

vanke

CHINA VANKE CO., LTD.*

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

(Stock code: 2202)

INTERIM REPORT 2024



*For identification purpose only



Important Notice

1. The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that in respect of the authenticity, accuracy and completeness of the interim report for 2024 (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 was considered and approved at the ninth meeting of the twentieth session of the Board of the Company. All Directors attended the Board meeting in person.
3. The interim financial report was prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”). The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor*, issued by the Hong Kong Institute of Certified Public Accountants.
4. Mr. YU Liang, Chairman of the Board and Ms. HAN Huihua, Executive Vice President and Finance Principal declare that the financial report contained in the Report is warranted to be true, accurate and complete.
5. There will be no dividend distribution, bonus share, or transfer of equity reserve to the share capital of the Company for the 2024 interim period.
6. Unless otherwise specified, the currency referred to in the Report is Renminbi (“**RMB**”).
7. 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.

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

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Section 1 Definition

Term	Meaning
Company	China Vanke Co., Ltd.
Vanke or the Group	China Vanke Co., Ltd. and its subsidiaries
Onewo	Onewo Inc. an omni-space service provider. It mainly comprises of: Vanke Service, a community space service provider; Cushman & Wakefield Vanke Service, a commercial space service provider; CITY UP, an urban space service provider; and Vanrui Technology, which provides AIoT (Artificial Intelligence Internet of Things) and BPaaS (Business Process as a Service) solutions services.
Port Apartment	Zhuhai Port Apartment Management Company Limited, a long-term rental apartment brand under the Group, is committed to providing one-stop residential solutions for urban residents.
VX Logistic Properties	Vanke Logistics Development Co., Ltd., a logistics and warehousing service and supply chain solutions platform of the Group.
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, currently including Logistics BU, Long-term Rental Apartment BU, Overseas BU, Hotel and Vacation BU.
“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.

Term	Meaning
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
SZMC	Shenzhen Metro Group Co., Ltd.
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 the SEHK Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the 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 and traded on the SZSE prior to June 2014.

Section 1 Definition

Term	Meaning
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 2024 to 30 June 2024
RMB	Renminbi, unless otherwise specified

Section 2 Corporate Information and Key Financial Highlights

I. Corporate Information

(I) Basic 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 and correspondence address in Hong Kong: Unit 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

Authorized representatives for SEHK: ZHU Jiusheng and ZHU Xu

Alternate authorized representative for SEHK: YIP Hoi Man

(II) Contact Persons and Contact Details

Secretary to the Board and company secretary: ZHU Xu

E-mail address: IR@vanke.com

Securities affairs representative: JI Jianghua

E-mail address: IR@vanke.com

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

Telephone number: 0755-25606666

Fax number: 0755-25531696

Assistant company secretary: YIP Hoi Man

E-mail address: IR@vanke.com

Contact address: Unit A, 43/F, Bank of China Tower, 1 Garden Road, Hong Kong

Telephone number: 00852-23098888

Fax number: 00852-23288097

Section 2

Corporate Information and Key Financial Highlights

(III) Information of Stock

Stock exchange on which A shares are listed: SZSE

Stock short name of A shares: Vanke A

Stock code of A shares: 000002

Stock exchange on which 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 held by the original B shareholders of the Company through domestic securities companies' trading system.

H share registrar: Computershare Hong Kong Investor Services Limited

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

(IV) The Place for Information Disclosure and Collection

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

Website address for publication of the Interim Report:

A shares: www.cninfo.com.cn

H shares: www.hkexnews.hk

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

(V) Modification of Registration

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

Last date of change in registration: 23 August 2023, location: Shenzhen

Unified social credit code: 91440300192181490G

Section 2

Corporate Information and Key Financial Highlights

II. Summary of Accounting Data and Financial Highlights

Whether the Company makes retrospective adjustment to or restatement of the accounting data of prior years due to changes in accounting policies and correction of accounting errors

Yes No

(I) Key accounting data and financial indicators

Unit: RMB'000

Items	Jan-Jun 2024	Jan-Jun 2023	Change over the same period of the previous year
Revenue	142,778,764	200,892,590	-28.93%
Gross profit	9,653,926	37,889,284	-74.52%
(Loss)/Profit before taxation	(4,548,808)	27,717,514	-116.41%
(Loss)/Profit attributable to equity shareholders of the Company	(9,852,500)	9,870,472	-199.82%
Basic earnings per share (RMB)	(0.83)	0.84	-198.56%
Diluted earnings per share (RMB)	(0.83)	0.84	-198.56%
Return on equity (fully diluted)	-4.08%	3.96%	decreased by 8.04 percentage points
Return on equity (weighted average)	-4.00%	3.94%	decreased by 7.94 percentage points

Section 2 Corporate Information and Key Financial Highlights

Unit: RMB'000

Items	30-Jun-2024	31-Dec-2023	Increase/ (decrease) over the beginning of the year
Current assets	1,078,226,463	1,150,282,054	-6.26%
Current liabilities	786,441,354	821,785,258	-4.30%
Total equity attributable to equity shareholders of the Company	241,678,564	250,784,613	-3.63%
Share capital (1,000 shares)	11,930,709	11,930,709	–
Net assets per share attributable to equity shareholders of the Company (RMB)	20.38	21.15	-3.63%

Note 1: The total number of shares used in the calculation of basic earnings per share, diluted earnings per share and weighted average returns on net assets is the weighted average number of ordinary shares outstanding of the Company, including the effect of repurchased shares

Note 2: Net assets per share attributable to equity shareholders of the Company have deducted the effect of repurchased shares

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

Unit: RMB'000

	(Loss)/Profit attributable to the shareholders of the Company		Equity attributable to the shareholders of the Company	
	Jan-Jun 2024	Jan-Jun 2023	30-Jun-2024	31-Dec-2023
According to the international accounting standards	(9,852,500)	9,870,472	241,678,564	250,784,613
According to the PRC accounting standards	(9,852,500)	9,870,472	241,678,564	250,784,613
Breakdown and total reconciled according with international accounting standards:				
According to the international accounting standards	–	–	–	–
Differences		Nil		

Section 3 Management Discussion and Analysis

I. Review and Analysis of Business Situation

The new housing market experienced ongoing adjustments during the Reporting Period. According to the statistics of CRIC, the sales turnover of Top 100 real estate enterprises declined by 39.5% year-on-year in the first half of the year; with the launch of a series of supportive policies in the second quarter, the year-on-year decline in the sales of the Top 100 real estate enterprises narrowed, but it will take time for the recovery of residents' confidence in purchasing houses.

In the first half of this year, the Group realized revenue of RMB142.78 billion, representing a year-on-year decrease of 28.9%; and the loss attributable to equity shareholders of the Company amounted to RMB9.85 billion, representing a year-on-year decrease of 199.8%. The main reasons for the loss are attributed to: (1) the decrease in the settlement scale and gross profit margin of the development business; (2) the provision for impairment; (3) the loss on some non-mainline financial investments; (4) the prices of some of the transactions were lower than the book value as the Company took more resolute actions on the asset transaction and equity disposal for quicker capital return. Please refer to "(II) Main work in the Reporting Period" for detailed analysis of performance loss.

In the face of the severe market situation, putting operational safety in the first place, the Group has put in place and implemented the "package plan" by focusing on "guaranteeing the delivery of housing, guaranteeing payment, and transforming to high-quality development" to carry out work, resolving potential risks in a comprehensive manner, and proactively adapting to the industry transformation to a new development model.

Firstly, we focused comprehensively on the three principal businesses of comprehensive residential development, property services and rental housing to enhance the competitiveness of our products and services. In the first half of the year, 169 projects with 262 batches totaling 74,000 units in the development business were delivered on schedule and with quality assured, realizing sales amount of RMB127.33 billion, maintaining among the top position in the industry and actively exploring areas including the R&D of cutting-edge products, the sales model of existing houses, and agent construction services. For the property services business, we carried out the Onewo Town strategy in depth and achieved operational efficiency. Process renovations for a total of 200 Onewo Town were completed, covering 1,337 residential property projects, accounting for over 30% of the projects under management. The rental housing business realized efficiency improvement amidst the expansion of operation and management, with 15,000 newly acquired rooms in the first half of the year, among them, 80.6% were located in the first-tier cities, and the cumulative number of rooms unveiled increased to 183,000, with occupancy rate maintained at 95.2%, and the GOP profit margin at nearly 90%, continuing to maintain the industry leadership.

Secondly, we accelerated bulk assets and equity transactions. From January to July, the Group realized a total signing amount of RMB20.4 billion (including SCPG's asset transaction and the issuance of REIT), of which the assets cover commercial, hotel, office, long-term rental apartment and other business sectors. Innovative instruments such as REITs and Pre-REIT funds have also made positive progress, venturing into various asset trading paths. In particular, the commercial infrastructure REIT of RMB3.26 billion was issued by SCPG; REIT for affordable rental housing and the REIT for warehousing and logistics were in the process of filing; CCB-VANKE Pre-REIT Fund realized the expansion of the Guangzhou project; and the Consumer Pre-REIT Fund was set up.

Section 3 Management Discussion and Analysis

Thirdly, we actively leveraged financial support policies to promote the transformation of the financing model and gained strong support from financial institutions. In the first half of the year, the Group raised and refinanced a total of RMB61.2 billion, with the consolidated cost of new financing of 3.66%. Operational property loans totaled RMB21.9 billion, including new on-balance sheet loans of RMB15.0 billion; 175 “white list” projects were declared; syndicated loans were advanced in an orderly manner, with syndicated loan of RMB20 billion led by China Merchants Bank in May. Moreover, fixed assets package financing of RMB6.5 billion was granted by Bank of Communications in June.

As at the disclosure date of this Report, the Group has completed the repayment of domestic public bonds of RMB7.3 billion and overseas public bonds of approximately RMB10.4 billion during the Reporting Period, and there are still RMB2.0 billion of domestic public bonds due in September to be repaid during the Year.

Looking ahead, the Group will continue to firmly implement the “package plan” by focusing on three main lines of “guaranteeing the delivery of housing, guaranteeing payment, and transforming to high-quality development” to carry out work, and concentrating on the main track, so as to to promote the enterprise to return to the track of healthy development as soon as possible.

(I) Market review

1. *Real estate development*

The sales area and sales amount of commercial housing nationwide decreased. According to data from National Bureau of Statistics, in the first half of this year, the sales area of commercial housing nationwide was 480 million square meters, a decrease of 19.0% year-on-year, while the sales amount was RMB4.7 trillion, a decrease of 25.0% year-on-year. According to the statistics of CRIC, the sales turnover of Top 100 real estate enterprises declined by 39.5% year-on-year.

The floor area of new construction projects and the investment in property development extended decline. In the first half of this year, the floor area of new construction projects in the country was 380 million square meters, a decrease of 23.7% year-on-year. And the national investment in real estate development was RMB5.3 trillion, a decrease of 10.1% year-on-year.

The supply and transaction areas of the land market have shrunk. Data from China Index Academy showed that, in the first half of this year, the residential land in 300 cities across the country decreased by 37.5% and 35.8% respectively year-on-year in terms of floor space supplied and sold, and 43.5% year-on-year in terms of residential land grant fees. The average premium rate of residential land was 4.4%, representing a decrease of 2.3 percentage points year-on-year.

Section 3 Management Discussion and Analysis

Industry policies have been continuously optimized. Since a meeting of the Political Bureau held at the end of April, supportive policies for the industry have rolled out successively, including lowering the downpayment ratio, removing the lower limit on personal housing loan interest rates, lowering the interest rate on housing provident fund loans, and setting up affordable housing refinancing, etc. Governments in a number of core cities, including first-tier cities, eased the house purchase restrictions and adjusted the downpayment ratios and the loan interest rates.

2. *Property services*

Project expansion of property service companies slowed down, but project expansion from third-party developers maintained growth. According to China Index Academy, in the first half of the year, the top 50 property service companies added a total of 560 million square meters of contracted area, representing a year-on-year decline of 6.4%, of which the supply of management area from related parties totaled 98 million square meters, representing a year-on-year decline of 41.0%, and the management area from third-party developers amounted to 460 million square meters, representing a year-on-year increase of 7.0%.

Non-residential sector held potential for expansion. Enterprises have increased their expansion into the non-residential property sector. Based on the large base of non-residential properties in China and the diversity of service sector, China Index Academy expects the market size of IFM (Integrated Facility Management) services to maintain double-digit growth.

Property fee collection has become a focus of attention. Since some of the social hotspot events triggered public concern over property fee rates, enterprises need to place more focus on the balance between service quality and cost control. In addition, the pressure on property service companies to recoup funds mounted due to the tightening of funds from some of their corporate clients.

3. *Rental housing*

The overall market rent showed a downward trend. According to a report by the China Index Academy, the average residential rent in the key 50 cities across the country fell by 0.9% cumulatively in the first half of the year, with the rental trend coming under pressure.

Various regions continued to introduce policies on both the supply and demand sides to promote the stable and healthy development of the rental market. With the implementation of policies such as the “17 Articles on Housing Leasing Finance(住房租賃金融17條)”, the financing environment for the housing leasing industry has further improved.

Customer needs were constantly evolving and stretching. Along with the development of the industry, the service targets of rental apartments have 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.

Section 3

Management Discussion and Analysis

4. *Retail property development and operations*

In the first half of this year, the total retail sales of consumer goods increased by 3.7% year-on-year, representing a relatively moderate rate of growth. In particular, mandatory consumption was better than optional consumption. Consumption of cosmetics, gold, silver and jewelry, clothing and other goods experienced a lower growth rate in the first half of the year and declined in June when compared with the same single month in last year. The food and beverage achieved a year-on-year increase of 7.9% in the first half of the year, but the growth rate slowed down when compared with that of last year. Consumer confidence index hovered at a low level.

Commercial customer traffic maintained growth, but customers were more cautious in their spending. The unit price of cosmetics, food and beverage and other major business types declined as customers placed more emphasis on value for money, resulting in the overall sales growth rate of the shopping center industry being weaker than the growth rate of customer traffic.

As the growth rate of newly opened commercial centers has further slowed down, the efficiency enhancement in existing business operation became the key focus of the industry. The total floor area of newly opened shopping centers of 30,000 sq.m. and above nationwide in the first half of the year was almost the same as those in the first half of 2023, and the annual incremental scale is expected to be lower than that of 2023.

5. *Logistics and warehousing*

Occupancy rates and rents of high-standard warehouses were under pressure, but differentiation was continued in the market. The Pearl River Delta and other regions saw active demand, while occupancy rates and rents were at their low in some cities in the central China and northern China, which were affected by the large amount of supply in the previous periods. It is expected that the new supply of high-standard warehouses in key cities will drop significantly throughout the year as most cities will enter the stage of destocking.

Cold chain logistics were facing cycle pressure on supply and demand. Cold chain in some regions has fallen into a “price competition” due to new supply entering the market and the downward impact of meat imports, but the demand of downstream catering and retail industries maintained stable. The change of behavior and habits of end consumers will continue to bring structural growth opportunities for the cold chain logistics industry in the long term, driving the development of industry to the direction of intensification, digitalization and sustainability.

Section 3

Management Discussion and Analysis

(II) Main work in the Reporting Period

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

In the first half of 2024, the Group realized revenue of RMB142.78 billion, a year-on-year decrease of 28.9%. Loss attributable to equity shareholders of the Company stood at RMB9.85 billion, down by 199.8% year-on-year. The basic losses per share was RMB0.83, a year-on-year decrease of 198.6%.

Categorized by business types, the revenue of the Group from real estate development and related asset operation businesses reached RMB123.40 billion, accounting for 86.4%; revenue from property services reached RMB16.00 billion, accounting for 11.2%.

Before deducting tax and surcharges, the gross profit margin of the Group's property development and related asset operation business was 5.7%, representing a decrease of 13.6 percentage points from the same period of 2023 (the Group adopts the cost method to calculate operating assets, after adding back depreciation and amortization, the gross profit margin was 7.6%, down by 13.1 percentage points). After deducting tax and surcharges, the operating profit margin of the Group's property development and related asset operation business was 1.9%, decreased by 12.7 percentage points year-on-year. The gross profit margin of the Group's property service was 13.7%, representing a decrease of 1.7 percentage points from the same period of 2023.

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	Increase/decrease	Amount	Increase/decrease	Amount	Increase/decrease	Amount	Increase/decrease
1. Core businesses	139,398,167	-29.74%	130,204,995	-18.95%	6.59%	decreased by 12.43 percentage points	3.22%	decreased by 11.47 percentage points
Among which: real estate development and related assets operation businesses ^(Note 4)	123,398,764	-33.07%	116,389,748	-21.77%	5.68%	decreased by 13.62 percentage points	1.92%	decreased by 12.74 percentage points
property services	15,999,403	13.98%	13,815,247	16.32%	13.65%	decreased by 1.74 percentage points	13.23%	decreased by 1.80 percentage points
2. Other businesses ^(Note 5)	3,380,597	35.58%	2,919,843	24.37%	13.63%	increased by 7.78 percentage points	12.71%	increased by 7.69 percentage points
Total	142,778,764	-28.93%	133,124,838	-18.33%	6.76%	decreased by 12.10 percentage points	3.44%	decreased by 11.13 percentage points

Section 3

Management Discussion and Analysis

- 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 8.5%.
 4. Related asset management business mainly consists of income from logistics, rental housing, retail properties, offices and other businesses.
 5. 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.

During the Reporting Period, loss-making performance was mainly due to:

1. The settlement scale and gross profit margin of real estate development projects declined significantly. During the Reporting Period, the settlement profit of the Group's real estate development business mainly corresponded with the projects sold in 2022 and 2023 as well as the inventory of existing houses and quasi-existing houses sold in the first half of 2024. Most of such projects were on lands acquired before 2022 with higher land acquisition costs. With the continuous downward of the market in the subsequent sales stage, the sales and gross profit margin underperformed investment expectations, resulting in a significant decrease in total settlement gross profit for the Reporting Period. In the first half of the year, the booked revenue from development business amounted to RMB111.68 billion, representing a year-on-year decrease of 34.6%. The settlement gross margin of the development business was 5.0%, representing a year-on-year decrease of 15.3 percentage points.
2. The provision for impairment. In line with the market situation, the significant decline in settlement gross profit and losses incurred on a number of items during the course of bulk transactions, in accordance with the principle of prudence, a provision for inventory impairment allowance of certain projects of RMB2.10 billion (including projects not consolidated in the financial statements with provision of RMB170 million) has been made for the interim period. In addition, a provision for loss on credit impairment of RMB2.10 billion has been made for certain receivables.
3. The losses in financial investments in certain non-principal businesses.
4. The losses in certain bulk asset transaction and equity transaction. The Company adopted more resolute actions on the asset transaction and equity disposal for quicker capital return and the prices of certain transactions were below the carrying value.

Section 3 Management Discussion and Analysis

In the first half of the year, the Company and minority shareholders (i.e., partners) experienced a significant decline in profit at the project level due to the decline in the settlement scale and the gross profit margin of projects. The fact that the Group recorded a loss attributable to the equity shareholders of the Company while the non-controlling interests remained positive was mainly because the non-controlling interests reflected only the profit of partners at the project company level, while the loss attributable to the equity shareholders of the Company recorded by the Group was because apart from to the aggregation of profits at the project company level on a pro-rata basis, it is also necessary to deduct expenses at the listed company level as well as to consider the impact of gains or losses on investments and asset transactions, such as the depreciation and amortization provided for operating businesses wholly invested by the Group under the cost method as well as non-project interest expenses and fees, on the basis of the profit of cooperation projects. As a matter of fact, the Group and its partners enjoy equal rights and interests and the changes in their profit and returns are consistent in terms of individual co-operative project.

There will be no distribution of cash dividend, bonus share or conversion of capital reserves into share capital for the interim period of 2024.

(3) Business development

1. *Real estate development business*

(1) *Sales and recognition*

In the first half of the year, the Group achieved sales of 9,395,000 square meters, representing a year-on-year decrease of 27.6%, and recorded sales amount of RMB127.33 billion, representing a year-on-year decrease of 37.6%. The sales amount was ranked No. 1 in 14 cities, No. 2 in 14 cities and No. 3 in 9 cities.

Carrying out marketing innovation and exploring low-cost customer acquisition channels. In the first half of the year, the Group continuously integrated routine livestreaming and the maintenance of relationship with old owners into key links of marketing. The Group carried out 49,000 livestreaming in total, registered 149,000 groups of customers.

Speeding up in the sell-through of inventory. The Group implements classified management of existing residential buildings, parking spaces and commercial offices, leverages the synergistic advantage of real estate development and property management and strengthens the sell-through of inventory. The Group achieved sales of approximately RMB24 billion, approximately RMB32 billion and over RMB15 billion for existing houses completed by the beginning of 2024, quasi-existing houses and parking spaces, shops and commercial offices, respectively.

Section 3 Management Discussion and Analysis

Sales by geographical regions

	Areas Sold ('0000 square meters)	Proportion	Sales Amount (hundred million)	Proportion
Southern Region	146.1	15.6%	298.9	23.5%
Shanghai Region	243.7	25.9%	448.7	35.2%
Beijing Region	154.7	16.5%	161.1	12.7%
Northeastern Region	87.2	9.3%	65.0	5.1%
Central Region	125.2	13.3%	108.3	8.5%
Southwestern Region	97.0	10.3%	101.9	8.0%
Northwestern Region	84.7	9.0%	76.6	6.0%
Others	0.9	0.1%	12.8	1.0%
Total	939.5	100.0%	1,273.3	100.0%

Note: The Beijing region includes Beijing, Hebei Province, Shandong Province, Shanxi Province, Tianjin, and Inner Mongolia Autonomous Region; 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 and Seattle.

The Group's property development and relevant facilities business has mainly established a presence in seven regions across China, with the revenue of RMB120.27 billion. The Group realized settlement area from real estate development business of 8.794 million square meters, representing a year-on-year decrease of 29.2%, and booked revenue of RMB111.68 billion, representing a year-on-year decrease of 34.6%. Booked gross profit margin accounted for 5.0%.

Section 3

Management Discussion and Analysis

Revenue and profit (loss) by different regions in China

	Revenue (RMB'0000)	Proportion	Net Profit/(Loss) Attributable to Vanke's Equity Holding	
			(RMB'0000)	Proportion
Southern Region	2,709,812.84	22.53%	(92,101.31)	21.66%
Shanghai Region	4,431,379.15	36.85%	(49,191.43)	11.56%
Beijing Region	1,462,498.10	12.16%	(185,480.45)	43.62%
Northeastern Region	467,113.58	3.88%	(67,637.83)	15.91%
Central Region	1,213,654.80	10.09%	272.65	-0.06%
Southwestern Region	1,397,970.47	11.62%	(58,984.77)	13.87%
Northwestern Region	344,543.24	2.87%	27,903.37	-6.56%
Total	12,026,972.18	100.00%	(425,219.77)	100.00%

As at the end of the Reporting Period, within the consolidated statements of the Group, there were 22.130 million square meters of sold resources that had not been settled, a decrease of 5.4% from the end of the previous year. The total contract price was approximately RMB327.20 billion, a decrease of 9.2% from the end of the previous year.

(2) *Investment and projects started and completed*

In the first half of this year, the Group realized new construction and resumption of plot ratio-based area of approximately 4.117 million square meters, accounting for 38.4% of that planned at the beginning of the year. The completed plot ratio-based floor area amounted to approximately 8.596 million square meters, accounting for 39.0% of that planned at the beginning of the year.

In terms of investment, the Group will take into account both security and development needs, and insist on keeping expenditure within the limits of revenues and investing with precision. In the first half of this year, the Group acquired 3 new projects, with a total planned plot ratio-based gross floor area ("GFA") of 246,000 square meters, and plot ratio-based GFA attributable to the Company's equity holding of 199,000 square meters. The total land premium of the above projects amounted to RMB1.02 billion, total land premium attributable to the Company's equity holding amounted to approximately RMB780 million, and the average land premium for new projects was RMB3,944/square meter. The Group has invested in a total of 82 projects since 2022. The average cycle of opening for sales of active investment projects was 5.7 months with a fulfillment rate of approximately 87% upon initial opening for sales.

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The Group continuously promoted the revitalization of existing resources through commercial-to-residential conversion, resources swap and other means to the extent permitted by policies. The Group has completed the revitalization and optimization of resources with a capacity of RMB45.5 billion in total since 2023. It achieved the cash return on revitalization and the recovery of investment receivables of RMB8.1 billion and the contracted sales of approximately RMB14 billion through the revitalization and optimization of resources.

As at the end of the Reporting Period, the Group's total plot ratio-based GFA under construction and under planning was approximately 82.135 million square meters. In particular, the plot ratio-based GFA under construction was approximately 50.851 million square meters, and its plot ratio-based GFA attributable to equity holding was approximately 32.296 million square meters. The plot ratio-based GFA of the projects under planning was approximately 31.284 million square meters, and its plot ratio-based GFA attributable to equity holding was approximately 19.932 million square meters. In addition, the Group was also engaged in some urban renewal projects. According to the current planning conditions, its total plot ratio-based GFA was approximately 3.739 million square meters.

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

Unit: sq.m.

No.	Project name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Plot ratio-based GFA attributable to equity holding of the Company	Project process
1	Vanke Infinity Phase I, Shenyang	Huanggu District	51.0%	32,512	52,019	26,530	Pre-construction
2	Vanke Infinity Phase II, Shenyang	Huanggu District	51.0%	21,498	45,146	23,024	Under construction
3	Oriental Mansion, Xuzhou	Tongshan District	100.0%	65,000	149,168	149,168	Pre-construction
Total				119,010	246,333	198,722	

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

Unit: sq.m.

No.	Project name	Location	Shareholding	Site area	Planned plot	Plot ratiobased	Project process
					ratio-based GFA	GFA attributable to equity holding of the Company	
1	Mancheng Phase II, Shanghai (Yangtai Road East Lot)	Baoshan District	35.0%	62,343	124,687	43,640	Pre-construction
Total				62,343	124,687	43,640	

(3) *Projects and the delivery*

In the first half of the year, the Group completed the delivery of 74,000 units, involving 169 projects and 262 batches, including 62,000 units of commercial housings. As the industry enters a new stage of development, the delivery of new houses has become a key factor affecting customers' decision of house purchase. In addition to on-schedule and quality-guaranteed delivery, the Group continued to improve customer satisfaction in delivery quality and living experience:

Firstly, we launched the “Building Homes with Owners” series of actions to gain access to customer communication channels, enhance the dynamic visualization of the construction site and improve the delivery process to win the trust of customers. In March, the event of “Real-scene House Buying Festival (實景購房節)” was launched nationwide to provide customers with a real experience of future life scenarios through the real-view display of the delivered communities and participation in rich community services. Since April, we have deployed and upgraded the construction site opening activity of “House Seeing”, allowing customers to enter their own homes to see the real houses. At the same time, 360 real-view cameras are used to facilitate customers to remotely check the progress of housing projects. In the first half of the year, 988 owner co-construction activities were carried out in 257 projects, and more than 20,000 owners walked into Vanke's construction sites to experience Vanke's products and services. In addition, the Group has continued to promote the work of certificate delivery upon house delivery. In the first half of the year, owners of 78 projects obtained their property ownership certificates at the delivery site.

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Secondly, we improved supporting facilities in the residential communities to create their good atmosphere and increase the occupancy rate of large-scale projects. In view of the insufficient basic living facilities and lack of vitality in the residential communities of some new projects, in the first half of the year, we improved property services and enhanced supporting facilities such as the commerce, transportation and education of the residential communities in 48 large-scale projects; and provided auxiliary activities including cultural entertainment, weekend fairs, and houses with move-in conditions to promote the creation of community atmosphere and build a warm community of Vanke. The overall number of households moved-in in large-scale projects increased by approximately 14,000, representing an increase of approximately 16%.

(4) Products and services

Continuing to iterate our product lines to promote the upgrading of our product capabilities. During the Reporting Period, the Group continued to deepen the construction of its product system and accelerated the application of mature products. Product lines such as “Shi Series” (拾系), “Image Series” (映象系) and “Jin Series” (錦系) have achieved good market response in recent years. During the Reporting Period, through continuous iteration, product quality and efficiency were further improved; “Image Series” is positioned as an artistic, trendy and luxurious residence in the center of the city, creating a collection of fashion and art in the city’s main area, and has been implemented in five projects in three cities including Shanghai, Hangzhou and Ningbo; the “Jin Series” product is based on the product proposition of weaving a “brocade”-like life, aiming to create high-end living experience in line with the concept of modern oriental aesthetics, and the new generation of products have been implemented in 4 projects in 4 cities including Changsha, Yinchuan, Wuhan and Zhengzhou, and have been recognized by the market.

Insisting on the research and development and innovation of comprehensive residential product modules to enhance the living experience. The Group has been exploring in-depth the real needs of customers for residential products and insisting on the research and development and application of key product modules. The inner and outer box module, which is positioned as a social and commercial support, has been applied in major projects in seven cities including Beijing and Hangzhou this year; the town center module, which is positioned as a product model of market cultural and sports small complex, has been implemented in seven cities including Guangzhou and Xi’an; and the “V+M” fine decoration module dedicated to exploring interior decoration product solutions has been applied in projects in four cities including Beijing, Chongqing, Xi’an and Guangzhou, and the research and development of the related modules are still in the process of deepening.

Promoting the research and development of cutting-edge products in future urban ideal unit. During the Reporting Period, the project of Ideal Land in Jiading, Shanghai, the first “future urban ideal unit” of the Group, opened its public service facilities ahead of the residential part, strengthening the functional connection between the residential community and the city, and truly realizing the presentation of “from good houses to good residential communities to good urban areas”. The technologies of the project such as PEDF (photovoltaic, energy storage, direct current and flexibility), energy and carbon management platforms, and local processing of wet waste have also been put into use, with good operating results. Meanwhile, the future urban ideal unit model has also been promoted in many places. For example, the Ideal Flowerland in Guangzhou is attempting to further develop the future urban ideal unit model by integrating the technological innovation achievements based on the characteristics of the central urban areas, high capacity and high density. Emerald Albany Phase IV, Shanghai is also exploring the different versions of district scale and the city center. Projects such as Wuhan Yunbo Riverside and Chengdu Urban Xanadu are being implemented in the form of modules.

Deeply participating in important urban development processes such as urban renewal, growing together with the city, exploring and establishing the ability to create city-level scenes. In the first half of the year, Columbia Circle Phase II, Shanghai was completed and opened with businesses including office, commercial, education, sports and culture, etc.. On the basis of retaining the original historical features, a three-dimensional open public space system that is in harmony with nature has been built, successfully creating an international culturally vibrant community with complex functions by introducing young and dynamic brands..

(5) Agent construction

The Group’s agent construction business involves a wide range of projects with large scale as well as leading agent construction service capabilities in different business scenarios, which mainly provides EPC and agent construction services for government departments, state-owned enterprises and financial high-tech enterprises, and at the same time actively expands agent construction and sales projects. Currently, there are 85 projects under management with a total floor area of 14.73 million square meters. 1.59 million square meters were delivered in the first half of 2024. EPC and agent construction business realized revenue of RMB3.80 billion, and won 1 national award, 2 provincial awards, 38 municipal awards, and 5 other commendations, of which, the Shenshan Senior High School project was granted the “2024 Engineering Construction Project Design Level Evaluation Results - Second Prize Achievement Award” by the Green Building Work Committee of the China Association of Construction Enterprise Management, Shenzhen Dalang Culture and Art Center and Shanwei University of Technology Project Phase I were granted the “2024 Guangdong QC Quality Group Category III Achievement” and the “Quality Structure Award for Guangdong Construction Work in 2023” respectively by Guangdong Construction Industry Association.

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(6) Existing properties development and sales

Improving development efficiency and building leading capabilities in the sales of existing houses. In recent years, the Group has improved its development efficiency through front-end product design, project planning, finely interspersed construction and other methods, and formed a complete process of rapid development, construction and delivery of existing houses, which has been implemented in some cities. Following the housing project of Golden Miles, Hainan achieved delivery and sales of existing houses in 12.3 months, and the housing project of Hainan The Park achieved delivery and sales of existing houses in 14.5 months in 2023, the Group continued to develop existing houses for Hainan Sanya Bay project in the first half of 2024, which went from land acquisition to the topping out of 16 buildings in the whole community within 255 days, and is scheduled to be completed for inspection and acceptance and obtain the real estate sales certificates by the end of the year.

2. Property services

Onewo, a subsidiary of Group, 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.

During the Reporting Period, Onewo achieved the revenue of RMB17.63 billion (including revenue from services rendered to Vanke Group), representing a year-on-year increase of 9.5%, of which the revenue from residential and consumer services in community space was RMB10.15 billion, accounting for 57.6% and representing a year-on-year increase of 11.5%, the revenue from retail property and corporate services and urban space comprehensive services was RMB6.08 billion, accounting for 34.5% and representing a year-on-year increase of 7.0% and the revenue from AIoT and BPaaS solutions was RMB1.40 billion, accounting for 7.9% and representing a year-on-year increase of 5.9%.

Deepening the Onewo Town strategy and expanding existing houses to support property expansion. By virtue of its good reputation for residential services and upgrading service model, Onewo continued to maintain its industry-leading ability to expand the existing residential market. During the Reporting Period, Onewo obtained 221 residential service projects, with a total saturated revenue of RMB1.276 billion. Among them, the winning rate for acquiring existing projects within the Onewo Towns reached 74%, and the number of Onewo Towns increased from 621 at the beginning of the year to 642. In the first half of the year, Onewo newly renovated 50 Onewo Towns. By the end of the Reporting Period, a total of 200 Onewo Towns (including 1,337 residential property projects) had completed process transformation and acceptance.

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Focusing on high-quality customers and consolidating organizational resilience. In terms of commercial enterprise services, Onewo continued to focus on high-quality customers, serving a total of 2,382 projects with 2,804 contract projects; at the same time, it actively explored the value-added service needs of commercial office spaces, including but not limited to energy management, group meals, dust-free management, and parking lot management, etc. During the Reporting Period, Onewo achieved revenue of RMB252 million in diversified operations of commercial enterprises, representing a year-on-year increase of 62.1%. As the commercial office service brand of Onewo, Cushman & Wakefield Vanke Service, continued to be honored as the “TOP1 IFM Comprehensive Facility Management Enterprise in China” and won awards such as “2024 Leading Property FM Facility Management Enterprise in China”. During the Reporting Period, Onewo also strived to serve more aspects of quality customers. It has established comprehensive strategic cooperation with top domestic AI enterprises to provide diversified enterprise services such as facility management services, remote labor support services for enterprises and repair services, which has entered RMB123 million worth new contracts.

Leveraging the power of technology to help improve space efficiency. As of the end of June, Onewo has installed Black Cat traffic equipment in 2,747 projects, with 593 million users in the first half of the year. Smart traffic has provided owners with convenience in life; 3,125 Pineapple No.1 equipment were installed in residential projects, achieving 100% coverage of the residential community after the renovation of Onewo Towns. During the Reporting Period, Onewo optimized AI algorithm constantly, and AI inspection algorithm for 19 critical issues in residential spaces can reach an average accuracy rate of 85%.

3. *Rental housing*

The Group’s “Port Apartment” is the largest centralised apartment provider in the PRC.

During the Reporting Period, the rental housing business (including unconsolidated items) realised revenue of RMB1.73 billion, representing a year-on-year increase of 5.3%.

Continuing to expand the scale and consolidate the leading position. In the first half of the year, Port Apartment has newly acquired 15,000 rooms in Beijing, Shenzhen, Hangzhou, Chengdu and other cities, of which 12,000 rooms were acquired in first-tier cities, accounting for 80.6% of the total; and a net of 3,300 rooms were unveiled. As of the end of June, Port Apartment operated 242,000 rental houses and unveiled a total of 183,000 units in 29 cities across the country, and the management scale of centralized long-term rental apartments was the largest in China, and the number of corporate customers served exceeded 5,300, bringing a more stable customer structure to the business. In addition, Port Apartment actively responded to the affordable rental housing policy of the country, and had 155 affordable rental housing projects in 23 cities including Beijing, Tianjin, Shenzhen and Xiamen, involving 112,000 units.

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Enhancing operational efficiency and service quality. As of the end of June, the occupancy rate of Port Apartment was 95.2%; the project front GOP margin was nearly 90%, continuing to maintain the industry leadership; and the single-room operating costs decreased by 13.3% year-on-year. In order to improve the quality of services, Port Apartment continued to carry out the “new environment maintained after residence” and “eight must-have repairs” for the operation and maintenance of properties and equipment to realize “new environment maintained after residence” for old projects. For example, the store in Xi’an University Town has been open for 9 years and faced with the problem of aging assets, the project team carried out repairs and renovations on its own, thus the old projects were refreshed and customer satisfaction was enhanced.

Establishing product advantages and community reputation on large-scale projects. In the process of operating large-scale projects such as Caoqiao, Beijing (Community product series) and Vanke Cloud City, Shenzhen, Port Apartment has accumulated extensive product experience and service capabilities, which have been gradually transformed into competitive business advantages. For example, Xiamen Haiwan community, with a total of 4,044 rooms, entered the market in March 2023, faced with the situation of sparse permanent residents, lack of public transportation and insufficient living facilities in the area, through its accumulated experience in B-side customers, the ability to attract investment in living facilities and the community operation capability, was able to sign contracts for an average of 500 houses per month for 16 consecutive months since it was opened, and achieved an occupancy rate of 100%, with a NOI rate of more than 5% for the first full year.

Providing a warm lifestyle for customers. Port Apartment continued to carry out the community manager program to jointly build communities and establish various interest circles such as dating, sports, board games, handicrafts, movies, outdoor cycling, etc., as well as customized communication activities with different themes for corporate customers on lease, so as to help new youths integrate into the city more quickly. In the first half of the year, Port Apartment stores across the country held more than 900 community activities, and specially planned the first “Port Apartment Dating Season”. The customer satisfaction rate of Port Apartment increased to 94.5%. The cumulative number of registrants on the online platform of Port Apartment reached 4.61 million, representing an increase of 63.4% year-on-year and the number of fans of the official account reached 1.23 million.

Leveraging our mature operation and management capabilities to help revitalize internal and external existing resources. For example, the Pingshan Village project in Shenzhen has acquired 6,000 rooms through the “state-owned enterprise leasing + joint venture operation” model. Through strategic cooperation with Xiaomi, we acquired the dormitory project of Beijing Xiaomi, with 2,658 rooms, creating a benchmark project for corporate staff dormitories. The Port Apartment business has gained the trust of local governments in many cities and achieved new breakthroughs in project expansion. We have established strategic cooperation with governments and state-owned enterprises in Changchun, Jinan, Tianjin and Chengdu. Moreover, the revitalization and operation of internal existing assets have also become a new business growth model. The Shenzhen Hesongxuan project (深圳和頌軒項目), which was opened this year, converted 1,088 apartments from sale to rent, and achieved full occupancy upon its opening. In the first half of the year, six commercial office projects were revitalized from sale to rent, with more than 5,500 rooms.

4. *Retail property development and operations*

The Group's retail property development and operation business includes shopping malls and community retail property facilities etc. "SCPG" is a professional retail property development and operation platform under the Group.

The Group has opened a total of 197 commercial projects (excluding light asset management projects) with a floor area of 11.06 million square meters; and the floor area of the planned and under-construction commercial projects was 2.249 million square meters. Among them, SCPG has opened a total of 71 commercial projects (excluding light asset management projects) with a floor area of 6.652 million square meters; and the floor area of the planned and under-construction commercial projects was 0.714 million square meters.

Maintained revenue growth. During the Reporting Period, the operating income from the Group's commercial business (including non-consolidated items) was RMB4.59 billion, representing a year-on-year increase of 6.7%. Among them, the operating income from the commercial projects managed by SCPG was RMB2.71 billion; and the overall occupancy rate was 94.2%, basically unchanged year-on-year.

New projects opened smoothly. In particular, Shanghai Xuhui Vanke Mall Phase III project was opened in June, and achieved a contract rate of 92%, an opening rate of 88%, and a regional first store rate of 40%. The project has provided residents with an innovative experience of urban ecological micro-vacation, and has ranked the Top 1 on the hot list of the local shopping malls after opening; Shanghai Pufa Sanlin Inreach, the first Inreach product in Shanghai, was opened in June, with a total passenger flow of more than 280,000 in seven days of opening, and was well received by consumers.

Improved operations of existing projects. In the first half of the year, some existing projects improved their operating results through customer group research, positioning adjustments and other measures. For example, SCPG Center in Shenzhen has opened scheduled buses to and from Hong Kong to facilitate customers' direct shopping. Through measures such as formulating customized service plans, project renovation and rejuvenation, and enhancing brand richness, passenger flow has increased by 6%. Urumqi Tianshan Vanke Mall continued to optimize its supporting facilities and create a night economy business atmosphere, with sales in the first half of the year increased by 9.4% year-on-year and operating income increased by 6.9% year-on-year.

Consumption infrastructure REITs performed well. During the Reporting Period, CICC-SCPG Consumption Infrastructure Closed-end Infrastructure Securities Investment Fund was listed on the SZSE, raising net funds of RMB3.26 billion. In the first half of the year, the underlying assets of such REIT, Hangzhou Xixi INCITY project, achieved good operating performance, with passenger flow increased by 3.3% year-on-year and sales increased by 10.7% year-on-year. At the end of the Reporting Period, the time-point occupancy rate was 98.4% and the rent collection rate was 100%. Calculated based on the issuance scale, the annualized distribution rate of such REIT was 5.44%, achieving 104.37% of the forecast level in prospectus.

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Continuously expanded influence of commercial brands. As of the end of June, the Group had established good cooperation with over 12,000 brands, with a digital membership of 30.864 million and a monthly active membership of over 3.414 million, representing a year-on-year increase of 16.9% in the first half of the year.

5. *Logistic and warehousing services*

VX Logistic Properties is the Group's multi-temperature zone logistics and warehousing services and integrated supply chain solutions platform. Currently, VX Logistic Properties ranked top in the industry in terms of comprehensive strength.

For the first half of the year, the logistics business (including unconsolidated items) generated a revenue of RMB1.94 billion, of which RMB1.07 billion was generated from the revenue of high-standard warehouses, representing a year-on-year decrease of 6.0%; and RMB0.88 billion from the revenue of cold chain (excluding revenue of supply chain business), representing a year-on-year increase of 8.4%.

The unveiling scale increased, and leasable floor area of warehousing exceeded 10 million square metres. For the first half of the year, VX Logistic Properties newly opened six parks, with the total leasable floor area of 517,000 square meters. As at the end of the Reporting Period, the cumulative leasable floor area of the opened projects was 10,439,000 square meters, of which the occupancy rate of high-standard warehouses in the stable period was 85%, with a leaseable floor area of 8,493,000 square meters and the utilization rate of cold chain in the stable period was 74%, with a leasable floor area of 1,946,000 square meters.

We executed contracts with top-tier customers in industries and connected upstream and downstream of the industry. During the Reporting Period, VX Logistic Properties executed contracts with 3 well-known chain coffee brands to provide integrated supply chain services covering warehousing, distribution and operation in the warehouse. VX Logistic Properties also signed a strategic cooperation agreement with S.F., pursuant to which, both sides will carry out all-round strategic cooperation in cold chain warehousing resources, cold chain transportation, distribution and resources for the last one kilometer. The cooperation on Hunan and Qingdao cloud warehouses of SF Cold Chain. has been initiated in cold chain parks under VX Logistic Properties.

We released Unified Warehouse and Distribution (UWD) products and continuously upgraded operation service capabilities. During the Reporting Period, VX Logistic Properties launched "VX Unified Warehouse and Distribution" (萬店配), a standardized UWD product, to provide customers with integrated cold chain logistic services in warehousing and distribution based on VX Logistic Properties' nationwide warehousing network through "breaking up" unified distribution.

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We fully implemented the green and sustainable development concept. In the first half of the year, VX Logistic Properties released its first Environmental, Social and Governance Report, which disclosed its measures to actively respond to climate change and the progress under the carbon peaking and carbon neutrality goals. As of the end of June, VX Logistic Properties' certified floor area of green buildings reached more than 8.6 million square meters. 108 projects obtained three-star green certification, and 13 cold chain parks obtained LEED gold prize/certification (including 7 platinum and 6 gold prizes). With its outstanding practice in sustainable development, VX Logistic Properties was awarded the "Prize for Outstanding Contributions in Low-Carbon Supply Chain Logistics of LOG in 2024" by LOG.

(IV) Technology-driven business development

The Group focused on two main lines of work, namely "focusing on business, providing high-tech products, and facilitating business management" and "Strengthening technological capacity and core competitiveness of real estate technology through technological innovation" to provide support for business development.

Improving the financing management platform to facilitate dynamic matching of assets and debts and balanced cash flow. We mastered all financing contracts, loan balances and repayment arrangements of the Group through the financing platform to meet the requirements on changes in financing models. We improved the post-financing management of development loans and operating loans to dynamically match balance of project development, sales and repayment on a project-by-project basis.

Continuously strengthening the ability to acquire customers through the Internet. We summarized practical experience and methodologies in live streaming in different places and established 5 live streaming bases across the country to improve the live streaming capability through training in rotation, joint building and other means. With tools such as domain-wide automatic rule distribution of clues in the unified WeChat marketing backend, online rapid reception and AI customer services, we improved the distribution and response speed of online customer clues, enhancing the customer interaction experience and facilitating transactions.

Deeply applying and continuously iterating the "AI Drawing Review" (AI 審圖) product and obtaining key promotion support from China's Ministry of Housing and Rural Development. The product creatively introduced AI methods based on feature learning into design review and developed unique review algorithms for architectural engineering drawings by using deep learning and computer vision algorithms in combination with trainings on a large amount of drawing data. Currently, the product supports the automatic review of more than 800 standards on the construction industry and has become the common choice of over 90 peer enterprises, design institutes and government agencies. It has served more than 1,100 projects, reviewed over 800,000 drawings and identified 1.18 million problems in total, effectively controlling the design quality of products through the online closed-loop processes.

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Promoting “Wanyi Tuyun” (萬翼圖雲), a digital drawing product, and facilitating the cloud collaboration of all projects under construction of the Group on the “same drawing”. With the technology of “bid model of drawings”, the product can read multi-layered, unstructured and multi-mode engineering and construction drawings, and realize efficient and accurate understanding of drawings through the self-developed vectorized recognition model and RAG technology of drawings. Internal and external positions of projects under construction can realize online distribution of drawings, version updating, online annotation, the identification of quality problems, automatic comparison after rectification of problems, mobile viewing, voice search and so on.

Developing “Yilanyun” (翼覽雲), a digital engineering platform, and improving the efficiency of development, construction and management. Building on the UAV and 360 panoramic technique, we intelligently collected raw materials from construction sites and developed accurate, authentic, complete and real-time digital twin engineering models. Meanwhile, with the help of AI algorithms, we conducted visual comparison on design drawings and data with on-site actual conditions and identified risks on the progress, quality, safety and cost in a timely and accurate manner to guarantee the quality and progress of delivery. In addition, it achieves real-time cloud-based sharing of real conditions of project construction sites through QR codes, enabling customers to have a comprehensive and transparent understanding of the construction of projects.

(V) Analysis of operations and financial position

1. Loss

During the Reporting Period, the Group recorded the loss attributable to the shareholders of the Company of RMB9.85 billion, representing a year-on-year decrease of 199.8%.

2. Liabilities

(1) Gearing ratio

As at the end of the Reporting Period, the Group’s net gearing ratio (i.e. net debt divided by total equity) was 62.0%.

(2) Interest-bearing liabilities and their composition

As at the end of the Reporting Period, the Group’s interest-bearing liabilities amounted to RMB331.27 billion in aggregate, representing 23.3% 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 RMB101.95 billion, representing 30.8% of total; interest-bearing liabilities of more than one year amounted to RMB229.32 billion, representing 69.2% of total.

By financing source, bank borrowings, bonds payable and other borrowings accounted for 67.8%, 19.5% and 12.7%, respectively.

By type of interest rates, liabilities with fixed interest rates accounted for 33.1% and liabilities with floating interest rates accounted for 66.9% of the interest-bearing liabilities. Pledged interest-bearing liabilities amounted to RMB44.24 billion, accounting for 13.4% of the total interest-bearing liabilities. The interest-bearing liabilities without any pledge or mortgage accounted for 74.8%.

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By geographical location, domestic liabilities and overseas liabilities accounted for 83.3% and 16.7% respectively, of which the proportion of overseas liabilities decreased by 3.0 percentage points from that at the beginning of the year. RMB liabilities and foreign currency liabilities accounted for 83.4% and 16.6%, respectively.

Overview of financing (as of 30 June 2024)

Unit: RMB'0000

Channel	Balance	Range of financing costs	Term structure
Bank loans	22,450,099.74	2.55% up to contracted Hibor rate float	Short-term borrowings, non-current liabilities due within one year, long-term borrowings
Bonds	6,447,812.70	2.90%~4.11%	Non-current liabilities due within one year, bonds payable
Other borrowings	4,229,001.19	1.43%-4.60%	Short-term borrowings, non-current liabilities due within one year, long-term borrowings
Total	33,126,913.63		

(3) *Financing overview*

The Group continued to optimize its debt structure and reduce financing costs through various financing instruments. The comprehensive cost of domestic new financing in the first half of 2024 is 3.60%. The weighted average term of debts of interest-bearing liabilities was 5.3 years at the end of the period.

During the Reporting Period, the Group's actual interest expenses totalled RMB6.80 billion, of which the capitalised interest amounting to a total of RMB4.07 billion.

3. *Capital position*

During the Reporting Period, the Group achieved a net cash outflow from operations of RMB5.18 billion. As at the end of the Reporting Period, the cash on hand held by the Group amounted to RMB92.40 billion. Among the cash and cash equivalents, Renminbi accounted for 97.4%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 2.6%.

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4. *Risk of fluctuations in exchange rates*

The Group conducts a majority of its business operations in the PRC. Most of the revenue and expenses are denominated in Renminbi. During the Reporting Period, the Group recorded an exchange gain of approximately RMB64 million.

In order to constantly control the medium and long-term fluctuation risks of the exchange rate, the Group persisted with dynamic management of matching of foreign currency asset and liability, term structure and offshore liquidity risk, and utilised natural hedging and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates of foreign currency liabilities, the Group's effective cross currency swap (CCS) contract balance was US\$225 million at the end of the Reporting Period. During the Reporting Period, US\$775 million of CCS contract was expired and there were no new hedging contracts. During the effective period of the hedging contracts, the changes in the fair value of CCS had no impact on the Group's profit and loss.

5. *Analysis of inventory*

As at the end of the Reporting Period, the Group's inventory amounted to RMB620.42 billion, representing a decrease of 11.6% from that at the end of 2023; of the aforesaid inventory, projects held for development amounted to RMB91.32 billion, accounting for 14.7%; properties under development amounted to RMB421.39 billion, accounting for 67.9%; and completed properties for sale (existing properties) amounted to RMB104.70 billion, accounting for 16.9%.

Based on the prudent market strategy, the Group has made provision for inventory impairment for items with risk exposure. An additional provision for inventory impairment of RMB1.93 billion was made during the Reporting Period. At the end of the Reporting Period, the balance of provision for inventory impairment was RMB8.30 billion.

6. *Contingent liabilities*

In accordance with industry practice, the Group provided guarantee for mortgage loans taken by purchasers of the Company's properties. The terms of the provisional guarantee commenced on the day the guarantee agreement becoming effective up to the day on which the ownership certificates of the properties purchased by the customers being obtained and the mortgage being registered and delivered to the mortgage banks. As at the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB142.19 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.

Section 3 Management Discussion and Analysis

7. Change of key performance indicators

Unit: RMB'000

Items	30 June 2024	31 December 2023	Change	Description
Biological assets	349,670	218,250	60.22%	Project in production and expanding farming scale
Short-term bank loans and borrowings from financial institutions	81,889,991	43,572,666	87.94%	Change in financing structure
Provisions	941,857	450,399	109.12%	Increase in advanced litigation claims
Items	January-June 2024	January-June 2023	Change	Description
Other net income	232,975	2,777,622	-91.61%	Losses on disposal of assets
Other expenses	(2,950,865)	(473,413)	523.32%	Provision for credit impairment losses on certain receivables
Income tax	(3,971,937)	(12,549,300)	-68.35%	Decrease in taxable profit

(VI) Future development prospects

In the future, the Company will continue to resolutely implement the “package plan”, focus on the three main lines of “guaranteeing the delivery of housing, guaranteeing payment, and transforming to high-quality development” to carry on the work.

Firstly, ensuring high-quality delivery: It will make all efforts to guarantee the delivery work. 188,000 houses are expected to be delivered for the whole year.

Secondly, making positive efforts to resolve debt: It will ensure that public debt is repaid on schedule.

Thirdly, transforming to high-quality development:

Actively promoting the exit of non-mainline business investments, settling and transferring non-mainline business financial investments by focusing on the principal business, and adhering to the three core businesses of comprehensive residential development, property services and rental housing. Business development: it will strengthen sales and guarantee delivery, actively promote sales return, conduct each work with cash flow safety as the core, and strengthen the product, agent construction and sales capacity advantage of existing houses. As an integral part of the integrated residential business, our commercial business ensured the smooth opening of key projects, promoted the specific resolution of key projects and improvement of operations,

Section 3

Management Discussion and Analysis

safeguarded the NOI level of key financing and transaction projects, and improved the performance of REIT returns and enhancement of asset values. Property services: it will ensure the quality and expand the market, consolidate basic service capacity, provide high-quality basic property services; actively participate in market expansion under the Onewo Town strategy by relying on its advantages in brand and regional density. Rental housing: it will enhance efficiency and create value so as to improve project operation efficiency; optimize asset quality, innovate cooperation models, cultivate qualified assets, and create exit paths with multiple channels; build the capacity of the whole industry chain encompassing production, construction and digital operation, and explore future-oriented development pattern. Strengthen logistics and warehousing services and improve capabilities: Focus on the cold chain and core cities, improve the warehouse network layout; create standardized product services, improve the service capabilities of integrated supply chain solutions, and enhance customer stickiness.

Continuing to conduct asset transaction and REITs issuance. It will achieve the healthy realization of operating assets and make positive effort to recover funds.

Promoting the conversion of the financing model. It will gradually convert from the principal credit financing model of unified borrowing and repayment to a financing model based on project and asset credit.

In order to cope with the current severe operating challenges and adapt to the new model of industry development, the Company will further strictly implement measures to reach fitness and health, cost reduction and efficiency improvement in the second half of the year, including:

Update organizational mechanisms and strengthen streamlining. Focus on building head strength and capabilities based on the Group as a whole and set up differentiated organizational structures based on actual needs; reduce organizational levels, shorten the decision-making chain, and improve decision-making efficiency and quality; strengthen the culture of strive, strengthen the assessment and replacement of management person, and activate new organizational momentum; improve corporate governance, strengthen internal control, and prevent major risks.

We will make every effort to reduce costs and increase efficiency and achieve a further 15% year-on-year reduction in annual administrative expenses in 2024. On the one hand, a comprehensive labor inventory review shall be carried out, and based on business downsizing and organizational streamlining, organizational planning adjustment goals will be clearly proposed to promote organizational efficiency improvement. On the other hand, we shall reduce expenses, sort out expense accounts in detail, and lower administrative cost standards to ensure cost reduction and efficiency improvement.

II. Investment analysis

(I) Overview

Applicable Not applicable

(II) Significant equity investment gained during the Reporting Period

Applicable Not applicable

(III) Significant ongoing non-equity investment during the Reporting Period

Applicable Not applicable

(IV) Investment in Financial Assets

1. *Investment in securities*

Applicable Not applicable

2. *Investment in derivatives*

Applicable Not applicable

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 by 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.

Section 3 Management Discussion and Analysis

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, CCS due for settlement brought a loss of RMB14.5005 million to the Company.

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

Special opinion on derivative investment and risk control of the Company from independent directors

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 and interest rate through derivative financial instruments such as CCS. The relevant arrangement of the Company had been prudent and reasonable.

Positions of derivative investment 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 Group's net assets as at the end of the period
CCS	712,580.00	164,234.25	(1,450.05)	0.43%

(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 of the proceeds set out in the prospectus and there was no change in the proceeds from fund-raising activities.

III. Major Sale of Assets and Equity

(I) Major sale of assets

Applicable Not applicable

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

(II) Major sale of equity

Applicable Not applicable

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

IV. Analysis of principal subsidiaries and associates

Applicable Not applicable

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

V. Structured entity controlled by the Company

Applicable Not applicable

VI. Risks of the Company and Countermeasures

The principal risks currently faced by the Company and countermeasures thereof are not materially different from those at the end of the previous year. For details, please refer to “XVI Internal Control and Risk Management” under “Section 5 Corporate Governance Report” of Annual Report 2023 of the Company.

Section 4 Corporate Governance

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

(I) General meetings held during the Reporting Period

On 30 April 2024, the Company held the 2023 Annual General Meeting, the shareholders of the Company participated in the meeting via on-site meeting and internet voting (only applicable to holders of A shares). Shareholders with total shareholding representing 39.4550% of the total issued share capital with voting rights attended the general meeting.

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

Applicable Not applicable

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

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

Mr. LIU Tsz Bun Bennett, an independent non-executive Director, was elected and appointed as an independent non-executive Director and the chairman of the audit committee of China Petroleum & Chemical Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600028; and the SEHK, stock code: 0386) on 28 June 2024.

III. Profit Distribution & Increase of Share Capital due to Conversion of Equity Reserves during the Reporting Period

There will be no distribution of cash dividend, bonus share or conversion of capital reserves into share capital for the interim period of 2024.

IV. 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).

V. Corporate Governance

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

During the Reporting Period, the Company held one general meeting. Some Independent Non-Executive Directors did not attend the general meeting due to other important business engagements at the same time. The Company has circulated content of the live text of the general meetings to the directors for their information.

2023 Annual General Meeting: YU Liang, Chairman of the Board, XIN Jie, Vice Chairman of the Board, ZHU Jiusheng, HU Guobin, HUANG Liping, LEI Jiansong and WANG Yun, Directors, and LIU Tsz Bun Bennett and ZHANG Yichen, independent non-executive Directors, XIE Dong, Chairman of the Supervisory Committee, LI Miao and PAN Zhangliang, Supervisors, and HAN Huihua, LIU Xiao and ZHU Xu, senior management of the Company, attended the meeting and had adequate communication and exchange with the shareholders of the Company.

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

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

The financial report of the Report was reviewed by the audit committee of the Board. Other than those disclosed in the Report, during the Reporting Period, no other significant changes affecting the performance of the Company should be disclosed in accordance with the paragraphs 32 and 40(2) of Appendix D2 to the SEHK Listing Rules.

VI. Number of Employees and Their Remuneration and Benefits

As of 30 June 2024, there were 132,754 employees on the Group's payroll.

During the Reporting Period, the Group accrued employee remuneration and benefits totaling RMB9.228 billion.

Section 5 Environmental and Social Responsibility

In line with the business mission of “creating real long-term value for the widest range of stakeholders”, the Company constantly explores new paths toward green, sustainable and high-quality development and integrates sustainable development into the entire process of operation management, product development and service provision, so as to put into action its corporate social responsibility. The Company has put forward about 50 sustainable development goals, covering emission reduction, waste reduction, energy use, climate change, customers, employees, suppliers and other aspects, setting goals and charting the course for sustainable development in the future.

The ESG performance of the Company has been widely recognized by capital markets, indexes and rating institutions in China and the world. Vanke is currently rated AA in the CNI Index ESG rating of the Shenzhen Stock Exchange, A+ in the HSSUS (Hang Seng ESG Index), AA in the WIND ESG rating, AA- in the CCX Green Finance ESG rating, and BBB in the MSCI ESG rating. Meantime, Vanke maintained to be included in Hang Seng (China A) Corporate Sustainability Index, Hang Seng (Mainland and HK) Corporate Sustainability Index, Hang Seng Stock Connect China A ESG Leaders Index and Hang Seng Corporate Sustainability Benchmark Index. In the first half of 2024, Vanke was honored a number of awards, including the “All-Asia Executive Team 2024” – Mainland China Survey – Top 1 in Best ESG Program of the Property sector by the Institutional Investor and the 7th China IR Excellence Awards– Best ESG.

Developing green buildings. In order to achieve the real harmonious coexistence between buildings and the nature, we strictly controlled the life-cycle environmental protection management of buildings from design to operation, and made every effort to save resources and reduce the negative environmental impact while ensuring quality, safety and other basic requirements. The Company attached great importance to the research, development and innovation of green and environmental protection technologies, and carried out in-depth research on green buildings, smart operation and maintenance, ecological environment, renewable energy and waste treatment, with a view to empowering the sustainable development of human settlement, life and environment with innovative ideas and achievements. We continued to promote the innovative development of new building materials, and conducted research on the comprehensive utilization of industrial wastes including fly ash, slag and desulfurized gypsum while developing materials such as low-carbon tile adhesives, self-leveling gypsum and lightweight plastering gypsum. New materials can greatly reduce carbon emissions compared to traditional products. New construction projects met green building evaluation standards for 11 consecutive years, and by the end of June 2024, Vanke met green building evaluation standards for a total area of 331 million square meters. During the Reporting Period, 3 new projects (residential/public/logistics and warehousing) have been awarded 2-star certification of green building, and 1 LEED Gold certification. Of all the new real estate development, logistics and commercial projects that met the green building evaluation criteria during the Reporting Period, 61.5% incorporated renewable energy design.

Promoting industrial construction continuously. The Company has proactively echoed the call of relevant national policies related to prefabricated buildings, and kept on deepening its research on the industrial construction system, and expanding the application of prefabricated buildings in Vanke's projects and businesses. At the same time, the Company insisted on bolstering its

Section 5 Environmental and Social Responsibility

research and development in prefabrication technologies, extending the application of cutting-edge prefabrication technologies, including fast-construction & fast-installation systems, prefabricated decoration, one-step molding of interior and exterior walls and others, so as to elevate its lean construction capabilities and to further reduce the unit energy consumption of projects under construction throughout their lifecycle. Currently, Vanke has implemented a large number of industrial construction projects in seven major regions and 85 major cities, with accumulated industrial construction area of over 230 million square meters. In the first half of 2024, more than 90% of new major projects have realized industrial application.

Practising green operation. The Company mulled over the efficiency of energy and water resources use in project investment, development, design, construction and operation, in a bid to minimize waste of resources. In terms of commercial development and operation business, underpinned by the intelligent energy management platform, the Company continued to shore up Vanke's ability to manage its commercial assets in a green and low-carbon manner by strengthening refined management and application of renewable energy. In the meantime, the Company persisted in increasing the use of renewable energy, actively promoting the use of microgrids, distributed photovoltaic and other renewable energy technologies, and fostered industry-leading, high-yield rooftop distributed photovoltaic power plant assets from the perspective of power generation efficiency, engineering quality, and the level of operation and maintenance, so as to boost energy conservation and emission reduction. With respect to water resources management, Vanke attaches importance to water conservation and water resources recycling during the whole process of operation, and continuously reinforced its management efforts in water conservation through multiple measures to improve the utilization efficiency of water resources and cut back on the waste of water resources. The Seventh Vanke Zero Waste Day (萬科第七屆零廢棄日) came to a successful conclusion in the first half of 2024. Not only did the Company promote zero-waste practices within the enterprise, but also influenced and propelled a wider public to participate in a zero-waste, green and low-carbon life through various channels such as communities, schools and hotels.

Promoting green leasing. The Company is committed to maintaining long-term, mutually beneficial partnerships with its tenants and worked closely with them to advocate green shopping malls, green offices, energy-efficient operations, and the use of environmentally friendly renovation materials, and others. The Company steadily beefed up its green leasing efforts and helped tenants to incorporate sustainable practices into their operations throughout the leasing lifecycle. The Company has taken the initiative to engage in net leasing, which requires all tenants to pay for the energy and resource costs incurred during their production and living processes, thereby encouraging tenants to implement green operation measures and develop a healthy and green lifestyle. Meanwhile, Vanke continued to include ESG initiative clauses as an integral part of its standard lease contracts covering its commercial development and operation and rental housing business. In the first half of 2024, the green initiative clauses were incorporated into 100% of new rental contracts signed by tenants of Port Apartment, and 100% of tenants' contracts were paperless.

Section 5

Environmental and Social Responsibility

Responding to climate change and its impacts. The Company is fully aware that climate change will create opportunities, stimulate innovation in our business and facilitate the Company to transform to a low-carbon economic development model. On the other hand, climate change may also pose risks to our business and may lead to climate transformation risks, which may cause potential financial impacts. We have continuously updated, examined and reviewed Vanke's progress in managing climate change risks in line with our own business. Through scenario analysis and policy summary, we have identified 12 transition risks and 10 physical risks at the industry and corporate operational levels, produced a list of climate change risks for the entire business scope, and analyzed both internally and externally, so as to determine our priorities in adapting to/mitigating climate change plans, adjust our business model, and enhance our capacity in managing climate change risks. In addition, the Company has identified three of the 15 categories of Scope 3 carbon emissions, including upstream leased assets, business travel, as well as investments. In the future, we will continue to conduct Scope 3 reviews to identify key categories of emissions under management and disclosure.

Creating a sustainable supply chain. Vanke recognizes suppliers as important partners, treats them with integrity, and desires to collaborate with all parties to create a sustainable supply chain. Vanke has formulated and published the Supplier's Code of Conduct of Vanke Group (《萬科集團供應商行為準則》), which specifies Vanke's minimum standards and measures for suppliers to comply with laws and regulations, labor rights, health and safety, and business ethics. On the premise of fully protecting the interests of suppliers, we have put forward requirements on suppliers' compliance, environmental protection and necessary quality control, which are consistent with the entire process of supplier selection, admission and assessment. The Company has launched a series of ESG programs for green supply chain to continuously enhance the impact of Vanke's green value chain. Meanwhile, we have formulated a series of green management and control standards for suppliers to ensure the green development of our value chain.

Supporting rural revitalization. Vanke continued to implement the multi-town rural revitalization demonstration belt project in Ruyuan Yao Autonomous County, Shaoguan City, which was completed and handed over to the local government in early 2024. At the same time, Vanke continued to promote the development of education in rural areas through specialized funding and professional resources from Zundao in Sichuan Province and Yongshun in Hunan Province, so as to help achieve the growth of students and teachers.

Section 6 Significant Events

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

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" through its official website. SZMC made the following undertakings in the report of detailed change in equity on 18 March 2017. As of the end of the Reporting Period, SZMC had fulfilled its undertakings.

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

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

1. Independence of staff of the listed company

1. Senior management (the general manager, deputy general manager, secretary of the board and financial principal etc.) of the listed company shall solely work for the listed company and be entitled to remuneration paid by the listed company, and shall not hold an office apart from directors and supervisors and be entitled to remuneration in SZMC and companies under its control.
2. Financial officers of the listed company shall not work at the SZMC and companies under its control.
3. Personnel, employment relationship and payroll administration 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.

Section 6 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 fund by the listed company beyond the general meeting or board of directors of the listed company.
3. The listed company shall maintain its independent bank account. SZMC and companies under its control shall not share bank account with the listed company and its majority-owned subsidiaries.
4. The listed company and its majority-owned subsidiaries shall pay tax as an independent entity.

III. Independence of 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, perform the obligation of abstaining 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.

V. Independence of assets of the listed company

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

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

Section 6 Significant Events

(II) Undertakings on avoiding competition in the same industry

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

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

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

(III) Undertakings on regulating related party transactions

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

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

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

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

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

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

Applicable Not applicable

III. Illegal external guarantees

Applicable Not applicable

Section 6 Significant Events

IV. Appointment and termination of certified public accountants

Was the interim financial report audited?

Yes No

The interim financial report of the Company was not audited, and was reviewed by KPMG.

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

Applicable Not applicable

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

Applicable Not applicable

VII. Matters Related to Bankruptcy and Reorganization

Applicable Not applicable

VIII. Litigation matters

Material Litigation or Arbitration

Applicable Not applicable

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

IX. Penalties and rectification

Applicable Not applicable

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

X. Credit status of the Company and its largest shareholder

The Company and its largest shareholder SZMC did not have any material dishonesty during the Reporting Period.

XI. Major related party (connected) transactions

(I) Related party transactions related to daily operations

Applicable Not applicable

At the end of the Reporting Period, the Company had no major related party transaction related to daily operations.

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

Applicable Not applicable

In order to promote the streamlining and strengthening package solution of the Company, revitalize stock assets, and focus on its three major businesses of real estate development, property services and rental housing, the Company commissioned the Shenzhen Public Resources Trading Center to issue the Shenzhen State-owned Construction Land Use Right Transfer Notice on 8 May 2024 (the “Public Listing-for-Sale of Asset Transaction”) for the transfer of the land use rights, buildings erected thereon, and attachments on Land Parcel No. T208-0053 (“Transaction Asset”) of the Company by way of public listing. The Transaction Asset is located at the southwest side of the intersection of Baishi 4th Road and Shenwan 4th Road, Nanshan District, Shenzhen, with a land area of 19,227.53 sq.m., and a total planned gross floor area of not exceeding 167,000 sq.m., the land use of which is for commercial service and road construction, the land use term is 30 years and approximately 23 years and 7 months remaining. Upon completion of construction of the Transaction Asset, 70% of construction floor area as planned shall be kept by the owners, and 30% of construction floor area is allowed for sale. Any body corporate registered in the People’s Republic of China, may bid independently or jointly for the transaction, while those registered in the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region, and overseas shall set up subsidiaries in the mainland and bid in the name of such subsidiaries, and the bid winner and transaction price will be determined on the basis of awarding the highest bidder.

The carrying value of the Transaction Asset is RMB4.016 billion (including land premium and cost of construction and installation). Shenzhen Pengxin Appraisal Limited (深圳市鵬信資產評估土地房地產估價有限公司) has conducted a valuation of the Transaction Asset and issued the valuation report Pengxinzipingbaozi [2024] No. 112. The valuation benchmark date was 30 April 2024, the Transaction Asset was valued at RMB2.235 billion using the hypothetical development method of valuation. Based on the aforesaid valuation results, the Company has determined that the starting price for the Public Listing-for-Sale of Asset Transaction is RMB2.235 billion.

Section 6 Significant Events

On 27 May 2024, Shenzhen Baishuo Yinghai Investment Co., Ltd. (“**Baishuo Investment**”) (in the proportion of 34%), and SZMC (in the proportion of 66%), the Company’s largest shareholder as joint bidders won the Transaction Asset at RMB2.235 billion. The Company signed the transfer contract and the confirmation of completion on 27 May 2024 with Baishuo Investment and SZMC.

For details of the abovementioned connected transaction, please refer to the announcement of the Company titled “Public Listing-for-Sale of Asset Transaction and Connected Transaction” on 27 May 2024.

The abovementioned connected transaction was not within the ordinary and usual course of business of the Group, and was on normal commercial terms or better. The independent non-executive directors of the Company also considered that the pricing of the connected transaction of the Public Listing-for-Sale of Asset Transaction is based on asset appraisal value, and the Transaction Asset is publicly listed for transfer on the Shenzhen Public Resources Trading Center and available for bid by all entities in the market which meet the qualifications, with fair and reasonable transaction terms, open and justified transaction process and fair transaction result, does not constitute the circumstances which damage the interest of the Shareholders of the Company, specifically the interest of small and medium Shareholders, and comply with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, and other regulations and normative documents.

As of the date of the Report, the abovementioned connected transaction has been completed, and brought a direct cash inflow of RMB2.235 billion to the Company as the proceeds. Such amount has been used to fulfill the working capital of the Company. The transaction is expected to affect the profit and loss of the current period by approximately RMB-1.783 billion (being the difference between the transaction price and the book cost of the Transaction Asset and deduct transaction cost, detailed financial data is subject to the results of the audited financial statements of 2024).

Save for the above, there were no other material related party (connected) transactions involving assets or equity interests of the Company during the Reporting Period.

(III) Related party transactions of joint and external investment

Applicable Not applicable

(IV) Amounts due to or from related parties

Applicable Not applicable

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

Non-operational amount due to or from related parties

Yes No

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

(V) Deals with related financial companies

Applicable Not applicable

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

(VI) Deals between the financial companies controlled by the Company and the related parties

Applicable Not applicable

(VII) Other major related party transactions

Applicable Not applicable

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

XII. Major contracts and their implementation

(I) Entrustment, sub-contracting or leasing arrangements

1. Entrustment

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

2. Sub-contracting

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

3. Leasing

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

Section 6 Significant Events

(II) Major guarantees

1. Guarantees

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	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party	
Shanghai Shenyang Investment Management Co., Ltd.	16/12/2016	2,050.00	16/12/2016	0.00	Joint liability guarantee		8 years	Yes	No	
Shanghai Shenyang Investment Management Co., Ltd.	21/8/2019	2,399.32	29/9/2019	0.00	Joint liability guarantee		8 years	Yes	No	
Shanghai Shenyang Investment Management Co., Ltd.	21/8/2019	516.19	29/9/2019	0.00	Joint liability guarantee		8 years	Yes	No	
Champion Estate (HK) Limited	18/8/2023	HK\$ 372,275,000	21/8/2023	11,047.12	General guarantee liability		5 years	No	No	
The Stage Shoreditch LLP	9/1/2024	£8.78 million	5/1/2024	7,294.57	Joint liability guarantee		6 months	No	No	
Total limit on the amount of external guarantees approved during the Reporting Period (A1)			8,105.08	Total actual amount of external guarantees during the Reporting Period (A2)				7,294.57		
Total limit on the amount of external guarantees which has been approved at the end of the Reporting Period (A3)			47,908.09	Total balance of actual amount of external guarantees at the end of the Reporting Period (A4)				18,341.69		

Section 6 Significant Events

Unit: RMB'0000

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 (RMB '0000)	Actual effective date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Wuhan Yutianxingye Land Co., Ltd.	28/11/2019	262,500.00	5/12/2019	234,000.00	Joint liability guarantee		7 years	No	No
Vanke (Chongqing) Enterprises Company Limited	10/11/2021	580,000.00	19/11/2021	580,000.00	Joint liability guarantee		18 years	No	No
Vanke (Xinjiang) Enterprises Company Limited	12/1/2022	70,000.00	25/1/2022	70,000.00	Joint liability guarantee		18 years	No	No
Zhengzhou Rongwang Real Estate Development Co., Ltd.	29/11/2022	112,000.00	13/12/2022	112,000.00	Joint liability guarantee		6 years	No	No
Shenzhen Vanke Development Co., Ltd.		388,000.00	24/11/2022	150,000.00	Joint liability guarantee		6 years	No	No
			31/3/2023	180,000.00	Joint liability guarantee		6 years	No	No
			27/4/2023	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)	2/3/2023	316,500.00	16/3/2023	75,000.00	Joint liability guarantee		13 years	No	No
Foshan Vanke Enterprise Co., Ltd. (佛山市萬科企業有限公司)	18/4/2023	210,000.00	21/4/2023	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)	18/4/2023	140,000.00	20/4/2023	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)	2/3/2023	260,000.00	12/5/2023	260,000.00	Joint liability guarantee		13 years	No	No
Yunnan Vanke Enterprise Co., Ltd.	2/3/2023	110,000.00	12/5/2023	110,000.00	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)	27/9/2023	400,000.00	25/9/2023	0.00	Joint liability guarantee		13 years	No	No

Section 6 Significant Events

Unit: RMB'0000

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 (RMB '0000)	Actual effective date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Xiamen Dingtaihe Investment Company Limited (廈門鼎泰和投資有限公司)	1/6/2024	60,000.00	31/5/2024	60,000.00	Joint liability guarantee	The pledge guarantees were provided by Xiamen Vanke Enterprises Company Limited, a wholly-owned subsidiary of the Company, with 100% equity interest it holds in the guaranteed party	18 years	No	No
Total limit on the amount of guarantees for subsidiaries approved during the Reporting Period (B1)			60,000.00	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)					60,000.00
Total limit on the amount of guarantees for subsidiaries which has been approved at the end of the Reporting Period (B3)			2,909,000.00	Total balance of actual amount of guarantees for subsidiaries at the end of the Reporting Period (B4)					2,239,000.00

Guarantees given by the subsidiaries to the Company and the 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	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Chericourt Company Limited	18/6/2020	HK\$ 1 billion	17/6/2020	24,845.21	Joint liability guarantee		To 19/6/2025	No	No
Wealth Honour Limited	18/8/2023	HK\$ 5.24 billion	18/8/2023	212,557.85	General guarantee liability, pledge guarantee	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in the guaranteed party	1 year	No	No
Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd.	28/4/2022	205,000.00	28/4/2022	205,000.00	Joint liability guarantee		5 years	No	No

Section 6 Significant Events

Unit: RMB'0000

Guarantees given by the subsidiaries to the Company and the 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	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
Vanke (Chongqing) Enterprises Company Limited	23/9/2023	44,000.00	21/9/2023	44,000.00	Security guarantees	The security guarantees were provided by the guarantor with the state-owned construction land use rights it holds and the construction in progress on the site	To the date of completion of transaction, release of pledge registration of land use right and construction in progress	No	No
Shanghai Central Land Estate Ltd.	20/3/2024	140,000.00	20/3/2024	140,000.00	Joint liability guarantee	Nil	14 years	No	No
China Vanke Co., Ltd.	11/5/2024	130,000.00	10/5/2024	76,600.00	Security guarantees	The security guarantees were provided by the guarantor with land of the project company it holds	3 years	No	No
China Vanke Co., Ltd.	14/5/2024	69,000.00	19/3/2024	60,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Changsha Wancheng Real Estate Development Co., Ltd. (長沙市萬誠房地產開發有限公司)	3 years	No	No
China Vanke Co., Ltd.	14/5/2024	50,000.00	12/4/2024	50,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Yangzhou Wanxin Real Estate Co., Ltd. (揚州萬新置業有限公司)	3 years	No	No
China Vanke Co., Ltd.	14/5/2024	80,000.00	10/4/2024	80,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Xixian New Area Fujing Wanlai Real Estate Co., Ltd. (西咸新區扶景萬萊置業有限公司)	3 years	No	No
China Vanke Co., Ltd.	14/5/2024	90,000.00	7/5/2024	90,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Wuhan Xipan Real Estate Co., Ltd. (武漢西畔房地產有限公司)	3 years	No	No

Section 6 Significant Events

Unit: RMB'0000

Guarantees given by the subsidiaries to the Company and the 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	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
China Vanke Co., Ltd.	14/5/2024	109,027.59	9/5/2024	109,027.59	Security guarantees, etc.	The security guarantees were provided by the guarantor with real estate projects it holds	10 years	No	No
China Vanke Co., Ltd.	14/5/2024	35,370.42	9/5/2024	35,370.42				No	No
China Vanke Co., Ltd.	14/5/2024	18,095.39	9/5/2024	18,095.39				No	No
China Vanke Co., Ltd.	14/5/2024	33,838.17	9/5/2024	33,838.17				No	No
China Vanke Co., Ltd.	14/5/2024	50,100.00	9/5/2024	50,059.36				No	No
China Vanke Co., Ltd.	21/5/2024	120,000.00	20/5/2024	120,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Changzhou Shengxin Real Estate Co., Ltd. (常州聖鑫置業有限公司)	To 25/3/2025	No	No
China Vanke Co., Ltd.	24/5/2024	449,200.00	24/5/2024	449,200.00	Security, pledge guarantees, etc.	The security and shares pledge were provided by the guarantor with the project land it holds	42 months	No	No
China Vanke Co., Ltd.	24/5/2024	329,200.00	24/5/2024	329,200.00				No	No
China Vanke Co., Ltd.	24/5/2024	100,000.00	23/5/2024	100,000.00	Security guarantees	The security guarantees were provided by the guarantor with real estate assets it holds	To 3/12/2025	No	No
China Vanke Co., Ltd.	4/6/2024	110,000.00	3/6/2024	110,000.00	Security guarantees	The security guarantees were provided by the guarantor with the project land it holds	7 years	No	No
Kunming Wanyi Real Estate Development Co., Ltd. (昆明萬宜房地產開發有限公司)	8/6/2024	90,000.00	28/5/2024	90,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 67% equity interest it holds in the guaranteed party	8 years	No	No
China Vanke Co., Ltd.	8/6/2024	120,000.00	25/4/2024	120,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Zhongshan City Lights Real Estate Co., Ltd. (中山市城市之光房地產有限公司)	6 years	No	No
China Vanke Co., Ltd.	15/6/2024	160,000.00	10/5/2024	80,000.00	Security guarantees	The security guarantees were provided by the guarantor with the project land it holds	3 years	No	No

Section 6 Significant Events

Unit: RMB'0000

Guarantees given by the subsidiaries to the Company and the 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	Collateral (if any)	Period of guarantee	Completed or not	Whether the guarantee is given for any connected party
China Vanke Co., Ltd.	15/6/2024	250,000.00	10/5/2024	18,992.40	Security guarantees	The security guarantees were provided by the guarantor with the project under construction it holds	3 years	No	No
Chongqing Yunke Real Estate Co., Ltd. (重慶雲科置業有限公司)	21/6/2024	26,300.00	20/6/2024	26,300.00	Pledge guarantees	The shares pledge guarantees were provided by the guarantor with aggregated 100% equity interest it holds in the guaranteed party respectively	7 years	No	No
China Vanke Co., Ltd.	21/6/2024	169,400.00	20/6/2024	169,400.00	Joint liability guarantee, pledge guarantee	The pledge guarantees were provided by the guarantor with 99% equity interest it holds in Hubei Wanyue Real Estate Co., Ltd. (湖北萬悅房地產有限公司) and 99% equity interest in Yichang Hongzhancheng Real Estate Development Co., Ltd. (宜昌宏展程房地產開發有限公司), respectively	5.5 years	No	No
China Vanke Co., Ltd.	25/6/2024	150,000.00	22/4/2024	150,000.00	Pledge guarantees	The pledge guarantees were provided by the guarantor with 100% equity interest it holds in Shenzhen Senmao Land Co., Ltd. (深圳森懋置地有限公司)	13 years	No	No
Total limit on the amount of guarantees for the Company and subsidiaries approved during the Reporting Period (C1)			2,879,531.57	Total actual amount of guarantees for the Company and subsidiaries during the Reporting Period (C2)					2,506,083.33
Total limit on the amount of guarantees for the Company and subsidiaries which has been approved at the end of the Reporting Period (C3)			3,712,470.77	Total balance of actual amount of guarantees for the Company and subsidiaries at the end of the Reporting Period (C4)					2,992,486.39

Section 6 Significant Events

Unit: RMB'0000

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)	2,947,636.65	Total actual amount of guarantees during the Reporting Period (A2+B2+C2)	2,573,377.90
Total limit on the amount of guarantees which has been approved at the end of the Reporting Period (A3+B3+C3)	6,669,378.86	Total balance of actual amount of guarantees at the end of the Reporting Period (A4+B4+C4)	5,249,828.08
Proportion of total actual amount of guarantees (being A4+B4+C4) to the net assets of the Company			20.93%
Including:			
Balance of guaranteed amount provided for shareholders, beneficial controlling parties and their connected parties (D)			0
Balance of debt guaranteed amount provided directly or indirectly for the guaranteed party with gearing ratio over 70% (E)			4,008,341.18
Total guaranteed amount over 50% of the net asset (F)			0
Sum of the above three guarantees (D+E+F)			4,008,341.18
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:

- In respect of the guarantee to The Stage Shoreditch LLP, the partner indirectly holding 10% equity interest in Abloom Home Ltd provided a counter guarantee for 10% of the guarantee amount provided by Vanke Property (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company. Currently, the guarantee has been expired and terminated, and apart from this, there are no other counter guarantees for the guarantee items listed above.
- In respect of the guarantee to Xiamen Dingtaihe Investment Company Limited (廈門鼎泰和投資有限公司), there were both joint liability guarantees provided by the Company and equity pledge guarantees provided by a subsidiary, Xiamen Vanke Enterprises Company Limited, and to avoid duplication of statistics, they were only presented and counted in the guarantees provided by the Company to its subsidiaries.

2. *Illegal external guarantees*

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

(III) Entrusted wealth management

Unit: RMB'0000

Specific type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	Amount due but not received
Wealth management products of banks	Self-owned capital	540,000.00	1,381.08	–
	Total	540,000.00	1,381.08	–

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

(IV) Other major contracts

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

XIII. Explanation of other significant events

Nil.

XIV. Significant events of the Company's subsidiaries

Nil.

XV. Disclosure under Rule 13.16 of the SEHK Listing Rules

As at 30 June 2024, the Group's receivables from affiliated company amounted to RMB80,822.82 million, which represent approximately 5.68% based on the proportion of assets as defined in Rule 14.07(1) of the SEHK Listing Rules.

Section 7 Movement in Share Capital and Information on Shareholders

I. Movement in share capital

(I) Movement in the shares of the Company (as of 30 June 2024)

Classification of Share	31 December 2023		Increase/Decrease		30 June 2024	
	Quantity (shares)	Percentage of shareholding	Issuance of new shares (shares)	Others (shares)	Quantity (shares)	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	7,260,668	0.06%	0	0	7,260,668	0.06%
4. Shares held by foreign investors						
Total number of restricted shares	7,260,668	0.06%	0	0	7,260,668	0.06%
II. Non-restricted Shares						
1. RMB-denominated ordinary shares	9,716,935,865	81.44%	0	0	9,716,935,865	81.44%
2. Overseas listed foreign shares	2,206,512,938	18.49%	0	0	2,206,512,938	18.49%
Total number of non-restricted shares	11,923,448,803	99.94%	0	0	11,923,448,803	99.94%
III. Total number of shares	11,930,709,471	100.00%	0	0	11,930,709,471	100.00%

(II) Movement 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, Supervisors and senior management of the Company	Executed in accordance with the Self-Regulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 10 – Share Movement Management
XIE Dong	1,239,484	0	0	1,239,484		
ZHU Jiusheng	146,925	0	0	146,925		
HAN Huihua	105,750	0	0	105,750		
LIU Xiao	118,200	0	0	118,200		
ZHU Xu	104,100	0	0	104,100		
Total	7,260,668	0	0	7,260,668		

Movement in Share Capital and Information on Shareholders

II. Issue and listing of securities

Applicable Not applicable

III. Number of Shareholders of the Company and Shareholdings (As of 30 June 2024)

(I) Information on shareholders

Unit: Share

Total number of Shareholders as at 30 June 2024	594,648 (including 594,577 A Shareholders and 71 H Shareholders)	Total number of Shareholders as at 31 July 2024	585,818 (including 585,746 A Shareholders and 72 H Shareholders)
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Shareholdings of the top 10 shareholders

Name of shareholder	Classification of Shareholder	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period	Movement 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%	2,206,320,286	-36,800	0	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	1.97%	234,491,768	-1,079,934	0	0
Central Huijin Asset Management Co., Ltd.	State-owned legal person	1.55%	185,478,200	0	0	0
China Securities Finance Corporation Limited	Domestic ordinary legal person	1.11%	132,669,394	0	0	0
CMW Asset Management – CMB – CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Funds, wealth management products, etc.	1.04%	124,630,720	-15,115,100	0	0
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	Funds, wealth management products, etc.	0.67%	79,553,527	+28,841,400	0	0

Section 7

Movement in Share Capital and Information on Shareholders

Shareholdings of the top 10 shareholders

Name of shareholder	Classification of Shareholder	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period	Movement in shares during the Reporting Period	Number of restricted shares held	Number of pledged or lock-up shares
Industrial and Commercial Bank of China Limited – Southern CSI All-Share Index Real Estate Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司–南方中證全指房地產交易型開放式指數證券投資基金)	Funds, wealth management products, etc.	0.49%	58,242,089	+19,400,800	0	0
Tsinghua University Education Foundation	Domestic ordinary legal person	0.44%	51,928,655	0	0	0
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund (中國建設銀行股份有限公司–易方達滬深300交易型開放式指數發起式證券投資基金)	Funds, wealth management products, etc.	0.42%	50,450,000	+34,922,900	0	0
Remarks on strategic investor or ordinary legal person becoming top 10 Shareholders after placing of new shares	Not applicable					
Remarks on the related party relationship or action in concert of the aforementioned shareholders	It is not known to the Company as to whether there are related party relations or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the aforementioned shareholders.					
Description of entrusting/being entrusted voting rights or waiving voting rights of the aforementioned shareholders	Not applicable					
Shareholders involved in margin trading business description	Not applicable					
Special explanation on the existence of repurchase dedicated accounts among the top 10 Shareholders (if any)	China Vanke Co., Ltd. repurchased 72,955,992 shares of the dedicated securities accounts, accounting for 0.61% of total share capital of the Company.					

Movement in Share Capital and Information on Shareholders

Shareholdings of the top 10 Shareholders of non-restricted shares

Name of shareholder	Number of non-restricted shares held	Class of shares
SZMC	3,242,810,791	A shares
HKSCC NOMINEES LIMITED	2,206,320,286	H shares
Hong Kong Securities Clearing Company Limited	234,491,768	A shares
Central Huijin Asset Management Co., Ltd.	185,478,200	A shares
China Securities Finance Corporation Limited	132,669,394	A shares
CMW Asset Management – CMB – CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	124,630,720	A shares
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open- ended Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開 放式指數證券投資基金)	79,553,527	A shares
Industrial and Commercial Bank of China Limited – Southern CSI All-Share Index Real Estate Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司－南方中證全指房地產交易 型開放式指數證券投資基金)	58,242,089	A shares
Tsinghua University Education Foundation	51,928,655	A shares
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund (中國建設銀行股份有限公 司－易方達滬深300交易型開放式指數發起式證券投資基 金)	50,450,000	A shares

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

Note 2: Hong Kong Securities Clearing Company Limited 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 refers to the number of shareholders after combining margin trading accounts.

Note 4: "Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership)" and "Shenzhen Ying'an Financial Advisory Enterprise (Limited Partnership)" were the top ten shareholders as at 30 March 2024. Due to the impact of various factors, the share price of Vanke A shares fell below the financing close-out level of the two entities in April 2024, and most of the shares held by the two entities were forced to close out their positions and return them to the financing, thus they were no longer among the top ten shareholders. The key management of the Company remained resolutely optimistic about the development prospect in the future. In July 2024, the key management members of the Company raised RMB200.74 million of their own funds, RMB200.08 million of which was used to increase their holdings of Vanke A shares by 29,564,128 shares through the Huaneng Trust Yingxin No. 1 Service Trust and the Huaneng Trust Yingxin No. 2 Service Trust, and the remaining RMB660,000 was used to pay the daily expenses of the trust.

Section 7

Movement in Share Capital and Information on Shareholders

As of 30 June 2024, the total number of Shares of the Company amounted to 11,930,709,471 (including treasury shares), of which the numbers of A Shares and H Shares amounted to 9,724,196,533 and 2,206,512,938 respectively.

1. *Remarks on Shareholders holding 5% of the equity interests, top 10 Shareholders and top 10 Shareholders of non-restricted shares involved in the lending of shares in margin trading business*

Applicable Not applicable

During the Reporting Period, SZMC was not involved in margin trading business. Apart from that, the Company is not aware of any other shareholders involved in the lending of shares in margin trading business.

2. *Changes as compared to the previous period in top 10 Shareholders and top 10 Shareholders of non-restricted shares as a result of lending/returning of shares in margin trading business*

Applicable Not applicable

During the Reporting Period, SZMC was not involved in margin trading business. Apart from that, the Company is not aware of any other shareholders involved in the lending/returning of shares in margin trading business.

(II) Controlling shareholder and de facto controller

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

Movement in Share Capital and Information on Shareholders

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

As of 30 June 2024, to the knowledge of directors of the Company, in accordance with relevant requirements under the Securities and Futures Ordinance, other than directors, supervisors or chief executive of the Company, the interests and short positions of the Company held by substantial shareholders of the Company are as follows:

Name of shareholder	Capacity (types of interest)	Number of shares held (shares)	Nature of interest	Shares types	Percentage of total issued	Percentage of total issued	Percentage of total issued
					A-Share capital of the Company	H-Share capital of the Company	share capital of the Company
SZMC	Beneficial owner	3,242,810,791	Long Position	A Shares	33.35%	-	27.18%
Citigroup Inc.	Interest of controlled corporations	60,431,474	Long Position	H Shares	-	2.74%	0.51%
		50,717,508	Short Position	H Shares	-	2.30%	0.43%
	Approved Lending Agent	63,029,400	Long Position	H Shares	-	2.86%	0.53%
Shanghai Wealspring Asset Management Co. Ltd.	Investment Manager	177,164,500	Long Position	H Shares	-	8.03%	1.48%

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 and SEHK Listing Rules.

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

During the Reporting Period, the Company did not purchase, sell or redeem any shares (including sale of treasury stocks) of the Company. As of 30 June 2024, the Company held 72,955,992 treasury shares (A Shares), for the purpose of using for sale entirely "so as to preserve the value of the Company and the interests of its shareholders". If the above uses were not implemented by June 2025, the unused portion would be cancelled by performing the relevant procedures.

During the Reporting Period, Onewo, a non-wholly owned subsidiary of the Company, repurchased a total of 5,486,500 H shares of Onewo through open market transactions on the Stock Exchange and paid a total consideration of approximately HK\$111.13 million (excluding transaction costs). As of the date of the Report, Onewo has cancelled the aforesaid repurchased H shares of Onewo.

Section 7

Movement in Share Capital and Information on Shareholders

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

During the Reporting Period, shareholdings of the current directors, supervisors and senior management in the Company were as follows:

Name	Title	Number of shares held at the beginning of the Period (shares)	Movement (shares)	Number of shares held at the end of the Period (shares)	Shares held at the end of the 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, Chief Executive Officer	195,900	0	195,900	0.0016%
HAN Huihua	Executive Vice President, Finance 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:
1. Save as abovementioned, other directors, supervisors and senior management did not hold shares of the Company.
 2. The shares of the Company held by the above persons are all beneficially owned A shares and are long positions. Save as abovementioned, the Company is not aware of any interests or short positions held by the directors, supervisors, senior management and relevant associates of the Company which are required to be kept by the Company in a register pursuant to Section 352 of the SFO or the shares of the Company or associated corporations (as defined in Part XV of the SFO) by them which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(V) Change of controlling shareholders and de facto controllers

There were neither controlling shareholders nor de facto controllers in the Company.

Section 8 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.	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%	Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (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%		

Section 8 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 II)	21 Vanke 04	149478	19 May 2021 to 20 May 2021	20 May 2021	20 May 2028	56,600	3.70%	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 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%		
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety I)	22 Vanke 03	149930	2 June 2022 to 6 June 2022	6 June 2022	6 June 2027	35,000	2.90%		
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety II)	22 Vanke 04	149931	2 June 2022 to 6 June 2022	6 June 2022	6 June 2029	65,000	3.53%		

Section 8 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 (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%	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 (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%		
Qualified investors arrangement (if any)	The corporate 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

No default on principal or interest of overdue bonds of the Company.

Section 8

Relevant Information on Bonds

(III) Triggering and implementing of issuers or investors option terms and investors protection terms

Applicable Not applicable

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

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

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 mainly come from the cash flows generated from the Group's daily operations and financing. The Company's continuous operating cash inflows and diversified financing channels had provided a guarantee to the repayment of the principal amount and interest of the corporate bonds.

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

Section 8 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 (third tranche)	21 Vanke MTN003	102101821	2 September 2021 to 3 September 2021	6 September 2021	6 September 2024	200,000	3.08%	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.	National Association of Financial Market Institutional Investors
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%		

Section 8 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.	National Association of Financial Market Institutional 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

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

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 mainly come from the cash flows generated from the Group's daily operations and financing. The Company's continuous cash inflows and diversified financing channels had provided a strong guarantee to the repayment of the principal amount and interest of the 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

Section 9 Interim Financial Report Independent Review Report



Review report to the board of directors of China Vanke Co., Ltd.

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

Introduction

We have reviewed the interim financial report of China Vanke Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) which set out on pages 73 to 104, which comprises the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

30 August 2024

Interim Financial Report Section 9

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	3(a)	142,778,764	200,892,590
Cost of revenue		(133,124,838)	(163,003,306)
Gross profit		9,653,926	37,889,284
Other net income	4	232,975	2,777,622
Selling and marketing expenses		(4,105,721)	(4,653,531)
Administrative expenses		(4,735,988)	(5,412,163)
Other expenses		(2,950,865)	(473,413)
(Loss)/profit from operations		(1,905,673)	30,127,799
Lease liability charges		(411,118)	(445,072)
Finance costs	5(a)	(2,728,222)	(2,602,702)
Share of profits less losses of associates and joint ventures		496,205	637,489
(Loss)/profit before taxation		(4,548,808)	27,717,514
Income tax	6	(3,971,937)	(12,549,300)
(Loss)/profit for the period		(8,520,745)	15,168,214
Attributable to:			
Equity shareholders of the Company		(9,852,500)	9,870,472
Non-controlling interests		1,331,755	5,297,742
(Loss)/profit for the period		(8,520,745)	15,168,214
(Losses)/earnings per share (RMB)			
Basic and diluted	7	(0.83)	0.84

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 – unaudited

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit for the period	(8,520,745)	15,168,214
Other comprehensive income for the period		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves (non-recycling)	(62,614)	(236,373)
Share of other comprehensive income of associates	(59,992)	(58,742)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(86,014)	218,723
Cash flow hedge:		
Net movement in the hedging reserve	31,832	28,643
Share of other comprehensive income of associates	578,898	2,548,656
Other comprehensive income for the period	402,110	2,500,907
Total comprehensive income for the period	(8,118,635)	17,669,121
Attributable to:		
Equity shareholders of the Company	(9,472,096)	11,785,012
Non-controlling interests	1,353,461	5,884,109
Total comprehensive income for the period	(8,118,635)	17,669,121

The accompanying notes form part of this interim financial report.

Interim Financial Report Section 9

Condensed Consolidated Statement of Financial Position

For the six months ended 30 June 2024 – unaudited

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	8	35,506,185	38,332,903
Investment properties	9	122,995,708	128,215,536
Intangible assets and goodwill		9,774,199	9,751,014
Interests in associates and joint ventures		128,005,238	130,562,531
Biological assets		349,670	218,250
Other financial assets		2,141,312	2,191,465
Other non-current assets	11	5,905,528	5,938,836
Deferred tax assets		39,931,809	39,379,575
		344,609,649	354,590,110
Current assets			
Inventories and other contract costs	12	625,776,240	706,998,914
Contract assets		13,966,181	13,678,360
Trade and other receivables	13	346,071,460	329,777,411
Other current assets		13,811	13,614
Pledged and restricted deposits		2,412,610	2,871,178
Cash and cash equivalents	14	89,986,161	96,942,577
		1,078,226,463	1,150,282,054
Current liabilities			
Trade and other payables	15	343,540,255	383,118,158
Contract liabilities		276,869,393	308,638,338
Bank loans and borrowings from financial institutions	16	81,889,991	43,572,666
Bonds payable	17	21,701,775	20,458,192
Lease liabilities		1,920,606	1,959,530
Current taxation		60,519,334	64,038,374
		786,441,354	821,785,258
Net current assets		291,785,109	328,496,796
Total assets less current liabilities		636,394,758	683,086,906

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Condensed Consolidated Statement of Financial Position

For the six months ended 30 June 2024 – unaudited

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	16	185,577,845	197,764,143
Bonds payable	17	43,736,764	59,871,016
Lease liabilities		18,676,886	19,644,594
Deferred tax liabilities		1,137,673	1,159,455
Provisions		941,857	450,399
Other non-current liabilities		1,266,528	1,263,768
		251,337,553	280,153,375
NET ASSETS		385,057,205	402,933,531
CAPITAL AND RESERVES			
Share capital	18	11,930,709	11,930,709
Treasury shares		(1,291,800)	(1,291,800)
Reserves		231,039,655	240,145,704
Total equity attributable to equity shareholders of the Company		241,678,564	250,784,613
Non-controlling interests		143,378,641	152,148,918
TOTAL EQUITY		385,057,205	402,933,531

Approved and authorised for issue by the board of directors on 30 August 2024.

Zhu Jiusheng
Director

Wang Yun
Director

The accompanying notes form part of this interim financial report.

Interim Financial Report Section 9

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited

Attributable to equity shareholders of the Company												
Note	Share capital	Treasury shares	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve	Other reserves	Retained profits	Total	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 2024	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
Changes in equity for the six months ended 30 June 2024												
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(9,852,500)	(9,852,500)	1,331,755	(8,520,745)
Other comprehensive income	-	-	-	-	471,177	31,832	(122,605)	-	-	380,404	21,706	402,110
Total comprehensive income	-	-	-	-	471,177	31,832	(122,605)	-	(9,852,500)	(9,472,096)	1,353,461	(8,118,635)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	541,674	541,674
Acquisitions of subsidiaries	24	-	-	-	-	-	-	-	-	-	1,136,320	1,136,320
Acquisitions of additional interests in subsidiaries	-	-	-	-	-	-	-	360,221	-	360,221	(3,559,349)	(3,199,128)
Disposals of partial interests in subsidiaries	-	-	-	-	-	-	-	5,826	-	5,826	91,120	96,946
Disposals of subsidiaries	25	-	-	-	-	-	-	-	-	-	(552,594)	(552,594)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,601,763)	(4,601,763)
Capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,179,146)	(3,179,146)
Balance at 30 June 2024	11,930,709	(1,291,800)	25,796,765	126,227,537	(2,790,725)	(150,605)	(1,425,711)	(381,408)	83,763,802	241,678,564	143,378,641	385,057,205

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited

Note	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve	Other reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 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 the six months ended 30 June 2023												
Profit for the period	-	-	-	-	-	-	-	-	9,870,472	9,870,472	5,297,742	15,168,214
Other comprehensive income	-	-	-	-	2,171,179	28,643	(285,282)	-	-	1,914,540	586,367	2,500,907
Total comprehensive income	-	-	-	-	2,171,179	28,643	(285,282)	-	9,870,472	11,785,012	5,884,109	17,669,121
Dividends approved in respect of the previous period	18(b)	-	-	-	-	-	-	-	(8,063,273)	(8,063,273)	-	(8,063,273)
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	4,973,403	4,973,403
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	602,129	602,129
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	(1,209,576)	-	(1,209,576)	(51,570)	(1,261,146)
Disposals of partial interests in subsidiaries		-	-	-	-	-	-	24,945	-	24,945	(18,363)	6,582
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(135,419)	(135,419)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(5,168,591)	(5,168,591)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	(15,079,339)	(15,079,339)
Issuance of shares		300,000	-	3,164,186	-	-	-	-	-	3,464,186	-	3,464,186
Others		-	-	-	-	-	13,143	-	(13,143)	-	-	-
Balance at 30 June 2023		11,930,709	(1,291,800)	25,796,765	117,743,677	(2,304,697)	(284,411)	(1,118,857)	(952,666)	99,807,949	249,326,669	153,317,814

The accompanying notes form part of this interim financial report.

Interim Financial Report Section 9

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Operating activities			
Cash generated from operations		3,468,165	21,716,680
Income tax paid		(8,644,490)	(19,852,180)
Net cash (used in)/generated from operating activities		(5,176,325)	1,864,500
Investing activities			
Acquisitions of property, plant and equipment and investment properties		(2,468,000)	(2,942,879)
Other cash flows generated from investing activities		7,443,520	2,649,460
Net cash generated from/(used in) investing activities		4,975,520	(293,419)
Financing activities			
Dividends and interest paid		(9,180,600)	(14,824,324)
Other cash flows generated from/(used in) financing activities		2,322,031	(1,615,959)
Net cash used in financing activities		(6,858,569)	(16,440,283)
Effect of foreign exchange rate changes		102,958	150,431
Net decrease in cash and cash equivalents		(6,956,416)	(14,718,771)
Cash and cash equivalents at 1 January	14	96,942,577	134,424,670
Cash and cash equivalents at 30 June	14	89,986,161	119,705,899

The accompanying notes form part of this interim financial report.

Section 9 Interim Financial Report

Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Basis of preparation

China Vanke Co., Ltd. (the “**Company**”) is a company established and domiciled in the People’s Republic of China (the “**PRC**”). This condensed consolidated interim financial reports (‘**interim financial reports**’) as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates and joint ventures. The Group’s principal activities are development and sale of properties in the PRC.

The interim financial reports have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), including compliance with International Accounting Standard (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue by the Company’s Board of Director on 30 August 2024.

The interim financial reports have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial reports contain 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 International Financial Reporting Standards (“**IFRSs**”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). KPMG’s independent review report to the Board of Directors is included on page 72.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Group’s annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2023 are available from the Company’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report date 28 March 2024.

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Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements*

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

Section 9 Interim Financial Report

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 the PRC.

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of properties and related services	115,097,368	174,173,679
Property management and related services	15,999,403	14,037,337
Construction contracts	3,793,848	6,201,256
Other services	3,268,260	2,101,179
	138,158,879	196,513,451
Revenue from other sources		
Gross rentals from investment properties	4,619,885	4,379,139
	142,778,764	200,892,590

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

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Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting

(i) Segment information

	Property development								Total RMB'000
	Beijing region RMB'000	Northeastern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central region RMB'000	Northwestern region RMB'000	Southwestern region RMB'000	Property management RMB'000	
For six months ended									
30 June 2024									
Revenue from external customers	14,624,981	4,671,136	27,098,128	44,313,792	12,136,548	3,445,432	13,979,705	15,999,403	136,269,125
Inter-segment revenue	6,078	1,211	523,719	11,092	1,190	15,553	3,670	1,630,958	2,193,471
Reportable segment revenue	14,631,059	4,672,347	27,621,847	44,324,884	12,137,738	3,460,985	13,983,375	17,630,361	138,462,596
Reportable segment (loss)/profit	(820,658)	(813,732)	288,578	(2,698,891)	433,846	614,185	276,969	1,046,459	(1,673,244)
As at 30 June 2024									
Reportable segment assets	213,519,399	63,856,619	324,224,412	309,521,397	118,866,883	74,653,650	136,686,256	36,759,526	1,278,088,142
For six months ended									
30 June 2023									
Revenue from external customers	25,224,880	6,645,682	37,828,735	70,810,808	9,425,108	9,962,128	21,143,924	14,037,337	195,078,602
Inter-segment revenue	11,597	3,188	26,385	7,091	1,373	15,188	2,902	2,067,910	2,135,634
Reportable segment revenue	25,236,477	6,648,870	37,855,120	70,817,899	9,426,481	9,977,316	21,146,826	16,105,247	197,214,236
Reportable segment profit	276,553	58,389	6,963,995	9,901,395	970,854	1,412,532	1,967,774	1,033,435	22,584,927
As at 30 June 2023									
Reportable segment assets	264,821,449	80,947,127	386,553,384	390,918,709	137,895,383	87,912,210	155,913,081	35,515,074	1,540,476,417

Section 9 Interim Financial Report 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 information (continued)

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, Jiangyin, 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

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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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	138,462,596	197,214,236
Elimination of inter-segment revenue	(2,193,471)	(2,135,634)
Unallocated revenue	6,509,639	5,813,988
Consolidated revenue	142,778,764	200,892,590
(Loss)/profit		
Reportable segment (loss)/profit	(1,673,244)	22,584,927
Elimination of inter-segment profit	(473,907)	(275,057)
Share of profits less losses of associates and joint ventures	496,205	637,489
Dividend income	24,739	9,302
Other net expense	(6,430,804)	(2,253,979)
Land appreciation tax ("LAT")	3,508,203	7,014,832
Consolidated (loss)/profit before taxation	(4,548,808)	27,717,514
Assets		
Reportable segment assets	1,278,088,142	1,540,476,417
Elimination of inter-segment receivables	(599,255,791)	(638,666,410)
Unallocated assets	744,003,761	782,413,322
Consolidated assets	1,422,836,112	1,684,223,329

Section 9 Interim Financial Report Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

4 Other net income

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest income	1,064,627	1,287,094
Dividend income	24,739	9,302
Forfeited deposits and compensation from customers	189,310	224,478
Net gain on disposals of subsidiaries, joint ventures and associates	1,065,513	753,648
Gain on previously held interest in subsidiaries upon loss of control	47,615	–
Gain on previously held interest in associate upon taking control	47,645	–
Net gain on disposals of other financial assets	–	349,049
Net gain on disposals of other current assets	32,769	44,372
Net loss on disposals of non-current assets	(2,546,209)	(21,122)
Fair value changes	(9,035)	248,193
Net exchange gain/(loss)	63,912	(436,743)
Others	252,089	319,351
	232,975	2,777,622

5 (Loss)/profit before taxation

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

(a) Finance costs

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Borrowings costs	6,796,790	7,218,730
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress	(4,068,568)	(4,616,028)
	2,728,222	2,602,702

Interim Financial Report Section 9 Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

5 (Loss)/profit before taxation (continued)

(b) Staff costs

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and other benefits	8,496,212	8,682,423
Contributions to defined contribution plans	731,630	736,869
	9,227,842	9,419,292

(c) Other items

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Depreciation and amortisation	4,433,878	4,966,892
Impairment loss on trade and other receivables	2,097,093	297,077
Cost of inventories	112,680,352	142,733,110
Project management fee charged to associates and joint ventures	(89,867)	(196,362)

6 Income tax in the consolidated statement of profit or loss

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax		
Provision for Corporation income tax ("CIT"), Hong Kong Profits Tax and U.S. income tax	452,124	7,642,567
Provision for LAT	3,513,104	7,026,963
Withholding tax	27,176	43,840
	3,992,404	14,713,370
Deferred tax		
Origination and reversal of temporary differences	(20,467)	(2,164,070)
	3,971,937	12,549,300

Section 9 Interim Financial Report Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

7 (Losses)/earnings per share (“EPS”)

The calculation of basic (losses)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB9,852,500,000 (six months ended 30 June 2023: profit attributable to ordinary equity shareholders of the Company of RMB9,870,472,000) and weighted average of 11,857,753,479 ordinary shares (six months ended 30 June 2023: 11,707,753,479 ordinary shares), calculated as follows:

	Six months ended 30 June	
	2024	2023
	No. of shares ('000)	No. of shares ('000)
Issued ordinary shares at 1 January*	11,857,753	11,557,753
Effect of newly issued shares	—	150,000
Weighted average number of ordinary shares	11,857,753	11,707,753

* The 72,955,992 shares repurchased had been deducted from the issued ordinary shares at 1 January 2024 and 1 January 2023 used for calculation of weighted average number of ordinary shares.

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

8 Property, plant and equipment

During the six months ended 30 June 2024, the Group's property, plant and equipment decreased RMB2,826,718,000 (six months ended 30 June 2023: increased RMB986,809,000) due to disposal of assets.

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(Expressed in thousands in Renminbi unless otherwise indicated)

9 Investment properties

Movements of investment properties are analysed as follows:

	Completed properties RMB'000	Properties under development RMB'000
Cost:		
At 1 January 2024	132,158,703	17,276,042
New leases	89,772	–
Additions of construction costs	–	409,290
Change in consolidation scope	(649,576)	–
Transfer from inventories and others	3,066,322	–
Transfer upon completion	695,375	(695,375)
Disposals	(519,483)	(5,464,666)
Lease termination	(313,018)	–
Exchange adjustment	58,907	–
At 30 June 2024	134,587,002	11,525,291
Accumulated depreciation:		
At 1 January 2024	21,098,446	–
Change in consolidation scope	(179,623)	–
Charge for the period	2,551,730	–
Lease termination	(61,766)	–
Disposals	(423,326)	–
Exchange adjustment	10,361	–
At 30 June 2024	22,995,822	–
Impairment:		
At 1 January 2024 and 30 June 2024	120,763	–
Net book value at 30 June 2024	111,470,417	11,525,291

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Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

10 Right-of-use assets

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

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	3,887,800	6,459,006
– leased properties for own use	(ii)	1,482,727	1,492,262
		5,370,527	7,951,268
Investment properties, carried at depreciated cost			
– leasehold land	(i)	39,096,483	43,548,095
– leased properties to earn rental income	(ii)	16,872,551	18,081,550
		55,969,034	61,629,645
		61,339,561	69,580,913

Notes:

(i) Leasehold land

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

(ii) Leased properties

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

Interim Financial Report Section 9 Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Other non-current assets

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Prepayments for acquisitions and properties development (Note)	3,762,552	3,819,416
Others	2,142,976	2,119,420
	5,905,528	5,938,836

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

12 Inventories and other contract costs

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Properties held for development	91,316,162	101,934,081
Properties under development	421,385,736	489,334,693
Completed properties for sale	104,702,428	107,738,323
Others	3,017,460	2,710,680
Contract costs	5,354,454	5,281,137
	625,776,240	706,998,914

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June 2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold	110,752,453	142,733,110
Write-down of inventories	1,927,899	-
	112,680,352	142,733,110

Section 9 Interim Financial Report

Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

13 Trade and other receivables

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables, net of loss allowance	(a)	9,581,955	7,301,250
Other receivables, net of loss allowance	(b)	181,653,151	109,523,200
Prepayments, net of loss allowance		74,013,533	67,440,056
Amounts due from associates	(c)	26,313,137	50,731,547
Amounts due from joint ventures	(c)	54,509,684	94,585,707
Derivative financial instruments		–	195,651
		346,071,460	329,777,411

Notes:

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	7,810,518	5,885,726
1 to 2 years	971,674	874,336
2 to 3 years	415,045	197,120
Over 3 years	384,718	344,068
	9,581,955	7,301,250

- (b) As at 30 June 2024, other receivables mainly included land and other deposits receivable of RMB21,913 million (31 December 2023: RMB14,038 million) and operating receivables from cooperative partners of RMB158,092 million (31 December 2023: RMB92,771 million).
- (c) The amounts due from associates and joint ventures as at 30 June 2024 include amounts of RMB17,702 million (31 December 2023: RMB21,613 million) which are interest-bearing at market rate, unsecured and repayable on demand. The gross interest income from these associates and joint ventures amounted to RMB459 million during the reporting period (six months ended 30 June 2023: RMB399 million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

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Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Cash and cash equivalents

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank and on hand	89,986,161	96,942,577

As at the end of the reporting period, bank deposit balances amounted RMB155.3 million (31 December 2023: RMB191.1 million) were held with Huishang Bank, an associate of the Group.

15 Trade and other payables

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade creditors and bills payable	(a)	193,257,742	221,696,072
Other payables and accruals	(b)	88,641,232	101,586,843
Amounts due to associates	(c)	24,061,056	22,599,000
Amounts due to joint ventures	(c)	35,722,030	35,346,119
Receipts in advance		1,802,413	1,805,238
Derivative financial instrument		55,782	84,886
		343,540,255	383,118,158

Notes:

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current or payable on demand	185,817,260	213,762,682
Due after one year	7,440,482	7,933,390
Total	193,257,742	221,696,072

Section 9 Interim Financial Report

Notes to the Financial Statements

(Expressed in thousands in Renminbi unless otherwise indicated)

15 Trade and other payables (continued)

Notes: (continued)

- (b) Other payables and accruals include advances from non-controlling interests of subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB1,592 million (31 December 2023: RMB1,524 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.
- (c) The amounts of RMB218 million (31 December 2023: RMB458 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the period amounted to RMB2 million (six months ended 30 June 2023: RMB1 million). The remaining amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

16 Bank loans and borrowings from financial institutions

	At 30 June 2024		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	13,189,171	–	13,189,171
Unsecured	44,168,782	23,855,212	68,023,994
Interest payables	676,826	–	676,826
	58,034,779	23,855,212	81,889,991
Non-current			
Secured	68,930,428	1,435,000	70,365,428
Unsecured	98,212,617	16,999,800	115,212,417
	167,143,045	18,434,800	185,577,845

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(Expressed in thousands in Renminbi unless otherwise indicated)

16 Bank loans and borrowings from financial institutions (continued)

	31 December 2023		
	Borrowings from financial		Total
	Bank loans	institutions	
	RMB'000	RMB'000	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

The secured bank loans are secured with certain inventories, investment properties and property, plant and equipment with aggregate carrying value of RMB75,162 million (2023: RMB34,480 million) or pledged by the shares of equity interest or the receivables under the future lease agreement and tuition fee in certain subsidiaries.

At 30 June 2024 and 31 December 2023, non-current interest-bearing loans and borrowings were repayable as follows:

	At	At
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
After 1 year but within 2 years	69,546,699	84,314,587
After 2 years but within 5 years	77,091,681	65,929,134
After 5 years	38,939,465	47,520,422
	185,577,845	197,764,143

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17 Bonds payable

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current			
Bonds issued under			
Medium Term Note (“MTN”) Programme	(a)	3,509,923	10,063,664
RMB Corporate Bonds	(b)	7,234,345	3,296,594
RMB MTN Programme	(c)	9,997,095	5,999,282
Interest payables		960,412	1,098,652
		21,701,775	20,458,192
Non-current			
Bonds issued under MTN Programme	(a)	9,454,527	12,668,037
RMB Corporate Bonds	(b)	13,603,026	18,535,005
RMB MTN Programme	(c)	20,679,211	28,667,974
		43,736,764	59,871,016
		65,438,539	80,329,208

Notes:

- (a) Vanke Real Estate Hong Kong (“VREHK”), a wholly owned subsidiary of the Group, established an MTN Programme (“the Programme”) which is listed on the Stock Exchange of Hong Kong. These bonds are unsecured and interest-bearing at 3.15% to 3.98% per annum. At 30 June 2024, RMB7,281 million of non-current bonds issued under the Programme are repayable after 2 years but within 5 years, and RMB2,174 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 30 June 2024, RMB8,659 million of non-current bonds are repayable after 1 year but within 2 years, and RMB4,944 million of which are repayable after 2 years but within 5 years.
- (c) The Group issued notes under the Medium Term Note programme which are listed on the National Association of Financial Market Institution Investors. These bonds are unsecured and interest-bearing at 2.90% to 3.20% per annum. At 30 June 2024, RMB18,682 million of non-current bonds issued under the programme are repayable after 1 year but within 2 years and RMB1,997 million of which are repayable after 2 years but within 5 years.

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18 Capital, reserves and dividends

(a) Share capital

Issued share capital

	No. of shares (‘000)	Share capital RMB’000
A shares-issued and fully paid of RMB1 each:		
At 1 January and 30 June 2024	9,724,197	9,724,197
H shares-issued and fully paid of RMB1 each:		
At 1 January and 30 June 2024	2,206,512	2,206,512
Total issued shares		
At 1 January and 30 June 2024	11,930,709	11,930,709

Included in the A shares are 7,260,668 shares (31 December 2023: 7,260,668 shares) with restriction to transfer.

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

(b) Dividends

No dividend was approved during the period in respect of the previous financial year (six months ended 30 June 2023: RMB8,063 million, RMB0.68 per share in respect of the year ended 31 December 2022).

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19 Financial instruments measured at fair value

Fair value hierarchy

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

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

Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: fair value measured using significant unobservable inputs

30 June 2024

Items	Fair value at	Fair value measurements as at		
	30 June 2024	30 June 2024 categorised into		
	RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Unlisted equity securities	1,158,769	–	–	1,158,769
Non-trading listed securities	978,588	978,588	–	–
Trading listed equity securities	3,955	3,955	–	–
Other current assets*	13,811	–	–	13,811
Recurring fair value measurement assets	2,155,123	982,543	–	1,172,580
Derivative financial instruments:				
– CCS contracts	(55,782)	–	(55,782)	–
Recurring fair value measurement liabilities	(55,782)	–	(55,782)	–

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19 Financial instruments measured at fair value (continued)

31 December 2023

Items	Fair value at	Fair value measurements as at		
	31 December 2023 RMB'000	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)	–

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

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: nil).

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2024 and 31 December 2023.

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20 Commitments

Capital commitments outstanding at 30 June 2024 not provided for in the financial statements were as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Construction and development contracts	91,986,799	94,807,752
Land agreements	1,306,249	1,412,702
	93,293,048	96,220,454

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

21 Contingent Liabilities

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB142,191 million (31 December 2023: RMB171,320 million), which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties.

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

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

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22 Material related party transactions

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

(a) Transactions with key management personnel

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Short-term employee benefits	4,870	5,603

(b) Malls management fee paid by the Group

During June 2024, the Group paid associates malls management fee amounted to RMB61 million (six months ended 30 June 2023: RMB53 million).

(c) Financial guarantees issued

As at 30 June 2024, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB183 million (31 December 2023: RMB130 million).

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

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22 Material related party transactions (continued)

(d) Transactions with a shareholder

In 2015, the Group cooperated with the Shenzhen Metro Group Co., Ltd (“Shenzhen Metro Group”) to jointly develop Mangrove Bay and Shenzhen North Station Project (“the Projects”). At 30 June 2024, the Group’s investment in the Projects amounted to RMB5,993 million and the outstanding payables balances was RMB10,191 million (31 December 2023: RMB9,065 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. As at 30 June 2024, the Group’s investment in the project amounted to RMB2.8 billion and the outstanding receivables balances was RMB286 million (31 December 2023: RMB286 million).

In 2020, the Group and Shenzhen Metro Group set up a joint venture, Shenzhen Metro Vanke Industrial Development Co., Ltd, to jointly acquire and develop transit-oriented development projects in the Greater Bay Area and other major cities. The Group subscribed for the registered capital in proportion to its 50% equity interest in the joint venture amounted to RMB500 million. At 30 June 2024, the Group’s investment in the Projects amounted to RMB25 million.

During the reporting period, the Group transferred Shenzhen headquarters base project at a consideration of RMB2,235 million by way of public listing to joint bidders comprising Shenzhen Metro Group and Shenzhen Baishuo Yinghai Investment Co., Ltd.

(e) Security service fee paid by the Group

During the period, the Group paid security service and other fee amounted to RMB3,038 million (six months ended 30 June 2023: RMB2,342 million) to Shenzhen Wanyu Security Service Technology Co., Ltd., and Hainan Wanjing Environmental Sanitation Technology Service Co., Ltd., associates of the Group.

23 Non-adjusting events after the reporting period

(a) Redemptions of bonds

On 25 July 2024, the Group repaid a total of RMB2.3 billion of Corporate Bonds.

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24 Acquisitions of subsidiaries

During the period, the Group has acquired certain subsidiaries. The acquisitions of subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	At acquisition date RMB'000
Current assets	20,043,068
Non-current assets	1,036,126
Current liabilities	(14,001,430)
Non-current liabilities	(1,596,576)
Non-controlling interests	(1,136,320)
Net assets acquired attributable to the Group	4,344,868
Goodwill on acquisition	124,938
Total consideration	4,469,806
Consideration paid in prior years for the acquisitions	(4,229,084)
Consideration to be paid subsequent to current period	(126,184)
Consideration paid during the period	114,538
Total cash and cash equivalents acquired	(215,222)
Consideration paid for prior years' acquisitions	143,120
Net cash outflow	42,436

During the six months ended 30 June 2024, the Group has acquired certain subsidiaries in which 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.

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24 Acquisitions of subsidiaries (continued)

Additionally, the Group has acquired Shenzhen Qianhai Wenyi investment Consulting Center (Limited Partnership) (“Qianhai Wenyi”) and obtained control over Zhuhai Dantian Property Management Co., Ltd (“Zhuhai Dantian”). The Group recognized the goodwill of RMB125 million based on the difference between the consideration and the fair value of the identifiable assets and liabilities on a pro-rata basis. Zhuhai Dantian principally engaged in property management services, and the purpose of acquisition is to increase the market share.

25 Disposal of subsidiaries

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

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

	At disposal date RMB'000
Current assets	5,204,495
Non-current assets	1,229,331
Current liabilities	(3,863,616)
Non-current liabilities	(213,916)
Non-controlling interests	(552,594)
Remaining interest after disposal as interest in joint ventures and associates	125,663
Net assets attributable to the Group disposed of	1,929,363
Total consideration	1,573,994
Consideration received in prior years for the disposals	(343,897)
Consideration to be received subsequent to current period	(988)
Consideration received, satisfied in cash	1,229,109
Cash and cash equivalents disposed of	(39,615)
Consideration received for the disposals in prior years	24,835
Net cash inflow	1,214,329