94,829)	32,616	3,332	(25,838)
Head office and corporate expenses (net of unallocated income)					(3,844)
Finance income – bank interest income					11,576
Loss before taxation					(18,106)
Income tax					(11,217)
Loss for the Period					(29,323)

For the six months ended 30 June 2023

	Property investment HK\$'000	Property development HK\$'000	Asset management HK\$'000	Total HK\$'000
Revenue	48,845	23,334	109,620	181,799
Segment results before changes in fair value of investment properties and net gain on disposal of an investment property	16,934	(117,892)	31,746	(69,212)
Increase in fair value of investment properties	74,303	–	–	74,303
Net gain on disposal of an investment property	7,897	–	–	7,897
Segment results	99,134	(117,892)	31,746	12,988
Head office and corporate expenses (net of unallocated income)				(8,890)
Finance income – bank interest income				7,684
Profit before taxation				11,782
Income tax				(9,247)
Profit for the period				2,535

Notes to the Unaudited Interim Financial Information *(continued)*

4 OTHER INCOME AND NET GAIN

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
Compensation received from tenants on early lease termination	50	27
Other management fee from related parties	2,179	870
Net gain on disposal of investment properties	1,301	7,897
Others	441	62
	3,971	8,856

5 (LOSS)/PROFIT BEFORE TAXATION

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

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
(a) Finance income		
Interest income on bank deposits and bank balances	(11,576)	(7,684)
Interest income on an amount due from an associate	(616)	(788)
	(12,192)	(8,472)
(b) Finance costs		
Interest expenses on a bank loan	11,220	18,718
Other borrowing costs	752	723
	11,972	19,441
Interest expenses on lease liabilities	592	129
	12,564	19,570
(c) Others		
Depreciation		
– owned property, plant and equipment	11,935	645
– other properties leased for own use	6,122	5,159
Contributions to defined contribution plan	3,429	3,399
Salaries, wages and other benefits (including Directors' emoluments)	56,905	63,631
Net foreign exchange (gain)/loss	(420)	1,084
Impairment losses on investment instruments	–	30,484
Provision on properties under development	72,000	–
Rental and related income from investment properties less direct outgoings of HK\$11,845,000 (six months ended 30 June 2023: HK\$11,870,000)	(34,165)	(36,975)

Notes to the Unaudited Interim Financial Information *(continued)*

6 INCOME TAX

	For the six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	1,536	1,057
Current tax – Overseas		
Provision for the period	9,591	7,684
Deferred tax		
Origination and reversal of temporary differences	90	506
	11,217	9,247

Provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2023: 16.5%) on the estimated assessable profits for the Period.

Overseas taxation is calculated at rate of tax applicable in the jurisdictions in which the Group is assessed for tax.

Share of associates' taxation charge of HK\$33,000 (six months ended 30 June 2023: nil) is included in the results of associates for the Period.

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on loss attributable to shareholders of the Company of HK\$29,323,000 (six months ended 30 June 2023: profit of HK\$2,535,000), and 389,527,932 shares (six months ended 30 June 2023: 389,527,932 shares) in issue during the Period.

Diluted earnings per share equals to the basic earnings per share as the Company had no dilutive potential shares in issue during the Period (six months ended 30 June 2023: nil).

Notes to the Unaudited Interim Financial Information *(continued)*

8 DIVIDEND

(a) Dividend attributable to the interim period:

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 June 2023: nil).

(b) Dividend attributable to the previous financial year, approved during the interim period:

	For the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Final dividend in respect of the previous financial year, approved during the Period, of HK\$0.06 (six months ended 30 June 2023: HK\$0.09) per share <i>(note)</i>	23,372	35,058

Note: 2023 final dividend was paid on 2 July 2024.

9 INVESTMENT PROPERTIES

	At	At
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
At 1 January	1,993,100	1,994,300
Additions	–	1,935
Disposals	(9,900)	(57,403)
Fair value gain	9,900	54,268
At 30 June/31 December	1,993,100	1,993,100

Investment properties of the Group were revalued as at 30 June 2024. The valuation was carried out by an external firm of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, which has among their staff relevant professional qualifications and has recent experience in the location and category of the property being valued. The fair value of investment properties is determined by taking into account the net rental income of the property derived from the existing leases with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at appropriate capitalisation rates, and with reference to the comparable sale transactions as available in the market.

Notes to the Unaudited Interim Financial Information *(continued)*

10 INTERESTS IN ASSOCIATES AND AMOUNTS DUE FROM/TO ASSOCIATES

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Share of net assets	78,202	216,966
Amount due from an associate (non-current) <i>(note (a)(i))</i>	31,256	34,970
	109,458	251,936
Amount due from an associate (current) <i>(note (a)(i))</i>	810	1,081
Amount due to an associate (current) <i>(note (a)(ii))</i>	1,434	134,834

Notes:

(a) Amounts due from/to associates comprise of:

(i) An amount due from Gold Value Limited of HK\$32,066,000 (31 December 2023: HK\$36,051,000) is unsecured and interest-bearing at Hong Kong Prime Rate minus 2.1% per annum. The amount of HK\$810,000 (31 December 2023: HK\$1,081,000) is expected to be recovered within one year, while the remaining amount of HK\$31,256,000 (31 December 2023: HK\$34,970,000) will be recovered after one year.

(ii) An amount due to Ultimate Vantage Limited of HK\$1,434,000 (31 December 2023: HK\$134,834,000) is unsecured, interest-free and repayable on demand.

11 PROPERTIES UNDER DEVELOPMENT

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
At 1 January	939,657	796,700
Provision	(72,000)	–
Additions	105,416	142,957
At 30 June/31 December	973,073	939,657

The properties are located in No. 221-223 Yee Kuk Street, Sham Shui Po, Kowloon, Hong Kong with remaining lease term between 10 and 50 years.

Properties under development are expected to be completed within the normal operating cycle. The amount of HK\$455,316,000 (31 December 2023: nil) is expected to be recovered within one year, while the remaining amount of HK\$517,757,000 (31 December 2023: HK\$939,657,000) will be recovered after one year.

Notes to the Unaudited Interim Financial Information *(continued)*

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Trade receivables <i>(note (a))</i>	1,593	1,445
Unamortised rent receivables	1,418	299
Other receivables	2,589	2,192
Other deposits	7,781	7,180
Prepayments	25,959	9,364
Amount due from an associate <i>(note 10(a)(i))</i>	810	1,081
Amount due from an intermediate holding company <i>(note (b))</i>	29,227	32,055
Amounts due from fellow subsidiaries <i>(note (b))</i>	20,049	23,052
	89,426	76,668

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition, is as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
0 to 30 days	1,092	1,044
31 to 90 days	295	401
Over 90 days	206	–
	1,593	1,445

Trade receivables are due within 15 to 90 days from the date of revenue recognition.

- (b) The amounts due from an intermediate holding company and fellow subsidiaries are unsecured, interest-free and recoverable on demand. Included in the balances were trade receivables from an intermediate holding company and fellow subsidiaries of HK\$29,141,000 (31 December 2023: HK\$32,055,000) and HK\$18,023,000 (31 December 2023: HK\$20,184,000), respectively, which arose from the provision of asset management services. The ageing of these balances are less than 30 days from the date of revenue recognition.

Notes to the Unaudited Interim Financial Information *(continued)*

13 TRADE AND OTHER PAYABLES

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Trade payables <i>(note (a))</i>	23,491	32,620
Other payables	22,138	19,413
Rental and other deposits received <i>(note (c))</i>	25,470	26,751
Accruals	55,705	71,147
Amount due to an associate <i>(note 10(a)(iii))</i>	1,434	134,834
Amount due to an intermediate holding company <i>(note (b))</i>	16,139	37,319
Amounts due to fellow subsidiaries <i>(note (b))</i>	3,738	6,433
	148,115	328,517

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade payable based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
0 to 30 days	7,055	19,077
Over 90 days	16,436	13,543
	23,491	32,620

(b) Amounts due to an intermediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand.

(c) Except for the rental and other deposits received on investment properties and other payables of HK\$11,949,000 (31 December 2023: HK\$12,975,000) which are expected to be settled after one year, all of the other payables, rental and other deposits received and accruals are expected to be settled within one year or repayable on demand.

Notes to the Unaudited Interim Financial Information *(continued)*

14 COMMITMENTS

Commitments outstanding at 30 June 2024 not provided for in the Interim Financial Information were as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Contracted for construction of property, plant and equipment	–	6,875

15 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this Interim Financial Information, the Group entered into the following material related party transactions in its ordinary course of business during the Period.

	For the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Asset management fee income received/receivable from <i>(note (a))</i>		
– an intermediate holding company	58,077	63,639
– fellow subsidiaries	37,177	45,981
Management and administrative fee payable to an intermediate holding company <i>(note (b))</i>	–	3,459
Key management personnel compensation <i>(note (c))</i>	805	825

Notes:

- (a) *Asset management fee income is charged at terms agreed by both parties. The details of the amounts due from an intermediate holding company and fellow subsidiaries are set out in note 12(b).*
- (b) *Management and administrative fee is charged at terms agreed by both parties. The details of the amount due to an intermediate holding company are set out in note 13(b).*
- (c) *Key management personnel represent the directors of the Company.*

Other Information

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim financial information of the Group for the Period is unaudited, but has been reviewed by KPMG, the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA, whose unmodified review report is included in this interim report. The interim financial information has also been reviewed by the Company's Audit Committee (which does not have any disagreement).

Apart from reviewing the interim financial information, the Audit Committee has also considered the significant accounting principles and policies adopted by the Company and discussed with management the internal control and financial reporting matters in respect of this interim report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 of the Listing Rules throughout the Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to the Directors, all the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the CG Code) in respect of their dealings in the securities of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares (including sale of any treasury shares) during the Period.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

With effect from 23 May 2024, Ms. Law Chi Yin, Cynthia has resigned as an independent non-executive Director, Mr. Ching Hiu Yuen has been appointed as an independent non-executive Director and Ms. Yip Hoi Man has been appointed as an alternate Director to Mr. Sun Jia.

Save as disclosed above, there has been no change to the information of the Directors since the date of the issuance of the annual report of the Company for the year ended 31 December 2023, which is required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of Directors are available on the Company's website.

Other Information *(continued)*

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 30 June 2024, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(a) Interests in the Company

Name of Director	Number of ordinary shares held					Total interests	Percentage of issued share capital
	Interest held as beneficial owner	Interest held by spouse	Interest held by controlled corporations	Other interests	Number of underlying shares held under equity derivatives		
Ching Hiu Yuen	–	374,000	–	–	–	374,000 (Note 1)	0.09601%

Note:

- The total number of ordinary shares of the Company in issue as at 30 June 2024 was 389,527,932.

(b) Interests in associated corporations

Name of Director	Name of associated corporation	Type of shares	Number of ordinary shares held					Total interests	Percentage of issued share capital
			Interest held as beneficial owner	Interest held by spouse	Interest held by controlled corporations	Other interests	Number of underlying shares held under equity derivatives		
Sun Jia	China Vanke	A shares	–	5,800	–	–	–	5,800 (Note 1)	0.00006%
Ding Changfeng	China Vanke	A shares	1,037,660	–	–	–	–	1,037,660 (Note 1)	0.01067%
Han Huihua	China Vanke	A shares	141,000	–	–	–	–	141,000 (Note 1)	0.00145%
Ching Hiu Yuen	Onewo Inc.	H shares	12,000	–	–	–	–	12,000 (Note 1)	0.00102%

Note:

- The total number of ordinary A shares of China Vanke in issue as at 30 June 2024 was 9,724,196,533 and the total number of ordinary H shares of Onewo Inc. in issue as at 30 June 2024 was 1,175,655,329. The percentage of issued share capital shown above is calculated based on the number of issued shares in the relevant class alone, without taking into account the issued share capital of the other classes.

All the interests in the shares disclosed under this section represent long position in the shares of the associated corporations of the Company. Save as disclosed herein, as at 30 June 2024, none of the Directors or any of their spouses or children aged under eighteen years of age had any interests or short positions in the shares, underlying shares and debentures or were granted any right to subscribe for the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights which was required to be recorded in the register kept by the Company under section 352 of the SFO or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Other Information *(continued)*

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to a business partnership scheme adopted by China Vanke in 2014, certain employees of the China Vanke Group have been admitted as business partners entrusting part of their bonuses into a collective account for investment management by Shenzhen Ying'an Financial Advisory Limited, including the introduction of leveraged finance for investment. All business partners in the scheme have undertaken that the collective bonuses and derivative assets will be centralised under closed-end management, without any payment to specific individuals, before the release of the contingent obligation requiring the return of the collective bonuses. An investment management and holding agreement was executed by all business partners. Each of Mr. Sun Jia, Ms. Yip Hoi Man, Mr. Ding Changfeng and Ms. Han Huihua is one of the beneficiaries in the scheme.

Save for the above, at no time during the Period was the Company or any of its subsidiaries or the Company's holding company or a subsidiary of the Company's holding company a party to any arrangements that enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Company did not have any share scheme in force during the Period.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Apart from the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as disclosed in the section "Directors' Interests in Equity or Debt Securities", the register kept by the Company under section 336 of the SFO (the "Register") records that, as at 30 June 2024, the Company has been notified of the following interests or short positions in the shares of the Company:

Name of substantial shareholder	Long position/ short position	Capacity of interest	Total number of shares in which the shareholder is interested	Percentage of shareholding
China Vanke <i>(Note 1)</i>	Long position	Held by controlled corporations	292,145,949	75.0%
CITIC Securities Company Limited <i>(Note 2)</i>	Long position	Held by controlled corporations	30,080,000	7.72%

Notes:

- As recorded in the Register, the 292,145,949 ordinary shares of the Company are held by China Vanke through Wkland Investments Company Limited ("Wkland Investments"), which is an indirect wholly-owned subsidiary of China Vanke. Wkland Investments is a direct wholly-owned subsidiary of Wkland Limited. Wkland Limited is a direct wholly-owned subsidiary of Vanke Property (Hong Kong) Company Limited ("VPHK"). VPHK is a direct wholly-owned subsidiary of Shanghai Vanke Enterprise Company Limited. Shanghai Vanke Enterprise Company Limited is a direct wholly-owned subsidiary of Shanghai Vanke Investment and Management Company Limited. Shanghai Vanke Investment and Management Company Limited is a direct wholly-owned subsidiary of China Vanke.
- As recorded in the Register, the 30,080,000 ordinary shares of the Company are held by CSI Capital Management Limited, which is an indirect wholly-owned subsidiary of CITIC Securities International Company Limited, which in turn is a direct wholly-owned subsidiary of CITIC Securities Company Limited.

Save as disclosed above, no other persons had any interests or short positions in the shares or underlying shares of the Company as at 30 June 2024 as recorded in the Register, or as otherwise notified to the Company and the Stock Exchange of Hong Kong.

Other Information *(continued)*

LOAN FACILITY WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

The following disclosures are made in compliance with the disclosure requirements under Rule 13.21 of the Listing Rules.

On 17 June 2020, Chericourt Company Limited (“Chericourt”), an indirect wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement (the “Facility Agreement”) with a bank for a term loan facility of HK\$1,000.0 million (the “Loan Facility”) for a period of 12 months from its utilisation date and upon the end of the initial 12-month term, Chericourt may exercise not more than four consecutive 12-month extension options subject to satisfaction of certain extension conditions. Under the Loan Facility, it would constitute an event of default if China Vanke ceases to be the beneficial owner (by way of indirect ownership through the Company) of at least 30% of the entire issued share capital of Future Best Developments Limited, an indirect wholly-owned subsidiary of the Company. Upon the occurrence of the event of default, the Loan Facility under the Facility Agreement together with accrued interest, and all other amounts accrued under the Facility Agreement immediately due and payable.

Until the publication of this Interim Report, the outstanding bank loan of HK\$354.0 million has been repaid in full and the available commitment under the Loan Facility has been cancelled. The circumstances giving rise to the obligations under Rule 13.18 of the Listing Rules no longer existed.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2024, the aggregate amount of the Group’s financial assistance given to and guarantee given for facilities granted to Gold Value and Champion Estate (HK) Limited (“Champion HK”), a joint venture entity established for the development of the Hin Wo Lane Property, each of which being an affiliated company of the Company as defined under the Listing Rules, amounted to approximately HK\$671 million, which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Details are set out as follows:

	Note	HK\$ million
Amount due from Gold Value	(a)	32
Loan to Champion HK	(b)	267
Guarantee given for facilities granted to Champion HK	(c)	<u>372</u>
Total		<u>671</u>

Notes:

- (a) *The balance is unsecured, interest-bearing at Hong Kong Prime Rate minus 2.1% per annum. The balance of approximately HK\$1 million is expected to be recovered within one year, while the remaining balance of approximately HK\$31 million will be recovered after one year.*
- (b) *The balance is unsecured, interest-bearing at 3% per annum and will be recovered after one year.*
- (c) *The guarantee is provided by the Company for term loan facilities granted by a bank, an independent third party of the Company, to Champion HK on a several basis in proportionate to the shareholding interest of the Company in Champion HK.*

Other Information *(continued)*

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES *(continued)*

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 30 June 2024 are set out below.

	Proforma combined statement of financial position HK\$ million	Group's attributable interest HK\$ million
Non-current assets	126	25
Properties under development	882	441
Current assets	48	13
Current liabilities	(53)	(25)
Non-current liabilities	(1,000)	(453)
Net assets	3	1

The proforma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 30 June 2024.

PUBLICATION OF INTERIM REPORT

This Interim Report in both English and Chinese is available in printed form and on the website of the Company at www.vankeoverseas.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. Shareholders may at any time change their means of receiving corporate communications of the Company (in hard copy or through electronic means) free of charge by giving reasonable notice in writing to the Company's Hong Kong Share Registrar or by email to vankeoverseas.ecom@computershare.com.hk.