

vanke

2019

ANNUAL REPORT



CHINA VANKE CO., LTD.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 2202)

*For identification purpose only

Important Notice:

1. The Board, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company warrant that in respect of the information contained in 2019 Annual Report (the “**Report**”, or “**Annual Report**”), there are no misrepresentations, misleading statements or material omission, and individually and collectively accept full responsibility for the authenticity, accuracy and completeness of the information contained in the Report.
2. The Report has been approved by the 27th meeting of the 18th session of the Board (the “**Meeting**”) convened on 17 March 2020. All Directors attended the Meeting in person.
3. The Company’s proposal on dividend distribution for the year of 2019: Based on the total share capital on the equity registration date when dividends are paid, the total amount of cash dividends proposed for distribution for 2019 will be RMB11,810,739,436.05 (inclusive of tax), accounting for 30.4% of the net profit attributable to equity shareholders of the Company for 2019, without any bonus shares or transfer of equity reserve to the share capital. Based on the Company’s total number of 11,302,143,001 shares at the end of 2019, a cash dividend of RMB10.45 (inclusive of tax) will be distributed for each 10 shares. If any circumstances, such as issuance of new shares, share repurchase or conversion of any convertible bonds into share capital before the record date for dividend distribution, results in the changes in our total number of shares on record date for dividend distribution, dividend per share shall be adjusted accordingly on the premise that the total dividends amount remains unchanged. The abovementioned proposed dividend will be paid to shareholders of the Company on or around 30 August 2020 after such dividend proposal being considered and approved at the annual general meeting of 2019 of the Company.
4. The financial report of the Report has been audited by KPMG, which has issued an auditor’s report with unqualified audit opinion.
5. Mr. YU Liang, Chairman of the Board, Mr. ZHU Jiusheng, President and Chief Executive Officer, and Mr. WANG Wenjin, Executive Vice President and Finance Principal declare that the financial report contained in the Report is warranted to be true, accurate and complete.
6. The Report contains forward-looking statements in relation to matters such as future plans, which do not constitute any specific undertakings to investors by the Group. Investors are advised to be aware of the risks involved, understand the differences between plans, forecasts and undertakings, and pay attention to investment risks.
7. The Report details principal risks faced by the Company and countermeasures thereof. Investors are advised to refer to “Section 8 Corporate Governance Report”.
8. Unless otherwise specified, the currency referred to in the Report is Renminbi.

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



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Definition

Term	Meaning
The Company	China Vanke Co., Ltd.
Vanke, the Group	China Vanke Co., Ltd. and its subsidiaries
The Board	The board of directors of the Company
Supervisory Committee	The Supervisory Committee of the Company
Vanke Service	Vanke Service Development Co., Ltd.
SCPG	SCPG Holdings Co., Limited, incorporated in the Cayman Islands
VX Logistic Properties	Vanke Logistics Development Co., Ltd.
BG	the abbreviation to Business Group, which refers to business group, including Southern Regional BG, Shanghai Regional BG, Northern Regional BG, Central and Western Regional BG and Property Service BG.
BU	the abbreviation to Business Unit, which refers to business unit, including SCPG BU, Logistics BU, Long-term Rental Apartment BU, Overseas BU, Ski Resort BU, Meisha Education BU, Enterprise Services BU and Food BU
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
SZMC	Shenzhen Metro Group Co., Ltd.
Jushenghua	Shenzhen Jushenghua 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
SEHK Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	Corporate Governance Code set out in Appendix 14 of SEHK Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
A Share(s) (RMB-denominated Ordinary Share(s))	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SZSE and traded in Renminbi
H Share(s) (Overseas-listed Foreign Share(s))	overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SEHK and traded in Hong Kong dollars.
Articles of Association	Articles of Association of China Vanke Co., Ltd.
Period or Reporting Period	1 January 2019 to 31 December 2019
RMB	Renminbi, unless otherwise specified

SECTION 1

TO SHAREHOLDERS

The year 2019 marks the 35th anniversary of Vanke.

Those who suit their actions to the time succeed. Enterprises always face changing circumstances. Those who adapt to changes, survive; those who innovate, grow; those who work hard, thrive. These are universal and immutable truths.

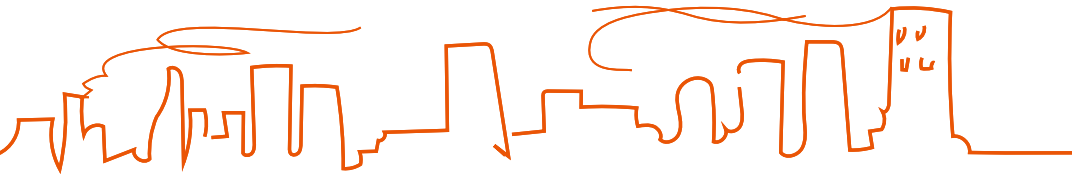
In the past 35 years, China's reform, growing prosperity and progress have facilitated the development of Vanke. Looking ahead, Vanke can advance further only by keenly observing trends of environmental changes, embracing change and optimizing its management.

Vanke first proposed the concept of a "Silver Age" in the real estate industry. At present, the Silver Age has reached a critical phase, and its characteristics are gradually becoming distinct. From increment to inventory, balance to polarization, simplicity to complexity, and singularity to comprehensiveness; these four aspects of change all bear the major characteristics of a transition from a Golden Age to a Silver Age.

Urbanization is gradually entering the second phase and urban development has gradually matured. Regardless of customer demand or land supply, growth is slowing down, and the extraction of inventory value has become increasingly important. During the second phase of urbanization, city development will transit toward the intensive development of city clusters, the wealth gap among cities will gradually widen, and polarization – not balance – will become the main trend instead of balance. In terms of consumer and employee structures, a new generation of young adults is entering the mainstream, and their values and preferences will become more diverse. Enterprises must transition from the simple to the complex, regardless of their product service solutions or organizational management methods. There is also an upgrading trend in corporate competition; the era of single-product planning has ended, and an era of competition for comprehensive strength has arrived.

Inventory competition is a lean competition; polarized development narrows the gaps between the competitors, complex models create more variables, and comprehensive competition requires more comprehensive capacities. The transition from the Golden Age to the Silver Age has brought more challenges, but also given Vanke opportunities to improve its competitiveness.

In response to medium- to long-term trends such as economic structural transformation, deepening urbanization and demographic change, Vanke has launched a five-in-one comprehensive transformation and upgrade for "strategy – system – culture – organization – people". In terms of strategy, Vanke pursues co-development with urban and rural areas and customers, transforming itself from a real estate developer into a "city and town developer and service provider". In terms of systems, based on mixed ownership, we are upgrading the professional manager system to a business partnership mechanism and creating a team of like-minded partners. In terms of culture, we have inherited a culture of "fundamental principles in operation" and developed an employee partnership culture of "team up with striving partners". This has led to continuously innovative thinking and behaviour, and a mechanism based



on the principles of consensus, co-creation, joint undertaking and sharing. In terms of organization, our overall restructuring makes our strategic direction, cultural orientation and employee partnership scheme the main direction by which to create a vector, champion and resilient organization. In terms of talent, we are building a team of responsible partners who are striving for the same goal and will continue to create true value. We are pushing development forward by consolidating and motivating our like-minded partners, so that we may together realize comprehensive value through business development.

In 2018, Vanke put forward the following management approaches to improve its efficiency: review of strategies, business rationalization, organizational restructuring, and correspondence of responsible persons to related activities. These describe a long and continuous process. The key management work in 2019, in particular, included defining organizational restructuring and correspondence of responsible persons to related activities, and making them the norm for organizational self-renewal.

The goal of the above is to transform a traditional rigid organization which centred on function and rank into a new flexible organization centred around tasks and partnerships, in accordance with task-oriented principles.

This work can be divided into two phases. The first is “reduce fat, gain muscle and enhance blood circulation”. “Reduce fat” does not refer to dismissal of employees; rather, it removes redundant structures and links from organizations and processes to release more organizational resources. “Gain muscle” refers to strengthening the ability of the organization in practice; through challenging practice, we help employees to step out of their comfort zone and improve as individuals and teams. “Enhance blood circulation” improves the mobility of organizations and employees, breaks the restrictions of the original functions and positions, and opens connections with talent. It also ensures effective allocation of resources to each task and creates more development opportunities for employees. The second phase is to build a vector organization, champion organization and resilient organization. Vector organization refers to an organization with the same goals, consistent tasks and unity. Champion organization refers to an organization that allocates work properly and in a complementary way, keeps employees performing at their best, and allows them to exert their talents. Finally, resilient organization refers to a healthy and strong organization that adapts to change quickly.

In keeping with this logic, in 2020 Vanke will leverage on past results from transformation and upgrade to focus on three aspects: First, we will conduct deeper analysis on changes in the market environment and seek ways to maintain our integrity in an ever-changing environment. Second, we will focus on product and service capabilities, implement lean operations, and improve competitiveness and operational efficiency. Third, we will deepen organizational restructuring, examine organizational capabilities and effectiveness in practice, and complete the correspondence of responsible persons to related activities.

The outbreak of COVID-19 is an incident that cannot not be taken lightly. We firmly believe that the pandemic will ultimately end, but that challenges will be encountered by enterprises and customers alike in the meantime. After the pandemic, people will pay greater attention to health, and lifestyles and ways of working will inevitably be changed permanently to some extent. Some technological applications and business models that are ready for launch may pass through the bottleneck, and some traditional business models we are accustomed to may also face major challenges. How an enterprise takes care of its customers, and discovers and understands changes in customer need during times of adversity, comprise an important starting point for cultivating future competitiveness. The enterprise’s own immunity stems from its organizational health. How an enterprise transforms itself and gains strength against adversity is a big test that all must face.

In terms of basic business logic, there is nothing new under the sun; but in terms of an enterprise’s growth, every day is a new beginning. Compared to the history of business, the 36-year life of Vanke is just a brief moment. Vanke still has a long way to go and looks forward to embracing the future with all of its shareholders.

SECTION 2

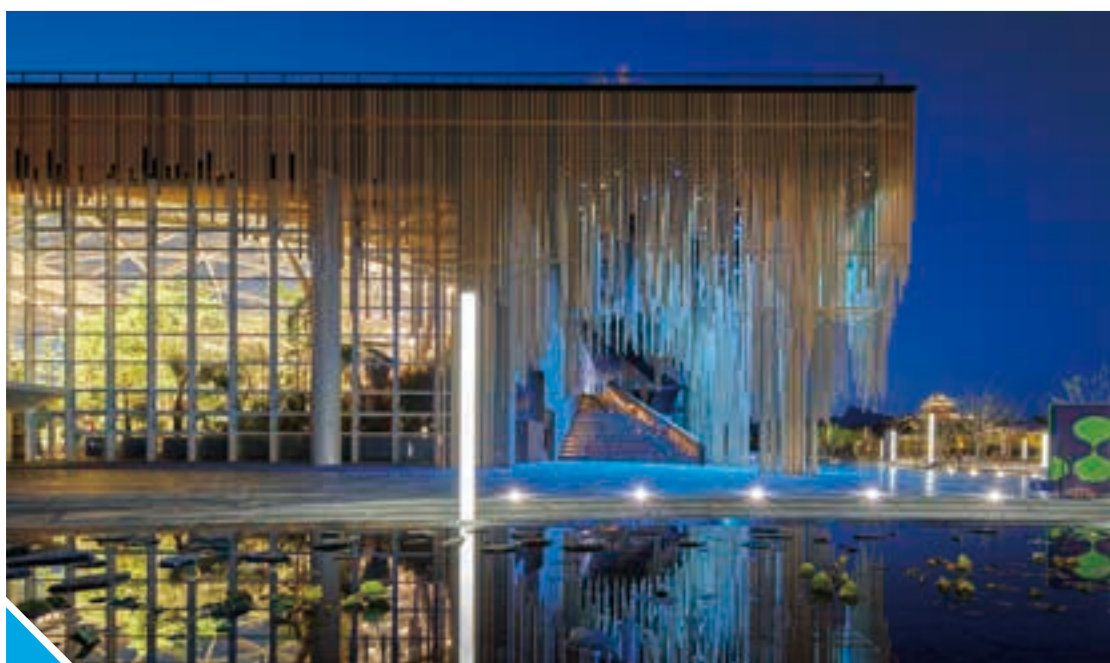
CORPORATE INFORMATION

1. Company Name (Chinese): 萬科企業股份有限公司
Company Name (English): CHINA VANKE CO., LTD.*
2. 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
Principal place of business in Hong Kong: 55/F, Bank of China Tower, 1 Garden Road, Hong Kong
Website address: www.vanke.com
E-mail address: IR@vanke.com
3. Legal representative: YU Liang
4. Authorised representatives for SEHK: WANG Wenjin and ZHU Xu
Alternate authorised representative for SEHK: YIP Hoi Man
5. Secretary to the Board and the 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: 86-0755-25606666
Fax number: 86-0755-25531696
Assistant company secretary: YIP Hoi Man
E-mail address: IR@vanke.com
Contact Address: 55/F, Bank of China Tower, 1 Garden Road, Hong Kong
Telephone number: 00852-23098888
Fax number: 00852-23288097
6. Stock exchange on which the Company's A shares are listed: SZSE
Stock short name of A shares: Vanke A
Stock code of A shares: 000002
Stock exchange on which the Company's H shares are listed: SEHK
Stock short name of H shares: China Vanke, Vanke H^{note}
Stock code of H shares: 2202, 299903^{note}

Note: The stock short name and stock code are only applied for trading of the Company's H shares converted from the B shares of the Company held by the original B shareholders of the Company through domestic securities companies' trading system
H share registrar: Computershare Hong Kong Investor Services Limited
Contact address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

* For identification purpose only

7. Media for disclosure of information: "China Securities Journal", "Securities Times", "Shanghai Securities News", "Securities Daily", CNINFO Network, website of SEHK
 Website address for publication of the Annual Report:
 A shares: www.cninfo.com.cn
 H shares: www.hkexnews.hk
 Place for annual report collection: The Office of the Company's Board of Directors
8. First registration date of the Company: 30 May 1984
 location: Shenzhen
 Date of change in registration: 14 July 2017
 location: Shenzhen
9. Unified social credit code:
 91440300192181490G
10. Certified public accountants engaged by the Company
 Domestic: KPMG Huazhen LLP
 Address: 8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Beijing
 Signing CPA: Chen Yongyi, Li Moran
 Overseas: KPMG
 Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
 Address: 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
11. Legal advisor engaged by the Company
- Domestic:
- | Name | Address |
|-----------------------------------|--|
| Guangdong Shujin Law Firm | 12th floor, Taiping Finance Tower, 6001 Yitian Road, Futian District, Shenzhen |
| Beijing Junhe (Shenzhen) Law Firm | Suite 2803-04, Tower Three, Kerry Plaza No.1-1, Zhongxinsi Road, Futian District, Shenzhen |
- Overseas: Paul Hastings
 Address: 21-22/F, Bank of China Tower, 1 Garden Road, Hong Kong



Botanic Pavilion of International Horticultural Exhibition 2019, Beijing – is built and operated by Vanke

SECTION 3

ACCOUNTING AND FINANCIAL HIGHLIGHTS

3.1 Key Accounting Information and Financial Indicators for the Year

Unit: RMB'000

	2019	2018	Fluctuation	2017
Revenue	367,893,878	297,083,058	23.84%	237,344,688
Gross Profit	132,196,660	109,952,059	20.23%	76,723,459
Profit for the year	55,131,615	49,272,295	11.89%	37,208,387
Net profit attributable to equity shareholders of the Company	38,872,087	33,772,652	15.10%	28,051,815
Net cash generated from operating activities	45,686,810	33,618,183	35.90%	82,322,834
Basic earnings per share	3.47	3.06	13.3%	2.54
Diluted earnings per share	3.47	3.06	13.3%	2.54
Net return on equity on a fully diluted basis	20.67%	21.68%	decreased by 1.01 percentage points	21.14%
Net return on equity on weighted average basis	22.47%	23.24%	decreased by 0.77 percentage point	22.80%

	31 December 2019	31 December 2018	Fluctuation	31 December 2017
Current assets	1,439,063,201	1,295,155,915	11.11%	1,017,645,288
Current liabilities	1,272,610,284	1,121,913,937	13.43%	847,355,430
Total equity attributable to equity shareholders of the Company	188,058,492	155,764,132	20.73%	132,675,315
Share capital	11,302,143	11,039,152	2.38%	11,039,152
Net assets per share attributable to equity shareholders of the Company	16.64	14.11	17.92%	12.02

3.2 Quarterly Key Financial Indicators

Unit: RMB'000

	The First quarter	The Second quarter	The Third quarter	The Fourth quarter
Revenue	48,374,631	90,945,446	84,594,680	143,979,121
Net profit attributable to equity shareholders of the Company	1,120,627	10,721,125	6,398,993	20,631,342
Net cash generated from operating activities	(26,712,604)	35,565,714	(7,118,698)	43,952,398

3.3 Difference Arising from Accounting Standards of the PRC and the International Standards

Unit: RMB'000

	Net profit attributable to the shareholders of the Company		Total equity attributable to the shareholders of the Company	
	2019	2018	31 December 2019	31 December 2018
According to IFRSs	38,872,087	33,772,652	188,058,492	155,764,132
According to the PRC accounting standards	38,872,087	33,772,652	188,058,492	155,764,132
Breakdown and total reconciled according with IFRSs	-	-	-	-
According to the IFRSs Differences		Nil		

BUSINESS HIGHLIGHTS

SKI RESORT

Operating three ski resorts, namely Jilin Lake Songhua, Beijing Shijinglong and Beijing Xishan. Jilin Lake Songhua Resort was named "Best Ski Resort in China" by the World Ski Awards for the third consecutive year

PROPERTY DEVELOPMENT

Sales area of
41.122 million sq.m.
Sales amount of
RMB 630.84 billion

EDUCATION

Vanke Meisha Academy was awarded **Top 2 in Shenzhen Private International School** by Hurun Top 100 Schools List

RENTAL HOUSING

110,000 units in operation in total



PROPERTY SERVICES

Operating revenue of
RMB 12.7 billion
Contracted area in total
640 million sq.m

COMMERCIAL DEVELOPMENT AND OPERATIONS

SCPG Managed area of
approximately
9 million sq.m

LOGISTIC AND WAREHOUSING SERVICES

Entered **44** cities and acquired
138 projects; average
occupancy rate for high-standard
warehousing project with stable
operation reached
92%

SECTION 4


DIRECTORS' REPORT

4.1 Management Discussion and Analysis of Operation

During the Reporting Period, the macroeconomic environment remained complicated with advancing regulations of the property industry; the industry competitions became increasingly intense with lots of uncertainties in the external operating environment. The Group insisted on “converging focus, consolidating and improving its fundamentals” under its strategic positioning of a “city and town developer and service provider”. Each BG and BU set the main direction of the business, integrated resources, and continuously improved the operation quality based on the conclusion derived from review of strategies, business rationalization and review of business logic; Meanwhile, in order to build a solid foundation for supporting the long-term development of the Group, they, under the principle of “organization for strategy, management for business”, each BG and BU comprehensively promoted the implementation of organizational restructuring and correspondence of responsible persons to related activities.

During the Reporting Period, the Group’s results increased steadily, with a revenue of RMB367.89 billion and a net profit attributable to equity shareholders of the Company of RMB38.87 billion, representing year-on-year increases of 23.8% and 15.1% respectively. The Group had safe and sound financial and capital positions, and continued to maintain leading credit ratings in the industry. As of the end of the Reporting Period, the Group had cash and cash equivalents of RMB166.19 billion and the net gearing ratio (interest-bearing liabilities less cash and cash equivalents divided by net assets) of 33.9%. While promoting business development, the Group also actively carried out charity works regarding targeted poverty alleviation, village revitalization and environmental protection, and was committed to create more social benefits.

In the face of the sudden outbreak of Novel Coronavirus Pneumonia (COVID-19), Vanke Foundation donated RMB100 million to Wuhan on Lunar New Year’s Eve. The local Vanke team cooperated with the government to adopt proper epidemic prevention and control measures in the community as well as commercial, leased and residential areas. Vanke Service came forward to support the property services of Wuhan Huoshenshan Hospital, while the local hotel team gave full efforts on creating a warm and reliable rear for the external medical teams supporting Wuhan. Vanke’s retail property segment reduced rents for some of its mall tenants in the whole country, Vanke’s long-term rental apartments postponed rent payment during the epidemic period and implemented rent



reduction for some customers from Hubei who were affected by the epidemic and could not return as scheduled. VX Logistic Properties opened 59 logistics parks in 27 cities across the country for free to assist governments at all levels and charities in warehousing and transporting epidemic prevention materials. Vanke also provided quarantined housing for some city enterprises to resume work and production. Vanke people were fighting the pandemic and protecting people's livelihood with persistence and actions.

4.1.1 2019 real estate market review

In 2019, austerity measures on the industry continued in accordance with the principle of "houses are for living in, not for speculation". Local governments had set their regulatory objectives with an aim to stabilize land premium, housing price and expectation, and introduced policies aligning with local conditions to facilitate stable market development. By regions, the sales area of major cities has continued to increase in general, while the sales area of third-and fourth-tier cities has declined.

The sales area of commodity housing in China declined slightly year-on-year. The data from the National Bureau of Statistics showed that, in 2019, the area of commodity housing sold in China was 1,716 million sq.m., down by 0.1% year-on-year. The sales amount was RMB15.97 trillion, up by 6.5% year-on-year; the growth rate was 5.7 percentage points lower than that of 2018. The growth rate of commodity housing sales area by quarter was -0.9%, -2.3%, 2.9% and 0.1%, respectively.

Increase in sales area in key cities. For the 14 cities¹ under the Company's ongoing and focused observation, the area approved for pre-sale increased by 4.2% year-on-year, and sales area of commodity housing increased by 8.8% year-on-year. As at the end of 2019, the digestion cycle of the inventory of new housing available for sale (area with sales permits but had yet to be sold) in the above-mentioned cities was about 9.7 months.

Growth rate in the new construction area of real estate had declined. The total investment in real estate development in the country was RMB13.2 trillion, up by 9.9% year-on-year, and the growth rate was 0.4 percentage point higher than that in 2018. The area of new housing construction amounted to 2.27 billion sq.m., up by 8.5% year-on-year, and the growth rate was 8.7 percentage points lower than that in 2018.

Lands supplied and sold in the land market increased slightly year-on-year. According to the statistics from China Index Academy, in 300 cities throughout the nation, the planned gross floor area of land supply for residential development and area sold in 2019 increased by 4.7% and 7.4% year-on-year, respectively. In the second half of the year, the land market cooled down apparently. The number of lands sold at reserve price and of aborted land auctions increased notably. The average residential land premium rate in the fourth quarter dropped to 8.6%.

¹ Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Wuhan, Dongguan, Foshan, Wuxi and Suzhou

Financing channels for the real estate market were still limited. During the Reporting Period, the financing channels for the real estate market were under continuous to strict supervision. The growth rate of property loans dropped. At the end of 2019, the balance of property loans with major financial institutions nationwide was up by 14.8% year-on-year, and the growth rate was 5.2 percentage points lower than that at the end of the previous year.

4.1.2 Major works during the Reporting Period

The Group has strategically positioned itself as a “city and town developer and service provider”. Its principal businesses include property development and property services. On this basis, the Group also adhered to the strategy of “co-development with cities and co-development with customers”, and actively developed other businesses for the better life of people.

During the Reporting Period, the Group achieved a revenue of RMB367.89 billion, representing a year-on-year increase of 23.8%, and net profit attributable to equity shareholders of the Company of RMB38.87 billion, representing a year-on-year increase of 15.1%. Basic earnings per share amounted to RMB3.47, representing a year-on-year increase of 13.3%. Fully diluted return on equity was 20.67%, representing a decrease of 1.01 percentage points as compared to that in 2018.

When divided by business segment, the operating revenue derived from the property development and related business amounted to RMB352.65 billion, accounting for 95.9% of the Group’s revenue; the revenue derived from the property services amounted to RMB12.70 billion, accounting for 3.5% of the Group’s revenue.

Operations of the Group’s core businesses

Unit: RMB’000

Sector	Revenue		Cost of sales		Operating profit margin	
	Amount	Change	Amount	Change	Value	Change
1. Core businesses	365,353,717	24.35%	235,345,417	26.47%	26.58%	-2.21%
including: Property development and related business	352,653,532	24.16%	225,004,042	26.33%	26.89%	-2.27%
Property services	12,700,185	29.65%	10,341,375	29.76%	17.96%	-0.04%
2. Other businesses	2,540,161	-22.14%	351,801	-66.44%	85.24%	18.59%
Total	367,893,878	23.84%	235,697,218	25.95%	27.00%	-2.23%

Notes:

1. The operating profit margin excluded taxes and surcharges.
2. Income from other businesses mainly includes operating management fees, brand management fees, and business management related auxiliary fees collected from associates and joint ventures.

By geographical regions, the revenue from the Southern Region, Shanghai Region, Northern Region and Central and Western Region accounted for 32.98%, 27.23%, 20.53% and 19.26%, respectively, of the total booked revenue derived from the Group's property development and related business.

Revenue and profit by region

	Booked area		Revenue from core businesses		Net profit attributable to Vanke's equity holding	
	(sq m)	Proportion	(RMB'000)	Proportion	(RMB'000)	Proportion
Southern Region	5,893,573	23.95%	116,303,192	32.98%	13,580,334	28.51%
Shanghai Region	5,812,943	23.63%	96,024,624	27.23%	16,364,551	34.36%
Northern Region	7,016,569	28.52%	72,390,034	20.53%	8,711,973	18.29%
Central and Western Region	5,880,183	23.90%	67,935,682	19.26%	8,974,711	18.84%
Total	24,603,268	100.00%	352,653,532	100.00%	47,631,569	100.00%

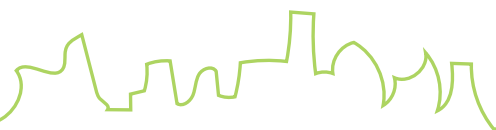
Note: During the Reporting Period, the cities with property development projects booked are as follows: Southern Region included Shenzhen, Guangzhou, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Hainan and Nanning; Shanghai Region included Shanghai, Hangzhou, Suzhou, Wuxi, Changzhou, Yangzhou, Hefei, Nanjing, Zhenjiang, Ningbo, Nanchang, Wuhu, Nantong, Jiaxing, Xuzhou and Wenzhou; Northern Region included Beijing, Tangshan, Tianjin, Shenyang, Dalian, Changchun, Jilin, Qingdao, Yantai, Taiyuan, Jinan and Harbin; Central and Western Region included Chengdu, Chongqing, Wuhan, Xi'an, Guiyang, Kunming, Urumqi and Zhengzhou.

1. Overview of business development

(1) Property development business

① Sales and recognition

Sales amount continued to increase. In 2019, the Group realized a sales area and sales amount of 41.122 million sq.m. and RMB630.84 billion respectively, representing year-on-year increases of 1.8% and 3.9% respectively. Among the products sold by the Group, residential, retail and office properties, and other ancillary facilities accounted for 86.4%, 10.0% and 3.6%, respectively. The Group continued to insist on the positioning of its residential products to cater to self-occupation demand of mainstream customers, with medium and small housing units under 144 sq.m. accounting for 91.2% of total residential products. In 2019, the Group's share in the commodity housing market in China was approximately 4%. The Group ranked first out of 21 cities and ranked second out of 12 cities in terms of sales amount.



Sales of the Group by geographical regions

	Sales area ('0000 sq.m.)	Proportion	Sales amount (RMB hundred million)	
			Proportion	Proportion
Southern Region	658.18	16.01%	1,274.23	20.20%
Shanghai Region	1,166.37	28.36%	2,045.11	32.42%
Northern Region	1,045.85	25.43%	1,422.13	22.54%
Central and Western Region	1,236.41	30.07%	1,506.58	23.88%
Other Regions	5.43	0.13%	60.35	0.96%
Total	4,112.24	100.00%	6,308.40	100.00%

Note: Cities in which sales were realised during the Reporting Period included Shenzhen, Guangzhou, Qingyuan, Dongguan, Huizhou, Foshan, Zhuhai, Zhongshan, Xiamen, Fuzhou, Zhangzhou, Quanzhou, Sanya, Nanning and Changsha in Southern Region; Shanghai, Hangzhou, Jiaxing, Suzhou, Kunshan, Changshu, Wuxi, Nanjing, Nanchang, Ningbo, Hefei, Yangzhou, Wenzhou, Wuhu, Xuzhou, Suqian, Nantong, Zhenjiang, Changzhou, Haining, Yancheng and Shaoxing in Shanghai Region; Beijing, Qinhuangdao, Tianjin, Shenyang, Fushun, Dalian, Changchun, Harbin, Jilin, Qingdao, Jinan, Yantai, Taiyuan, Jinzhong, Tangshan, Anshan, Shijiazhuang, Zibo and Weihai in Northern Region; Chengdu, Nanchong, Wuhan, Yichang, Xi'an, Zhengzhou, Chongqing, Kunming, Yuxi, Guiyang, Urumqi, Lanzhou, Yinchuan and E'zhou in Central and Western Region; Hong Kong, New York, San Francisco, London, Singapore and Seattle in Other Regions.

Increase in booked revenue. The Group's booked area for property development business and booked revenue for property development business² amounted to 24.603 million sq.m. and RMB334.04 billion, representing year-on-year increases of 12.3% and 22.1% respectively. The average booked price of the property development business was RMB13,577 per sq.m. (2018: RMB12,489 per sq.m.).

Increase in the amount of area sold but not booked. As at the end of the Reporting Period, the Group's area sold but not completed for recognition was 42.885 million sq.m. in the consolidated financial statements, with a contract amount of approximately RMB609.1 billion, representing increases of 15.6% and 14.8%, respectively, as compared to those at the end of the previous year.

② **Property development and investment**

Year-on-year increases in new construction floor area and completed floor area. In 2019, the floor area of new construction projects developed by the Group amounted to approximately 42.411 million sq.m., representing a year-on-year decrease of 15.1% and a 118% completion from that planned at the beginning of the year. The floor area of the development projects completed amounted to approximately 30.079 million sq.m., representing an increase of 9.1% year-on-year, and a 98% completion from that planned at the beginning of the year.

² Excluding revenue derived from construction and operational business

Emphasis on prudent investment. The investment and financing are of significant importance to the Group's safe operation and healthy, stable development. The Group continued to adhere to its rational investment strategies; taking into account the balance between safety and development and the matching of risks and returns, the Group strictly controlled the quality of investment, standardized investment requirements, strengthened post-investment management and improved management precision. In 2019, the Group acquired 147 new projects with a planned gross floor area ("GFA") of 37.165 million sq.m. and planned GFA attributable to the Company's equity holding of 24.784 million sq.m. The total land premium attributable to the Group's equity holding amounted to approximately RMB154.96 billion, and the average land premium of the newly acquired projects was RMB6,252 per sq.m.

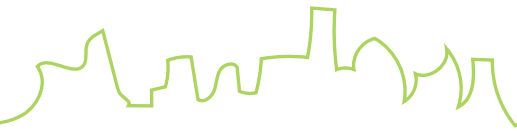
Emphasis on planning revolving around the urban economic circle. In terms of GFA, 71.5% of the newly acquired projects in 2019 were located in the first-and second-tier cities; and in terms of equity investment amount, 79.9% were located in the first-and second-tier cities.

Project resources met the requirement for ongoing development. As at the end of the Reporting Period, the total GFA of the Group's projects under construction was approximately 102.561 million sq.m., of which the GFA attributable to Vanke's equity holding was approximately 61.700 million sq.m.; the total GFA of projects under planning was approximately 53.943 million sq.m., of which the GFA attributable to Vanke's equity holding was approximately 33.602 million sq.m. In addition, the Group also participated in certain urban renewal projects, of which the aggregate GFA attributable to equity was approximately 4.929 million sq.m according to current planning.

For details on the new projects acquired by the Group, please refer to "Project Investment" under "4.2.3 Equity investment" in "Section 4 Director's Report" in the Report.

(2) Property services business

The mission of the Group's property services business is to "enable more users to experience the excellence of property services". This business segment continues to adhere to the development strategy of "simultaneous development of the residential and commercial sectors", improving the service quality and expanding the market share. During the Reporting Period, Vanke Service achieved a revenue of RMB12.70 billion, representing a year-on-year increase of 29.7%. Vanke Service was named "Top 1 in China's Top 100 Comprehensive Property Services Enterprises" for ten consecutive years, ranked first place in "The Most Preferred Property Services Brand of China's Top 500 Property Developers" for six consecutive years, was named "Leading Featured Property Services Enterprises in China – Enterprise Headquarters" for three consecutive years, and ranked first again in Chinese Property Service Brand Value (中國物業服務品牌價值).



During the Reporting Period, Vanke Service continued to actively expand project resources. The annual full income (referring to the property service fee income for a full year as agreed under the project contract) of new expansion projects was RMB5.406 billion, representing a year-on-year increase of 33.13%. Among the new expansion projects, the additional contracted area of residential property services was 103 million sq.m., with the additional full income of RMB3.339 billion; the additional contracted area of non-residential property services was 18 million sq.m., with the additional full income of RMB2.066 billion. As at the end of the Reporting Period, the accumulated contracted area of Vanke Service was 640 million sq. m., representing a year-on-year increase of 26.1%, of which the contract area of 450 million sq.m. has been under management, with a reserve of 190 million sq.m. for the future.



The underground comprehensive pipeline corridor located in Hengqin is 33.4 kilometers long. This photo shows staff carry out daily inspection inside it.

During the Reporting Period, Vanke Service and Cushman & Wakefield established a joint venture to achieve the strong combination of services such as commercial property and facility management; the model of "urban space integration service" has been expanded to Zhuhai Hengqin New Area, Xiong'an New Area, Guangzhou Baiyun and Chengdu Hi-tech Zone, with Vanke Service undertaking urban management services such as local urban environmental sanitation, urban public green space maintenance, municipal infrastructure maintenance, comprehensive community management, and public resources operation and management.

Vanke Service also actively carried out digital development to better respond to customer's service needs and to achieve cost reduction, operational efficiency improvement and delicacy management, including the paper and electricity integrated invoice management platform, pedestrian entrance unattended intelligent products and Black Cat No. 2, a smart parking management system.

(3) Rental housing business

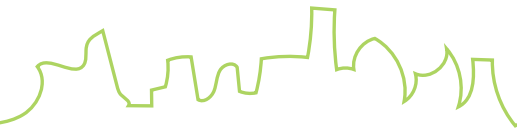
The long-term rental housing business mainly operated through long-term youth apartments ("Port Apartment"), and explored different long-term rental solutions for different types of customers in the meantime; it also actively improved the service quality by letting the customers feel "reassuring, worry-free, happy and warm".

During the Reporting Period, rental housing business continued to adhere to its planning revolving around the core cities, and actively improved the operation and service quality. In 2019, the rental housing business had an additional 56,000 units in operation. As at the end of the Reporting Period, the Group aggregately had 110,000 units in operation, amongst them 81% were located in 14 core cities including Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Tianjin, Chengdu, Xiamen, Qingdao, Nanjing, Suzhou, Wuhan, Xi'an and Jinan. The average occupancy rate of mature projects (in operation for half a year or above) was 90%.

The Group strived to improve the renovation and operational efficiency of long-term rental apartments in urban villages, there were 35,000 new units in operation for the Vancun programme, during the Reporting Period.



Port Apartment Shenzhen Fuyong Branch



(4) Retail property development and operations

SCPG is the retail property development and operation platform of the Group. At the end of 2019, 108 projects were managed and operated by SCPG in over 50 cities in China, with an area of approximately 9.00 million sq. m. under management and an area of 6.44 million sq. m. in operation.

During the Reporting Period, four shopping malls, namely Hangzhou Jinsha Incity, Jinan Incity, Hefei Vanke Plaza and Guiyang Incity, commenced operation. The unique intellectual property (IP) which combines urban and regional characteristics was well accepted by the consumers. SCPG continued to focus on the improvement of existing projects; Shanghai Sanlin Incity, Changsha Inreach, Zibo Inreach and Weifang Inreach have all performed well after renovation. SCPG continued to improve the customer-centric digital operation capabilities; the digital membership operation system covered 52 projects and had more than 5 million members; Shanghai Yinli (上海印力) won the “Best Practical Case of China’s Big Data Application” (「中國大數據應用最佳實踐案例」) at the World Internet Conference 2019 (Wuzhen). SCPG actively explored the capital market and set up the Yinxiang No. 1 Commercial Investment Fund (印象壹號商業投資基金) in November 2019, with a total size of RMB3 billion; the fund will be used to develop and operate the shopping malls in the future.

(5) Logistic and warehousing services

The Group uses “VX Logistic Properties” as its logistics and warehousing service platform. After nearly five years of development, it served over 850 customers, covering E-commerce, express delivery, manufacturing, catering, retailing, etc.



Jinan Incity

In 2019, VX Logistic Properties further improved the layout of core locations and acquired 21 new projects with the aggregate GFA of the leasable properties amounting to approximately 1.91 million sq.m. As at the end of the Reporting Period, VX Logistics Properties had entered 44 cities and acquired 138 projects, including 123 high-standard warehouses (9 high-standard warehousing and cold storage integrated logistics park included) and 15 cold storages; the GFA of leasable properties was approximately 10.86 million sq.m. As at the publication date of the Report, 53 projects of VX Logistic Properties are in stable operation (including 45 high-standard warehousing projects and 8 cold chain projects), and among them, the average occupancy rate of high-standard warehousing projects with stable operation was 92%, and the annual utilization rate of cold storage was 82%, representing a significant increase as compared to 2018.

In 2019, VX Logistic Properties gradually improved its operation capabilities through lean management and information technology, and won customers over with quality services. On the one hand, it gradually strengthened its integrated service capabilities and increased the revenues derived from the operation in warehousing and transportation business; on the other hand, it exercised stringent cost management with an aim to reduce management costs and the proportion of indirect costs. During the Reporting Period, VX Logistic Properties won the Social Responsibility Contribution Award at the 2019 PRC Logistics Entrepreneurs Annual Meeting, and VX cold chain logistics business was awarded the "Gold Pegasus Award" Gold Enterprise.



Wuhan Yangluo Warehouse



VX Logistic Properties Shanghai Haigang Cold Chain Logistics Park

On 31 December 2019, VX Logistic Properties completed the SZSE bookkeeping process of "VX Logistic Properties—E Fund—Logistics Warehousing Phase 1 Asset-backed Securities". The total size of this special plan is RMB573 million. The successful issuance reflects the market recognition and trust towards the asset management capabilities of VX Logistic Properties.



Jilin Lake Songhua Resort

(6) Other Businesses

The Group's ski resort business continued to maintain a leading position in the industry in 2019. The Group currently operated three projects, namely Jilin Lake Songhua, Beijing Shijinglong and Beijing Xishan Ski Resort. Among them, the passenger flow and customer satisfaction of Jilin Lake Songhua Resort continues to maintain a leading position in the country and was named the "Best Ski Resort in China" by the World Ski Awards for the third consecutive year. From November 2019 to the end of January 2020 before the suspension of business due to the epidemic, the above three ski resort projects received a total of 390,000 ski tourists. On 25 February 2020, Jilin Lake Songhua Resort resumed to limited operations for the local provincial market. In addition, Beijing National Alpine Skiing Co., Ltd. (北京國家高山滑雪有限公司), of which the Group is the second largest shareholder, is responsible for the construction of Yanqing Winter Olympic Village, the Media Center and the public ski resort for the 2022 Beijing Winter Olympics. Site construction and operation preparations are progressing smoothly.

In addition, the Group continued to explore products and services relating to better life quality of the people. The Group's fine-tuned facilities and services that improved the quality of daily life and addressed customer's pain points, gradually expanding its brand influence in elderly care and education sectors. In March 2019, Vanke Meisha Academy was rated as "No. 2 Private International School in Shenzhen" by the "Hurun Education Top 100 Schools Ranking 2018" (《2018胡潤百校排行榜》).

2. Product and project management

Strengthened safety and quality control. Safety production is a life and death issue for the workers. Product quality is closely linked to the long-term experience of users. In the face of increasing project size, the Group always operates with extreme caution and a zero-tolerance attitude to mistakes, and creates reliable and durable products for customers.

During the Reporting Period, the Group added underground project evaluations based on a "Two Tools and One Table" system (being quarterly assessment, delivery examination and home inspection guide table); it also iterated and optimized the assessment rules every quarter and adopted third-party unannounced construction inspection, so as to carry out safety and quality inspections covering the entire project from the underground to the delivery stage; the potential risks can also be identified in advance and rectified in a timely manner.

To ensure the quality of construction materials and parts and components, the Group continued to carry out the "Operation Skynet", which strictly controls the quality of materials and parts to ensure "quality products". In 2019, the inspection coverage of materials and projects reached 100%.

In 2019, with more than 200,000 apartments delivered, the Group's public area quality satisfaction and indoor quality satisfaction increased by 4 and 5 percentage points from those of the previous year, respectively.

Building products with good quality. To discover, understand and cater to customer needs and changes, the Group continued to conduct interviews with top sales employees, customer researches and other campaigns during the Reporting Period; it also innovated product planning, marketing design and content service methods, and created outstanding, marketable products and services. Based on the insights into the genuine needs of customers, the Group completed the application of upgrade of the C standard decoration, centralized procurement and packaging, during the Year, achieving economies of scale through standardized modeling.

Attached importance to the sustainable development of human settlements, living and the environment, the Group actively implemented the concept of green and low-carbon development, and continued to promote the development of green buildings and application of prefabrication technologies. In 2019, the coverage rate of green buildings within the Group was 100%, with the area of green buildings reaching 46.620 million sq.m. (42.542 million sq.m. of 1-star and 2-star green buildings and 4.078 million sq.m. of 3-star green buildings). Since the promotion of green buildings in 2009, the area of green buildings of the Group reached a total of 193 million sq.m. To improve quality and efficiency, and reduce dependence on labour, save energy and reduce emission, the Group continued to improve the "5+2" industrial construction system, leveraging five-construction technology system, with appropriate application of prefabricated main structure, fabricated decoration and other new technologies, as well as new materials and new process, to achieve breakthrough in quality enhancement. During the Reporting Period, 86% of the Group's mainstream products applied prefabrication process in construction.

3. Organization development

The Group continues to push forward with organizational restructuring and correspondence of the responsible persons to related activities, to create “Vector Organization, Champion Organization, and Resilience Organization”. During the Reporting Period, each of the business groups (BG) and business units (BU) of the Group reorganized its own organizational structure and its direct units; and further iterated the functions of the headquarter and collaboration mechanisms to attain the goal: creating “one headquarter, the Group’s headquarter, and synergy headquarter”. To improve organizational capabilities, the Group comprehensively restructured the systems of positions, ranks and salary scales, examined the rationality of the organizational structure and the correspondence of the responsible persons to related activities, and realized dynamic correspondence of the responsible persons to related activities through annual dynamic review and the “Da Jiang Da Hai” plan, etc.

4. How technology enhanced businesses

The Group developed its businesses through digitalization in every aspect; Wanyi Technology (萬翼科技), the Group’s wholly-owned subsidiary, has obtained the certification of National High-tech Enterprise.

During the Reporting Period, the Group increased the R&D and application of BIM technology to establish a digital platform for real estate development. AI blueprint review technology, a proprietary innovation of the Group, can effectively improve the efficiency and accuracy of blueprint review, and ensure production quality and safety. The intelligent construction site platform integrating ingenuity system was launched aiming to reduce the risks in the construction sites through real-name system, facial recognition access control management, on-site video surveillance management, on-site environmental monitoring and other functions. The promotion on digital marketing tools such as “Your home purchase APP” (置業神器), “My home online” (在線家), “Best to share” (分享家), “Sales expert” (銷售家) and “E house selection” (E選房) provided millions of customers with comprehensive online services from house inspection to delivery, so as to make the whole process smoother. The Group developed intelligent homes and intelligent communities in cooperation with partners, to provide customers with more high-tech products and services. To jointly develop industry standards that are suitable for the domestic market and are related to future cities, and the solutions for intelligent future cities of all kinds, the Group co-established a “Vanke Future City Lab” (萬科未來城市實驗室) with its strategic partner Microsoft.

5. Social responsibilities

The Group has actively fulfilled its social responsibilities and carried out targeted poverty alleviation, village revitalization, education development, and environmental protection campaigns. To achieve mutual benefits with the stakeholders, it also safeguarded the employee rights, facilitated the development of employees, and actively promoted supply chain responsibilities and community development. Please refer to the “2019 Corporate Social Responsibility Report” to be published by the Company for details of the Group’s fulfilment of social responsibilities during the Reporting Period.

4.1.3 Analysis of operational and financial condition of the Group

1. Profit

During the Reporting Period, the Group realized a net profit of RMB55.13 billion, representing an increase of 11.9% year-on-year. Net profit attributable to Vanke's equity holding amounted to RMB38.87 billion, representing a year-on-year increase of 15.1%.

The booked gross profit margin of the Group's property development and related business decreased by 2.3 percentage points from that of 2018 to 26.9%. The fully diluted return on equity of the Group was 20.7%, down by 1.0 percentage point from that of 2018.

In 2019, the Group realized an investment income of RMB4.98 billion, representing a decrease of 26.6% year-on-year, including the profits from the associates and joint ventures attributable to Vanke's equity holding amounting to RMB3.79 billion.

2. Liabilities

(1) Gearing ratio

As at the end of 2019, the Group's net gearing ratio was 33.9%.

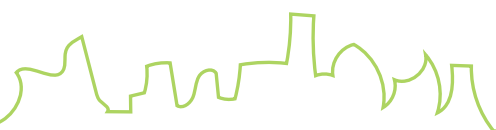
(2) Interest-bearing liabilities and their composition

As at the end of the Reporting Period, the Group's interest-bearing liabilities amounted to RMB257.85 billion in aggregate, representing 14.9% of total assets. These interest-bearing liabilities were mainly medium and long-term liabilities. Among these interest-bearing liabilities, short-term borrowings and interest-bearing liabilities due within one year amounted to RMB93.89 billion, representing 36.4% of total; interest-bearing liabilities of more than one year amounted to RMB163.97 billion, representing 63.6% of total.

By financing source, bank borrowings, bonds payable and other borrowings accounted for 54.5%, 24.1% and 21.4%, respectively.

By type of interest rates, liabilities with fixed interest rates accounted for 36.5% and liabilities with floating interest rates accounted for 63.5% of the interest-bearing liabilities. Pledged interest-bearing liabilities amounted to RMB5.01 billion, accounting for 1.9% of the total interest-bearing liabilities.

By geographical location, domestic liabilities and overseas liabilities accounted for 73.9% and 26.1% respectively. RMB liabilities and foreign currency liabilities accounted for 74.1% and 25.9%, respectively.



Overview of financing (as at 31 December 2019)

Unit: RMB'0000

Channel	Balance	Range of financing costs	Term structure
Bank loans	14,041,015.80	Libor + margin to 5.88%	Current and non-current bank loans
Bonds	6,212,600.62	2.95%-5.35%	Current and non-current bonds
Other borrowings	5,531,606.08	3.62%-6.16%	Current and non-current borrowings from financial institution
Total	25,785,222.50	-	-

(3) Financing overview

To enhance the Company's ability to avert financial risks, the Group continued to optimize its debt structure and reduce financing costs through financing instruments including corporate bonds, Short-term Commercial Paper and medium-term notes.

Due to its good market credit, the Group's issuance in domestic and overseas capital markets have been recognized by various financial institutions. During the Reporting Period, the Group completed the issuance of bonds designated for rental housing totaling RMB4.5 billion in two tranches, with coupon rates of 3.65% and 3.55%, respectively; it completed the issuance of short-term commercial paper totaling RMB500 million, with a coupon rate of 3.18%; it also completed the issuance of US\$ medium-term notes multiple times, with the minimum coupon rate of 3.15%.

During the Reporting Period, the Group's actual interest expenses totalled RMB13.96 billion, of which the capitalised interest amounting to a total of RMB5.69 billion.

(4) Credit rating

During the Reporting Period, S&P and Fitch maintained "BBB+" credit rating for the Group, while Moody's maintained a "Baa1" credit rating for the Group, with a "stable" rating outlook from each of the aforesaid credit rating agencies. China Chengxin Securities Rating Co., Ltd., a domestic rating agency, maintained the Group's credit rating as AAA, with stable rating outlook.

3. Capital position

The Group insisted on the concept of “continuous creation of true value with emphasis on liquidity” and continued to improve the planning and precision of fund management, achieving a net cash inflow from operations of RMB45.69 billion for the entire year. As at the end of the Reporting Period, the cash and cash equivalents held by the Group amounted to RMB166.19 billion, which was much higher than the total current liabilities due within one year of RMB93.89 billion. Among the cash and cash equivalents, Renminbi accounted for 97.2%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 2.8%.

4. Risk of fluctuations in exchange rates

The Group conducts a majority of its business operations in the PRC. Most of the revenue and expenses are denominated in Renminbi. To cope with the Group’s overall strategic advancement and development of various businesses, the Group raised foreign currency funds abroad through various channels.

During the Reporting Period, the Group realized an exchange gain of approximately RMB330 million.

The exchange rate of RMB against foreign currencies fluctuated greatly in 2019. In order to constantly control the medium-and long-term fluctuation risks of the exchange rate, the Group persisted with dynamic management of matching of foreign currency asset and liability, term structure and offshore liquidity risk, and utilised natural hedging and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates of foreign currency liability, the Group’s effective cross currency swap (CCS) balance was US\$2,091 million at the end of the Reporting Period. During the Reporting Period, there was a new cross currency swap (CCS) of US\$375 million; there were deliverable foreign exchange forward (DF) contracts of US\$875 million against foreign currency liabilities expired. 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 RMB901.81 billion, representing an increase of 19.6% from that at the end of 2018; of the aforesaid inventory, projects held for development amounted to RMB207.61 billion, accounting for 23.0%; properties under development amounted to RMB6,222.9 billion, accounting for 69.0%; and completed properties for sale (existing properties) amounted to RMB66.03 billion, accounting for 7.3%.

As at the end of the Reporting Period, inventory impairment provision amounted to RMB2.99 billion. The Company appropriated provision for impairment of inventories for projects subject to risks based on its prudent market strategy. Details are as follows:

			Unit: RMB'0000	
No.	City	Project	Balance of impairment provision at the beginning of the year	Balance of impairment provision at the end of the year
1	Chengdu	Junyi	28,978.56	28,978.56
2	Dalian	Harbour City	35,396.61	33,410.26
3	Fushun	The Paradiso	8,118.78	5,104.63
4	Hefei	Future Light	–	85,237.76
5	Nanchong	Jinrun Huafu	18,169.33	8,496.61
6	Ningbo	Dream Town	24,024.77	1,239.58
7	Shanghai	Tianji	40,681.16	40,681.16
8	Shanghai	Jinyulanwan Egret Villa	24,927.95	24,927.95
9	Wenzhou	Longwan Garden	1,251.96	–
10	Urumqi	Southern Hillside	20,837.79	20,837.79
11	Xiamen	Heron Hill	–	28,429.57
12	Yantai	Haiyuntai	8,951.90	2,878.39
13	Yingkou	Harbour City	6,772.03	6,772.03
14	Zhenjiang	Blue Mountain Garden	13,174.41	12,014.92
Total			231,285.25	299,009.21

The impact of inventory impairment provision made during the year on the net profit after tax during the Reporting Period was RMB1.14 billion and the impact on net profit attributable to the equity shareholders of the Company was RMB780 million.

6. Change of key performance indicators

Unit: RMB'000

Item	31/12/2019	31/12/2018	Change	Description
Deferred tax assets	23,427,586	15,749,205	48.75%	Increase in LAT provisions
Contract assets	3,444,938	1,364,127	152.54%	Expand in construction contracts
Pledged deposit	6,455,944	12,749,283	-49.36%	Restricted cash released while the relevant loan was repaid
Assets held for sale	4,252,755	6,624,631	-35.80%	Some transactions complete
Current taxation	56,783,304	37,292,979	52.26%	Increase in income tax
Other non-current liabilities	1,065,436	2,338,048	-54.43%	Some payables due in one year
Property, plant and equipment	29,697,926	22,645,383	31.14%	
Investment properties	94,521,281	25,897,948	264.98%	Impact of change in accounting policies
Lease liabilities	22,703,010	-	N/A	
Other non-current asset	9,107,320	35,982,967	-74.69%	

Item	31/12/2019	31/12/2018	Change	Description
Other net income	5,686,668	3,585,145	58.62%	Changes in exchange gains and losses
Share of profits less losses of associates and joint ventures	3,790,598	6,279,911	-39.64%	Decrease in investment income from joint ventures
Income tax	(50,984,878)	(37,792,673)	34.91%	Increase in LAT provision

7. Capital expenditure commitments

As of the end of the Reporting Period, the capital commitments of the Group reached RMB196.29 billion, including the construction contracts entered into or to be executed by the Group, as well as the land contracts signed and going or preparing to execute.

8. Contingent liabilities

In accordance with industry practice, the Group provided guarantee for mortgage loans taken by purchasers of the Company's properties of which mainly are provisional guarantee. The terms of the provisional guarantee commenced on the day the guarantee agreement becoming effective up to the day on which the ownership certificates of the properties purchased by the customers being obtained and the mortgage being registered and delivered to the mortgage banks. As at the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB228.15 billion. The Group has not suffered any material loss due to the aforesaid guarantees. The Group is of the view that it does not need to make any provisions for such guarantees in the financial statements.

9. Seizures, withholding and freezing of major assets

Nil.

10. Co-investment projects

In 2014, the Group established the co-investment scheme to link the project performance with the interests of staff and encouraged co-investors to create larger value for the Company and its shareholders. As of the end of 2019, co-investment scheme was introduced into a total of 865 projects of the Group. Amongst projects acquired during the Reporting Period, the aggregate investment amount subscribed by co-investment scheme was RMB4.157 billion, accounting for 1.87% of capital peak of co-investment projects, and 2.48% of capital peak attributable to equity of Vanke.

As of the date of the Report, the income distribution to the co-investors of the Group's projects matched the actual investment, and the shareholders of the projects did not propose to withdraw from the projects for now.

4.1.4 Future development prospects

1. External environment

The current external environment is extremely complicated with uncertainties. In the medium and long run, as the industry has entered an era of inventory competition, the market will be changed from a seller's market to a buyer's market, resulting in more intense competitions for customers; the overall strength of an enterprise will be tested more severely. In the short run, the outbreak of the COVID-19 will further increase uncertainties and put forward higher requirements for enterprises in terms of awareness, attitude, ability, and action.

Despite multiple challenges, the enormity of the industry still offers a lot of development opportunities for enterprises; there are still imbalanced and insufficient situations in different areas and business segments. Properties above railway and urban renewal have vast potential for development; property services have a great potential role in community governance and urban governance; rental housing business and cold chain storage are still in wide demand. As long as we follow the strategy of "growing with the city and growing with the customer", focus on customer needs, and create quality products and services, the Company will still achieve great development.

2. Operation Strategy for 2020

Under the long term operation guiding principle named "customer-oriented, liquidity-emphasis, and partnership for concerted endeavors to create additional true value, and realize quality development", the Group will make "focus on product and service, deepen the organizational restructuring, and consolidate and improve our fundamentals" as annual work theme, and commit to each assignment. In particular:

- (1) Weather the pandemic, strengthen the immunity of the enterprise, prepare adequately to ensure the rapid recovery of production, given the premise of employees' safety, and reduce the impact of epidemic on operation with all strength;
- (2) Continue to consolidate and improve our fundamentals, focus on products and services, and offer quality products, services and projects meeting the budget and needs of customers;
- (3) Implement lean operations and improve operational efficiency and effectiveness;

- (4) Make ends meet, implement effective management of investment and financing and ensure our safety and flexibility in financing, and maintain an industry-leading credit ratings;
- (5) Strive to city and town developer and service provider strategy, "develop with city and customers in the same pace", continue to undertake strategy revision, and explore the digitalization strategy to guide and promote business development;

In 2020, the new construction area of the existing projects of the Group is expected to be 29.212 million sq.m.. It is estimated that the area to be completed in 2020 will be 33.193 million sq.m.. Please refer to "Development of Major Domestic Projects in 2019 and Development Plan for 2020" in this section for details of the Group's plan for commencement and completion of projects in 2020.

Development of Major Domestic Projects in 2019 and Development Plan for 2020

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed	Accumulated	Area not	Area to be	Area to be
					commenced construction in 2019	Area in 2019	completion area by 2019	yet under construction as at the end of 2019	commenced construction in 2020	completed in 2020
Southern Region										
Zhenshanfu, Shenzhen	Nanshan District	100.0%	48,804	232,842	-	107,866	107,866	-	-	-
Cloud City, Shenzhen	Nanshan District	78.3%	394,044	1,335,510	196,000	921,019	1,209,311	-	-	126,199
Tianyu Garden, Shenzhen	Longgang District	100.0%	148,616	870,987	278,619	4,190	592,368	-	-	-
One City, Shenzhen	Yantian District	50.0%	137,250	354,695	-	54,202	354,695	-	-	-
Vanke City of Stars, Shenzhen	Baoan District	78.6%	122,126	638,884	-	-	-	-	-	169,978
Shenzhen Longcheng Square	Longgang District	34.0%	66,600	264,941	-	37,864	264,941	-	-	-
Zhenwanhui, Shenzhen	Nanshan District	43.0%	68,285	419,000	-	72,255	72,255	-	-	82,196
No.68 Shennan Road, Shenzhen	Luohu District	59.9%	12,841	146,435	-	123,119	123,119	-	-	9,472
Huilong Business Center, Shenzhen	Longhua New District	39.2%	20,339	142,400	-	126,150	126,150	-	-	10,184
Shenzhen Binhai Land Building	Futian District	100.0%	5,775	57,750	-	57,750	57,750	-	-	-
Zhenshan Avenue, Shenzhen	Futian District	40.0%	16,370	77,575	-	77,575	77,575	-	-	-
Shekou Gongguan, Shenzhen	Nanshan District	100.0%	19,447	141,970	-	141,970	141,970	-	-	-
Shen Jingyu Lingfeng Park	Longgang District	60.0%	34,996	107,512	-	107,512	107,512	-	-	-
Luohu Food Building Project, Shenzhen	Luohu District	99.6%	6,705	64,800	-	-	-	64,800	64,800	-
Vanke Headquarter Building Project, Shenzhen	Nanshan District	44.7%	22,338	166,660	-	-	-	-	-	-
Yuecheng, Shenzhen	Longhua District	27.8%	95,999	487,279	68,745	-	-	293,059	293,059	74,605
Shenzhen Bicycle Factory Project	Longgang District	99.3%	44,406	356,370	24,180	-	-	332,190	332,190	-
CLP Baoan Project, Shenzhen	Baoan District	100.0%	8,414	58,900	-	-	-	58,900	58,900	-
Wonderland, Changsha	Yuelu District	48.6%	479,778	863,600	-	-	-	863,600	332,575	-
The Paradise, Changsha	Furong District	96.2%	120,208	362,976	-	74,759	362,976	-	-	-
Golden Paradise, Changsha	Yuelu District	100.0%	43,737	129,261	-	-	129,261	-	-	-
Zitai, Changsha	Tianxin District	70.0%	116,486	270,176	-	22,320	120,049	136,001	129,336	14,126

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be	Area to be completed in 2020
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019	commenced construction in 2020	
Jinyu Binjiang, Changsha	Yuelu District	58.0%	58,287	207,995	40,673	-	83,980	-	-	58,828
Heron Hill, Changsha	Yuelu District	100.0%	100,351	297,167	-	-	297,167	-	-	-
Glamorous City, Changsha	Yuhua District	95.0%	460,237	1,335,730	56,292	214,359	803,439	229,756	151,412	166,572
Jinyu International, Changsha	Yuelu District	51.0%	159,393	518,569	18,302	61,424	358,119	-	-	120,495
Meixi County, Changsha	Yuelu District	99.4%	129,323	310,501	-	-	310,501	-	-	-
Golden Wheat Fields, Changsha	Yuhua District	90.0%	16,459	36,705	36,705	-	-	-	-	23,633
Golden Dream, Changsha	Yuelu District	99.5%	151,064	517,107	441,848	-	-	75,259	75,259	-
Feilishan, Dongguan	Nancheng District	50.0%	249,534	374,302	-	48,529	374,302	-	-	-
Watersity, Dongguan	Tangxia Town	100.0%	596,786	425,964	-	-	343,126	82,838	82,838	-
Dream Town, Humen, Dongguan	Humen Town	57.4%	349,805	782,296	-	-	780,455	-	-	-
Vanke Cloud City, Dongguan	Humen Town	74.4%	124,395	373,182	-	139,270	349,115	-	-	-
Pearl River East Coast, Dongguan	Machong Town	63.6%	303,695	542,650	-	56,452	519,652	-	-	-
Vanke City Twilight Plaza, Dongguan	Humen Town	88.3%	29,391	136,422	-	-	-	-	-	136,422
Songlang Garden, Dongguan	Dalang Town	86.9%	75,663	233,017	-	139,259	233,017	-	-	-
City Garden, Dongguan	Dongcheng District	40.8%	74,813	272,318	-	140,730	263,459	-	-	-
Dongjiang Star, Dongguan	Nancheng District	45.1%	59,200	367,548	-	133,400	133,400	-	-	177,266
No.5 City, Dongguan	Gaobu Town	48.3%	102,054	285,643	-	-	-	-	-	204,556
Jinyu Plaza, Dongguan	Dongkeng Town	45.0%	17,420	78,388	-	-	-	-	-	78,388
Royal Palace, Dongguan	Dongcheng District	24.2%	180,523	394,887	212,961	-	-	-	-	130,175
Imperial Bay No.8 Project, Dongguan	Dongcheng District	24.2%	159,856	119,506	78,973	-	-	40,533	-	-
Skycity, Dongguan	Dalang Town	73.5%	36,874	128,926	39,833	-	-	-	-	23,901
Jade Pine Lake, Dongguan	Liaobu Town	90.0%	95,578	190,958	-	35,638	35,638	-	-	96,517
Dongjiang Avenue Project, Dongguan	Wanjiang District	98.4%	21,505	64,515	-	-	-	64,515	-	-
Housha Road Project, Dongguan	Houjie Town	64.9%	45,228	54,053	-	-	-	54,053	-	-
Financial Valley Project in Songshanhu, Dongguan	Songshanhu	99.8%	110,958	168,250	-	-	-	-	-	-
Dongguan Golden City Center	Nancheng District	51.4%	13,967	61,695	-	-	-	-	-	61,695
Binhai Metropolis, Dongguan	Humen Town	78.6%	20,050	60,145	-	-	-	-	-	29,348
City Garden II, Dongguan	Dongcheng District	49.5%	32,196	90,062	-	-	-	-	-	84,713
Vanke Shifu Golden Home, Dongguan	Liaobu Town	18.2%	51,675	186,149	-	50,708	50,708	121,408	-	14,033
Jiangnan Yard, Dongguan	Shatian Town	68.2%	84,903	152,422	-	21,154	21,154	-	-	131,268
Feicuidongwang, Dongguan	Nancheng District	32.5%	67,477	235,911	-	-	-	-	-	115,432
Huanhulu Project in Songshanhu, Dongguan	Songshanhu	29.6%	23,037	44,142	44,142	-	-	-	-	44,142
Fenggang Wonderland, Dongguan	Fenggang Town	39.1%	50,325	101,437	101,437	-	-	-	-	45,253
Changan Lianhu Road Project, Dongguan	Changan Town	67.4%	54,178	108,356	-	-	-	108,356	108,356	-
Vanke Jiangwan Garden, Dongguan	Machong Town	98.6%	28,752	86,183	-	-	-	86,183	86,183	-
Machong Dasheng U31 Plot, Dongguan	Machong Town	99.0%	36,215	108,544	-	-	-	108,544	108,544	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Dream Town, Foshan	Chancheng District	100.0%	337,544	776,350	-	-	776,350	-	-	-
Crystal City, Foshan	Shunde District	49.0%	284,036	710,092	-	-	710,092	-	-	-
Vanke Plaza, Foshan	Chancheng District	88.0%	114,429	555,819	-	-	307,950	-	-	-
Nanhai Vanke Plaza, Foshan	Nanhai District	51.0%	89,009	373,821	-	-	373,821	-	-	-
Jinyu Binjiang, Foshan	Shunde District	50.0%	113,224	452,880	-	79,879	251,021	-	-	187,885
Golden Field, Foshan	Nanhai District	100.0%	47,254	354,405	-	92,326	354,405	-	-	-
Jinyu Zhongyang, Foshan	Nanhai District	49.9%	188,996	793,784	-	247,790	793,784	-	-	-
A32, Foshan	Nanhai District	100.0%	25,178	146,000	-	-	-	-	-	104,374
Golden City, Foshan	Nanhai District	98.7%	70,248	210,744	-	-	210,744	-	-	-
Golden Paradise, Foshan	Nanhai District	62.9%	87,157	331,196	-	-	331,196	-	-	-
Golden Miles, Foshan	Chancheng District	98.8%	77,562	298,004	-	191,455	265,209	-	-	32,795
Jinyu Binjiang Phase III, Foshan	Shunde District	98.8%	54,648	163,944	-	73,266	73,266	-	-	90,678
Vanke Center, Foshan	Nanhai District	100.0%	18,023	99,125	99,125	-	-	-	-	-
City Twilight, Foshan	Nanhai District	90.7%	72,711	228,312	-	107,061	228,312	-	-	-
Shangduhui, Foshan	Nanhai District	97.0%	13,718	61,340	-	61,340	61,340	-	-	-
Festival Walk, Foshan	Chancheng District	94.5%	30,367	75,917	-	54,246	75,917	-	-	-
Xijiang Joy, Foshan	Gaoming District	45.4%	97,157	291,378	-	291,378	291,378	-	-	-
Yueduhui, Foshan	Chancheng District	100.0%	9,785	58,710	-	-	-	-	-	-
Jade Riverview, Foshan	Shunde District	98.1%	53,795	134,487	-	32,842	32,842	-	-	101,645
Yiduhui, Foshan	Nanhai District	90.0%	13,986	62,937	-	25,284	25,284	-	-	37,653
Glamorous City, Foshan	Sanshui District	91.3%	132,954	332,385	-	143,271	143,271	-	-	189,114
Star Converge, Foshan	Shunde District	90.0%	23,200	120,664	-	-	-	-	-	23,009
Skycity, Foshan	Shunde District	99.1%	86,789	390,553	239,410	-	-	151,143	151,143	-
City Garden, Foshan	Sanshui District	65.8%	35,271	98,757	-	40,060	40,060	-	-	58,697
Jinyu Academy, Foshan	Shunde District	97.0%	45,432	127,210	-	18,060	18,060	-	-	109,150
Jingduhui, Foshan	Shunde District	91.6%	7,708	56,038	-	-	-	-	-	56,038
West of the Paradise, Foshan	Nanhai District	99.1%	76,956	230,869	230,869	-	-	-	-	-
Foshan Nut Community	Nanhai District	27.9%	7,804	23,400	-	23,400	23,400	-	-	-
Golden Family, Foshan	Nanhai District	99.1%	52,222	182,777	182,777	-	-	-	-	-
Golden Times, Foshan	Chancheng District	98.9%	40,459	161,837	161,837	-	-	-	-	-
Jinyu Xijiangfu, Foshan	Gaoming District	49.6%	75,037	187,591	187,591	-	-	-	-	-
Lecong Zhuoyue Project, Foshan	Shunde District	49.5%	131,842	351,063	213,042	-	-	138,021	138,021	-
Vanke Dazhangxi Coast, Fuzhou	Yongtai County	51.0%	392,000	390,808	-	94,986	183,604	207,204	207,204	-
Jinyu Zhongyang, Fuzhou	Taijiang District	60.0%	25,397	128,512	-	-	128,512	-	-	-
Festival Walk, Fuzhou	Minhou County	51.0%	213,602	676,654	-	45,503	229,517	340,585	340,585	-
Jinyu Binjiang Garden, Fuzhou	Cangshan District	99.0%	80,013	415,774	42,729	-	56,629	-	-	-
Cangqianjiuli, Fuzhou	Cangshan District	100.0%	83,099	99,384	-	-	-	-	-	-
Jiurufu, Fuzhou	Gulou District	96.3%	15,456	43,277	-	43,277	43,277	-	-	-
Fuzhou Emerald Park Fengqi	Cangshan District	45.2%	23,628	30,931	-	-	-	-	-	30,931
Fuzhou Emerald Park Xiwang	Cangshan District	48.2%	35,543	40,428	-	-	-	-	-	40,428

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be	Area to be
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019	commenced construction in 2020	completed in 2020
Lu Garden, Fuzhou	Cangshan District	69.3%	34,000	77,129	-	30,000	30,000	-	-	47,129
Zitai, Fuzhou	Mawei District	38.7%	113,570	156,018	156,018	-	-	-	-	-
Jade Light, Fuzhou	Cangshan District	16.8%	81,196	145,500	-	-	-	-	-	-
Taijiang Paiwei Project, Fuzhou	Taijiang District	99.3%	205,862	624,811	624,811	-	-	-	-	-
Lunas Del Mar, Huizhou	Huidong County	100.0%	704,223	1,021,059	-	170,540	719,684	192,332	192,332	-
Xiaojinkou, Huizhou	Huicheng District	78.3%	41,895	117,213	-	-	-	117,213	117,213	-
World Expo, Guangzhou	Panyu District	51.8%	82,354	451,682	31,579	85,553	85,553	211,994	72,676	68,204
Racho Sante Fe, Guangzhou	Huadu District	49.0%	210,252	126,172	-	-	126,172	-	-	-
Yunqi Home Town, Guangzhou	Tianhe District	25.0%	13,200	49,236	-	-	28,769	-	-	-
Xingfuyu Garden, Guangzhou	Huangpu District	14.3%	259,300	543,939	-	121,803	510,142	30,025	-	-
Yun Cheng Miku, Guangzhou	Tianhe District	98.9%	89,229	357,433	-	-	357,433	-	-	-
Hillview Park, Guangzhou	Huangpu District	99.1%	192,923	373,634	-	-	373,634	-	-	-
Lixiang Garden, Guangzhou	Huangpu District	84.5%	103,306	310,230	-	84,951	274,158	-	-	36,072
Shangcheng Yufu, Guangzhou	Huangpu District	98.1%	127,226	368,960	51,444	151,243	219,204	-	-	133,745
Xingfuyu Garden Phase III, Guangzhou	Huangpu District	16.3%	112,600	161,800	-	67,150	136,119	-	-	25,681
Taoyuanli, Guangzhou	Zengcheng District	92.4%	16,492	36,282	-	36,282	36,282	-	-	-
Spring Breeze Ten Yard, Guangzhou	Zengcheng District	97.0%	51,950	129,875	-	-	-	-	-	129,875
Chengshizhiguang, Guangzhou	Huangpu District	88.8%	33,589	85,813	-	-	85,813	-	-	-
Wei Lai Zhi Qiu, Guangzhou	Panyu District	95.4%	13,750	22,000	-	13,347	13,347	-	-	8,653
Heron Hill, Guangzhou	Nansha District	95.6%	58,121	104,618	-	-	-	-	-	39,868
Taoyuanli Phase II, Guangzhou	Zengcheng District	50.0%	145,736	172,300	-	22,556	22,556	59,271	-	90,473
Future Forest Project, Guangzhou	Baiyun District	99.6%	27,129	81,387	-	-	-	-	-	81,387
Yuanpeili Project, Guangzhou	Huangpu District	99.2%	41,631	62,447	-	-	-	-	-	62,447
Yueshan Project, Guangzhou	Huangpu District	96.9%	88,230	92,395	33,533	-	-	-	-	-
Hai Shang Ming Yue Project, Guangzhou	Nansha District	90.7%	92,219	230,548	-	-	-	-	-	45,472
Guangxin Asset Package Project, Guangzhou	Guangzhou City	100.0%	799,743	2,110,000	-	-	-	2,110,000	174,000	-
Xingfuyu Garden Phase V, Guangzhou	Huangpu District	66.5%	191,580	344,956	268,906	-	-	76,050	5,464	44,992
Golden Miles, Guangzhou	Zengcheng District	43.4%	45,450	136,215	117,155	-	-	19,060	19,060	16,563
Zengcheng Dream Town, Guangzhou	Zengcheng District	71.3%	133,653	400,957	-	-	-	400,957	400,957	-
Jinyu Binjiang Phase 2, Jinjiang	Jinjiang City	40.8%	45,789	192,260	-	-	-	-	-	112,835
Jinyu Binjiang Phase 3, Jinjiang	Jinjiang City	40.8%	54,074	165,867	-	-	-	-	-	-
Jinyu Binjiang Phase 1, Jinjiang	Jinjiang City	44.0%	23,488	77,119	-	-	-	-	-	-
Bailu Project, Liuzhou	Liubei District	53.6%	37,472	112,415	112,415	-	-	-	-	-
Dream Town, Nanning	Qingxiu District	84.7%	355,063	1,409,936	6,718	282,490	643,143	-	-	51,620
Vanke Tower, Nanning	Liangqing District	100.0%	25,545	117,834	-	68,248	117,834	-	-	-
Glamorous City, Nanning	Liangqing District	43.0%	104,174	329,887	-	-	329,887	-	-	-
The Paradise, Nanning	Liangqing District	69.1%	71,599	224,436	-	51,858	176,131	-	-	42,267
Jinyuzhongyang, Nanning	Liangqing District	40.1%	117,729	601,250	117,289	47,547	47,547	-	-	30,224

Unit: sq.m.

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Park Avenue, Nanning	Liangqing District	40.1%	75,941	227,822	-	102,244	102,244	-	-	77,849
Zhen Shanyue, Nanning	Qingxiu District	69.3%	26,956	46,364	-	-	-	-	-	9,330
Golden Paradise, Nanning	High & New Technology Industries Development Zone	90.2%	54,326	217,303	-	92,303	92,303	-	-	82,591
Joying Gold, Nanning	High & New Technology Industries Development Zone	90.8%	14,948	58,821	-	-	-	-	-	53,357
Yuewan, Nanning	High & New Technology Industries Development Zone	41.2%	11,989	41,364	-	41,364	41,364	-	-	-
Yuejiangnan Project, Nanning	Jiangnan District	97.0%	78,589	232,489	-	-	-	-	-	87,836
Jinyu Binjiang, Nanning	Yongning District	28.0%	69,104	171,401	42,064	-	-	-	-	43,850
Star Converge, Nanning	High & New Technology Industries Development Zone	76.2%	155,510	506,546	391,698	-	-	114,848	114,848	-
Xingningdong Project, Nanning	Xingning District	97.0%	69,836	125,704	125,704	-	-	-	-	-
Dream Town, Qingyuan	Qingcheng District	100.0%	1,219,450	2,438,901	433,572	194,446	1,184,643	504,165	240,000	160,000
Dream Town, Putian	Licheng District	80.0%	250,708	537,279	-	-	537,279	-	-	-
Dream Town, Quanzhou	Fengze District	60.0%	136,741	478,591	-	130,191	459,631	-	-	18,960
Honor of the City, Quanzhou	Fengze District	30.7%	211,662	849,797	-	148,943	148,943	-	-	167,257
Yuecheng, Quanzhou	Qingmeng Development District	16.4%	54,864	202,995	-	-	-	-	-	100,447
Lucheng, Quanzhou	Fengze District	98.9%	40,201	72,362	-	-	-	-	-	72,362
Gaozhiyuan, Sanya	Tiandu Town	65.0%	387,807	349,026	-	-	69,185	279,841	60,000	-
Forest Holiday Park, Sanya	Tiandu Town	65.0%	942,745	459,414	-	-	360,550	83,661	25,836	15,203
Lakeside Holiday Park, Sanya	Hedong District	80.0%	397,080	436,425	-	92,435	308,527	-	-	110,644
Jinyu Center, Shishi	Yushan Town	70.0%	82,769	211,503	-	109,417	211,503	-	-	-
Goutou Commercial Center, Xiamen	Huli District	99.0%	11,190	26,613	-	26,613	26,613	-	-	-
Haixi Financial Plaza (Phase II), Xiamen	Huli District	100.0%	10,730	17,075	-	-	17,075	-	-	-
Vanke Plaza, Xiamen	Jimei District	100.0%	137,934	710,000	-	-	219,951	-	-	126,478
Vanke Cloud City, Xiamen	Jimei District	97.0%	47,454	148,110	-	-	86,644	-	-	61,466
Vanke Clouds, Xiamen	Huli District	100.0%	19,134	151,188	-	-	151,188	-	-	-
Heron Hill, Xiamen	Xiang'an District	93.5%	86,368	95,000	-	-	-	-	-	95,000
Heron Hill Phase II, Xiamen	Xiang'an District	47.1%	58,986	88,500	-	-	-	-	-	-
Vanke Shimaoxiwang, Xiamen	Tong'an District	31.9%	54,164	119,160	-	-	-	-	-	-
Golden Paradise, Xiamen	Xiang'an District	97.4%	19,080	42,200	-	-	-	-	-	12,079
Vanke Agile Jinyu Tixiang, Xiamen	Xiang'an District	43.7%	7,964	19,100	-	-	-	-	-	-
Dream Town, Zhangzhou	Xiangcheng District	38.1%	235,606	805,195	-	57,071	517,356	-	-	228,629

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be commenced construction in 2020	Area to be
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019		completed in 2020
Jiulongtai, Zhangzhou	Xiangcheng District	10.0%	44,201	114,922	-	-	-	-	-	114,922
Longhai Jinyu Binjiang Garden, Zhangzhou	Longhai City	99.5%	101,725	305,429	88,644	-	-	216,785	216,785	-
Golden Home, Zhongshan	Dongfeng Town	100.0%	260,982	830,525	-	240,640	830,525	-	-	-
Baiyuewan, Zhongshan	Huoju Development District	65.0%	251,900	465,205	-	102,822	442,129	-	-	23,076
The Paradise, Zhongshan	Shiqi District	74.2%	143,852	418,449	-	149,257	332,606	-	-	85,843
Dream Town, Zhongshan	Guzhen	90.0%	139,968	419,807	-	146,697	180,044	-	-	239,763
Golden Dream, Zhongshan	Huoju Development District	90.0%	6,628	14,635	-	14,635	14,635	-	-	-
Xiwanhui, Zhongshan	Huoju Development District	79.2%	77,974	233,834	158,116	-	-	-	-	-
Jinyu Center, Zhongshan	East District	97.7%	68,149	204,413	204,413	-	-	-	-	73,647
Haiyu Peninsula Garden (Continued Construction), Zhuhai	Xiangzhou District	50.0%	76,293	108,544	-	-	42,320	66,224	66,224	-
Glamorous City, Zhuhai	Doumen District	100.0%	137,061	274,122	-	-	274,122	-	-	-
Dream Town, Zhuhai	Xiangzhou District	40.8%	193,150	624,223	-	383	624,223	-	-	-
Shihua No.66, Zhuhai	Xiangzhou District	19.1%	8,117	40,055	-	-	40,055	-	-	-
Mangrove East Coast, Tangjiawan, Zhuhai	Xiangzhou District	16.0%	333,668	500,536	266,409	27,269	85,308	-	-	73,174
Jade Center, Zhuhai	Xiangzhou District	98.8%	27,077	81,310	-	-	-	-	-	47,807
Binhai Metropolis Garden, Zhuhai	Jinwan District	98.8%	110,972	170,997	-	-	-	170,997	170,997	-
Taoyuanliju, Zhuhai	Xiangzhou District	98.6%	16,310	48,929	48,929	-	-	-	-	-
Southern Region subtotal			21,501,175	54,138,121	6,275,507	7,545,196	26,568,645	8,210,371	4,536,797	6,540,871

Shanghai Region

Jade Binjiang, Shanghai	Pudong New District	100.0%	78,334	207,980	-	26,571	207,980	-	-	-
Golden City, Shanghai	Pudong New District	60.0%	264,646	349,038	-	63,595	349,038	-	-	-
Xuhui Vanke Center, Shanghai	Xuhui District	51.0%	107,486	494,437	-	-	165,590	-	-	-
Hongqiao Cloud, Shanghai	Minhang District	51.0%	269,476	417,186	-	-	417,186	-	-	-
Jade Park, Shanghai	Pudong New District	90.0%	79,548	194,976	-	-	194,976	-	-	-
Yuhe Mansion, Shanghai	Pudong New District	21.8%	137,270	162,141	-	-	162,141	-	-	-
King Metropolis, Shanghai	Fengxian District	83.7%	58,531	134,622	-	5,862	134,622	-	-	-
Anting New Town Project, Shanghai	Jiading District	74.2%	624,428	490,575	-	70,095	286,417	131,370	131,370	72,788
Jade Albany, Shanghai	Jing'an District	50.2%	54,499	159,471	-	-	159,471	-	-	-
Sky City, Shanghai	Qingpu District	49.8%	260,119	455,247	192,967	-	40,170	90,980	90,980	111,666
Zhongxing Road Project, Shanghai	Jing'an District	49.7%	31,034	109,754	66,261	-	-	43,493	43,493	-
Jin Yu Lan Wan Egret Villa, Shanghai	Pudong New District	49.6%	40,361	48,433	-	-	-	-	-	48,433
Longhua Project, Shanghai	Xuhui District	54.8%	49,154	96,780	-	-	-	96,780	96,780	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Shanghai City Next	Baoshan District	47.0%	80,805	145,449	-	31,408	31,408	-	-	114,041
Shanghai Atop the City	Jiading District	74.4%	84,838	194,894	62,233	-	-	-	-	-
Qibao Business District 17-04 Plot, Shanghai	Minhang District	49.6%	22,890	80,114	-	-	-	-	-	80,114
Taicang Emerald Mansion	High & New Technology Industries Development Zone	97.6%	43,004	90,269	-	-	-	-	-	90,269
Qibao Business District 18-03 Plot, Shanghai	Minhang District	49.6%	30,324	87,939	-	-	-	-	-	-
Shengtangjingyuan, Jiaxing	Danghu Town	45.9%	42,348	84,695	-	-	-	-	-	84,695
Four Seasons Metropolis, Shanghai	Baoshan District	33.2%	69,448	142,228	96,740	-	-	-	-	40,181
Skycity of Star Island, Shanghai	Qingpu District	99.7%	49,466	89,039	56,292	-	-	-	-	89,039
Shanghai Ivy Park	Minhang District	99.7%	71,552	128,794	128,794	-	-	-	-	-
Qibao 19-04 Plot, Shanghai	Minhang District	99.7%	34,000	99,000	-	-	-	99,000	49,500	-
Qiaogao Project, Shanghai	Xuhui District	33.2%	118,282	356,933	-	-	-	356,933	125,567	-
Gongwang, Changshu	Culture District	42.9%	82,469	197,926	-	-	197,926	-	-	-
Jidige, Changshu	Yushan Town	28.8%	66,686	146,393	-	146,393	146,393	-	-	-
Pu Yue Ya Zhu, Changshu	Changshu City	75.9%	58,264	87,396	-	-	-	-	-	87,396
Zhen Wan Ya Zhu, Changshu	Yushan Town	48.0%	90,004	165,715	-	-	-	25,447	25,447	67,753
Dream Town, Changzhou	Wujin District	100.0%	93,994	234,983	-	48,192	234,983	-	-	-
Junwang Jiadi, Changzhou	Xinbei District	37.3%	67,225	147,874	-	-	-	-	-	147,874
Huangliangbang Plot, Changzhou	Zhonglou District	79.3%	84,285	168,571	94,556	-	-	74,015	74,015	-
Education Town Project, Changzhou	Tianning District	74.6%	117,458	273,994	-	-	-	273,994	273,994	-
City Twilight Project, Haining	Chang'an Town	50.0%	29,300	73,250	-	73,250	73,250	-	-	-
Chaoqi Dongfang, Haining	Chang'an Town	44.0%	62,601	137,722	-	-	-	-	-	137,722
Guiyu Dongfang (Phase I), Haining	Xucun Town	32.2%	37,696	82,931	-	-	-	-	-	-
Guiyu Dongfang (Phase II), Haining	Xucun Town	94.8%	63,805	146,752	-	-	-	-	-	-
Kaiyuanmingdu, Haining	Xiashi Town	40.0%	52,965	156,111	-	156,111	156,111	-	-	-
Fei Cui Jia Di, Haimen	High & New Technology Industries Development Zone	46.9%	92,886	178,172	48,104	-	-	-	-	123,705
Central Park, Haimen	High & New Technology Industries Development Zone	21.2%	141,257	289,379	130,231	-	-	-	-	109,892
Liangzhu Culture Village, Hangzhou	Yuhang District	100.0%	3,108,146	2,676,074	132,441	101,145	1,715,805	222,783	25,180	-
Gongwang, Hangzhou	Fuyang District	100.0%	517,900	208,981	-	36,707	141,951	38,394	-	-
Metropolis No. 79, Hangzhou	Jiangan District	50.0%	21,915	76,703	-	-	76,703	-	-	-
Jiuwang, Hangzhou	Fuyang District	20.0%	129,874	164,845	-	9,387	9,387	62,859	62,859	-
Junwang, Hangzhou	Fuyang District	42.4%	138,233	152,231	-	29,821	76,418	-	-	31,590
Hai Shang Ming Yue, Hangzhou	Xiaoshan District	33.0%	57,571	143,925	-	-	143,925	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be	Area to be
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019	commenced construction in 2020	completed in 2020
Vanke Tiejianjiangwan City, Hangzhou	Xiaoshan District	39.3%	80,340	200,848	-	200,848	200,848	-	-	-
Future City, Hangzhou	Yuhang District	41.5%	82,834	182,235	-	159,915	182,235	-	-	-
Jiuduhui, Hangzhou	Fuyang District	27.8%	30,063	66,139	-	66,139	66,139	-	-	-
West of Haishangmingyue, Hangzhou	Xiaoshan District	26.4%	21,211	46,665	-	46,665	46,665	-	-	-
Hangzhou Seattle	Xihu District	48.8%	62,200	174,132	-	174,132	174,132	-	-	-
Quanxueli, Hangzhou	Yuhang District	89.3%	78,527	133,496	-	133,496	133,496	-	-	-
Zhigu, Hangzhou	Gongshu District	90.0%	14,513	50,796	-	-	-	-	-	50,796
Hangxing Road Tianma, Hangzhou	Yuhang District	80.0%	27,305	68,263	-	-	-	-	-	68,263
Wei Lai Zhi Guang, Hangzhou	Yuhang District	100.0%	81,828	245,484	-	-	-	-	-	137,094
Shangtangfu, Hangzhou	Gongshu District	36.4%	42,000	84,000	-	-	84,000	-	-	-
Xurunhefu, Hangzhou	Gongshu District	36.4%	43,000	86,000	-	86,000	86,000	-	-	-
Zijingshoufu, Hangzhou	Jiyang Street	36.4%	97,500	195,000	-	126,468	195,000	-	-	-
Zhongchenghui (Phase I), Hangzhou	Gongshu District	36.4%	39,950	103,800	-	-	-	-	-	-
Zhongchenghui (Phase II), Hangzhou	Gongshu District	99.3%	22,550	56,900	-	-	-	-	-	-
Olympics Vanke Center, Hangzhou	Xiaoshan District	69.4%	13,969	69,845	-	-	-	-	-	69,845
Yunhe Vanke Center, Hangzhou	Gongshu District	40.0%	36,592	128,072	-	-	-	-	-	-
Yuehongwan, Hangzhou	Xiaoshan District	24.7%	106,872	277,867	-	-	-	-	-	-
Lin'an Xiwang, Hangzhou	Lin'an District	92.8%	31,258	56,264	-	-	-	-	-	56,264
Donghai Xianhucheng Project in Yuhang District, Hangzhou	Yuhang District	14.9%	411,000	550,011	-	29,648	29,648	169,011	118,080	-
Zijinruigu, Hangzhou	Xihu District	17.2%	9,078	35,389	-	-	-	-	-	-
Jinmao Vanke New Metropolis, Hangzhou	Fuyang District	49.5%	63,457	177,680	177,680	-	-	-	-	-
LOFT49 Project, Hangzhou	Gongshu District	38.8%	15,925	36,628	-	-	-	-	-	-
Mingchengboyuan, Hangzhou	Yuhang District	46.0%	82,981	232,341	-	91,972	232,341	-	-	-
City Twilight, Hangzhou	Binjiang District	46.0%	41,153	90,536	-	90,536	90,536	-	-	-
Guniangqiao Plot, Hangzhou	Xiaoshan District	99.9%	89,246	232,284	-	-	-	232,284	232,284	-
Wuchang Rail Yard Project, Hangzhou	Yuhang District	50.8%	447,654	782,921	266,163	-	-	516,758	516,758	-
Yunhe Vanke Center Phase II, Hangzhou	Yuhang District	42.9%	17,795	62,283	62,283	-	-	-	-	-
Pingyao Project, Hangzhou	Yuhang District	49.3%	82,935	115,180	-	-	-	115,180	115,180	-
Forest City, Hefei	Luyang District	100.0%	516,459	1,394,439	58,332	97,988	1,094,222	-	-	188,143
City Mansion, Hefei	Luyang District	49.0%	151,514	424,240	-	37,029	409,258	-	-	14,982
Times Hall, Hefei	Binhu District	40.0%	85,254	218,014	-	48,921	166,789	-	-	28,000
Future Light, Hefei	Feidong County	59.8%	197,179	433,794	-	41,114	41,114	244,511	100,000	96,251
Central Mansion, Hefei	Changfeng County	39.7%	212,512	410,507	74,482	97,796	97,796	71,270	71,270	89,235
Times Impression, Hefei	Binhu District	27.6%	115,492	250,571	2,400	119,894	119,894	-	-	130,677
Metropolis Garden, Hefei	Binhu District	20.2%	111,380	254,572	4,312	115,738	115,738	-	-	138,834
Vanke Hongjun, Hefei	Feidong County	90.0%	64,328	159,425	-	159,425	159,425	-	-	-
Park Avenue, Hefei	Changfeng District	98.7%	122,070	256,262	57,527	-	-	-	-	85,297

Section 4 Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Hongjun Phase II, Hefei	Feidong County	90.3%	20,890	52,224	-	-	-	-	-	52,224
Duhui Shangcheng, Hefei	Changfeng County	24.3%	109,852	209,742	48,488	-	-	43,967	43,967	81,085
Feicui Tianji, Hefei	Baohu District	24.8%	154,111	357,632	149,020	-	-	129,296	129,296	80,299
Yunfeng Garden, Hefei	Baohu District	24.6%	163,503	418,619	154,751	-	-	182,579	182,579	36,639
Chunhuiyuefu, Hefei	Yushan District	36.6%	57,930	73,372	-	-	73,372	-	-	-
Xiangzhang International, Jiaxing	Economic & Technological Development Zone	51.8%	88,912	222,139	-	222,139	222,139	-	-	-
Central Park, Jiaxing	Economic & Technological Development Zone	90.3%	37,911	83,354	-	83,354	83,354	-	-	-
Gem Mansion, Jiaxing	Nanhu District	57.5%	179,696	215,843	-	40,495	215,843	-	-	-
Ziyuanshangcheng, Jiaxing	Economic & Technological Development Zone	36.5%	75,259	165,020	-	143,896	165,020	-	-	-
Feicuitianyufu, Jiaxing	Tongxiang County	74.1%	42,027	75,641	-	-	-	-	-	75,641
Jade Four Seasons, Jiaxing	Economic & Technological Development Zone	98.5%	56,608	118,847	-	-	-	-	-	118,847
City Twilight, Jiaxing	Nanhu District	95.8%	88,411	176,784	-	-	-	-	-	-
Dongshanbei Plot, Jiaxing	Haining City	97.4%	65,142	117,256	-	-	-	117,256	117,256	-
Central West Plot Project, Jiaxing	Economic & Technological Development Zone	93.1%	56,509	112,945	112,945	-	-	-	-	-
Xiangzhangdong Plot Project, Jiaxing	Economic & Technological Development Zone	97.9%	68,211	149,981	-	-	-	149,981	149,981	-
Metropolis Oriental, Jiaxing	Xucun Town	99.0%	41,541	103,853	-	-	-	103,853	103,853	-
Chaoqi Dongfang Phase II, Jiaxing	Xucun Town	96.3%	54,396	125,111	-	-	-	125,111	103,853	-
Chenyang Jiadi, Jingjiang	Jingjiang City	50.0%	370,700	564,917	283,156	99,472	99,472	-	-	181,687
Badalu Project, Jinhua	Wucheng District	41.3%	24,558	36,801	36,801	-	-	-	-	-
Sky City, Nanchang	Nanchang County	20.8%	195,547	506,352	156,296	84,420	84,420	-	-	258,600
Dream Town, Nanchang	High & New Technology Industries Development Zone	32.5%	299,708	417,362	51,536	-	365,826	-	-	16,800
Haishang Chuanqi, Nanchang	High & New Technology Industries Development Zone	50.0%	163,213	348,201	23,559	-	319,159	-	-	3,218
Cuidieyuan, Nanchang	Honggutan District	50.0%	80,120	184,273	-	-	156,226	-	-	-
Times Square, Nanchang	Honggutan District	30.0%	83,800	285,029	84,269	32,421	209,842	-	-	-
Gongyuanli, Nanchang	Qingshanhu District	43.5%	110,163	176,260	-	-	176,260	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be commenced construction in 2020	Area to be
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019		completed in 2020
Hongdu 1951, Nanchang	Qingyunpu District	24.8%	27,879	94,785	-	44,452	91,122	-	-	-
Jinyu International, Nanchang	Jinkai District	45.6%	129,142	322,839	-	3,060	322,839	-	-	-
Golden Paradise Binjiang, Nanchang	Qingshanhu District	16.2%	20,069	50,172	-	-	50,172	-	-	-
Legend on Midtown, Nanchang	Jinkai District	35.9%	87,065	174,124	-	6,375	174,124	-	-	-
City Garden, Nanchang	Nanchang County	32.5%	78,733	196,832	-	113,127	196,832	-	-	-
Puyueli, Nanchang	Wanli District	8.3%	116,115	201,919	-	199,889	199,889	-	-	-
Hongjun, Nanchang	Qingshanhu District	26.0%	121,873	219,371	-	111,980	111,980	-	-	100,704
Jiuli, Nanchang	Honggutan District	44.9%	57,493	145,076	-	71,637	71,637	-	-	71,491
Wanchuang Technology Town F04/ F02 Plot, Nanchang	Ganjiang New Area	27.4%	209,526	391,122	-	-	-	391,122	162,593	-
Wanchuang Technology Town H01E01 Plot, Nanchang	Ganjiang New Area	30.0%	37,373	63,551	-	-	-	63,551	63,551	-
Hai Shang Ming Yue, Nanchang	High & New Technology Industries Development Zone	24.2%	120,578	265,271	-	-	-	265,271	265,271	-
Jiuduhui, Nanjing	Yuhuatai District	100.0%	126,058	312,388	-	34,728	267,288	-	-	22,159
Anping Street, Nanjing	Baixia District	100.0%	27,325	21,825	-	6,534	12,003	-	-	9,822
The Paradiso, Nanjing	Jiangning District	100.0%	272,298	545,280	-	-	545,280	-	-	-
Golden Mountain, Nanjing	Pukou District	100.0%	62,291	102,127	-	1,894	102,127	-	-	-
Xinduhui, Nanjing	Jiangning District	16.0%	36,043	106,067	-	-	72,691	-	-	-
Dream Town, Nanjing	Lishui District	69.5%	218,794	515,467	-	184,189	471,064	-	-	44,403
Shangduhui, Nanjing	Yuhuatai District	49.0%	55,308	143,813	-	-	98,258	-	-	45,555
Jade Park, Nanjing	Jiangning District	49.7%	94,624	260,519	-	1,452	260,519	-	-	-
Jiuduhui South, Nanjing	Yuhuatai District	58.8%	42,401	104,710	-	34,154	104,710	-	-	-
Metropolis, Nanjing	Yuhuatai District	59.6%	71,334	171,515	-	91,903	133,653	-	-	1,590
Jinyu International, Nanjing	Jiangning District	98.7%	38,824	188,404	-	40,389	122,263	-	-	-
G46 Project, Nanjing	Jiangning District	50.9%	23,350	73,992	-	-	-	73,992	-	-
Jinyu Oriental, Nanjing	Jiangning District	32.2%	66,267	130,214	-	91,191	130,214	-	-	-
Duhui Tiandi, Nanjing	Jiangning District	28.2%	108,522	396,343	132,000	-	-	-	-	-
Shi Dai Tian Yue, Nanjing	Jiangning District	19.5%	54,173	174,976	-	-	-	-	-	-
Yun Du Hui, Nanjing	Qixia District	26.9%	117,922	237,300	-	-	-	105,979	-	-
Metropolis Four Seasons, Nanjing	Jiangning District	25.8%	153,261	385,095	385,095	-	-	-	-	-
Feicui Tianji, Nanjing	Yuhuatai District	29.0%	52,532	125,982	-	-	-	-	-	-
Nanjingnan Railway Station Project	Jiangning District	75.0%	37,697	94,150	-	-	-	94,150	91,450	-
Lishui G09 Plot, Nanjing	Lishui District	99.7%	162,782	406,956	134,332	-	-	272,624	190,753	-
City Twilight, Nantong	Chongchuan District	68.6%	149,409	239,020	-	68,254	239,020	-	-	-
Heron Hill, Nantong	Gangzha District	88.8%	191,882	180,217	-	85,427	180,217	-	-	-
Metropolis, Nantong	Tongzhou District	24.1%	115,610	233,211	-	156,955	233,211	-	-	-
Fei Cui Xin Lake, Nantong	Development District	92.9%	85,145	161,246	-	-	14,830	-	-	99,584
Fei Cui Dong Di, Nantong	Gangzha District	72.1%	98,003	155,486	-	-	-	-	-	86,633
Hushan Yuanzhu, Nantong	Tongzhou District	29.9%	83,920	132,390	-	34,235	34,235	-	-	22,147

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Haishang Chuangqi, Nantong	Development District	16.9%	180,729	318,721	134,092	-	-	-	-	101,901
Bai Lu Wan, Nantong	Development District	56.2%	67,205	92,811	-	-	-	-	-	91,783
Jade Park, Nantong	Development District	97.0%	111,862	217,008	-	-	-	-	-	98,954
Chongzhoufu, Nantong	Development District	47.0%	48,794	48,308	-	-	-	-	-	40,860
Zhongchuang Metropolis, Nantong	Development District	11.5%	47,963	83,799	-	46,728	46,728	-	-	35,890
Shengjiluxi Plot	Chongchuan District	99.7%	75,362	167,818	63,215	-	-	104,603	104,603	-
Golf Project, Kunshan	Bacheng Town	100.0%	433,916	327,891	-	-	-	249,208	-	-
Glamorous City, Kunshan	Huaqiao Development District	100.0%	309,217	773,042	-	54,792	685,316	-	-	87,726
Park Avenue, Kunshan	Zhoushi Town	89.1%	383,117	451,293	-	82,840	129,024	-	-	253,630
Haishang Chuangqi, Kunshan	Jinxi Town	56.3%	163,930	246,068	54,812	67,507	67,507	-	-	80,809
Future City, Kunshan	High & New Technology Industries Development Zone	32.5%	350,761	514,618	125,149	92,697	162,036	64,684	64,684	123,730
Yunpu, Kunshan	Kunshan Huaqiao	16.0%	18,068	117,701	-	-	-	-	-	28,586
Xijia River Project, Kunshan	Kunshan Development District	92.6%	112,727	202,771	80,214	-	-	122,557	122,557	-
Development District Development Project, Kunshan	Development District	59.6%	40,595	93,356	93,356	-	-	-	-	-
Yunluwan, Ningbo	Jiangbei District	85.0%	314,208	387,966	-	-	387,966	-	-	-
Dream Town, Ningbo	Zhenhai District	49.0%	297,572	573,644	-	45,782	573,644	-	-	-
Guiyuli, Ningbo	Yinzhou District	42.7%	69,774	139,548	-	-	139,548	-	-	-
Gramercy, Ningbo	Yinzhou District	95.8%	53,549	80,312	-	-	-	-	-	80,312
East of Baishi Lake, Ningbo	Yinzhou District	69.4%	138,665	140,052	-	-	-	-	-	66,695
Guanshanwang Huayuan, Ningbo	Jiangbei District	90.0%	40,219	46,828	-	46,828	46,828	-	-	-
Wanglu Huayuan, Ningbo	Haishu District	75.2%	30,247	60,893	-	60,893	60,893	-	-	-
Jiadi 17, Ningbo	Zhenhai District	40.3%	21,259	41,009	-	41,009	41,009	-	-	-
Hanlin Jiadi Beiyuan, Ningbo	Zhenhai District	95.5%	35,967	61,083	-	61,083	61,083	-	-	-
Blue Oriental, Ningbo	Zhenhai District	41.1%	87,051	200,178	-	200,178	200,178	-	-	-
Future Light, Ningbo	Beilun District	97.9%	87,392	174,766	-	-	-	-	-	174,766
Hanlin Jiadi Nanyuan, Ningbo	Zhenhai District	59.9%	25,587	38,378	-	-	-	-	-	38,378
Vanke Yin, Ningbo	Haishu District	24.6%	42,515	95,646	-	-	-	-	-	95,646
Weilaili, Ningbo	Beilun District	96.4%	79,956	177,348	-	-	-	-	-	-
Yungu Center, Ningbo	Jiangbei District	94.1%	149,306	228,256	92,000	-	-	-	-	-
Yunzhu Huayuan, Ningbo	Jiangbei District	98.0%	60,556	166,787	-	-	-	-	-	-
Oriental Imprint, Ningbo	Beilun District	18.6%	45,108	81,180	-	-	-	-	-	81,180
Binhe Road, Ningbo	Jiangbei District	50.5%	86,800	180,834	180,834	-	-	-	-	-
Huaishu Road Project, Ningbo	Jiangbei District	99.7%	29,516	90,720	90,720	-	-	-	-	-
Weilan City, Ningbo	Zhenhai District	99.1%	65,445	130,876	-	-	-	-	-	-
Haishu Duantang Project, Ningbo	Haishu District	99.7%	74,346	157,780	157,780	-	-	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not	Area to be commenced construction in 2020	Area to be completed in 2020
								yet under construction as at the end of 2019		
Dongqian Lake Mogu Road Project, Ningbo	Yinzhou District	49.8%	49,902	50,401	-	-	-	50,401	50,401	-
Zhenhai Camel Project, Ningbo	Zhenhai District	99.6%	159,678	375,417	375,417	-	-	-	-	-
Metropolis, Shaoxing	Yuecheng District	98.0%	65,200	136,000	-	-	-	-	-	-
Junwang, Shaoxing	Zhuji City	46.0%	62,190	74,628	74,628	-	-	-	-	-
Future Light, Suqian	Susu Industrial Park	41.0%	123,848	196,453	-	-	-	-	-	196,453
Shilichunfeng Eastside Plot, Suqian	Laocheng District	43.1%	28,207	62,019	-	-	-	62,019	62,019	-
Dream Town, Suzhou	Wuzhong District	55.0%	144,535	361,338	-	54,739	361,338	-	-	-
Beichenzhiguang, Suzhou	Xiangcheng District	100.0%	138,601	415,804	-	105,586	415,804	-	-	-
Yujianshan, Suzhou	High & New Technology Industries Development Zone	44.5%	167,206	234,059	-	38,175	233,264	-	-	795
Dajia, Suzhou	Industrial District	94.1%	51,579	30,948	-	30,948	30,948	-	-	-
Park Avenue, Suzhou	Wujiang District	40.0%	173,783	359,337	-	62,101	323,252	-	-	36,085
Daxiang Shan She, Suzhou	High & New Technology Industries Development Zone	49.8%	138,470	193,664	2,081	-	-	-	-	80,047
Park Lake, Suzhou	Wuzhong District	39.3%	38,949	69,960	-	69,960	69,960	-	-	-
Suhewan, Suzhou	Wujiang District	13.3%	16,627	62,583	-	-	-	-	-	62,583
Jade Park, Suzhou	Wujiang District	22.5%	105,924	269,488	-	-	-	-	-	75,417
Feicuisiji Park, Suzhou	High & New Technology Industries Development Zone	20.1%	34,683	46,768	-	-	-	-	-	46,768
Zuo'an Project, Suzhou	Industrial District	64.3%	22,826	199,358	-	-	-	199,358	199,358	-
Anyuanlu Project, Suzhou	Xiangcheng District	59.7%	88,260	194,172	132,659	-	-	61,513	61,513	-
Xiangyang Road Project, Suzhou	High & New Technology Industries Development Zone	79.5%	93,688	222,214	222,214	-	-	-	-	-
Wuzhong Party School Project, Suzhou	Wuzhong District	99.6%	12,735	52,520	-	-	-	52,520	52,520	-
Shanhaishili, Taizhou	Luqiao District	99.2%	48,490	121,121	-	-	-	-	-	-
Dream Town, Taizhou	Jiaojiang District	65.8%	204,886	467,994	467,994	-	-	-	-	-
East of Dongjiayang Project, Taizhou	Jiaojiang District	50.7%	109,350	273,375	-	-	-	273,375	273,375	-
West of Dongjiayang Project, Taizhou	Jiaojiang District	50.8%	117,447	293,618	-	-	-	293,618	293,618	-
Zhongyang Lvzhou D19/24/34/29/31 Land Lot, Wenzhou	Lucheng District	97.8%	75,727	84,530	10,183	-	-	-	-	74,449
TOD International New City, Wenzhou	Longwan District	16.6%	136,472	433,411	165,719	-	-	-	-	-
Vanke Times Center, Wenzhou	Lucheng District	38.8%	24,017	96,103	-	96,103	96,103	-	-	-
Ludaojadi, Wenzhou	Lucheng District	37.3%	51,458	113,204	-	113,204	113,204	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Xinduhui, Wenzhou	Ouhai District	32.0%	61,843	182,908	-	182,908	182,908	-	-	-
Xijiang Yue, Wenzhou	Ouhai District	26.5%	59,678	149,194	-	-	-	-	-	149,194
Yunzhu, Wenzhou	Ouhai District	24.1%	24,848	74,544	-	-	-	-	-	74,544
Feicuitiandi (Phase I), Wenzhou	Ouhai District	39.1%	55,896	223,585	-	-	-	-	-	-
The Ideal City, Wenzhou	Longwan District	22.0%	65,148	168,065	-	-	-	-	-	108,065
Feicuitiandi (Phase II), Wenzhou	Lucheng District	17.1%	10,240	22,528	-	-	-	-	-	22,528
Metropolitan, Wenzhou	Ruian City	22.4%	43,253	95,157	-	-	-	-	-	-
Ruian Xi'ao Village Plot, Wenzhou	Ruian City	99.6%	70,151	195,717	195,717	-	-	-	-	-
Central District D-28-1 Land Lot, Wenzhou	Lucheng District	99.1%	23,543	56,503	56,503	-	-	-	-	-
Sanxi District B-07 Plot, Wenzhou	Lucheng District	99.7%	69,099	207,297	207,297	-	-	-	-	-
Wenzhou Emerald Lake	Lucheng District	94.8%	11,989	33,569	33,569	-	-	-	-	-
Dream Town, Wuhu	Jiujiang District	100.0%	274,404	491,466	-	-	491,466	-	-	-
Haishang Chuanqi, Wuhu	Yijiang District	48.5%	121,895	413,157	-	90,242	368,441	-	-	44,716
Jiangdongfu, Wuhu	Jinghu District	40.5%	84,372	112,013	15,042	-	-	-	-	112,013
Park Avenue Phase I, Changzhou	Jintan District	68.7%	191,268	302,585	-	-	-	190,985	173,977	111,600
Park Avenue Phase II, Changzhou	Jintan District	68.7%	182,741	445,430	145,869	-	-	299,561	161,230	-
Golden Paradise, Wuxi	Xinwu District	100.0%	224,118	620,713	-	23,967	571,490	-	-	14,449
The Paradise, Wuxi	Binhu District	100.0%	154,468	386,170	-	-	267,442	86,809	-	31,919
Glamorous City, Wuxi	Binhu District	100.0%	962,116	1,318,257	-	32,648	1,299,769	-	-	18,488
Xinchengdao, Wuxi	Binhu District	100.0%	154,119	385,298	-	38,242	371,174	-	-	14,124
Wei Garden, Wuxi	Xinwu District	88.6%	73,769	138,581	-	82,381	138,581	-	-	-
Beimentangshang, Wuxi	Liangxi District	39.2%	55,933	159,788	-	127,627	127,627	-	-	32,161
Tianyi Jiuzhu, Wuxi	Huishan District	46.0%	88,173	193,726	-	95,563	95,563	-	-	98,163
Tianyi Xinzhu, Wuxi	Huishan District	19.6%	103,846	275,714	-	71,769	71,769	-	-	143,945
Vanke Youshan, Wuxi	Huishan District	90.0%	47,717	59,989	-	59,989	59,989	-	-	-
Jade East, Wuxi	Binhu District	99.3%	108,276	245,256	-	-	-	137,871	137,871	107,385
Guanhu Lizhu, Wuxi	Xinwu District	37.4%	181,761	262,841	55,876	-	-	58,432	-	-
Yunhe Chuanqi, Wuxi	Liangxi District	50.3%	81,834	188,286	48,739	-	-	-	-	135,109
Jade Light, Wuxi	Binhu District	99.5%	66,829	153,707	153,707	-	-	-	-	-
Nanmen 44-1 Plot Project, Wuxi	Jiangyin City	99.2%	60,267	144,035	144,035	-	-	-	-	-
Dream Town, Xuzhou	Gulou District	100.0%	692,037	1,262,703	-	276,195	1,117,020	-	-	145,683
Huaihai Paradise, Xuzhou	Quanshan District	85.0%	226,776	811,924	-	60,632	525,925	-	-	110,844
Bei Chen Tian Di, Xuzhou	Gulou District	88.4%	28,149	96,997	-	-	96,997	-	-	-
Shangduhui, Xuzhou	Yunlong District	58.6%	53,697	202,572	49,626	152,946	152,946	-	-	-
Future City, Xuzhou	Tongshan District	39.3%	49,448	86,589	-	-	86,589	-	-	-
Jade Tianyu, Xuzhou	Quanshan District	88.5%	51,050	150,662	-	23,476	23,476	-	-	127,186
Xinduhui, Xuzhou	Tongshan District	89.4%	132,703	382,414	-	181,594	181,594	-	-	130,197
Jade Light, Xuzhou	Yunlong District	50.3%	122,207	355,930	-	-	-	-	-	130,618
Jielu, Xuzhou	Gulou District	30.8%	181,244	284,770	29,099	-	-	-	-	161,235
Jingyue, Xuzhou	Yunlong District	27.8%	19,634	49,084	-	-	-	-	-	49,084

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed	Accumulated	Area not	Area to be	Area to be
					commenced			yet under		
					construction	Area in	completion	construction	construction	completed
					in 2019	2019	area by	as at the	in 2020	in 2020
							2019	end of 2019		
Maochun Project No.5 Land Project, Xuzhou	Tongshan District	42.8%	72,878	145,756	-	-	-	145,756	145,756	-
Times Light, Xuzhou	Tongshan District	42.8%	59,137	147,843	87,496	-	-	-	-	-
Guang Cheng Yue Xuzhou He	Tongshan District	42.8%	103,670	266,228	79,248	-	-	-	-	-
Four Season City Xuzhou	Gulou District	21.9%	163,394	434,109	383,244	-	-	50,865	50,865	-
North Bus Terminal Project, Xuzhou	Gulou District	67.0%	67,922	165,256	-	-	-	165,256	165,256	-
Feicui International, Yancheng	Tinghu District	44.7%	54,286	94,638	-	-	-	-	-	70,943
Feicui Yuntai, Yancheng	City South New District	27.2%	126,022	264,645	22,595	-	-	-	-	32,716
Jade College, Yancheng	Tinghu District	44.7%	39,251	78,458	13,127	-	-	-	-	32,045
Dream Town, Yangzhou	Hanjiang District	100.0%	297,139	313,970	-	-	313,016	-	-	954
Golden Dream, Yangzhou	Hanjiang District	88.9%	87,325	215,850	-	1,277	215,850	-	-	-
City Twilight, Yangzhou	Guangling District	55.1%	95,275	140,261	-	68,880	68,880	-	-	71,381
Lights of the Grand Canal, Yangzhou	Economic and Technological Development District	71.8%	94,464	151,142	-	39,429	39,429	-	-	47,182
Golden Dream Phase II, Yangzhou	Hanjiang District	27.5%	41,723	66,757	-	47,848	47,848	-	-	18,909
Jin Se Xin Zhu, Yangzhou	Hanjiang District	60.0%	28,641	45,825	-	45,825	45,825	-	-	-
Spring Dew Mansion, Yangzhou	Guangling District	48.1%	28,103	29,917	-	-	-	-	-	29,917
Project 885, Yanzhou	Guangling District	34.9%	64,452	141,795	-	-	-	141,795	50,000	-
Jade Park, Yangzhou	Hanjiang District	27.9%	52,581	90,965	-	-	-	-	-	63,194
Beichenzhiguang, Yangzhou	Hanjiang District	27.0%	69,326	110,922	-	110,922	110,922	-	-	-
Future Light, Yangzhou	Hanjiang District	16.1%	47,137	82,976	-	-	-	-	-	-
Feicui Yuntai, Yangzhou	Gaoyou City	43.0%	200,000	391,001	79,606	-	-	191,475	44,960	-
Education Investment Asset Package Yangzhou	Hanjiang District	93.6%	177,381	352,984	288,242	-	-	64,742	64,742	72,228
Park Avenue, Zhangjiagang	Zhangjiagang	46.0%	191,795	469,378	211,001	3,297	123,194	26,000	-	112,606
Glamorous City, Zhenjiang	Runzhou District	100.0%	795,100	942,820	-	-	905,089	22,749	-	14,982
Blue Mountain Garden, Zhenjiang	Runzhou District	60.0%	285,683	404,048	-	45,541	258,446	-	-	106,067
Jin Yu Jiang Wan, Zhenjiang	Jingkou District	40.0%	83,500	113,128	-	41,251	41,251	-	-	71,877
Jade Park, Zhenjiang	Runzhou District	99.0%	112,889	247,049	42,597	-	-	143,105	25,910	11,417
The Paradiso, Zhenjiang	Dagang New District	41.9%	133,100	317,654	-	-	-	129,520	11,851	57,051
Estuary Emerald, Zhenjiang	Runzhou District	40.3%	61,236	104,567	-	-	-	-	-	55,686
Shanghai Region subtotal			33,374,611	62,213,560	8,329,348	8,085,885	27,904,387	8,372,571	6,076,926	8,995,815
Nothern Region										
King Metropolis, Beijing	Changping District	50.0%	198,007	559,214	-	-	559,214	-	-	-
Aifudun Project, Beijing	Changping District	100.0%	23,084	113,651	-	-	113,651	-	-	-
Changyang Bandao, Beijing	Fangshan District	100.0%	437,179	859,085	-	-	855,750	-	-	3,335

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Ruyuan C1, Beijing	Haidian District	50.0%	85,099	197,813	-	-	197,813	-	-	-
Golden Paradise, Beijing	Fangshan District	40.0%	65,967	155,293	-	-	155,293	-	-	-
Xihuafu, Beijing	Fengtai District	15.0%	233,209	629,170	-	-	629,170	-	-	-
Beijing Xianghe Project 2012	Xianghe County	50.0%	201,386	328,149	-	-	261,868	66,281	22,751	-
Vanke Cheng, Beijing	Daxing District	50.0%	43,446	155,207	-	-	155,207	-	-	-
Jade Four Season, Beijing	Tongzhou District	50.0%	88,767	210,738	-	-	175,140	-	-	35,598
Changyang Tiandi, Beijing	Fangshan District	69.0%	112,673	242,447	17,444	-	208,351	-	-	16,652
Jade Four Season (Phase II), Beijing	Tongzhou District	50.0%	61,717	123,434	-	21,811	91,355	-	-	32,079
Shoukai Vanke Centre, Beijing	Daxing District	50.0%	41,092	126,996	-	2,883	126,996	-	-	-
Changyang Bandaο, Beijing	Fangshan District	34.0%	63,950	156,384	-	5,078	152,803	-	-	3,581
City Twilight, Beijing	Tongzhou District	35.0%	34,657	122,483	-	20,499	122,483	-	-	-
Tianzhuyuefu, Beijing	Shunyi District	26.2%	10,282	19,758	-	-	-	-	-	-
Guancheng Villa, Beijing	Shunyi District	35.0%	187,830	170,568	-	-	43,325	-	-	127,243
Construction Dream Town, Beijing	Yangqing District	20.0%	166,117	232,563	-	51,935	150,575	-	-	81,988
Shunyi 28 Street District Project, Beijing	Shunyi District	49.5%	22,913	41,200	-	-	41,200	-	-	-
TBD Vanke Center, Beijing	Changping District	50.0%	68,944	240,089	-	78,415	193,689	-	-	-
Beijing Vanke City	Daxing District	14.4%	47,000	144,385	-	-	144,385	-	-	-
Yunchuang Tiandi, Beijing	Tongzhou District	49.0%	80,131	144,157	93,392	30,387	30,387	-	-	-
Harrow Town, Beijing	Xianghe County	50.0%	207,255	339,478	20,089	-	-	319,389	109,264	-
South of Cuihu International, Beijing	Haidian District	100.0%	20,680	62,041	-	-	-	-	-	62,041
Jade Garden, Beijing	Changping District	40.9%	255,088	430,899	-	144,181	205,137	166,463	54,614	59,299
Jade Chang'an, Beijing	Mentougou District	49.4%	65,821	252,082	97,910	73,617	142,949	-	-	-
Metropolis No.79, Beijing	Chaoyang District	100.0%	16,782	51,895	-	-	-	-	-	51,895
Metropolis Binjiang, Beijing	Tongzhou District	88.8%	9,293	94,966	-	-	-	-	-	88,054
Junzhuang Project, Beijing	Mentougou District	50.0%	74,720	44,200	-	-	-	44,200	-	-
Red Scarf Bridge Project, Beijing	Chaoyang District	59.5%	15,593	90,000	-	-	-	-	-	-
North of Cuihu International, Beijing	Haidian District	50.0%	17,630	52,889	-	-	-	-	-	-
Beijing Vernon Town	Miyun District	40.0%	400,486	384,881	34,240	-	95,301	130,218	113,173	120,044
Qinglong Lake Project, Beijing	Fengtai District	39.8%	230,355	249,999	-	-	-	94,010	-	-
Guancheng Dajia, Beijing	Shunyi District	49.8%	155,133	156,761	38,339	-	-	-	-	-
Qixiang Villa, Beijing	Fangshan District	50.4%	89,132	133,698	-	-	-	-	-	-
Feicuiyuntu, Beijing	Haidian District	88.2%	54,881	104,000	-	-	-	-	-	-
Feicui Shanxiao, Beijing	Shijingshan District	39.6%	202,600	346,500	70,085	-	-	188,516	127,691	-
Beijing Lake and Vill a Project	Fangshan District	19.8%	133,033	210,500	-	-	-	42,952	-	-
Beijing Emerald West Lake	Fengtai District	99.8%	168,663	184,119	66,610	-	-	117,509	117,509	-
Guanchengwangxi, Beijing	Shunyi District	48.3%	43,326	64,988	58,988	-	-	6,000	6,000	-
City Twilight Dongwang, Beijing	Tongzhou District	54.9%	110,493	279,378	279,378	-	-	-	-	-
Whistler Town, Anshan	Tiedong District	100.0%	422,171	624,996	-	121,463	573,224	-	-	46,800
Jinyu International, Anshan	Tiedong District	51.0%	225,715	668,718	132,247	148,315	334,521	201,950	72,316	55,135

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
High & New Dream Town, Anshan	High & New Technology Industries Development Zone	69.1%	272,910	491,006	148,300	-	-	342,706	112,200	-
Peacock Lake - 77 Mu Land, 39 Mu Land Project, Bazhou	Bazhou City	64.8%	77,510	116,187	-	-	-	116,187	77,039	-
Times Light, Bazhou	Bazhou City	33.6%	44,355	110,885	23,758	-	-	87,127	-	-
No. 2019039 Plot, Baoding	Gaobeidian City	42.1%	22,320	44,640	44,640	-	-	-	-	-
Central Park, Baotou	Qingshan District	55.3%	228,173	562,416	481,291	-	-	81,125	81,125	-
Blue Mountain, Changchun	Erdao District	100.0%	228,670	501,678	-	-	454,625	-	-	-
Changchun Whistler Town	Jingyue District	50.0%	399,715	484,714	30,751	4,339	344,983	108,980	-	-
Baicuiyuan, Changchun	Chaoyang District	100.0%	267,981	503,349	-	88,573	446,511	-	-	8,293
Dream Town, Changchun	Jingyue District	51.0%	350,965	1,068,964	24,435	150,340	751,929	215,513	-	91,522
Jinyu Changchun, Changchun	Nanguan District	100.0%	121,109	320,347	7,925	118,426	320,347	-	-	-
Ruyuan, Changchun	Jingyue District	42.9%	181,283	222,003	-	102,181	222,003	-	-	-
Changchun Whistler Banff Garden	Jingyue District	45.9%	187,439	243,671	5,919	97,373	189,394	3,299	-	50,978
Golden Miles, Changchun	Qikai District	88.6%	44,154	75,002	-	-	75,002	-	-	-
City Twilight, Changchun	Lvyuan District	96.3%	181,060	435,039	-	142,242	261,372	173,667	-	-
Fanrongli Project, Changchun	Chaoyang District	41.7%	16,162	56,567	-	56,567	56,567	-	-	-
Jade Binjiang, Changchun	Nanguan District	92.3%	111,757	702,385	-	-	187,385	314,477	314,477	162,915
Xinduhui, Changchun	High & New Technology Industries Development Zone	95.3%	50,003	103,600	31,751	29,503	29,503	-	-	74,097
Jade College, Changchun	High & New Technology Industries Development Zone	49.3%	82,000	174,193	-	63,899	83,399	-	-	42,284
Xichen Light, Changchun	Qikai District	40.0%	154,246	308,500	142,624	-	-	-	-	-
Changchun Life of Resort	Jingyue District	90.0%	80,000	120,000	-	-	-	-	-	120,000
Changchun The Lake	Nanguan District	57.5%	12,911	52,078	52,078	-	-	-	-	-
Xiwang, Changchun	Technology Development District	94.6%	155,044	289,701	289,701	-	-	-	-	-
Beihu Xiwangdong Plot, Changchun	Technology Development District	98.3%	129,436	237,602	-	-	-	237,602	135,000	-
Gongzhuling Project, Changchun	Gongzhuling City	43.7%	617,240	1,086,342	-	-	-	1,086,342	493,000	-
Xinlicheng, Changchun	Jingyue Development District	55.1%	50,349	67,000	-	-	-	67,000	47,100	-
Silicone Valley Avenue Project, Changchun	Gongzhuling City	41.7%	226,629	453,258	-	-	-	453,258	260,000	-

Section 4 Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Xichen A Plot, Changchun	Economic & Technological Development Zone	50.0%	82,107	173,839	-	-	-	173,839	77,500	-
Plots 231 and 232, Dachang	Dachang Hui Autonomous County	79.8%	76,388	146,269	-	-	-	146,269	146,269	-
Plots 233 and 234, Dachang	Dachang Hui Autonomous County	79.8%	50,606	84,291	-	-	-	84,291	84,291	-
Cherry Blossom Garden, Dalian	High-Tech Industrial Zone	100.0%	146,677	342,625	-	45,180	221,480	-	-	66,268
Jade Light, Dalian	Jinzhou District	88.6%	83,330	243,918	146,947	31,792	31,792	-	-	65,179
West Moutain Villa, Dalian	Ganjingzi District	55.0%	90,404	91,308	-	-	91,308	-	-	-
Harbor, Dalian	Pulandian District	55.0%	581,172	968,300	57,116	51,520	292,648	548,464	231,000	70,394
Dream Town, Dalian	Jinzhou District	100.0%	284,806	658,153	-	180,188	611,873	-	-	43,419
Blue Mountain, Dalian	Ganjingzi District	100.0%	125,100	214,470	-	-	214,470	-	-	-
Chenghua East Project, Dalian	Shahekou District	51.0%	35,757	64,260	32,608	-	-	31,652	31,652	-
Park Avenue, Dalian	Ganjingzi District	90.0%	19,131	37,627	-	-	37,627	-	-	-
King Metropolis, Dalian	Ganjingzi District	87.0%	44,085	80,337	-	-	80,337	-	-	-
City Twilight, Dalian	Ganjingzi District	93.4%	153,500	283,975	-	5,022	274,835	-	-	-
Zhongnanfu, Dalian	Zhongshan District	88.6%	15,300	32,400	-	-	32,400	-	-	-
Ban Shan Ban Hai, Dalian	Shahekou District	88.6%	12,233	45,140	-	-	45,140	-	-	-
Jade Garden, Dalian	Ganjingzi District	44.5%	146,290	248,710	-	115,055	219,895	26,712	-	2,103
Badongshu, Dalian	Ganjingzi District	88.6%	36,169	46,336	-	29,735	46,336	-	-	-
Xinduhui, Dalian	Ganjingzi District	95.7%	55,138	135,345	-	72,508	135,047	-	-	298
Jade Four Season, Dalian	Ganjingzi District	90.5%	73,601	129,292	-	129,292	129,292	-	-	-
Binhai Metropolis, Dalian	High-Tech Industrial Zone	90.0%	10,955	26,292	-	-	-	-	-	26,292
Guan Xian Villa, Dalian	Ganjingzi District	48.7%	126,155	134,550	-	3,313	3,313	-	-	47,140
Metropolis Xinghai, Dalian	Shahekou District	26.5%	7,399	76,778	-	-	-	-	-	-
Feicui Chunxiao, Dalian	High-tech Industrial Zone	76.1%	193,011	177,795	-	-	-	111,189	66,712	31,738
Dalian The Stage	Zhongshan District	62.1%	42,400	166,400	41,051	-	-	62,714	33,000	62,271
Dalian Zhong Shan Zhong	Zhongshan District	41.2%	2,968	33,000	33,000	-	-	-	-	-
Dajia, Dalian	Ganjingzi District	97.5%	25,636	44,232	-	-	-	-	-	44,232
Feicui Duhui, Dalian	Ganjingzi District	99.4%	125,744	311,150	311,150	-	-	-	-	-
Future Light, Dalian	Jinzhou District	53.4%	212,731	464,721	270,340	-	-	194,381	85,568	-
Diamond Bay, Dalian	Ganjingzi District	48.4%	67,674	108,646	-	-	-	108,646	90,000	-
City Twilight, Harbin	Xiangfang District	45.0%	110,669	349,237	-	207,638	207,638	-	-	141,599
Park Avenue, Harbin	Daowai District	24.0%	39,392	101,800	101,800	-	-	-	-	-
Binjiang Metropolis, Harbin	Daoli District	49.9%	29,360	120,374	120,374	-	-	-	-	-
Jinyuyuefu, Harbin	Xiangfang District	70.0%	123,043	288,777	-	-	-	288,777	288,777	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated completion area by 2019	Area not	Area to be commenced construction in 2020	Area to be
					commenced construction in 2019			yet under construction as at the end of 2019		completed in 2020
Dream Town, Jilin	High & New Technology Industries Development Zone	65.0%	728,139	2,001,721	152,338	151,388	1,070,316	614,140	151,000	180,052
Binjiangjiuli, Jilin	Fengman District	24.5%	35,476	106,428	-	25,291	25,291	-	-	81,137
Songhua Lake Project, Jilin	Fengman District	100.0%	531,598	599,999	-	103,498	277,265	280,491	-	-
Yue Mountain, Jinan	Shizhong District	95.9%	16,906	80,378	-	-	46,992	-	-	33,386
Vanke Haiyan Gate, Jinan	Lixia District	53.6%	31,976	132,940	-	78,307	78,307	-	-	54,633
City Twilight, Jinan and Zijun, Jinan	Licheng District	24.0%	203,151	451,721	-	271,368	326,818	-	-	124,903
Dream Town, Jinan	Lixia District	100.0%	191,418	481,001	-	-	481,001	-	-	-
King Metropolis, Jinan	Lixia District	30.3%	103,870	316,999	-	-	316,999	-	-	-
Vanke Joying Gold, Jinan	Tianqiao District	49.0%	74,722	250,913	-	-	250,913	-	-	-
Jade Garden, Jinan	Lixia District	50.0%	87,149	287,555	-	-	-	-	-	137,939
Haiyoufu, Jinan	Licheng District	95.5%	35,260	70,149	-	70,149	70,149	-	-	-
Feicuishanyu, Jinan	Licheng District	98.8%	126,244	265,098	151,415	-	-	-	-	-
Jiutangfu, Jinan	Licheng District	16.0%	100,470	221,034	-	-	-	-	-	146,658
Park Avenue, Jinan	Huaiyin District, Jinan	42.7%	48,763	152,371	-	-	152,371	-	-	-
Metropolis, Jinan	Lixia District	32.0%	78,771	245,891	145,293	-	-	-	-	33,136
Zhonglufu, Jinan	Zhangqiu District	31.0%	110,411	215,782	100,858	-	-	-	-	55,336
Baimaiyuefu, Jinan	Zhangqiu District	25.0%	201,116	402,189	-	-	-	212,961	212,961	-
Vanke Shanwang, Jinan	Shizhong District	42.1%	120,618	572,428	464,660	-	-	-	-	109,712
Industrial Town Project, Jinan	Jiyang District	51.0%	176,075	103,455	-	103,455	103,455	-	-	-
Jiangshan Yipin, Jinan	Zhangqiu District	28.4%	23,856	38,170	-	-	-	-	-	-
Quanxueli, Jinan	High & New Technology Industries Development Zone	33.4%	133,532	333,345	333,345	-	-	-	-	-
Vanke Ruyuan, Jinan	High & New Technology Industries Development Zone	32.7%	61,289	85,760	-	-	-	-	-	-
Tianchen, Jinan	Licheng District	17.7%	103,211	260,091	45,727	-	-	-	-	-
Glamorous City, Jinan	Licheng District	66.6%	110,494	277,340	73,098	-	-	90,299	90,299	-
Times Light, Jiyang	Jiyang District	41.9%	129,000	338,000	237,577	-	-	100,423	-	-
Zijun, Jinzhong	Yuci District	50.0%	93,947	187,736	187,736	-	-	-	-	-
Ziyuan, Jinzhong	Yuci District	50.0%	29,143	57,500	-	-	-	-	-	-
The Light of Sailing Phase I, Langfang	Yongqing County	89.5%	24,057	42,991	-	-	-	-	-	-
The Light of Sailing Phase II, Langfang	Yongqing County	89.5%	32,178	57,918	-	-	-	57,918	28,959	-
Dongjianta Project, Langfang	Nanjianta Town	37.6%	38,714	71,790	71,790	-	-	-	-	-
Longhe Project in Anci, Langfang	High-tech Industrial Zone, Longhe	55.6%	71,400	142,800	-	-	-	142,800	142,800	-
Xinduhui Project, Linyi	Hedong District	52.0%	154,165	354,580	168,653	-	-	185,927	185,927	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Xinglongtai Project, Panjin	Xinglongtai District	96.3%	234,931	679,874	299,066	-	-	380,808	380,808	36,336
Holiday Views, Qinhuangdao	Haigang District	60.0%	124,672	306,612	-	-	184,960	-	-	121,652
Beidaihe Town, Qinhuangdao	Beidaihe District	50.0%	76,384	84,881	-	5,297	84,881	-	-	-
Mijas, Qinhuangdao	Beidaihe District	100.0%	85,659	92,357	-	-	-	-	-	25,700
Time Sea, Qinhuangdao	Beidaihe New District	16.0%	89,811	94,707	-	7,296	7,296	-	-	18,300
Future City (Phase II), Qinhuangdao	Haigang District	57.6%	68,011	135,625	135,625	-	-	-	-	-
Future City, Qingdao	Shibei District	36.8%	139,768	442,015	-	-	312,738	-	-	129,277
Qingdao Dongjun	Jimo City	55.0%	196,446	470,954	-	57,172	470,954	-	-	-
Pingdu Dream Town, Qingdao	Pingdu City	100.0%	59,308	181,845	37,071	-	113,215	-	-	21,103
Qingdao Town	Development District	34.0%	933,293	947,989	-	20,204	402,900	490,604	85,000	-
Fuzhou Road Vanke Center, Qingdao	Shibei District	100.0%	38,775	123,703	-	-	123,703	-	-	-
Meiguili, Qingdao	Chengyang District	60.0%	340,069	535,153	-	34,503	535,153	-	-	-
Taohuayuan Phase I, Qingdao	Chengyang District	57.2%	129,032	229,399	-	-	229,399	-	-	-
Taohuayuan Phase II, Qingdao	Chengyang District	59.4%	134,669	244,046	-	-	244,046	-	-	-
Ecological New Town, Qingdao	Licang District	100.0%	110,919	350,385	-	-	350,385	-	-	-
King Metropolis Phase I, Qingdao	Chengyang District	58.6%	63,599	127,198	-	-	127,198	-	-	-
King Metropolis Phase II, Qingdao	Chengyang District	59.2%	64,222	128,444	-	91,063	91,063	-	-	33,020
City Twilight, Qingdao	Huangdao District	55.3%	123,719	284,109	34,718	-	-	-	-	157,883
Shiniushan Road Project, Qingdao	Licang District	22.0%	203,831	501,950	-	-	-	501,950	-	-
King Metropolis Phase III, Qingdao	Chengyang District	59.2%	56,286	101,315	101,315	-	-	-	-	-
Feichui Changjiang, Qingdao	Huangdao District	87.8%	25,836	168,348	42,404	-	-	-	-	-
Xinduhui 1907, Qingdao	Shibei District	50.0%	11,222	39,300	-	-	-	-	-	39,300
Xingkong, Qingdao	Shibei District	53.6%	5,043	17,649	-	-	-	-	-	-
Xinduhui, Qingdao	Huangdao District	46.0%	131,985	308,597	227,519	7,855	7,855	-	-	-
Jiaozhou Botanical Garden Project, Qingdao	Jiaozhou City	46.6%	52,937	153,622	-	-	-	153,622	153,622	-
High-speed Train Town Project, Qingdao	Chengyang District	55.9%	19,270	48,175	48,175	-	-	-	-	-
Qingdao Yuantong Wulian Project	Huangdao District	47.8%	38,545	96,362	11,563	-	-	84,799	84,799	-
Beichenzhiguang, Qingdao	Jimo District	49.8%	70,037	112,060	112,060	-	-	-	-	-
Jade Garden (Phase I), Shijiazhuang	Qiaoxi District	41.0%	53,100	180,466	-	-	-	-	-	180,466
Jade Academy, Shijiazhuang	Chang'an District	49.8%	168,944	411,746	241,253	-	-	170,493	85,247	-
Zijun, Shijiazhuang	Chang'an District	48.2%	30,908	95,408	-	-	-	-	-	-
Xinduhui, Shijiazhuang	Recycling Chemical Industrial Park	41.0%	60,661	224,049	-	-	-	-	-	-
Jade Garden, Shijiazhuang	Qiaoxi District	48.0%	70,549	167,894	167,894	-	-	-	-	-
Park Metropolis, Shijiazhuang	Xinhua District	41.0%	48,731	121,347	121,347	-	-	-	-	-
Zhengding Culture Village Project, Shijiazhuang	Zhengding District	49.0%	61,496	126,622	126,622	-	-	-	-	-
Future City, Shijiazhuang	Luancheng District	46.9%	104,994	196,833	43,126	-	-	153,707	153,707	-
Jade Mansion, Shenyang	Dongling District	100.0%	285,599	286,141	127,740	57,782	158,401	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be	Area to be completed in 2020
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019	commenced construction in 2020	
Chunheli, Shenyang	Shenhe District	100.0%	81,378	431,232	-	8,158	350,551	-	-	80,681
King Metropolis, Shenyang	Huanggu District	100.0%	200,000	474,883	-	101,232	430,247	-	-	44,636
Times Light, Shenyang	Dadong District	94.6%	87,643	350,517	-	-	350,517	-	-	-
City Sunshine, Shenyang	Tiexi District	62.4%	54,257	166,356	-	108,901	108,901	-	-	57,455
Sun Yat-Sen Park, Shenyang	Heping District	40.0%	9,444	75,965	-	1,973	75,965	-	-	-
Feicui Park, Shenyang	Yuhong District	62.8%	109,776	219,552	-	118,342	219,552	-	-	-
Fei Cui Zhi Guang Phase I, Shenyang	Tiexi District	18.0%	40,877	199,937	40,495	-	-	159,442	-	40,495
Fei Cui Zhi Guang Phase II, Shenyang	Tiexi District	54.0%	67,305	286,886	-	53,784	205,442	-	-	81,444
Four Seasons Garden, Shenyang	Yuhong District	89.2%	45,100	99,220	-	62,249	99,220	-	-	-
Changjiangfu, Shenyang	Yuhong District	88.2%	24,143	48,286	-	26,071	48,286	-	-	-
Xihuafu, Shenyang	Economic and Technological Development District									
		97.7%	208,177	372,382	-	193,919	200,459	-	-	171,923
City Twilight, Shenyang	Dadong District	69.0%	30,742	91,765	-	67,542	91,765	-	-	-
Dream Town, Shenyang	Hunnan District	40.1%	198,479	407,939	57,146	89,148	168,755	-	-	132,582
Ruyuan, Shenyang	Shenhe District	40.0%	12,051	41,872	-	41,872	41,872	-	-	-
Qianshanfu, Shenyang	Yuhong District	97.0%	19,105	66,867	-	-	-	-	-	66,867
Metropolis AD, Shenyang	Huanggu District	47.5%	16,247	113,483	-	-	-	-	-	113,483
Fei Cui Xinduhui, Shenyang	Tiexi District	67.4%	61,217	140,799	-	-	-	-	-	101,114
Jade Academy, Shenyang	Hunnan District	45.1%	56,325	122,881	-	122,881	122,881	-	-	-
Tomorrow Light, Shenyang	Sujiatun District	69.5%	127,099	284,223	116,628	99,591	99,591	-	-	69,694
Jade Four Season, Shenyang	Hunnan District	69.5%	60,148	142,097	-	78,820	78,820	-	-	63,277
Feicui Binjiang, Shenyang	Heping District	99.2%	79,763	159,526	159,526	-	-	-	-	70,546
Jibao Project, Shenyang	Hunnan District	99.4%	73,638	186,295	-	-	-	186,295	186,295	-
Shenyang Emerald Zhenyuan	Hunnan District	98.8%	82,371	140,031	73,495	-	-	-	-	63,341
China Travel Dream Town, Shenyang	Hunnan District	49.6%	1,018,234	1,057,074	194,807	-	22,067	840,200	253,904	187,652
Shenyang Cloud City	Huanggu District	97.2%	334,407	691,697	357,220	-	-	334,477	241,253	-
Furama Project, Shenyang	Heping District	91.0%	14,496	101,468	-	-	-	101,468	52,654	-
UC Dream Town, Shenyang	Faku County	45.0%	102,154	250,617	104,031	-	-	146,586	-	-
Wonderland Dajia (AC Plot), Shenyang	Yuhong District									
		57.2%	28,909	54,927	-	-	-	54,927	54,927	-
Beichenzhiguang, Shenyang	Shenbei New District	70.0%	105,527	232,159	-	-	-	232,159	232,159	-
Wonderland Dajia (B Plot), Shenyang	Yuhong District	57.2%	77,800	147,970	147,970	-	-	-	-	-
Baoma Project, Shenyang	Tiexi District	98.1%	187,248	280,871	280,871	-	-	-	-	-
Jinyu Lan wan, Fushun	Development District	100.0%	300,150	506,048	158,207	109,266	347,841	-	-	67,563
Dream Town, Taiyuan	Xiaodian District	49.6%	323,777	793,157	-	129,232	793,157	-	-	-
Blue Mountain, Taiyuan	Wanbailin District	51.0%	198,392	687,372	-	72,578	687,372	-	-	-
Transportation Company Land Lot, Taiyuan	Wanbailin District									
		100.0%	37,060	177,415	-	-	-	177,415	-	-
Xinduxin, Taiyuan	Xiaodian District	49.6%	37,876	97,537	-	50,884	50,884	-	-	46,653

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Zijun, Taiyuan	Wanbailin District	24.0%	72,496	201,471	-	-	201,471	-	-	-
The Paradiso, Taiyuan	Jinyuan District	88.6%	40,047	148,740	-	4,162	148,740	-	-	-
Park Avenue, Taiyuan	Jiancaoping District	88.6%	66,179	210,491	-	210,491	210,491	-	-	-
Zi Yuan, Taiyuan	Yingze District	90.1%	74,373	210,450	-	200,778	200,778	-	-	9,672
City Lights, Taiyuan	Yingze District	90.1%	133,214	400,716	21,571	-	-	57,993	57,993	90,625
Taiyuan Town	Jiancaoping District	89.1%	263,066	434,360	-	173,768	173,768	-	-	187,471
The Paradiso Phase II, Taiyuan	Jinyuan District	50.0%	29,195	114,039	-	114,039	114,039	-	-	-
Central Park, Taiyuan	Jinyuan District	50.0%	35,492	136,854	-	-	-	-	-	-
Jade Garden, Taiyuan	Jinyuan District	36.0%	75,832	257,786	-	-	-	-	-	98,867
Changfeng Mansion, Taiyuan	Wanbailin District	42.0%	16,228	56,350	-	-	-	-	-	-
Taiyuan Chunhe Jingming	Wanbailin District	41.0%	239,977	534,439	180,875	-	-	99,639	99,639	-
Jade Jinyang Lake, Taiyuan	Jinyuan District	48.6%	127,040	254,079	156,523	-	-	97,556	-	-
Park Avenue, Taiyuan	Jinyuan District	33.0%	32,450	130,246	130,246	-	-	-	-	-
Qingxu Project, Taiyuan	Qingxu County	42.5%	107,300	316,300	-	-	-	316,300	316,300	-
Taiyuan Beijing Follow-up Phase	Xiaodian District	99.8%	170,490	536,477	-	-	-	536,477	170,752	-
Control Center Project, Taiyuan	Xiaodian District	40.8%	15,225	50,242	-	-	-	50,242	50,242	-
Taiyuan Lanwan Chuanqi	Jinyuan District	41.0%	64,605	231,750	231,750	-	-	-	-	-
King Metropolis, Tangshan	Lubei District	60.0%	84,194	154,769	-	2,694	154,769	-	-	-
New Milestone, Tangshan	Fenghuang New City	48.0%	88,848	264,639	-	-	264,639	-	-	-
Golden Paradise, Tangshan	Lubei District	41.0%	53,400	133,499	-	133,499	133,499	-	-	-
Nanhuchunxiao, Tangshan	Lunan District	24.0%	165,834	431,738	-	-	276,755	-	-	94,983
Tangshan Tang Dynasty Mansion	Lunan District	50.4%	106,070	259,591	140,032	-	-	-	-	132,460
Park Avenue, Tangshan	Lubei District	13.8%	185,802	446,710	-	-	-	-	-	220,000
Future City, Tangshan	High & New Technology Industries									
	Development Zone	53.6%	68,237	170,575	115,897	-	-	-	-	-
Fengrun King Metropolis, Tangshan	Fengrun District	32.0%	50,879	126,801	-	-	-	-	-	126,801
Feicui Blue Mountain, Tangshan	High-tech Industrial Zone, Tangshan	49.8%	80,103	203,966	155,532	-	-	-	-	-
Xinhua Road Project, Tangshan	Lubei District	49.7%	17,265	120,854	-	-	-	120,854	120,854	-
Tangshan Gangdao Zhongxin	Fengnan District	54.2%	120,241	244,884	83,340	-	-	161,544	161,544	-
Waterfront, Tianjin	Dongli District	100.0%	2,708,886	1,763,059	-	121,412	1,453,748	29,000	-	147,976
King Metropolis, Tianjin	Dongli District	51.0%	221,217	361,213	-	37,141	361,213	-	-	-
Binhai Metropolis, Tianjin	Binhai New District	26.0%	215,899	685,897	125,889	-	101,147	93,876	22,750	89,525
Harbor, Tianjin	Binhai New District	51.0%	149,483	373,053	-	-	373,053	-	-	-
Jinyu International, Tianjin	Binhai New District	100.0%	108,389	192,177	-	70,079	161,232	-	-	-
Minhexiang, Tianjin	Dongli District	87.0%	257,768	438,230	-	55,866	345,446	-	-	92,784
Zitai, Tianjin	Binhai New District	40.8%	56,545	136,534	-	10,197	86,666	-	-	49,868
Dongdi, Tianjin	Xiqing District	40.8%	133,014	308,328	-	103,886	206,606	-	-	101,722
City Twilight, Tianjin	Dongli District	20.0%	72,358	144,649	-	107,539	144,649	-	-	-
Xinduhui, Tianjin	Nankai District	49.0%	40,068	139,099	-	-	-	73,599	-	65,500

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Accumulated	Area not	Area to be	Area to be	
					commenced construction in 2019	Completed Area in 2019	yet under construction as at the end of 2019	commenced construction in 2020	completed in 2020	
Haitianyanju, Tianjin	Ji County	53.9%	81,935	78,100	-	38,944	38,944	-	-	39,156
Jade Avenue South, Tianjin	Xiqing District	34.0%	167,723	325,895	-	-	-	193,770	-	40,712
Jade Avenue North, Tianjin	Xiqing District	51.0%	192,144	378,267	-	-	-	374,612	-	-
Diecaidao, Tianjin	Hexi District	33.1%	24,013	47,996	-	-	-	-	-	-
Tianjin Vanke City	Dongli District	49.9%	147,353	182,155	148,155	-	34,000	-	-	-
Chengqingfu, Tianjin	Beichen District	27.7%	18,500	36,937	-	-	-	-	-	-
Qilin Wetland Vanke Town, Tianjin	Dongli District	49.1%	166,735	263,002	91,276	-	-	60,192	30,000	-
Xihuafu, Tianjin	Xiqing District	57.8%	181,503	297,356	123,638	-	-	1,183	-	-
Guanlan, Tianjin	Binhai New District	48.6%	90,781	196,849	45,723	-	-	28,625	-	-
Tianjin South Olympic Stadium Jin	Xiqing District	28.5%	40,547	72,985	-	-	-	-	-	-
Tianjin Dongjun	Dongli District	50.0%	34,710	60,325	-	-	-	-	-	-
South of Xilu, Tianjin	Xiqing District	99.0%	49,684	81,729	-	-	-	-	-	-
North of Xilu, Tianjin	Xiqing District	98.8%	52,189	103,963	82,796	-	-	-	-	-
Four Season Binjiang, Tianjin	Beichen District	69.2%	136,700	291,953	-	-	-	291,953	100,000	-
Feicuizitai, Tianjin	Xiqing District	37.6%	68,567	109,309	109,309	-	-	-	-	-
Baodi 024 Plot Project, Tianjin	Baodi District	99.2%	170,102	281,504	140,498	-	-	141,006	90,000	-
Tianjin Emerald Riverside	Xiqing District	39.8%	198,161	340,467	134,577	-	-	205,890	-	12,728
Jade Park, Weihai	Economic & Technological Development Zone	57.7%	176,746	312,390	131,775	-	-	36,066	36,066	100,637
Haiyuntai, Yantai	Zhifu District	100.0%	311,614	444,000	-	11,085	433,357	-	-	-
Holiday Views, Yantai	Fushan District	70.0%	190,281	362,813	-	64,356	362,813	-	-	-
Yulongshan, Yantai	Zhifu District	51.0%	341,943	422,791	-	158,284	352,812	-	-	51,237
Dream Town, Yantai	Development District	51.0%	241,467	469,165	-	169,029	452,138	-	-	17,027
Jade Garden, Yantai	Zhifu District	78.6%	57,892	116,000	-	47,542	116,000	-	-	-
Jade Bay, Yantai	Laishan District	89.4%	50,620	111,300	-	111,300	111,300	-	-	-
Seattle, Yantai	Zhifu District	41.0%	61,499	120,300	-	-	-	-	-	120,300
Tianyue Bay, Yantai	High & New Technology Industries Development Zone	93.5%	190,000	401,000	-	-	-	401,000	120,000	-
City Twilight II, Yantai	Fushan District	92.9%	58,514	109,477	109,477	-	-	-	-	-
Jade Avenue, Yantai	Laishan District	24.0%	189,041	460,414	134,434	-	-	93,192	83,910	-
City Twilight III, Yantai	Fushan District	51.1%	55,711	150,600	-	-	-	72,742	72,742	77,858
Feicui Chang'an, Yantai	Laishan District	29.4%	105,056	189,100	133,336	-	-	55,764	55,764	-
Nanyao B Plot, Yantai	Zhifu District	24.2%	43,072	107,247	71,744	-	-	35,503	23,766	-
Chuihu Shanxiao, Yantai	Zhifu District	37.1%	294,800	297,600	60,123	-	-	237,477	141,509	-
Yulongshan D Plot, Yantai	Zhifu District	51%	38,701	42,600	-	-	-	42,600	42,600	-
The Paradise, Yangqu	Yangqu County	50.0%	84,308	209,643	-	-	-	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Yingkou C'est La Vie	Bayuquan District	100.0%	138,990	388,637	106,747	-	153,765	-	-	124,550
Zhangjiakou Jingcheng Shangfang	Xiahuayuan District	33.4%	101,649	225,095	-	-	-	225,095	103,824	-
Intorcity Light, Zhuozhou	Zhuozhou City	90.5%	67,392	268,875	267,051	-	-	-	-	-
Matou Town Project, Zhuzhou	Zhuozhou City	79.8%	63,475	126,941	126,941	-	-	-	-	-
Vanke Jade College, Zibo	Zhangdian District	17.0%	128,501	321,245	-	-	-	-	-	182,592
Vanke Xinduhui, Zibo	Zhangdian District	50.1%	20,486	71,058	71,058	-	-	-	-	-
Linzi Project, Zibo	Linzi District	54.3%	118,288	295,720	100,349	-	-	195,371	195,371	-
Northern Region subtotal			37,245,449	73,283,663	12,537,327	6,990,432	30,264,245	16,623,554	8,149,975	7,389,152

Central and Western Region

Vanke Huamao Plaza, Chengdu	Chenghua District	100.0%	29,720	208,037	-	-	208,037	-	-	-
No.5 Park Front Boutique Apartment, Chengdu	High-tech Industrial Development Zone	50.0%	87,822	263,464	183,309	-	80,155	-	-	-
Jinse Yuefu Music Plaza, Chengdu	Chenghua District	60.0%	152,852	757,861	207,139	171,281	387,047	-	-	163,675
Jinyu Tixiang, Chengdu	Xindu District	100.0%	111,166	324,251	49,748	-	185,628	-	-	138,623
Vanke City, Chengdu	Pidu District	62.0%	167,375	560,963	-	125,254	549,424	-	-	11,539
No.5 City, Chengdu	Shuangliu District	97.8%	274,323	819,126	-	236,152	819,126	-	-	-
Wu Long Shan Lan Shan, Chengdu	Xindu District	95%	121,000	145,139	-	14,551	145,139	-	-	-
Ideal City, Chengdu	Pidu District	93.5%	201,981	640,170	-	331,285	514,163	-	-	126,007
Jade Garden, Chengdu	Tianfu New District	51.5%	146,745	409,541	-	272,502	405,770	-	-	3,771
Jiuxitang, Chengdu	Pidu District	60.0%	78,671	183,369	-	183,369	183,369	-	-	-
Vanke Cloud City (Phase I), Chengdu	Tianfu New District	98.8%	34,501	172,500	84,501	-	-	42,001	42,001	45,998
Vanke Cloud City (Phase II), Chengdu	Tianfu New District	98.8%	45,067	202,700	114,233	-	-	-	-	49,877
Junyi, Chengdu	Tianfu New District	93.1%	27,266	54,531	-	-	-	-	-	54,531
Honor of the City, Chengdu	Renshou County	26.8%	68,501	137,002	-	137,002	137,002	-	-	-
Jinxiu, Chengdu	Tianfu New District	99.3%	157,109	411,349	250,409	-	-	97,567	-	-
Times Runyuan, Chengdu	Pidu District	91.5%	44,976	89,951	-	-	-	-	-	89,951
Chenguangheyue, Chengdu	High-tech Industrial Development Zone	21.6%	62,229	166,005	-	45,339	45,339	-	-	120,666
Light of the Times (Phase I), Chengdu	Qingbaijiang District	41.2%	22,829	68,296	-	42,876	42,876	-	-	25,420
Light of the Times (Phase II), Chengdu	Qingbaijiang District	41.2%	40,565	120,439	-	-	-	-	-	120,439
Yixin Lake 133 Mu Project, Chengdu	Shuangliu District	50.0%	88,336	265,009	-	-	-	265,009	220,362	-
Yixin Lake 122 Mu Project, Chengdu	Shuangliu District	50.0%	81,356	220,803	-	-	-	220,803	-	-
Chuanshang Project, Chengdu	High-tech Industrial Development Zone	99.8%	20,939	100,505	100,505	-	-	-	-	-
Park Legend, Chengdu	Tianfu New District	50.6%	108,704	329,284	284,753	-	-	-	-	-
Dream Light, Chengdu	Renshou County	50.3%	42,293	93,041	-	-	-	-	-	93,041
Jade Heyue, Chengdu	Tianfu New District	33.0%	55,926	82,600	-	-	-	-	-	82,600

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed Area in 2019	Accumulated	Area not	Area to be commenced construction in 2020	Area to be completed in 2020
					commenced construction in 2019		completion area by 2019	yet under construction as at the end of 2019		
Yuehaiyuan, Chengdu	Qingbaijiang District	43.4%	104,624	415,333	221,493	-	-	193,840	-	-
Xinchuanhui, Chengdu	High-tech Industrial Development Zone	99.0%	32,637	119,743	119,743	-	-	-	-	-
Jingnantang, Chengdu	High-tech Industrial Development Zone	69.5%	84,423	168,447	-	-	-	-	-	85,173
Park Jiuli, Chengdu	Shuangliu District	49.0%	136,000	411,842	-	65,424	193,425	-	-	158,417
Tianfu Dream Town Phase I, Vanke	Tianfu New District	59.6%	665,368	788,220	294,297	-	-	493,923	271,606	-
Tianfu Dream Town Phase II, Vanke	Tianfu New District	59.6%	109,161	141,910	-	-	-	141,910	46,825	-
Xiangshan 279 Mu Project, Chengdu	Tianfu New District	79.8%	186,279	653,977	-	-	-	653,977	273,215	-
Chengdu the Gifted	Tianfu New District	31.5%	104,202	260,386	260,386	-	-	-	-	-
Garden Metropolis, Chengdu	Tianfu New District	68.2%	47,261	99,221	99,221	-	-	-	-	-
Guo Shou Jia Yuan, Chengdu	Wenjiang District	40.0%	78,279	117,387	117,387	-	-	-	-	-
Dafeng 118 Mu Project, Chengdu	Xindu District	99.4%	78,938	157,473	-	-	-	157,473	157,473	-
Longtan 82 Mu Project, Chengdu	Chenghua District	99.1%	54,710	105,946	-	-	-	105,946	105,946	-
Dream Town, Chongqing	Northern New District	55.0%	278,167	654,419	-	37,182	654,419	-	-	-
Yuewan, Chongqing	Jiangbei District	45.0%	435,499	587,771	-	113,259	546,307	23,515	-	17,949
Joying Gold, Chongqing	Shapingba District	80.0%	175,000	693,541	-	167,242	693,541	-	-	-
The Stage, Chongqing	Jiangbei District	100.0%	129,535	652,785	-	98,545	226,918	205,593	205,593	153,847
Jinyu Academy, Chongqing	Nan'an District	13.5%	241,314	843,587	280,882	406,800	706,696	-	-	119,637
Chongqing Jinshang	Jiulongpo District	94.3%	69,160	164,393	-	-	164,393	-	-	-
Guancheng, Chongqing	Beibei District	41.6%	195,027	422,818	-	134,032	134,032	-	-	288,786
Jinyu Huating, Chongqing	Shapingba District	90.1%	26,325	185,439	3,797	181,868	181,868	-	-	3,571
17 Miles, Chongqing	Beibei District	97.6%	212,044	214,165	-	-	-	-	-	197,034
The Paradiso, Chongqing	Yubei District	90.7%	105,079	244,117	-	54,652	121,260	42,428	42,428	-
Tiandi, Chongqing	Yuzhong District	38.4%	228,476	1,367,366	439,763	458,334	458,334	128,423	68,391	87,670
King Metropolis, Chongqing	Beibei District	61.8%	128,615	257,231	-	-	-	-	-	257,231
Feicui Duhui, Chongqing	Yuzhong District	69.5%	23,512	112,288	102,641	-	-	-	-	112,288
Elingfeng, Chongqing	Yuzhong District	49.7%	27,197	33,743	-	1,200	17,819	-	-	15,924
Jinkai Yuefu, Chongqing	Liangjiang New District	69.6%	173,474	304,927	48,359	-	-	80,981	74,700	168,546
Jade Garden, Chongqing	Yubei District	97.8%	46,592	116,804	56,076	-	-	-	-	39,976
Forest Park, Chongqing	Liangjiang New District	65.5%	204,218	396,471	117,513	-	-	183,109	183,109	88,998
Jiakaicheng, Chongqing	Jiangbei District	46.0%	58,347	135,986	-	24,658	24,658	111,328	111,328	-
Jade Garden Commercial Project, Chongqing	Yubei District	99.5%	16,168	97,006	-	-	-	97,006	97,006	-
Zhaomushan Project, Chongqing	Yubei District	90.2%	62,111	94,847	94,847	-	-	-	-	-
Wonderland, Chongqing	Beibei District	41.3%	77,975	194,864	194,864	-	-	-	-	-
Ideal City Phase I, Chongqing	Shapingba District	99.1%	104,692	160,421	160,421	-	-	-	-	-
Ideal City Phase II, Chongqing	Shapingba District	50.2%	97,965	153,474	132,385	-	-	21,089	21,089	-
Ideal City Phase III, Chongqing	Shapingba District	48.2%	74,723	136,912	136,912	-	-	-	-	-
Yuelai 117 Mu Project, Chongqing	Liangjiang New District	99.3%	78,000	117,064	-	-	-	117,064	117,064	-
Yuelai 493 Mu Project, Chongqing	Yubei District	99.0%	328,787	469,783	-	-	-	469,783	200,000	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Shuitu 111 Mu Project, Chongqing	Beibei District	99.2%	73,686	106,661	-	-	-	106,661	106,661	-
Shuitu 103 Mu Project, Chongqing	Beibei District	99.2%	68,554	94,644	-	-	-	94,644	94,644	-
Fenghuanghu 424 Mu Project, Chongqing	Yongchuan District	98.7%	282,795	506,525	225,857	-	-	280,668	74,176	-
Shuitu 99 Mu Project, Chongqing	Beibei District	97.8%	66,014	99,021	-	-	-	99,021	99,021	-
Nimble Bay, Guiyang	Yunyan District	100.0%	80,594	200,705	-	-	200,705	-	-	-
King Metropolis, Guiyang	Xiaohu District	100.0%	351,800	581,217	-	-	581,217	-	-	-
Joy City, Guiyang	Yunyan District	51.0%	85,341	262,728	-	-	260,227	-	-	-
Dream Town, Guiyang	Yunyan District	70.0%	343,142	921,846	-	41,971	788,983	-	-	-
No.5 Park Front Boutique Apartment, Guiyang	Yunyan District	58.5%	10,927	98,132	-	-	98,132	-	-	-
Yunyan Metropolis, Guiyang	Yunyan District	20.5%	49,054	275,961	-	-	137,964	-	-	-
Gong Yuan Chuan Qi, Guiyang	Yunyan District	42.7%	34,325	130,392	-	-	-	-	-	-
Jade Legend, Guiyang	Yunyan District	46.0%	109,630	314,021	-	118,910	200,963	-	-	35,219
Vanke Guiyang Chuan Qi, Guiyang	Yunyan District	56.0%	6,555	58,991	58,991	-	-	-	-	-
Huaxi Metropolis, Guiyang	Huaxi District	41.8%	173,285	432,277	-	156,305	156,305	-	-	108,712
Vanke Metropolis Huayang, Guiyang	Xiaohu District	60.2%	72,043	369,722	61,884	157,730	157,730	25,755	25,755	85,473
Feicuitianjiao, Guiyang	Guanshan Lake District	32.0%	69,977	243,231	-	-	-	48,856	48,856	-
Vanke Ideal City, Guiyang	Guanshan Lake District	41.1%	287,563	794,299	-	-	-	163,763	36,145	263,163
Jade Binjiang, Guiyang	Nanming District	33.7%	98,327	217,051	-	-	-	63,746	63,746	127,377
Jade Garden Project, Guiyang	Guanshan Lake District	41.0%	374,968	935,661	-	-	-	787,922	250,000	42,786
Xinduhui, Guiyang	Guanshan Lake District	45.3%	612,054	816,428	125,837	201,752	209,264	338,751	150,000	66,266
Vanke Lushan, Guiyang	Yunyan District	39.9%	303,067	783,312	244,721	-	-	538,591	200,000	-
Guanhu, Guiyang	Economical & Technological Development Zone	64.4%	139,940	349,850	-	-	-	349,850	150,000	-
Xiwang, Guiyang	Huaxi District	49.8%	101,230	337,555	-	-	-	337,555	100,000	-
Park Avenue, Kunming	Guandu District	97.9%	213,037	556,887	159,075	48,252	397,812	-	-	-
Jinyu International, Kunming	Wuhua District	100.0%	105,484	314,642	-	-	256,450	58,192	58,192	-
Glamorous City, Kunming	Guandu District	100.0%	417,919	1,662,861	277,163	184,015	1,067,703	-	-	240,900
Yinhalboan Project, Kunming	Dianchi Tourist Resort	29.7%	243,605	432,099	50,268	77,428	326,579	-	-	55,237
City Twilight, Kunming	Panlong District	96.6%	37,916	153,236	-	31,973	153,236	-	-	-
Xinghejiayuan, Kunming	Guandu District	60.0%	108,375	444,474	165,429	172,258	172,258	-	-	105,980
Kunming The Golden Island	Panlong District	99.5%	65,004	287,406	-	-	-	-	-	189,427
Feicui Binjiang, Kunming	Guandu District	30.6%	161,266	525,014	148,771	72,096	72,096	164,019	164,019	139,755
Baisha Runyuan, Kunming	Panlong District	90.0%	14,932	46,981	-	-	-	-	-	46,981
Kunming Dream of City	Wuhua District	57.4%	43,053	166,487	-	-	-	-	-	166,487
Metropolitan, Kunming	Guandu District	24.0%	92,972	286,246	161,599	-	-	-	-	124,133
Dream Town, Kunming	Wuhua District	44.8%	246,576	912,045	411,864	-	-	500,181	131,794	-
Changhong West Road Project, Kunming	Guandu District	39.7%	164,536	519,213	-	-	-	519,213	200,738	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area	Completed	Accumulated	Area not	Area to be	Area to be
					commenced			yet under		
					construction	Area in	completion	construction	construction	completed
					in 2019	2019	area by	as at the	in 2020	in 2020
							2019	end of 2019		
500 Miles, Kunming	Guandu District	39.7%	232,914	827,000	147,273	-	-	679,727	199,380	-
Dream Town, Lanzhou	Gaolan County	41.0%	373,305	1,099,787	682,317	-	-	175,731	175,731	245,931
Times Light, Lanzhou	Yuzhong County	50.1%	129,835	338,646	334,551	-	-	4,095	4,095	-
Lanzhou Pu Yue Lan An	Anning District	90.3%	65,510	229,337	229,337	-	-	-	-	-
Meizhou Culture Village, Meishan	Dongpo District	64.0%	624,711	1,026,893	376,857	-	-	650,036	255,422	-
Renfeng, Meishan	Wenlin Town	38.7%	43,661	109,152	-	-	-	-	-	-
Congli New Town Phase II, Meizhou	Chongli Town	69.7%	632,863	1,381,079	-	-	-	1,381,079	212,139	-
Jinrun Huafu, Nanchong	Gaoping District	100.0%	182,012	518,004	-	146,401	518,004	-	-	-
Dream Town, Weinan	Linwei District	90.7%	556,062	1,160,111	-	-	-	1,160,111	671,326	-
Vanke Home, Wuhan	Hongshan District	98.9%	57,253	262,386	-	119,586	119,586	-	-	86,298
Golden Lake Courtyard, Wuhan	Jiangnan District	100.0%	66,077	370,566	-	106,537	211,442	29,925	29,925	98,291
Hankou Chuangqi, Wuhan	Jiangnan District	50.0%	223,388	1,127,688	19,265	165,061	828,235	-	-	123,683
Hanyang International, Wuhan	Hanyang District	100.0%	166,817	568,974	-	-	568,974	-	-	-
Vanke Jincheng, Wuhan	East Lake New Technology Development Zone	95.5%	38,286	202,620	-	-	202,620	-	-	-
Vanke Feichui Yuntai, Wuhan	Hongshan District	41.0%	53,866	73,299	-	-	73,299	-	-	-
Vanke Fei Cui Jiu Xi, Wuhan	Economic and Technological Development Zone	50.0%	160,682	370,689	-	175,814	370,689	-	-	-
Feicui Binjiang, Wuhan	Hanyang District	52.7%	225,157	912,307	155,098	-	168,226	588,983	567,572	155,098
Vanke Jinyu International, Wuhan	Hanyang District	94.5%	114,629	569,843	569,843	-	-	-	-	-
Weipeng Vanke Yuxibinjiang, Wuhan	Jiang'an District	40.0%	43,274	208,965	-	-	-	-	-	65,137
Vanke Gaoerfuxi'an, Wuhan	Dongxi Lake District	96.0%	35,075	96,278	-	-	-	-	-	96,278
Vanke Colorful City, Wuhan	Gedian Economic and Technological Development Zone	41.0%	126,026	295,398	-	86,036	86,036	-	-	88,181
Vanke Ideal City, Wuhan	Yiling District	82.7%	182,149	437,180	115,043	-	-	42,547	42,547	229,951
Vanke Cloud City, Wuhan	Hongshan District	79.8%	119,037	425,989	-	-	-	171,853	32,031	-
Vanke Liantou Ideal Star 083 Land Lot, Wuhan	Jiangxia District	19.3%	65,548	185,404	-	-	-	-	-	-
Vanke Liantou Ideal Star 082 Land Lot, Wuhan	Jiangxia District	49.0%	64,726	176,069	-	-	-	-	-	-
Jinyutiandi, Wuhan	Qiaokou District	46.0%	96,684	337,643	291,535	-	-	46,108	-	-
Vanke Ideal City Yuefu, Wuhan	Yiling District	90.0%	32,041	51,050	-	-	-	-	-	-
Vanke Cheng, Wuhan	Gedian Development Zone	65.3%	21,452	80,760	80,760	-	-	-	-	66,193
Vanke Xinduhui, Wuhan	Hongshan District	69.7%	59,917	287,499	287,499	-	-	-	-	-
Vanke Poly Ideal City, Wuhan	Hongshan District	49.6%	96,897	336,989	229,588	-	-	107,401	-	-
King Metropolis, Urumqi	Xinshi District	82.0%	83,366	245,779	-	-	245,779	-	-	-
Rancho Sante Fe, Urumqi	Shayibake District	60.0%	204,798	208,972	-	23,635	208,972	-	-	-

Section 4

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
Lanshanjun, Urumqi	Urumqi County	100.0%	32,298	15,947	-	-	-	-	-	-
Central Park, Urumqi	Shuimogou District	80.0%	80,698	201,745	-	12,698	201,745	-	-	-
Wonderland, Urumqi	High & New Technology Industries									
	Development Zone	44.5%	188,748	555,676	-	57,977	350,129	-	-	155,138
Central Park Phase II, Urumqi	Shuimogou District	88.6%	39,065	117,196	-	117,196	117,196	-	-	-
Feicuitianjiao, Urumqi	Tianshan District	77.1%	101,984	255,536	106,949	-	-	-	-	182,799
Legend of Metropolis, Urumqi	Shayibake District	90.0%	42,879	105,523	-	12,663	12,663	-	-	92,860
Central Park Phase III, Urumqi	Shuimogou District	80.0%	11,825	41,184	-	-	-	-	-	41,184
Gongyuanli, Urumqi	High & New Technology Industries									
	Development Zone	61.0%	61,148	145,419	-	-	-	-	-	137,842
Metropolitan, Urumqi	Shuimogou District	70.0%	36,104	162,470	-	-	-	-	-	162,470
Tianshan Fu, Urumqi	Tianshan District	78.8%	120,090	280,301	168,465	-	-	111,836	111,836	40,736
Park Avenue, Urumqi	Midong District	57.8%	85,938	300,782	300,782	-	-	-	-	76,977
Legend of Metropolis Phase II, Urumqi	Shayibake District	54.3%	38,204	92,975	92,975	-	-	-	-	-
Urumqi Flowery Mansion	High & New Technology Industries									
	Development Zone	92.5%	67,412	160,350	135,721	-	-	24,629	24,629	-
Urumqi Jinhui in Mansion	High & New Technology Industries									
	Development Zone	99.1%	118,041	280,661	-	-	-	280,661	220,652	-
Yuecheng Gold, Xi'an	Lianhu District	80.0%	193,571	682,674	-	2,867	680,278	-	-	2,396
Ideal City, Xi'an	Xixian New District	90.1%	459,707	901,141	63,288	-	-	618,634	256,402	237,188
Jade Guobin, Xi'an	High & New Technology Industries									
	Development Zone	72.3%	161,244	613,226	120,263	-	-	131,836	131,836	-
Vanke Metropolis Phase I, Xi'an	Fengxi New Town	86.9%	141,500	358,808	-	-	-	105,800	105,800	-
Vanke Metropolis Phase II, Xi'an	Fengxi New Town	65.9%	135,900	359,384	224,950	-	-	134,434	134,434	-
Dream Town, Xi'an	Changan District	85.0%	186,849	619,565	67,609	-	480,819	68,121	68,121	-
Xi'an Daminggong	Weiyang District	70.0%	69,052	222,690	-	-	159,539	-	-	63,151
Dream Town Phase II, Xi'an	Changan District	100.0%	113,231	345,959	-	-	319,343	26,616	-	-
King Metropolis, Xi'an	Jingkai District	100.0%	106,667	384,044	-	-	384,044	-	-	-
Dream Town Yanyuan, Xi'an	Changan District	100.0%	89,377	199,691	-	-	184,474	15,217	-	-
Eastern Metropolis, Xi'an	Chan-Ba Ecological District	100.0%	175,387	701,815	-	14,617	437,925	189,155	189,155	74,735
Jinyu International, Xi'an	Yanta District	90.6%	23,831	152,133	-	-	152,133	-	-	-
Happiness Garden, Xi'an	Weiyang District	100.0%	65,628	227,885	-	-	227,885	-	-	-
Joying Gold Phase IV, Xi'an	Lianhu District	100.0%	36,708	150,122	-	37,874	37,874	-	-	37,849
Prestigious Academy, Xi'an	Yanta District	69.8%	114,745	477,642	-	-	380,097	-	-	97,545

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not	Area to be commenced construction in 2020	Area to be completed in 2020
								yet under construction as at the end of 2019		
Oriental Legend, Xi'an	Yanta District	40.5%	109,695	383,057	-	86,459	310,964	-	-	72,093
City Twilight, Xi'an	Quijiang New District	78.6%	100,340	309,081	35,394	2,650	273,687	-	-	-
Jade Tianyu, Xi'an	Yanta District	88.6%	74,527	296,106	-	73,464	179,474	-	-	84,003
Feicui International, Xi'an	Yanta District	41.0%	283,130	1,003,798	58,710	96,089	201,914	417,650	268,599	136,113
Vanke City Runyuan, Xi'an	Changan District	88.6%	144,467	478,771	-	41,367	227,686	-	-	135,432
Prestigious Academy Phase II, Xi'an	Yanta District	49.8%	55,255	162,661	-	55,580	55,580	-	-	58,804
City Twilight Phase II, Xi'an	Quijiang New District	40.8%	60,136	210,483	44,186	47,236	47,236	-	-	75,457
Gongyuan Huafu, Xi'an	Yanta District	78.6%	121,741	356,336	-	139,880	139,880	-	-	135,228
Jinyu Weiyang, Xi'an	Weiyang District	60.0%	41,840	204,238	-	-	-	-	-	192,698
The Paradise, Xi'an	Baqiao District	90.0%	144,467	146,303	-	102,973	102,973	-	-	43,330
Dream Town Ruyuan, Xi'an	Changan District	90.0%	83,289	267,268	149,025	-	-	-	-	38,182
Yungu, Xi'an	Yanta District	78.7%	31,569	47,353	-	-	-	-	-	-
Xingfu Zhenyuan, Xi'an	Weiyang District	90.0%	49,197	137,636	-	-	-	-	-	137,636
Binghe Four Seasons, Xi'an	Fuping County	26.5%	160,997	321,598	8,741	80,391	80,391	-	-	236,141
Yuewan, Xi'an	Chan-Ba Ecological District	47.6%	75,406	178,256	142,160	-	-	-	-	-
Lan'an, Xi'an	Chan-Ba Ecological District	98.4%	140,736	288,027	237,384	-	-	50,643	50,643	-
Park Avenue, Xi'an	Yanta District	40.0%	49,898	139,668	60,631	-	-	-	-	-
Xi'an Metropolis Cloud	Fengxi New Town	29.6%	148,195	438,115	438,115	-	-	-	-	-
Vanke Yanming Lake, Xi'an	Chan-Ba Ecological District	65.3%	168,666	337,333	-	-	-	337,333	132,777	-
Vanke Pu Yue, Xi'an	Chan-Ba Ecological District	97.6%	99,494	261,798	35,848	-	-	225,950	69,518	-
Vanke Golden Paradise, Xi'an	Qinhan New City	97.1%	74,515	148,985	-	-	-	148,985	148,985	-
Vanke 17 Degrees, Xi'an	Xichang City	27.1%	595,021	621,374	307,276	-	-	314,098	-	-
Dream Town Yunwan, Xining	Chengzhong District	38.2%	70,667	177,143	177,143	-	-	-	-	-
Dream Town Yunjing, Xining	Chengzhong District	38.2%	164,608	439,576	273,676	-	-	165,900	165,900	-
Dream Town Yunlu, Xining	Chengzhong District	38.2%	37,140	100,311	100,311	-	-	-	-	-
Dream Town Follow-up, Xining	Chengzhong District	19.2%	195,454	520,147	-	-	-	520,147	213,512	-
Vanke Morcitta, Xishuangbanna	Menghai County	23.3%	454,043	761,975	57,147	-	-	662,279	115,264	42,550
King Metropolis, Xianyang	Qindu District	62.8%	62,966	178,727	178,727	-	-	-	-	-
City Light Chuxinyuan, Yinchuan	Xingqing District	22.4%	89,837	152,717	-	-	-	-	-	92,717
City Light Chenxingyuan, Yinchuan	Xingqing District	32.7%	106,121	180,402	-	-	-	-	-	63,891
Jade Garden, Yinchuan	Jinfeng District	19.2%	179,686	169,033	3,843	-	-	-	-	92,433
Yuchen, Yinchuan	Jinfeng District	16.8%	56,556	84,833	84,833	-	-	-	-	-
Ideal City, Yinchuan	Jinfeng District	25.5%	98,215	196,311	196,311	-	-	-	-	-
Feicui Lake View, Yinchuan	Helan County	32.0%	67,591	107,994	107,994	-	-	-	-	-
Vanke Jade Garden A/B Land Lot, Yinchuan	Jinfeng District	19.2%	297,366	436,211	209,126	-	-	227,085	209,126	-

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Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned GFA	Area commenced construction in 2019	Completed Area in 2019	Accumulated completion area by 2019	Area not yet under construction as at the end of 2019	Area to be commenced construction in 2020	Area to be completed in 2020
China Fuxian Lake International Travel Resort, Yuxi	Chengjiang County	33.2%	4,431,237	1,795,412	151,920	144,797	293,291	1,281,262	389,036	122,845
Vanke Futian Long Tang, Zhoukou	Chuanhui District	40.2%	151,933	437,834	228,953	-	-	208,881	208,881	-
Vanke Meijing Longmen Longtang, Zhengzhou	Guancheng District	51.0%	79,457	286,838	-	39,662	247,365	39,473	-	-
Vanke Metropolis, Zhengzhou	Erqi District	88.6%	333,940	1,000,262	282,162	218,041	615,780	-	-	109,248
Changjiyunlu, Zhengzhou	Zhongmu County	43.0%	191,564	202,590	-	59,633	59,633	63,765	63,765	76,880
Vanke Meijing Glamorous City, Zhengzhou	Airport Economy Zone	51.0%	327,697	801,038	104,601	-	516,948	-	-	182,698
Vanke Meijing Dream Town, Zhengzhou	High & New Technology Industries Development Zone	51.0%	508,421	1,560,281	-	233,566	1,560,281	-	-	-
Vanke Meijing Lanyuan, Zhengzhou	High & New Technology Industries Development Zone	41.0%	129,527	453,065	-	-	-	-	-	156,302
Vanke Meijing Chengguo, Zhengzhou	High & New Technology Industries Development Zone	41.0%	7,893	21,688	-	-	-	-	-	21,688
Vanke Tianlun Zitai, Zhengzhou	Huiji District	42.7%	205,979	572,422	18,978	206,395	380,812	-	-	172,632
Racho Sante Fe, Zhengzhou	Zhongmu County	40.8%	181,326	303,582	59,439	112,713	159,293	-	-	-
Vanke Meijingshijie, Zhengzhou	Jinshui District	68.2%	62,197	186,346	-	-	-	-	-	186,346
Vanke Min'an Stars, Zhengzhou	Zhongyuan District	46.0%	17,754	71,933	-	71,933	71,933	-	-	-
Vanke Min'an Cloud City, Zhengzhou	Huiji District	42.1%	51,704	154,836	-	-	-	-	-	154,836
Vanke Xiwang, Zhengzhou	Jingkai District	99.3%	60,374	150,588	-	-	-	-	-	70,349
Vanke Min'an Sanduhushan, Zhengzhou	Shangjie District	43.2%	374,620	426,832	50,761	-	-	324,285	113,972	-
Min'an Jiangshanfu, Zhengzhou	Huiji District	46.1%	55,312	220,778	8,908	-	-	-	-	-
Bairong E5 Project, Zhengzhou	Erqi District	99.0%	59,332	236,904	236,904	-	-	-	-	-
Xintian Project, Zhengzhou	Xingyang City	50.4%	79,849	159,139	-	-	-	159,139	159,139	-
Vanke Luoda Temple Project, Zhengzhou	Zhongyuan District	43.6%	33,812	168,444	-	-	-	168,444	168,444	-
Yuntu, Zhengzhou	Zhongmu County	40.8%	193,049	346,205	-	-	-	346,205	346,205	-
Zhengzhou Vanke The City	Jinshui District	40.4%	33,156	172,198	172,198	-	-	-	-	-
Central and Western Region subtotal			33,800,495	77,923,604	15,268,416	7,457,288	26,317,496	20,736,215	10,448,682	10,267,524
Group total			125,921,730	267,558,948	42,410,598	30,078,801	111,054,773	53,942,711	29,212,380	33,193,362

Special Risk Warning:

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

Changes in macroeconomic as well as the real estate market, or changes in the sales on an individual project;

The new regulations require more stringent project approval, therefore the processing of the licenses and certificates of projects under development may delay and affect the pace of development;

The demolition progress of projects involving demolition may have an impact on the development plan;

Significant weather changes may have an impact on the project schedule and then delay the completion of the project;

Other significant events may have unpredictable impact on the project schedule.

4.2 Investment of the Company

4.2.1 Use of Proceeds

On 4 April 2019, the Company successfully allotted and issued a total of 262,991,000 new H Shares with net proceeds of approximately HK\$7.78 billion, which was approximately RMB6.64 billion at the exchange rate on 4 April 2019. For details, please refer to "6.1.3 Issue and listing of securities" set out in "Section 6 Change in Share Capital and Information on Shareholders".

In February 2019, the Company has completed the issuance of corporate bonds (tranche one) of 2019 specialized in rental housing to qualified investors in public, with the actual issuance amount of RMB2 billion at coupon rate of 3.65%. In September 2019, the Company has completed the issuance of corporate bonds (tranche two) of 2019 specialized in rental housing to qualified investors in public, with the actual issuance amount of RMB2.5 billion at coupon rate of 3.55%. Please refer to "Section 10 Information on Corporate Bonds" for details.

4.2.2 Investment in Financial Assets

1. Investment of securities

Unit: RMB

Stock Code	Stock Name	Stock Exchange which the stock is listed	Initial Investment Amount	Shareholding Percentage in the company	Book Value at the end of the Reporting Period	Gain or Loss in the Reporting Period	Change of ownership interest during the Reporting Period
0267	CITIC Limited	SEHK	98,758,493.91	approximately 0.04%	98,198,817.74	77,875,829.68	-
Total			98,758,493.91	approximately 0.04%	98,198,817.74	77,875,829.68	-

2 Investment in derivatives

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

As of the end of the Reporting Period, the Group's derivative financial instruments mainly include cross currency swaps ("CCS"), and interest rate swaps ("IRS"). The risks exposed CCS are related to the exchange rate market risks and the certainty of cash flow of the Group's future foreign currency loan. The risks exposed to IRS are related to the interest rate market risks and the certainty of interest cash flow of the Group's future foreign currency loan. The Group's control measures on derivative financial instruments are mainly reflected in the following aspects: regarding derivatives trading, the Group strictly regulates the authorization and business operation procedures, carefully selects and determines the types and quantities of new derivative financial instruments, and strictly controls the credit level of the Group and related entities.

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

CCS expired during the year contributed loss of RMB887.4 thousand for the Company during the Reporting Period.

At the end of the Reporting Period, the fair value of IRS and 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 from independent non-executive directors, sponsors or financial advisors

The Company's independent non-executive 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 or interest rate through derivative financial instruments such as IRS and CCS. The relevant arrangement of the Company had been prudent and reasonable.

Derivative positions as at the end of the Reporting Period

Unit: RMB'0000

Type of contracts	Contract amount as at the beginning of the period	Contract amount as at the end of the period	Profit or loss during the Reporting Period	Contract amount as a percentage of the Company's net assets as at the end of 2019
IRS	438,600.00	446,300.00	–	1.65%
CCS	2,017,208.16	1,608,964.42	88.74	5.95%
DF	601,177.50	–	–	–
Total	3,056,985.66	2,055,264.42	88.74	7.60%

3 Investment in wealth management products

Summary of entrusted wealth management during the Reporting Period

Unit: RMB'0000

Specific Type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	The amount due but not receive
Wealth management products of banks	Self-owned capital	1,490,000.00	1,173,821.79	-
Total		1,490,000.00	1,173,821.79	-

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

4.2.3 Equity investment

(1) During the Reporting Period, new additional investment amounted to RMB27.111 billion, which were used as follows:

- i promoted and established 10 new subsidiaries, each with registered capital of over RMB100 million, and actual investment had been made. The details are as follows:

No.	Name of the newly established company	Currency	Registered capital (original currency)	Actual investment by Vanke (RMB equivalent)	Scope of business
1	Changzhou Wanxiang Real Estate Company Limited	RMB	2,530,450,000.00	2,530,450,000.00	Property development
2	Kunmin Wanzhuang Property Company Limited	RMB	1,423,000,000.00	853,800,000.00	Property development
3	Changzhou Wanbin Real Estate Company Limited	RMB	1,392,270,000.00	1,113,816,000.00	Property development
4	Xuzhou Wankun Property Company Limited	RMB	899,000,000.00	629,300,000.00	Property development
5	Haining Saishen Supply Chain Company Limited	RMB	500,000,000.00	500,000,000.00	Warehousing services
6	Chengdu Wanji Property Development Company Limited	RMB	450,000,000.00	315,000,000.00	Property development
7	Qingdao Tianwan Herong Property Company Limited	RMB	380,000,000.00	380,000,000.00	Property development
8	Haining Shengsai Supply Chain Company Limited	RMB	200,000,000.00	200,000,000.00	Warehousing services
9	Hailongshi Vanke Property Company Limited	RMB	100,000,000.00	100,000,000.00	Property development
10	Suzhou Yueheng Land Company Limited	RMB	100,000,000.00	60,000,000.00	Property development
Total		-	-	6,682,366,000.00	-

In addition, another 288 new companies were also promoted and established, with a total investment amount of RMB916 million.

- ii Major companies acquired during the Reporting Period are as follows:

During the Reporting Period, a total of 90 companies were acquired with a total consideration of RMB12.15 billion.

- iii During the Reporting Period, the Group increased the capital of 23 subsidiaries by RMB7.36 billion, among which, RMB4.67 billion was for Vanke Real Estate (HK) Company Limited and RMB2.69 billion for other companies.

(2) Investment in Projects

During the Reporting Period, the Group had 147 new development projects. The aggregate planned GFA attributable to the Company's equity holding amounted to approximately 24.784 million sq.m., while the aggregate GFA amounted to approximately 37.165 million sq.m.

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
1	Vanke Jiangwan Garden, Dongguan	Machong Town	98.6%	28,752	86,183	84,976	Pre-construction
2	Machong Dasheng 031 Plot, Dongguan	Machong Town	99.0%	36,215	108,544	107,459	Pre-construction
3	Golden Family, Foshan	Nanhai District	99.1%	52,222	182,777	181,132	Under construction
4	Golden Times, Foshan	Chancheng District	98.9%	40,459	161,837	160,057	Under construction
5	Jinyu Xijiangfu, Foshan	Gaoming District	49.6%	75,037	187,591	93,045	Under construction
6	Lecong Zhuoyue Project, Foshan	Shunde District	49.5%	131,842	351,063	173,776	Under construction
7	Taijiang Paiwei Project, Fuzhou	Taijiang District	99.3%	205,862	624,811	620,437	Under construction
8	Xiaojinkou Public Land Project, Huizhou	Huicheng District	78.3%	41,895	117,213	91,778	Pre-construction
9	Xingfuyue Garden Phase V, Guangzhou	Huangpu District	66.5%	191,580	344,956	229,396	Under construction
10	Golden Miles, Guangzhou	Zengcheng District	43.4%	45,450	136,215	59,117	Under construction
11	Zengcheng Dream Town, Guangzhou	Zengcheng District	71.3%	133,653	400,957	285,882	Pre-construction
12	Bailu Project, Liuzhou	Liubei District	53.6%	37,472	112,415	60,254	Under construction
13	Xingningdong Project, Nanning	Xingning district	97.0%	69,836	125,704	121,933	Under construction
14	Longhai Jinyu Binjiang Garden, Zhangzhou	Longhai City	99.5%	101,725	305,429	303,902	Under construction
15	CLP Baoan Project, Shenzhen	Baoan District	100.0%	8,414	58,900	58,900	Pre-construction
16	Binhai Metropolis Garden, Zhuhai	Jinwan District	99.5%	110,972	170,997	170,142	Pre-construction
17	Taoyuanliju, Zhuhai	Xiangzhou District	98.6%	16,310	48,929	48,244	Under construction
18	Huangliangbang Plot, Changzhou	Zhonglou District	79.3%	84,285	168,570	133,676	Under construction
19	Education Town Project, Changzhou	Tianning District	74.6%	117,458	273,994	204,400	Pre-construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
20	Guniangqiao Plot, Hangzhou	Xiaoshan District	99.9%	89,246	232,284	232,052	Pre-construction
21	Wuchang Rail Yard Project, Hangzhou	Yuhang District	50.8%	447,654	782,921	397,724	Under construction
22	Yunhe Vanke Center Phase II, Hangzhou	Yuhang District	42.9%	17,795	62,283	26,719	Under construction
23	Pingyao Project, Hangzhou	Yuhang District	49.3%	82,935	115,180	56,784	Pre-construction
24	Dongshanbei Plot, Jiaxing	Haining City	97.4%	65,142	117,256	114,207	Pre-construction
25	Central West Plot Project, Jiaxing	Economic & Technological Development Zone	93.1%	56,509	112,945	105,152	Under construction
26	Xiangzhangdong Plot Project, Jiaxing	Economic & Technological Development Zone	97.9%	68,211	149,981	146,831	Pre-construction
27	Metropolis Oriental, Jiaxing	Xucun Town	99.0%	41,541	103,853	102,814	Pre-construction
28	Chaoqi Dongfang Phase II, Jiaxing	Xucun Town	96.3%	54,396	125,111	120,482	Pre-construction
29	Badalu Project, Jinhua	Wucheng District	41.3%	24,558	36,801	15,199	Under construction
30	Wanchuang Technology Town H01E01 Plot, Nanchang	Ganjiang New District	30.0%	37,373	63,551	19,065	Pre-construction
31	Wanchuang Technology Town F04/F02 Plot, Nanchang	Ganjiang New District	27.4%	209,526	391,122	107,167	Pre-construction
32	Hai Shang Ming Yue, Nanchang	High & New Technology Industries Development Zone	24.2%	120,578	265,271	64,196	Pre-construction
33	Nanjingnan Railway Station Project	Jiangning District	75.0%	37,697	94,150	70,613	Pre-construction
34	Lishui G09 Plot, Nanjing	Lishui District	99.7%	162,782	406,956	405,735	Under construction
35	Shengliluxi Plot, Nantong	Chongchuan District	99.7%	75,362	167,818	167,315	Under construction
36	Xiajia River Project, Kunshan	Kunshan Development District	92.6%	112,727	202,771	187,766	Under construction
37	Development District Development Project, Kunshan	Development District	59.6%	40,595	93,356	55,640	Under construction
38	Haishu Duantang Project, Ningbo	Haishu District	99.7%	74,346	157,780	157,307	Under construction
39	Dongqian Lake Mogu Road Project, Ningbo	Yinzhou District	49.8%	49,902	50,401	25,100	Pre-construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
40	Zhenhai Camel Project, Ningbo	Zhenhai District	99.6%	159,678	375,417	373,915	Under construction
41	Shilichunfeng Eastside Plot, Suqian	Laocheng District	43.1%	28,207	62,019	26,730	Pre-construction
42	Anyuanlu Project, Suzhou	Xiangcheng District	59.7%	88,260	194,172	115,921	Under construction
43	Xiangyang Road Project, Suzhou	High & New Technology Industries Development Zone	79.5%	93,688	222,214	176,660	Under construction
44	Wuzhong Party School Project, Suzhou	Wuzhong District	99.6%	12,735	52,520	52,310	Pre-construction
45	East of Dongjiayang Project, Taizhou	Jiaojiang District	50.7%	109,350	273,375	138,601	Pre-construction
46	West of Dongjiayang Project, Taizhou	Jiaojiang District	50.8%	117,447	293,618	149,158	Pre-construction
47	Ruian Xi'ao Village Plot, Wenzhou	Ruian City	99.6%	70,151	195,717	194,934	Under construction
48	Central District D-28-1 Land Lot, Wenzhou	Lucheng District	99.1%	23,543	56,503	55,994	Under construction
49	Sanxi District B-07 Plot, Wenzhou	Lucheng District	99.7%	69,099	207,297	206,675	Under construction
50	Emerald Lake, Wenzhou	Lucheng District	94.8%	11,989	33,569	31,823	Under construction
51	Nanmen 44-1 Plot Project, Wuxi	Jiangyin City	99.2%	60,267	144,035	142,883	Under construction
52	North Bus Terminal Project, Xuzhou	Gulou District	67.0%	67,922	165,256	110,722	Pre-construction
53	Education Investment Asset Package, Yangzhou	Hanjiang District	93.6%	177,381	352,984	330,393	Under construction
54	High & New Dream Town, Anshan	High & New Technology Industries Development Zone	69.1%	272,910	491,006	339,285	Under construction
55	No. 2019039 Plot, Baoding	Gaobeidian City	42.1%	22,320	44,640	18,793	Under construction
56	Emerald West Lake, Beijing	Fengtai District	99.8%	168,663	184,119	183,751	Under construction
57	Guangchengwangxi, Beijing	Shunyi District	48.3%	43,326	64,988	31,389	Under construction
58	City Twilight Dongwang, Beijing	Tongzhou District	54.9%	110,493	279,378	153,379	Under construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
59	Bocui Yuehu, Changchun	Nanguan District	57.5%	12,911	52,078	29,945	Under construction
60	Xiwang, Changchun	Technology Development District	94.6%	155,044	289,701	274,057	Under construction
61	Beihu Xiwangdong Plot, Changchun	Technology Development District	98.3%	129,436	237,602	233,563	Pre-construction
62	Gongzhuling Project, Changchun	Gongzhuling City	43.7%	617,240	1,086,342	474,731	Pre-construction
63	Xinlicheng, Changchun	Jingyue Development District	55.1%	50,349	67,000	36,917	Pre-construction
64	Silicone Valley Avenue Project, Changchun	Gongzhuling City	41.7%	226,629	453,258	189,009	Pre-construction
65	Xichen A Plot, Changchun	Economic & Technological Development Zone	50.0%	82,107	173,839	86,920	Pre-construction
66	Future Light, Dalian	Jinzhou District	53.4%	212,731	464,721	248,161	Under construction
67	Diamond Bay, Dalian	Ganjingzi District	48.4%	67,674	108,646	52,585	Pre-construction
68	Jinyuyuefu, Harbin	Xiangfang District	70.0%	123,043	288,777	202,144	Pre-construction
69	Times Light, Jiyang	Jiyang District	41.9%	129,000	338,000	141,622	Under construction
70	Xinduhui Project, Linyi	Hedong District	52.0%	154,165	354,580	184,382	Under construction
71	Linzi Project, Zibo	Linzi District	54.3%	118,288	295,720	160,576	Under construction
72	Xinglongtai Project, Panjin	Xinglongtai District	96.3%	234,931	679,875	654,720	Under construction
73	Jiaozhou Botanical Garden Project, Qingdao	Jiaozhou City	46.6%	52,937	153,622	71,588	Pre-construction
74	High-speed Train Town Project, Qingdao	Chengyang District	55.9%	19,270	48,175	26,930	Under construction
75	Yuantong Wulian Project, Qingdao	Huangdao District	47.8%	38,545	96,362	46,061	Under construction
76	Beichenzhiguang, Qingdao	Jimo District	49.8%	70,037	112,060	55,806	Under construction
77	Park Metropolis, Shijiazhuang	Xinhua District	41.0%	48,731	121,347	49,752	Under construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
78	Zhengding Culture Village Project, Shijiazhuang	Zhengding District	49.0%	61,496	126,622	62,045	Under construction
79	Future City, Shijiazhuang	Luancheng District	46.9%	104,994	196,832	92,314	Under construction
80	Cloud City, Shenyang	Huanggu District	97.2%	334,407	691,698	672,330	Under construction
81	Furama Project, Shenyang	Heping District	91.0%	14,496	101,468	92,336	Pre-construction
82	UC Dream Town, Shenyang	Faku County	45.0%	102,154	250,617	112,778	Under construction
83	Wonderland Dajia (A Plot), Shenyang	Yuhong District	57.2%	28,909	54,927	31,418	Pre-construction
84	Beichenzhiguang, Shenyang	Shenbei New District	70.0%	105,527	232,159	162,511	Pre-construction
85	Wonderland Dajia (B Plot), Shenyang	Yuhong District	57.2%	77,800	147,970	84,639	Under construction
86	Baoma Project, Shenyang	Tiexi District	98.1%	187,248	280,871	275,534	Under construction
87	Qingxu Project, Taiyuan	Qingxu County	42.5%	107,300	316,300	134,428	Pre-construction
88	Beijing Follow-up Phase, Taiyuan	Xiaodian District	99.8%	170,490	536,477	535,404	Pre-construction
89	Control Center Project, Taiyuan	Xiaodian District	40.8%	15,225	50,242	20,499	Pre-construction
90	Lanwan Chuanqi, Taiyuan	Jinyuan District	41.0%	64,605	231,750	95,018	Under construction
91	Xinhua Road Project, Tangshan	Lubei District	49.7%	17,265	120,854	60,064	Pre-construction
92	Guangdao Center, Tangshan	Fengnan District	54.2%	120,241	244,885	132,728	Under construction
93	Four Season Binjian, Tianjin	Beichen District	69.2%	136,700	291,953	202,031	Pre-construction
94	Feicuizitai, Tianjin	Xiqing District	37.6%	68,567	109,309	41,100	Under construction
95	Baodi 024 Plot Project, Tianjin	Baodi District	99.2%	170,102	281,504	279,252	Under construction
96	Emerald Riverside Project, Tianjin	Xiqing District	39.8%	198,161	340,468	135,506	Under construction
97	Nanyao B Plot, Yintai	Zhifu District	24.2%	43,072	107,247	25,954	Under construction
98	Chuihu Shanxiao, Yintai	Zhifu District	37.1%	294,800	297,600	110,410	Under construction
99	Yulongshan D Plot, Yintai	Zhifu District	51.0%	38,701	42,600	21,726	Pre-construction
100	Jingcheng Shangfang, Zhangjiakou	Xiahuayuan District	33.4%	101,649	225,095	75,182	Pre-construction
101	Tianfu Dream Town Phase I, Vanke	Tianfu New District	59.6%	665,368	788,220	469,779	Under construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
102	Tianfu Dream Town Phase II, Vanke	Tianfu New District	59.6%	109,161	141,910	84,578	Pre-construction
103	Xiangshan 279 Mu Project, Chengdu	Tianfu New District	79.8%	186,279	653,977	521,874	Pre-construction
104	The Gifted, Chengdu	Tianfu New District	31.5%	104,202	260,386	82,022	Under construction
105	Garden Metropolis, Chengdu	Tianfu New District	68.2%	47,261	99,221	67,669	Under construction
106	Guo Shou Jia Yuen, Chengdu	Wenjiang District	40.0%	78,279	117,387	46,955	Under construction
107	Dafeng 118 Mu Project, Chengdu	Xindu District	99.4%	78,938	157,473	156,528	Pre-construction
108	Longtan 82 Mu Project, Chengdu	Chenghua District	99.1%	54,710	105,946	104,992	Pre-construction
109	Zhaomushan Project, Chongqing	Yubei District	90.2%	62,111	94,847	85,552	Under construction
110	Wonderland, Chongqing	Beibei District	41.3%	77,975	194,864	80,479	Under construction
111	Ideal City Phase I, Chongqing	Shapingba District	99.1%	104,692	160,421	158,977	Under construction
112	Ideal City Phase II, Chongqing	Shapingba District	50.2%	97,965	153,474	77,044	Under construction
113	Ideal City Phase III, Chongqing	Shapingba District	48.2%	74,723	136,912	65,992	Under construction
114	Yuelai 117 Mu Project, Chongqing	Liangjiang New District	99.3%	78,000	117,064	116,245	Pre-construction
115	Yuelai 493 Mu Project, Chongqing	Yubei District	99.0%	328,787	469,783	465,085	Pre-construction
116	Shuitu 111 Mu Project, Chongqing	Beibei District	99.2%	73,686	106,661	105,808	Pre-construction
117	Shuitu 103 Mu Project, Chongqing	Beibei District	99.2%	68,554	94,644	93,887	Pre-construction
118	Fenghuanghu 424 Mu Project, Chongqing	Yongchuan District	98.7%	282,795	506,525	499,940	Under construction
119	Shuitu 99 Mu Project, Chongqing	Beibei District	97.8%	66,014	99,021	96,843	Pre-construction
120	Vanke Lushan, Guiyang	Yunyan District	39.9%	303,067	783,312	312,541	Under construction
121	Guanhu, Guiyang	Economical & Technological Development Zone	64.4%	139,940	349,850	225,303	Pre-construction
122	Xiwang, Guiyang	Huaxi District	49.8%	101,230	337,555	168,102	Pre-construction
123	Jade Garden (Follow-up) 31 Mu Plot, Guiyang	Guanshan Lake District	41.0%	20,936	52,340	21,459	Pre-construction
124	Changhong West Road Project, Kunming	Guandu District	39.7%	164,536	519,213	206,128	Pre-construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
125	500 Miles, Kunming	Guandu District	39.7%	232,914	827,000	328,319	Under construction
126	Puyue Lan'an, Lanzhou	Anning District	90.3%	65,510	229,337	207,091	Under construction
127	Congli New Town Phase II, Meizhou	Chongli Town	69.7%	632,863	1,381,079	962,612	Pre-construction
128	Dream Town, Weinan	Linwei District	90.7%	556,062	1,160,111	1,052,221	Pre-construction
129	Vanke Xinduhui, Wuhan	Hongshan District	69.7%	59,917	287,499	200,387	Under construction
130	Vanke Poly Ideal City, Wuhan	Hongshan District	49.6%	96,897	336,989	167,147	Under construction
131	Hanyi Road Project, Wuhan	Qiaokou District	46.0%	84,804	313,746	144,323	Under construction
132	Flowery Mansion, Urumqi	High & New Technology Industries Development Zone	92.5%	67,412	160,350	148,324	Under construction
133	Jinhuiin Mansion, Urumqi	High & New Technology Industries Development Zone	99.1%	118,041	280,661	278,135	Pre-construction
134	Metropolis Cloud, Xi'an	Fengxi New Town	29.6%	148,195	438,115	129,682	Under construction
135	Vanke Yanming Lake, Xi'an	Chan-Ba Ecological District	65.3%	168,666	337,333	220,278	Pre-construction
136	Vanke Pu Yue, Xi'an	Chan-Ba Ecological District	97.6%	99,494	261,798	255,515	Under construction
137	Vanke Golden Paradise, Xi'an	Qinhan New City	97.1%	74,515	148,985	144,664	Pre-construction
138	Dream Town Follow-up, Xining	Chengzhong District	19.2%	195,454	520,147	99,868	Pre-construction
139	King Metropolis, Xianyang	Qindu District	62.8%	62,966	178,727	112,241	Under construction
140	Feicui Lake View, Yinchuan	Helan County	32.0%	67,591	107,994	34,558	Under construction
141	Vanke Jade Garden A/B Land Lot, Yinchuan	Jinfeng District	19.2%	297,366	436,211	83,753	Under construction
142	Xintian Project, Zhengzhou	Xinyang City	50.4%	79,849	159,139	80,206	Pre-construction
143	Vanke Luoda Temple Project, Zhengzhou	Zhongyuan District	43.6%	33,812	168,444	73,442	Pre-construction
144	Yuntu, Zhengzhou	Zhongmu County	40.8%	193,049	346,205	141,252	Pre-construction

Unit: sq.m.

No.	Project Name	Location	Percentage Interest Attributable to the Company	Site area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
145	Vanke The City, Zhengzhou	Jinshui District	40.4%	33,156	172,198	69,568	Under construction
146	Yanming Lake Follow-up 68 Mu Land Lot, Zhengzhou	Zhongmu County	43.0%	44,838	43,648	18,769	Pre-construction
147	Bairong E10 Plot, Zhengzhou	Erqi District	88.6%	91,917	275,234	243,857	Under construction
Total				17,087,217	37,164,812	24,784,360	

The total land premium attributable to the Company's equity holding and the total renovation cost of the above projects amounted to approximately RMB154.96 billion.

From the end of the Reporting Period to the date of this Report, the Group had 6 new development projects. The aggregate planned GFA attributable to the Company's equity holding amounted to approximately 0.392 million sq.m., while the aggregate GFA amounted to approximately 0.713 million sq.m. The details are as follows:

Unit: sq.m.

No	Project Name	Location	Percentage of Interest Attributable to the Company	Site Area	Total GFA	GFA Attributable to the Company's Equity Holding	Progress
1	Baoshan New City Plot, Shanghai	Baoshan District	33.3%	58,864	94,182	31,363	Pre-construction
2	CR2018-021 Plot, Nantong	Tongzhou District	70.0%	71,445	121,457	85,020	Pre-construction
3	Cuiquanlu 62 Mu Plot, Urumqi	Tianshan District	100.0%	41,286	78,711	78,711	Pre-construction
4	Donglihu Project, Zhengzhou	Xinyang City	50.4%	29,879	63,495	32,001	Pre-construction
5	Licun Project Land Lot, Jiangmen	Pengjiang District	65.0%	36,947	92,222	59,944	Pre-construction
6	Dongfeng Village K1 Plot, Wuhan	Qiaokou District	40.0%	77,000	263,000	105,200	Pre-construction
Total				315,421	713,067	392,239	

During the Reporting Period, the Group acquired 21 logistics real estate projects, the planned GFA of which is about 1,908,800 sq.m.

Unit: '0000 sq.m.

No	City	Project Name	Location	Percentage Interest Attributable to the Company	Site Area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
1	Kunming	Kunming Changshui Airport Logistics Park (Phase III)	Guandu District	100%	10.41	5.89	5.89	Unstarted
2	Hangzhou	Hangzhou Dajiangdong Yipeng Logistics Park	Xiaoshan District	100%	10.87	13.05	13.05	Under construction
3	Chongqing	Chongqing Nan'an Donggang Logistics Park	Na'an District	100%	8.82	5.03	5.03	Under construction
4	Ningbo	Yuyao Chengnan Logistics Park	Yuyao City	100%	10.75	11.07	11.07	Unstarted
5	Wuhan	Wuhan Hankou North Logistics Park	Huangpi District	100%	7.21	6.72	6.72	Under construction
6	Jinan	Jinan Hi-Tech Logistics Park	Jinan Hi-Tech District	100%	11.47	7.68	7.68	Under construction
7	Shenzhen	Shenzhen Yantian Port Logistics Park	Yantian District	60%	2.54	9.26	5.56	Unstarted
8	Zhuji	Zhuji Anhua Town Logistics Park	Anhua Town	100%	10.67	9.84	9.84	Under construction
9	Nanning	Nanning Jinhai Logistics Park (Phase II)	Wuxiang New Area	100%	8.91	6.92	6.92	Unstarted
10	Chengdu	Chengdu Longquan Logistics Park	Longquanyi District	100%	10.04	10.17	10.17	Under construction

Unit: '0000 sq.m.

No	City	Project Name	Location	Percentage Interest Attributable to the Company	Site Area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
11	Shanghai	Shanghai Pudong Zhuqiao Logistics Park	Zhuqiao Town	100%	1.70	2.29	2.29	Operated
12	Huai'an	Huai'an Economic Development Zone	Huai'an Economic Development Zone	100%	10.67	6.38	6.38	Unstarted
13	Hefei	Hefei Feixi Logistics Park	Feixi County	100%	12.93	10.46	10.46	Unstarted
14	Kunshan	Kunshan Development Zone	Kunshan Development Zone	51%	19.00	21.79	11.11	Unstarted
15	Kunshan	Kunshn Qiangdeng Logistics Park (Phase II)	Qiangdeng Town	80%	4.00	4.11	3.29	Unstarted
16	Shanghai	Shanghai Jinshan Caojing Logistics Park (Phase II)	Jinshan District	80%	13.27	8.83	7.06	Unstarted
17	Foshan	Foshan Nanhai Logistics Park	Nanhai District	84%	10.01	9.85	8.25	Unstarted
18	Jiaxing	Jiaxing Pinghu Cold Chain Industrial Park	Pinghu City	100%	2.67	2.84	2.84	Unstarted
19	Hangzhou	Hangzhou Airport Logistics Park	Xiaoshan District	100%	5.27	9.11	9.11	Under construction

Unit: '0000 sq.m.

No	City	Project Name	Location	Percentage Interest Attributable to the Company	Site Area	Planned GFA	GFA Attributable to the Company's Equity Holding	Progress
20	Changsha	Changsha Xiangjiang Gaoling Intellectual Park	Kaifu District	50%	22.33	21.52	10.76	Unstarted
21	Wuhan	Wuhan Dongxi Lake Cold Chain Industrial Park	Dongxi Lake District	80%	6.60	8.07	6.46	Unstarted
Total					200.14	190.88	159.94	

4.3 Major Sale of Assets and Equity

4.3.1 Major sale of assets

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

4.3.2 Major sale of equity

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

4.4 Major Suppliers and Customers

4.4.1 Percentage of purchases from top five supplier in total to the total purchase for the year

During the Reporting Period, the Group's purchases from the top 5 materials and equipment suppliers totaled RMB6.69 billion, representing 3.0% of the total purchases in the year and the percentage of which is less than 30%. Among which, the Group's purchases from the largest supplier was approximately RMB1.66 billion, accounting for 0.8% of the total purchases in the year.

4.4.2 Percentage of revenue from the top five customers to the total revenue of the Company

The current main product of the Group is residential properties. The major customers are individuals, which are in a large number and fragmented. Only certain projects constructed for government or group purchases can generate higher turnovers. During the Reporting Period, the revenue from the top five customers was approximately RMB2.02 billion, representing 0.6% of the revenue of the Group for the year, and the percentage of which is less than 30%. Amongst them, the revenue from the largest customer was approximately RMB890 million, representing 0.2% of the revenue of the Group for the year.

4.5 Details on the Company's Investor Relations Activities and Investor Protection

The Group has been always attaching great importance to investor relations. In 2019, the Company continued to enhance the information disclosure management according to the relevant regulations and Administrative Measures on Information Disclosure of China Vanke Co., Ltd., and released 459 domestic and overseas announcements to protect the "right to know" of the investors.

In addition to timely and sufficient information disclosure, the Group also focuses on the communication and interaction with the investors through various means. In 2019, the Group received more than 400 visits and calls from the investors, participated in 30 meetings with the domestic and overseas organizations, organized 12 monthly sales and operation meetings, 4 overseas and domestic results presentations and 2 network roadshows, and answered more than 140 inquiries of the minority investors through the EasyIR platform of Shenzhen Stock Exchange. Vanke enhances the interaction with investors by constantly updating the "Vanke Investor Relations" WeChat official account by pushing out important information of the Company such as monthly sales announcements, regular reports, one chart to understand regular reports, recent property selling projects and business operations. The articles it pushed through WeChat have achieved an annual reading quantity of 130 thousand clicks. In addition, the Group also communicates with the investors through website, telephone, email and online interaction platforms, in order to maintain a long-term relationship of trust between the investors and the Company.

The Group established an investor education base in 2015 and was granted the title of "National Securities and Futures Investors Education Base" in 2016. In 2019, the Group's investor education base organized and participated in 8 special investment education activities. Meanwhile, the Group promoted investment education knowledge through various channels such as WeChat official account and Vanke investor education website while actively communicating with investors and providing them with intimate investor education services.

Details on the Company's investor meetings in 2019 are set out as follows:

Type of meeting	Time	Location	Approach	Type of investors	Issues discussed and information provided
BNP meeting	2019.1	Hangzhou	Face to face	Investors including securities companies, funds, etc	1. Major issues discussed: 1) The Company's daily operations; 2) The Company's development strategies; 3) The Company's opinions about the changes of the industry.
Chang Jiang Securities meeting	2019.1	Shanghai	Face to Face	Investors including securities companies, funds, etc	
Guangfa Securities meeting	2019.3	Hangzhou	Face to Face	Investors including securities companies, funds, etc	
Annual results presentation	2019.3	Shenzhen (Shanghai, Beijing), Hong Kong	Face to Face	Investors including securities companies, funds, etc	
Credit Suisse Securities meeting	2019.5	Shenzhen	Face to Face	Investors including securities companies, funds, etc	
CRE Securities meeting	2019.5	Shanghai	Face to Face	Investors including securities companies, funds, etc	2. Major information provided: published information including the Company's regular reports.
Orient Securities meeting	2019.5	Shanghai	Face to Face	Investors including securities companies, funds, etc	
CITIC Securities meeting	2019.5	Qingdao	Face to Face	Investors including securities companies, funds, etc	
Huatai Securities meeting	2019.5	Shanghai	Face to Face	Investors including securities companies, funds, etc	
Morgan Stanley meeting	2019.5	Beijing	Face to Face	Investors including securities companies, funds, etc	
Industrial Securities meeting	2019.6	Shanghai	Face to Face	Investors including securities companies, funds, etc	
Morgan Stanley meeting	2019.6	New York	Face to Face	Investors including securities companies, funds, etc	
CIMB meeting	2019.6	Hong Kong	Face to Face	Investors including securities companies, funds, etc	
Citi Securities meeting	2019.6	Hong Kong	Face to Face	Investors including securities companies, funds, etc	
Citi Securities meeting	2019.6	Shenzhen	Face to Face	Investors including securities companies, funds, etc	
Haitong Securities meeting	2019.7	Shanghai	Face to Face	Investors including securities companies, funds, etc	
Interim results presentation	2019.8	Shenzhen (Shanghai, Beijing), Hong Kong	Face to Face	Investors including securities companies, funds, etc	
CLSA Securities meeting	2019.9	Hong Kong	Face to Face	Investors including securities companies, funds, etc	

Type of meeting	Time	Location	Approach	Type of investors	Issues discussed and information provided
<i>Note: The above-mentioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.</i>					
Guo Tai Junan meeting	2019.11	Zhuhai	Face to Face	Investors including securities companies, funds, etc	
Merill-Lynch Securities meeting	2019.11	Beijing	Face to Face	Investors including securities companies, funds, etc	
CICC Securities meeting	2019.11	Beijing	Face to Face	Investors including securities companies, funds, etc	
Credit Suisse Securities meeting	2019.11	Shenzhen	Face to Face	Investors including securities companies, funds, etc	
Citi Securities meeting	2019.11	Macau	Face to Face	Investors including securities companies, funds, etc	
Tianfeng Securities meeting	2019.12	Hong Kong	Face to Face	Investors including securities companies, funds, etc	
Securities companies	During the Reporting Period	Anshan, Beijing, Chengdu, Dalian, Dongguan, Foshan, Fuzhou, Guangzhou, Guiyang, Zhongshan, Harbin, Hangzhou, Jinan, Jiaxing, Kunming, Lanzhou, Nanjing, Ningbo, Qingdao, Shanghai, Shenzhen, Shenyang, Sunan, Taiyuan, Shijiazhuang, Tianjin, Wuxi, Xi'an, Yantai, Changchun, Changsha, Zhengzhou, Chongqing, Zhuhai, Changzhou, Hefei, Xiamen	Small group or one-on-one	CITIC Securities, China Securities, Guangfa Securities, MasterLink Securities, Changjiang Securities, China Merchants, CICC, Tianfeng Securities, Industrial Securities, Mitsubishi UFJ Securities, HSBC Qianhai Securities, Ping An Securities, JP Morgan, Huatai Securities, HSBC, Huatai Financial Holdings (Hong Kong), Haitong Securities, CRE Securities, Guotai Junan Securities, Gaohua Securities, Orient Securities, Founder Securities, MasterLink Securities, Shenyin Wanguo Securities, Credit Suisse Securities, China Merchants Securities (Hong Kong), GSGH Securities, Hamagin Research Institute, Changjiang Securities, Okasan Securities, Orient Securities, Founder Securities, Shenyin Wanguo Securities, Credit Suisse Founder Securities, Pacific Securities, Soochow Securities, Goldman Sachs, Guangfa Securities (Hong Kong), Sinolink Securities, Western Securities, Central Wealth Securities, Southwest Securities, Mirae Asset Daewoo, BCP Securities, Bank of America, Citi Research, Citigroup, CLSA Ltd, Credit Suisse, DBS Bank, Morgan Stanley, HSBC Hong Kong, DBS Bank (Hong Kong) Ltd, Exane BNP Paribas, UBS Securities, barings etc.	<ol style="list-style-type: none"> Major issues discussed: <ol style="list-style-type: none"> The Company's daily operations; The Company's development strategies; The Company's opinions about the changes of the industry. Major information provided: published information including the Company's regular reports.

Type of meeting	Time	Location	Approach	Type of investors	Issues discussed and information provided
Funds and other investment companies and individual investors	During the Reporting Period	Shanghai, Zhuhai, Xiamen, Beijing, Tianjin, Hefei, Changsha, Shanghai, Chengdu, Chongqing, Xi'an, Wenzhou, Lanzhou, Guangzhou, Foshan, Dongguan, Fuzhou, Hangzhou, Zhuhai, Taiyuan, Zhengzhou, Suzhou, Wenzhou, Wuhan, Ningbo, Guiyang	Small group or one-on-one	Baoying Fund, E Fund, China AMC, Da Chen International, NCAM, Shanghai Trust, CITIC Capital Partners, Anxin Fund, China Life Asset Management Company Limited, China Southern Asset, Aegon-Industrial Fund, Rujin Investment, Yinhua Fund, Minsheng Royal Fund, BOCOM Fund, GF Xinde Investment Management Co., Ltd., China Universal Asset, Bosera Funds, Shanghai Orient Securities Asset Management Co., Ltd., Greenwoods Asset, Credit Suisse, Foresight Fund, Danske Bank, ABC-CA Fund Management Co., Ltd., CMB, Rockpool Capital, HFT Investment Management Co., Ltd., First Investment, Hanwha Asset Management, BlackRock Asset Management, Schroders, Deutsche Asset Management, Fidelity International, Flossbach Von Storch AG, Matthews Asia, Morningstar, Wellington Management, Vontobel, Teng Yue Partners, GMO Singapore Pte. Limited, J.P. Morgan, UBS Asset Management, Brilliance Capital Management, Carnegie Fonder, First Manhattan First Beijing, GF Intl Investment Mgt, LBBW Asset Management, Newport Asia, Janus Henderson Investors, Danske Bank Finland, Solidium, Aurator Asset Management, Platinum etc.	<ol style="list-style-type: none"> Major issues discussed: <ol style="list-style-type: none"> The Company's daily operations; The Company's development strategies; The Company's opinions about the changes of the industry. Major information provided: published information including the Company's regular reports.

In 2019, the Company received many awards as follows:

No.	Award	Awarding Body
1	CAIJING Magazine 3rd CAIJING Award "Sustainable Development Contribution Award"	CAIJING Magazine
2	2019 China Housing Enterprises Green Credit Index Top 50	Investment Association of China, Green Ranking, CAIJING Magazine
3	Best Listed Company of New Fortune	New Fortune
4	The 2nd New Fortune Best IR Hong Kong Stock Company (A + H)	
5	Golden Bull Award for Valuable Investment Company 2018	Securities Times
6	"Gold Quality" Listed Company Selection Campaign 2019 – Corporate Leadership Award	Shanghai Securities News
7	"Gold Quality" Listed Company Selection Campaign 2019 – Corporate Governance Award	
8	Golden Horse Award -The Most Socially Responsible Dividend King Award	Securities Daily
9	The 13th Chinese Listed Company the Most Valued Board Secretary of Main Board Listed Company Award	Securities Times
10	The 2nd China Securities Analyst "Golden Wing Award" A Shares "Beautiful 100" Potential List	
11	Best A Shares Listed Company of Real Estate Industry Award	Asiamoney
12	Outstanding Listed Companies for Investor Returns	China Finance Online
13	2019 China Public Company Contribution Award	
14	Top 100 Hong Kong Listed Enterprises – Comprehensive Strength	
15	70 People in 70 Years – YU Liang	China Real Estate Newspaper
16	Golden Brick Award for Real-estate of China 2019 – Annual Enterprise with Remarkable Achievements	21st Century Business Herald
17	The 2019 China Corporate Citizens Selection Comprehensive List – Annual Excellent Enterprise	
18	China's Value Real Estate Rankings 2019 Annual Valuable Real Estate Enterprise	National Business Daily
19	The 9th China Listed Companies Reputation Rankings 2019 – The Most Socially Responsible Listed Company	
20	Ranking 40 in the Most Appreciated China's Companies 2019	Fortune (Chinese Version)
21	Most Respected Companies 2019	The Economic Observer
22	China Real Estate Golden Ling Award • Annual Real Estate Industry Leader 2019	China Times
23	China Business News 2019 • China Corporate Social Responsibility List – Responsibility Model Award	China Business News
24	Certificate of Excellence	Hong Kong Investor Relations Association



No.	Award	Awarding Body
25	TOP 30 China's Annual Influential Real Estate Companies 2019	Guandian Real Estate
26	TOP 30 China's Annual Real Estate Companies with Investment Value 2019	
27	TOP 2 China's Housing Enterprises with Comprehensive Strength	EHConsulting
28	Ranking 1 in the Property Service Brand Value Research Results List 2019	China Index Academy
29	Exquisite Poverty Alleviation Pioneer Award 2019	Times Media
30	TOP 10 Financial Health Role Models for Real Estate Listed Companies 2019	Hexun Housing
31	TOP 10 Board Secretary of Shenzhen Listed Companies 2019	Shenzhen Corporate Governance Committee
32	TOP 10 Board Governance of Shenzhen Listed Companies 2019	

4.6 Permitted Indemnity Provision

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

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

4.7 Management Contracts

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

4.8 Directors and Supervisors' Service contracts

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

4.9 Relationship with Stakeholders

The Company deeply believes that our employees, customers and business partners are keys to our sustainable development. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community. The Company places significant emphasis on human resources. The Company provides a fair workplace, creating atmosphere of nondiscrimination and diversity among our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company administers its health and safety management system and ensures the adoption of the principles throughout the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations. The Group values the feedback from customers through daily communication, regular inspections and etc. The Group has also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, the Group treats it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards.

4.10 Directors' Responsibility in Respect of the Financial Statements

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

The directors are not aware of any material uncertainties or events or conditions that may cast significant effect upon the Group's ability to continue to operate. Please refer to the Independent Auditor's Report for the statement of responsibilities of auditor of the Group for the audit of the consolidated financial statements.

4.11 Charity Donation

During the Reporting Period, the amount of charity donation made by the Group was RMB438 million.

4.12 Compliance with Laws and Regulations

In 2019, the Group maintained compliance with relevant laws and regulations that have significant impacts on operations of the Group.

4.13 Information of Directors, Supervisors and Senior Management of the Company

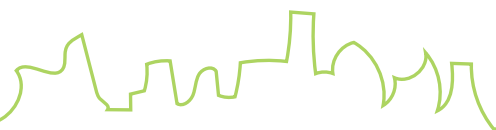
Please refer to Section 7 "Directors, Members of Supervisory Committee, Senior Management and Employees" of the Report for the information of directors, supervisors and senior management of the Company.

4.14 Principal Risks

Details of the principal risks facing the Group were delineated in Section 8 "Corporate Governance Report" of the Report.

4.15 Recommended dividend

For the dividend distribution proposal of the year 2019, please refer to Section 5 "Significant Events" of the Report.



5 Significant Events

5.1 Profit Appropriation and Dividend Distribution Proposal

The audit undertaken by auditor in accordance with China Accounting Standards and IFRS respectively, show the audited consolidated net profit attributable to shareholders of the parent company for 2019 was RMB38.87 billion million and the net profit of the parent company was RMB36.05 billion.

The Company's profit appropriation and dividend distribution was based on the Company's profit available for appropriation. The profit available for appropriation of the Group and the Company in 2019 according to the China Accounting Standards for Business Enterprises and IFRS was as follows.


Unit: RMB

	Calculation method	Parent company (China Accounting Standards for Business Enterprises)	Parent company (IFRS)
Distributable profit carried forward at the beginning of 2019	A	12,106,558,798.48	12,106,558,798.48
Distribution of dividends for the year 2018	B	11,811,892,641.07	11,811,892,641.07
Net profit of the parent company for the year 2019	C	36,050,781,629.60	36,050,781,629.60
Distributable profits of the parent company	D=A-B+C	36,345,447,787.01	36,345,447,787.01

The profit available for distribution to shareholders shall be the distributable profits of the parent company (D) in the above data, i.e. RMB36.35 billion.

According to the relevant rules and requirements of the Company's Articles of Association, considering shareholders' interests and the Company's development needs in the long run, the Board submitted to the shareholder meeting the following profit appropriation proposal for the year 2019:

1. The reserve of the Company exceeded 50% of the Company's capital, no provision for statutory reserve will be made;
2. To appropriate 65% of the net profit of the Company (C) to discretionary surplus reserve, with a total of RMB23,433,008,059.24;
3. To appropriate 35% of the net profit of the Company (C) and unappropriated profit of the previous year (A-B) for dividend distribution fund, with a total of RMB12,912,439,727.77;



The Company's 2019 dividend distribution proposal: The total amount of cash dividends proposed for distribution for 2019 will be RMB11,810,739,436.05 (inclusive of tax), accounting for 30.4% of the net profit for the year attributable to equity shareholders of the Company for 2019, without any bonus share or transfer of equity reserve to share capital.

Based on the Company's total number of 11,302,143,001 shares at the end of 2019, a cash dividend of RMB10.45 (inclusive of tax) will be distributed for each 10 shares. If any circumstances, such as issuance of new shares, share repurchase or conversion of any convertible bonds into share capital before the record date for dividend distribution, results in the changes in our total number of shares on record date for dividend distribution, dividend per share shall be adjusted accordingly on the premise that the total dividends amount remains unchanged.

The remaining undistributed profits, amounted to RMB1,101,700,291.72, are retained for the following year.

The independent non-executive directors were of the view that the Company's proposals on the profit appropriation and dividend distribution for the year of 2019 was in compliance with the Company's Articles of Association and the relevant requirements, and took into account the interests of various types of shareholders. The independent non-executive Directors unanimously agreed to submit the relevant proposal to the shareholder's meeting for consideration.

Significant Events

Pursuant to applicable provisions and the implementing rules of the Individual Income Tax Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China and other applicable laws and regulations and normative documents, the Company shall, as a withholding agent, withhold and pay dividend income tax for the H shareholders in respect of the dividend to be distributed to them, including individual income tax for individual foreign shareholders and enterprise income tax for non-resident enterprise shareholders. For details regarding withholding and payment of dividend income tax for the H shareholders and materials that H shareholders need for tax deduction, please refer to announcements to be published by the Company subsequently.

To the best knowledge of the Company, no shareholders have entered into any arrangements to waive or agree to waive any dividend.

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

Year	Proposal on dividend distribution
2018	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB10.451020 (including tax) would be distributed for every 10 existing shares held.
2017	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB9.0 (including tax) would be distributed for every 10 existing shares held.
2016	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB7.9 (including tax) would be distributed for every 10 existing shares held.

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

Year	Cash dividend (including tax)	The Company's net profit	Net profit attributable to equity shareholders of the Company	As a percentage of the Company's net profit	Unit: RMB	
					As a percentage of net profit attributable to equity shareholders of the Company	The Group's consolidated profit available for appropriation for the year
2018	11,811,892,641.07	22,986,348,424.81	33,772,651,678.61	51.39%	34.97%	103,218,024,960.16
2017	9,935,236,800.90	13,437,215,980.28	28,051,814,882.36	73.94%	35.42%	80,531,154,604.94
2016	8,720,930,080.79	12,777,146,023.88	21,022,606,256.56	68.25%	41.48%	65,672,270,911.73

Accumulated cash dividends in the past three years as a percentage to the Group's average net profit attributable to equity shareholders of the Company in the past three years

110.33%

5.2 Undertakings

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

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

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

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

"1. Independence of staff of the listed Company

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

II. Financial independence of the listed Company

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

III. Independence of departments of the listed Company

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

IV. Independence of business of the listed Company

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

V. Independence of assets of the listed Company

1. The listed Company shall have a business system relating to its operations as well as complete and independent assets, and the assets shall be under the control of the listed Company and independently owned and operated by the listed Company.

2. Other than normal operating transactions, SZMC and companies under its control shall not illegally seize the assets of the listed Company.

SZMC shall and shall procure the companies controlled by it to strictly comply with the relevant requirements of CSRC regarding the independence of listed companies, and shall not make use of the positions as a shareholder to violate the standard procedures of the listed Company, not go beyond its power and interfere the operation management activities of the listed Company and its subsidiaries, not impair the interests of the listed Company and its subsidiaries and not harm the legitimate interests of the listed Company and other shareholders. SZMC shall assume relevant legal responsibilities caused by the breach of undertakings above, including but not limited to the compensation for all loss caused to the listed Company and its medium and small-sized shareholders due to such breach.”

(II) Undertakings on avoiding competition in the same industry

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

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

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

(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 departments.
2. SZMC and companies controlled by SZMC will not use the position as a shareholder to facilitate the listed Company to pass resolutions at the general meetings or meetings of the board of directors that will infringe the lawful rights and interests of the medium and small-sized shareholders through the related party transactions.
3. SZMC and companies controlled by SZMC will not seize the funds of the listed Company through borrowing, payment of debts, advance payment or any other means.
4. For any related party transactions between SZMC and the companies controlled by it and the listed Company, SZMC and the companies controlled by it shall perform legal procedures and enter into agreements legally based on the normal commercial principles of justice, fairness and openness and in accordance with the market economy rules and relevant laws, regulation, normative documents and relevant requirements of SZMC, ensure the transparency, fairness and reasonableness of the transaction price, abstain from voting on the resolutions related to the related party transactions between SZMC and other companies controlled by it and the listed Company at the general meeting and board meeting of the listed Company, and procure the listed Company to perform the obligation of information disclosure in a timely manner, in order to ensure that the interest of the listed Company and other shareholders (especially medium and small-sized shareholders) will not be harmed through the related party transactions.
5. SZMC or companies controlled by SZMC will strictly comply with the relevant laws and regulations and the articles of association of the listed Company to fulfill the decision-making procedures of related party transaction and the corresponding information disclosure obligations.
”

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

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

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

Applicable Not applicable

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

Applicable Not applicable

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

- 5.4 During the Reporting Period, the Explanation of "Non-standard Auditors' Report" Given By the Board, the Supervisory Committee and Independent Non-executive Directors (if any)

Applicable Not applicable

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

Applicable Not applicable

Please refer to Note 1(c) in Financial Statements for the Group's accounting policy changes during the Reporting Period. No material changes in the Group's accounting estimates during the Reporting Period.

- 5.6 Reason for Retrospective Restatement to Correct Major Accounting Errors During the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

During the Reporting Period, the Company acquired 388 new subsidiaries and reduced 119 subsidiaries.

Significant Events

5.8 Appointment of Certified Public Accountants

The 2018 annual general meeting resolved to re-appoint KPMG Huazhen LLP and KPMG as the Company's auditors for the year of 2019. The following table shows the details on the appointment of the certified public accountants of the Company:

Type	2019		Years of consecutive service	2018	
Audited item	Auditor	Audit fee (Unit: RMB'0000)		Auditor	Audit fee (Unit: RMB'0000)
The Group's consolidated financial statements prepared in accordance with the PRC accounting standards for business enterprises and the internal control audit report	KPMG Huazhen LLP	1,400	19	KPMG Huazhen LLP	1,400
The Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards	KPMG		27	KPMG	
PRC Signing CPA	Chen Yongyi		4	Fong Kwin	
PRC Signing CPA	Li Moran		1	Chen Yongyi	

The above-mentioned audit fee included the travelling expenses incurred during the auditing period.

There is no change in the Company's auditors in any of the preceding three years.

5.9 Suspension in Trading or Delisting upon Publication of Annual Report

Applicable Not applicable

5.10 Matters Related to Bankruptcy and Reorganization

Applicable Not applicable

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

5.11 Material Litigation or Arbitration

Applicable Not applicable

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

5.12 Progress in Major Acquisition of Assets

On 9 January 2019, Guangzhou Wanxi Real Estate Co., Ltd. (hereinafter referred to as “Guangzhou Wanxi”), a wholly-owned subsidiary of Guangzhou Vanke Enterprises Co., Ltd. (formerly known as Guangzhou Vanke Real Estate Co., Ltd.), a subsidiary of the Company, entered into a Letter of Confirmation for the Estimation of the Land Appreciation Tax with regards to Restructuring and the Transfer Price with the bankruptcy liquidation group of Guangdong International Trust Investment Corporation (hereinafter referred to as the “bankruptcy liquidation group”), under which the two parties ended the joint supervision on the Guangdong Trust Real Estate Development Corporation and Guangzhou real estate branch of Guangdong International Trust Investment Corporation (hereinafter referred to as the “two companies”). As at 9 January 2019, Guangzhou Wanxi has paid a total of RMB20.1 billion to the bankruptcy liquidation group for investment equity and debt transfer, and continues to perform other obligations as agreed.

5.13 Major Connected Transactions

The Company did not have material connected transactions as defined under SZSE Listing Rules during the Reporting Period, and no connected transactions or continuing connected transactions have been entered into, which should be disclosed in the Annual Report, in accordance with SEHK Listing Rules.

The material related party transactions as disclosed in Note 35 to the financial statements do not constitute connected transactions that should be disclosed under SEHK Listing Rules.

5.14 Major Contracts and their Implementation

5.14.1 Entrustment, sub-contracting or leasing arrangements

1. Entrustment

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

2. Sub-contracting

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

3. Leasing

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

Significant Events

5.14.2 Major guarantees

1. Guarantees

Unit: RMB'0000

No.	Principal of the guarantee (% of equity interest held by Vanke)	Guarantor (% of equity interest held by Vanke)	Remaining guaranteed amount as at the end of the Reporting Period	The type of guarantee	The type of guarantee	Due date of the guarantee (Year/Month/ Day)
1	Gain Pioneer Limited (100%)	China Vanke Co., Ltd.	446,300.00	Joint liability guarantee	2015/10/30	2020/10/30
2	Fozter Limited (100%)	China Vanke Co., Ltd.	56,392.67	Joint liability guarantee	2016/4/14	2021/4/14
3	Allied Glory Development Limited (100%)	Vanke Property (Hong Kong) Company Limited (100%)	118,891.18	Joint liability guarantee	2016/10/5	2021/4/19
4	Sinobird Holding Limited(100%)	Vanke Real Estate (Hong Kong) Company Limited (100%)	15,680.00	Joint liability	2018/3/28	Estimated 2020/12/31
5	Hybest (BVI) Company Limited (100%)	Vanke Real Estate (Hong Kong) Company Limited (100%)	16,320.00	Joint liability guarantee	2018/3/29	Estimated 2020/12/31
6	Malola Garden City Sdn Bhd (90%)	Vanke Real Estate (Hong Kong) Company Limited (100%)	61,275.60	Joint liability guarantee	2019/3/26	2020/3/26
7	Allied Glory Development Limited (100%)	Vanke Real Estate (Hong Kong) Company Limited (100%)	34,563.18	Joint liability guarantee	2019/11/14	2023/3/31
8	Guangzhou Huangpu Wenchong Urban Village Property Development Co., Ltd. (100%)	Guangzhou Vanke Real Estate Co., Ltd. (100%)	125,000.00	Joint liability guarantee	2017/5/9	2020/5/8
9	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	1,435.00	Joint liability guarantee	2016/12/16	2024/12/15
10	Shehzhen Vanke Binhai Real Estate Co., Ltd. (50%)	Shenzhen Vanke Real Estate Company (100%)	44,750.00	Joint liability guarantee	2017/2/22	2020/2/20
11	Guangzhou Huangpu Wenchong Urban Village Property Development Co., Ltd. (100%)	Guangzhou Vanke Real Estate Co., Ltd. (100%)	80,000.00	Joint liability guarantee	2017/8/4	2020/8/3
12	Shenzhen Senmao Land Co., Ltd. (100%)	Shenzhen Vanke Real Estate Company (100%)	114,800.00	Joint liability guarantee	2017/9/15	2022/9/15
13	Shanghai Minhang District Vanke Bilingual School (100%)	Shanghai Vanke Real Estate Co. Ltd. (100%)	2,480.00	Joint liability guarantee	2017/12/27	2021/6/27
14	Shanghai Pudong New Area Private Vanke School (100%)	Shanghai Vanke Real Estate Co. Ltd. (100%)	9,066.00	Joint liability guarantee	2017/12/27	2021/6/27
15	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Kunming Vanke Property Development Co., Ltd. (100%)	40,511.00	Joint liability guarantee	2017/12/29	2022/12/28
16	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Kunming Vanke Property Development Co., Ltd. (100%)	46,908.00	Joint liability guarantee	2018/1/19	2023/1/19
17	Guangzhou Wanjin Real Estate Co., Ltd. (100%)	Guangzhou Vanke Real Estate Co., Ltd. (100%)	55,900.00	Joint liability guarantee	2018/1/18	2021/1/18
18	Vanke Service (Hong Kong) Co., Limited (63%)	Vanke Service Development Co., Ltd. (63%)	1,060.00	Joint liability guarantee	2018/5/24	2021/5/24
19	Hefei Bihe Real Estate Co., Ltd. (25%)	Hefei Vanke Property Co., Ltd. (100%)	26,975.00	Joint liability guarantee	2018/6/28	2021/6/28
20	Wuhan Jinwan Property Co., Ltd. (武漢金萬置業有限公司) (50%)	Wuhan Vanke Real Estate Company Limited (100%)	16,371.00	Joint liability guarantee	2018/10/10	2021/10/9

Unit: RMB'0000

No.	Principal of the guarantee (% of equity interest held by Vanke)	Guarantor (% of equity interest held by Vanke)	Remaining guaranteed amount as at the end of the Reporting Period	The type of guarantee	The type of guarantee	Due date of the guarantee (Year/Month/Day)
21	Beijing Hengyi Enterprise Management Co., Ltd. (北京恒熾企業管理有限公司) (100%)	Beijing Vanke Enterprises Company Limited (100%)	323,400.00	Joint liability guarantee	2018/10/10	2023/12/31
22	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	451.00	Joint liability guarantee	2019/9/29	2027/9/28
23	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	697.00	Joint liability guarantee	2019/9/29	2027/9/28
24	Beijing Wanqixiu Enterprise Consulting Management Company Co., Ltd. (北京萬啟繡企業諮詢管理有限公司) (50%)	Guangzhou Vanke Real Estate Co., Ltd. (100%)	60,000.00	Joint liability guarantee	2019/11/22	2024/12/6
25	Chengdu Wanxing Industrial Town Real Estate Co., Ltd. (成都萬興產城置業有限公司) (99%)	China Vanke Co., Ltd.	210,000.00	Joint liability guarantee	2019/12/12	2026/12/12
26	Chengdu Wanlong Industrial Town Real Estate Co., Ltd. (成都萬隆產城置業有限公司) (99%)	China Vanke Co., Ltd.	130,000.00	Joint liability guarantee	2019/12/10	2026/12/10
27	Wuhan Yutianxinye Land Co., Ltd. (武漢譽天興業置地有限公司) (99%)	China Vanke Co., Ltd.	262,500.00	Joint liability guarantee	2019/12/5	2026/12/5
28	Foshan Nanhai District Wanxuan Property Co., Ltd. (佛山市南海區萬軒房地產有限公司) (100%)	China Vanke Co., Ltd.	100,000.00	Joint liability guarantee	2019/12/12	2026/12/12

During the Reporting Period, the Company provided guarantees amounted to RMB7.983 billion to the majority-owned subsidiaries of the Company, and the majority-owned subsidiaries of the Company did not provide guarantee to other majority-owned subsidiary of the Company, and RMB611 million guarantee to associated corporations and joint ventures. Each of the entities which provide guarantee had undertaken relevant approval procedures by strictly complying with regulations in Notice of Regulating the External Guarantees of Listed Companies (Zhengjianfa[2005] No. 120) from CSRC.

As at 31 December 2019, the outstanding amount of guarantees provided by the Company was RMB24.017 billion, accounting for 12.77% of the audited net assets attributable to equity shareholders of the Company as at the end of 2019. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries to other majority-owned subsidiaries was RMB21.636 billion, while the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries to associated and joint venture companies was RMB2.381 billion. The Company and its majority-owned subsidiaries did not provide external guarantees. The Company also had no overdue guarantee or guarantees involving with litigations.

Significant Events

2. *Illegal external guarantees*

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

5.14.3 Other major contracts

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

5.15 Penalties and Rectification

Applicable Not applicable

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

5.16 Credit Status of the Company and Its Largest Shareholder

The Company and its largest shareholder SZMC had not failed in performing any valid court verdict and fulfilling any significant payment obligations that fell due during the Reporting Period.

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

Applicable Not applicable

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

5.18 Purchase, Sales or Redemption of the Listed Securities of the Company

During the Reporting Period, the Company and its subsidiaries did not purchase, dispose or redeem any listed securities of the Company or its subsidiaries.

5.19 Pre-emptive Rights

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

5.20 Subsequent Event after the Reporting Period

No.	Date of announcement	Brief introduction
1	13 March 2020	Completed of the issuance of RMB2.5 billion corporate bonds. Variety I is a 5-year term (with the issuer's call option at the end of the third year, coupon adjustment option and investors' put option), with an issue size of RMB1.5 billion and a coupon rate of 3.02%. Variety II has a term of 7 years (with the issuer's call option at the end of the fifth year, coupon adjustment option and investors' put option), with an issue size of RMB1 billion and a coupon rate of 3.42%
2	28 February 2020	The CSRC approved the Company's issuance of corporate bonds not exceeding RMB9 billion for qualified investors, and the corporate bonds specialized in rental housing not exceeding RMB3 billion issued to qualified investors in public

Change in Share Capital and Information on Shareholders

6.1 Change in Share Capital

6.1.1 Change in the shares of the Company (As at 31 December 2019)

Type	31 December 2018		Increase/ Decrease (+, -) Others	31 December 2019	
	Quantity (Share)	Percentage of shareholding		Quantity (Share)	Percentage of shareholding
1. Restricted Shares					
1. State-owned and state-owned legal person shares					
2. Shares held by domestic legal persons					
3. Shares held by domestic natural persons	9,026,490	0.08%	0	9,026,490	0.08%
4. Shares held by foreign investors					
Total number of restricted shares	9,026,490	0.08%	0	9,026,490	0.08%
2. Non-restricted Shares					
1. RMB-denominated ordinary shares	9,715,170,043	88.01%	0	9,715,170,043	85.96%
2. Overseas listed foreign shares	1,314,955,468	11.91%	+262,991,000	1,577,946,468	13.96%
Total number of non-restricted shares	11,030,125,511	99.92%	+262,991,000	11,293,116,511	99.92%
3. Total number of shares	11,039,152,001	100.00%	+262,991,000	11,302,143,001	100.00%

Change in Share Capital and Information on Shareholders

6.1.2 Change in restricted shares during the Reporting Period

Unit: Share

Name of shareholder	Number of restricted shares held at the beginning of the year	Number of restricted shares with restrictions released during the year	Number of restricted shares increased during the year	Number of restricted shares held at the end of the year	Reason for selling restrictions	Date of selling restrictions released
Yu Liang	5,479,684	0	0	5,479,684		Execute in accordance with the
Wang Wenjin	1,735,718	0	0	1,735,718		Detailed Implementing Rules
Xie Dong	1,118,059	0	0	1,118,059		of the SZSE for Shareholding
Zhang Xu	678,029	0	0	678,029	Serving as director, member	Reduction by Shareholders,
Zhou Qingping	15,000	0	0	15,000	of Supervisory Committee, senior management staff	Directors, Supervisors and Senior Executives of Listed Companies
Total	9,026,490	0	0	9,026,490	-	-

6.1.3 Issue and listing of securities

A. Issue of securities during the Reporting Period

On 26 February 2019, the Company has completed the issuance of corporate bonds (tranche one) of 2019 specialized in rental housing to qualified investors in public, with the actual issuance amount of RMB2 billion at coupon rate of 3.65%, for a term of five years (including the Issuer's option to adjust the coupon rate and the investor's right to resell at the end of the third year).

An aggregate of 262,991,000 new H Shares, representing approximately 16.67% and 2.33% respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the new H Shares, have been successfully allotted and issued by the Company on 4 April 2019 at the placing price of HK\$29.68 per H Share to no less than six (6) placees, who and whose ultimate beneficial owners are not connected persons (has the meaning ascribed to it under the SEHK Listing Rules) of the Company. The aggregate gross proceeds from the placing are approximately HK\$7.81 billion and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing are approximately HK\$7.78 billion, which was approximately RMB6.64 billion at the exchange rate on 4 April 2019. The net proceeds from the placing has been used to repay the outstanding overseas debts financing of the Group in August 2019. The use of proceeds is in compliance with that disclosed by the Company. The number of total issued Shares has increased to 11,302,143,001 Shares as a result of the issuance of the new H Shares, among which the numbers of A Shares and H Shares are 9,724,196,533 Shares and 1,577,946,468 Shares, respectively.

Change in Share Capital and Information on Shareholders

On 26 September 2019, the Company has completed the issuance of corporate bonds (tranche two) of 2019 specialized in rental housing to qualified investors in public, with the actual issuance amount of RMB2.5 billion at coupon rate of 3.55%, for a term of five years (including the Issuer's option to adjust the coupon rate and the investor's put option at the end of the third year).

B. As at the end of the Reporting Period, the Company did not have any internal employee shares.

6.2 Information of Shareholders (As at 31 December 2019)

6.2.1 Information on shareholders

							Unit: Share
Total number of Shareholders as at the end of 2019	245,882 (including 245,835 A Shareholders and 47 H Shareholders)	Total number of Shareholders as at 29 February 2020	286,949 (including 286,901 A Shareholders and 48 H Shareholders)				
Shareholdings of the top 10 shareholders							
Name of shareholder	Classification of Shareholder	Percentage of shareholding	Total number of shares held	Change in shares during the Reporting Period	Number of restricted shares held	Number of pledged or lock-up shares	
SZMC	Domestic state-owned legal person	28.69%	3,242,810,791	0	0	0	
HKSCC NOMINESS LIMITED ^{Note 1}	Foreign shareholder	13.96%	1,577,878,274	+262,966,290	0	0	
Hong Kong Securities Clearing Company Limited ^{Note 2}	Foreign shareholder	4.32%	488,358,543	+259,572,411	0	0	
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jipeng No.1 Classified Collective Asset Management Plan	Others	4.04%	456,993,190	0	0	0	
Jushenghua	Domestic non-state-owned legal person	3.57%	403,328,062	-522,742,410	0	403,327,966	
AnBang Life Insurance Co., Ltd. – Conservative Investment Portfolio	Others	3.04%	343,024,099	-356,599,884	0	0	
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Others	2.91%	329,352,920	0	0	0	
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.68%	189,566,000	0	0	0	
China Securities Finance Corporation Limited	Domestic state-owned legal person	1.17%	132,669,394	0	0	0	
CLIC – Dividend – Personal Dividend -005L-FH002 SZ	Others	0.86%	97,301,776	+72,175,044	0	0	
Remarks on strategic investor or ordinary legal person becoming top 10 shareholders after placing of new shares							

Change 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 NOMINESS LIMITED	1,577,878,274	H Shares
Hong Kong Securities Clearing Company Limited	488,358,543	A Shares
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan	456,993,190	A Shares
Jushenghua	403,328,062	A Shares
AnBang Life Insurance Co., Ltd. – Conservative Investment Portfolio	343,024,099	A Shares
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	329,352,920	A Shares
Central Huijin Asset Management Co., Ltd.	189,566,000	A Shares
China Securities Finance Corporation Limited	132,669,394	A Shares
CLIC — Dividend — Personal Dividend-005L-FH002 SZ	97,301,776	A Shares
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 connections or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the above-mentioned shareholders.	
Shareholders involved in margin trading business description	Nil	
Shareholders involved in contracted repurchase transactions	Nil	

Notes:

1. HKSCC NOMINEES LIMITED is the nominal holder of the shares held by the Company's non-registered shareholders of H shares.
2. Hong Kong Securities Clearing Company Ltd. is the nominal holder of shares held by non-registered shareholders who hold A shares of the Company through Northbound Trading under Shenzhen-Hong Kong Stock Connect.
3. In August 2019, with the approval of China Banking and Insurance Regulatory Commission, AnBang Life Insurance Co., Ltd. was renamed Dajia Life Insurance Co., Ltd.
4. In the above table, the total number of A shareholders at the end of 2019 and 29 February 2020 refers to the number of shareholders after combining margin trading accounts.

Change in Share Capital and Information on Shareholders

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

Unit: Share

No.	Name of shareholder of restricted shares	Number of restricted shares held	Date on which listing and trading may commence	Increase in the number of shares that may be listed and traded	Conditions of selling restrictions
1	Yu Liang	5,479,684	-	-	Selling restrictions were imposed according to relevant regulations of the SZSE
2	Wang Wenjin	1,735,718			
3	Xie Dong	1,118,059			
4	Zhang Xu	678,029			
5	Zhou Qingping	15,000			

6.2.3 Controlling shareholders and de facto controllers

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

6.2.4 Shareholders holding 10% or more of the equity interests in the Company

As of 31 December 2019, SZMC holds 3,242,810,791 A Shares in the Company, representing 28.69% of the total number of shares in the Company, and is the largest shareholder of the Company. Details are set out below:

*Shenzhen Municipal People's Government
State-owned Assets Supervision and
Administration Commission*

▼ 100%

Shenzhen Metro Group Co., Ltd.

▼ 28.69%

China Vanke Co., Ltd.

Change in Share Capital and Information on Shareholders

Basic Information of SZMC is as following:

Date of registration:	31 July 1998
Registered capital:	RMB44,071,360,000
Legal representative:	Xin Jie
Registered address:	Floor 27-31, Metro Building, No. 1016 Fu Zhong Yi Road, Futian District, Shenzhen
Business Scope:	Construction, operation, development and comprehensive utility of subway, light track transportation project, investment in industrial operations (specific projects shall be separately applied); domestic commercial and material supply and marketing (excluding government-granted monopoly, government control and monopoly commodities), commercial business, self-owned properties management, and advisory, education and training on rail traffic and relevant business.

6.2.5 Shareholding by the substantial shareholders and other persons as required by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

To the best knowledge of directors of the Company, as at 31 December 2019, in accordance with relevant requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), other than directors, members of Supervisory Committee or chief executive, the interests and short positions of the Company held by substantial shareholders are as follows:

Name of shareholder	Capacity (types of interest)	Number of shares held/ Number of underlying shares	Nature of Interest	Types of Shares	Percentage of total issued A-Share capital	Percentage of total H-Share capital	Percentage of total issued share capital
SZMC	Beneficial owner	3,242,810,791	Long Position	A Shares	33.35%	-	28.69%
BlackRock, Inc.	Interest of controlled corporations	112,892,735	Long Position	H Shares	-	7.15%	1.00%
	Interest of controlled corporations	317,600	Short Position	H Shares	-	0.02%	0.00%
Citigroup Inc.	Interest of controlled corporations	2,615,675	Long Position	H Shares	-	0.17%	0.02%
	Approved lending agent	201,713,499	Long Position	H Shares	-	12.78%	1.78%
GIC Private Limited	Investment manager	157,446,901	Long Position	H Shares	1.62%	5.00%	1.39%

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 Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and SEHK Listing Rules.

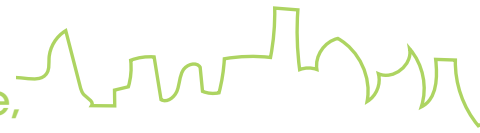


Change in Share Capital and Information on Shareholders

6.2.6 The public float as required by SEHK Listing Rules

As at the publication date of the Report, there are 1,577,946,468 overseas listed foreign invested Shares (H Shares) of the Company listed on the Main Board of SEHK, which are all public float, accounting for 13.96% of total shares in the Company. The Company has obtained the waiver from strict compliance with the requirement of H shares proportion as the total number of shares of the Company pursuant to Rule 8.08(1)(b) under the SEHK Listing Rules when the H Share of the Company was listed on Main Board of the SEHK. As at the publication date of the Report, the public float of the Company complied with such waiver.

Directors, Members of Supervisory Committee, Senior Management and Employees



7.1 Current Directors, Members of Supervisory Committee and Senior Management

7.1.1 Basic information and work experience

(1) Directors

Mr. YU Liang, born in 1965, is currently the Chairman and an Executive Director of the Board. Mr. Yu joined the Company in 1990, has been a Director since 1994 and was subsequently appointed as a deputy general manager in 1996 and an executive deputy general manager and finance principal in 1999. Mr. Yu was the president and Chief Executive Officer of the Company from 2001 to January 2018. Mr. Yu was appointed as the Chairman of the Board in July 2017. Prior to joining the Company, Mr. Yu had worked for Shenzhen Foreign Trade Group. Mr. Yu served as a director of Cura Investment Management (Shanghai) Co., Ltd., and an independent director of Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (a company listed on the SZSE; stock code: 002269). Mr. Yu graduated from Peking University with a bachelor's degree in International Economics in 1988 and a master's degree in Economics in 1997.

Mr. LIN Maode, born in 1956, is currently the Vice Chairman and a Non-executive Director of the Board and a member of the remuneration and nomination committee. Mr. Lin served as a deputy general manager, managing director, deputy secretary of the party committee, the chairman and secretary of the party committee of SZMC; Mr. Lin had served as an assistant to general manager, chief economist and deputy general manager of Shenzhen Zhenye (Group) Co., Ltd. (a company listed on the SZSE; stock code: 000006) and a lecturer of the Finance Department in Sichuan Finance and Economics Institute. Mr. Lin graduated from Sichuan Finance and Economics Institute with a bachelor's degree in Finance in 1983. He is a senior economist with principal senior professional title.

Mr. SUN Shengdian, born in 1955, is currently a Non-executive Director and a member of the investment and decision-making committee of the Company. Mr. Sun is also an independent director of Konka Group Co., Ltd. (a company listed on the SZSE; stock code: 000016). Mr. Sun had previously served as the vice chairman of Shenzhen Huakong SEG Co., Ltd. (a company listed on the SZSE; stock code: 000068), a deputy general manager, director, member of the party committee, deputy secretary of the party committee, general manager, chairman and secretary of the party committee of Shenzhen Electronics Group Co., Ltd., and was a deputy general manager, deputy secretary of the party committee, general manager and secretary of the party committee and chairman of the board of directors of Shenzhen SEG Hitachi Color Display Devices Co., Ltd. He had also served as a director of Shenzhen China Star Optoelectronics Technology Co., Ltd., as well as an independent director of Skyworth Digital Holdings Limited (a company listed on the SEHK; stock code: 0751) and the president of the Shenzhen Electronics Industries Association. Mr. Sun received a doctorate degree in Engineering from Xi'an Jiaotong University in 2005. He is a senior economist.



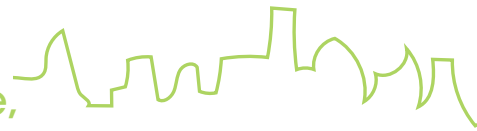
Directors, Members of Supervisory Committee, Senior Management and Employees

Mr. CHEN Xianjun, born in 1972, is currently a non-executive Director and a member of the audit committee of the Company, a director and chief financial officer of SZMC. Prior to joining SZMC, Mr. Chen had previously been an accountant in the finance department of Hangzhou Jiangnan Electronic Engineering Company, chief auditor of the audit department of Jintian Industrial Group Co., Ltd., deputy head (presiding) of the finance department of Shenzhen Longgang District Gas Co., Ltd., head of the finance department of Shenzhen Shenran LPG Co., Ltd., director and deputy principal director in the property administration office, performance assessment (audit) office and supervision and inspection office (audit office) of Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission, deputy manager and manager of the finance department of Shenzhen Zhenye (Group) Co., Ltd. (a company listed on SZSE; stock code: 000006) and director of finance of Shenzhen Metro No. 3 Line Investment Co., Ltd. Mr. Chen graduated from the Electronic Technology Institute of Hangzhou (currently known as Hangzhou Dianzi University) with a bachelor's degree in Accounting in 1993. He received a master's degree in Finance from Xiamen University in 2004. Mr. Chen is a certified public accountant and a principal senior accountant.

Mr. WANG Wenjin, born in 1966, is currently an Executive Director, executive vice president and Financial Principal of the Company. Mr. Wang currently is also a non-executive director of Huishang Bank Corporation Limited (a company listed on the SEHK, stock code: 3698) invested by Vanke. After joining the Company in 1993, Mr. Wang successively served as a general manager of the finance department, finance controller, chief financial officer and chief risk officer. Before joining the Company, Mr. Wang had worked for Hefei Plastic (Factory Ten) and Anhui Optical Sophisticated Mechanic Research Centre of China Academy of Sciences. He graduated from Zhongnan University of Economics and Law with a master's degree in 1994 and he is a certified public accountant (non-practicing member) in the PRC.

Mr. ZHANG Xu, born in 1963, is currently an Executive Director, a member of the investment and decision-making committee, an executive vice president and chief operation officer of the Company. After joined the Company in 2002, Mr. Zhang successively served as general manager of Wuhan Vanke Real Estate Co., Ltd., and the vice president of the Company. Before joined the Company, he had worked at China Overseas Group. Mr. Zhang is currently the chairman of the board of Vanke Property (Overseas) Limited (a company listed on the SEHK; stock code:1036) controlled by Vanke, a non-executive non-independent director of Banyan Tree Holdings Limited invested by Vanke (a company listed on Singapore Stock Exchange Limited, stock code: B58.SG) and a director of GLP Holdings Limited. He graduated from Hefei Industrial University with a bachelor's degree in Industrial and Civil Architecture in 1984 and obtained a master's degree in Business Administration from Troy State University in 2001.

Directors, Members of Supervisory Committee, Senior Management and Employees



(2) Independent Non-executive Directors

Mr. KANG Dian, born in 1948, is a Hong Kong resident. He is currently an Independent Non-executive Director and the convener of the remuneration and nomination committee of the Board. Between 2009 and 2016, Mr. Kang served as the chairman and chief executive officer of New China Life Insurance Company Ltd. (a company listed on the Shanghai Stock Exchange; stock code: 601336, and on the SEHK; stock code: 1336), and the chairman of New China Asset Management Co., Ltd. Between 1984 and 2009, he was the director of the overseas project management department of China International Trust & Investment Corporation, vice president of China Agribusiness Trust & Investment Corporation, deputy general manager of China National Packaging Corporation, deputy managing director of Guangdong Enterprises (Holdings) Limited, chairman and general manager of Guangdong Capital Holdings Ltd., chairman of Guangdong Securities Limited, chairman of Guangdong Asia Insurance Co., Ltd., and chairman of the supervisory committee of Shenzhen Development Bank Company Limited. Mr. Kang graduated from the Department of Mechanical Engineering of the University of Science & Technology Beijing with a bachelor's degree in Mechanical Manufacturing in 1982. He graduated from the Graduate School of the Chinese Academy of Social Sciences with a master's degree in Economics in 1984.

Ms. LIU Shuwei, born in 1952, is currently an Independent Non-executive Director and a member of the audit committee of the Company, and an analyst of China Enterprise Research Center of Central University of Finance and Economics. Ms. Liu currently is also an independent director of Gree Electric Appliances Inc. of Zhuhai (a company listed on SZSE; stock code: 000651). Ms. Liu, who had studied under the guidance of nationally renowned economists Professor Chen Daisun and Professor Li Yining, is a renowned finance scholar. Ms. Liu was awarded China Economic Person of the Year and Touching China – Person of the Year by CCTV in 2002. She graduated from Peking University with a master's degree in Economics in 1986.

Mr. NG Kar Ling, Johnny, born in 1960, is a Hong Kong resident. He is currently an Independent Non-executive Director, the convener of the audit committee and a member of the remuneration and nomination committee of the Board. He currently is also an independent director of China Petroleum & Chemical Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600028, the SEHK, stock code: 00386, the NYSE, stock code: SNP, and the LSE, stock code: SNP), an independent director of Fangdd Network Group Ltd. (a company listed on the Nasdaq Stock Market, stock code: DUO.O) and a vice director committee member of the second session of independent director specialized committee of China Association for Public Companies. On 20 January 2020, Mr. Ng was nominated as an independent director of the third session of the board of Metallurgical Corporation of China Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601618; and a company listed on the SEHK, stock code: 1618) and will be considered and approved at the general meeting of the shareholders of Metallurgical Corporation of China Ltd. held on 27 March 2020. Mr. Ng joined KPMG (Hong Kong) in 1984 and became a partner in 1996. He was the vice chairman of KPMG (China) before his retirement in March 2016. He is currently a practicing certified public accountant in Hong Kong, a practicing auditor and certified public accountant in Macau, a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA), a fellow member of the Association of Chartered Certified Accountant (FCCA), and a fellow member of the Institute of Chartered Accountants in England and Wales (FCA). Mr. Ng obtained a bachelor's degree and a master's degree in Business Administration from the Chinese University of Hong Kong in 1984 and 1999, respectively.



Directors, Members of Supervisory Committee, Senior Management and Employees

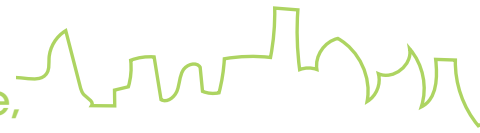
Mr. LI Qiang, born in 1972, is currently an Independent Non-executive Director and the convener of the investment and decision-making committee of the Company, and the chairman of Qianhai Financial Holdings Co., Ltd. and the chairman of the board of Century Securities Co., Ltd.. He was the general manager of Qianhai Financial Holdings Co., Ltd. from 2014 to 2015, and the deputy director of Qianhai Authority of Shenzhen City on secondment from 2013 to 2014. From 1998 to 2013, Mr. Li served as a deputy section chief, section chief and a director of Shenzhen Securities Regulatory Bureau of China Securities Regulatory Commission. He had previously worked at the Shaanxi provincial branch of China Construction Bank from 1995 to 1998. Mr. Li graduated from Xi'an Statistics College with a bachelor's degree in National Economic Management in 1995. He obtained a master's degree in Economics from Zhongnan University of Economics and Law in 2002.

(3) Members of Supervisory Committee

Mr. XIE Dong, born in 1965, is currently the chairman of the supervisory committee of the Company and chairman of labour union of the Company and is also a member of specialized committee of the board of supervisors of China Association for Public Companies. He joined the Company in 1992, and had served as a manager, general manager, director of the human resources department, deputy general manager of the Company and executive vice president of the Company. Mr. Xie has been a member and the chairman of the Supervisory Committee since 2014. Before joining Vanke, Mr. Xie used to work for Shenzhen RGB Electronics Co., Ltd. of China Shenzhen TV Company (Headquarter). Mr. Xie used to serve as an independent director in Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (a company listed on SZSE, stock code: 002399) from February 2011 to May 2017. Mr. Xie graduated from Nanjing Engineering Institution in 1987 with a bachelor's degree in Radio Science. He received a master's degree in Business Administration from Shanghai Jiaotong University in 1997 and a doctorate degree in Management therefrom in 2007.

Ms. ZHENG Ying, born in 1970, is currently a member of the Supervisory Committee of the Company. Previously, Ms. Zheng had served as an assistant to manager of Shenzhen Construction Investment Holding Corporation, manager of the investment development department, manager of the customer services department and manager of the asset management department of Shenzhen Zhenye (Group) Co., Ltd. (a company listed on SZSE; stock code: 000006), secretary of party branch and deputy manager of the resources development branch company under SZMC, and deputy general manager and secretary of the party committee of SZMC's property development general office. Ms. Zheng graduated from the Southwestern University of Finance and Economics with a bachelor's degree in Economic Information Management in 1991 and received a master's degree in Quantitative Economics therefrom in 1994. She is a senior economist.

Directors, Members of Supervisory Committee, Senior Management and Employees



Mr. ZHOU Qingping, born in 1969, is currently an employee representative member of the Supervisory Committee of the Company. Mr. Zhou had worked in Xiangcai Securities Co. Ltd. He joined the Group in 1995 and served as finance manager of Shenzhen Vanke Financial Consultancy Company Limited. He became chief financial officer of Chengdu Vanke Real Estate Co., Ltd. in 2000 and deputy general manager of the risk management department of the Company in 2003. He has been a member of the Supervisory Committee and the general manager of audit supervisory department of the Company since 2010. He graduated from Hunan University (former Hunan Institute of Finance and Economics) in 1993 in Accountancy, and graduated from Hong Kong University of Science and Technology with a postgraduate degree in Executive Master of Business Administration (EMBA) in 2011. He is a Certified Public Accountant in PRC.

(4) Senior Management

Mr. ZHU Jiusheng, born in 1969, is currently the President and Chief Executive Officer of the Company. Mr. Zhu currently is also a non-executive director of E-house (China) Enterprise Holdings Limited (a company listed on SEHK, stock code: 2048). Mr. Zhu worked in Shenzhen branch of China Construction Bank Corporation (a company listed on the Shanghai Stock Exchange, stock code: 601939, and the SEHK, stock code: 0939) from 1993 to 2012, and had successively served as vice president of Futian subbranch (presiding), general manager of credit department and corporation department, vice president of Shenzhen Branch. He joined Vanke in 2012 and held a position as a senior vice president of the Company from 2012 to 2015. Mr. Zhu has been the chairman of the board of directors of Shenzhen Vanke Financial Consultants Co., Ltd., a wholly-owned subsidiary of Vanke, since 2014, and had been the chairman of the board of directors and general manager of Shenzhen Pengding Chuangying Financial Information Services Co., Ltd, an affiliated company of Vanke from 2016 to January 2018. He has been the President and Chief Executive Officer of the Company since 31 January 2018. Mr. Zhu also used to concurrently hold non-executive director of Huishang Bank Corporation Limited (a company listed on SEHK, stock code: 3698), an independent non-executive director of LVGEM (China) Real Estate Investment Company Limited (a company listed on the SEHK, stock code: 0095) and director of Shenzhen Kondarl (Group) Co., Ltd. (a company listed on SZSE, stock code: 000048). Mr. Zhu obtained a master's degree in economics from Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) in 1993 and a doctor's degree in economics from Zhongnan University of Economics and Law in 2003.

Mr. WANG Wenjin: for the biography of Mr. Wang, please refer to the section "Directors".

Mr. ZHANG Xu: for the biography of Mr. Zhang, please refer to the section "Directors".



Directors, Members of Supervisory Committee, Senior Management and Employees

Ms. ZHU Xu, born in 1975, is currently the Secretary of the Board of the Company and is also a member of the 10th session of the listing committee of SZSE, an executive committee member of the second session of the board secretary committee of China Association of Public Companies, and a director of the Chinese Tax Institute. Ms. Zhu also acts as a director of GLP Holdings Limited invested by Vanke. Ms. Zhu is a British Chevening Scholar and a Certified Tax Agent. She graduated from the Hunan College of Finance and Economics (currently known as Hunan University) in 1997 with a bachelor's degree in Economics. She obtained a master's degree in Management in Zhongnan University of Economics and Law in 2001 and a master's degree in Public Policy in the University College London in 2006. Ms. Zhu joined Vanke in 2016, and before that, she used to work in the Shenzhen Municipal Office of the State Administration of Taxation, Nationz Technologies Inc. (a company listed on SZSE, stock code: 300077), and Shenzhen Grandland Decoration Group Co., Ltd. (a company listed on SZSE, stock code: 002482). She has won multiple Gold Medal Board Secretary awards of New Fortune, and top 100 Board Secretary awards.

7.1.2 Change and reasons for the change in directors, members of the Supervisory Committee and senior management during the Reporting Period

On 15 January 2019, Xiao Min, a Director of the Company, who is about to serve as a public officer, resigned from the position as a Director of the Company.

On 7 May 2019, upon consideration and approval at the Twenty-first meeting of the Eighteenth Session of the Board, the Board agreed to appoint WANG Wenjin as the Financial Principal of the Company while he ceased to be the Chief Risk Officer of the Company and SUN Jia ceased to be the Executive Vice President, Chief Financial Officer and Financial Principal of the Company.

7.1.3 Details of remuneration for 2019

As at the end of the Reporting Period, the aggregate amount of remunerations before taxation received by the eight directors, supervisors and senior management who served the Company from the Group in 2019 was RMB59.42 million; and the aggregate amount of remunerations before taxation received by other directors and supervisors from the Group during their term of service in 2019 was RMB3.854 million.

Directors, Members of Supervisory Committee, Senior Management and Employees

According to the individual statement of LIN Maode, LI Qiang, SUN Shengdian, XIAO Min, CHEN Xianjun and ZHENG Ying who did not receive remuneration, the Company directly transferred the after-tax remuneration of the above six persons to their companies or former companies. The aforementioned six directors or supervisors did not actually receive the aforementioned remuneration.

Unit: RMB'0000

Name	Title	Sex	Age	Period of service	Total remuneration (before tax) in 2019 (RMB'0000)	Total remuneration (before tax) in 2018 (RMB'0000)
YU Liang	Chairman of the Board Executive Director	M	55	2017.7~2020 1994~2020	1,251.7	1,253.0
LIN Maode	Deputy Chairman of the Board Non-executive Director	M	64	2017.7~2020	36.0	33.3
KANG Dian	Independent Non-executive Director	M	72	2017.7~2020	60.0	55.5
LIU Shuwei	Independent Non-executive Director	F	68	2017.7~2020	60.0	55.5
NG Kar Ling, Johnny	Independent Non-executive Director	M	60	2017.7~2020	60.0	55.5
LI Qiang	Independent Non-executive Director	M	48	2017.7~2020	60.0	55.5
SUN Shengdian	Non-executive Director	M	65	2017.7~2020	36.0	33.3
XIAO Min	Non-executive Director	M	57	2017.7~2019.1	1.4	33.3
CHEN Xianjun	Non-executive Director	M	48	2017.7~2020	36.0	33.3
WANG Wenjin	Executive Director	M	54	2014~2020	878.9	927.3
ZHANG Xu	Executive Vice President	M	57	2007~2020		
	Executive Director			2017.7~2020	941.0	1,004.5
	Executive Vice President			2014~2020		
XIE Dong	Chairman of Supervisory Committee	M	55	2014~2020	878.9	880.2
ZHENG Ying	Supervisor	F	50	2017.7~2020	36.0	33.3
ZHOU Qingping	Supervisor	M	51	2010~2020	259.8	264.4
ZHU Jiusheng	President and Chief Executive Officer	M	51	2018~2020	1,127.4	1,127.8
SUN Jia	Former Executive Vice President	M	42	2016~2020	36.0	1,004.5
ZHU Xu	Company Secretary	F	45	2016~2020	568.3	849.2
Total					6,327.4	7,699.3

Notes:

1. On 15 January 2019, Mr. XIAO Min ceased to serve as a Non-executive Director of the Company, the remuneration in above table is for his capacity as a director in 2019.
2. On 7 May 2019, Mr. SUN Jia ceased to be the Executive Vice President and Financial Principal of the Company due to position change, the remuneration in above table is for his capacity as an executive vice president and finance principal in 2019.
3. The total remuneration before tax include salaries and social insurance paid to directors, supervisors and senior management.

Directors, Members of Supervisory Committee, Senior Management and Employees

Top five paid person of the Company in 2019

Ranking	Total remuneration (before tax) received from the Company (RMB'0000)	Any remunerations received from shareholders or other connected entities
1	1,375.9	No
2	1,251.7	No
3	1,251.6	No
4	1,201.1	No
5	1,127.4	No
Total	6,207.7	-

One of top five paid person of the Company in 2019 is a director.

7.1.4 Change in shareholding during the Reporting Period

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

Name	Title	Number of shares held at the beginning of the Period	Number of shares held at the end of the Period	Shares held at the end of Reporting Period as a percentage of total number of shares	Reasons for the change	Number of stock options granted	Number of stock options exercised during the Reporting Period	Unit: Share Number of stock options not yet exercised at the end of the Reporting Period
Yu Liang	Chairman of the Board and an Executive Director	7,306,245	7,306,245	0.0646%	-	0	0	0
Wang Wenjin	Executive Director and Executive Vice President	2,314,291	2,314,291	0.0205%	-	0	0	0
Zhang Xu	Executive Director and Executive Vice President	904,039	904,039	0.0080%	-	0	0	0
Xie Dong	Chairman of Supervisory Committee	1,490,745	1,490,745	0.0132%	-	0	0	0
Zhou Qingping	Member of Supervisory Committee	20,000	20,000	0.0002%	-	0	0	0
Total		12,035,320	12,035,320	0.1065%	-	0	0	0

Note: Save as above-mentioned, other directors, member of supervisory committee and senior management did not hold shares of the Company.

Directors, Members of Supervisory Committee, Senior Management and Employees

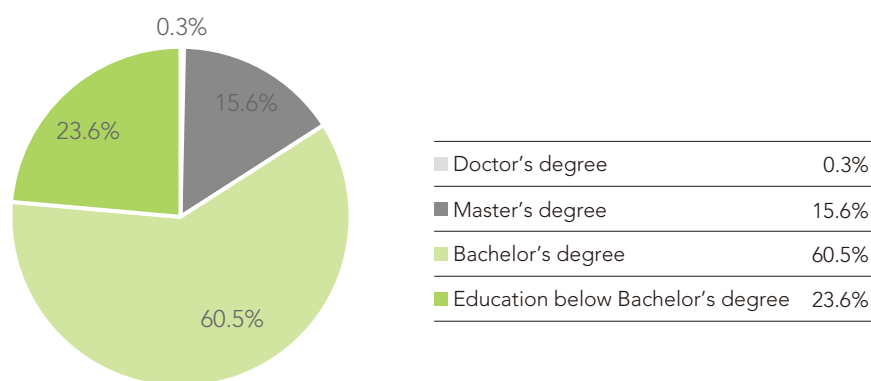
All the shares held by the aforementioned persons in the Company were beneficially owned A shares, and they were all in long positions. Save for the aforementioned, the Company was not aware of any interests or short positions held by the Company's directors, supervisors, senior management and relevant associates recorded in the register required to be kept in accordance with section 352 of the Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws) or interests or short positions held in the Company or associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws)) required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the SEHK Listing Rules.

7.2 Number of Employees of the Group and their Composition by Job Classification

As at 31 December 2019, there were 131,505 employees on the Group's payroll, representing an increase of 26.1% from that of the previous year. The average age of the employees was 31.2 and the average year of service was 1.62 years. Among which 85,498 employees were male, and 46,007 employees were female. The details of composition by business divisions are as follows:

(1) Property development division

There were 19,372 employees engaged in the property development division, representing an increase of 52.9% from that of the previous year. The average age of the staff working for this division was 31.24 and the average year of service was 2.7 years. In terms of education level, 0.3% held doctor's degree, 15.6% with master's degree, 60.5% with bachelor's degree, 23.6% with education below bachelor's degree while 76.5% with bachelor's degree or above.



Directors, Members of Supervisory Committee, Senior Management and Employees

Composition by job classification:

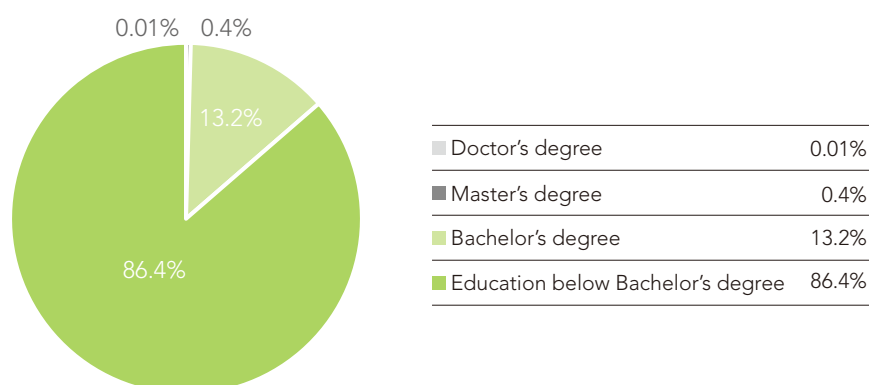
No.	Composition by job classification	Number of individuals	Percentage	Year-on-year change
1	Marketing and sales staff	5,589	28.9%	390.3%
2	Professional technicians	8,874	45.8%	10.0%
3	Management staff	4,909	25.3%	41.9%

Notes: 1. Professional technicians include staff from engineering, design, cost management, procurement and project development.

2. Management staff include financial, audit, IT, legal, human resources, customer services, information analysis etc. and senior management.

(2) Property services division

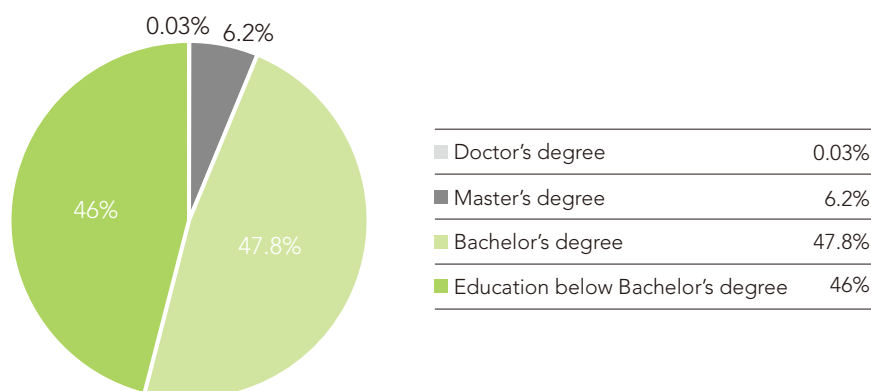
There were 100,575 employees engaged in property services, increased by 25.5% from the previous year. The average age was 31.3 and the average year of service was 1.4. In terms of education level, 0.01% held doctoral degree, 0.4% held master's degree, 13.2% with bachelor's degree, 86.4% with education below bachelor's degree, and 13.6% with bachelor's degree or above.



Directors, Members of Supervisory Committee, Senior Management and Employees

(3) Other divisions

There were 11,558 employees engaged in the other divisions, increased by 0.4% from the previous year. The average age was 32.2 and the average year of service was 2.4. In terms of education level, 0.03% held doctor's degree, 6.2% held master's degree, 47.8% with bachelor's degree, 46.0% with education below bachelor's degree, and 54.0% with bachelor's degree or above.



The Group continued to uphold the principle of its remuneration policy, which is "to offer competitive salaries according to market principles so as to retain and attract high-calibre professionals". The remuneration of the Company's senior management members was determined not only with reference to market level but also in accordance with the growth in the overall operating results of the Company. During the Reporting Period, the Company has accrued staff remuneration benefit with an aggregate amount of RMB17.54 billion.

The Group always upholds the principle of "Talent is the most precious treasure for the Group" and continues to put in more efforts on training and managing talents. The Group has established decentralized colleges of various BG/BUs represented by the Headquarter Fendouzhe University, Pujiang Institute and School of Property Knowledge, and also developed a layered and classified talent training system with relevant provisions and procedures for the respective business and regional characteristics, constantly improving the professional skills of employees and expand their horizons and thinking. Based on the Group's vision, Fendouzhe University regularly organizes projects such as "Mount Everest Action", "Vanke Lecture Hall", "Open Courses of the Group" and "Discover Vanke", building a "Fun Learning" to fully utilize the settled and passed-out wisdom and to continue to enrich the learning resources; and the various decentralized colleges have also established a comprehensive training programme to cover all the "three types of new employees" (i.e. new employees, new managers and new general managers), various business scenarios such as the development of professional lines in business design, engineering, marketing, customers) and business services such as property services, leased residences, and ski resort.

The Group upholds "humanitarianism" and believes that "people are the starting point of innovation and talents are the rivers of rationality". Therefore, the Group is committed to "providing a stage for talents for each person with our cause" and creating self-challenge and opportunities for continuous learning and development of the challengers.

The Company has always abided by its corporate values: simplicity, transparency, standardisation and responsibility. It had strictly complied with the requirements of the laws, regulations and regulatory documents governing listed companies and continued to fine-tune its corporate governance structure and enhance its regular operation level. The general meeting, the Board of Directors, the Supervisory Committee and senior management of the Company performed their respective power and obligations in strict accordance with the duties and responsibilities ascribed to them in the Articles of Association of the Company.

8.1 Overview of Corporate Governance

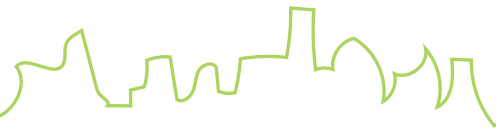
During the Reporting Period, the Company strictly complied with the Company Law, the Securities Law, the Governance Guidelines of Listed Company, relevant laws and regulations in Hong Kong and the SEHK Listing Rules and in light of the actual situation of the Company, continuously improved the standard operation of corporate governance.

Provision A.6.7 of the Corporate Governance Code states that independent non-executive directors and other non-executive directors should attend general meetings and develop an unbiased understanding of the views of shareholders. During the Reporting Period, the Company held a total of one general meeting. Due to other important matters at the relevant time, part of the directors did not attend the general meeting. For the attendance of directors, please see this section headed "Attendance of directors at the general meeting" under "8.4 Shareholders and General Meeting" in this Report.

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

The Company has established a corporate governance structure with complete functions and checks and balances. The general meeting, the Board, the Supervisory Committee and senior management exercise their rights and obligations in strict accordance with the responsibilities stipulated in the Company's Articles of Association, and effectively implement corporate governance and safeguard the interests of shareholders and the Company by giving full play to the specialized committees of the Board of Directors and independent directors, to ensure sustained and sound development of the Company. In 2019, the Company won several awards such as the "Best A Shares Listed Company Award in Real Estate Industry" issued by Asia Money and the "2019 Golden Quality Listed Companies Selection Campaign – Corporate Governance Award" by *Shanghai Securities News*.

The directors, supervisors and senior management officers of the Company also complied with Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the SEHK Listing Rules. The directors, supervisors, senior management officers and employees of the Company complied with relevant requirements in the Insider Information and Informer Management System and Rules for the Trading of Securities by Employees of the Company and other regulatory framework, to strictly control and prevent insider information. During the Reporting Period, the Company did not have an informer with insider information conducting irregular trading of securities of the Company.



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

The business, staff, asset, organization and finance of the Company are completely independent from those of SZMC, the largest shareholder, the Company has its own independent and complete businesses and possesses the capabilities for independent operation. The Company had not taken any actions that would violate the code on corporate governance practices such as reporting to SZMC on any undisclosed information.

8.3 An Overview on Competition

Applicable Not applicable

8.4 Shareholders and General Meeting

(1) General meeting held during the Reporting Period

Convention of general meetings

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

On 28 June 2019, the Company held the annual general meeting of 2018 at Vanke Center, No.33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China. The shareholders of A Shares and H Shares of the Company participated in the general meeting by way of on-site meeting and internet voting (only applicable to A Shareholders), with shareholding representing 68.52% of the total issued share capital of the Company. For details, please refer to the announcements dated 28 June 2019 and 29 June 2019 disclosed on the website of SEHK (www.hkexnews.hk) and the website of cninfo (www.cninfo.com.cn) respectively.

Attendance of directors at the general meeting

During the Reporting Period, directors made efforts to attend the general meeting in person and actively understand the views of shareholders. The attendance of directors at the general meeting is as follows¹:

Name	Position	Attendance in Person (Number)
YU Liang	Chairman, Executive Director	1
LIN Maode	Vice Chairman, Non-executive Director	0
KANG Dian	Independent Non-executive Director	0
LIU Shuwei	Independent Non-executive Director	1
NG Kar Ling, Johnny	Independent Non-executive Director	1
LI Qiang	Independent Non-executive Director	0
SUN Shengdian	Non-executive Director	1
CHEN Xianjun	Non-executive Director	0
WANG Wenjin	Executive Director	1
ZHANG Xu	Executive Director	1

¹ Certain directors of the Company did not attend the general meeting in person due to business engagements.

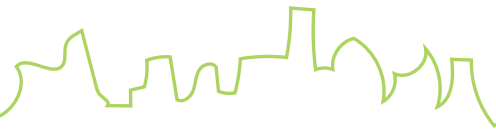
(2) Request for convening of extraordinary general meeting by preferred shareholders with recovered voting rights

Applicable Not applicable

(3) Shareholders' right

Convening of extraordinary general meeting

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



Proposal of resolution at general meeting

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

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

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

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

Convening of extraordinary meeting of the Board

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

Enquiry to the Board

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

During the Reporting Period, the Articles of Association has been modified by the Company on 13 November 2019, in accordance with the resolution passed on the Twenty-fourth meeting of the Eighteenth Session of the Board. The latest version of the Articles of Association can be inspected on the website of SEHK and the Company respectively.

(4) Investor relations

As at the end of 2019, the Company has 9,724,196,533 domestic shares (A Shares) issued, representing 86.04% of total shares of the Company; 1,577,946,468 overseas shares listed on SEHK (H Shares) and issued to overseas investors, representing 13.96% of total shares of the Company. H Shares are all public float and its total market value as at the end of 2019 was approximately HK\$52,467 million. For details, please refer to “Section 6 Changes in Share Capital and Information on Shareholders” in this Report.

The Company weigh the importance of investor relations, and focus on interaction and communication with investors through various means. The details on the Company’s meetings with investors in 2019 can be referred in “4.5 Details on the Company’s Investor Relations Activities and Investor Protection” in “Section 4 Directors’ Report” in this Report.

8.5 Board of Directors

(1) Composition of the Board

In accordance with the Articles of Association, the Board of the Company shall comprise eleven Directors and shall have one Chairman and one to two Vice Chairman(s). On 15 January 2019, Mr. XIAO Min resigned from his directorship due to public duties. Currently, the Board of the Company consists of ten Directors with one Chairman and one Vice Chairman, and the member of the Board include three executive Directors, three non-executive Directors and four independent non-executive Directors.

The detailed list of Directors is as follows:

Executive Directors: Mr. Yu Liang (Chairman), Mr. Wang Wenjin, Mr. Zhang Xu.

Non-executive Directors: Mr. Lin Maode (Vice Chairman), Mr. Sun Shengdian, Mr. Chen Xianjun.

Independent Non-executive Directors (Independent Directors): Mr. Kang Dian, Ms. Liu Shuwei, Mr. Ng Kar Ling, Johnny, Mr. Li Qiang.

(2) Duties and responsibilities of the Board and management

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

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

(3) Performance of duties of the Board**Board meeting**

During the Reporting Period, the Board held a total of 10 meetings, including 4 on-site meetings and 6 communication votings. The attendance of Directors at the Board meeting is as follows:

Name	Position	Number of Board Meetings	Board Meeting		
			Attendance in person	Attendance by authorized person	Absence
YU Liang	Chairman, Executive Director	10	10	0	0
LIN Maode	Vice Chairman, Non-executive Director	10	7	3	0
KANG Dian	Independent Non-executive Director	10	9	1	0
LIU Shuwei	Independent Non-executive Director	10	10	0	0
NG Kar Ling, Johnny	Independent Non-executive Director	10	10	0	0
LI Qiang	Independent Non-executive Director	10	10	0	0
SUN Shengdian	Non-executive Director	10	10	0	0
Chen Xianjun	Non-executive Director	10	10	0	0
WANG Wenjin	Executive Director	10	10	0	0
ZHANG Xu	Executive Director	10	10	0	0

(1) Four on-site Board meetings held in 2019

The Eighteenth Meeting of the Eighteenth Session of the Board

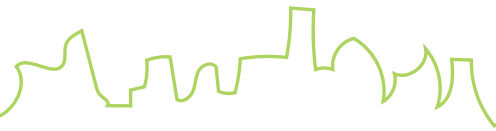
On 25 March 2019, the Eighteenth Meeting of the Eighteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 25 March 2019, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 26 March 2019.

No.	Resolution
1	The Company's Major Tasks for the Year 2019
2	The audited financial report for the Year 2018
3	The 2018 Annual Report and its Summary
4	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Asset Value for the Year 2018
5	The Proposal on Profit Appropriation for the Year 2018
6	The Internal Control Assessment Report for the Year 2018
7	The Resolution in relation to the Implementation of the Amended Leasing Policies
8	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2019
9	The Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2018
10	The Corporate Social Responsibility Report for the Year 2018
11	The Resolution Regarding Proposal to the General Meeting for Authorisation of Financial Assistance by the Company and majority-owned subsidiaries to Third Parties
12	The Resolution Regarding the Establishment of Environmental, Social and Governance Work Group of the Company

The Nineteenth Meeting of the Eighteenth Session of the Board

On 29 April 2019, the Nineteenth Meeting of the Eighteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 29 April 2019, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 30 April 2019.

No.	Resolution
1	2019 First Quarterly Report and the Financial Statement
2	The Resolution in relation to Authorize the Issue of Direct Debt Financing Instruments at the General Meeting



The Twenty-second Meeting of the Eighteenth Session of the Board

On 20 August 2019, the Twenty-second Meeting of the Eighteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 20 August 2019, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 21 August 2019.

No.	Resolution
1	2019 Interim Report and its summary, Financial Statements, and Results Announcement
2	Resolution Regarding There Will Be no Distribution of Dividend nor Capitalisation of Equity Reserve for the 2019 Interim Period
3	Resolution Regarding Provision of Guarantee for the loans obtained by Shanghai Shenyang Company (Joint Venture) in proportion to its shareholding
4	Resolution Regarding the Board of Directors to Authorize the President of the Company to Handle Matters Related to the Issuance of Debt Financing Instruments with full authorization

The Twenty-third Meeting of the Eighteenth Session of the Board

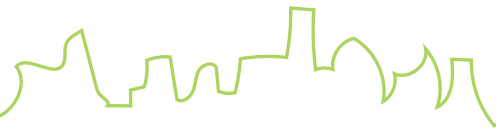
On 24 October 2019, the Twenty-third Meeting of the Eighteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 24 October 2019, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 25 October 2019.

No.	Resolution
1	Resolution Regarding Provision and Reversal of Inventory Impairment
2	2019 Third Quarterly Report and the Financial Statement

(2) 6 votings via telecommunication by the Board in 2019

No.	Times of Meetings of the Eighteenth Session of the Board	Date of Submission to the Board	Resolution
1	Seventeenth Meeting	15 March 2019	Resolution Regarding Further Authorizing the Chairman of the Board to deal with matters in relation to the issuance of overseas listed foreign shares (H shares) under the General Mandate Resolution Regarding Changes Arising from the Entering into of an Agnt Agreement between H Share Dividend Company and the Hong Kong Trust Institution
2	Twentieth Meeting	5 May 2019	Resolution Regarding the General Mandate to Issue H Shares of the Company Resolution Regarding Holding 2018 Annual General Meeting
3	Twenty-first Meeting	7 May 2019	Change of Financial Principal
4	Twenty-fourth Meeting	8 November 2019	Resolution Regarding the Issuance of Overseas Listed Foreign Shares (H Shares) Scheme under the General Mandate Resolution Regarding Authorizing the Chairman of the Board to Handle Issues Related to the Issuance of Overseas Listed Foreign Shares (H Shares) under the General Mandate Resolution Regarding Modifying the Relevant Terms of Registered Capital in the Articles of Association
5	Twenty-fifth Meeting	25 November 2019	Resolution Regarding Provision of Guarantee for the loans obtained by Beijing Wanqixiu (Joint Venture) Resolution Regarding Provision of Guarantee for the Financing of a Subsidiary
6	Twenty-sixth Meeting	9 December 2019	Resolution Regarding Change of positions such as Assistant Company Secretary of Hong Kong

Pursuant to relevant requirements, the progress and important facts of the related issues were published on the website of SEHK after trading hours at night on 7 May 2019, 13 November 2019, 24 November 2019 and 12 December 2019, and also published in China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and CNINFO Network on 8 May 2019, 14 November 2019, 28 November 2019 and 13 December 2019.



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

(1) Issue of bonds

The first extraordinary general meeting of 2018 considered and approved the Company's issuance (one-off or multiple issuances) of debt financing facilities not more than RMB35 billion. During the Reporting Period, the Group had completed the issuance of RMB500 million of Short-term Commercial Paper, with coupon rate of 3.18%; and in February and September 2019, the Group completed the issuance of corporate bonds specialized for rental housing with an amount of RMB2 billion and RMB2.5 billion, with a coupon rate of 3.65% and 3.55%, respectively, which were at relatively low levels when compared with the interest rates of debt instruments issued during the same period.

The Company's one-off or multiple issuances of direct debt financing instruments not more than RMB32 billion was considered and approved at the 2018 annual general meeting. In February 2020, the CSRC approved the Company's issuance of corporate bonds not exceeding RMB9 billion for qualified investors, and the corporate bonds specialized in rental housing not exceeding RMB3 billion issued to qualified investors in public. As at the date of this Report, the Company completed the issuance of RMB2.5 billion corporate bonds, amongst which, Variety I is a 5-year term (with the issuer's call option at the end of the third year, coupon adjustment option and investors' put option), with an issue size of RMB1.5 billion and a coupon rate of 3.02%. Variety II has a term of 7 years (with the issuer's call option at the end of the fifth year, coupon adjustment option and investors' put option), with an issue size of RMB1 billion and a coupon rate of 3.42%.

(2) Implementation of the proposal on dividend distribution for the year 2018

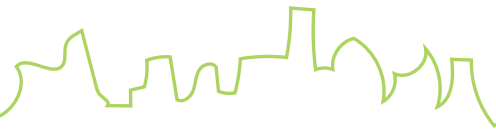
In accordance with the resolutions passed at the 2018 annual general meeting, the Board had proceeded with the implementation of the proposal on dividend distribution for 2018. The dividend distribution proposal for 2018 is as follows: a total of cash dividend of RMB11,811,892,641.07 (inclusive of tax) is proposed for distribution for 2018, representing 34.97% of the profit for the year attributable to equity shareholders of the Company for 2018. There will be no equity dividend or transfer of equity reserve to the share capital of the Company. If, based on the total number of 11,039,152,001 shares of the Company as at the end of 2018, a cash dividend of RMB10.70 (inclusive of tax) will be distributed for every 10 existing shares held. If there are any changes in the total number of shares on the record date for dividend distribution as a result of additional issue, repurchase, conversion of convertible bonds into equity and other circumstances, the dividend per share will be adjusted accordingly on the condition that the total dividend to be distributed remains unchanged.

The Company completed the placing of 262,991,000 new H Shares under the General Mandate on 4 April 2019. The total number of Shares increased from 11,039,152,001 to 11,302,143,001 Shares. Accordingly, the cash dividend payable for every 10 shares in 2018 will be adjusted from RMB10.70 to RMB10.451020 and the total cash dividend will remain unchanged.

The actual cash dividend paid to A shareholders and securities investment fund investors of A shares on the basis of every 10 existing shares held was RMB10.451020. When a shareholder transfers his/her shares, China Securities Depository and Clearing Corporation Limited (hereafter referred to as "CSDC") will, according to the Notice from the Ministry of Finance of the People's Republic of China, the State Administration of Taxation and China Securities Regulatory Commission Regarding Policies of Implementation of Differential Individual Income Tax on Dividends of Listed Companies (Cai Shui [2015] No. 101), withhold the amount exceeding the tax amount already deducted and such amount will be paid by the Company on its behalf, in accordance with the actual tax amount to be paid by the shareholder, which is calculated based on the holding period of the shares. Shareholding period is determined in unit of securities account of shareholders. According to the first-in, first-out principle, a supplementary tax amount of RMB2.090204 is required to be paid for transferring every 10 shares held within 1 month (inclusive); a supplementary tax amount of RMB1.045102 is required to be paid for transferring every 10 shares held over 1 month and less than 1 year (inclusive); no supplementary tax is required to be paid for transferring shares held over 1 year. An actual amount of RMB9.405918 cash dividend, after deducting a withholding income tax at a 10% rate, was paid to non-resident enterprise shareholders of A shares (including qualified foreign institutional investors and qualified foreign institutional investors of Renminbi) on the basis of every 10 existing shares held.

An actual amount of RMB9.405918 cash dividend, after deducting a withholding income tax at a 10% rate, was paid to the Hong Kong market investors holding the A shares of the Company through Shenzhen Hong Kong Stock Connect on the basis of every 10 existing shares held. For the Hong Kong market investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, by themselves or may entrust the Company to, apply to the competent tax authorities for the entitlement of the paid amount in excess of the tax payable based on the tax rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

For an individual shareholder of H shares who is a resident of a country or territory which has signed an dividend income tax treaty with the PRC, withholding income tax will be deducted at the relevant rate; for an individual shareholder who is a resident of a country or territory which has no dividend income tax treaty with the PRC, withholding income tax will be deducted at a 20% rate. The record date for A shares was 14 August 2019, and ex-dividend date was 15 August 2019, while the ex-dividend date of H shares was 19 July 2019, the record date for dividend distribution was 24 July 2019 and the date for dividend distribution was 15 August 2019. The exchange rate for H share's cash dividend was HK\$1 = RMB0.87692, being the median price of the exchange rate of Hong Kong dollars for Renminbi published by the People's Bank of China on the first working day (2 July 2019) after the approval of the dividend distribution proposal at the Company's 2018 annual general meeting.



(3) A general mandate to issue additional H shares of the Company

i. Authorization on 2017 annual general meeting

The 2017 annual general meeting approved the granting of a general mandate to the Board by a special resolution to authorise the Board to decide to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and/or deal with new H Shares not exceeding 20% of the amount of H shares in issue at the date of the approving of such mandate by the 2017 annual general meeting, with issuance price complying with requirements of Rule 13.36(5) of the SEHK Listing Rules and make or grant necessary or plausible necessary offers, agreements and options of placing H shares (including but not limited to options such as warrants, convertible bonds and other securities which carry rights to subscribe for or are convertible into H shares). The Sixteenth Meeting of the Eighteenth Session of the Board considered and approved the Resolution Regarding Matters Concerning Issue of Overseas-listed Foreign Share(s) (H Shares) under General Mandate and the Resolution Regarding Authorizing the Chairman of the Board to Handle Issues Related to the Issuance of Overseas Listed Foreign Shares (H Shares) under the General Mandate on 25 October 2018.

On 4 April 2019, the Company successfully allotted and issued a total of 262,991,000 new H Shares, representing approximately 16.67% and 2.33% respectively, of the total issued H Shares and the total issued share capital of the Company, with a par value of RMB1.00 each at the placing price of HK\$29.68 per H Share (being a discount of approximately 5.3% per H Share as quoted on the SEHK on the same day) to no less than six placees, who and whose ultimate beneficial owners are not connected persons (has the meaning ascribed to it under the Listing Rules) of the Company, in accordance to the placing agreement entered into on 27 March 2019 with the placing agents.

The aggregate gross proceeds from the placing are approximately HK\$7.81 billion. The net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing is HK\$29.72 per H Share after completion of the placing. The net proceeds from the Placing was used to repay the outstanding overseas debt financing of the Group in August 2019, and the use of proceeds from the placing is in line with the planned use of proceeds as disclosed by the Company.

The total number of shares of the Company increased to 11,302,143,001 Shares as a result of the placing of H Shares, of which 9,724,196,533 Shares were A shares and 1,577,946,468 Shares were H shares. The placing of H Shares help to further enhance the financial position of the Company and increase the proportion and liquidity of the H shares of the Company.

ii. Authorization on 2018 annual general meeting

The 2018 annual general meeting approved the granting of a general mandate to the Board by a special resolution to authorise the Board to decide to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and/or deal with new H Shares not exceeding 20% of the amount of H shares in issue at the date of the approving of such mandate by the 2018 annual general meeting, with issuance price complying with requirements of Rule 13.36(5) of the SEHK Listing Rules and make or grant necessary or plausible necessary offers, agreements and options of placing H shares (including but not limited to options such as warrants, convertible bonds and other securities which carry rights to subscribe for or are convertible into H shares). The Twenty-fourth Meeting of the Eighteenth Session of the Board considered and approved the Resolution Regarding Matters Concerning Issue of Overseas-listed Foreign Share(s) (H Shares) under General Mandate and the Resolution Regarding Authorizing the Chairman of the Board to Handle Issues Related to the Issuance of Overseas Listed Foreign Shares (H Shares) under the General Mandate on 13 November 2019.

(4) Training of directors

During the Reporting Period, the directors and supervisors of the Company attended various trainings, studies, observation and communication activities to gain continuous professional development, and enhanced external understanding and recognition of Vanke.

Mr. YU Liang, the Chairman of the Board, was invited to attend the seminar of the chairmen and general managers of listed companies guided by the Shenzhen Securities Regulatory Bureau and organized by China Association for Public Companies, Shanghai Stock Exchange, Shenzhen Stock Exchange and Shenzhen Public Companies Organization in December 2019, sharing the culture and governance concept of Vanke with over 200 chairmen, general managers, senior managers and leaders of regulatory agencies of listed companies. Chairman Mr. YU Liang systematically reviewed the development history of Vanke with the theme of "Enterprise which suit their actions to the time succeed". He thanked the economic reform and open up of Shenzhen, the capital market, and the golden age of the industry for giving Vanke the opportunity of development while demonstrating the effectiveness of implementing the concept of "Road of Certainty, Striving with Partners", and actively interacted with participating company executives on issues such as the corporate culture, Co-investment system, and corporate governance of Vanke. The sharing enhanced the understanding and recognition of Vanke by representatives of listed companies and regulatory authorities, and further enhanced Vanke's influence and benchmarking image in the capital market.

During the Reporting Period, Mr. SUN Shengdian as a director and Zhou Qingping as a supervisor took the course on compliance of directors and supervisors organized by Shenzhen Securities Regulatory Bureau; independent directors NG Kar Ling, Johnny, LI Qing and LIU Shuwei participated in the training for independent directors organized by Shenzhen Stock Exchange; director NG Kar Ling, Johnny participated in the closed-door exchange meeting organized by the China Association for Public Companies; All directors of the Company participated in the training on corporate environmental, social and governance (“ESG”) report.

In addition, the Company’s directors and supervisors inspected real estate and new business projects of the Company located in multiple places, in order to deeply understand the business status of the Company, and observed multiple renowned Shenzhen companies to learn and communicate advanced experience in technology research and development, corporate culture, and corporate governance.

(5) Independent Non-executive Directors

During the Reporting Period, there are seven non-executive Directors (including independent non-executive directors) in the Company, each with a term of three years, and four amongst them are independent non-executive Directors. Each independent non-executive Director has confirmed his/her independence through independence confirmation letter as required by Rule 3.13 of the SEHK Listing Rules with the Company, and the Company recognizes the independence of the independent non-executive Directors. In 2019, all independent Directors performed their duties with due diligence. Not only did they attend Board meetings and listen to the reports on matters relating to the Company, participate in discussion at specialised committees, and review documents of the Board, but also delivered independent opinion and constructive advice to the Company on bonus and dividend distribution, external guarantee, derivatives investment, appointment of accounting firm, appointment of senior management, and internal control.

1. Attendance of Independent Non-Executive Directors at the Board meetings

Attendance of Independent Non-Executive Directors at the Board meetings						
Name of independent non-executive Directors	Number of attendance required in the Board meetings during the Reporting Period	Attendance in person	Attendance by proxy	Number of Absent	If not attend in person for consecutive two times	
KANG Dian	10	9	1	0	No	
LIU Shuwei	10	10	0	0	No	
NG Kar Ling, Johnny	10	10	0	0	No	
LI Qiang	10	10	0	0	No	

2. Issues being disagreed by the Independent Non-executive Directors with the Company

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

(6) Specialized committees of the Board

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

The attendance in specialized committee meetings of each member

Name	Position	Audit Committee Meeting	Remuneration and Nomination Committee Meeting	Investment and Decision-making Committee Meeting
KANG Dian	Convener of Remuneration and Nomination Committee	-	3	-
LIU Shuwei	Member of Audit Committee	5	-	-
NG Kar Ling, Johnny	Convener of Audit Committee, Member of Remuneration and Nomination Committee	5	3	-
LI Qiang	Convener of Investment and Decision-making Committee	-	-	0
LIN Maode	Member of Remuneration and Nomination Committee	-	2*	-
CHEN Xianjun	Member of Audit Committee	5	-	-
SUN Shengdian	Member of Investment and Decision-making Committee	-	-	0
ZHANG Xu	Member of Investment and Decision-making Committee	-	-	0

* Director Mr. LIN Maode was absent from one meeting of the Remuneration and Nomination Committee due to certain reasons.

1. Audit Committee

The Audit Committee consists of Ng Kar Ling, Johnny (serving as convener) and Liu Shuwei, both being independent non-executive Directors, and Chen Xianjun, being a non-executive Director. It is responsible for auditing the Company's financial information, reviewing the internal control and coordinating the communication, supervising and inspecting of the Company's internal and external audit, and inspecting and evaluating the Company's risk management system.

During the Reporting Period, the Audit Committee convened 5 committee meetings in accordance with the provisions of the Articles of Association and Implementing Regulations of the Audit Committee of the Board (revised on 19 August 2016) and reviewed and discussed matters including the arrangement of annual audit, regular financial reporting, profit distribution plan, internal control, engagement of certified public accountants, economic profit bonus for the year, implementation of new accounting standards, and provision on and write-off inventory falling price reserves.

The Audit Committee reviewed the Company's annual financial statements for the year ended 31 December 2018, the first quarterly financial statements for the three months ended 31 March 2019, the interim financial statements for the six months ended 30 June 2019 and the third quarterly financial statements for the nine months ended 30 September 2019. Furthermore, the Audit Committee convened a meeting to review the unaudited financial report for the year 2019 and agreed to deliver it to the auditor for auditing. The Audit Committee also reviewed the audited financial report for the year ended 31 December 2019, and made recommendations to the Board for their consideration.

Meeting Time	Matter
13 March 2019	<p>Listening to the Report on the Progress of the Preparation of 2018 Annual Financial Statements</p> <p>Listening to the Auditor Report on the Progress of the Audit Work of 2018 Annual Financial Statements</p> <p>Considering the 2018 Financial Report and Submitting Them to the Auditor for Audit</p> <p>Listening to the Internal Control Self-evaluation Reports for the Year 2018</p> <p>Consideration for the Resolution in relation to the Newly Revised Leasing Policy</p> <p>Consideration for the Proposal to Renew the Appointment of Accounting Firm for the Year 2019</p> <p>Listening to the Reports on the Internal Audit Work for the Year 2018</p> <p>Listening to the Initial Reports on the Preparation of the Provision for Impairment in Asset Value for the Year 2018</p>
25 March 2019	<p>Consideration for the Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Asset Value for the Year 2018</p> <p>Consideration for the Audited Annual Financial Statements for the Year 2018</p>

Meeting Time	Matter
	Consideration for the Resolution Regarding Profit Appropriation for the Year 2018
	Consideration for the Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2018
	Listening to the Special Explanations and Independent Opinions of Independent Directors on the Capital Occupation and External Guarantees of Related Parties of the Company
29 April 2019	Consideration for 2019 First Quarterly Reports and Financial Statements
19 August 2019	Consideration for 2019 Interim Report, its Summary and Financial Statement, and Results Announcement
	Consideration for the Resolution Regarding no Distribution of Dividend nor Capitalisation of Equity Reserve for the 2019 Interim Period
	Other items communicated by the audit committee meeting
24 October 2019	Consideration for the Resolution Regarding Provision and Reversal of Inventory Impairment
	Consideration for 2019 Third Quarterly Reports and Financial Statements
	Other items communicated by the audit committee meeting

2. Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of Kang Dian (serving as convener) and Ng Kar Ling, Johnny, both being Independent Non-executive Directors and Lin Maode, a Non-executive Director. It is responsible for studying the selection criteria and procedures for directors and presidents and making recommendations to the board; actively looking for qualified candidates for directors and presidents; reviewing the candidates for directors and presidents and making recommendations to the board; studying the assessment standards for directors and presidents, conducting assessments and making recommendations; studying and reviewing the remuneration policies and programs of directors and senior management, and advise to the Board; reviewing the structure and composition of the Board and assessing the independence of independent directors; and so on.

The Remuneration and Nomination Committee has actively implemented the policy of diversity of Board members in its work. The selection of directors will be subject to a series of diversities, including but not limited to gender, age, cultural and educational background, and professional experience, skills, and knowledge. On this basis, the decision will be made in consideration of the objective conditions, including the comprehensive value of the potential directors toward the Company's business and development, their contribution could be brought to the Board, and guarantee of diversity for the Board members.

During the Reporting Period, the Remuneration and Nomination Committee convened 3 committee meetings in accordance with the provisions of the Articles of Association and Implementing Regulations of the Nomination and Remuneration Committee of the Board and discussed and reviewed matters including the economic profit bonus for the year, executive remuneration.

Meeting Time	Matter
24 January 2019	Resolution Regarding the Confirmation of the Company's 2018 Final Remuneration Package for Directors and Senior Management
25 March 2019	Resolution Regarding the 2018 Annual Economic Profit Bonus Resolution Regarding Deducting the Annual Appraisal Scores of certain Reward Targets
31 December 2019	Resolution Regarding Confirming the Amount of Chairman's 2018 Annual Economic Profit Bonus Notification on the Distribution Plan of Other Beneficiaries for the 2018 Annual Economic Profit Bonus

3. Investment and Decision-making Committee

The Investment and Decision-making Committee consists of Li Qiang (serving as convener), an Independent Non-executive Director, Sun Shengdian, a Non-executive Director and Zhang Xu, an Executive Director. It is responsible for studying the Company's long-term strategic planning and major investment and financing decisions, and other significant items and making recommendations.

During the Reporting Period, each member of the Investment and Decision-making Committee has actively focused on the "investment and decision-making businesses" in 2019 of the Company, and maintained intensive communication with the management of the Company, and a deep understanding on the status of business of the Company. During the Reporting Period, the Investment and Decision-making Committee did not hold decision-making meeting for specific projects.

8.6 Supervisory Committee

As at 31 December 2019, the Supervisory Committee consisted of three members, namely Mr. XIE Dong as the chairman of Supervisory Committee, Ms. ZHENG Ying as a member of Supervisory Committee, and Mr. ZHOU Qingping as a member of Supervisory Committee in the capacity as a representative of staff. The biographies of the supervisors are detailed in "Section 7 Directors, Members of Supervisory Committee, Senior Management and Employees". The number and composition of the Supervisory Committee meet the regulatory requirements and the provisions of the Articles of Association.

The main functions and powers of the Supervisory Committee include signing written assessment opinions on the Company's periodic reports, checking the Company's finances, and supervising the behavior of directors and senior management in performing company duties. For details of the performance of the Supervisory Committee in 2019, please refer to "Section 9 Report of Supervisory Committee".

8.7 Compliance with the Corporate Governance Code by the Company

(1) Corporate Governance Functions

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

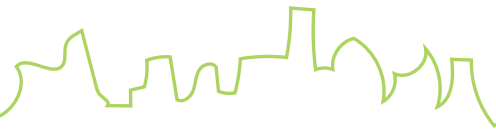
- (1) to formulate and review the corporate governance policies and practices;
- (2) to review and monitor the training and continuing professional development of the Directors and senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory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

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

(2) Chairman, President and Chief Executive Officer

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

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



8.8 Securities Transactions of Directors and Supervisors

The Company established rules like Management System for Insider Information and Insider and Rules Governing Employees Trading Securities of the Company. The requirements of the relevant internal rules of the Company are no less strict than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the SEHK Listing Rules (“Model Code”). During the Reporting Period, the Directors and Supervisors did not deal in the shares of the Company. After specified inquiries to the Directors and Supervisors, the Company confirmed that the Directors and Supervisors complied with relevant internal regulations of the Company and the Model Code, and did not conduct any securities transactions in breach of the Model Code.

8.9 Directors and Supervisors’ Interests in Contracts

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

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

Mr. ZHU Jiusheng, the President and Chief Executive Officer of the Company, was criticized by the SZSE as a then member of the board of Shenzhen Kondarl (Group) Co., Ltd. due to its failure in disclosure of its 2017 annual report and 2018 first quarterly report before 30 April 2018.

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

8.11 Relevant Information on Senior Management

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

(I) Composition of remuneration

The Group’s remuneration system consists of fixed salary, annual bonus and economic profit bonus.

1. **Fixed salaries.** All staff receive fixed salaries. The amount of a fixed salary is determined according to the importance of the position to the Company and the basic life needs of the staff. The higher the position hold, the smaller proportion the fixed salary will be in the total remuneration that goes with that position.
2. **Annual bonus.** The annual bonus is accrued based on the realization of the annual profit, and is distributed according to the net profit, sales revenue and event partnership, etc. During the Reporting Period, the “Resolution on Formulating the Annual Bonus Plan for 2017-2019” has been considered and approved at the second meeting of the 18th session of the Board of Directors, which clarified the calculation method for the Group’s 2017-2019 annual bonus.

3. **Economic profit bonus.** In 2010, in order to realize shareholder orientation, align business decisions with shareholders' interests and encourage continuous achievement above market average performance, the Group made adjustment to the overall remuneration scheme, by reducing the accrued proportion of annual bonus and introducing economic profit scheme which was approved by the twelfth meeting of the fifteenth Session of the Board, and is calculated based on economic profits (EP). Currently, the Company's economic profit bonus plan was considered and approved at the Fourth Meeting of the Eighteenth Session of the Board in January 2018.

Beneficiaries of the economic profit bonus include Directors, members of the Supervisory Committee, the Group's management staff, as well as staff for the important roles they play in the business of the Group or for their outstanding contribution, who are working full-time at the Company.

Regarding economic profit (EP) bonus each year, a fixed rate of 10% of the economic profit will be accrued or returned, with a two-way (upward or downward) adjustment mechanism. In other words, if the Company's EP for the year is positive, a corresponding amount of the EP with fixed percentage will be accrued; on the other hand, if the Company's EP for the year is negative, an amount corresponding to the fixed percentage will be returned from the deferred bonus pool, (referred to as "contingent return"). The EP bonus allocated each year is in a deferred lock-up period for three years after such allocation ("lock-up period"). For the time being, it is a restricted bonus. The beneficiaries entrust the entitlements in the restricted bonus accounts for economic profit bonus to third parties for investment and management to obtain investment gain and bear investment loss accordingly, and won't bear any obligation to the Company after the expiry of deferred lock-up period.

(II) Appropriation for economic profit bonus for 2018

The total amount of economic profit bonus of the Company in 2018 was RMB1.74 billion.

The Proposal on Adjustment of the Remuneration Scheme of Directors and Supervisors of the Company was approved on the first extraordinary general meeting of 2018, which specified that the distribution proportion of economic profit bonus for allocation to the Chairman of the Board is set at 1.8% to 2.2% of the annual economic bonus of the Company, and the specific proportion shall be determined by the Remuneration and Nomination Committee under the Board on an annual basis. Accordingly, confirmed in the ninth meeting of the Remuneration and Nomination Committee under the Eighteenth Session of the Board, the economic profit bonus amount of 2018 obtained by the Company's directors, supervisors and senior management is as follows:

Name	Position	Economic profit bonus amount of 2018 distributed after tax (RMB)
YU Liang	Chairman of the Board	19,309,320
ZHU Jiusheng	President and Chief Executive Officer	13,015,627
XIE Dong	Chairman of Supervisory Committee and Chairman of Labour Union of the Company	10,164,192
WANG Wenjin	Directors, Executive Vice President and Financial Principal	9,971,253
ZHANG Xu	Directors, Executive Vice President and Chief Operation Officer	11,589,909
ZHU Xu	Secretary to the Board	4,486,052
ZHOU Qingping	Employee Representative Supervisor	1,724,170
Total		70,260,523

(III) Appropriation for Economic Profit Bonus for 2019

On 17 March 2020, the total amount of economic profit bonus of the Company in 2019 was confirmed as RMB1.9997 billion on the Twenty-seventh Meeting of the Eighteenth Session of the Board. The economic profit bonus of 2019 is proposed to be distributed after the annual general meeting of 2019, and the details of distribution to directors, supervisors and senior management will be disclosed in the annual report of 2020.

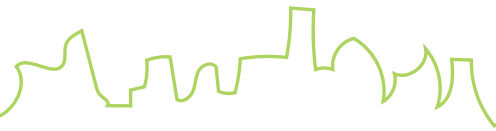
(IV) Shares of the Company held by “collective bonus” of economic profit bonus

In 2014, under the influence of the overall situation of the capital market, the stock price of the Company continued to be sluggish. The capital market eagerly expected the major shareholders and senior management team of the Company to increase their shareholdings in the Company to boost market confidence. In response to the expectations of the capital market, the beneficiaries of the “collectively bonus” voluntarily agreed to buy A Share of Vanke through Guosen Jipeng No.1 and No.2 Classified Collective Asset Management Plans (hereinafter referred to as “Jipeng Plan”), using the funds from the accounts of the “collectively bonus” as the inferior-grade investment. From 28 May 2014 to 28 January 2015, Jipeng Plan acquired a total of 495,934,792 A shares of Vanke, representing 4.39% of current total share capital of the Company, and made voluntarily disclosure. From 29 January 2015 and up to now, Jipeng Plan neither increase nor decrease its shareholding in A shares of Vanke.

(2) Company secretary

The Company Secretary is Ms. Zhu Xu. During the Reporting Period, the Company has appointed Mr. Chan Wing Kit and Ms. Yip Hoi Man (who works in Hong Kong) before and after, respectively, as Assistant Company Secretary to assist Ms. Zhu Xu in order to satisfy the requirements in Rules 3.28 and 8.17 of the SEHK Listing Rules. During the Reporting Period, Ms. Zhu Xu has obtained the qualification of a member of the Hong Kong Institute of Chartered Secretaries and also meets the requirements under Rule 3.28 of the Listing Rules. In 2019, both Ms. Zhu Xu, Mr. Chan Wing Kit and Ms. Yip Hoi Man have received over 15 hours of relevant profession trainings according to the requirements in Rule 3.29 of the SEHK Listing Rules.

Since Mr. Chan Wing Kit has resigned as Assistant Company Secretary and all other positions appointed by the Company on 12 December 2019, the Company has appointed Ms. Yip Hoi Man (who works in Hong Kong) to take the position as Assistant Company Secretary, alternate authorized representative for SEHK, and the agent to accept the service of process and notices on behalf of the Company in Hong Kong under Rule 19A.13(2) in SEHK Listing Rules and authorized representative under Schedule 16 of Companies Ordinance (Chapter 622 of the laws of Hong Kong) on the same day.



8.12 Internal Control and Risk Management

In 2019, the risk identification, monitoring, prevention and other functions of the Company at the Board level and internal management level were further improved and strengthened. The Board delegated the audit committee to assess and determine the Company's maximum exposure to risks in achieving its strategic objectives and the nature of such risks, and examine and assess the effectiveness of implementation of the risk management system established by the Company. The internal risk management committee was responsible for the identification, prevention and control of risks at company level, gradually established the risk management function in business groups/units and front-line companies, and conducted risk identification and assessment.

Meanwhile, the Board of the Company is responsible for establishing, improving and effectively implementing the internal control in accordance with the requirements of internal control standard system of enterprises as well as assessing its effectiveness. The audit committee under the Board is responsible for risk management, reviewing the internal control of the Company, supervising the effective management and self-assessment of internal control, guiding and coordinating the internal audit and other related matters.

The Company conducts self-assessment of internal control on an annual basis. The time range of assessment in 2019 was from 1 January 2019 to 31 December 2019, and the scope of assessment included internal environment, risk assessment and control activities, information and communication and internal supervision. Independent assessment on the design, efficiency and effectiveness of the Company's internal control was also conducted through risk inspection, internal audit and inspection by Supervisors, and the internal control audit report was issued by KPMG Huazhen LLP.

The Board is of the view that there is no major defect in the Company's established internal control system in terms of completeness, compliance, effectiveness and other respects. In 2019, the Company maintained effective internal control of financial reporting, and was not aware of any major defect in the internal control of non-financial reporting matters.

The Company formulated the Measures on the Administration of Information Disclosure of China Vanke Co., Ltd. and adopted the multi-level approving procedures to control and ensure that all types of information are delivered to external users through appropriate ways in a timely, accurate and complete manner.

The internal control and risk management systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is of the view that there is no material uncertainty that may have material effect on the Company's ability to continue as a going concern. After due assessment, it is concluded that major risks faced by the Company currently and respective countermeasures are as follows:

(I) Environment risk

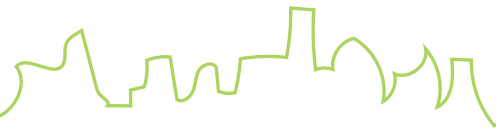
The industry in which the Company operates is closely related to the macro-economy and people's livelihood. In 2019, domestic and foreign risk challenges have risen significantly. Economic structural, institutional and cyclical issues intersected and increased the downward pressure on growth. Some of the traditional factors which have contributed to economic growth over a long period of time, such as demographic dividends, capital investment and export mobility, have all shown signs of fatigue. At the same time, the COVID-19 epidemic in early 2020 seriously affected the normal operation of various industries, and the real estate market was particularly affected. In the first half of 2020, industry sales declined while the inventory rose. Long-term performance will depend on the duration of the epidemic as there are still uncertainties.

In order to better respond to the opportunities and challenges from the changes in economy environment and policies, the Company carried out in-depth study on the macro-economy policy direction and dynamics, proposed to "Concentration and focus, consolidate and improve the fundamentals", adhered to the long-term operation guidelines of "Customer-oriented, cash flow-based, striving with partners, continuously creating more realistic values and achieving quality development". The Company focused on the fundamentals business with solid market demand and clear business prospects, won customers with "good housing, good services and good community", strengthened cash flow management and further enhanced the Company's ability to cope with market uncertainties.

(II) Project development risk

During the development process of different property types and large-scale projects, it is challenging to strictly adhere to life safety and the bottom line of quality, achieve the target of project development on schedule with good quality and strict cost control in a safe manner. Delay in supply of construction materials, unskilled construction workers, labor disputes, safety accidents, natural disasters, adverse weather and other factors, may bring risks such as construction progress, project cost, housing quality and customers satisfaction, and thus affecting the results of operation and reputation of the Company.

The Company has established various systems for management of quality, progress, safety, material and cost of project development. Project management staff of business groups and front-line companies monitoring project progress, construction quality and work site on a timely basis. It conducted strict assessment on suppliers and implemented stringent control on construction changes, improved construction safety protection measures and set specific assessment indicators. In addition, provided that the construction safety is ensured, the Company also improved the quality and efficiency of management by enhancing the technological level of project management, launching intelligent construction site and continuously promoting the wide application of industrialized construction system and building information model. Under the business idea of "Centering on Customers", the Company actively conducted customer satisfaction research and follow-up so as to timely respond to demands of customers. The Company created and continuously improved online customer service platforms in order to enhance products and services through online services.



(III) New business risk

Based on the development strategy of being an “city and town development and services provider”, the Company strives to achieve mutual growth with the city and its customers. It gradually enriched its product and service system in accordance with the changes in customer demands. New businesses such as rental housing, commercial development and operation, logistic & warehousing service, skiing resorts, education and elderly care continued to develop, while many of them have established independent BU to operate in order to fully serve the new requirements of “better life” as a “solution provider of better life”.

In the Internet era, the business environment in which new businesses are located is changing, customer habits still need to be cultivated, and standard business models need to be explored. Therefore, how to effectively improve the efficiency of capital utilization, the level of operational business returns and customer satisfaction are still important challenges faced by the Company. Under the long-term operation guidelines, the Company focuses on the overall strategy to develop and invest in new businesses based on cultivating business models and strengthening business service capabilities. Through a three-year business plan, the Company clearly sets out the development direction and core of capacity building of new businesses, sets periodic development goals for new businesses at different development stages. Systematically monitoring and evaluating the development quality and taking corresponding management measures. Providing organizational resources support for new businesses and strengthening their operational capabilities through the establishment of a business partner mechanism. During the period, the Company continued to accumulate various types of new business operation experience, strengthened the communication and coordination among various businesses, and promoted the continuous improvement of the overall operation standard.

(IV) Human resources risk

It is an important issue to find the right talents and get things done, and realize dynamic matching of people to meet the needs of the development of the undertaking outside the construction of organization. On one hand, the management should reach a consensus and find a breakthrough solution on how to make breakthroughs in the inertial thinking and path reliance in connection with hunting and utilization of personnel, accurately identify the required ability puzzles to complete tasks, and how to attract the most suitable and excellent personnel to join the Company by providing them with platforms to fulfill their potential and utilizing the Company’s career, culture and mechanism advantages. On the other hand, in the context of the increasing size, demographic distribution and enhancing complexity of different businesses, and even due to the frequent occurrence of head-hunting by other companies in the industry, the Company faces the risk of diluted human resources and capability reserve, thus lagging behind the needs of the business development.

In 2019, the Company continued to promote the reconstruction of the organization and the matching of talents. On the one hand, taking advantage of the business partner system to reshape the organizational structure and operating mechanism, strengthen target recognition, and improve collaboration efficiency. On the other hand, comprehensively reconstructing positions, ranks, and the remuneration scale system, achieving dynamic personnel matching through the annual dynamic review, “Da Jiang Da Hai” and other methods, in order to stimulate everyone’s striving potential, improve organizational capabilities, while responding to career challenges while achieving more talents.

(V) Compliance risk

The Company’s operation is subject to a wide range of policies and regulations, including the company ordinance of the region where it locates, financial and taxation regulations, regulations in relation to property sales and construction and listing rules of Hong Kong and mainland China etc., and the requirements and changes of laws, regulations and policies may also affect the Company. In 2019, the Company actively complied with laws, regulations and policies, and continuously improved its knowledge and management awareness of compliance requirements.

The Company has designated special personnel to study new regulations and policies and make relevant arrangements, and reflected the requirements of relevant laws and regulations in its business activities and operation management in a timely manner. The Company also invited internal and external experts to provide trainings and updated information and assigned experienced staff and consulted external experts for handling compliance matters, and conducted regular internal control check and internal audit in order to comply with various relevant regulations, policies and guidelines.

(VI) Data security risk

In the Internet era, maintaining a proper operation of information systems and strengthening the confidentiality of information has become one of the focuses of daily management. In recent years, businesses of the Company are increasingly diversified and the business process is complex and diverse, the volume of data has expanded rapidly while the sensitivity of data continued to increase. Higher requirements have been placed on the physical security and network security of information systems, and they have also brought challenges to a series of tasks such as information system planning, development, operation, and continuous upgrading.

The company continues to carry out information construction work, covering various core businesses, various control processes and sections, consolidating data between various systems through integration to ensure the accuracy and timeliness of data processing. At the same time, the company actively promotes the planning, design, and implementation of information security work, formulates and implements information security management systems and security principles, regulating the activities of internal and external transmission of management information, and strengthening the prevention of malicious external invasion to protect the security of its customers information. Improving information security compliance, reducing information security risks, and protecting the company’s information systems and information assets.

(VII) Corruption risk

The “fundamental principles in operation and team with striving partners” is the core values of Vanke. The Company advocated the healthy and sunshine corporate culture by improving the sunshine system, required all employees to abide by the principle of honesty and trustworthiness, and set up an effective working system featuring proper assumption of responsibilities and duties as well as the checks and balances

The Company takes a zero-tolerance attitude to corruption and has set up “Vanke Whistle-blowing Network” to publicize its anti-corruption policy and provide a channel to receive corruption reporting given internally and externally. The Headquarter and each business group added the supervisory audit function by designating special personnel to perform internal anti-corruption duty and conduct special investigations to bring the role of supervisor into play. The Company constantly improved its integrity system by requiring all staff to make regular reporting on potential conflict of interest, conducting integrity certification and integrity condition investigation, signing integrity undertaking, and entering into the Sunshine Cooperation Agreement with all partners to create a healthy and clean operation environment, providing an assurance for healthy development of the business.

During the Reporting Period, the audit committee of the Company reviewed the effectiveness of the Company’s risk management and internal control system and procedures. According to the review result of the audit committee, the risk management and internal control system and procedures was effective and adequate during the Reporting Period.

8.13 Audit

1) Appointment and remuneration of auditors

Please refer to “Appointment of certified public accountants” in “Significant Events”.

2) Confirmations by Directors and auditors

All Directors of the Company confirmed their responsibilities for the preparation of consolidated financial statements for the year ended 31 December 2019. KPMG, the auditor of the Company, confirmed its auditor’s responsibilities for the audit of the consolidated financial statements in the Independent Auditor’s Report of the financial statements for the year ended 31 December 2019.

In 2019, the Supervisory Committee of the Company stood firmly on the Company's culture and values, diligently performed their duties and safeguarded the interests of the Company, its shareholders and employees, in accordance with the requirements of Company Law and Articles of Association.

The main duties of the Supervisory Committee for the year 2019 were presented as follows:

9.1 Convention of Meetings

In 2019, a total of 4 meetings were held by the Supervisory Committee, review and approved 19 resolutions. The details of the meetings and resolutions were as follows:

(1) The Fourth Meeting of the Ninth Supervisory Committee

The Fourth Meeting of the Ninth Supervisory Committee was held on 25 March 2019. The meeting considered and approved the following resolutions:

No.	Issues for consideration and approval
1	The Company's Major Tasks for the Year 2019
2	The Audited Financial Report for the Year 2018
3	The 2018 Annual Report and its Summary
4	The Report of the Supervisory Committee of the Company for the Year 2018
5	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Asset Value for the Year 2018
6	The Proposal on Profit Distribution for the Year 2018
7	The Internal Control Assessment Report for the Year 2018
8	The Corporate Social Responsibility Report for the Year 2018
9	The Resolution Regarding the Implementation of the Newly Revised Leasing Policy
10	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2019
11	The Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2018
12	The Resolution Regarding Proposal to the General Meeting for Authorisation of Financial Assistance by the Company and majority-owned subsidiaries to Third Parties

Report of Supervisory Committee

(2) The Tenth Meeting of the Ninth Supervisory Committee

The Tenth Meeting of the Ninth Supervisory Committee was held on 29 April 2019. The meeting considered and approved the following resolutions:

No.	Issues
1	2019 First Quarterly Report and the Financial Statement
2	The Resolution in relation to Authorize the Issue of Direct Debt Financing Instruments at the General Meeting

(3) The Eleventh Meeting of the Ninth Supervisory Committee

The Company submitted to the Eleventh Meeting of the Ninth Supervisory Committee on 20 August 2019, which considered and approved the following resolutions.

No.	Issues
1	2019 Interim Report, its Summary and Financial Statement, and Results Announcement
2	The Resolution Regarding No Distribution of Dividend nor Capitalisation of Equity Reserve for the 2019 Interim Period
3	The Resolution Regarding Provision of Guarantee for the loans obtained by Shanghai Shenyang Company (Joint Venture) in proportion to its shareholding

(4) The Twelfth Meeting of the Ninth Supervisory Committee

The Twelfth Meeting of the Ninth Supervisory Committee was held on 24 October 2019. The meeting considered and approved the following resolutions:

No.	Issues
1	The Resolution Regarding Provision and Reversal of Inventory Impairment
2	2019 Third Quarterly Reports and Financial Statements

9.2 Performance of Duties by Members of the Supervisory Committee

During the Reporting Period, all the 4 meetings were held by the Supervisory Committee according to the Articles of Association, and all members of the Supervisory Committee who have the right to participate, or actively participated in the meetings through electronic communication.

9.3 Inspection Tours

In 2019, the Supervisory Committee of the Company carried out more inspecting and visiting work on each BG and BU. Through on-site inspection, meetings and seminars, risk training, audit and specialized inspections, the committee inspected and supervised the operation, risk management, internal control, the management's performance of duties, protection of shareholders' and employees' interest of the BG and BU using technology. It covered financial, investment, marketing, fund-raising, construction cost, cooperation and other aspects. The committee supervised relevant personnel to diligently perform their duties, control risks and fine-tune their internal control systems, to prevent professional ethics risk.

9.4 Independent Opinions on Certain Issues of the Company

(1) Statutory compliance

In 2019, members of the Supervisory Committee continued to supervise the Company's operations through attending Board meetings, operation decision meetings, reviewing reports on special projects, on-site inspection and meeting with staff. The Supervisory Committee is of the view that the decision-making procedures of the general meeting and the Board are lawful and that the Board and the management team of the Company have faithfully fulfilled the resolutions at the general meeting in compliance with the relevant laws, regulations and the Articles of Association.

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

(2) Financial monitoring

In 2019, the Supervisory Committee continued to review the Company's financial situation through the review of financial reports and inspection tours, and monitored the Company's operation and its risks. The Supervisory Committee also provided audited opinions to each regular report and was of the opinion that the procedures for the preparation and review of regular reports by the Board of the Company were in line with laws, administrative regulations and the provisions of the CSRC, and the contents of the reports reflected the actual situation of the Company in a true, accurate and complete manner, without any false records, misleading statements or major omissions.

(3) Assessment Report on Internal Control

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

In 2020, the Supervisory Committee of the Company will continue to fulfil their duties, faithfully and diligently perform their supervisory duties and safeguard the interest of the Company, its shareholders and employees, surrounding the overall operational objectives and key tasks of the Company and in accordance with the provisions of Company Law, Securities Law, Articles of Association and the listing rules.

10.1 Basic Information of Corporate Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	The way of repay capital with interest
China Vanke Co., Ltd. corporate bonds in 2015 (first tranche)	15 Vanke 01	112285	25 September 2015 to 28 September 2015	25 September 2020	500,000	3.50%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. corporate bonds in 2017 (first tranche)	17 Vanke 01	112546	14 July 2017 to 18 July 2017	18 July 2022	300,000	4.50%	
China Vanke Co., Ltd. corporate bonds in 2017 (Second tranche)	17 Vanke 02	112561	3 August 2017 to 4 August 2017	4 August 2022	100,000	4.54%	
China Vanke Co., Ltd. 2018 corporate bonds specialized in rental housing to qualified investors in public (first tranche)	18 Vanke 01	112742	8 August 2018 to 9 August 2018	9 August 2023	150,000	4.05%	
China Vanke Co., Ltd. 2018 corporate bonds specialized in rental housing to qualified investors in public (second tranche)	18 Vanke 02	112784	26 October 2018 to 29 October 2018	29 October 2023	200,000	4.18%	
China Vanke Co., Ltd. 2019 corporate bonds specialized in rental housing to qualified investors in public (first tranche)	19 Vanke 01	112844	25 February 2019 to 26 February 2019	26 February 2024	200,000	3.65%	
China Vanke Co., Ltd. 2019 corporate bonds specialized in rental housing to qualified investors in public (second tranche)	19 Vanke 02	112976	25 September 2019 to 26 September 2019	26 September 2024	250,000	3.55%	
Trading floor of corporate bonds for listing and trading	SZSE						
Qualified investors arrangement	The bond is 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 are issued publicly to qualified investors having a qualified account of A share securities in the Shenzhen branch of the China Securities Depository and Clearing Corporation Limited.						
Payment of interest and the principal amount of the corporate bonds during the Reporting Period	Interest is paid in full on time.						
Implementation of the special terms including the embedded options attached to the bonds given to the issuer or investors or exchangeable terms of the bonds during the Reporting Period (if applicable).	"17 Vanke 01", "17 Vanke 02", "18 Vanke 01", "18 Vanke 02", "19 Vanke 01" and "19 Vanke 02" were all attached with option for the Company to adjust coupon rate and option for investors to sell back at the end of the third year. During the Reporting Period, the abovementioned options were not executed.						

Information on Corporate Bonds

10.2 Bond Trustee and Credit Rating Institution

Bond trustee:

Name	CITIC Securities Co., Ltd.	Business address	Zhuoyue Time Square (Phase 2) North Tower, Zhongxin 3rd Rd No. 8, Futian, Shenzhen, Guangdong Province	Contact	Yang Fang, Chen Xiaodong, Zhang Xinjin	Contact Tel	010-60837028
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Credit rating institution which rate for the Company during the Reporting Period:

Name:	China Chengxin Securities Rating Co., Ltd.	Business address:	Level 8, An Ji Plaza, 760 South Xizang Road, Huangpu District, Shanghai
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During the Reporting Period, the changes in bond trustee and credit rating agencies appointed by the Company, the reasons of changes, the procedures performed and the impacts on the interest of investors (if applicable) N/A

10.3 Use of Proceeds from Corporate Bonds

Use of proceeds from corporate bonds and its compliance

The Company's use of proceeds strictly complies with the relevant regulations and requirements under the agreement of the prospectus for the issuance of the bonds, the Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), and the Rules Governing the Listing of Bonds on the Shenzhen Stock Exchange (《深圳證券交易所債券上市規則》). The disclosed information relating to the Company's use of proceeds from corporate bonds were true, accurate, complete, and provided in a timely manner and there were no violations regarding the use and management of proceeds.

The remaining balance at the end of the Year (RMB'0000)

As at 31 December 2019, the fund raised was used as required.

The operating condition of the special account for the proceeds

The Company deposited the proceeds in the special account, performed strict internal approval procedures to the use of proceeds, to ensure its designated use.

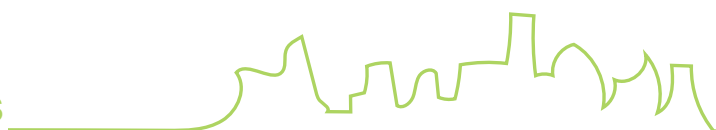
Whether the use of proceeds is in compliance with the use, plan and other undertakings made in the prospectus

The use of proceeds from the corporate bonds was in compliance with the undertakings made in the prospectus.

10.4 Credit Rating of Corporate Bonds

During and after the Reporting Period, China Chengxin Securities Rating Company Limited (“China Chengxin”) assigned rating to the corporate bonds within the duration of the Company, with corresponding credit rating reports disclosed on the CNINFO Network (www.cninfo.com.cn). Details are as follows:

Abbreviation of bonds	Credit rating of the Company	Rating		Credit rating notice	Latest rating tracking date	Report disclosure date
		outlook of the Company	Credit rating of corporate bonds			
15 Vanke 01	AAA	Stable	AAA	Xin Ping Wei Han Zi [2019] Gen Zong No. 169	15 May 2019	17 May 2019
17 Vanke 01	AAA	Stable	AAA			
17 Vanke 02	AAA	Stable	AAA			
18 Vanke 01	AAA	Stable	AAA	Xin Ping Wei Han Zi [2019] Gen Zong No. 170		
18 Vanke 02	AAA	Stable	AAA			
19 Vanke 01	AAA	Stable	AAA			
19 Vanke 02	AAA	Stable	AAA	Xin Ping Wei Han Zi [2019] No. G008-F4	21 August 2019	23 September 2019
20 Vanke 01 & 20 Vanke 02	AAA	Stable	AAA	Xin Ping Wei Han Zi [2020] No. G077	4 March 2020	11 March 2020



10.5 Credit Enhancement Mechanism for Corporate Bonds, Debt Repayment Plans and Debt Repayment Protective Measures

During the Reporting Period, no credit enhancement measures had been taken for the corporate bonds issued by the Company.

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

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

10.6 Convention of Bondholders Meetings During the Reporting Period

Up till the date of publication of the Report, the Company has not convened any bondholders meeting for its corporate bonds during the Reporting Period.

10.7 The Performance of Duties of the Bond Trustee During the Reporting Period

The bond trustee of the corporate bonds is CITIC Securities Company Limited. During the Reporting Period, CITIC Securities Company Limited performed its duty as the trustee, in strict compliance with Agreement of Trustee of Bonds, including but not limited to continuously focusing on the Company's credit status and supervising the usage and management of proceeds raised from the corporate bonds in the Company's designated special account.

10.8 Payment of Interest and Principal Amount of Other Bonds and Debt Financing Instruments During the Reporting Period

During the Reporting Period, the Group has paid the interest of other bonds and debt financing instruments on a timely basis and has no event of default.

10.9 Credit Facilities Obtained from Banks, Used and Repaid During the Reporting Period

The Group maintained a good credit standing with banks and other financial institutions. As at the end of December 2019, the Group had been granted facilities with an aggregate amount of RMB403.05 billion, RMB222.44 billion of which had been used by the Group. During the Reporting Period, the Group used the funds according to the bank lending requirements, and fully repaid the principal and interest of bank loans in a timely manner.

10.10 Implementation of the Relevant Provisions or Undertakings Made under the Group's Corporate Bond Prospectus During the Reporting Period

During the Reporting Period, the Group strictly complied with the relevant requirements in the corporate bond prospectus and used the proceeds as prescribed, without prejudicing the interests of bond investors.

10.11 Whether the Corporate Bond has Guarantor

Nil.



Independent auditor's report to the shareholders of China Vanke Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of China Vanke Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

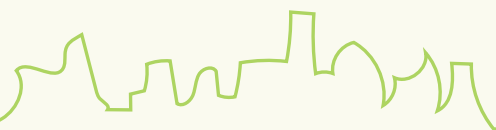
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

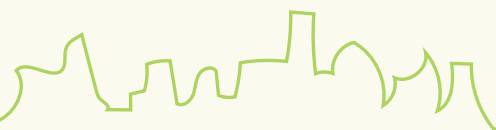
Key audit matters

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



Net realisable value of inventories	
<i>Refer to note 19 to the consolidated financial statements and the accounting policies in note 1(p).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2019, the aggregate carrying value of the Group's properties held for development ("PHD"), properties under development ("PUD") and completed properties held for sale (together "inventories") was significant. These properties are stated at the lower of cost and net realisable value.</p> <p>The calculation of the net realisable value for each property development project at the financial reporting date is performed by management.</p> <p>The calculation of the net realisable value of inventories involves significant management judgement and estimation in preparing the updated estimations of the costs to complete each property development project for PHD and PUD as well as in assessing the expected future net selling prices for each property development project (with reference to recent sales transactions in nearby locations), the estimated future selling costs and the relevant taxes.</p>	<p>Our audit procedures to assess the net realisable value of inventories included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the preparation and monitoring of management budgets and forecasts of construction and other costs for each property development project; • conducting site visits to property development sites, on a sample basis, and discussing with management the progress of each property development project and the development budgets reflected in the latest forecasts for each property development project; • evaluating the valuation methodology adopted by management for assessing the net realisable value of inventories and comparing the key estimates and assumptions adopted in the valuations, including those relating to average net selling prices, with market available data and the sales budget plans maintained by the Group;

The Key Audit Matter	How the matter was addressed in our audit
<p>We identified the assessment of net realisable value of the Group's inventories as a key audit matter because of the significance of inventories to the assets of the Group and because of the inherent risks involved in estimating the costs to complete each property development project and the future selling prices for each property development project, particularly in light of the current economic circumstances and various property market measures introduced in various cities across Mainland China.</p>	<ul style="list-style-type: none"> • comparing the estimated construction costs to complete each property development project with the Group's latest budgets and comparing the costs incurred to 31 December 2019 with budgets made at 31 December 2018 to assess the accuracy of management's forecasting and budgeting process; • performing sensitivity analyses to determine the extent of changes in key estimates and assumptions that, either individually or collectively, would be required for inventories to be materially misstated and considering the likelihood of such a movement in those key estimates and assumptions arising and the potential for management bias in their selection.



Provision for land appreciation tax ("LAT") in Mainland China	
<p><i>Refer to notes 6 and 29 to the consolidated financial statements and the accounting judgement and estimates in note 2(b)(ii).</i></p>	
The Key Audit Matter	How the matter was addressed in our audit
<p>LAT in Mainland China is one of the main components of the Group's taxation charge.</p> <p>LAT is levied on sale of properties at progressive rates ranging from 30% to 60% based on the appreciation of land value. At the end of each financial reporting period, management estimates the provision for LAT based on its understanding and interpretation of the relevant tax rules and regulations and the estimated total sales of properties less total deductible expenditure, which includes lease charges for land use rights, property development costs, borrowing costs and development expenditure. When the LAT is subsequently determined, the actual payments may be different from the estimates.</p> <p>We identified provision for LAT in Mainland China as a key audit matter because of its significance to the consolidated financial statements and because the estimated provisions for LAT are based on management's judgement and interpretation of the relevant tax laws and regulations and practices.</p>	<p>Our audit procedures to assess the provision for LAT in Mainland China included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the calculation of the estimated LAT provisions; • engaging our internal taxation specialists to evaluate the Group's LAT provisions as at 31 December 2019 which involved challenging the Group's assumptions and judgements based on our experience, knowledge and understanding of the practices of the application of the relevant tax laws by the various local tax bureaus; • challenging the Group's assumptions and judgements based on our assessment of the value of the deductible expenditure; • re-calculating, on a sample basis, the provision for LAT and comparing our calculations with the amounts recorded by the Group.

Revenue recognition for property development projects ("PDP")	
<i>Refer to note 3 to the consolidated financial statements and the accounting policies in note 1(y)(i).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue arising from sales of PDP accounted for 92.6% of the Group's revenue for the year ended 31 December 2019.</p> <p>Such revenue is recognised at a point in time when all of the following criteria have been met:</p> <p>(i) the sale and purchase agreement has been signed;</p> <p>(ii) the related deposit has been received and the arrangements for the settlement of the remaining proceeds have been confirmed; and</p> <p>(iii) the property is accepted by the customer, or deemed as accepted according to the sale and purchase agreement, whichever is earlier.</p> <p>We identified the recognition of revenue for PDP as a key audit matter because of its significance to the Group and because small errors in recognition of revenue for each PDP, in aggregate, could have a material impact on the Group's profit for the year.</p>	<p>Our audit procedures to assess the recognition of revenue for PDP included the following:</p> <ul style="list-style-type: none"> evaluating the design, implementation and operating effectiveness of key internal controls over the recording of revenue for PDP; inspecting the terms of the standard sale and purchase agreements for sales of PDP to assess the Group's revenue recognition policies for sales of PDP, with reference to the requirements of the prevailing accounting standards; inspecting, on a sample basis for sales of PDP recognised during the year, documents which evidenced that the properties were accepted by the customer, or deemed as accepted and assessing whether the related revenue has been recognised in accordance with the Group's revenue recognition accounting policies; inspecting, on a sample basis, documents which evidenced that the properties were accepted by the customer, or deemed as accepted before and after the end of the financial period to assess whether the related revenue has been recognised in the appropriate financial period.

Independent Auditor's Report



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

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

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

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

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

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

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

Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chung Kai Ming.



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

17 March 2020



Consolidated statement of profit or loss For the year ended 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
Revenue	3(a)	367,893,878	297,083,058
Cost of revenue		(235,697,218)	(187,130,999)
Gross profit		132,196,660	109,952,059
Other net income	4	5,686,668	3,585,145
Selling and marketing expenses		(9,044,497)	(7,868,076)
Administrative expenses		(15,740,155)	(14,590,133)
Other operating expenses		(1,517,512)	(2,112,602)
Profit from operations		111,581,164	88,966,393
Finance costs	5(a)	(9,255,269)	(8,181,336)
Share of profits less losses of associates and joint ventures	16	3,790,598	6,279,911
Profit before taxation		106,116,493	87,064,968
Income tax	6(a)	(50,984,878)	(37,792,673)
Profit for the year		55,131,615	49,272,295
Attributable to:			
Equity shareholders of the Company		38,872,087	33,772,652
Non-controlling interests		16,259,528	15,499,643
Profit for the year		55,131,615	49,272,295
Earnings per share (RMB)			
Basic and diluted	10	3.47	3.06

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

The accompanying notes form part of these financial statements.

Consolidated statement of profit or loss
and other comprehensive income
For the year ended 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
Profit for the year		55,131,615	49,272,295
<hr/>			
Other comprehensive income for the year	9		
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves (non-recycling)		603,230	(373,622)
Share of other comprehensive income of associates		124,237	(869,385)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		(37,738)	(109,927)
Cash flow hedge:			
Net movement in the hedging reserve		248,060	(226,889)
Share of other comprehensive income of associates		(384,532)	(1,413,464)
<hr/>			
Other comprehensive income for the year		553,257	(2,993,287)
<hr/>			
Total comprehensive income for the year		55,684,872	46,279,008
<hr/>			
Attributable to:			
Equity shareholders of the Company		39,464,405	31,140,825
Non-controlling interests		16,220,467	15,138,183
<hr/>			
Total comprehensive income for the year		55,684,872	46,279,008

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

The accompanying notes form part of these financial statements.



Consolidated statement of financial position As at 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
Non-current assets			
Property, plant and equipment	11	29,697,926	22,645,383
Investment properties	12	94,521,281	25,897,948
Intangible assets	14	786,279	1,015,426
Interests in associates and joint ventures	16	130,475,768	129,527,656
Other financial assets	17	2,923,936	2,688,915
Other non-current assets	18	9,107,320	35,982,967
Deferred tax assets	29(b)(ii)	23,427,586	15,749,205
		290,940,096	233,507,500
Current assets			
Inventories and other contract costs	19	901,807,080	754,310,077
Contract assets	20(a)	3,444,938	1,364,127
Trade and other receivables	21	351,616,877	331,838,827
Other current assets	22	11,746,956	12,600,806
Pledged and restricted deposits		6,455,944	12,749,283
Cash and cash equivalents	23	159,738,651	175,668,164
Assets held for sale	24	4,252,755	6,624,631
		1,439,063,201	1,295,155,915
Current liabilities			
Trade and other payables	25	542,268,303	485,370,555
Contract liabilities	20(b)	577,047,227	504,711,414
Bank loans and borrowings from financial institutions	26	81,822,781	69,620,501
Bonds payable	27	13,263,025	24,918,488
Lease liabilities	28	1,425,644	–
Current taxation	29(a)	56,783,304	37,292,979
		1,272,610,284	1,121,913,937
Net current assets		166,452,917	173,241,978
Total assets less current liabilities		457,393,013	406,749,478

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2019



	Note	2019 RMB'000	2018 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	26	114,319,778	120,929,055
Bonds payable	27	49,645,513	47,095,146
Lease liabilities	28	21,277,366	–
Deferred tax liabilities	29(b)(ii)	356,175	622,971
Provisions		149,629	143,528
Other non-current liabilities	30	1,065,436	2,338,048
		186,813,897	171,128,748
NET ASSETS			
		270,579,116	235,620,730
CAPITAL AND RESERVES			
	31		
Share capital		11,302,143	11,039,152
Reserves		176,756,349	144,724,980
Total equity attributable to equity shareholders of the Company			
		188,058,492	155,764,132
Non-controlling interests			
		82,520,624	79,856,598
TOTAL EQUITY			
		270,579,116	235,620,730

Approved and authorised for issue by the board of directors on 17 March 2020.

Wang Wenjin
Director

Zhang Xu
Director

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity For the year ended 31 December 2019

	Attributable to equity shareholders of the Company												
	Note	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve			Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
							(non-recycling) RMB'000	Other reserves RMB'000					
Balance at 31 December 2018 and 1 January 2019 (Note)		11,039,152	9,201,769	47,393,246	(1,338,050)	(155,284)	(902,389)	(1,199,162)	91,724,850	155,764,132	79,856,598	235,620,730	
Changes in equity for 2019													
Profit for the year		-	-	-	-	-	-	-	38,872,087	38,872,087	16,259,528	55,131,615	
Other comprehensive income	9	-	-	-	(362,412)	248,060	706,670	-	-	592,318	(39,061)	553,257	
Total comprehensive income		-	-	-	(362,412)	248,060	706,670	-	38,872,087	39,464,405	16,220,467	55,684,872	
Dividends approved	31(d)(ii)	-	-	-	-	-	-	-	(11,811,893)	(11,811,893)	-	(11,811,893)	
Appropriation to statutory reserves	31(c)(i)	-	-	23,433,008	-	-	-	-	(23,433,008)	-	-	-	
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	9,365,050	9,365,050	
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	684,736	684,736	
Acquisitions of additional interest in subsidiaries		-	-	-	-	-	-	(2,441,038)	-	(2,441,038)	(3,212,688)	(5,653,726)	
Disposals of interest in subsidiaries		-	-	-	-	-	-	439,484	-	439,484	184,877	624,361	
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(798,473)	(798,473)	
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(13,392,544)	(13,392,544)	
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	(6,387,399)	(6,387,399)	
Issuance of H shares		262,991	6,380,411	-	-	-	-	-	-	6,643,402	-	6,643,402	
Balance at 31 December 2019		11,302,143	15,582,180	70,826,254	(1,700,462)	92,776	(195,719)	(3,200,716)	95,352,036	188,058,492	82,520,624	270,579,116	

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

Consolidated statement of changes in equity

For the year ended 31 December 2019



	Attributable to equity shareholders of the Company											
	Note	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
							reserve (non-recycling) RMB'000					
Balance at 1 January 2018		11,039,152	9,201,769	35,900,072	(30,587)	71,605	195,086	(875,528)	79,380,609	134,882,178	54,448,154	189,330,332
Changes in equity for 2018												
Profit for the year		-	-	-	-	-	-	-	33,772,652	33,772,652	15,499,643	49,272,295
Other comprehensive income	9	-	-	-	(1,307,463)	(226,889)	(1,097,475)	-	-	(2,631,827)	(361,460)	(2,993,287)
Total comprehensive income		-	-	-	(1,307,463)	(226,889)	(1,097,475)	-	33,772,652	31,140,825	15,138,183	46,279,008
Dividends approved in respect of the previous year	31(d)(ii)	-	-	-	-	-	-	-	(9,935,237)	(9,935,237)	-	(9,935,237)
Appropriation to statutory reserves	31(c)(i)	-	-	11,493,174	-	-	-	-	(11,493,174)	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	20,274,079	20,274,079
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	6,812,142	6,812,142
Acquisitions of additional interest in subsidiaries		-	-	-	-	-	-	(757,651)	-	(757,651)	(2,260,297)	(3,017,948)
Disposals of interest in subsidiaries		-	-	-	-	-	-	103,966	-	103,966	1,023,880	1,127,846
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(2,244,924)	(2,244,924)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(7,588,429)	(7,588,429)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	(5,746,190)	(5,746,190)
Others	16	-	-	-	-	-	-	330,051	-	330,051	-	330,051
Balance at 31 December 2018		11,039,152	9,201,769	47,393,246	(1,338,050)	(155,284)	(902,389)	(1,199,162)	91,724,850	155,764,132	79,856,598	235,620,730

The accompanying notes form part of these financial statements.



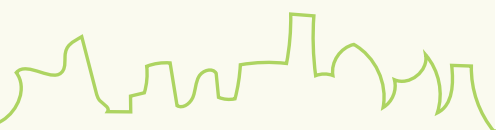
Consolidated cash flow statement For the year ended 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
Operating activities			
Cash generated from operations	23(b)	88,554,610	70,210,637
Income tax paid		(42,867,800)	(36,592,454)
Net cash generated from operating activities		45,686,810	33,618,183
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	36	(5,537,687)	(11,527,199)
Investment in associates and joint ventures		(27,924,932)	(45,840,076)
Other investments		(573,316)	(1,937,689)
Acquisitions of property, plant and equipment, investment properties and intangible assets		(6,244,192)	(5,896,749)
Net cash inflow/(outflow) from disposals of subsidiaries	37	2,202,363	(1,109,992)
Proceeds from disposal of property, plant and equipment		96,122	47,552
Proceeds from disposals of investments		1,760,946	1,472,714
Interest received		3,828,507	3,877,859
Net cash flow from redemptions/(purchases) of wealth management product		853,851	(10,987,160)
Dividends received		2,911,603	4,536,306
Net cash used in investing activities		(28,626,735)	(67,364,434)

The accompanying notes form part of these consolidated financial statements.

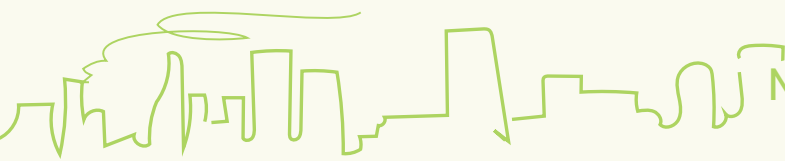
Consolidated cash flow statement

For the year ended 31 December 2019



	Note	2019 RMB'000	2018 RMB'000
Financing activities			
Capital element of lease rentals paid		(1,475,417)	–
Interest element of lease rentals paid		(986,299)	–
Proceeds from H shares placement		6,643,402	–
Capital contributions from non-controlling interests		5,170,883	19,491,299
Payments to non-controlling interests		(9,316,229)	(7,587,414)
Proceeds from bank loans, borrowings from financial institutions and bonds	23(c)	93,620,341	135,035,782
Proceeds from advance payment from contracted parties	23(c)	17,958,911	14,780,756
Repayment of bank loans, borrowings from financial institutions and bonds	23(c)	(100,715,561)	(73,854,371)
Repayment of advance payment from contracted parties	23(c)	(7,415,335)	(2,819,066)
Dividends and interest paid		(36,822,907)	(40,249,339)
Net cash (used in)/generated from financing activities		(33,338,211)	44,797,647
Net (decrease)/increase in cash and cash equivalents		(16,278,136)	11,051,396
Cash and cash equivalents at 1 January	23(a)	175,668,164	164,326,007
Effect of foreign exchange rate changes		348,623	290,761
Cash and cash equivalents at 31 December	23(a)	159,738,651	175,668,164

The accompanying notes form part of these consolidated financial statements.



1 Significant accounting policies

(a) Statement of compliance

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

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint ventures.

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

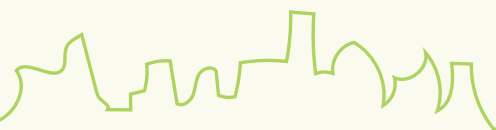
- equity investments (see note 1(h)); and
- derivative financial instruments (see note 1(i)).

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

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

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

(c) Changes in accounting policies

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS 16, *Leases*

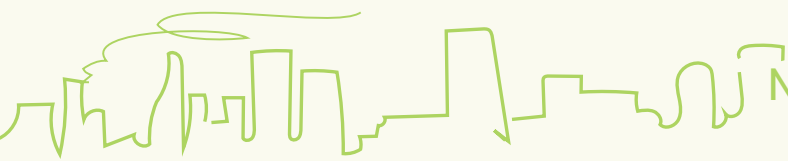
IFRS 16 replaces IAS 17, *Leases*, and the related interpretations, IFRIC 4, *Determining whether an arrangement contains a lease*, SIC 15, *Operating leases – incentives*, and SIC 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.



1 Significant accounting policies (continued)

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting and transitional impact

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to properties as disclosed in note 13. For an explanation of how the Group applies lessee accounting, see note 1(n).

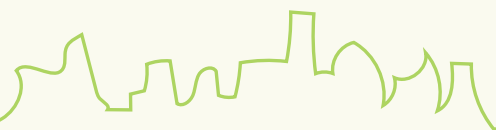
At the date of transition to IFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments were 3.65%-4.16%

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

- (i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) When measuring the lease liabilities at the date of initial application of IFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of IFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

The following table reconciles the operating lease commitments as disclosed in note 33(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019.

	1 January 2019 RMB'000
Operating lease commitments at 31 December 2018	28,082,079
Less: commitments relating to lease exempt from capitalisation:	
– Short term leases and other leases with remaining lease term ending on or before 31 December 2019	(90,492)
– leases of low-value assets, excluding short-term leases of low-value assets	–
Less: total future interest expenses	(3,806,893)
Total lease liabilities recognised at 1 January 2019	24,184,694

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018.

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

1 Significant accounting policies (continued)

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018 RMB'000	Reclassification (note 1(c)(d)) RMB'000	Capitalisation of operating lease contracts RMB'000	Carrying amount at 1 January 2019 RMB'000
Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:				
Property, plant and equipment	22,645,383	–	1,330,458	23,975,841
Investment properties	25,897,948	28,157,836	22,854,236	76,910,020
Other non-current assets	35,982,967	(28,157,836)	–	7,825,131
Total non-current assets	233,507,500	–	24,184,694	257,692,194
Lease liabilities (current)	–	–	1,554,636	1,554,636
Current liabilities	1,121,913,937	–	1,554,636	1,123,468,573
Net current assets	173,241,978	–	(1,554,636)	171,687,342
Total assets less current liabilities	406,749,478	–	22,630,058	429,379,536
Lease liabilities (non-current)	–	–	22,630,058	22,630,058
Total non-current liabilities	171,128,748	–	22,630,058	193,758,806
Net assets	235,620,730	–	–	235,620,730

(c) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, rather than as operating cash outflows, as was the case for operating leases under IAS 17. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a change in presentation of cash flows within the cash flow statement.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(c) Impact on the financial result and cash flows of the Group (continued)

The following tables may give an indication of the estimated impact of adoption of IFRS 16 on the Group's financial result and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under IFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 if this superseded standard had continued to apply in 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

	2019			2018	
	Amounts reported under IFRS 16 (A) RMB'000	Add back: IFRS 16 depreciation and interest expense (B) RMB'000	Deduct: Estimated amounts related to operating lease as if under IAS 17 (note 1) (C) RMB'000	Hypothetical amounts for 2019 as if under IAS 17 (D=A+B-C) RMB'000	Compared to amounts reported for 2018 under IAS 17 RMB'000
Financial result for year ended 31 December 2019 impacted by the adoption of IFRS 16:					
Profit from operations	111,581,164	2,186,087	2,461,716	111,305,535	88,966,393
Finance costs	(9,255,269)	986,299	-	(8,268,970)	(8,181,336)
Profit before taxation	106,116,493	3,172,386	2,461,716	106,827,163	87,064,968
Profit for the year	55,131,615	3,172,386	2,461,716	55,842,285	49,272,295

1 Significant accounting policies (continued)

(c) Impact on the financial result and cash flows of the Group (continued)

	2019			2018
	Amounts reported under IFRS 16 (A) RMB'000	Estimated amounts related to operating leases as if under IAS 17 (notes 1 & 2) (B) RMB'000		Compared to amounts reported under IAS 17 RMB'000
		Hypothetical amounts for 2019 as if under IAS 17 (C=A+B) RMB'000		
Line items in the consolidated cash flow statement for the year ended 31 December 2019 impacted by the adoption of IFRS 16:				
Cash generated from operations	88,554,610	(2,461,716)	86,092,894	70,210,637
Net cash generated from operating activities	45,686,810	(2,461,716)	43,225,094	33,618,184
Capital element of lease rentals paid	(1,475,417)	1,475,417	-	-
Interest element of lease rentals paid	(986,299)	986,299	-	-
Net cash (used in)/generated from financing activities	(33,338,211)	2,461,716	(30,876,495)	44,797,647

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if IAS 17 had still applied in 2019. This estimate assumes that there were no difference between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under IAS 17, if IAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if IAS 17 still applied.

(d) Leasehold investment property

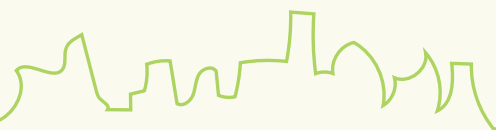
Under IFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation. Consequently, the cost of acquiring land held previously presented as other non-current assets are classified in “investment properties” in the statement of financial position.

(e) Lessor accounting

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under IAS 17. Under IFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The adoption of IFRS 16 does not have a significant impact on the Group’s financial statements in this regard.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests

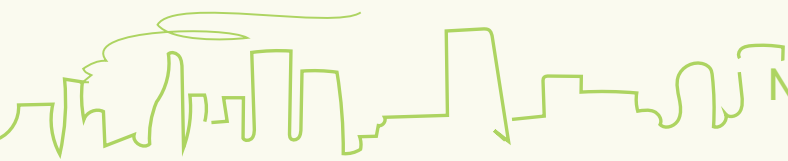
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(t) or (u) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.



1 Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(o)), unless the investment is classified as held for sale (see note 1(ab)).

(e) Associates and joint ventures

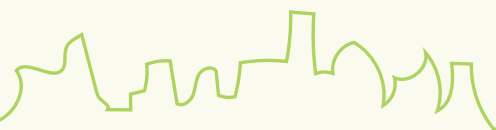
An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (see note 1(ab)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(g) and 1(o)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

(e) Associates and joint ventures (continued)

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

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)).

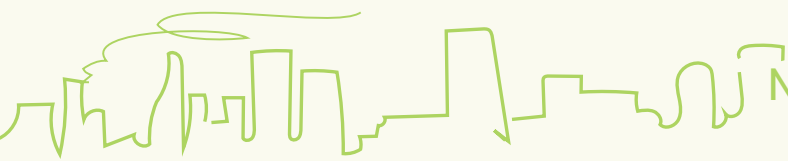
(f) Joint operation

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

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

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

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



1 Significant accounting policies (continued)

(g) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(o)).

(h) Other investments in debt and equity securities

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

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 32(e). These investments are subsequently accounted for as follows, depending on their classification.

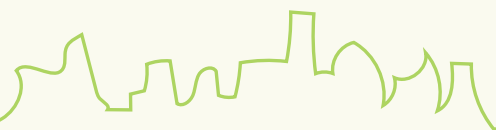
Investments other than equity investments

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

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(y)(vi)).
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

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

Equity investments

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

(i) Derivative financial instruments

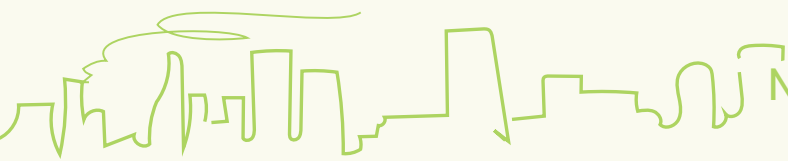
Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 1(j)).

(j) Cash flow hedges

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

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

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, it is reclassified to profit or loss in the same period or periods as the hedged items affect profit or loss.



1 Significant accounting policies (Continued)

(k) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(n)) to earn rental income and/or for capital appreciation. These include land and property that is being constructed or developed for future use as investment property.

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

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

(l) Property, plant and equipment

The following items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss (see note 1(o)):

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

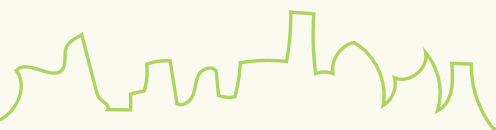
The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, and an appropriate proportion of production overheads and borrowing costs (see note 1(aa)).

A self-constructed asset is classified as construction in progress and transferred to property, plant and equipment when it is ready for its intended use. No depreciation is provided against construction in progress.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(l) Property, plant and equipment (Continued)

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

	Useful life	Residual value %
Leasehold land and properties leased for own use	unexpired term of lease	0%
Buildings held for own use	the shorter of the unexpired term of lease and 70 years	4%
Improvements to premises	5-10 years	0%
Machinery and motor vehicles	5-20 years	4%
Electronics and other equipment	3-5 years	4%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

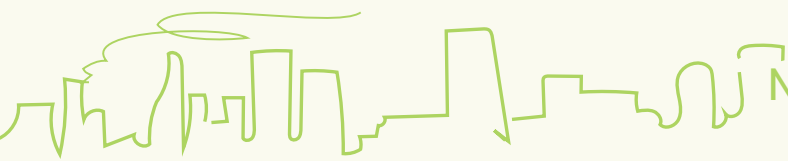
(m) Intangible assets (other than goodwill)

Intangible assets are referred to the identifiable non-monetary assets that are owned or controlled by the Group without physical form. The cost of external purchased intangible assets, including the purchase price, the related tax and fees, and the other expenses directly attributable to the intended use of the assets.

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(o)). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight line method over its estimated useful life as follows:

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

The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. The Group does not have any intangible assets with indefinite useful lives.



1 Significant accounting policies (continued)

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

(n) Leased assets

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

(i) As a lessee

(A) Policy applicable from 1 January 2019

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

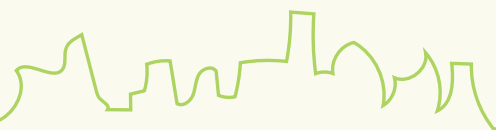
At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(n) Leased assets (Continued)

(i) As a lessee (Continued)

(A) Policy applicable from 1 January 2019 (Continued)

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

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

(B) Policy applicable prior to 1 January 2019

In the comparative period, leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

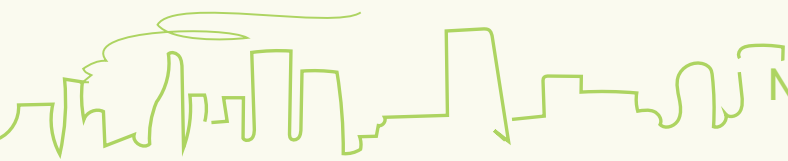
The cost of acquiring land held under an operating lease is classified as non-current assets and amortised on a straight-line basis over the period of the lease term except where the property is classified as a property, plant and equipment or is held for development for sale.

(ii) As a lessor

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

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

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



1 Significant accounting policies (continued)

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

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

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates and joint ventures); and
- contract assets as defined in IFRS 15 (see note 1(q)).

Financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

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

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

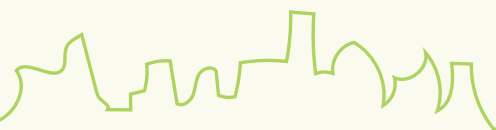
ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(o) Credit losses and impairment of assets (Continued)

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

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

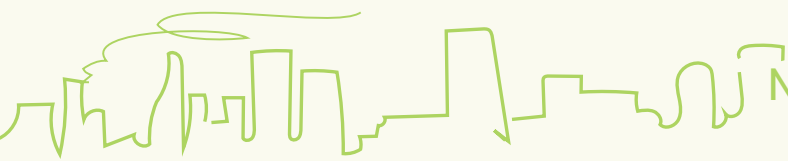
In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

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



1 Significant accounting policies (Continued)

(o) Credit losses and impairment of assets (Continued)

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

Basis of calculation of interest income

Interest income recognised in accordance with note 1(y)(vi) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

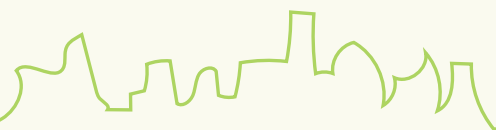
Write-off policy

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(o) Credit losses and impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

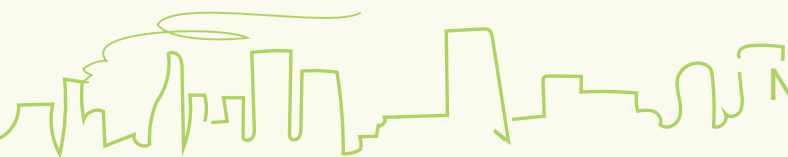
If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).



1 Significant accounting policies (Continued)

(o) Credit losses and impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

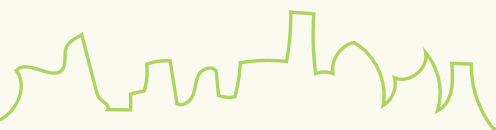
(iii) Interim financial reporting and impairment

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(p) Inventories and other contract costs

(i) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

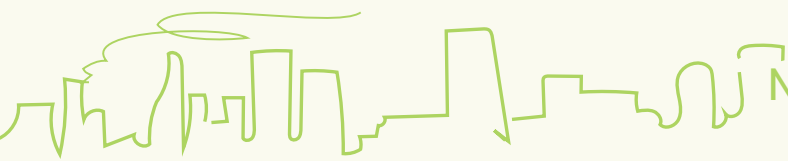
- Property held for development and property under development

The cost of properties held for development and properties under development comprises specifically identified cost, including the acquisition cost of interests in leasehold land, aggregate cost of development, materials and supplies, wages and other direct expenses and an appropriate proportion of overheads and borrowing costs capitalised (see note 1(aa)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

- Completed property for sale

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.



1 Significant accounting policies (Continued)

(p) Inventories and other contract costs (Continued)

(ii) Other contract costs

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

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

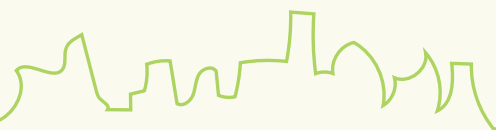
Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 1(y).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(q) Contract assets and contract liabilities

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

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

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

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

(r) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(q)).

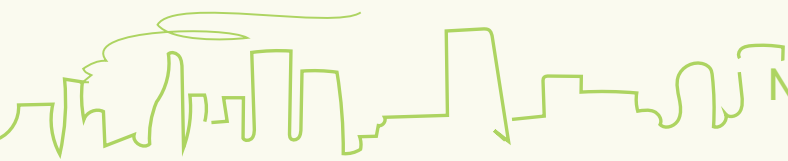
Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(o)(i)).

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(o)(i).

(t) Trade and other payables

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



1 Significant accounting policies (Continued)

(u) Interest-bearing borrowings

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

(v) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(w) Income tax

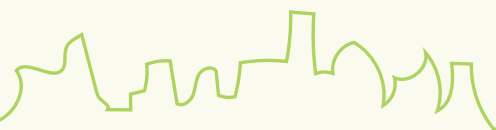
Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(w) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1 Significant accounting policies (Continued)

(w) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

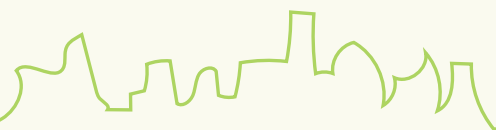
(x) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

(y) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

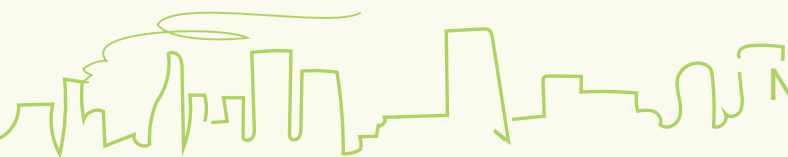
(i) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition were included in the statement of financial position under contract liabilities (see note 1(q)).

Previously the Group recognised revenue arising from the sale of properties upon the signing of the sale and purchase agreement, the receipt of the deposits and confirmation of arrangement of settlement of remaining sales proceeds or the achievement of status ready for hand-over to customers as stipulated in the sale and purchase agreement, whichever is later, which was taken to be the point in time when the risks and rewards of ownership of the property were transferred to the customer. Deposits and instalments received on properties sold prior to the date of revenue recognition were included in the statement of financial position under trade and other payables.

(ii) Provision of services

Revenue from services including property management services is recognised when services are rendered.



1 Significant accounting policies (Continued)

(y) Revenue and other income (Continued)

(iii) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(v) Dividends

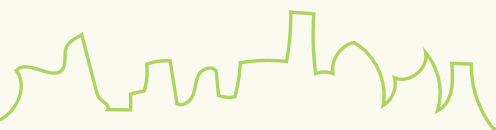
- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (continued)

(z) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

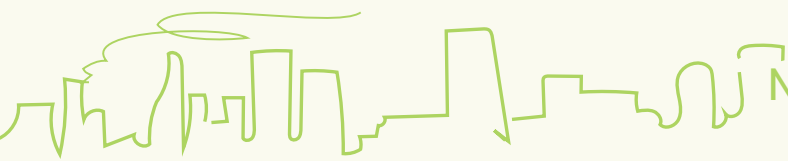
Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(aa) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.



1 Significant accounting policies (Continued)

(ab) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

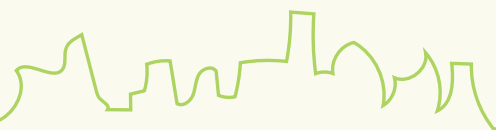
(ac) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



1 Significant accounting policies (Continued)

(ac) Related parties (Continued)

(2) An entity is related to the Group if any of the following conditions applies:

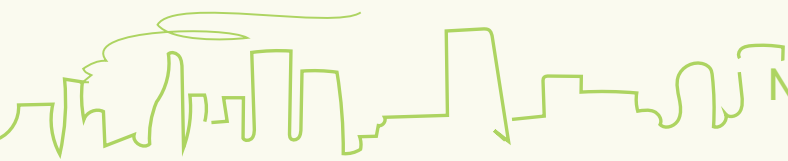
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ad) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.



2 Accounting judgement and estimates

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgments:

(i) Classification between subsidiaries, joint ventures and associates

The Group co-operated with certain third parties to engage in property development project through certain entities. In accordance with the respective co-operation agreements, the Group has the right to acquire certain percentage of the equity interest in these entities at a pre-determined price when certain conditions set out in these agreements are met. The Group has made judgment on the classification of these entities to subsidiaries, joint ventures or associates in accordance with the respective agreements, articles of associations and the involvement of the Group and the other parties in these entities. The Group will continuously evaluate the situation and such investments are accounted for in accordance with accounting policies set out in notes 1(d) and (e).

(ii) Classification between investment properties and owner-occupied properties

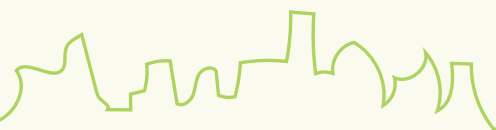
The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after their completion, whereas, the properties are accounted for as investment properties under construction if the properties are intended to be held to earn rentals and/or for capital appreciation.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



2 Accounting judgement and estimates (continued)

(b) Sources of estimation uncertainty

Notes 14 and 32 contain information about the assumptions and their risk factors relating to goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Properties for sale

As explained in note 1(p), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

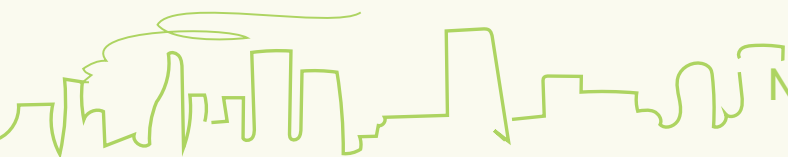
In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) PRC Land Appreciation Tax ("LAT")

As explained in note 6(a), LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and relevant property development expenditures. Given the uncertainties of the calculation basis of land appreciation tax to be interpreted by the local tax bureau and the actual appreciation of land value may be different from the original estimates, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in estimates would affect profit or loss in future years.

(iii) Impairment for trade and other receivables

The Group estimates loss allowance for expected credit losses for trade and other receivables resulting from the expected cash shortfalls. The Group bases the estimates on the information about past events, current conditions and forecasts of future economic conditions. If above conditions were to deteriorate, actual provisions would be higher than estimated.



2 Accounting judgement and estimates (Continued)

(b) Sources of estimation uncertainty (Continued)

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

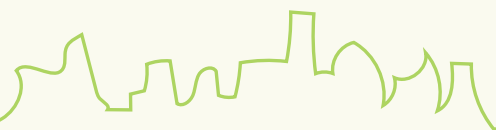
(v) Revenue recognition

As explained in policy note 1(y), revenue from construction contracts is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the manufacturing and construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 20 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

In addition, the contract assets arising from construction contracts were included in trade and other receivables as amounts due from customers for contract work and were disclosed in note 21, rather than note 20.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are development and sale of properties in People's Republic of China (the "PRC").

(i) The amount of each significant category of revenue is as follows:

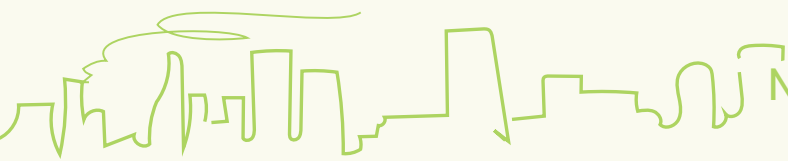
	2019 RMB'000	2018 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of properties	340,582,224	278,083,220
Property management and related services	12,700,185	9,795,648
Construction contracts	7,298,634	3,411,259
Other services	2,540,161	2,726,291
	363,121,204	294,016,418
Revenue from other sources		
Rental income from investment properties	4,772,674	3,066,640
	367,893,878	297,083,058

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

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB617.2 billion (2018: RMB520.8 billion). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the properties under development for sale, when the properties are assigned to the customers, which is expected to occur over the next 12 to 36 months (2018: next 12 to 36 months).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales that had an original expected duration of one year or less or are billed based on performance completed.



3 Revenue and segment reporting (Continued)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date (Continued)

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development (Northern region/Southern region/Shanghai region/Central-western region): given the importance of the property development division to the Group, the Group's property development business is segregated into four reportable segments on a geographical basis, as the divisional manager for each of these regions report directly to the senior executive team. All four segments derive their revenue mainly from development and sale of residential properties. Details about the cities covered by each of these regions are set out in note 3(b)(i).
- Property management: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties and shopping arcades, as well as those developed by the external property developers.

(i) Segment results and assets

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

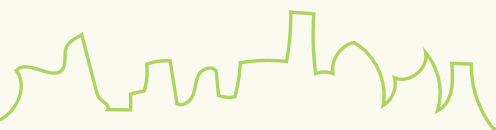
Segment assets include all tangible, intangible assets, other investments and current assets in Mainland China with the exception of deferred tax assets and other corporate assets.

Revenue and expenses are allocated to the reportable segments with reference to sales before sales related taxes generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is the profit before PRC Corporate Income Tax ("CIT"), excluding share of profits or losses of associates or joint ventures, dividend income, other income and other operating expenses in Mainland China, but including the provision for doubtful debts and the profit arising from the inter-segment transactions. PRC Land Appreciation Tax ("LAT") which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



3 Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

(i) Segment results and assets (Continued)

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Property development					
	Northern region	Southern region	Shanghai region	Central and western region	Property management	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2019						
Revenue from external customers before tax	71,298,043	119,395,737	95,362,884	67,129,815	12,700,185	365,886,664
Inter-segment revenue	57,809	38,480	230,795	44,209	1,592,848	1,964,141
Reportable segment revenue, before tax	71,355,852	119,434,217	95,593,679	67,174,024	14,293,033	367,850,805
Reportable segment profit	14,161,757	25,775,973	22,705,345	12,929,760	1,426,924	76,999,759
Reportable segment assets	373,798,897	441,359,125	398,383,305	353,461,566	15,235,693	1,582,238,586

	Property development					
	Northern region	Southern region	Shanghai region	Central and western region	Property management	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2018						
Revenue from external customers before tax	68,931,596	77,152,009	83,857,542	55,876,325	9,795,648	295,613,120
Inter-segment revenue	76,507	155,106	380,097	51,791	1,374,946	2,038,447
Reportable segment revenue, before tax	69,008,103	77,307,115	84,237,639	55,928,116	11,170,594	297,651,567
Reportable segment profit	14,673,916	18,722,136	25,668,552	7,350,046	1,180,943	67,595,593
Reportable segment assets	322,739,185	411,794,011	363,948,651	278,630,190	11,963,513	1,389,075,550

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

3 Revenue and segment reporting (continued)

(b) Segment reporting (Continued)

(i) Segment results and assets (Continued)

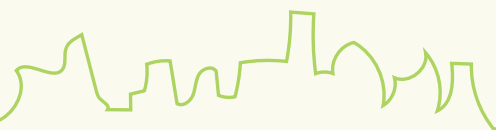
Northern region:	Southern region:	Shanghai region:	Central and western region:
Beijing, Tianjin, Shenyang, Anshan, Dalian, Qingdao, Changchun, Yantai, Jilin, Taiyuan, Tangshan, Langfang, Fushun, Qinhuangdao, Jinzhong, Yingkou, Jinan, Shijiazhuang, Linyi, Baotou, Panjin, Zhangjiakou, Harbin, Zibo, Weihai and Xiong'an	Shenzhen, Guangzhou, Qingyuan, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Huizhou, Sanya, Nanning, Putian, Liuzhou, Quanzhou, Zhangzhou and Jinjiang	Shanghai, Hangzhou, Suzhou, Ningbo, Nanjing, Zhenjiang, Nanchang, Hefei, Yangzhou, Jiaxing, Wuhu, Wenzhou, Nantong, Changzhou, Kunshan, Wuxi, Xuzhou, Changshu, Shaoxing, Haining, Jingjiang, Rui'an, Taicang, Yancheng, Gaoyou, Suqian, Haimen, Taizhou, Jinhua, Ma'anshan, Huzhou and Jiangyin	Chengdu, Wuhan, Xi'an, Chongqing, Kunming, Guiyang, Urumqi, Nanchong, Zhengzhou, Lanzhou, Yichang, Weinan, Yuxi, Yinchuan, Xining, Xishuangbanna, Dali, Ezhou, Yongchuan, Xichang, Meishan, Xianyang and Zhoukou

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

	2019 RMB'000	2018 RMB'000
Revenue		
Reportable segment revenue before tax	367,850,805	297,651,567
Elimination of inter-segment revenue	(1,964,141)	(2,038,447)
Unallocated revenue	2,007,214	2,066,211
Sales taxes	–	(596,273)
Consolidated revenue	367,893,878	297,083,058

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 (Continued)

	2019 RMB'000	2018 RMB'000
Profit		
Reportable segment profit	76,999,759	67,595,593
Elimination of inter-segment profit	(161,279)	(930,565)
Share of profits less losses of associates and joint ventures	3,790,598	6,279,911
Dividend income	62,264	36,201
Other income	1,767,812	1,029,546
Other unallocated operating expenses	(788,578)	(512,908)
Unallocated expenses	(5,131,286)	(6,037,577)
LAT	29,577,203	19,604,767
Consolidated profit before taxation	106,116,493	87,064,968
Assets		
Reportable segment assets	1,582,238,586	1,389,075,550
Elimination of inter-segment receivables	(494,412,983)	(462,169,113)
Unallocated assets	642,177,694	601,756,978
Consolidated assets	1,730,003,297	1,528,663,415

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1(c).

3 Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

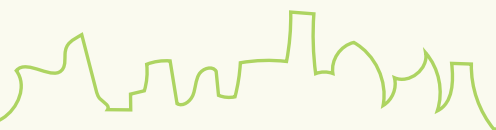
(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, intangible assets, interest in associates, interest in joint ventures, other financial assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the properties sold. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated, in the case of intangible assets, other financial assets and other non-current assets, and the location of operations, in the case of interest in associates and joint ventures.

	Revenue from external customers	
	2019 RMB'000	2018 RMB'000
Mainland China	367,703,150	296,917,692
Hong Kong Special Administrative Region ("Hong Kong") and overseas	190,728	165,366
	367,893,878	297,083,058
	Specified non-current assets	
	2019 RMB'000	2018 RMB'000
Mainland China	256,344,761	206,233,761
Hong Kong	2,999,832	2,999,009
The United States of America	5,844,371	6,342,480
The United Kingdom	2,323,546	2,183,045
	267,512,510	217,758,295

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



4 Other net income

	2019 RMB'000	2018 RMB'000
Interest income	3,530,405	3,839,923
Dividend income	62,264	36,201
Forfeited deposits and compensation from customers	412,278	228,786
Net gain on disposals of subsidiaries, joint ventures and associates	852,218	433,887
Net gain on disposal of other current assets	290,298	37,936
Net loss on disposal of other financial assets	(11,252)	–
Net loss on disposals of property, plant and equipment	(9,666)	(3,409)
Fair value changes	(68,519)	86,635
Net exchange gain/(loss)	326,187	(1,320,525)
Others	302,455	245,711
	5,686,668	3,585,145

5 Profit before taxation

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

(a) Finance costs

	2019 RMB'000	2018 (Note) RMB'000
Borrowings costs	13,962,773	14,145,812
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress	(5,693,803)	(5,964,476)
Interest on lease liabilities	986,299	–
	9,255,269	8,181,336

Note: The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 1(c).

Note: The borrowing costs have been capitalised at a rate of 5.01% (2018: 5.30%) per annum.

5 Profit before taxation (continued)

(b) Staff costs

	2019 RMB'000	2018 RMB'000
Salaries, wages and other benefits	16,572,302	14,103,050
Contributions to defined contribution plans	967,550	855,763
	17,539,852	14,958,813

The total Economic Profits Bonus of 2019 were RMB1.9997 billion (2018: RMB1.74 billion) and included in the staff cost.

The Company and its subsidiaries in Mainland China participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal and provincial government authorities, whereby the Company and its subsidiaries in Mainland China are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

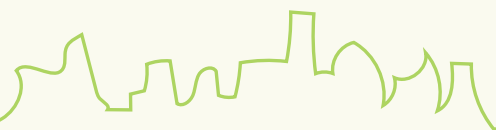
(c) Other items

	2019 RMB'000	2018 (Note) RMB'000
Depreciation and amortisation	6,305,602	2,921,936
Impairment loss on trade and other receivables	216,850	616,799
Impairment loss of leasehold land/investment properties	512,083	982,895
Auditors' remuneration	14,000	14,000
Cost of inventories (note 19(a))	217,934,528	174,784,281
Total minimum lease payments for leases previously classified as operating leases under IAS 17	–	265,880

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 1(c).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2019 RMB'000	2018 RMB'000
Current tax		
Provision for CIT, Hong Kong Profits Tax and U.S. income tax	28,936,894	24,470,938
Provision for LAT	29,587,415	19,613,163
Withholding tax	217,288	75,432
	58,741,597	44,159,533
Deferred tax		
Origination and reversal of temporary differences (note 29(b)(i))	(7,756,719)	(6,366,860)
	50,984,878	37,792,673

(i) CIT, Hong Kong Profits Tax and U.S. income tax

The provision for CIT is calculated based on the estimated taxable income at the rates applicable to each company in the Group. The income tax rates applicable to the principal subsidiaries in the PRC are 25% (2018: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

The provision for Hong Kong Profits Tax for 2019 is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year.

The U.S. income tax charge comprises federal income tax calculated at 21% and state income tax calculated at the rates ranging from 0% to 10% on the estimated assessable profits of the subsidiaries of the Company which were incorporated in U.S.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Withholding tax

A withholding tax of 10% is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008. Under the China-Hong Kong Tax Treaty and the relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% equity interests or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. Some overseas subsidiaries of the Group are entitled to a reduced withholding tax rate of 5%.

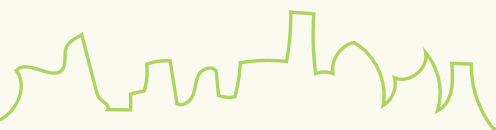
6 Income tax in the consolidated statement of profit or loss (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2019 RMB'000	2018 RMB'000
Profit before taxation	106,116,493	87,064,968
Less: LAT	(29,577,203)	(19,604,767)
Profit before CIT, Hong Kong Profits Tax and U.S. income tax	76,539,290	67,460,201
Notional tax calculated at applicable income tax rate of the relevant group entities concerned	19,388,053	17,714,524
Non-taxable income	(963,216)	(1,579,028)
Non-deductible expenses	1,937,667	1,551,521
Effect of temporary difference not recognised	1,280,936	736,434
Utilisation of previously unrecognised tax losses	(174,669)	(178,787)
Under-provision in respect of prior years	(61,096)	(56,758)
CIT, Hong Kong Profits Tax and U.S. income tax	21,407,675	18,187,906
LAT	29,577,203	19,604,767
Income tax expense	50,984,878	37,792,673

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



7 Directors', supervisors' and chief executive's emoluments

	2019			Total RMB'000	2018 Total RMB'000
	Directors'/ supervisors' fee RMB'000	Basic salaries, allowances and other benefits RMB'000	Bonuses and retirement benefit RMB'000		
Executive directors					
Mr. YU Liang	-	1,292	11,225	12,517	12,530
Mr. WANG Wenjin	-	1,080	7,709	8,789	9,273
Mr. ZHANG Xu	-	1,080	8,330	9,410	10,045
President and Chief Executive Officer					
Mr. ZHU Jiusheng	-	1,285	9,989	11,274	11,278
Non-executive directors					
Mr. LIN Maode	360	-	-	360	333
Mr. Xiao Min*	14	-	-	14	333
Mr. CHEN Xianjun	360	-	-	360	333
Mr. SUN Shengdian	360	-	-	360	333
Independent non-executive directors					
Mr. KANG Dian	600	-	-	600	555
Ms. LIU Shuwei	600	-	-	600	555
Mr. NG Kar Ling, Johnny	600	-	-	600	555
Mr. LI Qiang	600	-	-	600	555
Supervisors					
Mr. XIE Dong	-	1,080	7,709	8,789	8,802
Mr. ZHOU Qingping	-	827	1,771	2,598	2,644
Ms. ZHENG Ying	360	-	-	360	333
2019	3,854	6,644	46,733	57,231	58,457
2018	3,885	6,930	47,642	58,457	

In addition, certain directors and supervisors participated in the Economic Profits Bonus Plan of the Company. Details are disclosed in notes 35(a).

* Mr. Xiao Min resigned during 2019.

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, 2 (2018: 1) of them are directors or supervisors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other 3 (2018: 4) individuals are as follows:

	2019 RMB'000	2018 RMB'000
Salaries and other emoluments	3,511	5,280
Discretionary bonuses	34,502	46,285
Contributions to retirement benefit scheme	273	418
	38,286	51,983

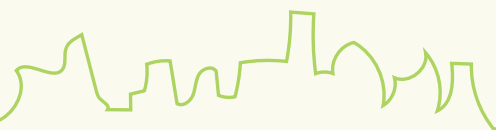
In addition, the above individuals participated in the Economic Profits Bonus Plan of the Company. Details are disclosed in notes 35(a) respectively.

The emoluments of the 3 (2018: 4) individuals with the highest emoluments are within the following bands:

	2019 Number of individuals	2018 Number of individuals
HK\$13,500,001 – HK\$14,000,000	1	–
HK\$14,000,001 – HK\$14,500,000	1	1
HK\$14,500,001 – HK\$15,000,000	–	1
HK\$15,500,001 – HK\$16,000,000	1	1
HK\$16,000,001 – HK\$16,500,000	–	1

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



9 Other comprehensive income

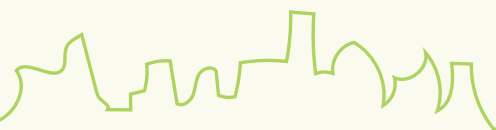
	2019					
	Attributable to equity shareholders of the Company			Total RMB'000	Non-controlling interests RMB'000	Total OCI RMB'000
	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve (non-recycling) RMB'000			
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at FVOCI	-	-	603,230	603,230	-	603,230
Share of other comprehensive income of associates	-	-	103,440	103,440	20,797	124,237
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	(42,249)	-	-	(42,249)	4,511	(37,738)
Cash flow hedge reserve:						
Effective portion of changes in fair value of hedging instruments recognised during the year	-	162,269	-	162,269	-	162,269
Cash flow hedge reserve:						
Reclassification adjustments for amounts transferred to profit or loss	-	(168,175)	-	(168,175)	-	(168,175)
Costs of hedging reserve:						
Change in fair value for the year	-	326,456	-	326,456	-	326,456
Costs of hedging reserve:						
Reclassification adjustments for amounts transferred to profit or loss	-	(72,490)	-	(72,490)	-	(72,490)
Share of other comprehensive income of associates	(320,163)	-	-	(320,163)	(64,369)	(384,532)
Total	(362,412)	248,060	706,670	592,318	(39,061)	553,257

9 Other comprehensive income (continued)

	2018					
	Attributable to equity shareholders of the Company					
	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve (non- recycling) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total OCI RMB'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at FVOCI (non-recycling)	-	-	(373,622)	(373,622)	-	(373,622)
Share of other comprehensive income of associates	-	-	(723,853)	(723,853)	(145,532)	(869,385)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	(130,607)	-	-	(130,607)	20,680	(109,927)
Cash flow hedge reserve:						
Effective portion of changes in fair value of hedging instruments recognised during the year	-	493,948	-	493,948	-	493,948
Cash flow hedge reserve:						
Reclassification adjustments for amounts transferred to profit or loss	-	(494,623)	-	(494,623)	-	(494,623)
Costs of hedging reserve:						
Change in fair value for the year	-	(562,664)	-	(562,664)	-	(562,664)
Costs of hedging reserve:						
Reclassification adjustments for amounts transferred to profit or loss	-	336,450	-	336,450	-	336,450
Share of other comprehensive income of associates	(1,176,856)	-	-	(1,176,856)	(236,608)	(1,413,464)
Total	(1,307,463)	(226,889)	(1,097,475)	(2,631,827)	(361,460)	(2,993,287)

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



10 Earnings per share ("EPS")

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB38,872,087,000 (2018:RMB33,772,652,000) and weighted average of 11,214,479,334 ordinary shares (2018: 11,039,152,001 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2019 No. of shares ('000)	2018 No. of shares ('000)
Issued ordinary shares at 1 January	11,039,152	11,039,152
Effect of shares issued	175,327	–
Weighted average number of ordinary shares at 31 December	11,214,479	11,039,152

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Property, plant and equipment

	Buildings held for own use RMB'000	Improvements to premises RMB'000	Leasehold land RMB'000	Machinery and motor vehicles RMB'000	Electronic and other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2018	7,474,032	3,439,147	647,109	565,097	689,284	1,022,411	13,837,080
Additions	120,952	3,945,585	3,142,178	55,769	218,996	923,548	8,407,028
Transfer	1,447,728	-	-	21,740	37,958	(483,897)	1,023,529
Disposals	(63,636)	(20,582)	-	(16,566)	(38,416)	-	(139,200)
Change in consolidation scope	3,704,784	67,051	680,800	92,989	119,832	450,945	5,116,401
Exchange adjustments	-	590	-	43	5,545	-	6,178
At 31 December 2018	12,683,860	7,431,791	4,470,087	719,072	1,033,199	1,913,007	28,251,016
Impact on initial application of IFRS16	1,322,072	-	-	-	8,386	-	1,330,458
At 1 January 2019	14,005,932	7,431,791	4,470,087	719,072	1,041,585	1,913,007	29,581,474
Additions	232,227	3,740,412	228,964	67,861	199,083	2,632,924	7,101,471
Transfer	817,235	43,909	-	5,583	12,000	(471,028)	407,699
Disposals	-	(51,953)	-	(51,618)	(49,248)	-	(152,819)
Change in consolidation scope	373,605	3,637	527,584	3,006	12,731	104,936	1,025,499
Exchange adjustments	-	279	-	8	2,001	-	2,288
At 31 December 2019	15,428,999	11,168,075	5,226,635	743,912	1,218,152	4,179,839	37,965,612
Accumulated depreciation:							
At 1 January 2018	1,112,374	1,296,567	99,534	193,379	400,456	-	3,102,310
Charge for the year	457,711	977,757	123,997	50,303	127,960	-	1,737,728
Written back on disposals	(50,866)	(12,797)	-	(14,202)	(28,123)	-	(105,988)
Change in consolidation scope	621,852	46,267	92,288	57,069	53,046	-	870,522
Exchange adjustments	-	277	-	15	769	-	1,061
At 31 December 2018	2,141,071	2,308,071	315,819	286,564	554,108	-	5,605,633
Impact on initial application of IFRS16	-	-	-	-	-	-	-
At 1 January 2019	2,141,071	2,308,071	315,819	286,564	554,108	-	5,605,633
Charge for the year	751,466	1,543,943	206,413	57,899	162,814	-	2,722,535
Written back on disposals	-	(19,522)	-	(27,057)	(26,669)	-	(73,248)
Change in consolidation scope	-	2,821	117	1,918	7,417	-	12,273
Exchange adjustments	-	121	-	6	366	-	493
At 31 December 2019	2,892,537	3,835,434	522,349	319,330	698,036	-	8,267,686
Net book value:							
At 31 December 2019	12,536,462	7,332,641	4,704,286	424,582	520,116	4,179,839	29,697,926
At 31 December 2018	10,542,789	5,123,720	4,154,268	432,508	479,091	1,913,007	22,645,383

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Property, plant and equipment (Continued)

Included in the above, there were right-of-use assets of leased properties amounting to RMB 1,178,757,000 as at 31 December 2019. Additions to right-of-use assets of leased properties during the year ended 31 December 2019 amounted to RMB 128,558,000.

The Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. Comparative information is not restated. See note 1(c).

12 Investment properties

(a) Reconciliation of carrying amount

	2019		2018	
	Completed properties RMB'000	Properties under development RMB'000	Completed properties RMB'000	Properties under development RMB'000
Cost:				
At 31 December 2018 (Note)	17,025,763	10,422,155		
Impact on initial application of IFRS 16				
– Capitalisation of lease contracts (note 1(c))	22,854,236	–		
– Reclassification (note 1(c)(d))	10,163,156	19,817,649		
At 1 January	50,043,155	30,239,804	12,123,244	5,437,179
New leases	980,637	–	–	–
Additional construction costs	–	7,268,423	–	3,172,331
Change in consolidation scope	358,596	5,280,993	1,390,193	811,423
Transfer from inventories	6,210,464	2,372,279	2,135,667	1,900,480
Direct purchases	–	–	367,102	–
Exchange adjustments	94,190	–	110,299	–
Transfer upon completion	13,659,011	(13,659,011)	899,258	(899,258)
Lease termination	(1,020,068)	–	–	–
At 31 December	70,325,985	31,502,488	17,025,763	10,422,155

12 Investment properties (Continued)

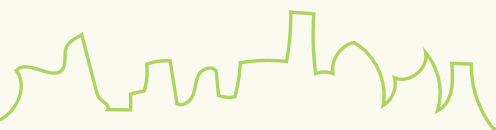
(a) Reconciliation of carrying amount (Continued)

	2019		2018	
	Completed properties RMB'000	Properties under development RMB'000	Completed properties RMB'000	Properties under development RMB'000
Accumulated depreciation:				
At 31 December 2018 (Note)	1,418,830	–		
Impact on initial application of IFRS 16 – Reclassification (note 1(c)(d))	840,074	–		
At 1 January	2,258,904	–	383,086	–
Change in consolidation scope	5,336	–	271,405	–
Charge for the year	3,457,206	–	757,625	–
Exchange adjustments	7,253	–	6,714	–
Lease termination	(47,625)	–	–	–
At 31 December	5,681,074	–	1,418,830	–
Impairment provision:				
At 31 December (Note)	131,140	–		
Impact on initial application of IFRS 16 – Reclassification (note 1(c)(d))	–	982,895		
At 1 January	131,140	982,895	131,140	–
Charge for the year	–	512,083	–	–
At 31 December	131,140	1,494,978	131,140	–
Net book value:				
At 31 December	64,513,771	30,007,510	15,475,793	10,422,155

As at 31 December 2019, the Group has made impairment provision of RMB1.49 billion for Foshan C22 project.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



12 Investment properties (Continued)

(a) Reconciliation of carrying amount (Continued)

As discussed in note 2, the Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. Comparative information is not restated.

As at 31 December 2019, the fair value of the Group's investment properties, excluding leased properties to earn rental income, was approximately RMB88,734,636,000 (2018: RMB63,256,479,000). This fair value, together with the fair value of the Group's assets held for sale as disclosed in note 24, are determined by the directors of the Company with reference to mainly the valuation performed, using the discounted cash flow ("DCF") approach and the direct market comparison ("DMC"), by Jones Lang LaSalle which are independent qualified professional valuers.

The valuation for completed properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The valuation for properties under development was arrived at by making reference to comparable sales as available in the relevant market. The construction cost incurred, estimated construction cost to complete the development, discount rate and estimated developer's profit as at the date of valuation are also taken into account.

The fair value of the investment properties and assets held for sale as set out in note 24 disclosed at the end of the reporting period is categorised into Level 3 valuations: Fair value measured using significant unobservable inputs, as defined in IFRS 13, *Fair value measurement*.

12 Investment properties (Continued)

- (b) The Group leases out investment properties under operating leases. The leases run for an initial period of two to twenty years. The lease payments include fixed rentals and variable lease payment based on business performance of the tenants.

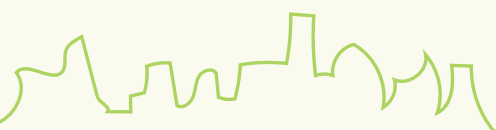
Undiscounted lease payments under operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2019 RMB'000	2018 RMB'000
Within 1 year	4,185,053	1,267,685
After 1 year but within 2 years	3,593,637	1,446,492
After 2 year but within 3 years	3,594,189	1,518,817
After 3 year but within 4 years	3,545,457	1,594,757
After 4 year but within 5 years	3,671,854	1,674,495
After 5 years	3,877,145	1,758,221
	22,467,335	9,260,467

Certain of the Group's investment properties were pledged for bank loans, see note 26 for details.

Notes to the financial statements

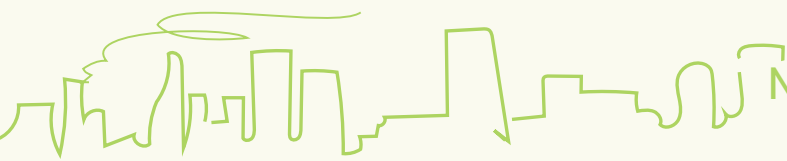
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13 Right-of-use assets

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

		31 December 2019 RMB'000	1 January 2019 RMB'000
	Notes		
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	4,674,983	4,112,742
– leased properties for own use	(ii)	1,178,757	1,330,458
		5,853,740	5,443,200
Investment properties, carried at depreciated cost			
– leasehold land	(i)	31,921,030	28,157,836
– leased properties to earn rental income	(ii)	20,956,603	22,854,236
		52,877,633	51,012,072
		58,731,373	56,455,272



13 Right-of-use assets (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2019 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:	
Property, plant and equipment	420,147
Investment properties	2,571,340
	2,991,487
	2019 RMB'000
Expense relating to short-term leases and other leases with remaining lease term ended on or before 31 December 2019	107,894

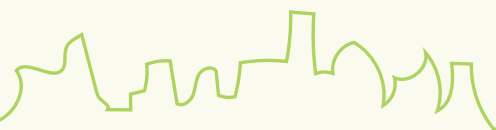
Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 1(c).

During the year, additions to right-of-use assets are set out in note 11 and note 12(a), respectively.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 23(d) and 28, respectively.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



13 Right-of-use assets (continued)

(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 19). The interests in leasehold land which are held to earn rental income and/or for capital appreciation are presented in 'investment properties'. The Group presents interests in leasehold land that do not meet the definition of inventory or investment property in 'property, plant and equipment'.

(ii) Leased properties

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

14 Intangible assets

	Operating right and others RMB'000	Goodwill RMB'000	Total RMB'000
Cost:			
At 1 January 2018	1,331,856	206,343	1,538,199
Exchange adjustment	–	10,766	10,766
Additions	62,936	–	62,936
At 31 December 2018 and 1 January 2019	1,394,792	217,109	1,611,901
Exchange adjustment	–	3,812	3,812
Additions	5,474	–	5,474
Reduction	(120,000)	–	(120,000)
At 31 December 2019	1,280,266	220,921	1,501,187
Accumulated amortisation:			
At 1 January 2018	441,926	–	441,926
Charge for the year	154,549	–	154,549
At 31 December 2018 and 1 January 2019	596,475	–	596,475
Charge for the year	125,861	–	125,861
Reduction	(7,428)	–	(7,428)
At 31 December 2019	714,908	–	714,908
Net book value:			
At 31 December 2019	565,358	220,921	786,279
At 31 December 2018	798,317	217,109	1,015,426

14 Intangible assets (Continued)

(a) Operating right and others

The operating right and others mainly represented the operating rights of public premise acquired.

(b) Goodwill

Goodwill arose from acquisition of Vanke Overseas Investment Holding Company Limited by the Group in 2012. As at the end of the financial reporting period, an impairment test was performed and no impairment loss was recorded.

15 Investments in subsidiaries

The following are the particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. The PRC subsidiaries are of limited liability.

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital ('000)	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shenzhen Vanke Development Company Limited	Shenzhen	RMB600,000	100%	95%	5%	Property development
Guangzhou Vanke Enterprises Company Limited	Guangzhou	RMB1,000,000	100%	90%	10%	Property development
Shanghai Vanke Enterprises Company Limited	Shanghai	RMB10,000,000	100%	-	100%	Property development
Beijing Vanke Enterprises Company Limited	Beijing	RMB2,000,000	100%	95%	5%	Property development
Foshan Vanke Property Company Limited	Foshan	RMB60,000	100%	-	100%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB300,000	100%	-	100%	Property development
Zhuhai Vanke Development Company Limited	Zhuhai	RMB10,000	100%	100%	-	Property development
Xiamen Vanke Enterprises Company Limited	Xiamen	RMB1,200	100%	100%	-	Property development
Fuzhou Vanke Development Company Limited	Fuzhou	RMB20,000	100%	100%	-	Property development
Hainan Vanke Corporate Management Company Limited	Hainan	RMB10,000	100%	100%	-	Property development
Nanjing Vanke Enterprises Company Limited	Nanjing	RMB150,000	100%	100%	-	Property development
Suzhou Vanke Enterprises Company Limited	Suzhou	RMB100,000	100%	100%	-	Property development
Ningbo Vanke Enterprises Company Limited	Ningbo	RMB150,000	100%	100%	-	Property development
Hefei Vanke Enterprises Company Limited	Hefei	RMB200,000	100%	100%	-	Property development
Tangshan Vanke Real Estate Company Limited	Tangshan	RMB200,000	100%	-	100%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000	100%	15%	85%	Property development
Shenyang Vanke Enterprises Company Limited	Shenyang	RMB100,000	100%	95%	5%	Property development
Dalian Vanke Property Company Limited	Dalian	RMB30,000	100%	100%	-	Property development
Changchun Vanke Real Estate Development Company Limited	Changchun	RMB50,000	100%	95%	5%	Property development
Yantai Vanke Enterprises Company Limited	Yantai	RMB30,000	100%	100%	-	Property development
Taiyuan Vanke Real Estate Company Limited	Taiyuan	RMB60,000	100%	100%	-	Property development
Qingdao Vanke Real Estate Company Limited	Qingdao	RMB20,000	100%	100%	-	Property development
Vanke (Chengdu) Enterprises Company Limited	Chengdu	RMB500,000	100%	90%	10%	Property development
Wuhan Vanke Real Estate Company Limited	Wuhan	RMB150,000	100%	95%	5%	Property development

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

15 Investments in subsidiaries (Continued)

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital ('000)	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Vanke (Chongqing) Enterprises Company Limited	Chongqing	RMB100,000	100%	100%	-	Property development
Xi'an Vanke Enterprises Company Limited	Xi'an	RMB20,000	100%	100%	-	Property development
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000	100%	100%	-	Property development
Yunnan Vanke Enterprises Company Limited	Kunming	RMB20,000	100%	100%	-	Property development
Vanke (Xinjiang) Enterprises Company Limited	Urumuqi	RMB100,000	100%	95%	5%	Property development
Zhejiang Zhenan Vanke Property Company Limited	Wenzhou	RMB1,300,000	100%	100%	-	Property development
Wuhu Vanke Real Estate Company Limited	Wuhu	RMB60,000	100%	100%	-	Property development
Yangzhou Vanke Real Estate Company Limited	Yangzhou	RMB10,000	100%	100%	-	Property development
Zhengzhou Vanke Enterprises Company Limited	Zhengzhou	RMB100,000	100%	100%	-	Property development
Xuzhou Vanke Enterprises Company Limited	Xuzhou	RMB100,000	100%	100%	-	Property development
Jinan Vanke Enterprises Company Limited	Jinan	RMB100,000	100%	100%	-	Property development
Guangxi Vanke Corporate Management Company Limited	Nanning	RMB10,000	100%	100%	-	Property development
Changzhou Vanke Real Estate Company Limited	Changzhou	RMB500,000	100%	-	100%	Property development
Shijiazhuang Vanke Real Estate Company Limited	Shijiazhuang	RMB50,000	100%	-	100%	Property development
Vanke Overseas Investment Holding Company Limited	The Cayman Islands/Hong Kong	HKD7,500	75%	-	75%	Property investment holding
Zhongshan Vanke Enterprises Company Limited	Zhongshan	RMB100,000	100%	100%	-	Property development
Changsha Vanke Enterprises Company Limited	Changsha	RMB19,000	100%	100%	-	Property development
Zhejiang Vanke Nandu Real Estate Company Limited	Hangzhou	RMB3,650,000	100%	-	100%	Property development
Wuxi Vanke Enterprises Company Limited	Wuxi	RMB20,000	100%	100%	-	Property development
Nantong Vanke Enterprises Company Limited	Nantong	RMB20,000	100%	-	100%	Property development
Jiangxi Vanke Yida Property Company Limited	Nanchang	RMB100,000	50%	50%	-	Property development
Jiaying Vanke Real Estate Company Limited	Jiaying	RMB100,000	100%	-	100%	Property development
Yancheng Vanke Real Estate Company Limited	Yancheng	RMB20,000	100%	-	100%	Property development
Harbin Vanke Enterprises Company Limited	Harbin	RMB100,000	100%	100%	-	Property development
Lanzhou Vanke Enterprises Company Limited	Lanzhou	RMB100,000	100%	100%	-	Property development
Baotou Vanke Real Estate Company Limited	Baotou	RMB10,000	100%	-	100%	Property development
Huizhou Vanke Enterprises Company Limited	Huizhou	RMB20,000	100%	-	100%	Property development
Vanke Real Estate (HK) Company Limited	Hong Kong	HKD3,034,200	100%	80%	20%	Investment holding
Vanke Property (HK) Company Limited	Hong Kong	USD490,000	100%	100%	-	Investment holding
Vanke Property Real Estate (HK) Company Limited	Hong Kong	USD90,000	100%	49%	51%	Investment holding
Dongguan Vanke Architectural Technology Research Company Limited	Dongguan	RMB20,000	100%	100%	-	Others
Vanke Holdings USA LLC	USA	USD972,501	100%	-	100%	Investment holding
Jilin Songhua Lake International Resorts Company Limited	Jilin	RMB100,000	100%	-	100%	Tourism
Lithium Real Estate (Jersey) Limited	Jersey	GBP27,420	100%	-	100%	Investment holding
Vanke Logistics Development Company Limited	Shanghai	RMB100,000	100%	100%	-	Logistic service
Zhuhai Port Apartment Management Company Limited	Shenzhen	RMB5,000	100%	-	100%	Investment holding

15 Investments in subsidiaries (Continued)

No individual non-controlling interest is considered material to the Group as at 31 December 2019 and 2018.

16 Interests in associates and joint ventures

(a) Interest in associates

	2019 RMB'000	2018 RMB'000
Listed in Hong Kong	6,178,333	6,158,865
Unlisted	67,189,233	67,678,136
	73,367,566	73,837,001

As at 31 December 2019, the market value of the investment in associate listed in Hong Kong was RMB4,604,786,000 (2018: RMB6,240,278,000).

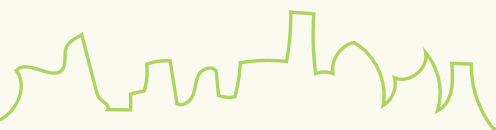
Management considers that none of the associates of the Group will have a significant impact to the financial position and performance of the Group individually.

	2019 RMB'000	2018 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	73,367,566	73,837,001
Aggregate amounts of the Group's share of those associates' profit or loss for the year*	527,604	1,666,729
Aggregate amounts of the Group's share of those associates' other comprehensive income for the year	(260,295)	(2,282,849)

* Included the Group's share of impairment loss of inventories of RMB513 million (2018: RMB601 million).

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(Expressed in thousands in Renminbi unless otherwise indicated)



16 Interests in associates and joint ventures (Continued)

(b) Interest in joint ventures

Management considers that none of the joint ventures of the Group will have significant impact to the financial position and performance of the Group individually.

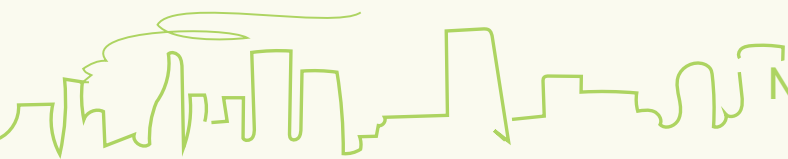
	2019 RMB'000	2018 RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	57,108,203	55,690,655
Aggregate amounts of the Group's share of those joint ventures' profit or loss and total comprehensive income for the year*	3,262,995	4,613,181

* Included the Group's share of impairment loss of inventories of RMB1,637 million (2018: Nil).

17 Other financial assets

	2019 RMB'000	2018 RMB'000
Equity securities designated at FVOCI (non-recycling)		
– Listed equity securities	2,249,954	1,636,584
Financial assets measured at FVPL		
– Listed equity securities	98,199	586,989
– Unlisted equity securities	575,783	465,342
	673,982	1,052,331

The Group designated its investment in certain companies at FVOCI (non-recycling), as the investments are held for strategic purposes. Dividends of RMB14,069,000 were received during the year (2018: RMB12,748,000).



18 Other non-current assets

	2019 RMB'000	2018 RMB'000
Prepayments for acquisitions and properties development	7,199,762	6,171,552
Prepayments for leasehold land	–	28,157,836
Others	1,907,558	1,653,579
	9,107,320	35,982,967

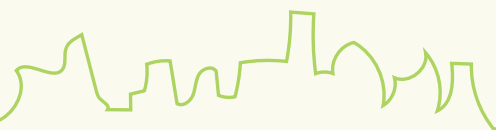
Note: The balance mainly included payments for land development projects for the purpose of acquisition of land and other properties development. Prepayments for leasehold land for investment properties are classified in “investment properties” as the impact of initial application of IFRS 16. Comparative information is not restated as the Group adopted the modified retrospective approach under IFRS16.

19 Inventories and other contract costs

	2019 RMB'000	2018 RMB'000
Properties held for development	207,609,238	178,298,587
Properties under development	622,292,297	507,075,261
Completed properties for sale	66,034,463	63,962,097
Others	1,156,885	1,050,740
Contract costs	4,714,197	3,923,392
	901,807,080	754,310,077

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



19 Inventories and other contract costs (Continued)

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

	2019 RMB'000	2018 RMB'000
Carrying amount of inventories sold	216,797,855	173,765,903
Write-down of inventories	1,136,673	1,018,378
	217,934,528	174,784,281

Certain of the Group's inventories were pledged for bank loans, see note 26 for details.

(b) Contract costs

Contract costs capitalised as at 31 December 2019 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "selling and marketing expenses" in the statement of profit or loss in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB2,707,871,000 (2018: RMB2,401,188,000).

The amount of capitalised contract costs that is expected to be recognised as an expense after more than one year is RMB671,478,000 (2018: RMB440,576,000).

20 Contract assets and contract liabilities

(a) Contract assets

	2019 RMB'000	2018 RMB'000
Contract assets		
Arising from performance under construction contracts	3,444,938	1,364,127
Receivables from contracts with customers within the scope of IFRS15, which are included in "Trade and other receivables"	2,017,046	1,588,739

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets.

The amount of contract assets that is expected to be recovered after more than one year is RMB63,657,000 (2018: RMB64,348,000), all of which relates to retentions.

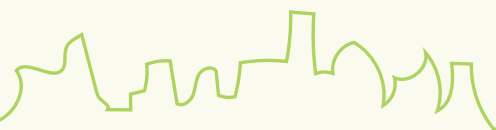
(b) Contract liabilities

	2019 RMB'000	2018 RMB'000
Property development	577,047,227	504,711,414

The Group receives 20-100% of the contract value as a deposit from customers when they sign the sale and purchase agreement and the rest of the consideration is paid according to payment schedules. This deposit is recognised as a contract liability until the properties are controlled by the customer.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



20 Contract assets and contract liabilities (Continued)

(b) Contract liabilities (Continued)

Movements in contract liabilities

	2019 RMB'000	2018 RMB'000
Balance at 1 January	504,711,414	379,941,171
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(312,055,051)	(235,972,681)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments excluding amounts recognised as revenue during the year	372,273,401	341,074,243
Change in consolidation scope	12,117,463	19,668,681
Balance at 31 December	577,047,227	504,711,414

The amount of forward sales deposits and instalments received expected to be recognised as income after more than one year is RMB132,308 million (2018: RMB126,971 million).

21 Trade and other receivables

	2019 RMB'000	2018 RMB'000
Trade receivables, net of loss allowance	2,017,046	1,588,739
Other receivables, net of loss allowance	120,920,746	107,429,364
Prepayments, net of impairment provision	113,802,566	85,915,161
Amounts due from associates	39,832,862	35,727,848
Amounts due from joint ventures	74,711,399	101,166,932
Derivative financial instruments	332,258	10,783
	351,616,877	331,838,827

All of the trade and other receivables, apart from receivables of RMB4,767 million (2018: RMB3,835 million), are expected to be recovered within one year.

21 Trade and other receivables (Continued)

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the date the trade debtors recognised and net of allowance for doubtful debts, is as follows:

	2019 RMB'000	2018 RMB'000
Within 1 year	1,346,353	1,078,552
1 to 2 years	348,291	266,418
2 to 3 years	175,588	190,602
Over 3 years	146,814	53,167
	2,017,046	1,588,739

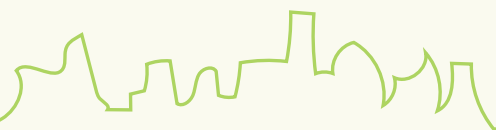
The Group's credit policy is set out in note 34(a).

Trade debtors that were past due but not impaired relate to a number of independent debtors that have a good track record or ongoing business relationship with the Group. Management considers that the trade debtors that were past due but not impaired was insignificant. Based on experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

- (b) Other receivables mainly included deposits paid for the acquisition of land and advances made to non-controlling shareholders of certain subsidiaries. Allowance for other debtors related to certain long outstanding deposits and management assessed that only a portion of the receivables is expected to be recovered.
- (c) The amounts due from associates and joint ventures as at 31 December 2019 include amounts of RMB29,069 million (2018: RMB35,697 million) which are interest-bearing at market rate, unsecured and repayable on demand. The interest income from these associates and joint ventures amounted to RMB1,112 million (2018: RMB1,596 million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.
- (d) Prepayments include prepayments for leasehold land of RMB32,911 million (2018: RMB33,704 million), prepaid CIT of RMB12,142 million (2018: RMB10,560 million) and prepaid LAT of RMB11,334 million (2018: RMB9,375 million) and prepaid value-added tax ("VAT") of RMB31,674 million (2018: RMB22,872 million). Impairment provision for prepayments relates to certain prepayments for leasehold land and management assessed that these prepayments are not expected to be recoverable.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



21 Trade and other receivables (Continued)

(e) The Group entered into foreign exchange forward contracts and interest rate swap contracts (“IRS contracts”) for hedging purpose. These foreign exchange forward contracts and IRS contracts are measured at fair value. The effective portion of gains and losses on forward contracts and IRS contracts qualifying for hedge accounting as at 31 December 2019 was recognised in the other comprehensive income and calculated separately in equity in hedging reserve.

The Group uses foreign exchange forward contracts to mitigate currency risk. The notional amount of outstanding CCS contracts as at 31 December 2019 was RMB14,558 million (2018: RMB11,790 million), and the fair value was recognised in derivative financial assets at RMB327 million (2018: derivative financial liability at RMB291 million).

The Group uses IRS contracts to mitigate the risk of changes in market interest rates. As at 31 December, 2019, the notional principal of the outstanding IRS contracts amounted to RMB4,463 million (2018: RMB4,386 million), and the fair value was recognised in derivative financial asset at RMB5 million (2018: derivative financial asset at RMB11 million).

22 Other current assets

At 31 December 2019, other current assets mainly represented investments in wealth management products with maturity dates of less than one year.

23 Cash and cash equivalents

(a) Cash and cash equivalents comprise

	2019 RMB'000	2018 RMB'000
Cash at bank and on hand	159,738,651	175,668,164

As at the end of the reporting period, bank deposit balances amounted RMB418 million (2018: RMB1,094 million) were held with Huishang Bank, an associate of the Group.

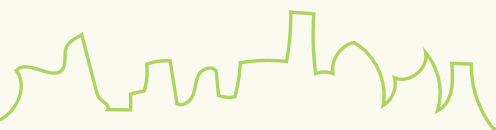
23 Cash and cash equivalents (Continued)

(b) Reconciliation of profit before taxation to cash generated from operation

		2019	2018
	Note	RMB'000	(Note) RMB'000
Profit before taxation		106,116,493	87,064,968
Adjustments for:			
Write-down of inventories	19(a)	1,136,673	1,018,378
Impairment loss of trade and other receivables	5(c)	216,850	616,799
Impairment loss of leasehold land/investment properties	5(c)	512,083	982,895
Depreciation and amortisation	5(c)	6,305,602	2,921,936
Net loss on disposals of property, plant and equipment	4	9,666	3,409
Net gain on disposals of subsidiaries, joint ventures and associates	4	(852,218)	(433,887)
Net loss on disposal of other financial assets	4	11,252	–
Net gain on disposal of other current assets	4	(290,298)	(37,936)
Fair value changes	4	68,519	(86,635)
Finance costs	5(a)	9,255,269	8,181,336
Interest income	4	(3,530,405)	(3,839,923)
Dividend income from investments	4	(62,264)	(36,201)
Share of profits less losses of associates and joint ventures		(3,790,598)	(6,279,910)
Net exchange (gain)/loss	4	(326,187)	1,320,525
Changes in working capital:			
Increase in inventories and other contract costs		(107,679,287)	(111,117,086)
Decrease/(increase) in trade and other receivables and contract assets		11,244,285	(85,844,528)
Increase in trade and other payables and contract liabilities		70,209,175	175,776,497
Cash generated from operations		88,554,610	70,210,637

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



23 Cash and cash equivalents (Continued)

(b) Reconciliation of profit before taxation to cash generated from operation (Continued)

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets and lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Previously, cash payments under operating leases made by the Group as a lessee were classified as operating activities in the consolidated cash flow statement. Under IFRS 16, except for short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of lease liabilities, all other rentals paid on leases are now split into capital element and interest element (see note 23(c)) and classified as financing cash outflows. Under the modified retrospective approach, the comparative information is not restated. Further details on the impact of the transition to IFRS 16 are set out in note 1(c).

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans and borrowings from financial institutions RMB'000 Note 26	Bonds payable RMB'000 Note 27	Interest payables RMB'000 Note 27	Lease liabilities RMB'000 Note 28	Other payables RMB'000	Total RMB'000
At 31 December 2018	190,065,978	71,141,619	1,463,670	-	16,959,520	279,630,787
Impact on initial application of IFRS 16 (Note)	-	-	-	24,184,694	-	24,184,694
At 1 January 2019	190,065,978	71,141,619	1,463,670	24,184,694	16,959,520	303,815,481
Changes from financing cash flows:						
Proceeds from bank loans, borrowings from financial institutions and bonds	79,016,908	14,603,433	-	-	-	93,620,341
Repayment of bank loans, borrowings from financial institutions and bonds	(76,596,441)	(24,119,120)	-	-	-	(100,715,561)
Proceed from advance payment from contracted parties	-	-	-	-	17,958,911	17,958,911
Repayment of advance payment from contracted parties	-	-	-	-	(7,415,335)	(7,415,335)
Interest paid	-	-	(13,333,126)	-	-	(13,333,126)
Capital element of lease rentals	-	-	-	(1,475,417)	-	(1,475,417)
Interest element of lease rentals paid	-	-	-	(986,299)	-	(986,299)
Total changes from financing cash flows	2,420,467	(9,515,687)	(13,333,126)	(2,461,716)	10,543,576	(12,346,486)
Exchange adjustments	241,794	397,436	161,310	-	-	800,540

23 Cash and cash equivalents (Continued)

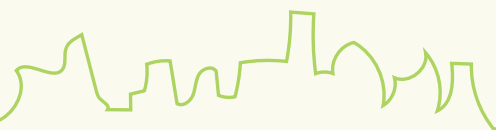
(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans and borrowings from financial institutions RMB'000 Note 26	Bonds payable RMB'000 Note 27	Interest payables RMB'000 Note 27	Lease liabilities RMB'000 Note 28	Other payables RMB'000	Total RMB'000
Other changes:						
Increase in lease liabilities from entering into new leases during the period	-	-	-	990,478	-	990,478
Decrease in lease liabilities from termination of leases during the period	-	-	-	(996,745)	-	(996,745)
Interest expenses (Note 5(a))	-	102,638	7,499,224	986,299	667,108	9,255,269
Capitalised borrowing costs (Note 5(a))	-	-	5,693,803	-	-	5,693,803
Change in consolidation scope	2,997,979	-	-	-	-	2,997,979
Total other changes	2,997,979	102,638	13,193,027	980,032	667,108	17,940,784
At 31 December 2019	195,726,218	62,126,006	1,484,881	22,703,010	28,170,204	310,210,319

Note: The Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. See notes 1(c) and 23(b).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



23 Cash and cash equivalents (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans and borrowings from financial institutions RMB'000 Note 26	Bonds payable RMB'000 Note 27	Interest payables RMB'000 Note 27	Other payables RMB'000	Total RMB'000
At 1 January 2018	152,138,365	38,486,048	995,144	4,324,560	195,944,117
Changes from financing cash flows:					
Proceeds from bank loans, borrowings from financial institutions and bonds	96,052,992	38,982,790	-	-	135,035,782
Repayment of bank loans, borrowings from financial institutions and bonds	(65,829,693)	(8,024,678)	-	-	(73,854,371)
Proceed from advance payment from contracted parties	-	-	-	14,780,756	14,780,756
Repayment of advance payment from contracted parties	-	-	-	(2,819,066)	(2,819,066)
Interest paid	-	-	(13,633,142)	-	(13,633,142)
Total changes from financing cash flows	30,223,299	30,958,112	(13,633,142)	11,961,690	59,509,959
Exchange adjustments	2,484,847	1,649,226	677,359	-	4,811,432
Other changes:					
Interest expenses (Note 5(a))	-	48,233	7,459,833	673,270	8,181,336
Capitalised borrowing costs (Note 5(a))	-	-	5,964,476	-	5,964,476
Change in consolidation scope	5,219,467	-	-	-	5,219,467
Total other changes	5,219,467	48,233	13,424,309	673,270	19,365,279
At 31 December 2018	190,065,978	71,141,619	1,463,670	16,959,520	279,630,787

23 Cash and cash equivalents (Continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases, excluding the acquisition of land use right as inventory, comprise the followings:

	2019	2018
	RMB'000	(Note) RMB'000
Within operating cash flows	107,894	1,204,739
Within investing cash flows	1,568,500	940,500
Within financing cash flows	2,461,716	–
	4,138,110	2,145,239

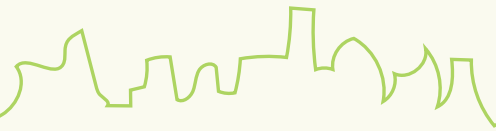
Note: As explained in the note 23(b) to note 23(c), the adoption of IFRS 16 introduces a change in classification of cash flows of certain rentals paid on leases. The comparative amounts have not been restated.

These amounts relate to the following:

	2019	2018
	RMB'000	RMB'000
Purchase of leasehold land for own use	1,568,500	940,500
Lease rentals paid	2,569,610	1,204,739
	4,138,110	2,145,239

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



24 Assets held for sale

	2019 RMB'000	2018 RMB'000
Investment properties	4,252,755	6,044,310
Inventories	–	580,321
	4,252,755	6,624,631

Assets being classified as held for sale are recognised at the lower of their carrying amount and fair value less costs to sell (see note 1(ab)). The fair value of the Group's assets held for sale, was approximately RMB5,643,457,000 as at 31 December 2019 as determined by the directors of the Company with reference to the valuation performed as set out in note 12(a). No impairment loss was recorded for the assets held for sale and the Group does not have any other comprehensive income related to the assets held for sale.

25 Trade and other payables

	Note	2019 RMB'000	2018 RMB'000
Trade creditors and bills payable	(a)	268,222,145	229,597,382
Other payables and accruals	(b)	191,062,757	171,324,034
Amounts due to associates	(c)	23,978,900	21,318,729
Amounts due to joint ventures	(c)	58,233,719	62,245,218
Receipts in advance		770,782	253,965
Derivative financial instrument	21(e)	–	631,227
		542,268,303	485,370,555

Notes:

- (a) An amount of RMB4,613 million (2018: RMB3,613 million) included in trade and other payables is expected to be settled after one year.

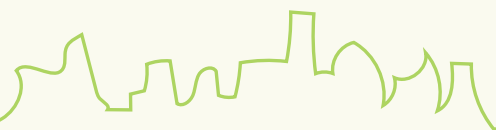
Ageing analysis of trade creditors and bills payables included in trade and other payables as at the end of the reporting period, based on the invoice date:

	2019 RMB'000	2018 RMB'000
Current or payable on demand	263,609,176	225,983,899
Due after one year	4,612,969	3,613,483
Total	268,222,145	229,597,382

- (b) Other payables and accruals mainly includes advance from non-controlling shareholders of subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB8,475 million (2018: RMB7,631 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.
- (c) The amounts of RMB7,054 million (31 December 2018: RMB9,534 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the year amounted to RMB337 million (2018: RMB301 million). The remaining amounts due to associates and joint ventures are unsecured, interest free and repayable on demand.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



26 Bank loans and borrowings from financial institutions

This note provides information about the contractual terms of the Group's bank loans and borrowings from financial institutions. For more information about the Group's exposure to interest rate risk, please refer to note 32(c).

	31 December 2019		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	2,488,595	–	2,488,595
Unsecured	58,285,645	20,632,200	78,917,845
Interest payables	361,714	54,627	416,341
	61,135,954	20,686,827	81,822,781
Non-current			
Secured	17,451,066	–	17,451,066
Unsecured	62,184,852	34,683,860	96,868,712
	79,635,918	34,683,860	114,319,778
	31 December 2018		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	9,434,307	–	9,434,307
Unsecured	41,485,936	18,216,680	59,702,616
Interest payables	471,917	11,661	483,578
	51,392,160	18,228,341	69,620,501
Non-current			
Secured	13,474,674	–	13,474,674
Unsecured	73,568,050	33,886,331	107,454,381
	87,042,724	33,886,331	120,929,055

Interest payables accrued for bank loans and borrowings from financial institutions were presented in "bank loans and borrowings from financial institutions", which were presented in "trade and other payables" in previous years. Comparative figures were restated.

26 Bank loans and borrowings from financial institutions (continued)

The secured bank loans are secured over share of interest in certain subsidiaries of the Group and other assets as below:

	2019 RMB'000	2018 RMB'000
Inventories	6,747,420	6,392,588
Investment properties	9,215,937	2,092,695
Other non-current assets	–	6,172,314
Pledged deposit	3,841,600	7,840,600
Property, plant and equipment	527,514	552,331
	20,332,471	23,050,528

Bank loans and borrowings from financial institutions are interest-bearing at 2.16% to 6.16% per annum (2018: 1.70% to 8.30% per annum).

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

	2019 RMB'000	2018 RMB'000
After 1 year but within 2 years	23,516,204	45,172,737
After 2 years but within 5 years	87,131,488	70,358,538
After 5 years	3,672,086	5,397,780
	114,319,778	120,929,055

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

27 Bonds payable

	Note	2019 RMB'000	2018 RMB'000
Current			
Bonds issued under			
Medium Term Note ("MTN") Programme	(a)	–	10,057,408
Bonds issued under			
Super short-term Commercial Paper ("SCP") Programme	(d)	500,000	13,989,065
RMB Corporate Bonds	(b)	8,988,192	–
RMB MTN Programme	(c)	2,992,301	–
Interest payables		782,532	872,015
		13,263,025	24,918,488
Non-current			
Bonds issued under MTN Programme	(a)	33,704,352	23,706,908
RMB Corporate Bonds	(b)	7,977,740	12,466,357
RMB MTN Programme	(c)	7,963,421	10,921,881
		49,645,513	47,095,146
		62,908,538	72,013,634

Interest payables accrued for bonds were presented in "bonds payable", which were presented in "trade and other payables" in previous years. Comparative figures were restated.

Notes:

- Vanke Real Estate Hong Kong ("VREHK"), a wholly owned subsidiary of the Group, established a MTN Programme ("the Programme") which is listed on the Stock Exchange of Hong Kong. These bonds are unsecured and interest-bearing at 2.95% to 5.35% per annum. At 31 December 2019, RMB21,785 million of non-current bonds issued under the Programme are repayable after 2 year but within 5 years, and RMB11,919 million of which are repayable after 5 years.
- The Company was approved by the China Securities Regulatory Commission ("CSRC") for public issuance of corporate bonds not exceeding RMB17 billion to qualified investors. These bonds are unsecured and interest-bearing at 3.50% to 4.54% per annum. At 31 December 2019, RMB7,978 million of non-current bonds are repayable after 2 years but within 5 years.
- 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 3.20% to 4.60% per annum. At 31 December 2019, RMB7,963 million of non-current bonds issued under the programme are repayable after 1 year but within 2 years.
- In 2019, the Group issued notes of RMB500 million under the SCP Programme which are listed on the National Association of Financial Market Institution Investors in the PRC. This bond bears fixed interest rate of 3.18% per annum, is unsecured and repayable within one year.

28 Lease liabilities

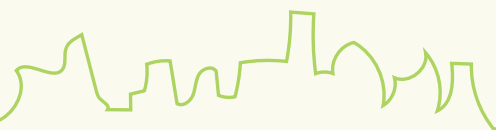
The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current reporting period:

	31 December 2019	
	Present value of the lease payments RMB'000	Total lease payments RMB'000
Within 1 year	1,425,644	2,331,631
After 1 year but within 2 years	1,527,584	2,374,161
After 2 years but within 3 years	1,616,371	2,398,817
After 3 years	18,133,411	22,335,258
	21,277,366	27,108,236
Less: total future interest expenses	22,703,010	29,439,867 (6,736,857)
Present value of lease liabilities		22,703,010

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to IFRS 16 are set out in note 1(c).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



29 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	2019 RMB'000	2018 RMB'000
Income taxes	13,016,369	9,435,377
LAT	43,766,935	27,857,602
	56,783,304	37,292,979

LAT provisions have been made pursuant to Guo Shui Fa (2006) No. 187 "Circular of State Administration of Taxation on Relevant Issues of Settlement and Management of Land Appreciation Tax for Real Estate Developers". The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities.

29 Income tax in the consolidated statement of financial position (Continued)

(b) Deferred tax assets and liabilities recognised:

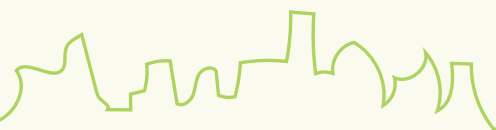
(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses	Write-down of inventories and impairment of investment properties	Accruals for construction costs	Accrual for LAT	Unrealised profits	Impairment loss of trade and other receivables	Other temporary differences	Fair value adjustments arising from business combinations	Capitalised contract costs (Note 1)	Withholding tax (Note 6(a)(iii))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:											
At 1 January 2018	3,696,927	321,164	746,796	4,046,785	439,813	251,414	148,103	(267,579)	(765,985)	(90,176)	8,527,262
Credited/(charged) to profit or loss (note 6(a))	2,655,517	188,362	664,628	1,449,870	783,386	59,033	45,843	9,356	528,264	(17,399)	6,366,860
Acquisition of subsidiaries	323,024	-	-	-	-	-	-	-	(19,452)	-	303,572
Disposals of subsidiaries	(71,460)	-	-	-	-	-	-	-	-	-	(71,460)
At 31 December 2018 and 1 January 2019	6,604,008	509,526	1,411,424	5,496,655	1,223,199	310,447	193,946	(258,223)	(257,173)	(107,575)	15,126,234
Credited/(charged) to profit or loss (note 6(a))	2,974,823	(60,596)	241,076	3,700,546	297,237	6,184	330,653	31,484	257,173	(21,861)	7,756,719
Acquisition of subsidiaries	234,970	-	-	-	-	-	-	-	-	-	234,970
Disposals of subsidiaries	(46,512)	-	-	-	-	-	-	-	-	-	(46,512)
At 31 December 2019	9,767,289	448,930	1,652,500	9,197,201	1,520,436	316,631	524,599	(226,739)	-	(129,436)	23,071,411

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(Expressed in thousands in Renminbi unless otherwise indicated)



29 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	2019 RMB'000	2018 RMB'000
Representing:		
Deferred tax assets	23,427,586	15,749,205
Deferred tax liabilities	(356,175)	(622,971)
	23,071,411	15,126,234

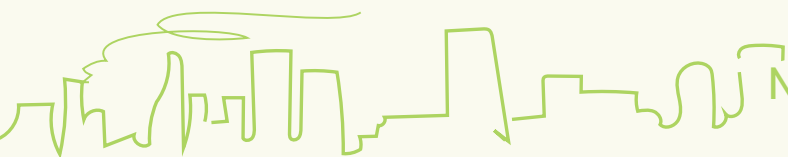
(c) Deferred tax assets not recognised:

Deferred tax assets has not been recognised in respect of the following items:

	2019 RMB'000	2018 RMB'000
Tax losses	5,992,754	3,517,632
Deductible temporary differences	4,455,305	2,733,073
At 31 December	10,448,059	6,250,705

The deductible temporary differences will not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses expired/will expire in the following years:

	2019 RMB'000	2018 RMB'000
2019	–	58,666
2020	59,169	66,472
2021	215,852	238,897
2022	1,171,551	1,399,164
2023	1,144,672	1,754,433
2024	3,401,510	–
	5,992,754	3,517,632



29 Income tax in the consolidated statement of financial position (continued)

(d) Deferred tax liabilities not recognised

Pursuant to the Implementation Rules of the Enterprise Income Tax Law, overseas investors of foreign investment enterprises shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group recognised the deferred tax liabilities in relation to the distributable profits expected to be distributed in foreseeable future.

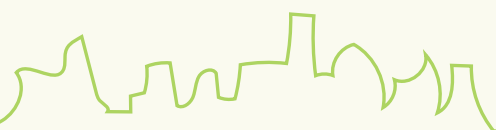
At 31 December 2019, temporary differences relating to the undistributed profits of domestic subsidiaries that have not been recognised as deferred tax liability amounted to RMB17,629 million (2018: RMB11,408 million). Deferred tax liabilities of RMB1,258 million (2018: RMB841 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and management expects that it is probable that these profits will not be distributed in the foreseeable future.

30 Other non-current liabilities

The balance mainly represents the amounts that are held on behalf of the owners committees in the property management sector by the Group, present value of proceeds to be paid by instalments for Qianhai Enterprise Dream Park Project.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



31 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
Balance at 1 January 2018		11,039,152	9,201,769	35,900,072	371,944	10,548,622	67,061,559
Changes in equity for 2018:							
Profit for the year		-	-	-	-	22,986,348	22,986,348
Total comprehensive income		-	-	-	-	22,986,348	22,986,348
Dividends approved	31(d)	-	-	-	-	(9,935,237)	(9,935,237)
Appropriation to statutory reserves	30(c)(i)	-	-	11,493,174	-	(11,493,174)	-
Balance at 31 December 2018		11,039,152	9,201,769	47,393,246	371,944	12,106,559	80,112,670
Changes in equity for 2019:							
Profit for the year		-	-	-	-	36,050,782	36,050,782
Total comprehensive income		-	-	-	-	36,050,782	36,050,782
Dividends approved	31(d)	-	-	-	-	(11,811,893)	(11,811,893)
Appropriation of statutory reserves in 2019	31(c)(i)	-	-	23,433,008	-	(23,433,008)	-
Issuance of H shares	31(b)	262,991	6,380,411	-	-	-	6,643,402
Balance at 31 December 2019		11,302,143	15,582,180	70,826,254	371,944	12,912,440	110,994,961

Note: The Group, including the Company, has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and there is no net effect on the opening balance of the Company's equity as at 1 January 2019. See notes 1(c) and 38.

31 Capital, reserves and dividends (continued)

(b) Share capital

Issued share capital

	2019		2018	
	No. of shares ('000)	RMB'000	No. of shares ('000)	RMB'000
A shares – registered, issued and fully paid of RMB1 each:				
At 1 January and 31 December	9,724,197	9,724,197	9,724,197	9,724,197
H shares – registered, issued and fully paid of RMB1 each:				
At 1 January	1,314,955	1,314,955	1,314,955	1,314,955
Shares issued	262,991	262,991	–	–
At 31 December	1,577,946	1,577,946	1,314,955	1,314,955
At 1 January	11,039,152	11,039,152	11,039,152	11,039,152
At 31 December	11,302,143	11,302,143	11,039,152	11,039,152

On 4 April 2019, the Company issued 262,991,000 new H shares under general mandate through a placement. The aggregate gross proceeds from the placing are approximately RMB6,668,301,000 and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing are approximately RMB6,643,402,000. The share capital has increased by RMB262,991,000, while RMB6,380,411,000 were credited to share premium.

Included in the A shares are 9,026,490 shares (2018: 9,026,490 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.

(c) Nature and purpose of reserves

(i) Statutory reserves

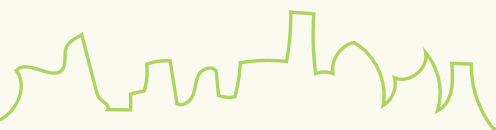
Statutory surplus reserve

According to the PRC Company Law, the Group is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make up for previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



31 Capital, reserves and dividends (Continued)

(c) Nature and purpose of reserves (Continued)

(i) Statutory reserves (Continued)

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2019, the directors proposed to transfer RMB23,433,008,000 (2018: RMB11,493,174,000) of the Company's current year's net profit to this reserve.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(z).

(iii) Hedging reserve

The hedging reserve consists of cash flow hedge reserve and cost of hedging reserve. Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss. The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element and foreign currency basis spread of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

(v) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners.

(d) Distributability of reserves and dividends

At 31 December 2019, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of the Company Law of the PRC, was RMB12,912,440,000 (2018: RMB12,106,559,000).

31 Capital, reserves and dividends (Continued)**(d) Distributability of reserves and dividends (Continued)****(i) Dividend payable to equity shareholders of the Company attributable to the year**

	2019 RMB'000	2018 RMB'000
Dividend to be proposed at the Company's forthcoming annual general meeting of RMB1.045 per share (2018: RMB1.045102 per share)	11,810,739	11,811,893

The dividend to be proposed at the Company's forthcoming annual general meeting has not been recognised as a liability at the end of the reporting period. If any circumstances, such as issuance of new shares, share repurchase before the record date for dividend distribution, results in the changes in our total number of shares on record date for dividend distribution, dividend per share shall be adjusted accordingly on the premise that the total dividends amount remains unchanged.

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2019 RMB'000	2018 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB1.045102 per share (2018: RMB0.90 per share)	11,811,893	9,935,237

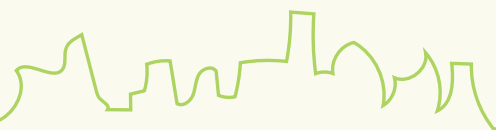
(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

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(Expressed in thousands in Renminbi unless otherwise indicated)



31 Capital, reserves and dividends (Continued)

(e) Capital management (Continued)

The Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Group. Net debt is calculated as total bank loans and borrowings from financial institutions and bonds payable less cash and cash equivalents and pledged and restricted deposits. The gearing ratio of the Group at 31 December 2019 and 2018 is calculated as follows:

	2019 RMB'000	2018 RMB'000
Bank loans and borrowings from financial institutions	195,726,218	190,065,978
Bonds payable	62,126,006	71,141,069
Less: Cash and cash equivalents	(159,738,651)	(175,668,164)
Pledged and restricted deposits	(6,455,944)	(12,749,283)
Net debt	91,657,629	72,790,150
Total equity	270,579,116	235,620,730
Gearing ratio	33.87%	30.89%

32 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, pledged and restricted deposits, contract assets, trade and other receivables and other financial assets, and the carrying amounts of these assets represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged and restricted deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low.

Except for the financial guarantees given by the Group as set out in notes 34 and 35(d), the Group does not provide any other guarantees which would expose the Group to credit risk.

32 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets

Credit risk from sale of properties is minimised as the Group normally receives full payment from buyers before the transfer of property ownership. Credit risk from construction contracts is minimised as the customers are mainly government related parties with good credit record and the contracts include payment schedules which require stage payments over the construction period once milestones are reached.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, trade receivables amounted to RMB2,017 million or 0.12% of total assets (2018: RMB1,589 million or 0.10% of total assets), and contract assets amounted to RMB3,445 million or 0.20% of total assets (2018: RMB1,364 million or 0.09% of total assets). The corresponding credit risk to the Group is therefore considered insignificant.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2019:

	Gross carrying amount RMB'000	Expected loss rate %	Loss allowance RMB'000
Within 1 year	1,330,099	0.96	12,716
1-2 years	363,392	4.16	15,101
2-3 years	181,704	3.37	6,116
Over 3 years	185,925	21.04	39,111
	2,061,120		73,044

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



32 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	2019 RMB'000	2018 RMB'000
Balance at 1 January	38,820	50,843
Amounts reversed during the year	(18,024)	(22,258)
Impairment losses recognised during the year	52,927	8,955
Change in consolidation scope	(679)	1,280
Balance at 31 December	73,044	38,820

No loss allowance in respect of contract assets was accrued during the reporting period since the expected credit loss from contract assets is considered immaterial.

(ii) Other receivables

In respect of amounts due from associates and joint ventures, the Group assesses and closely monitors their financial conditions and profitability to manage their credit risk.

In respect of other receivables due from third parties, the Group monitors the exposures and manages them based on historical settlement records and past experience, current conditions and forecasts of future economic conditions.

At each reporting date, the Group measures the expected credit losses of other receivables in following ways:

If, at the reporting date, the credit risk on other receivable has not increased significantly since initial recognition, the Group measures the loss allowance for other receivable at an amount equal to 12-month expected credit loss. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if the credit risk on other receivable has increased significantly since initial recognition and no impairment loss has occurred. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if impairment losses has occurred since initial recognition.

32 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

(ii) Other receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables as at 31 December 2019:

	Gross carrying amount RMB'000	12-month expected credit loss allowance RMB'000
For other receivable that the credit risk has not increased significantly since initial recognition:	3,356,782	103,472

	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivable that the credit risk has increased significantly since initial recognition and no impairment loss has occurred:	1,535,687	514,178

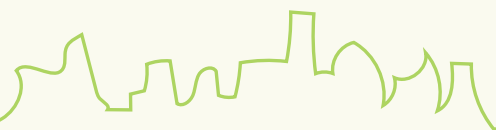
(iii) For other receivable that impairment losses has occurred since initial recognition:

	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivable that impairment losses has occurred since initial recognition:	3,598,349	1,049,332

Expected loss rates are based on historical loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



32 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

(iii) For other receivable that impairment losses has occurred since initial recognition: (Continued)

Movement in the loss allowance account in respect of other receivables during the year is as follows:

	2019 RMB'000	2018 RMB'000
Balance at 1 January	1,494,248	1,209,869
Amounts reversed during the year	(25,145)	(3,756)
Impairment losses recognised during the year	207,092	280,877
Change in consolidation scope	(9,213)	7,258
Balance at 31 December	1,666,982	1,494,248

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflow					
	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
2019						
Bank loans and borrowings						
from financial institutions	196,142,559	216,827,782	89,512,856	28,971,465	93,220,560	5,122,901
Bonds payable	62,908,538	70,842,579	14,764,219	11,273,636	31,711,539	13,093,185
Lease liabilities (note)	22,703,010	29,439,867	2,331,631	2,374,161	7,237,397	17,496,678
Trade creditors and accruals	518,255,249	518,611,792	513,998,823	4,612,969	-	-
Other non-current liabilities	1,065,436	1,375,536	-	969,336	406,200	-
Total	801,074,792	837,097,556	620,607,529	48,201,567	132,575,696	35,712,764

32 Financial risk management and fair values (Continued)

(b) Liquidity risk (Continued)

	Contractual undiscounted cash outflow					
	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
2018						
Bank loans and borrowings from financial institutions	190,065,978	211,357,730	77,594,082	50,225,026	76,790,065	6,748,557
Bonds payable	71,141,618	79,608,544	26,240,751	9,797,687	31,342,874	12,227,232
Trade creditors and accruals	434,588,826	434,943,634	431,330,150	3,613,484	–	–
Other non-current liabilities	2,338,048	2,776,083	–	2,120,013	656,070	–
Total	698,134,470	728,685,991	535,164,983	65,756,210	108,789,009	18,975,789

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Other lease liabilities include amounts recognised at the date of transition to IFRS 16 in respect of leases previously classified as operating leases under IAS 17 and amounts relating to new leases entered into during the year. Under this approach, the comparative information is not restated. See note 1(c)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from its bank loans and borrowings from financial institutions. Bank loans and borrowings from financial institutions issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest-bearing borrowings are disclosed in notes 26 and 27 to the consolidated financial statements. The Group entered into IRS contracts to mitigate the interest rate risk and the aggregate amount of hedging reserve related to IRS contracts is RMB13,169,000 as at 31 December 2019 (2018: RMB25,309,000).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

32 Financial risk management and fair values (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period, after taking into account the effect of IRS designated as cash flow hedging instruments (see (i) above).

	2019		2018	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate borrowings:				
Bank loans and borrowings from financial institutions	3.22%~5.95%	32,017,411	2.72%~8.30%	44,980,547
Bonds payable	2.95%~5.35%	58,262,759	2.50%~5.35%	66,699,264
IRS notional amount	1.15%	4,463,000	1.15%	4,386,000
		94,743,170		116,065,811
Variable rate borrowings:				
Bank loans and borrowings from financial institutions	Floating rate based on Libor/Hibor/SWAP/LPR	164,125,148	Floating rate based on Libor/Hibor/SWAP/LPR	145,085,432
Bonds payable	Floating rate based on Libor	4,645,779	Floating rate based on Libor	4,442,349
IRS notional amount	Floating rate based on Hibor	(4,463,000)	Floating rate based on Hibor	(4,386,000)
		164,307,927		145,141,781
Total net borrowings		259,051,097		261,207,592
Fixed rate borrowings as a percentage of total borrowings		37%		44%

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Under this approach, the comparative information is not restated. See note 1(c).

32 Financial risk management and fair values (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase of 50 basis points in interest rates of cash and bank loans and borrowings from financial institutions of the Group, with all other variables held constant, would have decreased the Group's profit after tax and total equity by approximately RMB383 million (2018: RMB342 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2018.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate bank loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation. The analysis above has excluded the bank loans and borrowings from financial institutions hedged by IRS contracts.

(d) Currency risk

The Group is exposed to foreign currency risk primarily on cash and cash equivalents, available-for-sale securities, trade and other receivables, other financial assets and borrowings which are denominated in USD, HKD and GBP.

Cash and cash equivalents denominated in foreign currencies are as follows:

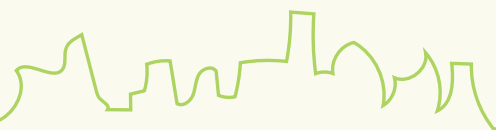
	2019 RMB'000	2018 RMB'000
USD	1,332,731	960,313
HKD	34,947	148,926
GBP	30,911	6,661

Other financial assets denominated in foreign currencies are as follows:

	2019 RMB'000	2018 RMB'000
USD	11,139	64,128
HKD	98,199	586,989

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



32 Financial risk management and fair values (continued)

(d) Currency risk (continued)

Trade and other receivables denominated in foreign currencies are as follows:

	2019 RMB'000	2018 RMB'000
USD	648,018	1,212,012
HKD	125,116	3,491
GBP	–	2,163

Bank loans and borrowings from financial institutions and bonds payable denominated in foreign currencies, excluding amount hedge against by deliverable forward contracts, are as follows:

	2019 RMB'000	2018 RMB'000
USD	32,012,479	26,291,985
HKD	5,946,256	6,871,240
GBP	1,213,599	1,474,231

Trade and other payables denominated in foreign currencies are as follows:

	2019 RMB'000	2018 RMB'000
USD	1,069,358	215,602
HKD	819	81,058
GBP	7,864	903

32 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk

The following table provides information on the CCS contracts and forward contracts which have been designated as cash flow hedges of the foreign exchange risk inherent in the Group's foreign currency borrowings and bonds at the end of the reporting period:

	2019 RMB'000	2018 RMB'000
Notional amount		
– Forward contracts	–	6,011,775
– CCS contracts	14,557,960	11,789,950
Carrying amount qualified for hedge accounting (note)		
– Forward contracts	–	340,060
– CCS contracts	327,380	291,498

Note: CCS and forward contracts liabilities are included in the "Trade and other payables" (note 25) line item in the consolidated statement of financial position.

The CCS and forward contracts will mature in the next 8 years. The Group adopts rollover strategy to match the maturity of hedging instruments with the maturity of the related USD borrowings and bonds (see note 32(b)) and have fixed exchange rates of USD against RMB ranging from 6.7280 to 6.9200 (2018: 6.7700 to 7.4450).

The Group seeks to hedge the foreign exchange spot rate only and applies a hedge ratio of 1:1. The existence of an economic relationship between the hedging instruments and hedged items is determined by matching their critical contract terms. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counter parties and the Group's own credit risk on the fair value of the forward contracts and CCS contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



32 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk (continued)

The following table provides a reconciliation of the cash flow hedge reserve and deferred costs of hedging reserve in respect of foreign exchange risk and shows the effectiveness of the hedging relationships:

	2019 RMB'000	2018 RMB'000
Cash flow Hedge Reserve		
Balance at 1 January	–	–
Effective portion of the cash flow hedge recognised in other comprehensive income	168,175	494,623
Amounts reclassified to profit or loss (note (i))	(168,175)	(494,623)
Balance at 31 December (note (ii))	–	–
Costs of Hedging Reserve		
Balance at 1 January	(180,592)	45,622
Costs of hedging for the year	326,456	(562,664)
Amounts reclassified to profit or loss (note (i))	(72,490)	336,450
Balance at 31 December (note (ii))	73,374	(180,592)
Change in spot element of hedging instruments during the year	168,175	494,623
Change in value of hedged item used to determine hedge effectiveness during the year	(168,175)	(494,623)

Notes:

- (i) Amounts reclassified to profit or loss are recognised in the “Finance costs” line item in the consolidated statement of profit or loss (see note 5(a)).
- (ii) The entire balance in cash flow hedge reserve and costs of hedging reserve relates to continuing hedges.

32 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk (continued)

Based on the assumption that HKD continue to be pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant. Management estimated that a 1% (2018: 1%) appreciation of USD/HKD against RMB, the Group's profit and equity would be both decreased by approximately RMB379 million (2018: decreased by RMB308 million respectively). Management estimated that a 1% (2018: 1%) appreciation of GBP against RMB, the Group's profit and equity would be both decreased by approximately RMB6 million (2018: RMB7 million).

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant. Financial assets and liabilities denominated in currencies other than functional currencies held by subsidiaries of the Group in Hong Kong or overseas which the functional currencies are not RMB were not accounted for in the analysis.

(e) Fair values

(i) Financial instruments measured at fair value

Fair value hierarchy

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



32 Financial risk management and fair values (Continued)

(e) Fair values (Continued)

(i) Financial instruments measured at fair value (Continued)

31 December 2019

Items	Fair value at 31 December 2019	Fair value measurements as at 31 December 2019 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Derivative financial instruments:				
– CCS contracts	327,380	–	327,380	–
– IRS contracts	4,878	–	4,878	–
Unlisted equity securities	575,783	–	–	575,783
Trading securities	98,199	98,199	–	–
Non-trading listed securities	2,249,954	2,249,954	–	–
Other current assets*	11,735,265	–	–	11,735,265
Recurring fair value measurement assets	14,991,459	2,348,153	332,258	12,311,048
Non-recurring fair value measurement assets				
Assets held for sale	4,252,755	–	–	4,252,755

32 Financial risk management and fair values (Continued)

(e) Fair values (Continued)

(i) Financial instruments measured at fair value (Continued)

31 December 2018

Items	Fair value at 31 December 2018	Fair value measurements as at 31 December 2018 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Derivative financial instruments:				
– IRS contracts	10,783	–	10,783	–
Unlisted equity securities	465,342	–	–	465,342
Trading securities	586,989	586,989	–	–
Non-trading listed securities	1,636,584	1,636,584	–	–
Other current assets*	11,900,806	–	–	11,900,806
Recurring fair value measurement assets	14,600,504	2,223,573	10,783	12,366,148
Recurring fair value measurement liabilities				
Derivative financial instruments:				
– Forward contracts	340,060	–	340,060	–
– CCS contracts	291,167	–	291,167	–
	631,227	–	631,227	–
Non-recurring fair value measurement assets				
Assets held for sale	6,624,631	–	–	6,624,631

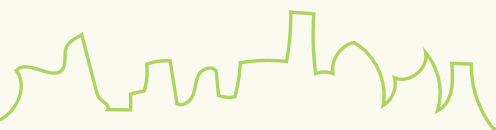
* Other current assets measured at fair value represents the Group's investments in wealth management products, which were classified as FVPL under IFRS 9.

(ii) Fair value of financial assets and liabilities carried at other than fair value.

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 December 2018 and 2019.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



33 Commitments

(a) Capital commitments outstanding at 31 December 2019 not provided for in the financial statements were as follows:

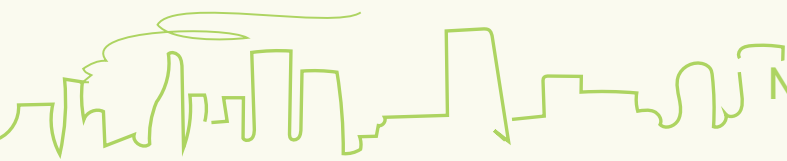
	2019 RMB'000	2018 RMB'000
Construction and development contracts	176,250,227	168,253,127
Land agreements	20,044,042	39,632,153
	196,294,269	207,885,280

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

(b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 RMB'000
Within 1 year	2,510,120
After 1 year but within 2 years	2,394,472
After 2 years but within 3 years	2,329,711
After 3 years	20,847,776
	28,082,079

The Group is the lessee in respect of a number of properties and items of plant and machinery and office equipment held under leases which were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 1(c)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 1(n), and the details regarding the Group's future lease payments are disclosed in note 28.



34 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 RMB228,152 million (2018: RMB181,454 million), which is guarantees of RMB228,152 million (2018: RMB181,454 million) which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties.

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

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

Details of the financial guarantees issued by the Group for certain associates are set out in note 35(d).

35 Material related party transactions

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

(a) Transactions with key management personnel

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

	2019 RMB'000	2018 RMB'000
Short-term employee benefits	63,275	76,993

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



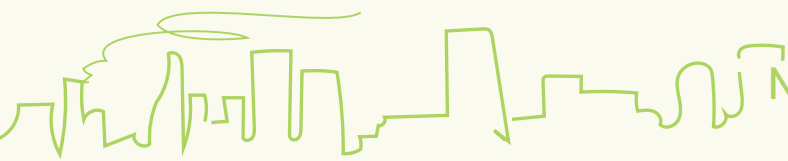
35 Material related party transactions (Continued)

(a) Transactions with key management personnel (Continued)

- (ii) In 2010, the Group launched the Economic Profits Bonus Plan (the “Plan”) as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to 10% of the key performance indicator of Economic Profits in the corresponding year. The bonus for 2019 to which the directors and the supervisors of the Company are entitled under the period of their terms of office has not yet been determined. The distribution of the Plan for 2019 will be approved after the 2019 Annual General Meeting and the amounts to which the key management personnel that are entitled will be disclosed in next year’s annual financial statements. The bonus distribution, net of individual income tax are entitled by the key management personnel of the Company for 2018 was RMB81,850,433. The final amounts may fluctuate due to the arrangement of “Contingent return”.

Name	The bonus distribution net of individual income tax for 2018 RMB'000
Mr. YU Liang	19,309
Mr. ZHU Jiusheng	13,016
Mr. XIE Dong	10,164
Mr. WANG Wenjin	9,971
Mr. ZHANG Xu	11,590
Mr. SUN Jia	11,590
Ms. ZHU Xu	4,486
Mr. ZHOU Qingping	1,724
Total	81,850

- (iii) In 2019, the Group sold some properties to certain key management personnel at total consideration of RMB30,243,000 with cost of sales of RMB12,449,000 (2018: Nil).



35 Material related party transactions (Continued)

(b) Project management fee charged by the Group

During 2019, the Group charged associates and joint ventures project management fee amounted to RMB733 million (2018: RMB873 million).

(c) Malls management fee paid by the Group

During 2019, the Group paid associates malls management fee amounted to RMB60 million (2018: RMB99 million).

(d) Financial guarantees issued

As at 31 December 2019, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB2,381 million (2018: RMB3,239 million).

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

(e) Disposal of commercial project

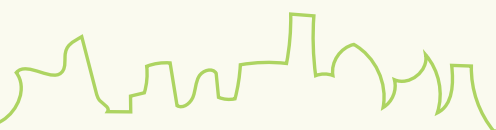
During the period, the Group disposed a commercial project, Nantong City Lights, to Nantong Shangdong Commercial Information Consulting Co. Ltd., a joint venture of the Group for a consideration of RMB83 million and disposed 50% of a commercial project, Xintang Vanke Plaza, to Zhuhai Maode Chengtong Commercial development Co., Ltd., a joint venture of the Group for a consideration of RMB253 million.

(f) Joint operations project

In prior years, the Group cooperated with the Shenzhen Metro Group to jointly develop Mangrove Bay and Shenzhen North Station Project (the "Projects"). At 31 December 2019, the Group's investment in the Projects amounted to RMB5,993 million (31 December 2018: RMB5,993 million) and the outstanding payables balances was RMB10,097 million (31 December 2018: RMB8,088 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



36 Acquisitions of subsidiaries

During the year, the Group has acquired certain subsidiaries which held property development projects. Acquisitions of these subsidiaries enable the Group to expand its land banks. Acquisitions of major subsidiaries by the Group during the year are summarised as follows:

Date of acquisition	Name of subsidiaries acquired	Percentage of equity interest after acquisition	Total Consideration RMB'000
October 2019	Beijing Xinyue Property Co. Ltd.	80.00%	1,308,960
September 2019	Yangzhou Education Property Co., Ltd.	95.00%	655,619
April 2019	Zhangzhou Baocheng Zhonghua Investment Co., Ltd.	100.00%	571,110
	Xiamen Baocheng Zhonghua Property Co., Ltd.		
October 2019	Foshan Nanhai Dachuang Storage Co., Ltd.	100.00%	440,000
November 2019	Yantai Tianmen Industrial Co., Ltd.	80.00%	372,330
January 2019	Hangzhou Donglian Storage Co., Ltd.	100.00%	308,539
July 2019	Realty Asset Limited	100.00%	269,099
May 2019	Anshan Huayun Property Co. Ltd.	70.00%	235,359
April 2019	Kunshan Yueju Real Estate Co. Ltd.	95.00%	190,000
January 2019	Dukun Energy Technology (Kunshan) Company Limited	100.00%	168,578

36 Acquisitions of subsidiaries (Continued)

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

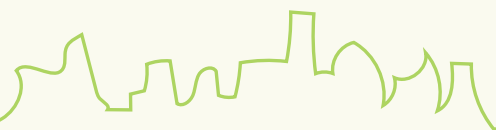
	2019 RMB'000
Current assets	67,506,501
Non-current assets	8,928,799
Current liabilities	(60,134,866)
Non-current liabilities	(3,462,518)
Non-controlling interests	(684,736)
Net assets acquired attributable to the Group	12,153,180
Total consideration	12,153,180
Consideration paid in prior years for the acquisitions	(5,202,942)
Consideration to be paid in subsequent years	(736,365)
Consideration paid during the year	6,213,873
Total cash and cash equivalents acquired	(4,020,519)
Consideration paid for prior years' acquisitions	3,344,333
Net cash outflow	5,537,687

The above subsidiaries contributed an aggregate revenue of RM7,699million and net profit attributable to the equity shareholders of the Company of RMB401 million to the Group for the year ended 31 December 2019. Should the acquisitions have occurred on 1 January 2019, the consolidated revenue and the consolidated profit attributable to the equity shareholders of the Company for the year ended 31 December 2019 would have been RMB369,132 million and RMB38,800million respectively.

The acquired subsidiaries' major assets are properties held for development, properties under development and completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties.

Notes to the financial statements

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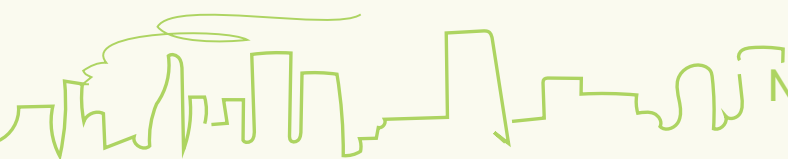


37 Disposal of subsidiaries

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

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

	2019 RMB'000
Current assets	6,391,406
Non-current assets	6,084,531
Current liabilities	(9,798,100)
Non-controlling interests	(798,473)
Remaining interest after disposal as interest in joint ventures and associates	(52,558)
Net assets attributable to the Group disposed of	1,826,806
Total consideration	2,614,701
Consideration received in prior years for the disposals	(5,500)
Consideration to be received subsequent to current year	(51,376)
Consideration received, satisfied in cash	2,557,825
Cash and cash equivalents disposed of	(869,548)
Consideration received for the disposals in prior years	514,086
Net cash inflow	2,202,363

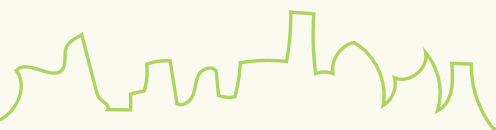


38 Company-level statement of financial position at 31 December 2019

	2019 RMB'000	2018 RMB'000
Non-current assets		
Property, plant and equipment	3,268,179	3,174,545
Investment properties	1,349	1,810
Investments in subsidiaries	27,551,150	23,025,950
Interest in associates and joint ventures	4,759,522	5,502,135
Other financial assets	257,839	257,839
Other non-current assets	267,039	482,842
	36,105,078	32,445,121
Current assets		
Trade and other receivables	326,665,812	334,757,818
Other current assets	11,541,343	11,502,045
Cash and cash equivalents	73,411,486	77,677,228
	411,618,641	423,937,091
Current liabilities		
Bank loans, borrowings from financial institutions	73,005,243	52,672,023
Bonds payable	13,033,258	13,989,065
Trade and other payables	160,236,632	203,373,978
Contract liabilities	3,402,203	3,386,092
	249,677,336	273,421,158
Net current assets	161,941,305	150,515,933
Total assets less current liabilities	198,046,383	182,961,054

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)



38 Company-level statement of financial position at 31 December 2019 (Continued)

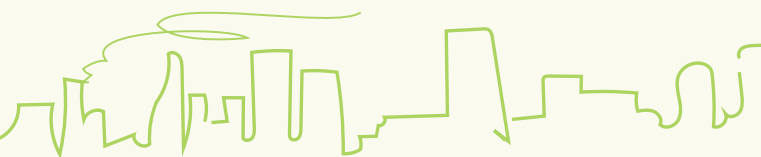
	2019 RMB'000	2018 RMB'000
Non-current liabilities		
Bank loans and borrowings from financial institutions	71,110,261	79,460,146
Bonds payable	15,941,161	23,388,238
	87,051,422	102,848,384
NET ASSETS	110,994,961	80,112,670
CAPITAL AND RESERVES		
Share capital	11,302,143	11,039,152
Reserves	99,692,818	69,073,518
TOTAL EQUITY	110,994,961	80,112,670

39 Non-adjusting events after the reporting period

- (a) After the end of the Reporting Period, the directors proposed a payment of the final dividend. Further details are disclosed in note 31(d).
- (b) Issuance of bonds
On 16 March 2020, the Group completed a public offering of corporate bonds to eligible investors of RMB2.5 billion, including RMB1.5 billion of 5-year term with a coupon rate of 3.02%, and RMB1 billion of 7-year term with a coupon rate of 3.42%.

40 Comparative figures

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 1(c).



41 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2019

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 3, <i>Definition of a business</i>	1 January 2020
Amendments to IAS 1 and IAS 8, <i>Definition of material</i>	1 January 2020

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Financial summary

	2019 RMB'000	2018 RMB'000	2017 RMB'000	2016 RMB'000	2015 RMB'000
Consolidated Results					
Revenue	367,893,878	297,083,058	237,344,688	228,916,100	184,317,543
Profit before taxation	106,116,493	87,064,968	64,681,739	49,468,746	40,516,708
Income tax	(50,984,878)	(37,792,673)	(27,473,352)	(21,118,491)	(14,567,270)
Profit for the year	55,131,615	49,272,295	37,208,387	28,350,255	25,949,438
Attributable to:					
Equity shareholders of the Company	38,872,087	33,772,652	28,051,815	21,022,606	18,119,406
Non-controlling interests	16,259,528	15,499,643	9,156,572	7,327,649	7,830,032
Consolidated Assets					
Non-current assets	290,940,096	233,507,500	147,794,085	109,378,786	64,271,194
Inventories and other contract costs	901,807,080	754,310,077	597,487,304	466,225,274	367,507,209
Cash and cash equivalents	159,738,651	175,668,164	164,326,007	79,490,015	51,747,621
Other current assets	377,517,470	365,177,674	255,831,977	175,755,346	127,965,963
Bank loans and borrowings from financial institutions	196,142,559	190,065,978	152,138,365	97,287,766	59,476,955
Bonds payable	62,908,538	71,141,619	38,486,048	31,576,557	20,013,934
Receipts in advance/contract liabilities	577,047,227	504,711,414	407,705,940	274,645,554	212,625,706
Other liabilities	623,325,857	527,123,674	380,435,081	265,662,973	183,065,775
Capital and Reserves	270,579,116	235,620,730	186,673,939	161,676,571	136,309,617
Total equity attributable to equity shareholders of the Company	188,058,492	155,764,132	132,675,315	113,444,766	100,183,518
Non-controlling interests	82,520,624	79,856,598	53,998,624	48,231,805	36,126,099
Basic earnings per share (RMB)	3.47	3.06	2.54	1.90	1.64
Dividends per share(taxes included) (RMB)	1.045	1.07	0.90	0.79	0.72

1. As a result of the adoption of IFRS 16, *Leases*, with effect from 1 January 2019, the Group has changed its accounting policies in respect of the lessee accounting model. In accordance with the transitional provisions of the standard, the changes in accounting policies were adopted by way of opening balance adjustments to recognise right-of-use assets and lease liabilities as at 1 January 2019. After initial recognition of these assets and liabilities, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Figures in years earlier than 2019 are stated in accordance with the policies applicable in those years.
2. As a result of the adoption of IFRS 15, *Revenue from contracts with customers*, with effect from 1 January 2018, the Group has changed its accounting policies in respect of revenue recognition. In accordance with the transitional provisions of the standard, the changes in accounting policies were adopted by way of opening balance adjustments to equity as at 1 January 2018. Figures in years earlier than 2018 are stated in accordance with the policies applicable in those years.
3. The Group adopted IFRS 9, *Financial instruments*, including the amendments to IFRS 9, *Prepayment features with negative compensation*, from 1 January 2018. As a result, the Group has changed its accounting policies in relation to financial instruments. As allowed by IFRS 9, the Group has not restated information relating to prior years. Differences in the carrying amounts of the financial assets resulting from the adoption of IFRS 9 were recognised in retained earnings and reserves at 1 January 2018. There was no difference in the carrying amounts of the financial liabilities. Prior to 1 January 2018, figures were stated in accordance with the policies applicable in those years.

Section 12

Contents of Documents Available for Inspection



1. Financial Statements containing the signature and seal of the Company's legal representative and Supervisor of Finance.
2. Original copy of the audit report containing the seal of the account firm and the signature of the certified public accountants.
3. Original copy of the company documents and announcements disclosed in the newspaper designated by CSRC during the reporting period.
4. English version of the Annual Report.
5. Other documents.

The Company should keep the original copy or the legally effective copy of the above documents at the Company's office of the Board.

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