

vanke

CHINA VANKE CO., LTD.*

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

(Stock code: 2202)



2022

ANNUAL REPORT

*For identification purpose only

Important Notice:

1. The Board, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company warrant that in respect of the authenticity, accuracy and completeness of the information contained in 2022 Annual Report (hereinafter referred to as the "Report"), there are no misrepresentations, misleading statements or material omission, and individually and collectively accept full responsibility.
2. The Report has been approved by the Company's twenty-eighth meeting of the nineteenth session of the Board (hereinafter referred to as the "Meeting"). Mr. XIN Jie, being a non-executive Director of the Company, did not attend the meeting due to business engagement, and authorized Mr. HUANG Liping, also a non-executive Director of the Company to attend the Meeting and execute voting rights on behalf of him. Mr. ZHANG Yichen, being an independent non-executive Director of the Company, did not attend the Meeting due to business engagement, and authorized Ms. LIU Shuwei, also an independent non-executive Director of the Company to attend the Meeting and execute voting rights on behalf of him. Other Directors attended the Meeting in person.
3. The financial report of the Report has been audited by KPMG, which has issued an auditor's report with unqualified audit opinion.
4. YU Liang, Chairman of the Board and HAN Huihua, Executive Vice President and Finance Principal declare that the financial report contained in the Report is warranted to be true, accurate and complete.
5. The Company's proposal on dividend distribution for the year of 2022: 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 2022 will be RMB8,063,272,365.72 (inclusive of tax), accounting for 35.65% of the Company's net profit attributable to shareholders of the Company in the consolidated statement for 2022, without any bonus shares or transfer of equity reserve to the share capital. Based on the Company's current total number of 11,857,753,479 shares (excluding treasury shares), a cash dividend of RMB6.80 (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 proposal on dividend distribution for the year of 2022 shall also be subject to the consideration and approval of the Company's annual general meeting. According to the rules, the Company's repurchase of shares in cash shall be considered as cash dividends. In 2022, the Company spent RMB1,291,541,933.32 (excluding transaction cost) to repurchase 72,955,992 A-shares of the Company through centralised bidding. The funds used for such repurchase shall be considered as cash dividends of the Company for 2022, so the total amount of cash dividends of the Company for 2022 will be RMB9,354,814,299.04 (inclusive of tax), accounting for 41.36% of the Company's net profit attributable to shareholders of the listing company in the consolidated financial statements of the Company 2022.
6. The Report contains forward-looking statements in relation to matters such as future plans and development strategies, which do not constitute any specific undertakings to investors by the Group. Investors are advised to be aware of the risks involved, understand the differences between plans, forecasts and undertakings, and pay attention to investment risks.
7. The Report details principal risks faced by the Group and countermeasures thereof. Investors are advised to refer to "Section 5 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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Term	Meaning
the Company	China Vanke Co., Ltd.
Vanke, the Group	China Vanke Co., Ltd. and its subsidiaries
Onewo	Onewo Space-tech Service Co., Ltd., an omni-space service provider. It mainly comprises of: Vanke Service, a community space service provider; Cushman & Wakefield Vanke Service, a commercial space service provider; CITY UP, an urban space service provider; and Vanrui Technology, which provides AIoT (Artificial Intelligence Internet of Things) and BPaaS (Business Process as a Service) solutions services
SCPG	SCPG Holdings Co., Limited, incorporated in the Cayman Islands, a commercial property development and operation capability platform under the Group
VX Logistic Properties	Vanke Logistics Development Co., Ltd., a logistics and warehousing service and supply chain solutions platform of the Group
Port Apartment	Zhuhai Port Apartment Management Company Limited, a long-term rental apartment brand under the Group, is committed to providing residential solutions for urban youths
BG	the abbreviation to Business Group, which refers to business group, currently including Southern Regional BG, Shanghai Regional BG, Beijing Regional BG, Southwestern Regional BG, Northwestern Region BG, Central Regional BG, Northeastern Regional BG and Property Service BG (Onewo)
BU	the abbreviation to Business Unit, which refers to business unit, including SCPG BU, Logistics BU, Long-term Rental Apartment BU, Overseas BU, Hotel and Vacation BU
“5+2” prefabricated Construction System	five (5) major construction methods: ①systematic template, ②full concrete exterior wall, ③prefabricated inner partition wall, ④climbing frame, ⑤Interspersed effect improvement. Two (2) prefabricated applications: ①prefabricated decoration, ②moderate prefabrication
“Onewo Town” or “Onewo Towns”	a strategically selected sub-district in which Onewo has multiple properties under management, and employees could commute between managed properties within 20 to 30 minutes, to reach coordinated operation and economics of scale through focused coverage
REITs	the abbreviation to Real Estate Investments Trusts
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
SZMC	Shenzhen Metro Group Co., Ltd.
Ying’an Company	Shenzhen Ying’an Financial Advisory Co., Ltd.
Yingjiazhong Partnership Enterprise	Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership)
Ying’an Partnership Enterprise Company Law	Shenzhen Ying’an Financial Advisory Enterprise (Limited Partnership) Company Law of the People’s Republic of China
Securities Law	Securities Law of the People’s Republic of China
SZSE Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Guidelines for Standard Operation	Shenzhen Stock Exchange Self-Regulatory Guidelines No. 1 – Standard Operation of Listed Companies on the Main Board
SEHK Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code Model Code	Corporate Governance Code set out in Appendix 14 of SEHK Listing Rules Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of SEHK Listing Rules
A Share(s) (RMB-denominated Ordinary Share(s))	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SZSE and traded in Renminbi.
B Share(s) (Domestic-listed Foreign Share(s))	the Company’s domestic-listed foreign ordinary share(s) with a nominal value of RMB1.00 each issued in 1993, which were listed on the SZSE and traded prior to June 2014.
H Share(s) (Overseas-listed Foreign Share(s))	overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SEHK and traded in Hong Kong dollars.
Articles of Association	Articles of Association of China Vanke Co., Ltd.
Reporting Period	1 January 2022 to 31 December 2022
RMB	Renminbi, unless otherwise specified

SECTION 1

To Shareholders

2022 was marked by deep-ranging adjustment of the real-estate market, plummeting sales of residential properties and an unprecedented impact to the sector. Buoyed by the concerted effort of more than 130,000 employees, Vanke maintained its financial health as usual and delivered a hard-earned business result. In the face of drastic changes in the market, we must stand firmly by our established strategies to put equal emphasis on development, operation and service and continuously improve management and operations to achieve high-quality development.

Hard-earned Performance

The severity of the industry landscape in 2022 far exceeded our estimates at the beginning of the year, as annual residential property sales experienced the steepest-ever decline since statistics were available. According to results monitored by relevant institutions, the sales revenue of China's top 100 developers fell by 42% year-on-year. The financing capacity of the industry shrunk significantly and the offshore bond market became dysfunctional, further aggravating the situation and rupturing the capital chain of many developers, with impacts felt by upstream- and downstream players. As market expectations dropped to rock-bottom, the vicious cycle induced by a confidence crisis began to spread over companies of all types.

This placed huge pressure on Vanke's operation. Fortunately, our strategic choices and operating plans have withstood the rigorous tests. Our revenue and net profit grew year-on-year by 11.3% and 0.4% respectively in 2022.

The Company gave top priority to safe operations and continued to maintain an industry credit rating, being one of the few developers that can issue bonds on its own credit. At the same time, we significantly optimized our debt structure by increasing the proportion of long-term liabilities and reducing the cost of new financing, which further elevated our resilience against risks.

While ensuring safe operations, the Company committed itself to improving operation and management. Facing the combination of market decline, rush demand for home delivery and limited construction time, we mobilized all the available resources and strengths to deliver over 340,000 new homes against all odds, shoring up home-buyers' trust in Vanke. Well-targeted new investments and optimized post-investment management led to pronounced quality improvement of new projects. Gross equity investments in 2022 reached RMB49.6 billion and projects under construction received nearly 90% of planned investment. The classified and tiered management system based on product lines was operated with greater sophistication and issues of premature investment in projects beyond our abilities and widening operational performance divergence that dotted the past years are gradually being resolved.

The Company's operation and service business has shown strong resilience, with full-scale revenue reaching RMB51.26 billion, a rise of 23.1% year-on-year. Onewo generated revenue above RMB30 billion for the first time, and it successfully completed its spin-off listing. The logistics business recorded a 17.9% year-on-year increase in revenue. The long-term rental apartment business kept and expanded its industry leadership in both scale and efficiency, operating and managing 215,000 rental homes, including 59,000 on a rent-subsidized basis. Commercial operating revenue increased by 14.3% year-on-year, the commercial real estate business saw 25 new project openings, and great improvements were showcased to synergize and coordinate Company-wide resources.

Despite these upsides, we should not overlook the decline in full-year sales and gross profit, which will pose challenges to our performance in the foreseeable future. There is not time for us to sit back and relax, and we shall continue to double down on our efforts.

Reexamining the Current Stage of Development

No one can accurately predict market trends, especially sudden, short-term adjustments. By remaining in awe of the unknown, leaving margin for a safety future, cherishing our creditworthiness and brand like our eyes, and balancing safe operations and development, Vanke has navigated choppy waters with a steady footing.

Since the beginning of 2023, sales of residential property bounced back thanks to concerted efforts of all parties, yet it is too soon to say we are in the clear, nor is it a repeat of the old cycle. This round of deep-ranging changes has given us a keener perspective of risks. It is our view that the housing sector, from the perspective of customers, cities, policy guidance or investment, will never return to the legacy days of over-dependence on residential development. A three-pronged approach emphasizing development, operation and service in equal measure is the only option. The scale of development business will no longer, and should no longer, be taken as the only metric of a developer's performance.

For customers, reasonable housing demand is the prevailing norm in the market. Consumers are able to make more informed spending decisions and have more products to choose from. Gone are the days when easy money was made by just procuring land and building homes. In the competitive era of selling housing, the product, content and service are the key differentiators in all business lines, so we should focus on competency and quality of our deliverables.

Cities are destined to shift to organic growth from the early-day exogenous expansion. Adjustments to industrial structures and changes in people's consumption patterns have exposed the inefficient utilization of some existing urban properties. Urban renewal centering around efficiency improvement and upgrading performance of stock assets will become more prevalent and deserve adequate attention. Rather than simple projects involving residential properties, these types of opportunities are usually mixed-use projects to re-create and enhance the functionality of a given area, where a multi-business, integrated solution is required. Future success will no longer be secured via competency in one single business line, but, instead, through well-rounded capabilities.

The policies discouraging housing speculation and curbing the high leverage, high indebtedness and high turnover ratio are already long adopted principles guiding market development. Long-term operations and services around real estate projects can directly contribute to urban economic growth and give cities more vibrancy and competitiveness, which falls in line with the direction of government policies. Supporting policies on real estate operations, including those for REITs, will continue to be better articulated and applied.

To Shareholders

The investment landscape is marked by the general trend of reduced average rate of return in society. In a complex and ever-changing environment, assets that generate a relatively steady cash flow receive more traction. The market now perceives commercial real estate, which used to be labeled as an asset-heavy lot with a long payback period, under a new light. With the development of REITs in logistics, commercial property and subsidized rental housing, and real estate Private Equity investment funds, commercial real estate is creating a closed-loop asset management approach of “investment, financing, construction, management and exit”, enabling accelerated development in associated businesses.

To our relief, we have taken the first step in the right direction, although the way will not be easy. Vanke has the broadest real estate presence across the industry, with basic expertise in large, complex projects and community services and there is potential for consolidating and expanding on the first-mover advantage.

The past decade or so saw fundamental changes to the asset structure of the property sector. It is critical to synergize our development with the cities in which we operate and the customers we serve, and to be content with and capable of making smaller, hard-won fortunes with longer-term dedication, either from the perspective of future market moves or our own sustainability. Doing so requires the courage of the enterprises to transform themselves and the wisdom and support from all market participants.

Choice and Action

Maintaining stability and safety remains to this day our primary operational priority and the fundamental mandate to protect our shareholders’ interests. The Company shall adhere to its business policy and constantly upgrade its response to extreme market undulations. We will actively seek premier opportunities and maintain our market leading position in the industry. In no way will we relax our standards in investment, product or service under the pressure of scale nor will we pursue growth at the cost of safety and operational efficiency.

The Company is committed to improving operation and management to secure future development along a high-quality pathway. The development business will continue to make quality investments and give priority to investments in “ultra-premium” projects in stable markets, with high safety margins and operated by competent teams. Through coordinated Head Office-based management of development and operation, project operations will continue to improve, and efficiency and profitability will be increased by matching customer needs with precision. Synergy between property development and property service businesses will be well enhanced in order to deliver “good houses, good services, good community”, continuously improving the quality of integrated residential services and creating tangible long-term value for customers.

Onewo will keep its high service standard, further roll out the Onewo Town strategy and strengthen post-investment integration to achieve steady growth in its basic businesses. Business lines of logistics, long-term rental apartment and commercial property will seize the window of opportunity to develop and cement their leadership in their respective areas focus on service delivery to win greater customer reception; improve operating returns to contribute more to overall corporate profitability; and develop premium assets by making active inroads into REITs and funds.

This past year was full of challenges. The company was able to navigate the harsh and turbulent environment because of the trust, tolerance and support of shareholders and partners, and because of the whole-hearted, enterprising can-doers of Vanke who devoted themselves and worked around the clock. In the face of uncertainties, we must always possess the courage to confront the reality and the resilience to take on future tribulations. As the proverb goes, “a thousand-mile journey begins with the first step”. Now entering a new phase of development, we look forward to continuing to walk hand in hand with you.

YU Liang
Chairman of the Board

Shenzhen, PRC
30 March 2023



SECTION 2

Corporate Information

The Company was established in Shenzhen Special Economic Zone in 1984, and implemented shareholding reform in 1988. Vanke issued and listed A Shares in 1991, and B shares in 1993 on the Shenzhen Stock Exchange. In 2014, the Company's B Shares were listed on the Main Board of the Hong Kong Stock Exchange by means of introduction (B Conversion to H).

After more than 30 years of development, the Company has become a leading urban construction service provider in China, with its business focusing on the three most vibrant economic circles nationwide and key cities in Midwest China. In 2022, the Company continued to be listed on the Fortune Global 500, ranking 178th. After making its debut on the Fortune Global 500 in 2016, the Company has remained on the list for seven consecutive years.

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

1. Company Name (Chinese): 萬科企業股份有限公司(abbreviated as “萬科”)
Company Name (English): CHINA VANKE CO., LTD.* (abbreviated as “VANKE”)
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 Hai Wu, ZHU Xu
Alternate authorised representative for SEHK: YIP Hoi Man
5. Secretary to the Board and company secretary: ZHU Xu
E-mail address: IR@vanke.com
Securities affairs representative: JI Jianghua
E-mail address: IR@vanke.com
Contact address: Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen,
the People’s Republic of China
Telephone number: 0755-25606666
Fax number: 0755-25531696
Assistant company secretary: YIP Hoi Man
E-mail address: IR@vanke.com
Contact address: 55/F, Bank of China Tower, 1 Garden Road, Hong Kong
Telephone number: 00852-23098888
Fax number: 00852-23288097
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: 02202, 299903^{note}
Note: The stock short name and stock code are only applied for trading of the Company’s H
shares converted from the B shares of the Company held by the original B shareholders of the
Company through domestic securities companies’ trading system.
H share registrar: Computershare Hong Kong Investor Services Limited
Contact address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East,
Wanchai, Hong Kong

Corporate Information

7. Media for disclosure of information: “China Securities Journal”, “Securities Times”, “Shanghai Securities News”, “Securities Daily”, CNINFO Network, and HKEXnews website of SEHK
 Website address for publication of the Annual Report:
 A shares: www.cninfo.com.cn
 H shares: www.hkexnews.hk
 Place for annual report collection: The Office of the Company’s Board of Directors
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: 8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing
 Signing CPA: Zhou Yongming, Li Moran
 Overseas: KPMG
 Public Interest Entity Auditor registered in accordance with the Accounting and 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 | 11th to 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: 22nd floor, Bank of China Tower, 1
 Garden Road, Hong Kong

* For identification purpose only

SECTION 3

Accounting and Financial Highlights

(I) Key accounting data and financial indicators

	2022	2021	Fluctuation	2020
				Unit: RMB'000
Revenue	503,838,367	452,797,774	11.27%	419,111,678
Gross Profit	98,053,664	95,691,293	2.47%	120,580,201
Profit for the year	37,550,909	38,069,527	-1.36%	59,298,116
Net profit attributable to equity shareholders of the Company	22,617,779	22,524,033	0.42%	41,515,545
Net cash generated from operating activities	2,750,450	4,113,161	-33.13%	53,188,023
Basic earnings per share (RMB)	1.95	1.94	0.65%	3.62
Diluted earnings per share (RMB)	1.95	1.94	0.65%	3.62
Net return on equity on a fully diluted basis (%)	9.32%	9.55%	decreased by 0.23 percentage points	18.49%
Net return on equity on weighted average basis (%)	9.48%	9.78%	decreased by 0.30 percentage points	20.13%
	31 December 2022	31 December 2021	Fluctuation	31 December 2020
Current assets	1,415,395,430	1,600,322,953	-11.56%	1,547,450,938
Current liabilities	1,077,801,573	1,311,446,467	-17.82%	1,317,492,690
Net assets attributable to shareholders of the Company	242,691,342	235,953,134	2.86%	224,510,953
Share capital ('000 shares)	11,630,709	11,625,383	increased by 5,326,096 shares	11,617,732
Net assets attributable to shareholders of the Company per share	21.00	20.30	3.46%	19.32
Gearing ratio	76.95%	79.74%	decreased by 2.79 percentage points	81.28%
Net debt ratio	43.68%	29.69%	increased by 13.99 percentage points	18.09%

Accounting and Financial Highlights

(II) Quarterly Key Financial Indicators

Unit: RMB'000

	The First quarter	The Second quarter	The Third quarter	The Fourth quarter
Revenue	62,667,075	144,249,215	130,756,952	166,165,125
Net profit attributable to equity shareholders of the Company	1,428,994	10,793,665	4,827,763	5,567,357
Net cash generated from operating activities	(13,259,189)	21,547,210	(12,463,730)	6,926,159

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

Unit: RMB'000

	Net profit attributable to the shareholders of the Company		Total equity attributable to the shareholders of the Company	
	2022	2021	31 December 2022	31 December 2021
According to the international accounting standards	22,617,779	22,524,033	242,691,342	235,953,134
According to the PRC accounting standards	22,617,779	22,524,033	242,691,342	235,953,134
Breakdown and total reconciled according with international accounting standards:				
According to the international accounting standards	-	-	-	-
Differences		Nil		

A stylized illustration of a city skyline with various skyscrapers in shades of blue, green, and orange, reflected in a body of water below. The scene is set against a light, hazy background.

SECTION 4

Directors' Report

I. Review and Analysis of Business Situation

In 2022, the real estate industry underwent a deep adjustment, with the amount of national sales of commercial housing falling sharply year-on-year, the housing prices around the country continuing to come under pressure and the balance sheets of real estate companies suffering from shocks, with part of enterprises even experiencing liquidity risks. To promote healthy development of the industry, the central and local governments have introduced a number of policies from both the supply and demand sides to improve the liquidity of real estate enterprises, support reasonable demands for house purchase, and stabilize market expectations. With the support of a series of factors, the commercial housing market gradually shows signs of bottoming out and stabilizing.

During the Reporting Period, the Group realized a revenue of RMB503.84 billion, representing a year-on-year increase of 11.3%. The net profit attributable to equity shareholders of the Company amounted to RMB22.62 billion, representing a year-on-year increase of 0.4%. Large fluctuations in the industry also brought challenges to the operations, but thanks to a prudent business strategy, the Group still effectively guaranteed its operational safety. As at the end of the Reporting Period, the Group's "three red lines" indicators continued to meet the "green category" requirements, wherein the net debt ratio was 43.7%, which was at a low level in the industry, the cash on hand was RMB137.21 billion, covering short-term debts by 2.1 times, and the operating cash flow has been positive for 14 consecutive years. The Group continued to optimize its debt structure and reduce financing costs, with the proportion of long-term debts increased to 79.5% at the end of the period, the average cost of new financing was 3.88%.

The Group continues to implement the strategy of placing equal emphasis on development, operation and services. In 2022, the Group's operations and services maintained rapid development, with the revenue growth rate of property services at 26.1% and the revenue growth rates of logistics & warehousing, rental housing and retail property development and operations (including non-consolidated items) at 17.9%, 12.1% and 14.3% respectively.

Directors' Report

(1) Market review in 2022

1. Real estate development

The sales of residential housing fell sharply across the country. According to data from National Bureau of Statistics, in 2022, the sales area of commercial housing nationwide was 1.36 billion square meters, a decrease of 24.3% year-on-year, while the sales amount was RMB13.3 trillion, a decrease of 26.7% year-on-year. From a quarter perspective, the sales amount decreased by 22.7%, 33.2%, 20.4%, and 28.0% year-on-year, respectively.

The decline in the floor area of new construction projects expanded, with the growth rate of investment in property development turning negative year-on-year. In 2022, the floor area of new construction projects in the country was 1.21 billion square meters, a decrease of 39.4% year-on-year, and the decline was 28 percentage points higher than the previous year. And the national investment in real estate development was RMB13.3 trillion, a decrease of 10.0% year-on-year, which was the first decline since statistics became available.

The transaction area and premium rate of the land market have dropped significantly. According to China Index Academy, the supply of residential land in 300 cities across the country decreased by 36.7% year-on-year in terms of floor space supplied, 30.7% year-on-year in terms of floor space sold, and 30.9% year-on-year in terms of residential land grant fees. The average premium rate of residential land was 3% for the year, down 8 percentage points from 2021.

From the central government to localities, policies continued to be optimized to support the stable development of the industry. In December, the Central Economic Work Conference proposed to “do a solid job in ensuring housing delivery, livelihood and stability, and meet the reasonable financing needs of the industry”, “support the demands for rigid and improved housing”, and “adhere to the positioning that ‘houses are for living but not for speculation’, and promote smooth transition of the real estate industry to a new development model”. Since November 2022, National Association of Financial Market Institutional Investors has continued to promote and expand the “second arrow”, the Central Bank and the China Banking and Insurance Regulatory Commission have issued “16 financial regulations”, and the CSRC has issued “5 new regulations” to support real estate equity financing, thus improving the financing environment of the real estate industry.

2. Property services

The increment has narrowed, and the property services industry has shifted to the stock market. According to data from National Bureau of Statistics, in 2022, the completed area of commercial housing nationwide dropped by 15% year-on-year, returning the scale to the levels in 2011, which also meant fewer opportunities for incremental expansion in the property services industry and higher requirements for enterprises' ability to compete for the stock market.

The growth of value-added services slowed. According to the data of China Index Academy Institute, the proportion of revenue of various operating businesses of property services enterprises dropped approximately 5 percentage points in 2022, and the revenue of value-added services from non-house-owner for some enterprises dropped 50% compared to same period last year. In the background of slip of business performance of related parties, the value-added businesses present a slow growth rate and a drop of gross profit.

The quality of property services has been increasingly valued. According to China Index Academy, the overall satisfaction of the industry in 2022 was 78.1 points, a decrease of 2.6 points year-on-year, among which the benchmark enterprises scored 86.7 points, a decrease of 0.5 point year-on-year. The industry satisfaction has declined for the first time in the past three years, and the service quality of benchmarking and ordinary enterprises tends to diverge, confirming the deep demand of the industry to return to the essence of service after the surge, and also showing that customers' requirements for service quality are constantly improving.

3. Logistics and warehousing

The logistics industry remained resilient. The total fees for civil logistics in 2022 amounted to RMB17.8 trillion, representing a year-on-year increase of 4.4%. From a structural perspective, the transportation cost was RMB9.55 trillion, representing an increase of 4.0%; the storage cost was RMB5.95 trillion, representing an increase of 5.3%; and the management cost was RMB2.26 trillion, representing an increase of 3.7%.

The market continued its divergent pattern. Core areas such as the Yangtze River Delta and the Greater Bay Area continue to see strong demands. While in some areas, due to increasing supply and weakening demand, the occupancy rate and rent of logistics and warehousing have declined. The competition of enterprises for quality resources has intensified, and the comprehensive solving ability in terms of capital, industry, taxation and foreign capital becomes the key factors to determine the competition.

Logistics assets continued to be actively traded in bulk, and the price of quality assets has gone up. The strong resilience of logistics assets has been recognized by investors, with logistics investment deals remaining active in the last 3 years and capitalization rate levels declining in Tier 1 cities.

The importance of resilient supply chain and integrated supply chain services was highlighted. In recent years, while pursuing cost reduction and efficiency improvement, customers value more the stability of supply chain services, and their service demands for resilient supply chain and digitally driven integrated supply chain are increasing.

Directors' Report

4. Rental housing

The policies continued to increase support for the rental housing. In 2022, the National Development and Reform Commission, the Central Bank, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission and other departments introduced financial policies to support the development of rental housing, the REITs pilot of affordable rental housing projects landed in an orderly manner.

Market rents were under short-term pressure. As reported by China Index Academy, 27 of the 30 key monitored cities nationwide saw a decline in long-term apartment rents in 2022, with customers placing more emphasis on the cost effectiveness of product services.

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

5. Retail property development and operations

The sales market came under pressure in stages. The total retail sales of consumer goods nationwide in 2022 was RMB44 trillion, representing a year-on-year decrease of 0.2%. Some retail property projects experienced delays in delivery; and according to Jones Lang LaSalle, the annual newly supplied premium retail space fell 32.5% year-on-year. Market pressure was also reflected in rental performance, with the average first floor rents in major cities across the country falling 2.9% year-on-year in 2022, according to Jones Lang LaSalle. At the beginning of 2023, consumer flow showed signs of recovery.

Customers have become more cautious in spending money, but consumption resilience still existed. According to McKinsey China Consumer Report, consumers are wiser in purchasing commodities and choosing channels, turning to the channels with more competitive prices and actively seeking discounts and promotions. Consumer brands also continue to diverge, with some local brands increasingly winning customer recognition by virtue of their closer proximity to consumers and their sharper insight and response to trends.

(2) Main work in the Reporting Period

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

During the Reporting Period, the Group realized a revenue of RMB503.84 billion, a year-on-year growth of 11.3%. Net profit attributable to equity shareholders of the Company stood at RMB22.62 billion, up by 0.4% year-on-year. The basic earnings per share was RMB1.95, a year-on-year increase of 0.65%. The fully diluted equity returns reached 9.3%, a decrease of 0.23 percentage point from 2021.

Categorized by business types, the revenue of the Group from real estate development and related asset operation businesses reached RMB470.45 billion, accounting for 93.4%; revenue from property services reached RMB25.77 billion, accounting for 5.1%.

Before deducting tax and surcharges, the gross profit margin of the Group's property development and related asset operation business was 19.7%, representing a decrease of 1.3 percentage points from 2021 (The Group adopts the cost method to calculate operating assets, after adding back depreciation and amortization, the gross profit margin was 20.7%, down by 1.3 percentage points). In particular, the booked gross profit margin of development business was 20.3%. After deducting tax and surcharges, the operating profit margin of the Group's property development and related asset operation business was 14.5%, decreased by 1.60 percentage points from that of 2021. In particular, the operating profit margin of development business was 14.9%.

The Operation of the Group's Core Businesses

Unit: RMB'000

Industry	Revenue		Cost of Sales		Gross Profit Margin ^(Note 1)		Operating Profit Margin ^(Note 2)	
	Amount	Growth/ decrease	Amount	Growth/ decrease	Amount	Growth/ decrease	Amount	Growth/ decrease
1. Core businesses	496,219,997	10.33%	399,921,091	12.34%	19.41%	decreased by 1.44 percentage points	14.50%	decreased by 1.67 percentage points
Among which: real estate development and related assets operation businesses	470,446,059	9.42%	377,863,499	11.26%	19.68%	decreased by 1.33 percentage points	14.53%	decreased by 1.60 percentage points
Property services	25,773,938	29.97%	22,057,592	34.70%	14.42%	decreased by 3.00 percentage points	13.89%	decreased by 3.00 percentage points
2. Other businesses ^(Note 4)	7,618,370	151.02%	5,863,612	425.41%	23.03%	decreased by 40.20 percentage points	22.36%	decreased by 40.22 percentage points
Total	503,838,367	11.27%	405,784,703	13.63%	19.46% ^(Note 3)	decreased by 1.67 percentage points	14.62%	decreased by 1.86 percentage points

- Notes:
- Gross profit margins figures are before taxes and surcharges.
 - The operating profit margins have deducted taxes and surcharges.
 - The Group adopts the cost method to calculate operating assets, and the gross profit margin deducts the depreciation and amortization of investment properties, fixed assets, intangible assets and long-term deferred expenses. After adding back depreciation and amortization, the gross profit margin was 20.5%.
 - The revenue of the other businesses mainly includes revenue from farming business and operating management fees, brand management fees, and business management-related fees collected from joint ventures.

Directors' Report

(3) Business development

1. Real estate development business

(1) Sales amount decreased and revenue from settlement grew slightly

Sales amount decreased. In 2022, the Group sold 26.300 million square meters and the sales amount reached RMB416.97 billion, a decrease of 30.9% and 33.6% respectively. Sales amount ranked first in 24 cities including Xi'an, Chengdu, Changsha, Jinan, Dongguan, Nanchang, Wenzhou, Zhongshan, Shijiazhuang, Changchun and Kunming, and second in 11 cities including Chongqing, Wuhan, Zhengzhou, Suzhou, Shenyang, Zhuhai and Nanning, and third in 9 cities including Hangzhou, Ningbo, Foshan, Tianjin and Qingdao.

Sales by geographical regions

	Areas Sold ('0000 square meters)	Proportion	Sales Amount (RMB hundred million)	Proportion
Southern Region	453.4	17.2%	1,039.0	24.9%
Shanghai Region	685.7	26.0%	1,363.5	32.7%
Beijing Region	474.0	18.0%	570.3	13.7%
Northeastern Region	234.3	8.9%	200.2	4.8%
Central Region	282.8	10.8%	396.3	9.5%
Southwestern Region	233.4	8.9%	271.9	6.5%
Northwestern Region	262.1	10.0%	273.6	6.6%
Others	4.3	0.2%	54.9	1.3%
Total	2,630.0	100.0%	4,169.7	100.0%

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

Revenue from settlement continued to grow. The revenue from the Group's property development and relevant facilities business was RMB465.60 billion, categorized by regions, the Southern region, Shanghai region, Beijing region, Northeastern region, Central region, Southwestern region and Northwestern region accounted for 21.56%, 29.54%, 14.77%, 7.83%, 7.10%, 11.80% and 7.25%, respectively. The Group realized settlement area from real estate development business of 34.014 million square meters, representing a year-on-year increase of 9.1%, and booked revenue of RMB444.40 billion, an increase of 10.5% year-on-year. Booked gross profit margin accounted for 20.3% (the operating profit margin after deducting tax and surcharge: 14.9%).

Revenue and profit by different regions

	Revenue (RMB'0000)	Proportion	Net Profit Attributable to Vanke's Equity Holding (RMB'0000)	Proportion
Southern Region	10,036,116.45	21.56%	396,486.98	17.81%
Shanghai Region	13,754,275.33	29.54%	1,053,629.00	47.34%
Beijing Region	6,878,644.32	14.77%	(25,518.23)	-1.15%
Northeastern Region	3,644,659.77	7.83%	184,299.04	8.28%
Central Region	3,305,927.94	7.10%	177,888.09	7.99%
Southwestern Region	5,493,941.10	11.80%	177,347.76	7.97%
Northwestern Region	3,377,011.75	7.25%	221,716.93	9.96%
Others	69,370.55	0.15%	39,902.00	1.80%
Total	46,559,947.21	100.00%	2,225,751.57	100.00%

As of the end of the Reporting Period, within the consolidated statements of the Group, there were 33.616 million square meters of sold resources that had not been completed and settled, a decrease of 28.1% from the previous year. The total contract price was approximately RMB530.03 billion, a decrease of 25.4% from the end of the previous year.

Directors' Report

(2) Investment and projects to be started and completed

The newly started floor area decreased while completed floor area continued to grow. In 2022, the estimated floor area of newly started projects of the development business was approximately 15.682 million square meters, a year-on-year decrease of 52.0%, completing 81.7% of the target set up at the beginning of the year. The estimated floor area of completed projects of its development business was approximately 36.291 million square meters, an increase of 1.6% year-on-year, completing 93.1% of the target set up at the beginning of the year.

The Group adheres to strict investment standards to ensure investment quality. During the Reporting Period, the Group adheres to high-quality investments, focusing on projects with good quality of land parcels, clear market prospects, strong management team capabilities and excellent financial indicators. The Group acquired 36 new projects, with a total planned estimated gross floor area ("GFA") of 6.902 million square meters, and planned estimated GFA attributable to the Company's equity holding of 4.037 million square meters, the total land premium attributable to the Company's equity holding of approximately RMB49.64 billion, and an average land premium of RMB12,297/square meters for new projects. As of the end of the Reporting Period, the Group's total estimated GFA under construction was approximately 82.601 million square meters, and its estimated GFA attributable to the Company's equity holding was approximately 52.403 million square meters. The total estimated GFA of the planned projects was approximately 35.927 million square meters, and its estimated GFA attributable to the Company's equity holding was approximately 22.774 million square meters. In addition, the Group was also engaged in some urban renewal projects. According to the current planning conditions, its total estimated GFA was approximately 4.033 million square meters.

Give full play to the advantages of comprehensive development and deepen strategic cooperation. During the Reporting Period, the Group concluded strategic cooperation framework agreements with Guangzhou Municipal Government and Shenzhen Futian District Government, respectively. In Shenzhen, the Group also concluded comprehensive strategic cooperation agreements with 6 Shenzhen municipal state-owned enterprises to carry out in-depth cooperation in various fields including urban construction services.

For specific information about new projects of the Group, please refer to "Project Investment" under "Investment of Non-Raised Funds" in this section.

(3) Enhance the competitiveness of products and services

Strengthen project classification and grading management, and promote product development and results application. The Group continues to improve the product classification and grading management mechanism of comprehensive residential areas. For projects with low complexity, the product line is used as the grip for batch control by development and operation headquarters; and for important and complex projects, internal and external professional forces are brought together to directly participate in product solution. The development and operation headquarters actively promotes the application of research and development results of product lines of comprehensive residential areas, and improve the cost performance of product lines in batches. The first batch of typical building model database including 17 building models have been established and applied in 15 projects in 13 cities. By preparing product finalization and grading standards, organizing suitable cooperation resources under the guidance of product strategy. By selecting high-quality materials, the product finalization of elevator, visual intercom, integrated ceiling, shower panel and other material parts has been completed, giving consideration to function, performance and effect.

The Group continues to carry out process improvement and quality optimization to enhance customer experience. In the sales stage, the signing procedures were simplified by scientific and technological means; and with the support of the authorities in many places, about 56,000 groups of customers completed the signing of purchase contracts using a simple online process. In the construction stage, customers were invited to enter the construction site and participated in the quality inspection of building body construction, interior decoration and other nodes. 6,322 quality co-construction sessions have been organized in 408 projects under construction across 53 cities, with about 96,000 customers having participated in. In the delivery stage, customers were invited to visit concealed equipment and facilities closely related to daily residence, such as elevator room and water pump room. Meanwhile, efforts were made to improve the efficiency of property ownership certificate processing, and customers of 116 projects acquired their property ownership certificates on the house reception site. In terms of residential services, the Group, together with community owners and authorities, has completed 337 renovations and upgrades of common areas, equipment and facilities for communities that have been delivered for more than 10 years, so as to keep up the facilities of communities with the latest developments.

Directors' Report

(4) Strengthen safety and quality control

Stick to the bottom line of safe production to ensure smooth project delivery. During the Reporting Period, the Group stuck to the safety bottom line, consolidated the foundation of safety production responsibility, and achieved smooth delivery of more than 0.34 million residential units throughout the year.

The project quality has been recognized. In 2022, 10 of the Group's projects won awards of Chinese construction industry, among which Guangzhou Siyou Vanke Center won the "Luban Award for China Construction Projects in 2022-2023", Beijing Emerald College, Jinan Persuasion Lane, Urumqi Metropolitan Legend Phase I, Chengdu Vanke Tianhui City and Chengdu Park Metropolis won the "Zhan Tianyou Award for China Civil Works in 2022", and Nanning Park Phase I, Nanning Star Metropolis, Shenyang Metropolis and Shijiazhuang Emerald Park Phase I were granted "The 10th (2021-2022) Guangsha Award".

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

In 2022, the Group added an area of 18.48 million square meters meeting the green building evaluation criteria. Among them, the real estate development business newly added an area of 14.37 million square meters meeting the green building evaluation criteria, including 12.75 million square meters of projects meeting the green one-star and two-star criteria and 1.62 million square meters of projects meeting the green three-star criteria.

The Group continued to promote the application of the "5 +2" prefabricated construction system, and the industrial application ratio of newly opened mainstream projects exceeded 85%.

2. Property services

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

In 2022, Onewo achieved the revenue of RMB30.32 billion (including revenue from services rendered to Vanke Group), representing a year-on-year increase of 26.1%, of which the revenue from residential and consumer services in community space was RMB16.75 billion, accounting for 55% and representing a year-on-year increase of 24.4%, the revenue from commercial enterprises and urban space comprehensive services was RMB11.18 billion, accounting for 37% and representing a year-on-year increase of 28.3%, and the revenue from AIoT and BPaaS solutions was RMB2.39 billion, accounting for 8% and representing a year-on-year increase of 28.8%.

The Onewo Town strategy has been effective, and improvement and transformation of pilot Onewo Towns projects is smooth and efficiency. In 2022, Onewo continued to implement the Onewo Town strategy, increasing the number of Onewo Towns from 459 in 2021 to 584. There were 205 new projects in Onewo Towns, with a saturated revenue of RMB1.29 billion. Relying on the regional concentration advantages of Onewo Towns, Onewo implemented a systematic operation mode with "man + machine" as its operation mode and work orders as its workflow to improve business efficiency. Onewo completed the supply chain integration of 38 pilot Onewo Towns, and cost of basic residential property services has been cut by more than RMB30 million, which was expected to increase the gross profit margin of pilot projects by more than 4 percentage points throughout the year. The feasibility of improving the efficiency of Onewo Towns has been successfully verified.

Expand customer boundaries and deepen service concentration. Onewo focuses on the Internet, high-end manufacturing, finance, new energy and other industries, rendering customers with corporate headquarters and distributed workplace property and facilities management services. In 2022, it newly expanded 12 super-high-rise landmark projects and 16 corporate customers of Global and China Top 500. The service scope of Onewo has gradually expanded to energy management, dust-free management, group meal management, administrative management and other fields.

Create core technology products and promote the transformation of digital service scenarios. Driven by science and technology, Onewo has continuously improved its space service capability, and has successfully built 29 product lines, nearly 140 technology products and over 14 smart space solutions. In 2022, Onewo became an ISV (i.e. independent software developer) partner of Huawei, Tencent and Ali, and its technology products were combined with Onewo space technology solutions, realizing customer sharing and joint marketing in market channels and promoting sales revenue growth.

In September 2022, Onewo was listed on the SEHK with the stock code "02602.HK".

Directors' Report

3. Logistic and warehousing services

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

In 2022, the logistics business (including unconsolidated items) generated a revenue of RMB3.56 billion, representing a year-on-year increase of 17.9%, of which RMB2.16 billion was generated from the revenue of high-standard warehouses, representing a year-on-year increase of 4.6%; and RMB1.40 billion from the revenue of cold chain (excluding revenue of supply chain), representing a year-on-year increase of 46.7%.

The opening scale continued to expand, and the occupancy rate remained high. VX Logistic Properties newly opened 13 high-standard warehouses with a leasable floor area of 940,000 square meters, and 10 cold chain parks (including 5 dry and cold mixed projects) with a leasable floor area of 370,000 square meters, with the total leasable floor area of newly opened projects up to 1,320,000 square meters. As at the end of the Reporting Period, the cumulative leasable floor area of the opened projects was 9,640,000 square meters, of which the occupancy rate of high-standard warehouses in the stable period was 90%, with a leaseable floor area of 8,460,000 square metres and the utilization rate of cold chain in the stable period was 75%, with a leasable floor area of 1,180,000 square meters.

Comprehensively upgraded operation service capabilities and expanded service scope. During the Reporting Period, VX Logistic Properties established a systematic evaluation operation system for cold chain warehouse operation, warehousing and distribution, customer complaints and other dimensions, in order to enhance customer experience and operational service capability and reduce the operation dispersion. Meanwhile, VX Logistic Properties also actively explore integrated supply chain solutions for customers in different industries.

Adhered to high standards of products and services, and exerted industry influence. So far, all VX cold chain parks nationwide have been certified with the ISO 9001 quality management system, which guards food safety thoroughly through effective control over and strict standardized management of people, commodities and sites. VX Logistics has also actively practiced ESG values, and obtained the Three Star Green Building certifications in the PRC for 44 high-standard warehouses by the end of 2022, also obtained LEED certifications for 8 cold storages, of which 6 projects obtained LEED Platinum certifications and 2 projects obtained LEED Gold certifications. VX Shanghai Fengxian Lingang Project obtained zero carbon building certification issued by TÜV Rheinland Greater China, Germany in association with the British Building Research Establishment, which is the first domestic project receive such certification. In 2022, VX Logistic Properties actively participated in the formulation of domestic and international standards regarding cold chain logistics to help to improve the overall management level of the industry.

4. Rental housing

The Group's "Port Apartment" is the largest centralised apartment provider in the PRC, providing youths who are newly entering the city with comprehensive rental services. The rental housing business (including unconsolidated items) realised revenue of RMB3.24 billion during the Reporting Period, representing a year-on-year increase of 12.1%.

Deep plowing in major cities, maintaining leading position. Port Apartment has newly acquired 17,700 rooms, with a net of 7,100 unveiled. As at the end of 2022, the Group operated approximately 215,100 rental houses and unveiled a total of 166,600 new units. Port Apartment has now established a presence in 34 cities across China, being the top three in the number of unveiled apartments in 26 cities including Beijing, Shenzhen, Guangzhou, Chengdu and Wuhan, etc..

Directors' Report

Innovated the marketing model of expanding customers, and steadily improved the operational efficiency. In 2022, in the face of rising difficulties in renting and rising operating costs in some areas, Port Apartment actively explored new media marketing channels to increase the proportion of sales in its own channels; and consolidated and improved standard operating procedure (SOP) for lease renewal, and launched innovative models such as flexible lease services, achieving positive results. The occupancy rate gradually recovered in the second half of the year and improved to 95.6% at the end of the year; and the customer renewal rate reached 60%, an increase of 2 percentage points over the previous year. During the Reporting Period, Port Apartment continued to maintain a high operational efficiency, with the project front GOP margin of 87.5%, the rent collection rate of 98.8%, the own channel customer acquisition accounting for over 80%, up 11 percentage points year-on-year. The cumulative number of registrants on the online platform of Port Apartment reached 2.7 million, an increase of 42% year-on-year.

Actively promoted the construction and operation of affordable rental housing. In response to the national policy regarding the pool of subsidized rental housing, Port Apartment made 66 projects in 14 cities including Beijing, Tianjin, Shenzhen and Xiamen, involving 58,900 houses included in the pool of subsidized rental housing.

Large-scale rental community projects are becoming increasingly sophisticated. In November 2022, the first phase of Yuaner Caoqiao Community Store, the third large-scale rental community project of Port Apartment in Beijing, was opened, and the project integrated the multi-format comprehensive service capabilities such as leasing, commerce and property management, with a total of 3,406 rooms, including 483 rooms in Phase I, which were fully rented when they entered the market in the off-season at the end of the year.

Continue to attract corporate customers and created a new reputation for rental services. Port Apartment provided stable accommodation services to 2,936 corporate customers throughout the year, and increasing the proportion of corporate customers in the rented rooms from 18.5% to 19.1%. Meanwhile, Port Apartment has actively engaged in product customization services. In Hefei, Haiheng Port Apartment Project has been built through product customization transformation, providing blue-collar apartment services for more than 400 employees of Haier Group; and in Shenzhen, Port Apartment joined hands with Li Ning to build the Yanziling Project in Pingshan through product planning and operation management services, customizing the living space with sports IP elements for corporate talents.

5. Retail property development and operations

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

As at the end of the Reporting Period, the Group has 242 unveiled retail projects (including 138 community retail projects) with a gross floor area of 12.277 million square meters, floor area of retail property projects under planning and under construction was 3.654 million square meters. In particular, SCPG unveiled a total of 102 retail projects (including 23 community retail projects and 29 management provision asset-light projects) with a gross floor area of 8.68 million square metres, the floor area of retail property projects under planning and under construction was 1.244 million square meters.

During the Reporting Period, the Group realized revenue from retail property development business (including non-consolidated items) of RMB8.72 billion, a year-on-year increase of 14.3%. Among them, the revenue of retail property projects managed by SCPG stood at RMB5.48 billion, a year-on-year increase of 4.8%, and a overall occupancy rate of 93.2%, a year-on-year decrease of 2.1 percentage points.

Top ten retail projects run and managed by the Group (ranking in order of revenue)

Project	City	Floor area (Square meter)	Occupancy rate of 2022	Revenue of 2022 (RMB'0000)
Shanghai Qibao Vanke Plaza	Shanghai	237,193	93.44%	40,832.07
Shenzhen SCPG Center Shopping Plaza	Shenzhen	203,673	96.96%	33,294.28
Shanghai Nanxiang In-City MEGA	Shanghai	336,880	97.75%	32,930.31
Hangzhou Xixi In-City	Hangzhou	251,145	98.22%	30,612.49
Shenzhen Longgang Vanke Plaza	Shenzhen	128,925	98.88%	24,322.66
SCPG Huidelong Hangzhou Olympic In-City	Hangzhou	239,618	97.15%	21,252.08
Wenzhou In-City MEGA	Wenzhou	235,807	92.54%	17,240.70
Jinan In-City	Jinan	156,630	96.40%	16,673.02
Shanghai Songjiang In-City	Shanghai	152,971	94.42%	16,340.75
Tianjin Meijiang In-City	Tianjin	266,450	97.58%	14,956.70

Directors' Report

New projects opened smoothly. In 2022, 25 retail property projects of the Group opened as scheduled, with a floor area of 918,000 square meters, and all indicators were generally in line with expectations and well received by consumers. Among them, the second phase of Fuzhou Yantai Hill Commercial Strolling Block opened at the end of September. The project deeply integrated local culture and introduced many first-in brands, which quickly became an urban landmark of local arts, culture and commerce after its opening.

Achieving synergy effects, and enhance operation quality. In order to realize the intensive use of resources for projects with similar characteristics, the Group is promoting the entrustment of certain retail property projects in seven real estate regions BG to SCPG for management, in order to enhance the quality of the Group's overall commercial asset operation. SCPG also actively explores to enhance the competitiveness of products through organizational construction, and establishes the Impression Sunshine Division to strengthen the support for the "Inreach" product line with the professional military line management and the understanding of the local market.

6. Hotel and resort business

Practiced the concept of “The ice frozen areas have a lot of opportunities to gain the fortune” and continuously improved the service level of ice and snow sports. In the snow season of 2022-2023, Yanqing Olympic Park was open to the public, and the number of ski resort projects as managed and operated by the Group increased to 6, with a cumulative area of 340 hectares of ski trails under management, 102 ski trails and a total length of 79.2 kilometers of ski trails. In 2022, the business revenue was RMB280 million, an increase of 11% year-on-year; and 880,000 person-times were received, an increase of 12% year-on-year. During the Reporting Period, the brand influence of the Group's ski resorts continued to grow, with Songhua Lake Resort winning the World Ski Awards – Best Ski Resort in China for 2022, for six consecutive years. The ski resorts managed by the Group have successively hosted many professional and mass skiing events, such as China Youth Skiing Open, “Snow Shines China” Alpine Skiing Points Competition, “Vanke Cup” National Undergraduate Skiing Challenge, etc., to promote the development of ice and snow sports in China.

Promoted the development of quality resources for cultural and tourism vacations, and expanded the supply of quality products and services for hotels. The Group holds 33 hotels in operation, covering core cities such as Shenzhen, Guangzhou, Suzhou and Hangzhou, and tourist resorts such as Huangshan and Lijiang. The joint venture platform Banyan Tree China manage the development of brands such as Banyan Tree and Ang Sana in China, and forms two self-operated brands, “Zhanyun” with high-end business as its positioning and “Youxiong” with urban humanities as its connotation.

(4) Other main works

1. Technology-driven business development

During the Reporting Period, the Group focused on two main lines of work, namely “Improving management and promoting business” and “Strengthening technological capacity and core competitiveness of real estate technology through technological innovation” to provide support for business development.

Strengthen the intelligent application of data and improve work efficiency and management level. Data in finance, capital, cost, marketing, engineering and other fields in the system are integrated to empower digital employees through AI technology, and more than 80 algorithms have been developed. Digital employees automatically analyze and discover process problems and identify potential risks based on such algorithms, and promote handling employees to solve problems and give feedback through e-mail and IM tools, so as to help various business processes to be carried out in an orderly manner and reduce errors and omissions.

Directors' Report

Create a digital negotiation space and enhance customer service experience; as well as improve online customer sales service tools and improve digital marketing capabilities. (1) Through the digital modeling of “cloud sand table” technology, the drawings are turned into interactive 3D models and virtual reality of the project, helping customers better understand the selling points of products. A digital negotiation area is set up in the case site to show future residence one by one household, and to enhance their knowledge of product details. (2) We continuously improve the online customer service capability, and provide customers with online service capability in the whole process from understanding project information to signing contracts, collecting and refunding payments and then conducting after-sales services through self-developed tools. We continue to strengthen private domain operations, and through tools such as “Yixuanfang”, make customers quickly acquire project product information, participate in marketing activities and book exclusive services. In 2022, “Yixuanfang” received 157 million customer visits online.

Accumulate the technical ability of CAD drawing recognition, and promote the coordination of design, engineering and procurement functions. We continuously accumulate the ability of CAD drawing recognition, which is used in many specialties such as drawing catalogue, version management, drawing distribution, AI drawing review, procurement drawing, quality inspection drawing, property inspection and use, etc. Through drawing data running through business processes, professional collaboration and efficiency improvement are strengthened. The research and development of intelligent 3D architectural design platform has been carried out in an orderly manner and achieved phased results, which will provide new tools for independent research and development for residential architectural design in the future.

2. Deepening of the organization construction

In the light of changes in the operating environment and business development needs, the Group continued to deepen the organizational reconstruction and task-talent matching. The development business took the development and operation headquarters as the leader to solve the problems of fragmented capabilities and unstable trading performance; and the operating and service businesses continued to improve operating efficiency and competitiveness. In 2022, under the premise of maintaining the development strategy of placing equal emphasis on development, operation and services, the Group formulated a comprehensive work plan for talent cultivation, and carried out a series of work around grassroots service improvement, professional training and employee discovery, prioritizing training resources to grassroots employees, focusing on improving the grassroots leadership of “good team leaders” and empowering grassroots service instructors. Meanwhile, it enriched the training forms through “Learning Map”, “Daily Practice”, “Situational Teaching” and “Online Interaction” on V-learning, an internal online learning platform, so as to provide learning and growth space and development opportunities to grassroots employees.

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

1. Profit

During the Reporting Period, the Group realized a net profit of RMB37.55 billion, representing a decrease of 1.4% year-on-year. Net profit attributable to equity holding amounted to RMB22.62 billion, representing a year-on-year increase of 0.4%.

In 2022, the Group realized an investment income of RMB4.09 billion, representing a decrease of 38.1% year-on-year, including the share of profits less losses of associates and joint ventures amounting to RMB-0.8 billion.

2. Liabilities

(i) Gearing ratio

As of the end of 2022, the Group's net gearing ratio was 43.7%.

(ii) Interest-bearing liabilities and their composition

As of the end of the Reporting Period, the Group's interest-bearing liabilities amounted to RMB314.11 billion in aggregate, representing 17.9% of total assets. These interest-bearing liabilities were mainly medium and long-term liabilities. Among these interest-bearing liabilities, interest-bearing liabilities due within one year amounted to RMB64.52 billion, representing 20.5% of total; interest-bearing liabilities of more than one year amounted to RMB249.59 billion, representing 79.5% of total.

By financing source, bank borrowings, bonds payable and other borrowings accounted for 60.6%, 27.3% and 12.1%, respectively.

Directors' Report

By type of interest rates, liabilities with fixed interest rates accounted for 36.8% and liabilities with floating interest rates accounted for 63.2% of the interest-bearing liabilities. Pledged interest-bearing liabilities amounted to RMB6.55 billion, accounting for 2.1% of the total interest-bearing liabilities. The interest-bearing liabilities without any pledge or mortgage accounted for 95.2%.

By geographical location, domestic liabilities and overseas liabilities accounted for 78.1% and 21.9% respectively. RMB liabilities and foreign currency liabilities accounted for 78.7% and 21.3%, respectively.

Overview of financing (as of 31 December 2022)

Unit: RMB'0000

Channel	Balance	Range of financing costs	Term structure
Bank loans	19,036,624.66	3.00% up to contracted Hibor rate float	Short-term borrowings, non-current liabilities due within one year, long- term borrowings
Bonds	8,560,771.80	2.56% up to contracted Libor rate float	Non-current liabilities due within one year, bonds payable
Other borrowings	3,813,200.00	4.10%~6.16%	non-current liabilities due within one year, long-term borrowings
Total	31,410,596.46		

(3) *Financing overview*

The Group continued to optimize its debt structure and reduce financing costs through various financing instruments and the comprehensive financing cost of existing financing was 4.06%.

During the Reporting Period, the Group issued credit bonds totaling RMB30.1 billion, and completed the issuance of corporate bonds totaling RMB8.89 billion in four tranches with a minimum coupon rate of 2.90% (3 + 2 year term), the issuance of domestic and overseas medium-term notes totaling RMB14.21 billion in six tranches with a minimum coupon rate of 2.95% (3 year term), and the issuance of green medium-term notes totaling RMB7 billion in three tranches with a minimum coupon rate of 2.90% (3 year term).

In order to consolidate the reserve of financing resources, the general meeting approved the authorization to issue direct debt financing instruments not exceeding RMB50 billion in December 2022.

During the Reporting Period, the Group's actual interest expenses totalled RMB12.04 billion, of which the capitalised interest amounting to a total of RMB7.14 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 International Credit Rating Co., Ltd. a domestic rating agency, maintained the Group's credit rating as AAA, with a "stable" rating outlook.

In the fourth quarter of 2022, the Group concluded strategic cooperation agreements valued at over RMB810 billion with 14 major financial institutions, including six major banks.

Directors' Report

3. Capital position

The Group achieved a net cash inflow from operations of RMB2.75 billion for the entire year, which has been remained positive for 14 consecutive years.

As of the end of the Reporting Period, the cash on hand (including pledged and restricted deposit) held by the Group amounted to RMB137.21 billion, which was much higher than the sum of interest-bearing liabilities due within one year of RMB64.52 billion. Among the cash and cash equivalents, Renminbi accounted for 91.3%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 8.7%. As of the end of the Reporting Period, the regulated pre-sales proceeds of the Group amounted to RMB46.39 billion.

4. Risk of fluctuations in exchange rates

The Group conducts a majority of its business operations in the PRC. Most of the revenue and expenses are denominated in Renminbi. During the Reporting Period, the Group recorded a net exchange gain of approximately RMB120 million.

In order to constantly control the medium and long-term fluctuation risks of the exchange rate, the Group persisted with dynamic management of matching of foreign currency asset and liability, term structure and offshore liquidity risk, and utilised natural hedging and considered cost of hedges, and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates, the Group's effective cross currency swap (CCS) contract balance was US\$1,721 million at the end of the Reporting Period. During the Reporting Period, there were US\$150 million of CCS contract expiring and no newly-added hedging contract. During the effective period of the hedging contracts, the changes in the fair value of CCS had no material impact on the Group's profit and loss.

5. Analysis of inventory

As of the end of the Reporting Period, the Group's inventory amounted to RMB907.06 billion, representing a decrease of 15.7% from that at the end of 2021; of the aforesaid inventory, projects held for development amounted to RMB111.70 billion, accounting for 12.3%; properties under development amounted to RMB695.26 billion, accounting for 76.7%; and completed properties for sale (existing properties) amounted to RMB98.07 billion, accounting for 10.8%.

The Group appropriated provision for impairment of inventories for projects subject to risks based on its prudent market strategy. The provision of impairment of inventories during the Reporting Period was RMB0.45 billion and the impact on net profit attributable to the equity shareholders of the Company was RMB0.37 billion. As at the end of the Reporting Period, balance of inventory impairment provision amounted to RMB5.14 billion.

Unit: RMB'0000

No.	City	Project	Provision of impairment of inventories for the year
1	Guiyang	Vanke Guiyang Chuan Qi, Guiyang	17,669.93
2	Dalian	Feicui Duhui, Dalian	27,311.89
Total			44,981.82

6. Change of key performance indicators

Unit: RMB'000

Items	31-Dec-2022	31-Dec-2021	Change	Description
Other financial assets	5,131,808	2,874,594	78.52%	Increase in external investment
Pledged and restricted deposits	2,782,965	8,643,985	-67.80%	Decrease in pledged and restricted deposits
Assets held for sale	-	892,423	-100.00%	Decrease in assets held for sale
Bonds payable	17,950,541	6,576,207	172.96%	Adjustment of financing structure
Estimated liabilities	412,292	275,163	49.84%	Impact of accrued losses

Items	Jan-Dec 2022	Jan-Dec 2021	Change	Description
Net other income	9,903,438	6,724,017	47.28%	Disposal of certain investment
Other expenses	(1,404,718)	(2,130,339)	-34.06%	Increase in provision for impairment during the year
Share of profits less losses of associates and joint ventures	(798,717)	4,888,729	-116.34%	Decrease in investment income recognised under the equity method

Directors' Report

7. Capital expenditure commitments

As of the end of the Reporting Period, the capital commitments of the Group reached RMB158.96 billion, including the construction contracts entered into or to be executed by the Group, as well as the land contracts signed and going or preparing to execute.

8. Contingent liabilities

In accordance with industry practice, the Group provided guarantee for mortgage loans taken by purchasers of the Company's properties of which mainly are provisional guarantee. The terms of the provisional guarantee commenced on the day the guarantee agreement becoming effective up to the day on which the ownership certificates of the properties purchased by the customers being obtained and the mortgage being registered and delivered to the mortgage banks. As of the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB224.37 billion. The Group has not suffered any material loss due to the aforesaid guarantees. The Group is of the view that it does not need to make any provisions for such guarantees in the financial statements.

9. Seizures, withholding and freezing of major assets

Nil.

10. Analysis of major holding and shareholding companies

Applicable Not applicable

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

Applicable Not applicable

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

12. Project follow-up investment

In order to directly link the project operating results with the interests of employees and encourage the follow-up investment personnel to create greater value for the Company and its shareholders, the Group launched project follow-up investment in 2014, and then continuously iteratively revised the follow-up investment system according to the development needs. During the Reporting Period, in response to changes in the business environment and in line with the development direction of placing equal emphasis on development, operation and services, the Group launched the Project Follow-up Investment System Version 6.0.

By the end of 2022, a total of 1,182 projects of the Group had been introduced the follow-up investment mechanism. Among the newly acquired projects during the Reporting Period, the follow-up subscription amount was RMB713 million, accounting for 1.4% of the peak funds of follow-up projects and 2.7% of the peak equity funds of Vanke.

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

(6) Future development prospects

In 2023, the Group will focus its work on the following directions:

Firstly, we will ensure operational safety, maintain industry-leading credit ratings, keep financing flexibility, continuously optimize the debt structure, and explore equity financing opportunities to help healthy development of the business.

Secondly, we will firmly place the equal emphasis on real estate development, operation and services, develop together with cities and customers, and promote business synergy from the perspective of maximizing the overall interests of the Group with the goal of "maximizing market value in the long term", and improve the general management level.

Thirdly, we will develop more superior assets. The Group will optimise the construction and management standards from the perspective of business operation, improve the operation returns of retail property, office building, apartment, logistics and warehousing projects, develop more superior assets with trading conditions and explore innovative tools such as REITs..

Fourth, we will enhance ESG value and sustainability, integrate ESG concepts into daily work and operations, continue to explore green and low-carbon development models, and actively disclose and respond to sustainable development topics of social concern.

Directors' Report

When made specific to each business level:

1. **Co-ordinate the development and operation business through the headquarters of development and operation**, and lay a stable foundation for project operation to establish a mechanism for sharing capabilities, unified standards and lean management in resource allocation, product planning, project management and centralised procurement.

Actively promote sales return. Improve the conversion of existing resources and optimize the capacity structure. Focus on both professional synergy and development efficiency in an effort to improve input and output efficiency, contribute more positive cash flow and focus on restoring profitability levels.

Improve investment quality. By changing our focus from urban macro indicators to health status of regional segments, we strengthen the safety boundary of investment projects through sufficient market research and demonstration. We will also strengthen management before and after investment, and regularly review the performance of the management team in key nodes such as products, costs and construction period, so as to guarantee the realisation of investment return.

Improve the level of refinement management based on the iteration and update of product lines to make them more closely align with the needs and expectations of segmented customers, focus on achieving efficiency and quality improvement through the professional synergy of design, cost and procurement, and continuously improve input and output efficiency.

Ensure the quality and quantity of housing delivery. Adhere to the bottom line of safety production and quality, and continue to promote practices such as quality co-construction and handing over the house as a certificate to enhance customer experience and achieve high-quality delivery.

2. **Property business maintains high quality of service and achieves steady growth in customer diversification**

Maintain high quality of basic services, continue to strengthen the brand of good services, and win the market with good services and good reputation. Further strengthen the market image of Vanke Property's quality service, sunshine property and smart community, improve the reachability and service quality, and better serve customers in more aspects. **Enhance organizational resilience with customer diversification**, expand deeper cultivation of industry customers and enhance our corporate service capabilities. Focusing on the needs of corporate customers, we build the service capabilities in segmented markets such as building property management, working environment management, energy management, etc., and consolidate our competitive strengths.

3. Improve the layout of warehouse network of our logistics and warehousing business, and strengthen the construction of channels

Focus on the cold chain, increase investment in core cities, and improve the layout of warehouse network nationwide. Based on customer demand, we continue to increase investment in core cities such as the Yangtze River Delta and the Greater Bay Area and improve the layout of our cold chain logistics network and increase market share along the supply chain. **Strengthen the construction of channels, and improve the ability to serve customers.** The Group focuses on important customers in new energy, automobiles and components, supermarket retailing, chain catering, fast consumer goods manufacturing and other fields, improves our service capabilities for integrated supply chain solutions, enhances customer loyalty, and increases the proportion of strategic customers.

4. Expand the management scale of our rental housing business and improve our management level

Respond positively to the balanced approach between rental and for-sale housing, continue to expand the management scale of our rental housing business. According to market characteristics of different cities, the Group will seek incremental development opportunities based on local conditions, and develop large-scale and leading advantages in high-tier cities. **Improve our management level**, consolidate our leading position in the industry, and create a brand benchmark. Realize profit in the accounting statements under the cost method (i.e., after depreciation and amortization).

5. Improve the operation level of commercial office business and ensure the opening of key projects

Improve the operating return of commercial office projects. Commercial office projects shall comprise both complex projects with good products and operations, and community retail businesses that have synergy with the development of comprehensive residential areas. **Ensure the opening of key projects.** The new projects shall strengthen the recognition of products, and create innovation space and experience consumption centres by virtue of Shenzhen RAIL IN Centre, Shanghai Longhua Centre (上海龍華會), Chongqing Incity and Xi'an Chanba Incity; we will steadily revitalise the stock projects represented by Tianjin Heping Incity, Changsha Central Incity and Shenzhen SCPG Centre, and integrate retail property planning with local culture. **Focus on the development strategy of asset-light and asset-heavy projects.** Our asset-heavy investment will focus on key cities, while our asset-light business will expand cooperation with state-owned enterprises, insurance capital, funds, etc., thus continuously promoting the one-stop construction of the Group's retail property development business.

In 2023, the Group's existing projects (excluding newly acquired projects in future) plan to newly commence and resume a capacity area of 16.728 million square meters, and it is estimated that the completed capacity area will be 32.272 million square meters. For details of the Group's commencement and completion plans in 2023, please refer to the "Development Status of Major Domestic Projects in 2022 and Development Plan for 2023".

Directors' Report

Development of Major Domestic Projects in 2022 and Development Plan for 2023

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2022	Completed Area in 2022	Accumulated completion area by 2022	Area not		Area to be completed in 2023
								yet under construction as at the end of 2022	Area to be commenced construction in 2023	
Beijing Region										
Aifudun Project, Beijing	Changping District	100.0%	23,084	113,651	-	-	113,651	-	-	-
Changyang Bandaο, Beijing	Fangshan District	100.0%	437,179	859,085	-	-	859,085	-	-	-
Ruyuan C1, Beijing	Haidian District	49.0%	85,099	197,813	-	-	197,813	-	-	-
Golden Paradise, Beijing	Fangshan District	40.0%	65,967	155,293	-	-	155,293	-	-	-
Xihuafu, Beijing	Fengtai District	15.0%	233,209	629,170	-	-	629,170	-	-	-
Jade Four Season, Beijing	Tongzhou District	50.0%	88,767	210,738	-	-	210,738	-	-	-
Changyang Tiandi, Beijing	Fangshan District	69.0%	112,673	208,350	-	-	174,254	-	-	-
Jade Four Season (Phase II), Beijing	Tongzhou District	50.0%	61,717	123,434	-	-	123,434	-	-	-
Shoukai Vanke Centre, Beijing	Daxing District	50.0%	41,092	126,562	-	-	126,562	-	-	-
Changyang Bandaο Central City, Beijing	Fangshan District	35.0%	63,950	155,502	-	-	155,502	-	-	-
City Twilight, Beijing	Tongzhou District	35.0%	34,657	122,483	-	-	122,483	-	-	-
Guancheng Villa, Beijing	Shunyi District	58.5%	187,830	170,568	-	-	123,435	-	-	-
Beijing Shunyi 28 Subdistrict Project	Shunyi District	49.5%	22,913	41,200	-	-	41,200	-	-	-
TBD Vanke Center, Beijing	Changping District	50.0%	68,944	202,751	-	-	202,751	-	-	-
Beijing Vanke City	Daxing District	14.4%	46,924	94,357	-	-	94,357	-	-	-
Yunchuang Tiandi, Beijing	Tongzhou District	49.0%	80,131	143,992	-	-	82,580	-	-	-
South of Cuihu International, Beijing	Haidian District	100.0%	20,680	62,461	-	-	61,177	-	-	-
Jade Garden, Beijing	Changping District	40.9%	255,075	424,899	-	48,955	290,933	80,377	-	40,623
Jade Chang'an, Beijing	Mentougou District	49.4%	65,821	252,082	-	3,420	154,385	-	-	-
Metropolis No.79, Beijing	Chaoyang District	100.0%	16,782	51,895	-	-	-	-	-	10,816
Metropolis Binjiang, Beijing	Tongzhou District	88.8%	9,293	86,125	-	-	86,125	-	-	-
Beijing Junzhuang Project	Mentougou District	50.0%	74,720	44,200	-	-	-	44,200	-	-
Beijing Red Scarf Bridge Project	Chaoyang District	53.5%	15,593	90,000	-	-	90,000	-	-	-
North of Cuihu International, Beijing	Haidian District	50.0%	9,253	28,125	-	-	28,125	-	-	-
Beijing Vernon Town	Miyun District	32.1%	227,337	208,769	-	-	66,132	-	-	142,637
Beijing Emerald West Lake Project	Fengtai District	32.3%	230,356	250,000	-	40,611	74,749	60,450	-	47,533
Guancheng Dajia, Beijing	Shunyi District	49.8%	122,906	124,135	-	-	59,405	-	-	-
Qixiang Villa, Beijing	Fangshan District	99.4%	89,117	133,675	-	133,675	133,675	-	-	-
Feicuiyuntu, Beijing	Haidian District	98.6%	54,881	106,795	-	106,795	106,795	-	-	-
Feicui Shanxiao, Beijing	Shijingshan District	39.6%	202,551	346,500	-	-	87,899	-	-	95,988

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022		Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022		construction	Area to be commenced construction		
City Twilight Dongwang, Beijing	Tongzhou District	54.9%	110,493	279,378	-	110,375	156,169	-	-	-	60,032
Beijing Emerald West Lake Yunlu	Fengtai District	99.8%	168,663	184,119	-	-	-	-	-	-	96,618
Guanchengwangxi, Beijing	Shunyi District	48.3%	43,326	64,988	-	-	-	-	-	-	64,988
Beijing Lake and Villa Project	Fangshan District	19.8%	133,033	210,500	-	-	-	-	-	-	210,500
Beijing Xianghe Project 2012	Xianghe County	50.0%	342,826	513,139	-	22,751	246,386	266,753	-	-	-
Beijing Harrow Town	Xianghe County	50.0%	207,255	345,239	-	-	29,204	223,210	-	-	-
Peacock Lake - 77 Mu Land, 39 Mu Land Project, Bazhou	Bazhou City	64.8%	77,510	116,187	-	-	-	116,187	116,187	-	-
Times Light, Bazhou	Bazhou City	33.6%	44,355	110,815	-	-	-	-	-	-	13,221
Plots 231 and 232, Dachang	Dachang Hui Autonomous County	79.8%	76,388	146,269	-	-	-	-	-	-	-
Plots 233 and 234, Dachang	Dachang Hui Autonomous County	79.8%	50,606	84,303	-	84,303	84,303	-	-	-	-
Langfang The Light of Sailing	Yongqing County	89.5%	56,234	100,909	-	-	-	57,918	-	-	-
Dongjianta Project, Langfang	Guangyang District	37.6%	38,714	71,790	-	-	-	-	-	-	71,790
Spring Dew Mansion, Langfang	Anci District	55.6%	71,359	143,296	-	-	-	-	-	-	-
Park Avenue Phase III, Tangshan	Lubei District	16.3%	230,191	557,693	-	-	-	462,891	265,005	-	-
Golden Paradise, Tangshan	Lubei District	41.0%	53,400	133,499	-	-	133,499	-	-	-	-
Nanhuchunxiao, Tangshan	Lunan District	24.0%	165,834	431,738	-	3,014	397,847	-	-	-	15,261
Tangshan Tang Dynasty Mansion	Lunan District	50.4%	106,070	259,591	-	-	119,559	-	-	-	110,082
Park Avenue, Tangshan	Lubei District	13.8%	185,802	446,710	-	165,565	446,710	-	-	-	-
Future City, Tangshan	High & New Technology Industries Development Zone	53.6%	208,676	521,165	53,226	56,110	56,110	46,673	46,673	-	418,382
Fengrun King Metropolis, Tangshan	Fengrun District	32.0%	50,879	122,743	-	-	122,743	-	-	-	-
Feicui Blue Mountain, Tangshan	High & New Technology Industries Development Zone	98.2%	80,103	205,216	-	22,728	202,135	-	-	-	1,600
Tangshan Xinhua Road Project	Lubei District	49.7%	17,265	120,854	-	-	-	120,854	120,854	-	-
Tangshan Gangdao Zhongxin	Fengnan District	53.5%	120,241	244,885	-	120,727	120,727	-	-	-	121,703
Tangshan Fengrunquanlan	Fengrun District	47.0%	47,403	52,143	-	-	-	-	-	-	21,651
Park Metropolis Phase I, Tangshan	Lubei District	99.1%	75,961	151,893	-	-	-	-	-	-	-
Park Metropolis Phase II, Tangshan	Lubei District	99.0%	41,372	82,737	-	-	-	82,737	43,972	-	-
Fengrunziyuan, Tangshan	Fengrun District	47.0%	76,364	152,720	-	-	-	-	-	-	-
Holiday Views, Qinhuangdao	Haigang District	60.0%	124,672	306,612	-	-	306,612	-	-	-	-
Beidaihe Town, Qinhuangdao	Beidaihe District	50.0%	76,384	84,881	-	-	84,881	-	-	-	-
Mijas, Qinhuangdao	Beidaihe District	100.0%	85,659	92,357	-	-	36,767	-	-	-	21,477
Time Sea, Qinhuangdao	Beidaihe District	16.0%	89,811	94,707	-	9,544	76,304	-	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2022	Completed Area in 2022	Accumulated completion area by 2022	Area not yet under construction		Area to be completed in 2023
								as at the end of 2022	Area to be commenced construction in 2023	
Future City (Phase II), Qinhuangdao	Haigang District	57.6%	68,011	135,625	-	135,625	135,625	-	-	-
Zhangjiakou Jingcheng Shangfang	Xiahuayuan District	32.0%	101,649	225,095	-	-	-	113,163	-	22,788
King Metropolis, Jinan	Lixia District	30.3%	103,870	316,999	-	-	316,999	-	-	-
Jade Garden, Jinan	Lixia District	50.0%	87,149	220,858	-	-	220,858	-	-	-
Feicuishanyu, Jinan	Licheng District	98.8%	126,244	265,098	-	-	219,270	-	-	-
Metropolis, Jinan	Lixia District	32.0%	78,771	245,891	-	111,331	245,891	-	-	-
Baimaiyuefu, Jinan	Zhangqiu District	25.0%	201,116	402,190	-	-	182,308	-	-	103,169
Vanke Shanwang, Jinan	Shizhong District	42.3%	120,618	572,428	-	38,455	275,746	-	-	-
Jinan Quanyueli	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	-	-	85,760	-	-	-
Tianchen, Jinan	Licheng District	17.7%	103,211	260,091	-	-	260,091	-	-	-
Glamorous City, Jinan	Licheng District	66.6%	110,494	277,340	-	277,340	277,340	-	-	-
Jinan Golden Yuecheng Xinzhu	Tianqiao District	92.2%	56,742	147,529	-	147,529	147,529	-	-	-
Jinan Fanrongli	Tianqiao District	48.6%	34,968	82,175	-	-	-	-	-	82,175
The Light of Beichen, Jinan	Tianqiao District	69.4%	133,789	294,552	54,441	-	-	-	-	258,286
Jinan Xueshan Vanke City Group II	Licheng District	99.5%	162,256	340,818	-	-	-	81,496	81,496	40,399
Jinan Xueshan Vanke City Group IV	Licheng District	99.6%	188,381	382,134	186,930	-	-	51,013	51,013	137,455
Jinan Xueshan Vanke City Group III	Licheng District	49.3%	78,506	211,965	-	-	-	-	-	211,965
Jinan Shizhong Vanke City	Shizhong District	99.8%	149,419	415,000	-	-	-	281,696	123,262	-
Times Light, Jiyang	Jiyang District	41.3%	129,000	338,000	46,887	90,467	237,577	53,536	-	-
Linyi New Metropolis Project	Hedong District	51.8%	154,165	354,579	-	213,150	354,579	-	-	-
Lushang Centre Dream Town Zhenyuan, Linyi	Lanshan District	69.4%	129,671	440,882	2,319	-	-	37,376	37,376	350,439
Lushang Centre Dream Town Ruyuan, Linyi	Lanshan District	50.4%	111,914	258,376	43,524	-	-	-	-	182,385
Zibo Vanke City Light	Zhangdian District	64.0%	50,578	131,000	-	-	-	35,223	35,223	-
Vanke Jade College, Zibo	Zhangdian District	17.2%	128,501	321,245	-	25,807	321,245	-	-	-
Vanke Xinduhui, Zibo	Zhangdian District	50.1%	20,486	71,058	-	-	50,459	-	-	20,599
Zibo Linzi Project	Linzi District	54.0%	118,288	295,720	43,931	97,507	97,507	37,189	37,189	78,344
Future City, Qingdao	Shibei District	36.8%	139,768	442,014	-	-	442,014	-	-	-
Qingdao Town	Huangdao District	34.0%	933,293	947,988	78,420	-	481,567	388,001	19,000	-
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	-	-	-
City Twilight, Qingdao	Huangdao District	55.3%	123,719	284,109	-	2,710	252,872	-	-	-
Qingdao Shiniushan Road Project	Licang District	22.0%	203,831	503,511	56,887	-	-	310,610	25,985	-
King Metropolis Phase III, Qingdao	Chengyang District	60.0%	56,286	101,315	-	98,139	98,139	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not		Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022		yet under construction as at the end of 2022	Area to be commenced construction in 2023	
Feicui Changjiang, Qingdao	Huangdao District	95.0%	25,836	168,348	-	-	62,292	-	-	33,015
Qingdao Coastal Vanke City	Huangdao District	41.0%	260,948	657,904	103,963	231,050	235,576	-	-	234,748
Xinduhui, Qingdao	Huangdao District	46.0%	131,985	308,597	-	160,921	250,467	-	-	25,843
Jiaozhou Botanical Garden Project, Qingdao	Jiaozhou City	46.5%	52,937	153,622	-	150,718	150,718	-	-	2,904
Qingdao Yuantong Wulian Project	Huangdao District	93.7%	38,545	96,362	-	70,706	70,706	-	-	25,656
Qingdao Coastal Blue Mountain	Huangdao District	92.3%	20,000	50,000	-	-	-	-	-	50,000
Qingdao Purple County	Jimo District	47.7%	56,758	107,839	-	-	-	33,164	-	49,154
Qingdao Clouds of Bay	Chengyang District	50.0%	62,265	103,588	-	-	-	-	-	103,588
Qingdao Pingdu Ruyuan	Pingdu City	69.3%	25,872	56,918	-	-	-	-	-	-
Qingdao Clouds of Bay Phase II	Chengyang District	50.0%	91,379	162,139	107,368	-	-	54,771	17,778	-
Dream Town, Weifang	Weicheng District	99.0%	126,507	306,940	-	235,694	235,694	71,246	-	-
Weifang Metropark	Weicheng District	99.0%	115,009	253,020	-	-	-	115,034	-	137,986
Jade Academy, Shijiazhuang	Chang'an District	49.8%	165,164	411,746	-	100,674	217,615	77,318	77,318	-
Zijun, Shijiazhuang	Chang'an District	48.2%	30,908	95,408	-	-	95,408	-	-	-
Shijiazhuang Metropolis Time	Gaocheng District	41.0%	60,661	224,050	-	36,850	224,050	-	-	-
Park Metropolis, Shijiazhuang	Xinhua District	41.0%	48,731	121,347	-	121,347	121,347	-	-	-
Jade Garden, Shijiazhuang	Qiaoxi District	48.0%	70,549	167,894	-	167,894	167,894	-	-	-
Zhengding Culture Village Project, Shijiazhuang	Zhengding County	49.0%	61,496	126,623	-	90,744	126,623	-	-	-
Future City, Shijiazhuang	Luancheng District	46.9%	104,994	196,832	-	149,136	149,136	-	-	47,696
Shijiazhuang Jiashi Vanke Purple Terrace	Qiaoxi District	41.6%	56,613	145,653	-	-	-	-	-	145,653
Shijiazhuang Zhengding Cultural Village	Zhengding County	49.1%	44,134	90,896	-	-	-	-	-	90,896
Shijiazhuang Mechanical and Technical School Project	Xinhua District	67.0%	13,913	32,933	-	-	-	-	-	32,933
Vanke Jade Four Seasons, Shijiazhuang	Yuhua District	50.1%	93,957	233,140	-	-	-	-	-	-
Shijiazhuang Jade College Phase II	Chang'an District	69.1%	72,403	181,009	-	-	-	-	-	-
Shijiazhuang Metro Vanke Lanwan	Chang'an District	40.0%	40,943	102,509	-	-	-	-	-	-
Zi Yuan, Shijiazhuang	Yuhua District	100.0%	32,426	93,739	-	-	-	-	-	-
Lot No. 2019039, Baoding	Gaobeidian City	42.1%	22,320	44,640	-	-	-	-	-	-
Intercity Light, Zhuozhou	Zhuozhou City	90.5%	67,392	268,874	-	108,706	108,706	-	-	-
Xinchen Light, Zhuozhou	Zhuozhou City	79.8%	63,475	126,941	-	-	-	-	-	-
Dream Town, Taiyuan	Xiaodian District	49.6%	323,777	793,157	-	-	793,157	-	-	-
Blue Mountain, Taiyuan	Wanbailin District	51.0%	198,392	687,372	-	-	687,372	-	-	-
Transportation Company Land Lot, Taiyuan	Wanbailin District	100.0%	37,060	177,415	-	-	-	177,415	-	-
The Paradiso, Taiyuan	Jinyuan District	88.6%	40,047	148,134	-	-	148,134	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction		Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022		as at the end of 2022	Area to be commenced construction in 2023	
Zi Yuan, Taiyuan	Yingze District	90.1%	74,373	210,065	-	-	210,065	-	-	-
City Lights, Taiyuan	Yingze District	90.1%	176,340	567,446	-	-	255,910	7,380	-	159,350
Taiyuan Town	Jiancaoping District	89.1%	263,066	433,457	-	-	425,144	-	-	-
Central Park, Taiyuan	Jinyuan District	50.0%	35,492	131,645	-	126,771	126,771	-	-	4,874
Jade Garden, Taiyuan	Jinyuan District	36.0%	75,832	258,344	-	9,560	236,859	-	-	-
Changfeng Mansion, Taiyuan	Wanbailin District	42.0%	16,228	56,189	-	2,808	56,189	-	-	-
Taiyuan Chunhe Jingming	Wanbailin District	41.0%	239,977	546,569	-	78,206	272,529	31,000	-	134,608
Qingxu Project, Taiyuan	Qingxu County	41.0%	107,438	315,678	-	192,921	192,921	-	-	122,757
The Paradiso, Yangqu, Taiyuan	Yangqu County	50.0%	84,308	209,643	-	-	204,315	-	-	-
Jade Jinyang Lake, Taiyuan	Jinyuan District	48.8%	127,040	253,273	-	139,377	139,377	96,750	-	-
Taiyuan Lanwan Chuanqi	Jinyuan District	41.0%	64,605	226,418	-	207,994	207,994	-	-	18,424
Park Avenue, Taiyuan	Jinyuan District	33.0%	32,450	123,520	-	108,339	108,339	-	-	-
Taiyuan Beiyong Follow-up Phase	Xiaodian District	99.7%	220,928	715,632	145,935	-	-	309,427	178,631	175,794
Taiyuan Control Centre Project	Xiaodian District	40.0%	15,225	51,588	-	-	-	-	-	51,588
Time Light, Taiyuan	Yingze District	46.9%	59,426	184,374	42,785	-	-	-	-	-
Orient Community, Taiyuan	Xiaodian District	50.1%	153,520	371,792	200,960	-	-	22,518	-	-
Taiyuan Xuyuan	Qingxu County	49.7%	79,396	230,248	-	-	-	83,488	-	146,760
Violet, Jinzhong	Yuci District	50.0%	93,947	187,736	-	65,908	167,524	-	-	-
Glorious, Jinzhong	Yuci District	50.0%	29,143	57,501	-	-	46,693	-	-	-
Waterfront, Tianjin	Dongli District	100.0%	2,708,886	1,757,244	-	-	1,727,414	-	-	29,830
Binhai Metropolis, Tianjin	Binhai New District	40.0%	215,899	685,897	-	151,613	425,344	-	-	162,345
Jinyu International, Tianjin	Binhai New District	100.0%	108,389	192,177	-	-	161,232	-	-	-
Xinduhui, Tianjin	Nankai District	49.0%	40,068	139,099	-	19,288	65,500	73,599	-	-
Jade Avenue South, Tianjin	Xiqing District	34.0%	167,723	325,895	-	-	132,125	193,770	41,000	-
Jade Avenue North, Tianjin	Xiqing District	51.0%	192,144	378,267	-	-	-	285,003	-	89,719
Diecaidao, Tianjin	Hexi District	33.1%	24,013	47,927	-	47,927	47,927	-	-	-
Tianjin Emerald Riverside Project	Xiqing District	39.8%	198,161	340,468	10,297	48,864	177,808	46,496	22,000	-
Tianjin Vanke City	Dongli District	49.9%	147,353	182,154	-	37,615	126,665	-	-	-
Tianjin Qilin Wetland Vanke Town	Dongli District	69.1%	166,735	263,002	-	22,145	102,416	3,498	-	-
Xihuafu, Tianjin	Xiqing District	57.8%	181,503	297,356	-	97,355	271,149	-	-	26,207
Guanlan, Tianjin	Binhai New District	48.6%	90,781	196,849	-	-	168,224	20,452	9,000	-
North of Xilu, Tianjin	Xiqing District	98.8%	52,189	103,963	-	-	103,963	-	-	-
Four Season Binjiang, Tianjin	Beichen District	69.2%	136,700	291,952	-	122,232	122,232	145,956	57,000	23,764

Unit: sq.m.

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Feicuizitai, Tianjin	Xiqing District	37.6%	68,567	110,248	-	59,965	110,248	-	-	-
Tianjin Baodi Lot 024 Project	Baodi District	99.2%	170,102	281,504	-	152,456	152,456	21,936	10,500	-
Tianjin Vanke Eco Light	Binhai New District	99.0%	70,557	112,890	-	-	-	-	-	82,650
Hujiaoyuan Plots #6-9, Tianjin	Binhai New District	99.0%	323,464	604,986	79,768	-	-	357,015	77,352	78,000
Tianjin Riverside Metropolis	Binhai New District	64.5%	120,938	302,415	43,163	-	-	143,638	51,000	-
Yantai Haiyuntai	Zhifu District	100.0%	311,614	444,000	-	-	433,357	-	-	-
Yantai Hill Palace	Zhifu District	51.0%	341,943	572,929	-	-	407,253	-	-	62,281
Yantai Emerald Park	Zhifu District	78.6%	57,892	116,000	-	-	116,000	-	-	-
Yantai Seattle	Zhifu District	41.0%	61,499	120,300	-	-	120,300	-	-	-
Yantai Tianyue Bay	Laishan District	60.5%	190,000	401,000	93,582	-	-	307,418	65,793	-
Yantai Emerald Avenue	Laishan District	24.0%	189,041	457,718	-	79,379	265,842	19,499	-	-
Yantai City Lights III	Fushan District	51.1%	55,711	150,600	-	42,453	128,925	-	-	-
Yantai Emerald of Changan	Laishan District	29.4%	105,056	189,100	-	59,458	189,100	-	-	-
Yantai Nanyao Lot B	Zhifu District	24.2%	43,072	107,247	35,503	71,328	71,328	-	-	21,414
Yantai Lake & Mountain	Zhifu District	38.4%	294,800	297,600	-	98,568	148,855	-	-	28,913
Yantai Hill Palace Lot D	Zhifu District	42.5%	38,701	42,600	-	42,600	42,600	-	-	-
Yantai Wonder of the Sea	Laishan District	36.0%	69,494	175,691	-	-	-	-	-	113,349
Yantai Emerald Mansion	Fushan District	50.0%	112,117	271,432	-	-	-	-	-	271,432
Yantai Metropolis	Zhifu District	79.0%	81,207	227,360	-	-	-	-	-	188,072
Yantai Zhifu Vanke City Quanxueli Project	Zhifu District	50.0%	32,000	76,900	-	-	-	-	-	76,900
Yantai Zhifu Vanke City Bowenli	Zhifu District	39.0%	60,222	147,400	-	-	-	-	-	147,400
Yantai Dachengli	Zhifu District	49.5%	42,599	102,000	-	-	-	102,000	28,776	-
Yantai Four Seasons Light-year	Fushan District	59.0%	67,026	147,457	-	-	-	60,663	-	54,625
Jade Park, Weihai	Huancui District	57.4%	176,746	312,390	-	116,199	312,390	-	-	-
Jade Hill, Weihai	Huancui District	69.0%	124,947	192,215	-	-	-	37,908	37,908	113,090
Beijing Region subtotal			23,214,555	45,568,760	1,429,889	5,992,402	25,408,008	5,849,915	1,677,291	6,417,124

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2022	Accumulated	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022		completion area by 2022			
Northeastern Region										
Shenyang Shoufu Cloud City	Huanggu District	97.2%	308,209	637,510	-	283,948	569,708	-	-	-
Jade Mansion, Shenyang	Hunnan District	100.0%	285,599	284,101	-	26,922	284,101	-	-	-
Shenyang Chunheli	Shenhe District	100.0%	81,378	350,551	-	-	350,551	-	-	-
Fei Cui Zhi Guang Phase I, Shenyang	Tiexi District	18.0%	40,877	199,937	-	-	40,495	-	-	-
Fei Cui Zhi Guang Phase II, Shenyang	Tiexi District	54.0%	67,305	286,886	-	-	286,886	-	-	-
Xinda Dream Town, Shenyang	Hunnan District	40.1%	198,479	407,938	-	-	407,938	-	-	-
Fei Cui Xinduhui, Shenyang	Tiexi District	67.4%	61,217	140,799	-	-	140,799	-	-	-
Tomorrow Light, Shenyang	Sujiatun District	69.5%	127,099	285,412	-	113,731	285,412	-	-	-
Feicui Binjiang, Shenyang	Heping District	99.2%	79,763	159,526	-	3,015	159,526	-	-	-
Shenyang Keppel Project	Hunnan District	98.3%	73,638	186,295	-	155,402	155,402	-	-	30,893
China Travel Dream Town, Shenyang	Hunnan District	49.4%	1,018,234	1,057,074	-	282,515	513,481	258,709	-	56,454
Shenyang Furama Project	Heping District	91.0%	14,496	57,500	-	-	-	-	-	30,490
Wonderland Dajia (B Plot), Shenyang	Yuhong District	57.2%	77,800	147,969	-	80,778	147,969	-	-	-
UC Dream Town, Shenyang	Faku County	45.0%	102,154	250,617	-	16,682	73,122	146,586	-	-
Shenyang BMW Project	Tiexi District	98.1%	187,248	280,872	-	119,151	202,270	-	-	24,984
Wonderland Dajia (AC Plot), Shenyang	Yuhong District	57.2%	28,909	54,927	-	30,572	30,572	24,355	24,355	-
Beichenzhiguang, Shenyang	Shenbei New Area	68.3%	105,527	232,159	-	111,175	111,175	-	-	120,984
Dongdi, Luoyang	Shenhe District	64.0%	60,134	150,335	-	-	-	-	-	150,335
Shenyang Xichen Light	Tiexi District	99.2%	149,281	268,706	-	58,830	58,830	-	-	58,830
Shenyang Four Seasons Metropolis	Sujiatun District	37.1%	162,261	324,522	-	-	-	174,899	-	59,992
Shenyang Zhongde II Plot	Tiexi District	99.7%	62,921	94,381	57,547	-	-	-	-	-
Hun Nan Xin Du Xin, Shenyang	Hunnan District	98.5%	280,484	479,991	-	-	-	197,703	197,703	110,776
One Fuqian, Shenyang	Huanggu District	99.1%	75,869	136,564	68,294	-	-	-	-	-
Whistler Town, Anshan	Tiedong District	100.0%	422,171	624,995	-	-	624,995	-	-	-
Jinyu International, Anshan	Tiexi District	51.0%	225,715	667,199	-	184,601	655,497	-	-	-
High & New Dream Town, Anshan	Lishan District	68.0%	420,306	838,509	-	-	258,235	283,999	-	87,701
Panjin Xinglongtai Project	Xinglongtai District	98.1%	234,931	602,715	-	92,653	240,841	127,768	18,231	135,914
Harbour City, Yingkou	Bayuquan District	100.0%	138,990	329,301	-	2,045	329,301	-	-	-
Central Park, Baotou	Qingshan District	55.2%	228,173	550,091	-	370,961	470,091	-	-	-
Baotou Jade City	Jiuyuan District	57.9%	369,999	845,957	136,255	-	-	381,176	154,942	317,208
Blue Mountain, Changchun	Erdao District	100.0%	228,670	501,678	-	46,050	501,678	-	-	-
Changchun Whistler Town	Nanguan District	50.0%	399,715	484,715	11,482	48,384	424,118	36,941	-	-

Unit: sq.m.

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					commenced construction in 2022	Completed Area in 2022		construction as at the end of 2022	Area to be commenced construction in 2023		
Baicuiyuan, Changchun	Chaoyang District	100.0%	267,981	503,349	-	-	503,349	-	-	-	-
Dream Town, Changchun	Nanguan District	51.0%	350,965	1,068,964	-	-	872,713	196,251	-	-	-
City Twilight, Changchun	Lvyan District	96.3%	181,060	435,039	-	-	261,372	173,667	-	-	-
Changchun Fanrongli	Chaoyang District	41.7%	16,162	56,567	-	-	56,567	-	-	-	-
Jade Binjiang, Changchun	Nanguan District	92.3%	346,635	702,386	-	58,889	473,936	169,788	-	-	12,413
Changchun The Lake	Nanguan District	53.7%	45,315	132,408	-	87,311	132,408	-	-	-	-
Jade College, Changchun	Nanguan District	49.3%	82,000	184,668	-	27,817	184,668	-	-	-	-
Xichen Light, Changchun	Lvyan District	40.0%	154,246	303,002	-	-	303,002	-	-	-	-
Xiwang, Changchun	Kuancheng District	93.8%	155,044	289,701	-	47,135	172,417	-	-	-	16,634
Changchun Beihu Xiwangdong Land Parcel	Kuancheng District	98.3%	129,436	237,602	-	99,909	99,909	80,023	-	-	11,254
Changchun Gongzhuling project	Gongzhuling City	41.0%	617,240	1,086,342	-	276,293	276,293	461,161	-	-	82,411
Xinlicheng, Changchun	Nanguan District	54.9%	50,349	65,269	-	12,567	36,161	-	-	-	-
Changchun Guigu Street Project	Gongzhuling City	41.0%	226,629	453,258	-	137,539	137,539	26,789	-	-	66,076
Changchun West Star A	Lvyan District	44.4%	82,107	173,759	-	131,264	131,264	-	-	-	42,495
Star Light City, Changchun	Nanguan District	38.9%	307,388	686,000	-	100,923	100,923	177,660	-	-	146,400
Sunflower Follow-up Project, Changchun	Gongzhuling City	41.0%	20,445	37,000	-	-	-	37,000	-	-	-
Sunflower Town Follow-up Second Tranche Land Lot Project, Changchun	Gongzhuling City	50.0%	331,163	590,791	-	-	-	590,791	-	-	-
Violet, Changchun	Chaoyang District	99.0%	91,160	236,014	-	8,224	8,224	54,427	-	-	85,256
Times Metropolis, Changchun	Kuancheng District	80.2%	102,916	294,141	-	25,205	25,205	32,642	-	-	131,044
Zitai, Changchun	Nanguan District	49.2%	105,213	188,917	-	-	-	-	-	-	88,985
No.59 Rongguang Road, Changchun	Erdao District	77.7%	82,282	205,705	96,255	-	-	61,929	50,000	-	47,300
Changchun Park Metropolis	Lvyan District	98.2%	170,500	336,495	26,940	-	-	207,555	139,604	-	128,940
Songhua Lake Project, Jilin	Fengman District	100.0%	531,598	600,000	-	-	289,617	310,383	-	-	-
Dream Town, Jilin	Fengman District	65.0%	728,139	1,857,122	-	195,728	1,584,325	-	-	-	58,711
Cherry Blossom Garden, Dalian	Lushunkou District	100.0%	90,286	237,180	-	-	230,798	-	-	-	6,382
Jade Light, Dalian	Jinzhou District	88.6%	83,330	243,918	-	-	96,930	-	-	-	37,491
Future Light, Dalian	Jinzhou District	69.1%	212,731	464,721	-	208,981	335,354	108,813	-	-	20,554
Harbor, Dalian	Pulandian District	55.0%	581,172	968,300	-	-	542,590	425,710	-	-	-
Chenghua East Project, Dalian	Shahekou District	51.0%	35,757	64,260	-	32,152	64,260	-	-	-	-
Dalian The Park	Ganjingzi District	90.0%	19,131	37,627	-	-	37,627	-	-	-	-
King Metropolis, Dalian	Ganjingzi District	87.0%	44,085	80,337	-	-	80,337	-	-	-	-

Directors' Report

Unit: sq.m.

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					commenced construction in 2022		completion area by 2022	construction as at the end of 2022	commenced construction in 2023	
City Twilight, Dalian	Ganjingzi District	93.4%	153,500	283,975	-	-	274,835	-	-	9,140
Zhongnanfu, Dalian	Zhongshan District	88.6%	15,300	32,400	-	-	32,400	-	-	-
Jade Garden, Dalian	Ganjingzi District	44.5%	146,290	248,710	-	-	221,998	26,712	-	-
Badongshu, Dalian	Ganjingzi District	88.6%	36,169	46,336	-	-	46,336	-	-	-
Xinduhui, Dalian	Ganjingzi District	95.7%	55,138	135,345	-	-	135,345	-	-	-
Binhai Metropolis, Dalian	Ganjingzi District	90.0%	10,955	26,292	-	-	26,292	-	-	-
Guan Xian Villa, Dalian	Ganjingzi District	48.7%	126,155	134,550	-	-	129,800	-	-	-
Metropolis Xinghai, Dalian	Shahekou District	26.5%	7,399	77,202	-	67,517	67,517	-	-	9,685
Feicui Chunxiao, Dalian	Lushunkou District	72.6%	193,011	177,795	-	67,199	129,817	32,678	-	10,216
Dalian The Stage	Zhongshan District	62.1%	42,400	166,400	-	-	105,000	-	-	-
Dalian Zhong Shan Zhong	Zhongshan District	41.2%	2,968	33,000	-	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	-	87,255	297,755	-	-	-
Diamond Bay, Dalian	Ganjingzi District	48.4%	67,674	108,646	-	11,550	108,646	-	-	-
Metropolis Park, Dalian	Ganjingzi District	99.6%	138,511	264,100	-	-	-	-	-	124,961
Dalian Dong Guan Street Project	Xigang District	99.0%	32,616	47,400	-	-	-	47,400	36,400	-
Dalian Zhongcheng Cuiwan Project	Ganjingzi District	99.0%	29,439	70,500	-	-	-	-	-	-
Jinyuyuefu, Harbin	Xiangfang District	67.1%	123,043	288,778	-	139,627	139,627	-	-	-
Park Avenue, Harbin	Daoli District	24.0%	39,392	101,709	-	-	101,709	-	-	-
Binjiang Metropolis, Harbin	Daoli District	49.9%	29,360	126,035	-	34,925	96,486	-	-	-
Intelligent Future City Project, Harbin	Xiangfang District	54.5%	310,193	556,654	-	192,267	192,267	205,630	115,915	158,757
Shenzhen-Harbin Vanke Town Project, Harbin	Songbei District	40.2%	166,982	362,352	125,098	98,122	98,122	-	-	90,868
Harbin China-Russian Industrial Park Project	Songbei District	99.3%	150,603	233,082	-	40,886	40,886	-	-	118,146
Northeastern Region subtotal			14,588,495	28,617,217	521,871	4,249,700	16,682,851	5,059,145	737,150	2,688,680

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022				
Central Region										
Vanke Home, Wuhan	Hongshan District	98.9%	57,253	262,387	-	-	262,387	-	-	-
Golden Lake Courtyard, Wuhan	Jiangnan District	100.0%	72,575	402,715	32,151	-	340,641	29,923	29,923	-
Hankou Chuanqi, Wuhan	Jiangnan District	50.0%	223,165	1,127,688	-	-	1,127,688	-	-	-
Wuhan Changzheng Village	Hongshan District	100.0%	157,157	529,728	-	239,928	239,928	-	-	163,389
Vanke Fei Cui Jiu Xi, Wuhan	Caidian District	50.0%	160,682	370,689	-	-	370,689	-	-	-
Feicui Binjiang, Wuhan	Hanyang District	54.5%	227,357	917,265	-	98,836	422,215	-	-	283,027
Vanke Jinyu International, Wuhan	Hanyang District	94.5%	81,083	415,345	-	-	345,058	-	-	-
Weipeng Vanke Yuxibinjiang, Wuhan	Jiang'an District	40.0%	43,274	208,965	-	-	208,965	-	-	-
Vanke Gaoerfuxi'an, Wuhan	Dongxihu District	96.0%	35,075	96,278	-	-	96,278	-	-	-
Vanke Cloud City, Wuhan	Hongshan District	79.8%	119,037	425,989	-	48,669	251,194	62,913	62,913	-
Vanke Liantou Ideal Star 083 Land Lot, Wuhan	Jiangxia District	19.3%	65,548	185,404	-	-	84,797	-	-	49,992
Vanke Liantou Ideal Star 082 Land Lot, Wuhan	Jiangxia District	49.0%	64,726	176,069	-	38,172	124,509	-	-	-
Wuhan Jinyu Tiandi	Qiaokou District	49.8%	75,608	309,698	-	71,512	123,211	-	-	27,347
Vanke Xinduhui, Wuhan	Hongshan District	64.8%	59,917	287,499	-	184,554	184,554	-	-	102,945
Wuhan Vanke Poly Ideal City	Hongshan District	49.7%	279,080	959,006	92,187	81,952	240,595	529,830	-	40,991
Wuhan Vanke Park Avenue	Qiaokou District	48.8%	141,805	490,985	103,467	94,458	94,458	46,996	40,145	37,787
Vanke Huasheng Link City, Wuhan	Hannan District	48.4%	319,537	512,768	-	-	-	-	-	-
Wuhan Vanke Donghu Dibai	Hongshan District	99.1%	22,500	100,800	-	-	-	-	-	48,369
Wuhan Vanke Huangpi Hengdian 189 mu Project	Huangpi District	99.5%	126,042	315,065	-	-	-	315,065	70,120	-
Wuhan Vanke Jinyin Lake Circle 115 mu Project	Dongxihu District	99.4%	76,352	149,000	149,000	-	-	-	-	-
Wuhan Rhine Park	Caidian District	99.0%	85,371	213,426	84,285	-	-	95,207	-	-
Wuhan Jinyu Light-year	Hanyang District	49.2%	104,326	260,662	91,202	-	-	169,460	106,303	-
Wuhan Vanke Park No.5	Jiangnan District	48.5%	46,626	211,699	-	-	-	-	-	-
Vanke Colorful City, Ezhou	Gedian Development Zone	41.0%	126,026	295,397	-	-	257,979	-	-	11,072
Ezhou Vanke Cheng	Gedian Development Zone	65.3%	21,452	80,760	-	-	80,760	-	-	-
Ezhou 010 Project	Gedian Development Zone	98.3%	139,997	419,909	-	-	-	283,293	-	38,888
Yichang Vanke Ideal City	Yiling District	82.7%	182,149	437,181	-	49,543	349,752	-	-	3,192
Yichang Vanke Ideal City Yue Mansion	Yiling District	95.5%	32,041	51,050	-	-	51,050	-	-	-
Vanke Yicuijincheng, Yichang	Xiling District	59.3%	123,457	300,553	-	-	-	32,204	32,204	105,767

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2022	Completed Area in 2022	Accumulated completion area by 2022	Area not	Area to be commenced construction in 2023	Area to be completed in 2023
								yet under construction as at the end of 2022		
Yichang Vanke City Light	Wujiagang District	59.0%	49,016	127,401	-	-	-	-	-	45,683
Yichang Vanke Ideal City Late Phase	Yiling District	99.0%	55,431	88,689	-	-	-	88,689	88,689	-
Wonderland, Changsha	Yuelu District	49.6%	479,778	863,601	98,908	-	-	414,736	305,656	-
Zitai, Changsha	Tianxin District	70.0%	116,486	272,813	-	59,738	203,254	-	-	-
Jinyu Binjiang, Changsha	Yuelu District	58.0%	58,287	207,995	-	34,131	181,694	-	-	-
Glamorous City, Changsha	Yuhua District	100.0%	460,237	1,307,457	-	154,531	1,307,457	-	-	-
Jinyu International, Changsha	Yuelu District	51.0%	159,393	518,569	-	-	518,569	-	-	-
Golden Wheat Fields, Changsha	Yuhua District	90.0%	16,459	38,570	-	-	38,570	-	-	-
Golden Dream, Changsha	Yuelu District	99.5%	141,851	485,570	-	108,443	444,107	-	-	-
Sky Realm, Changsha	Yuhua District	45.0%	68,204	101,051	-	82,202	82,202	-	-	18,849
Binhe Road, Changsha	Wangcheng District	60.6%	35,324	122,498	-	88,074	88,074	-	-	-
Zhenwanhui, Changsha	Kaifu District	52.6%	39,990	261,188	100,244	-	-	160,944	160,944	-
Changsha Yuefu	Yuhua District	52.2%	95,133	237,035	66,638	-	-	9,993	9,993	167,891
Changsha Peninsula International	Kaifu District	99.2%	54,322	168,940	97,927	-	-	71,013	71,013	-
Changsha Songhu Tiandi	Changsha County	99.8%	359,801	1,044,000	175,519	-	-	868,481	342,312	-
Changsha Puyue Bay	Kaifu District	53.0%	76,865	230,595	-	-	-	230,595	145,532	-
Sky City, Nanchang	Nanchang County	20.8%	195,547	480,237	-	17,932	449,657	-	-	30,580
Dream Town, Nanchang	Qingshanhu District	32.5%	299,708	417,362	-	1,751	417,362	-	-	-
Haishang Chuanqi, Nanchang	Qingshanhu District	50.0%	163,213	348,201	-	-	348,201	-	-	-
Cuidieyuan, Nanchang	Honggutan District	50.0%	80,120	184,273	-	-	166,367	-	-	17,906
Times Square, Nanchang	Honggutan District	30.0%	83,800	293,456	-	632	240,834	-	-	52,622
Hongdu 1951, Nanchang	Qingyunpu District	29.9%	27,879	94,785	-	-	94,785	-	-	-
Nanchang The Vanke Top Villa	Honggutan District	45.0%	57,493	145,075	-	1,392	145,075	-	-	-
Lot F04/F02, Nanchang Vanke Science City	Xinjian District	27.4%	209,526	391,123	-	36,651	36,651	-	-	73,699
Lot H01E01, Nanchang Vanke Science City	Xinjian District	30.0%	37,373	63,551	-	-	-	-	-	63,551
Nanchang Lune Sea	Qingshanhu District	24.1%	120,578	265,272	-	152,961	152,961	-	-	87,208
Nanchang Lianfa Vanke West Coast Spring Breeze	Honggutan District	19.9%	32,640	81,600	-	81,600	81,600	-	-	-
Star Century, Nanchang	Xinjian District	49.2%	167,707	301,872	-	103,020	103,020	-	-	41,552
Jiang You Dong Fang, Nanchang	Nanchang County	40.3%	53,706	96,671	-	-	-	-	-	81,377
Nanchang Lianfa Vanke Four Seasons Light-year	Xinjian District	16.9%	31,013	80,635	-	-	-	32,178	-	26,097
Nanchang Four Seasons Metropolis	Qingyunpu District	49.3%	123,877	248,420	-	-	-	103,237	103,237	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022		Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022		construction	Area to be commenced construction		
Nanchang Metropolis Riverside	Xinjian District	14.0%	27,893	69,734	-	-	-	-	-	-	-
Vanke Metropolis, Zhengzhou	Erqi District	88.6%	333,940	1,000,262	-	116,288	1,000,262	-	-	-	-
Changjiyunlu, Zhengzhou	Zhongmu County	43.0%	191,564	224,583	-	-	158,348	63,765	-	-	-
Vanke Meijing Glamorous City, Zhengzhou	Xinzheng City	51.0%	327,697	802,558	-	-	802,558	-	-	-	-
Vanke Meijing Dream Town, Zhengzhou	Zhongyuan District	51.0%	508,421	1,560,281	-	-	1,560,281	-	-	-	-
Vanke Meijing Lanyuan, Zhengzhou	Zhongyuan District	41.0%	129,527	453,065	-	-	453,065	-	-	-	-
Vanke Tianlun Zitai, Zhengzhou	Huiji District	42.7%	205,979	566,263	-	-	566,263	-	-	-	-
Racho Sante Fe, Zhengzhou	Zhongmu County	40.8%	181,326	313,738	-	45,500	298,183	-	-	-	-
Vanke Min'an Stars, Zhengzhou	Zhongyuan District	46.0%	17,754	71,933	-	-	71,933	-	-	-	-
Vanke Min'an Cloud City, Zhengzhou	Huiji District	42.1%	51,704	154,818	-	-	154,818	-	-	-	-
Vanke Xiwang, Zhengzhou	Zhongmu County	99.3%	60,374	150,588	-	-	150,588	-	-	-	-
Zhengzhou Vanke The City	Jinshui District	40.4%	33,156	172,068	-	172,068	172,068	-	-	-	-
Vanke Min'an Sanduhushan, Zhengzhou	Shangjie District	45.9%	374,620	422,303	-	12,141	51,787	324,285	-	-	-
Zhengzhou Bagua Temple	Erqi District	37.2%	23,438	70,159	-	70,159	70,159	-	-	-	-
Min'an Jiangshanfu, Zhengzhou	Huiji District	46.1%	70,853	283,260	-	-	220,741	-	-	-	62,519
Zhengzhou Bairong E5 Project	Erqi District	99.0%	59,332	236,904	-	9,656	9,656	-	-	-	-
Zhengzhou Xingyang Donglinhu Lot	Xingyang City	50.4%	195,223	362,942	-	66,171	66,171	158,198	-	-	25,897
Vanke Metropolis Xianyueyuan, Zhengzhou	Erqi District	69.0%	58,787	176,017	-	-	-	-	-	-	176,017
Vanke Luoda Temple Project, Zhengzhou	Zhongyuan District	43.0%	51,975	259,691	90,720	143,749	143,749	-	-	-	25,222
Zhengzhou Cloud Atlas	Zhongmu County	40.8%	193,049	350,278	-	75,572	75,572	-	-	-	43,987
Zhengzhou Laoyachen 93 mu Project	Huiji District	99.6%	62,282	260,673	92,587	-	-	-	-	-	-
Nanlonghu, Zhengzhou	Xinzheng City	42.0%	116,040	347,405	126,095	-	-	-	-	-	264,842
Zhengzhou Vanke City Phase 9	Zhongyuan District	41.1%	77,038	192,148	-	-	-	-	-	-	192,148
Zhengzhou Gucai Yinxiu	Jinshui District	50.4%	27,335	141,996	74,262	-	-	67,734	67,734	-	-
Zhengzhou Future Time	Jinshui District	99.1%	53,205	148,635	-	-	-	-	-	-	148,635
Zhengzhou Ideal Light	Erqi District	49.0%	30,174	105,988	-	-	-	-	-	-	-
Zhengzhou Shimi Senyu	Jinshui District	99.5%	46,550	78,865	-	-	-	-	-	-	-
Zhengzhou Cuiwan Zhongcheng Lot B13	Huiji District	99.0%	21,326	85,304	-	-	-	85,304	85,304	-	-
Zhengzhou Metropolitan Skyline	Erqi District	66.9%	78,972	236,509	236,509	-	-	-	-	-	-
Vanke Chunhua Xiyuanjiadi, Luoyang	Jianxi District	41.0%	35,616	173,933	-	-	-	-	-	-	-
Vanke Putian Long Tang, Zhoukou	Chuanhui District	40.2%	151,933	432,341	-	203,387	432,341	-	-	-	-
Vanke Putianlongtang Phase III, Zhoukou	Chuanhui District	44.6%	91,533	265,446	62,750	-	-	202,696	202,696	-	-
Central Region subtotal			11,108,591	30,253,173	1,774,451	2,745,373	16,815,691	4,446,739	1,924,718	2,559,048	

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2022	Completed Area in 2022	Accumulated completion area by 2022	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
Southern Region										
Zhenshanfu, Shenzhen	Nanshan District	10.0%	48,804	232,842	-	-	214,602	-	-	-
Cloud City, Shenzhen	Nanshan District	78.3%	394,044	1,335,510	-	-	1,304,348	-	-	-
Tianyu Garden, Shenzhen	Longgang District	100.0%	148,616	870,987	-	25,721	618,089	-	-	-
Shenzhen Bicycle Factory Project	Longgang District	79.3%	44,406	356,370	-	24,026	24,026	-	-	-
Vanke City of Stars, Shenzhen	Baoan District	78.6%	122,126	638,884	-	-	638,884	-	-	-
Zhenwanhui, Shenzhen	Nanshan District	43.0%	68,285	419,000	-	-	156,319	-	-	-
Huilong Business Center, Shenzhen	Longhua District	39.2%	20,339	142,400	-	-	142,400	-	-	-
Vanke Infinity City, Shenzhen	Longhua District	45.5%	41,602	226,502	-	-	-	-	-	70,548
Shenzhen Jinyu Lingfeng Park	Longgang District	5.0%	34,996	107,512	-	-	107,512	-	-	-
Luohu Food Building Project, Shenzhen	Luohu District	99.6%	6,676	67,800	-	-	-	-	-	-
Vanke Headquarter Building Project, Shenzhen	Nanshan District	100.0%	22,338	166,660	-	-	-	-	-	-
Yuecheng, Shenzhen	Longhua District	63.5%	95,999	487,279	-	7,165	82,975	-	-	194,050
Shenzhen Zhen Shanhai	Nanshan District	91.6%	13,073	63,093	-	-	-	-	-	63,093
Shenzhen Vanke Western Royal	Guangming District	79.8%	22,340	154,330	-	-	-	-	-	-
Vanke Metropolis, Shenzhen	Baoan District	60.3%	19,472	137,134	-	-	-	-	-	121,320
Shenzhen Sanxing Industrial Zone Project I	Futian District	100.0%	91,541	532,740	-	-	-	532,740	532,740	-
Shenzhen Sanxing Industrial Zone Project II	Futian District	100.0%	38,455	367,000	-	-	-	367,000	116,000	-
Beichen Light, Shenzhen	Longhua District	36.6%	16,142	93,680	-	-	-	-	-	63,128
Shenzhen Jiangang Mountain	Baoan District	48.8%	85,321	189,575	-	-	-	-	-	78,237
Shenzhen Shangjiaohuan	Longgang District	100.0%	43,011	207,928	207,928	-	-	-	-	-
Chegongmiao Dupont Project, Shenzhen	Futian District	37.5%	57,319	312,000	-	-	-	312,000	-	-
Elegant Lifestyle, Shenzhen	Nanshan District	49.7%	56,031	148,600	148,600	-	-	-	-	-
Future Light, Shenzhen	Baoan District	50.0%	98,082	215,570	215,570	-	-	-	-	-
Watercity, Dongguan	Tangxia Town	100.0%	596,786	421,165	-	61,823	404,949	-	-	-
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	-	2,229	368,436	-	-	-
Pearl River East Coast, Dongguan	Machong Town	63.6%	303,695	542,650	-	-	542,650	-	-	-
Vanke City Twilight Plaza, Dongguan	Humen Town	88.3%	29,391	140,366	-	-	140,366	-	-	-
Songlang Garden, Dongguan	Dalang Town	86.9%	75,663	238,702	-	-	238,702	-	-	-

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Dongguan Chang'an Lianhu Road Project	Changan Town	97.3%	54,178	108,330	-	108,330	108,330	-	-	-	-
Dongjiang Star, Dongguan	Nancheng	45.1%	59,200	367,548	-	-	367,548	-	-	-	-
No.5 City, Dongguan	Gaobu Town	48.3%	102,054	285,643	-	-	283,802	-	-	-	-
Jinyu Plaza, Dongguan	Dongkeng Town	45.0%	17,420	78,388	-	16,282	78,388	-	-	-	-
Royal Palace, Dongguan	Dongcheng Street	24.2%	180,523	394,887	-	11,384	394,887	-	-	-	-
Imperial Bay No.8 Project, Dongguan	Dongcheng Street	24.2%	159,856	152,101	-	71,994	71,994	-	-	-	80,107
Dongguan Sky City	Dalang Town	73.5%	34,519	131,925	-	46,553	131,925	-	-	-	-
Houjie Yuanxin Second Road Project, Dongguan	Houjie Town	63.9%	16,183	29,100	-	29,100	29,100	-	-	-	-
Jade Pine Lake, Dongguan	Liaobu Town	90.0%	95,578	190,958	-	-	184,056	-	-	-	-
Dongjiang Avenue Project, Dongguan	Wanjiang	98.4%	21,505	64,515	-	-	-	64,515	64,515	-	-
Housha Road Project, Dongguan	Houjie Town	63.8%	44,916	53,869	-	53,869	53,869	-	-	-	-
Dongguan Golden City Center	Nancheng	51.6%	13,967	61,695	-	-	61,695	-	-	-	-
Binhai Metropolis, Dongguan	Humen Town	78.6%	20,050	60,145	-	15,931	45,279	-	-	-	-
Vanke Shifu Golden Home, Dongguan	Liaobu Town	18.2%	51,675	186,149	-	-	50,708	-	-	-	113,967
Jiangnan Yard, Dongguan	Shatian Town	68.2%	84,903	152,422	-	5,568	152,422	-	-	-	-
Feicuidongwang, Dongguan	Nancheng	32.4%	58,146	155,797	-	7,294	155,797	-	-	-	-
Huanhulu Project in Songshanhu, Dongguan	Songshanhu	30.0%	23,037	44,142	-	-	-	-	-	-	-
Fenggang Wonderland, Dongguan	Fenggang Town	39.1%	50,325	101,437	-	5,795	101,437	-	-	-	-
Vanke Jiangwan Garden, Dongguan	Machong Town	78.6%	28,752	86,194	-	3,916	86,194	-	-	-	-
Dongguan Machong Dasheng 031 Lot	Machong Town	78.9%	36,215	108,543	-	13,415	108,543	-	-	-	-
Dongguan Zhujiang Vanke City	Machong Town	53.8%	15,561	46,524	-	45,580	45,580	-	-	-	944
Dongguan Vanke Golden Mile East	Liaobu Town	33.6%	57,766	173,297	-	154,826	154,826	-	-	-	-
Dongguan Vanke Hanbang Songhu Peninsula	Dalingshan Town	37.1%	128,605	190,630	-	128,200	190,630	-	-	-	-
Vanke City of Stars, Dongguan	Hongmei Town	64.2%	43,561	108,869	-	-	-	-	-	-	96,756
Dongguan Songyue Garden	Songshanhu	99.6%	99,734	123,010	-	-	-	-	-	-	51,346
Dongguan Future Light	Humen Town	47.7%	81,768	172,387	-	-	-	-	-	-	141,627
Dongguan Zhenshanyue	Houjie Town	39.5%	104,561	107,758	-	-	-	-	-	-	107,758
Dongguan The Park	Machong Town	99.3%	54,171	108,336	-	-	-	-	-	-	107,089
Southern Bay Dream Town, Dongguan Phase V	Humen Town	36.6%	34,284	75,438	75,438	-	-	-	-	-	-
Dalingshan North Station Project, Dongguan	Dalingshan Town	39.9%	109,416	482,160	-	-	-	482,160	246,545	-	-
Energy City, Dongguan	Fenggang Town	59.8%	41,350	139,284	-	-	-	139,284	109,092	-	-
Dongguan Zhenshanhui	Dongcheng Street	29.9%	41,067	170,908	170,908	-	-	-	-	-	-

Directors' Report

Unit: sq.m.

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								as at the end of 2022	Area to be commenced construction in 2023	
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	-	-	392,183	-	-	50,614
Jinyu Binjiang, Foshan	Shunde District	50.0%	113,224	452,880	-	-	452,880	-	-	-
Jinyu Binjiang Phase III, Foshan	Shunde District	98.8%	54,648	161,976	-	-	161,976	-	-	-
Vanke Center, Foshan	Nanhai District	100.0%	18,023	99,125	-	-	-	-	-	99,125
City Twilight, Foshan	Nanhai District	90.7%	72,711	228,312	-	-	228,312	-	-	-
Shangduhui, Foshan	Nanhai District	97.0%	13,718	61,340	-	-	61,340	-	-	-
Xijiang Joy, Foshan	Gaoming District	45.4%	97,157	291,378	-	-	291,378	-	-	-
Yueduhui, Foshan	Chancheng District	100.0%	9,785	58,709	-	48,353	48,353	-	-	10,356
Jade Riverview, Foshan	Shunde District	98.1%	53,795	134,488	-	-	134,488	-	-	-
Yiduhui, Foshan	Nanhai District	100.0%	13,986	62,937	-	-	62,937	-	-	-
Glamorous City, Foshan	Sanshui District	91.3%	132,954	332,272	-	-	332,272	-	-	-
Star Converge, Foshan	Shunde District	90.0%	23,200	120,664	-	-	120,664	-	-	-
Skycity, Foshan	Shunde District	99.1%	86,789	390,553	-	35,129	35,129	151,143	-	35,129
Jinyu Academy, Foshan	Shunde District	97.0%	45,432	127,210	-	-	127,210	-	-	-
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	-	20,138	230,869	-	-	-
Golden Family, Foshan	Nanhai District	99.1%	52,222	182,777	-	86,375	182,777	-	-	-
Golden Times, Foshan	Chancheng District	98.9%	40,459	161,837	-	53,505	126,170	-	-	35,667
Jinyu Xijiangfu, Foshan	Gaoming District	49.6%	75,037	187,592	-	26,439	169,849	-	-	17,743
Golden Dream, Foshan	Shunde District	99.1%	46,666	233,328	-	-	-	140,802	-	62,737
Spring Dew Mansion, Foshan	Shunde District	49.5%	131,842	351,063	-	278,612	278,612	-	-	62,060
Vanke Nanhai Skycity, Foshan	Nanhai District	50.8%	178,080	480,816	-	120,842	120,842	-	-	145,207
Golden Island, Foshan	Gaoming District	50.0%	40,003	100,008	-	-	-	-	-	64,643
Metropolis, Foshan	Chancheng District	99.6%	74,505	223,215	90,179	-	-	-	-	56,002
Foshan Puyue Mountain	Nanhai District	69.4%	163,614	442,286	276,039	-	-	102,518	102,518	-
Vanke Dazhangxi Coast, Fuzhou	Yongtai County	51.0%	392,000	390,808	-	75,742	259,346	131,462	-	-
Jinyu Zhongyang, Fuzhou	Taijiang District	100.0%	25,397	128,512	-	-	128,512	-	-	-
One More, Fuzhou	Minhou County	51.0%	213,602	680,408	-	23,713	339,823	340,585	299,396	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022		Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022		construction	Area to be commenced construction		
Jinyu Binjiang Garden, Fuzhou	Cangshan District	99.0%	80,013	415,774	-	71,414	271,054	-	-	-	62,808
Fuzhou Cangqian Jiuli	Cangshan District	100.0%	47,067	56,291	-	11,126	56,291	-	-	-	-
Zitai, Fuzhou	Mawei District	38.7%	113,570	156,018	-	68,065	68,065	-	-	-	87,953
Vanke Jinyu International, Fuzhou	Taijiang District	99.2%	205,862	624,811	-	624,811	624,811	-	-	-	-
Fuzhou Jinyu Tixiang	Cangshan District	99.0%	17,301	31,142	-	-	-	-	-	-	31,142
Fuzhou Vanke Jingxi Garden	Minhou County	99.0%	47,447	83,752	-	-	-	-	-	-	83,752
Fuzhou Tianhui Mansion	Cangshan District	50.7%	177,183	318,928	215,793	-	-	103,135	103,135	-	-
World Expo, Guangzhou	Panyu District	51.8%	82,354	431,742	27,658	9,732	175,540	126,981	-	-	56,545
Racho Sante Fe, Guangzhou	Huadu District	49.0%	210,252	126,172	-	-	126,172	-	-	-	-
Guangzhou Yunqi House	Tianhe District	25.0%	13,200	49,236	-	20,467	49,236	-	-	-	-
Xingfuyu Garden, Guangzhou	Huangpu District	14.3%	259,300	546,644	-	-	513,914	-	-	-	28,707
Yun Cheng Miku, Guangzhou	Tianhe District	98.9%	90,915	362,490	-	-	362,490	-	-	-	-
Guangzhou Lixiang Garden	Huangpu District	84.5%	103,306	297,739	-	-	297,739	-	-	-	-
Shangcheng Yufu, Guangzhou	Huangpu District	98.1%	119,785	313,140	-	-	295,867	-	-	-	17,273
Guangzhou Chunfeng Shili	Zengcheng District	97.0%	51,950	128,843	-	-	128,843	-	-	-	-
Wei Lai Zhi Qiu, Guangzhou	Panyu District	95.4%	13,750	22,160	-	-	22,160	-	-	-	-
Heron Hill, Guangzhou	Nansha District	95.6%	33,317	59,970	-	-	59,970	-	-	-	-
Guangzhou Taoyuanli Phase II	Zengcheng District	50.0%	71,175	123,982	-	827	123,982	-	-	-	-
Guangzhou the Future Forest Project	Baiyun District	99.6%	13,235	35,634	-	-	35,634	-	-	-	-
Guangzhou Yuanpeili Project	Huangpu District	99.2%	41,631	62,447	-	-	26,393	-	-	-	-
Guangzhou Mountain View Project	Huangpu District	96.9%	88,230	92,395	-	85,668	85,668	-	-	-	6,727
Guangzhou the Luna Project	Nansha District	90.7%	92,219	232,163	-	-	232,163	-	-	-	-
Xingfuyu Garden Phase V, Guangzhou	Huangpu District	66.5%	191,580	344,956	-	-	344,956	-	-	-	-
Golden Miles, Guangzhou	Zengcheng District	42.7%	45,450	136,080	-	-	121,366	-	-	-	14,714
Zengcheng Dream Town, Guangzhou	Zengcheng District	71.2%	133,653	400,957	-	115,192	175,366	-	-	-	46,125
Jinyuyuefu, Guangzhou	Baiyun District	45.6%	40,022	178,834	-	88,122	109,254	23,913	-	-	41,370
Guangzhou Jinmao Vanke Glamorous City	Zengcheng District	50.8%	162,497	487,699	152,279	37,634	37,634	168,755	122,400	-	37,634
Chengshizhiguang, Guangzhou	Huangpu District	91.6%	136,704	689,510	189,433	198,585	284,398	63,255	63,255	-	199,101
The New City, Guangzhou	Huangpu District	63.0%	56,987	299,493	299,493	-	-	-	-	-	-
Guangxin Asset Package Project, Guangzhou	Guangzhou City	50.0%	799,743	2,110,000	451,755	19,779	19,779	1,341,230	326,094	-	214,122
Dream Town, Qingyuan	Qingcheng District	100.0%	1,219,450	2,415,977	-	225,244	1,724,978	590,190	-	-	-
Gaozhiyuan, Sanya	Jiyang District	65.0%	387,807	349,026	-	-	69,185	158,358	158,358	-	58,087
Forest Holiday Park, Sanya	Jiyang District	65.0%	942,745	459,414	43,993	36,332	415,421	-	-	-	43,993

Directors' Report

Unit: sq.m.

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Lakeside Holiday Park, Sanya	Jiyang District	80.0%	397,080	436,425	-	-	436,425	-	-	-
Affordable Housing Project in Yazhou District in Sanya City	Yazhou District	88.3%	45,292	112,624	-	112,624	112,624	-	-	-
Affordable Housing Project in Linchun in Sanya City	Jiyang District	98.8%	39,018	77,636	-	77,636	77,636	-	-	-
Golden Miles, Sanya	Yazhou District	68.9%	63,614	159,036	159,036	-	-	-	-	159,036
Haikou Jinyu Shijia	Meilan District	40.0%	44,105	108,056	-	108,056	108,056	-	-	-
Lunas Del Mar, Huizhou	Huidong County	100.0%	692,671	951,072	-	-	805,284	-	-	33,253
Huizhou Xiaojinkou Project	Huicheng District	78.1%	41,895	118,101	-	27,357	118,101	-	-	-
Wanhui Garden, Huizhou	Huiyang District	78.9%	73,333	194,184	-	187,756	187,756	-	-	6,428
Wanyue Garden, Huizhou	Huiyang District	30.4%	60,381	213,566	-	93,858	93,858	-	-	29,624
Jinfeng Garden, Huizhou	Huicheng District	37.6%	111,564	345,849	-	151,901	220,329	-	-	125,520
Wenhan Garden, Huizhou	Huiyang District	74.8%	44,695	162,673	-	-	-	-	-	61,805
Huizhou Shengqiu Huafu	Huiyang District	36.9%	8,777	21,063	-	-	-	-	-	-
Dream Town, Nanning	Qingxiu District	84.7%	355,063	1,409,936	-	292,191	1,320,310	-	-	-
The Paradise, Nanning	Liangqing District	69.1%	71,599	224,436	-	4,138	224,436	-	-	-
Jinyuzhongyang, Nanning	Liangqing District	40.1%	117,729	601,250	-	161,348	576,052	-	-	-
Nanning The Park	Liangqing District	40.1%	75,941	227,821	-	6,838	227,821	-	-	-
Zhen Shanyue, Nanning	Qingxiu District	46.8%	26,956	46,364	-	12,628	46,364	-	-	-
Golden Paradise, Nanning	Xixiangtang District	90.2%	54,326	217,303	-	3,936	217,303	-	-	-
Yuejiangnan Project, Nanning	Jiangnan District	97.0%	78,589	232,489	-	18,334	232,489	-	-	-
Jinyu Binjiang, Nanning	Yongning District	28.0%	69,104	171,401	-	3,697	171,401	-	-	-
Star Converge, Nanning	Liangqing District	76.2%	155,510	506,545	-	148,391	409,404	-	-	37,353
Xingningdong Project, Nanning	Xingning District	99.0%	69,836	125,704	-	84,157	125,704	-	-	-
Jinyu International, Nanning	Liangqing District	51.9%	79,835	239,504	-	68,041	68,041	-	-	132,353
Nanning Emerald Centra	Liangqing District	70.1%	100,319	334,848	155,614	-	-	-	-	163,233
Nanning Vanke Elegant Mansion	Liangqing District	99.8%	56,270	168,788	-	-	-	-	-	47,972
Nanning Vanke Gongwang	Yongning District	100.0%	51,142	127,934	-	-	-	-	-	124,269
Bailu Project, Liuzhou	Liubei District	53.6%	457,860	1,254,115	194,289	298,095	524,039	358,993	211,707	233,701
Dream Town, Quanzhou	Fengze District	60.0%	136,741	478,591	-	-	478,591	-	-	-
Honor of the City, Quanzhou	Fengze District	30.7%	211,662	849,336	-	-	565,831	-	-	110,042
Jinyu Binjiang Phase 3, Jinjiang	Jinjiang City	40.8%	54,074	168,034	-	-	168,034	-	-	-
Jinyu Binjiang Phase 1, Jinjiang	Jinjiang City	44.0%	23,488	77,846	-	-	77,846	-	-	-
Jinjiang Vanke Jinyu International	Jinjiang City	99.3%	57,906	110,011	-	-	-	-	-	110,011
Goutou Commercial Center, Xiamen	Huli District	99.1%	11,190	26,613	-	-	26,613	-	-	-

Unit: sq.m.

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Haixi Financial Plaza (Phase II), Xiamen	Huli District	100.0%	6,880	10,572	-	-	10,572	-	-	-	-
Vanke Plaza, Xiamen	Jimei District	100.0%	126,657	661,134	-	-	307,192	-	-	-	-
Vanke Clouds, Xiamen	Huli District	100.0%	8,433	70,284	-	-	70,284	-	-	-	-
Heron Hill, Xiamen	Xiang'an District	93.5%	86,368	86,976	-	6,888	51,420	-	-	-	7,576
Heron Hill Phase II, Xiamen	Xiang'an District	47.1%	58,986	88,500	-	4,785	16,384	-	-	-	6,061
Vanke Shimaoxiwang, Xiamen	Tong'an District	32.0%	54,164	119,160	-	119,160	119,160	-	-	-	-
Dream Town, Zhangzhou	Xiangcheng District	38.1%	230,300	787,631	-	14,728	787,631	-	-	-	-
Longhai Jinyu Binjiang Garden, Zhangzhou	Longhai City	99.5%	81,659	245,181	-	83,372	83,372	-	-	-	88,783
The Paradiso, Zhongshan	Shiqi District	74.2%	143,852	418,450	-	-	418,450	-	-	-	-
Dream Town, Zhongshan	Guzhen Town	90.0%	139,968	419,808	-	-	419,808	-	-	-	-
Jinyu Center, Zhongshan	East District	97.7%	68,149	209,447	-	10,407	209,447	-	-	-	-
Zhongshan Four Seasons Flower City	Wuguishan	60.0%	133,327	226,210	-	114,164	164,764	-	-	-	61,446
Central Park Phase I, Zhongshan	Guzhen Town	79.0%	21,633	64,897	-	41,372	41,372	-	-	-	23,525
Central Park Phase II, Zhongshan	Guzhen Town	99.3%	58,997	181,645	-	41,581	41,581	-	-	-	47,552
Western Coast, Zhongshan	Cuiheng New Area	99.3%	38,836	99,365	-	-	-	-	-	-	99,365
Zhongshan City Light	Minzhong Town	90.0%	70,714	212,141	-	53,345	53,345	-	-	-	53,342
Zhongshan Wanzhong Xincheng	Cuiheng New Area	49.5%	668,974	1,553,506	548,907	-	-	1,004,599	190,812	126,955	-
Jinyu International, Zhongshan	Guzhen Town	98.3%	109,251	278,149	278,149	-	-	-	-	-	135,028
Haiyu Peninsula Garden, Zhuhai	Xiangzhou District	50.0%	76,293	108,544	-	27,093	69,413	-	-	-	39,131
Glamorous City, Zhuhai	Doumen District	100.0%	137,061	274,122	-	-	274,122	-	-	-	-
Mangrove East Coast, Tangjiawan, Zhuhai	Xiangzhou District	16.0%	333,668	500,536	-	100,410	372,889	-	-	-	104,730
Jade Center, Zhuhai	Xiangzhou District	98.8%	27,077	81,310	-	-	81,310	-	-	-	-
Binhai Metropolis Garden, Zhuhai	Jinwan District	99.6%	110,972	170,997	-	142,403	142,403	-	-	-	5,260
Zhuhai Maritime City	Jinwan District	59.6%	165,047	254,008	-	-	-	-	-	-	87,000
Zhuhai Metropolis Four Seasons	Xiangzhou District	39.7%	81,383	190,194	103,742	-	-	-	-	-	69,000
Zhuhai Starlight Coastal Garden	Jinwan District	42.9%	72,984	124,214	-	-	-	-	-	-	32,623
Zhuhai Qin'ao Legend	Xiangzhou District	94.3%	66,795	146,724	-	-	-	-	-	-	48,000
Plot 17#, Jinwan Binhai Business District, Zhuhai	Jinwan District	50.0%	33,277	66,553	66,553	-	-	-	-	-	-
Plot 18#, Jinwan Binhai Business District, Zhuhai	Jinwan District	49.9%	32,049	64,096	64,096	-	-	-	-	-	-
Jiangmen Vanke Golden City Central Garden	Pengjiang District	56.0%	36,947	92,222	-	-	90,796	-	-	-	-
Jiangmen Vanke Golden City Central Dongyuan	Pengjiang District	55.1%	32,080	88,239	-	88,239	88,239	-	-	-	-
Jiangmen Vanke Golden City Central Ziyuan	Pengjiang District	63.9%	21,613	54,033	-	-	-	-	-	-	54,033
Jiangmen Jinyuhuaifu	Pengjiang District	99.6%	80,939	196,280	52,000	-	-	-	-	-	57,525

Directors' Report

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					commenced construction in 2022		completion area by 2022			
Southern Region subtotal			21,465,719	54,185,509	4,187,452	5,929,776	32,842,756	6,703,618	2,646,567	5,480,841
Shanghai Region										
Jade Binjiang, Shanghai	Pudong New District	100.0%	78,334	207,980	-	-	207,980	-	-	-
Golden City, Shanghai	Pudong New District	60.0%	264,646	359,340	-	-	359,340	-	-	-
Xuhui Vanke Center, Shanghai	Xuhui District	51.0%	107,486	494,437	-	-	165,590	-	-	39,216
Jade Park, Shanghai	Pudong New District	90.0%	79,548	209,697	-	-	209,697	-	-	-
King Metropolis, Shanghai	Fengxian District	83.7%	58,531	134,622	-	-	134,622	-	-	-
Anting New Town Project, Shanghai	Jiading District	74.2%	624,428	504,438	44,232	87,459	460,206	-	-	-
Sky City, Shanghai	Qingpu District	49.8%	210,140	367,778	7,701	132,214	295,077	-	-	29,408
Zhongxing Road Project, Shanghai	Jing'an District	48.7%	31,034	109,754	43,493	58,846	66,261	-	-	-
Longhua Project, Shanghai	Xuhui District	54.8%	49,154	96,780	-	-	-	-	-	44,113
Shanghai City Next	Baoshan District	99.0%	80,805	145,450	-	-	145,450	-	-	-
Shanghai Atop the City	Jiading District	74.2%	84,838	194,894	-	55,313	161,833	-	-	-
Qibao Business District 18-03 Plot, Shanghai	Minhang District	49.6%	6,213	18,019	-	-	18,019	-	-	-
Mancheng Project, Shanghai	Baoshan District	33.2%	295,244	566,942	162,397	123,309	248,881	-	-	127,586
Skycity of Star Island, Shanghai	Qingpu District	99.7%	49,466	89,039	-	-	89,039	-	-	-
Shanghai Ivy Park	Minhang District	99.7%	60,523	108,942	-	-	108,942	-	-	-
Qibao 19-04 Plot, Shanghai	Minhang District	99.7%	34,000	99,000	-	-	-	99,000	99,000	-
Qiaogao Project, Shanghai	Xuhui District	33.2%	118,282	351,657	207,237	14,964	14,964	-	-	46,277
Huacao Project, Shanghai	Minhang District	49.5%	29,319	52,678	-	-	52,678	-	-	-
Emerald Albany Phase IV, Shanghai	Jing'an District	70.0%	43,841	252,087	252,087	-	-	-	-	-
Park Avenue Phase I, Changzhou	Jintan District	68.7%	191,268	301,950	-	2,156	123,637	178,313	178,313	-
Park Avenue Phase II, Changzhou	Jintan District	68.7%	182,741	465,399	-	74,835	304,329	-	-	85,000
Huangliangbang Plot, Changzhou	Zhonglou District	98.3%	84,285	168,570	-	168,570	168,570	-	-	-
Education Town Project, Changzhou	Tianning District	99.6%	117,458	273,994	-	127,513	127,513	-	-	146,481
Guobin Road, Changzhou	Zhonglou District	50.3%	64,360	115,848	-	-	-	-	-	115,848
Changzhou Chaoqi Dongfang	Wujin District	50.0%	29,933	59,871	-	-	-	-	-	38,498
Vanke Zhenwanhui, Changzhou	Zhonglou District	100.0%	76,916	169,215	-	-	-	-	-	46,257
Liangzhu Culture Village, Hangzhou	Yuhang District	100.0%	3,108,146	2,671,811	-	155,142	2,084,596	-	-	112,520
Gongwang, Hangzhou	Fuyang District	100.0%	517,900	208,981	-	-	149,573	-	-	10,613
Metropolis No. 79, Hangzhou	Shangcheng District	50.0%	21,915	76,703	-	-	76,703	-	-	-
Jiuwang, Hangzhou	Fuyang District	20.0%	129,874	126,751	-	-	83,073	-	-	43,678
Hangzhou Quanxueli	Yuhang District	89.3%	78,527	133,496	-	-	133,496	-	-	-
Zhigu, Hangzhou	Gongshu District	90.0%	14,513	50,796	-	-	50,796	-	-	-

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022				
Wei Lai Zhi Guang, Hangzhou	Yuhang District	100.0%	81,828	245,484	-	-	136,403	-	-	44,368
Zhongchenghui (Phase II), Hangzhou	Gongshu District	99.3%	20,414	52,015	-	-	52,015	-	-	-
Olympics Vanke Center, Hangzhou	Xiaoshan District	94.4%	13,969	52,346	-	-	52,346	-	-	-
Donghai Xianhucheng Project in Yuhang District, Hangzhou	Yuhang District	14.9%	411,000	550,010	83,138	-	128,917	-	-	156,000
Zijinruigu, Hangzhou	Xihu District	17.2%	9,078	35,389	-	-	-	-	-	35,389
Jinmao Vanke New Metropolis, Hangzhou	Fuyang District	49.5%	63,457	177,678	-	177,678	177,678	-	-	-
Sunshine City, Hangzhou	Xiaoshan District	79.8%	68,538	186,798	-	-	-	-	-	-
Hangzhou Metro Vanke Sky City	Yuhang District	50.8%	447,654	782,921	-	332,885	332,885	-	-	320,373
City Twilight, Hangzhou	Binjiang District	46.0%	41,153	90,536	-	-	90,536	-	-	-
Yunhe Vanke Center Phase II, Hangzhou	Gongshu District	42.9%	17,795	62,283	-	19,839	19,839	-	-	42,444
Pingyao Project, Hangzhou	Yuhang District	49.4%	82,935	115,180	-	115,180	115,180	-	-	-
Hangzhou Yuewang Mansion	Fuyang District	47.1%	92,480	93,405	-	32,916	32,916	-	-	60,489
Guniangqiao Plot, Hangzhou	Xiaoshan District	99.9%	89,246	232,284	-	-	-	-	-	205,784
Changi Bay, Hangzhou	Xiaoshan District	39.5%	50,176	130,458	-	120,963	120,963	-	-	9,495
Hangzhou Rainbow Sky City	Xiaoshan District	50.9%	115,664	176,746	-	-	-	-	-	176,746
Hangzhou Heyu Guangnian Mansion	Gongshu District	99.8%	54,462	141,601	-	-	-	-	-	141,601
Hangzhou Huyin Guangnian Mansion	Qiantang District	99.7%	47,976	144,973	-	-	-	-	-	-
Hangzhou Xingtu Guangnian Pavilion	Yuhang District	47.4%	78,088	218,646	218,646	-	-	-	-	-
Hangzhou Xingyu Guangnian Mansion	Yuhang District	53.2%	43,413	108,533	108,533	-	-	-	-	-
Jiangnan Reflections Mansion, Hangzhou	Binjiang District	43.6%	23,999	62,397	62,397	-	-	-	-	-
Metropolis Oriental, Jiaxing	Haining City	98.9%	41,541	103,853	-	103,853	103,853	-	-	-
Chaoqi Dongfang Phase II, Jiaxing	Haining City	71.8%	54,396	125,111	-	106,611	106,611	-	-	18,500
Zijingshoufu, Shaoxing	Zhuji City	36.4%	97,500	195,000	-	-	195,000	-	-	-
Lake Xanadu, Shaoxing	Yuecheng District	42.3%	80,609	119,023	-	-	-	-	-	119,023
Shaoxing Fangtanali	Keqiao District	65.7%	37,150	61,826	-	61,826	61,826	-	-	-
Plot No. 8, West Fenglin Road, Shaoxing	Yuecheng District	70.0%	36,108	64,993	64,993	-	-	-	-	-
Plot No. 6, West Fenglin Road, Shaoxing	Yuecheng District	70.2%	67,488	93,111	-	-	-	93,111	93,111	-
Shaoxing Hupo Yinxiu Mansion	Yuecheng District	49.7%	56,095	129,008	129,008	-	-	-	-	-
Park Avenue, Zhangjiagang	Zhangjiagang City	46.0%	191,795	469,379	-	126,922	365,285	26,000	-	78,094
City Mansion, Hefei	Luyang District	49.0%	147,837	413,944	-	-	413,944	-	-	-
Future Light, Hefei	Feidong County	59.8%	197,179	433,793	-	154,744	356,604	-	-	77,189
Central Mansion, Hefei	Changfeng County	59.7%	212,512	431,278	-	103,632	414,412	-	-	16,866
Park Avenue, Hefei	Changfeng County	98.7%	122,070	256,262	-	38,589	256,262	-	-	-
Duhui Shangcheng, Hefei	Changfeng County	24.3%	109,852	209,742	-	75,406	209,742	-	-	-
Feicui Tianji, Hefei	Baobe District	24.8%	154,111	357,632	-	172,084	357,632	-	-	-
Yunfeng Garden, Hefei	Baobe District	24.6%	163,503	418,619	-	93,570	295,320	-	-	22,879

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2022	Accumulated	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022		completion area by 2022			
Hefei Gaodi	High & New Technology Industries Development Zone	32.0%	43,281	100,006	-	100,006	100,006	-	-	-
Hefei Xuelin Yayuan	Luyang District	26.6%	24,622	53,510	-	53,510	53,510	-	-	-
Hefei Urban Xanadu Project	Shushan District	48.0%	61,120	127,439	127,439	-	-	-	-	-
Hefei Jinshanguang Yao	Feidong County	97.3%	59,634	122,860	122,860	-	-	-	-	-
Hefei Langshi	Baohe District	34.1%	89,780	179,560	33,810	-	-	145,750	145,750	-
Dongshanbei Plot, Jiaxing	Haining City	97.4%	65,142	117,213	-	117,213	117,213	-	-	-
Central West Plot Project, Jiaxing	Nanhu District	92.9%	56,509	112,907	-	112,907	112,907	-	-	-
Xiangzhangdong Plot Project, Jiaxing	Nanhu District	72.8%	68,211	150,004	-	-	150,004	-	-	-
Jiaxing Puyue Lakeside	Nanhu District	24.1%	40,962	90,091	-	90,091	90,091	-	-	-
Binhe Road Huayuan, Jiaxing	Nanhu District	66.5%	40,421	80,749	-	-	-	-	-	80,749
Jiaxing Wangchenli	Nanhu District	32.0%	36,456	40,047	-	-	-	-	-	40,047
Jiaxing Qichenli	Nanhu District	32.0%	38,760	45,723	-	45,723	45,723	-	-	-
Jiaxing Lakeside Yinxiu	Nanhu District	96.0%	57,568	120,810	-	-	-	-	-	120,810
Jiaxing Zhenjing Yayuan	Nanhu District	97.6%	68,764	138,196	-	-	-	-	-	-
Jiaxing Yuli Future Community Project	Nanhu District	68.5%	115,452	168,576	168,576	-	-	-	-	-
Jiaxing Cloud Bay	Nanhu District	37.5%	139,964	184,019	71,885	-	-	112,134	112,134	-
Jiuduhui, Nanjing	Yuhuatai District	100.0%	126,058	313,446	-	23,170	313,446	-	-	-
Anping Street, Nanjing	Qinhuai District	100.0%	27,325	21,825	-	-	21,825	-	-	-
The Paradiso, Nanjing	Jiangning District	100.0%	272,298	545,280	-	-	545,280	-	-	-
Xinduhui, Nanjing	Jiangning District	16.0%	36,043	106,067	-	-	72,691	-	-	-
Dream Town, Nanjing	Lishui District	98.6%	218,794	515,467	-	-	515,467	-	-	-
Jade Park, Nanjing	Jiangning District	49.7%	94,624	260,519	-	-	260,519	-	-	-
Metropolis, Nanjing	Yuhuatai District	59.6%	71,334	171,515	-	-	171,515	-	-	-
Jinyu International, Nanjing	Jiangning District	98.7%	38,824	193,817	-	7,478	129,741	-	-	64,076
Duhui Tiandi, Nanjing	Jiangning District	28.2%	108,522	396,342	-	39,644	308,432	-	-	30,053
Shi Dai Tian Yue, Nanjing	Jiangning District	19.5%	54,173	174,975	-	-	96,013	-	-	-
Metropolis Four Seasons, Nanjing	Jiangning District	25.8%	153,261	385,095	-	380,716	380,716	-	-	4,379
Lishui G09 Plot, Nanjing	Lishui District	59.6%	162,782	406,956	-	138,725	138,725	-	-	87,663
Nanjingnan Railway Station Project	Jiangning District	49.7%	37,697	97,521	-	35,348	35,348	-	-	62,173
Nanjing Vanke Emerald Riverside	Jianye District	39.8%	45,092	108,220	-	-	-	-	-	108,220
Nanjing Vanke City Halo	Qixia District	49.8%	61,493	175,483	-	-	-	-	-	175,483
Vanke Huayuxi'an, Nanjing	Jiangbei New District	34.1%	78,325	159,682	-	102,446	102,446	-	-	-
Nanjing Xiwangcheng	Gaochun District	50.4%	157,586	336,267	64,577	-	-	209,439	41,524	52,909
Nanjing Yuyue Light-year	Yuhuatai District	99.4%	47,295	70,942	-	-	-	-	-	70,942
Nanjing Duhui Muyu	Lishui District	73.9%	45,806	91,612	-	-	-	-	-	38,413
Nanjing Xinyue Light-year	Jiangbei New District	59.0%	23,706	36,727	-	-	-	-	-	36,727

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					commenced construction in 2022	Completed Area in 2022		construction	Area to be commenced construction		
Nanjing Zichen Light-year	Jiangning District	99.3%	31,275	62,549	-	-	-	-	-	-	62,549
Nanjing Duhui Qijing	Jiangning District	99.0%	24,787	61,950	42,413	19,033	19,033	-	-	-	-
Nanjing Langshi Garden	Yuhuatai District	59.8%	26,603	74,482	74,482	-	-	-	-	-	-
Glamorous City, Zhenjiang	Runzhou District	100.0%	795,100	942,820	-	-	920,071	22,749	-	-	-
Blue Mountain Garden, Zhenjiang	Dantu District	60.0%	285,683	404,048	-	40,339	404,048	-	-	-	-
Jade Park, Zhenjiang	Runzhou District	99.0%	112,889	247,049	36,861	48,514	103,845	-	-	-	35,578
The Paradiso, Zhenjiang	Jingkou District	41.9%	133,100	317,653	37,023	68,157	189,374	-	-	-	83,583
Estuary Emerald, Zhenjiang	Jingkou District	40.3%	61,236	104,567	-	40,296	104,567	-	-	-	-
Haishang Chuanqi, Nantong	Chongchuan District	16.9%	175,297	309,421	-	-	309,421	-	-	-	-
Shengjiluxi Plot, Nantong	Chongchuan District	79.6%	75,362	168,138	-	129,232	129,232	-	-	-	38,906
City Twilight, Nantong	Tongzhou District	36.0%	55,124	110,152	-	66,237	99,612	-	-	-	-
Nantong Sea Moon	Tongzhou District	32.3%	182,772	392,952	-	258,586	258,586	-	-	-	134,366
Nantong Shiguang Yingcui	Tongzhou District	67.3%	71,445	120,975	-	120,975	120,975	-	-	-	-
Peninsula International, Nantong	Haimen District	58.9%	35,469	63,844	-	-	-	-	-	-	63,844
The One, Nantong	Tongzhou District	46.8%	50,625	91,125	-	34,777	34,777	-	-	-	17,029
Vanke West Land Lot Project, Nantong Haimen	Haimen District	50.5%	46,889	84,401	-	-	-	-	-	-	61,489
Junyuan South Land Lot Project, Nantong Haimen	Haimen District	95.8%	26,730	48,114	-	-	-	-	-	-	48,114
Land Lot North to Experimental School, Nantong	Haimen District	99.4%	52,328	115,122	-	-	-	-	-	-	-
Land Lot North to Central Innovation District, Nantong	Chongchuan District	77.7%	73,114	166,000	43,342	-	-	-	-	-	72,763
Nantong Green Vine Garden	Haimen District	37.2%	45,552	91,104	-	-	-	-	-	-	91,104
Nantong Yanyu Light-year	Tongzhou District	74.4%	90,960	163,737	163,737	-	-	-	-	-	-
Nantong Changchunteng	Tongzhou District	99.4%	99,177	168,786	90,772	-	-	78,014	78,014	-	42,530
Central Park, Haimen	Haimen District	21.2%	141,257	289,379	-	131,101	289,379	-	-	-	-
Binhe Road, Ningbo	Jiangbei District	50.5%	66,678	130,793	-	130,793	130,793	-	-	-	-
Huaishu Road Project, Ningbo	Jiangbei District	99.7%	23,404	73,605	-	73,605	73,605	-	-	-	-
Binsheng Zhenyuan, Ningbo	Jiangbei District	49.1%	74,357	143,433	-	143,433	143,433	-	-	-	-
Haishu Duantang Project, Ningbo	Haishu District	49.4%	74,346	157,780	-	157,780	157,780	-	-	-	-
Dongqian Lake Mogu Road Project, Ningbo	Yinzhou District	49.8%	49,902	50,401	-	50,401	50,401	-	-	-	-
Zhenhai Camel Project, Ningbo	Zhenhai District	99.3%	159,678	375,417	-	-	-	-	-	-	375,417
Oriental Tide, Ningbo	Yinzhou District	32.3%	55,077	124,634	-	124,634	124,634	-	-	-	-
Haipinglanting, Ningbo	Zhenhai District	99.3%	43,591	98,708	-	-	-	-	-	-	98,708
Cichen No.11 Land Lot Project, Ningbo	Jiangbei District	48.1%	41,850	66,960	-	66,960	66,960	-	-	-	-
Cichen No.12 Land Lot Project, Ningbo	Jiangbei District	49.0%	41,589	62,085	-	-	-	-	-	-	62,085
Land Lot West to Jiangnan Yipin, Ningbo	Yinzhou District	74.3%	53,253	113,617	-	-	-	-	-	-	113,617
Ningbo Binhongli	Jiangbei District	50.0%	12,089	23,773	-	-	-	-	-	-	23,773
Ningbo Langshili	Haishu District	50.6%	30,828	85,709	-	-	-	-	-	-	-

Directors' Report

Unit: sq.m.

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								as at the end of 2022	Area to be commenced construction in 2023	
Ningbo Zhanlan Xiaoyue	Jiangbei District	50.0%	25,185	42,688	-	-	-	-	-	-
Ningbo Yueying Lantang	Haishu District	100.0%	52,928	119,803	-	-	-	-	-	93,093
Ningbo Star Travel Guangnian Mansion	Yinzhou District	52.9%	31,245	77,205	77,205	-	-	-	-	-
Jinhua Jinli Jianglan	Wucheng District	99.6%	89,731	161,515	96,871	-	-	-	-	-
Jinhua Wancheng Huafu	Wucheng District	79.6%	133,320	239,976	108,667	-	-	100,102	100,102	-
Jinhua Jin Yun Jiang Ting	Wucheng District	99.1%	47,249	85,036	34,014	-	-	-	-	-
Jinhua Wansheng Huafu	Wucheng District	69.2%	86,304	155,346	71,211	-	-	84,135	84,135	-
Shanhaishili, Taizhou	Lujiao District	99.2%	48,490	121,780	-	-	121,780	-	-	-
Dream Town, Taizhou	Jiaojiang District	65.8%	204,886	467,994	-	308,621	467,994	-	-	-
East of Dongjiayang Project, Taizhou	Jiaojiang District	50.4%	109,350	273,375	-	-	-	-	-	273,375
West of Dongjiayang Project, Taizhou	Jiaojiang District	50.4%	117,447	293,618	-	-	-	-	-	293,618
Golf Project, Kunshan	Kunshan City	100.0%	433,916	327,891	-	-	-	249,208	-	-
Glamorous City, Kunshan	Kunshan City	100.0%	309,217	773,042	-	-	773,042	-	-	-
Yujianshan, Suzhou	High & New Technology Industries Development Zone	44.5%	167,206	234,059	-	-	234,059	-	-	-
Park Avenue, Kunshan	Kunshan City	89.1%	383,117	451,293	-	11,011	451,293	-	-	-
Haishang Chuangqi, Kunshan	Kunshan City	56.3%	163,930	246,067	-	97,469	246,067	-	-	-
Daxiang Shan She, Suzhou	High & New Technology Industries Development Zone	49.8%	138,470	193,664	-	20,722	55,502	-	-	21,975
Future City, Kunshan	Kunshan City	32.5%	350,761	514,619	-	-	449,935	-	-	64,684
Yunpu, Kunshan	Kunshan City	16.0%	18,068	117,701	-	89,094	117,701	-	-	-
Jade Park, Suzhou	Wujiang District	22.5%	105,924	269,488	-	127,090	269,488	-	-	-
Zhen Wan Ya Zhu, Changshu	Changshu City	48.0%	90,004	165,715	-	-	143,547	-	-	22,168
Zuo'an Project, Suzhou	Industries District	64.3%	22,826	199,358	-	-	-	-	-	-
Anyuanlu Project, Suzhou	Xiangcheng District	59.7%	88,260	194,172	-	102,797	133,852	-	-	60,320
Xiajia River Project, Kunshan	Kunshan City	92.5%	112,727	202,771	-	41,872	122,085	-	-	80,686
Xiangyang Road Project, Suzhou	High & New Technology Industries Development Zone	79.5%	93,688	222,214	-	139,849	222,214	-	-	-
Wuzhong Party School Project, Suzhou	Wuzhong District	74.6%	12,735	52,520	-	-	-	52,520	-	-
Kunshan Jiangwan Lanting	Kunshan City	50.5%	74,327	186,188	-	-	-	-	-	186,188
Huayujiangnan, Suzhou	Xiangcheng District	44.6%	57,010	125,422	-	-	-	-	-	125,422
Yulinlong, Suzhou	Xiangcheng District	69.7%	63,778	159,445	-	-	-	-	-	109,916
Suzhou Hushan Guangyun Ting	Wuzhong District	66.9%	34,712	41,616	-	41,616	41,616	-	-	-
Suzhou Oriental Yayuan	Industries District	37.1%	57,710	115,394	-	-	-	-	-	115,394
Suzhou Yihe Linglong Garden	Industries District	69.8%	99,167	158,636	-	-	-	-	-	-
Suzhou Chengnan Project	Wuzhong District	43.7%	26,356	57,973	-	-	-	-	-	57,973
Suzhou Four Seasons Starlight Garden	Xiangcheng District	54.2%	39,449	90,651	68,475	-	-	-	-	-
Suzhou Langxing Yayuan	Industries District	36.7%	57,816	104,047	104,047	-	-	-	-	-

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Zhongyang Lvzhou D19/24/34 Land Lot, Wenzhou	Lucheng District	97.1%	31,894	74,368	-	-	74,368	-	-	-	-
TOD International New City, Wenzhou	Longwan District	16.6%	120,061	365,756	-	122,401	365,756	-	-	-	-
Feicuitiandi (Phase I), Wenzhou	Ouhai District	39.1%	55,896	223,580	-	62,065	223,580	-	-	-	-
Ruian Xi'ao Village Plot, Wenzhou	Rui'an City	99.6%	70,151	195,717	-	-	-	-	-	-	195,717
Wenzhou Emerald Lake	Lucheng District	94.8%	11,989	33,566	-	33,566	33,566	-	-	-	-
Central District D-28-1 Land Lot, Wenzhou	Lucheng District	99.1%	23,543	56,496	-	56,496	56,496	-	-	-	-
Wenzhou Central Green Axis Lot D29/31	Lucheng District	6.4%	43,833	10,092	-	-	-	-	-	-	-
Sanxi District B-07 Plot, Wenzhou	Ouhai District	99.5%	65,766	197,565	-	197,565	197,565	-	-	-	-
Wenzhou Century AD	Longwan District	97.5%	87,184	191,805	-	-	-	-	-	-	103,475
Wenzhou Meilu	Rui'an City	91.7%	26,033	83,043	-	-	-	-	-	-	83,043
Wenzhou Reflections Plaza	Ouhai District	89.4%	48,825	137,200	-	-	-	-	-	-	-
Wenzhou Reflections Plaza II	Ouhai District	58.8%	16,894	42,235	-	-	-	-	-	-	-
Wuhu Zhongjiang Garden	Jiujiang District	33.0%	101,475	182,655	-	55,997	112,547	-	-	-	64,513
Wuhu Oriental Longyin Terrace	Jiujiang District	41.0%	52,669	94,804	-	54,738	54,738	-	-	-	40,066
Wuhu Xinda Vanke Prestigious	Jinghu District	50.5%	97,811	195,621	53,320	-	-	-	-	-	119,867
Golden Paradise, Wuxi	Xinwu District	100.0%	224,118	638,741	-	26,233	638,741	-	-	-	-
The Paradise, Wuxi	Binhu District	100.0%	154,468	354,251	-	3,799	271,241	-	-	-	83,010
Glamorous City, Wuxi	Binhu District	100.0%	962,116	1,318,256	-	15,988	1,318,256	-	-	-	-
Xinchengdao, Wuxi	Binhu District	100.0%	154,119	385,299	-	-	385,299	-	-	-	-
Tianyi Xinzhu, Wuxi	Huishan District	19.6%	103,846	275,714	-	-	275,714	-	-	-	-
Jade East, Wuxi	Binhu District	99.3%	108,276	245,256	-	137,818	245,256	-	-	-	-
Guanhu Lizhu, Wuxi	Xinwu District	37.4%	181,761	262,840	-	88,339	223,338	-	-	-	-
Yunhe Chuanqi, Wuxi	Liangxi District	75.3%	81,834	183,998	-	-	183,998	-	-	-	-
Jade Light, Wuxi	Binhu District	99.5%	66,829	153,707	-	153,707	153,707	-	-	-	-
Nanmen 44-1 Plot Project, Wuxi	Jiangyin City	99.2%	60,267	144,418	-	144,418	144,418	-	-	-	-
Zhenjing, Wuxi	Huishan District	50.2%	51,065	103,197	-	-	-	-	-	-	103,197
Wuxi Meili Shangcheng	Xinwu District	72.0%	85,898	172,971	-	82,815	82,815	-	-	-	90,156
Qingteng Park, Wuxi	Huishan District	98.6%	39,669	99,069	-	-	-	-	-	-	99,069
Wanshan Lake, Wuxi	Xishan District	50.5%	108,075	216,646	10,369	-	-	-	-	-	108,461
Wuxi Oriental Bay	Huishan District	69.7%	83,130	197,096	64,974	-	-	21,400	-	-	-
Chenyang Jiadi, Jingjiang	Jingjiang City	50.0%	370,700	564,917	-	55,233	512,501	-	-	-	52,416
Jingjiang Jingyue Dongfang	Jingjiang City	54.2%	55,847	98,968	-	-	-	-	-	-	46,519
Dream Town, Xuzhou	Gulou District	100.0%	692,037	1,278,206	-	-	1,278,206	-	-	-	-
Huaihai Paradise, Xuzhou	Quanshan District	85.0%	227,600	798,187	-	43,634	798,187	-	-	-	-
Xinduhui, Xuzhou	Tongshan District	89.4%	132,703	382,414	-	41,361	354,508	-	-	-	-

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area	Completed Area in 2022	Accumulated	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022		completion area by 2022	yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
Jade Light, Xuzhou	Yunlong District	50.3%	122,207	355,930	-	37,306	269,830	-	-	-
Jielu, Xuzhou	Gulou District	30.8%	181,244	287,642	-	-	287,642	-	-	-
Maocun Project No.5 Land Project, Xuzhou	Tongshan District	42.8%	72,878	149,137	-	-	-	-	-	-
Times Light, Xuzhou	Tongshan District	42.8%	59,137	147,843	-	-	-	-	-	-
He Guang Cheng Yue, Xuzhou	Tongshan District	42.8%	103,670	266,228	-	-	-	-	-	-
Four Season City Xuzhou	Gulou District	22.0%	163,394	444,162	-	50,069	374,023	-	-	-
North Bus Terminal Project, Xuzhou	Gulou District	66.8%	67,922	169,385	-	-	-	-	-	169,385
Vanke Xiwang, Xuzhou	Gulou District	40.7%	20,410	52,116	-	52,116	52,116	-	-	-
Vanke Rising Mansion, Xuzhou	Quanshan District	50.0%	39,574	112,372	-	-	-	-	-	-
Xuzhou North Terminal Lot A Project	Gulou District	63.5%	22,708	48,905	-	-	-	-	-	-
Xuzhou North Terminal Lot C Project	Gulou District	57.7%	29,437	72,979	-	-	-	-	-	-
Shanshuijian, Xuzhou	Tongshan District	48.6%	166,603	373,790	-	-	-	-	-	106,128
Kunlun, Xuzhou	Yunlong District	69.7%	65,354	184,422	92,199	-	-	-	-	-
Xuzhou North Terminal Lot B Project	Gulou District	80.6%	26,830	60,752	-	-	-	-	-	-
Xuzhou Huaihai Yinxiu	Quanshan District	90.1%	9,746	26,853	-	-	-	-	-	-
Xuzhou Cuiwan Zhongcheng	Yunlong District	54.2%	68,868	156,111	-	-	-	-	-	-
Xuzhou Wushan Park Lot A Project	Gulou District	99.2%	76,730	88,481	88,481	-	-	-	-	-
Xuzhou Yungu	Quanshan District	50.0%	60,161	84,653	18,272	-	-	-	-	-
Shilichunfeng Eastside Plot, Suqian	Sucheng District	42.9%	28,207	62,553	-	-	-	-	-	55,481
Suqian West Lake Metropolis	Sucheng District	35.3%	35,557	88,893	-	-	-	-	-	-
Kunlun Shangguan, Suqian	Suyu District	99.5%	112,124	252,465	127,519	-	-	-	-	-
Feicui Yuntai, Yancheng	Yandu District	27.2%	126,022	264,615	-	41,819	258,047	-	-	-
Emerald College, Yancheng	Tinghu District	44.7%	39,251	78,458	-	-	74,466	-	-	3,992
Julongdongfang, Yancheng	Tinghu District	49.4%	66,055	167,053	143,671	-	-	-	-	51,299
Xinghuidongfang, Yancheng	Tinghu District	44.5%	79,231	198,077	42,502	-	-	104,143	-	-
Education Investment Asset Package Yangzhou	Hanjiang District/ Guangling District	93.6%	177,381	358,929	-	286,538	358,929	-	-	-
Dream Town, Yangzhou	Hanjiang District	100.0%	297,139	317,787	-	-	316,833	-	-	954
Lights of the Grand Canal, Yangzhou	Hanjiang District	71.8%	94,464	151,143	-	7,121	151,143	-	-	-
Project 885, Yangzhou	Guangling District	34.9%	64,452	141,795	-	-	-	-	-	-
Feicui Yuntai, Yangzhou	Gaoyou City	43.0%	200,000	391,002	62,286	57,508	190,971	129,189	44,811	42,374
Four Seasons Metropolis, Yangzhou	Hanjiang District	51.7%	97,220	178,184	-	-	-	-	-	178,184
Yangzhou Ruyuan	Guangling District	36.2%	38,958	55,632	-	-	-	-	-	24,453
Yangzhou Vanke Dongwang	Guangling District	97.4%	56,285	81,614	21,305	-	-	60,309	42,891	21,305
Shanghai Region subtotal			28,448,749	52,304,824	3,747,027	8,677,640	32,098,154	1,765,516	1,019,785	8,156,710

Unit: sq.m.

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Northwestern Region											
Jade Guobin, Xi'an	Yanta District	72.3%	149,013	489,475	-	276,152	489,475	-	-	-	-
Vanke Pu Yue, Xi'an	Weiyang District	97.4%	99,494	261,798	4,791	87,191	87,191	-	-	-	-
Dream Town, Xi'an	Chang'an District	100.0%	154,001	510,644	-	29,825	510,644	-	-	-	-
Dream Town Phase II, Xi'an	Chang'an District	100.0%	113,231	345,959	-	-	319,343	-	-	-	-
King Metropolis, Xi'an	Weiyang District	100.0%	106,667	384,044	-	-	384,044	-	-	-	-
Dream Town Yanyuan, Xi'an	Chang'an District	100.0%	89,377	199,691	15,217	-	184,474	-	-	-	15,217
Eastern Metropolis, Xi'an	Weiyang District	100.0%	175,387	700,996	-	-	522,995	-	-	-	-
Joying Gold Phase IV, Xi'an	Lianhu District	100.0%	36,708	150,121	-	-	150,121	-	-	-	-
Prestigious Academy, Xi'an	Yanta District	69.8%	114,745	478,105	-	-	476,857	-	-	-	1,248
City Twilight, Xi'an	Yanta District	78.6%	100,340	309,081	-	-	273,687	-	-	-	35,394
Feicui International, Xi'an	Yanta District	41.0%	283,130	1,003,798	-	157,470	694,305	-	-	-	72,017
Prestigious Academy Phase II, Xi'an	Yanta District	49.8%	55,255	162,224	-	-	162,224	-	-	-	-
City Twilight Phase II, Xi'an	Yanta District	40.8%	60,136	210,483	-	-	210,483	-	-	-	-
Dream Town Ruyuan, Xi'an	Chang'an District	90.0%	83,289	267,269	-	100,678	267,269	-	-	-	-
Yungu, Xi'an	Yanta District	78.7%	31,569	47,353	-	-	30,410	-	-	-	16,943
Xi'an Xinhe Xinyuan	Baqiao District	99.0%	107,647	257,335	-	-	142,895	-	-	-	114,440
Yuewan, Xi'an	Weiyang District	47.6%	75,406	177,782	-	-	130,280	-	-	-	25,433
Lan'an, Xi'an	Baqiao District	98.4%	140,736	288,028	-	138,111	248,231	-	-	-	-
Park Avenue, Xi'an	Yanta District	40.0%	49,898	139,668	-	63,025	139,668	-	-	-	-
Vanke Yanming Lake, Xi'an	Yanta District	65.3%	122,537	245,073	-	142,194	142,194	48,502	-	-	-
Xi'an Vanke Hyatt House	Weiyang District	50.0%	41,938	155,960	-	-	-	-	-	-	-
Vanke Yanming Lake Phase III, Xi'an	Yanta District	55.0%	58,449	116,898	-	-	-	28,404	24,018	-	-
Xi'an Vanke Four Seasons Flower City	Lantian County	57.7%	171,790	426,749	191,069	-	-	161,093	101,734	-	-
Xi'an Vanke Future Starlight	Xixian New Area	75.5%	64,431	171,576	-	-	-	62,994	62,994	-	-
Xi'an Vanke Fenghua Jinming	Xixian New Area	50.0%	84,011	210,026	73,480	-	-	-	-	-	-
Xi'an Gaoling Four Seasons Metropolis	Gaoling District	99.3%	156,968	439,509	99,307	-	-	340,202	100,693	-	-
Xi'an Vanke Dongwang	Yanta District	59.6%	96,984	442,983	442,983	-	-	-	-	-	-
Ideal City, Xi'an	Xixian New Area	90.1%	459,707	656,248	-	-	246,211	331,455	59,001	42,262	-
Vanke Metropolis Phase I, Xi'an	Xixian New Area	86.9%	141,500	358,801	-	40,233	293,241	-	-	-	-
Vanke Metropolis Phase II, Xi'an	Xixian New Area	65.9%	135,900	359,828	-	107,670	208,729	-	-	-	-
Vanke Golden Paradise, Xi'an	Xixian New Area	97.1%	74,515	149,030	-	70,106	70,106	-	-	-	70,325
Xi'an Metropolis Cloud	Xixian New Area	29.6%	148,195	438,115	-	339,944	413,265	-	-	-	-
Plots of 57 mu and 89 mu in Jinghe New Town, Xi'an	Xixian New Area	99.1%	97,326	223,788	-	-	-	87,095	52,257	-	-
Subsequent DK415 plots of Ideal City, Xi'an	Xixian New Area	100.0%	23,834	40,532	-	-	-	40,532	40,532	-	-

Directors' Report

Unit: sq.m.

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King Metropolis, Xianyang	Qindu District	61.3%	76,999	265,498	-	173,099	173,099	-	-	92,399
Dream Town, Weinan	Linwei District	70.7%	556,062	1,160,770	468,851	392,576	392,576	96,019	75,026	181,011
Weinan Vanke Jincheng	Linwei District	50.0%	98,962	236,729	82,401	-	-	71,774	-	-
Dream Town, Lanzhou	Gaolan County	41.0%	373,305	1,099,787	-	392,991	764,756	81,789	-	198,457
Lanzhou Vanke Puyue Zhenyuan	Chengguan District	41.1%	44,549	169,279	-	79,210	79,210	-	-	90,069
Times Light, Lanzhou	Yuzhong County	50.1%	129,835	338,646	-	-	130,280	-	-	117,938
Lanzhou Pu Yue Lan An	Anning District	90.3%	65,510	229,337	-	183,498	183,498	-	-	45,839
Star Light Metropolis, Lanzhou	Xigu District	48.5%	74,588	253,603	-	-	-	-	-	253,603
Lanzhou Vanke City Late Phase 718 mu Project	Gaolan County	49.3%	467,499	1,152,289	-	-	-	886,372	-	84,847
Lanzhou New Area Vanke City	Lanzhou New Area	50.1%	406,623	1,179,205	143,350	-	-	892,481	-	-
Lanzhou Crystal City Project	Xigu District	65.5%	144,259	504,893	-	-	-	248,027	-	-
Dream Town Yunjing, Xining	Chengzhong District	38.2%	164,608	435,968	91,391	118,525	348,723	-	-	-
Dream Town Yunlu, Xining	Chengzhong District	38.2%	37,140	100,311	-	100,311	100,311	-	-	-
Dream Town Chengzhong District Follow-up, Xining	Chengzhong District	18.8%	195,454	519,008	-	201,613	201,613	93,440	-	114,841
Xining Vanke City Starlight	Chengzhong District	38.1%	129,625	332,573	199,874	-	-	-	-	76,299
Xining The Park	Chengbei District	32.0%	110,939	277,348	-	154,515	154,515	-	-	92,060
Rancho Sante Fe, Urumqi	Sayibak District	60.0%	204,798	208,972	-	-	208,972	-	-	-
Southern Hillside, Urumqi	Urumqi County	100.0%	32,298	15,947	-	15,947	15,947	-	-	-
Wonderland, Urumqi	High & New Technology Industries Development Zone	44.5%	169,656	532,712	-	-	481,827	-	-	-
Feicuitianjiao, Urumqi	Tianshan District	77.1%	70,388	178,846	-	-	178,846	-	-	-
Legend of Metropolis, Urumqi	Sayibak District	90.0%	42,879	105,523	-	-	105,523	-	-	-
Metropolitan, Urumqi	Shuimogou District	80.0%	36,104	162,470	-	-	162,470	-	-	-
Tianshan Fu, Urumqi	Tianshan District	78.8%	120,098	280,300	-	-	170,353	-	-	109,947
Park Avenue, Urumqi	Midong District	57.8%	85,938	300,715	-	149,643	300,715	-	-	-
Legend of Metropolis Phase II, Urumqi	Sayibak District	54.3%	38,204	92,975	-	-	92,975	-	-	-
Urumqi Flowery Mansion	High & New Technology Industries Development Zone	92.5%	67,412	160,337	-	49,610	160,337	-	-	-
Jingyaoli, Urumqi	Sayibak District	98.4%	146,730	252,602	-	-	-	-	-	179,443
Urumqi Jinhui in Mansion	High & New Technology Industries Development Zone	68.9%	118,041	279,440	-	107,841	107,841	-	-	143,323
Urumqi Tianshan Mansion Phase II	Tianshan District	95.7%	41,285	78,790	-	14,882	14,882	-	-	35,978
Guanlanjingyuan Phase II, Urumqi	Shuimogou District	64.4%	17,101	51,281	-	-	-	-	-	51,281
Spring Dew Mansion, Urumqi	Shuimogou District	93.1%	42,501	101,381	-	-	-	-	-	101,381
Urumqi Tianshan Mansion Phase III	Tianshan District	92.8%	52,945	115,910	54,885	-	-	-	-	60,910
Metropolis Future City, Urumqi	Sayibak District	94.0%	362,906	768,867	160,898	-	-	247,045	-	224,570
Urumqi Metropolis Future City Phase II	Sayibak District	99.1%	205,286	419,558	133,216	-	-	286,342	-	-
City Light Chuxinyuan, Yinchuan	Xingqing District	22.4%	89,837	152,717	-	-	152,717	-	-	-
City Light Chenxingyuan, Yinchuan	Xingqing District	32.7%	106,121	180,402	-	63,439	179,091	-	-	1,311
Vanke Jade Garden A/B Land Lot, Yinchuan	Jinfeng District	19.3%	297,366	435,606	14,629	225,062	309,048	2,467	2,467	109,462

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Metropolis, Yinchuan	Jinfeng District	22.4%	230,123	484,807	-	-	-	-	-	-	211,450
School of Beijing Normal University Project, Yinchuan	Jinfeng District	38.7%	115,809	226,217	-	-	-	-	-	-	130,216
Yinchuan Jade Lake Wangguanjiang	Helan County	42.5%	54,505	64,281	-	-	-	-	-	-	64,281
Yinchuan Vanke New Metropolis	Yongning County	19.5%	80,262	161,063	161,063	-	-	-	-	-	-
Yuehai Jewelry, Yinchuan	Jinfeng District	46.6%	89,484	218,460	86,852	-	-	131,608	131,608	-	-
Northwestern Region subtotal			9,898,148	25,104,393	2,424,257	3,975,361	11,968,467	4,137,641	650,330	3,164,195	
Southwestern Region											
Vanke Huamao Plaza, Chengdu	Chenghua District	100.0%	29,720	208,037	-	-	208,037	-	-	-	-
No.5 Park Front Boutique Apartment, Chengdu	High & New Technology Industries Development Zone	75.0%	87,822	263,464	-	183,309	263,464	-	-	-	-
Jinse Yuefu Music Plaza, Chengdu	Chenghua District	60.0%	152,852	757,861	-	48,429	596,572	-	-	-	-
Jinyu Tixiang, Chengdu	Xindu District	100.0%	111,166	324,252	-	-	324,252	-	-	-	-
Jade Garden, Chengdu	Tianfu New District	51.5%	146,745	431,945	-	-	431,945	-	-	-	-
Vanke Cloud City (Phase I), Chengdu	Tianfu New District	98.8%	34,501	172,500	-	-	44,141	42,001	-	-	-
Vanke Cloud City (Phase II), Chengdu	Tianfu New District	98.8%	45,067	202,700	-	-	102,150	-	-	-	-
Jinxiu, Chengdu	Tianfu New District	99.3%	157,109	411,349	-	124,016	124,016	-	-	-	51,991
Yixin Lake 133 Mu Project, Chengdu	Shuangliu District	50.0%	88,336	265,010	-	-	-	223,680	38,000	-	-
Yixin Lake 122 Mu Project, Chengdu	Shuangliu District	50.0%	81,356	220,803	-	-	-	167,199	-	-	53,604
Chuanshang Project, Chengdu	High & New Technology Industries Development Zone	100.0%	20,939	100,505	-	100,505	100,505	-	-	-	-
Park Legend, Chengdu	Tianfu New District	59.9%	108,704	329,283	-	121,046	164,759	-	-	-	92,538
Yuehaiyuan, Chengdu	Qingbaijiang District	43.4%	104,624	415,333	-	58,534	221,515	-	-	-	-
Xinchuanhui, Chengdu	High & New Technology Industries Development Zone	99.0%	32,637	119,743	-	83,524	83,524	-	-	-	36,219
Chengdu the Gifted	Shuangliu District	31.5%	104,202	260,386	-	115,459	260,386	-	-	-	-
Guo Shou Jia Yuan, Chengdu	Wenjiang District	40.0%	78,279	117,386	-	11,256	11,256	-	-	-	-
Chengdu Vanke Immerse In Garden	Xindu District	99.3%	78,938	157,473	-	157,473	157,473	-	-	-	-
Chengdu Vanke Hidden in Garden	Chenghua District	99.0%	54,710	105,946	-	70,533	105,946	-	-	-	-
Chengdu Park Town	Tianfu New District	70.8%	186,279	653,977	99,189	133,541	133,541	134,263	96,768	271,110	-
Chengdu Gaoxian Park	Longquanyi District	33.4%	141,338	324,817	131,801	-	-	64,703	36,520	97,660	-
Chengdu Jinyuhuaifu	Tianfu New District	59.0%	34,838	158,704	-	-	-	-	-	-	-
Chengdu Zhiyuan	Chenghua District	44.7%	53,158	159,474	-	-	-	-	-	-	159,474
Chengdu He Yuan	Chenghua District	48.0%	22,230	44,459	-	-	-	-	-	-	44,459
Chengdu Guobin Shuyuan Phase II	Jinniu District	50.0%	14,161	35,402	-	-	-	-	-	-	35,402
Chengdu Jingrong City	Pidu District	99.0%	86,356	172,711	172,711	-	-	-	-	-	-

Directors' Report

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Chengdu Xingyao Tianfu	Tianfu New District	100.0%	33,475	66,949	-	-	-	-	-	66,949
Chengdu Guobin Shuyuan Phase I	Jinniu District	50.1%	25,937	64,843	-	-	-	-	-	64,843
Chengdu City Villa	Xinjin District	99.3%	250,116	289,060	83,306	-	50,417	155,337	155,337	-
Dream Light, Chengdu	Renshou County	69.9%	42,293	90,726	-	-	90,726	-	-	-
Tianfu Dream Town Phase I, Vanke	Renshou County	59.6%	665,368	788,221	78,548	127,469	394,093	184,464	-	61,727
Tianfu Dream Town Phase II, Vanke	Renshou County	59.6%	109,161	141,909	31,115	-	-	64,025	-	18,695
Meizhou Culture Village, Meishan	Dongpo District	70.0%	624,711	1,026,893	20,601	118,891	350,952	453,197	-	-
Renfeng, Meishan	Wenlin Town	38.7%	43,661	109,152	-	-	109,152	-	-	-
Chongli New Town Phase II, Meizhou	Chongli Town	75.5%	632,863	1,381,079	-	-	-	1,381,079	-	-
Jinrun Huafu, Nanchong	Gaoping District	100.0%	182,012	518,004	-	-	518,004	-	-	-
Vanke 17 Degrees, Xichang	Xichang City	27.1%	595,021	621,374	-	73,012	295,710	314,098	-	-
Dream Town, Chongqing	Yubei District	100.0%	278,167	654,420	-	-	654,420	-	-	-
Yuewan, Chongqing	Jiangbei District	45.0%	435,499	587,313	-	7,418	563,798	23,515	-	-
Joying Gold, Chongqing	Shapingba District	90.0%	175,000	693,541	-	-	693,541	-	-	-
The Stage, Chongqing	Jiangbei District	100.0%	129,535	654,263	-	-	458,284	-	-	36,728
Jinyu Academy, Chongqing	Nan'an District	47.5%	241,314	841,792	-	-	814,348	-	-	27,444
17 Miles, Chongqing	Beibei District	97.6%	212,044	214,160	-	-	214,160	-	-	-
The Paradiso, Chongqing	Yubei District	90.7%	105,079	245,127	-	82,498	203,758	-	-	41,369
Tiandi, Chongqing	Yuzhong District	59.8%	228,476	1,368,675	-	32,864	483,915	57,181	23,164	252,281
King Metropolis, Chongqing	Beibei District	61.8%	128,615	256,575	-	-	256,575	-	-	-
Elingfeng, Chongqing	Yuzhong District	49.7%	27,197	33,742	-	-	33,742	-	-	-
Jinkai Yuefu, Chongqing	Yubei District	69.6%	173,474	306,766	-	81,314	306,766	-	-	-
Jade Garden, Chongqing	Yubei District	97.8%	46,592	117,602	-	32,802	117,602	-	-	-
Forest Park, Chongqing	Yubei District	65.5%	204,218	396,476	-	65,355	273,971	-	-	122,505
Wonderland, Chongqing	Beibei District	61.3%	77,975	194,865	-	69,779	194,865	-	-	-
Ideal City Phase I, Chongqing	Shapingba District	99.0%	104,692	157,034	-	126,033	126,033	-	-	31,001
Jade Garden Commercial Project, Chongqing	Yubei District	99.5%	16,168	97,005	-	-	-	-	-	-
Ideal City Phase II, Chongqing	Shapingba District	50.2%	97,965	153,114	-	80,331	127,528	-	-	25,586
Ideal City Phase III, Chongqing	Shapingba District	48.2%	74,723	131,911	-	85,237	119,445	-	-	12,466
Yuelai 117 Mu Project, Chongqing	Yubei District	99.2%	78,000	115,577	-	85,530	85,530	-	-	30,047
Yuelai 493 Mu Project, Chongqing	Yubei District	99.0%	328,787	469,640	-	90,446	90,446	70,641	-	141,073
Shuitu 111 Mu Project, Chongqing	Beibei District	99.0%	73,686	106,661	-	58,024	58,024	-	-	48,637
Shuitu 103 Mu Project, Chongqing	Beibei District	99.2%	68,554	94,644	-	-	-	-	-	70,898
Fenghuanghu 424 Mu Project, Chongqing	Yongchuan District	97.8%	282,795	507,237	-	166,255	166,255	-	-	74,080
Shuitu 99 Mu Project, Chongqing	Beibei District	97.6%	66,014	98,991	-	98,991	98,991	-	-	-
Skycity Project, Chongqing	Jiangbei District	67.8%	26,447	111,328	-	-	-	-	-	111,328

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area		Accumulated completion area by 2022	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
					commenced construction in 2022	Completed Area in 2022				
Chongqing Four Seasons Flower City Phase III	Beibei District	98.2%	73,591	183,961	-	-	-	-	-	183,961
Hometown Phase I, Chongqing	Yubei District	98.9%	47,742	70,922	-	-	-	-	-	70,922
Jieshi 296 Mu Project, Chongqing	Banan District	99.3%	197,351	346,875	36,176	-	-	142,025	-	62,636
Hometown Phase II, Chongqing	Yubei District	99.0%	33,986	50,237	-	-	-	-	-	50,237
Star Light Skycity, Chongqing	Shapingba District	99.1%	115,558	150,000	40,367	-	-	98,103	98,103	-
Jiangnan Vanke City Phase II, Chongqing	Banan District	99.1%	152,648	201,000	-	-	-	201,000	-	-
Chongqing Qingshui Jiadi	Shapingba District	68.6%	114,360	219,960	111,109	-	-	108,851	108,851	-
Vanke Hometown • Pu Xiu, Chongqing	Yubei District	64.9%	96,571	141,114	51,185	-	-	89,929	35,765	-
Vanke Starlight Metropolis, Chongqing	Jiulongpo District	59.7%	18,832	37,393	37,393	-	-	-	-	-
Joy City, Guiyang	Yunyan District	51.0%	85,341	262,728	-	-	262,728	-	-	-
Dream Town, Guiyang	Yunyan District	70.0%	343,142	921,846	-	-	921,846	-	-	-
Yunyan Metropolis, Guiyang	Yunyan District	20.5%	49,054	275,961	-	-	275,961	-	-	-
Jade Legend, Guiyang	Yunyan District	46.0%	109,630	314,021	-	-	306,029	-	-	7,992
Vanke Guiyang Chuan Qi, Guiyang	Yunyan District	56.0%	6,555	58,991	-	-	-	-	-	58,991
Huaxi Metropolis, Guiyang	Huaxi District	41.8%	159,115	396,929	-	80,855	396,929	-	-	-
Vanke Metropolis Huayang, Guiyang	Huaxi District	60.2%	72,043	367,137	-	-	367,137	-	-	-
Feicuitianjiao, Guiyang	Guanshanhu District	32.0%	69,977	243,231	-	81,789	234,233	-	-	8,998
Vanke Ideal City, Guiyang	Guanshanhu District	41.1%	287,563	794,299	-	81,539	666,302	127,997	127,997	-
Jade Binjiang, Guiyang	Nanming District	33.7%	98,327	217,051	-	18,429	161,219	-	-	25,248
Xiwang, Guiyang	Huaxi District	49.8%	101,230	337,555	-	-	-	337,555	-	-
Jade Garden Project, Guiyang	Guanshanhu District	46.5%	374,968	935,661	-	119,261	258,442	143,531	-	296,088
Xinduhui, Guiyang	Guanshanhu District	45.3%	612,054	816,429	20,000	134,676	508,846	95,227	95,227	103,038
Vanke Lushan, Guiyang	Yunyan District	49.6%	303,067	783,313	-	182,831	313,265	176,101	79,843	82,097
Guanhu, Guiyang	Jingkai District	63.9%	139,940	349,850	-	-	-	130,453	-	162,860
Guiyang Guanshan Jiadi	Yunyan District	69.0%	62,407	156,019	129,828	-	-	26,191	26,191	-
Baihua Avenue 88 Mu Project, Guiyang	Yunyan District	100.0%	58,811	182,315	-	-	-	182,315	54,695	-
Changhong West Road Project, Kunming	Guandu District	39.7%	164,536	519,213	93,094	63,169	63,169	135,223	-	200,794
Kunming The Park	Guandu District	97.9%	213,037	556,887	-	-	397,812	-	-	-
Jinyu International, Kunming	Wuhua District	100.0%	105,484	315,494	-	-	256,450	-	-	-
Glamorous City, Kunming	Guandu District	100.0%	417,919	1,662,861	-	-	1,399,982	-	-	-
Yinhaiboan Project, Kunming	Xishan District	29.7%	243,605	432,098	-	-	381,815	-	-	-
Xinghejiayuan, Kunming	Guandu District	60.0%	108,375	444,474	-	15,169	314,419	-	-	50,597
Feicui Binjiang, Kunming	Guandu District	30.6%	161,266	525,013	-	162,193	525,013	-	-	-
Metropolitan, Kunming	Guandu District	24.1%	92,972	286,246	-	84,204	286,246	-	-	-
500 Miles, Kunming	Guandu District	39.7%	232,914	827,000	290,056	235,398	382,671	-	-	154,163

Directors' Report

Unit: sq.m.

Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Area commenced construction in 2022	Completed Area in 2022	Accumulated completion area by 2022	Area not yet under construction as at the end of 2022	Area to be commenced construction in 2023	Area to be completed in 2023
Dream Town, Kunming	Wuhua District	44.8%	246,576	902,714	-	539,162	723,264	-	-	-
Feihu Phase II, Kunming	Guandu District	99.8%	187,924	628,986	-	-	-	462,224	-	-
Jindaoying Project, Panlong District, Kunming	Panlong District	50.5%	98,998	322,711	10,932	-	-	80,054	-	10,932
Dali Shisanyue	Dali City	37.3%	152,108	574,053	-	132,311	132,311	386,969	114,063	54,773
Vanke Morcitta, Xishuangbanna	Menghai County	29.2%	454,043	745,968	31,915	2,647	102,343	582,689	218,249	60,936
China Fuxian Lake International Travel Resort, Yuxi	Chengjiang City	33.8%	4,431,237	1,795,413	127,641	97,178	481,422	1,074,641	-	44,566
Yuxi Fuxian Lake Laowu Street Project	Hongta District	39.7%	64,182	239,755	-	-	-	47,742	47,742	35,543
Southwestern Region subtotal			20,100,740	39,713,873	1,596,967	4,720,685	21,404,387	7,964,203	1,356,515	3,805,486
Total			128,824,997	275,747,749	15,681,914	36,290,937	157,220,314	35,926,777	10,012,356	32,272,084

Special Risk Warning:

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

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

Directors' Report

II. Investment of the Company

(I) Use of Proceeds

Applicable Not applicable

(II) Use of Non-Raised Proceeds

1. Investment in Financial Assets

(1) Investment of securities

Applicable Not applicable

(2) Investment in derivatives

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

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

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

During the Reporting Period, a floating profit of RMB3,723,100 was incurred in CCS derivatives investment.

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

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

Nil

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

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

Derivative positions as at the end of the Reporting Period

Unit: RMB'0000

Type of contracts	Contract amount as at the beginning of the period	Contract amount as at the end of the period	Profit or loss during the Reporting Period	Contract amount as a percentage of the Company's net assets as at the end of 2022(%)
CCS	1,192,912.18	1,191,276.20	372.31	2.94%
Total	1,192,912.18	1,191,276.20	372.31	2.94%

Directors' Report

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

Information on fair value measurement items

Unit: RMB'0000

Item	Opening amount	Impact of change in accounting policies	Increase for the current period	Changes in fair value accounted in equity during the period	Impairment accrued in the current period	Disposal during the current period	Closing amount
Financial assets							
Of which: 1. Financial assets measured at fair value and whose changes are included in the current profit and loss	106,172.60	-	284,681.85	-	-	1,289.40	389,565.05
Of which: Derivative financial assets	-	-	-	4,505.39	-	-	4,505.39
2. Other investment in equity instruments	183,345.48	-	-	(57,915.52)	-	-	125,429.96
Subtotal of financial assets	289,518.08	-	284,681.85	(53,410.13)		1,289.40	519,500.40
Financial liabilities							
Of which: 1. Financial liabilities measured at fair value and whose changes are included in the current profit and loss	(19,179.20)	-	-	-	-	-	(19,179.20)
Of which: Derivative financial liabilities	(72,141.09)	-	-	52,796.13	-	-	(19,344.96)
Subtotal of financial liabilities	(91,320.29)	-	-	52,796.13	-	-	(38,524.16)

Information on holdings of foreign currency financial assets and financial liabilities

Unit: RMB'0000

Item	Opening amount	Impact of change in accounting policies	Increase for the current period	Changes in fair value accounted in equity during the period	Impairment accrued in the current period	Disposal during the current period	Closing amount
Financial assets							
Of which: 1. Financial assets measured at fair value and whose changes are included in the current profit and loss	15,875.72	-	276,579.20	-	-	-	292,454.92
Of which: Derivative financial assets	-	-	-	4,505.39	-	-	4,505.39
2. Other investment in equity instruments	183,345.48	-	-	(57,915.52)	-	-	125,429.96
Subtotal of financial assets	199,221.20	-	276,579.20	(53,410.13)	-	-	422,390.27
Financial liabilities							
Of which: Derivative financial liabilities	(72,141.09)	-	-	52,796.13	-	-	(19,344.96)

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

(4) Investment in wealth management products

Unit: RMB'0000

Specific Type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	The amount due but not receive
Wealth management products of banks	Self-owned capital	1,350,000.00	1,814.23	-
Total		1,350,000.00	1,814.23	-

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

Applicable Not applicable

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

Applicable Not applicable

Directors' Report

2. Equity investment

(1) During the Reporting Period, new additional investment amounted to RMB39.44 billion, which were used as follows:

- ① Promoted and established 6 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	Hangzhou Wanpu Real Estate Co., Ltd.	RMB	3,900,000,000.00	1,950,000,000.00	Real estate development and operation
2	Nanjing Yuheng Real Estate Co., Ltd.	RMB	2,200,000,000.00	1,320,000,000.00	Real estate development and operation
3	Hangzhou Wanmeng Real Estate Co., Ltd.	RMB	2,180,000,000.00	1,068,200,000.00	Real estate development and operation
4	Ningbo Wanwei Real Estate Co., Ltd.	RMB	1,577,000,000.00	867,350,000.00	Real estate development and operation
5	Suzhou Industrial Park Dajing Real Estate Co., Ltd.	RMB	1,050,000,000.00	577,500,000.00	Real estate development and operation
6	Chongqing Wanchangpu Enterprise Management Consulting Co., Ltd.	RMB	620,000,000.00	372,000,000.00	Enterprise management consulting; property service evaluation
Total		-	-	6,155,050,000.00	-

In addition, another 114 new companies were also promoted and established, with a total investment amount of RMB0.3 billion.

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

During the Reporting Period, a total of 119 companies were acquired with a total consideration of RMB21.25 billion.

- ③ During the year, the Group increased the capital of 83 subsidiaries by RMB11.74 billion, among which, RMB1.54 billion was for Shenzhen VX Logistics Investment Co., Ltd., RMB1.10 billion was for Shenzhen Liuyuan Enterprise Development Co., Ltd. and an aggregate of RMB9.10 billion for other companies.

(2) Investment in Projects

During the Reporting Period, the Group had 36 new development projects. The aggregate GFA attributable to Vanke's equity holding amounted to approximately 4.037 million sq.m., while the aggregate estimated GFA amounted to approximately 6.902 million sq.m..

Unit: sq.m.

No.	Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Plot ratio-based GFA attributable to equity holding of the Company	Project process
1	Qingdao Clouds of City Four Season	Huangdao District	41.0%	43,229	103,963	42,625	Under construction
2	Changsha Puyue Bay	Kaifu District	53.0%	76,865	230,595	122,215	Pre-construction
3	Wuhan Vanke Poly Ideal City K4 Land Lot, Wuhan	Hongshan District	49.7%	182,184	622,017	308,893	Under construction
4	Zhengzhou Shanhe Road Phase II	Zhongyuan District	43.0%	18,164	90,720	39,028	Under construction
5	Southern Bay Dream Town, Dongguan Phase V	Humen Town	36.6%	34,284	75,438	27,640	Under construction
6	Dalingshan North Station Project, Dongguan	Dalingshan Town	39.9%	109,416	482,160	192,545	Pre-construction
7	Energy City, Dongguan	Fenggang Town	59.8%	41,350	139,284	83,311	Pre-construction
8	Dongguan Zhenshanhui	Dongcheng Sub-district	29.9%	41,067	170,908	51,084	Under construction
9	Fuzhou Tianhui Mansion	Cangshan District	50.7%	177,183	318,928	161,824	Under construction
10	The New City, Guangzhou	Huangpu District	63.0%	56,987	299,493	188,681	Under construction
11	Golden Miles, Sanya	Yazhou District	68.9%	63,614	159,036	109,528	Under construction
12	Elegant Lifestyle, Shenzhen	Nanshan District	49.7%	56,031	148,600	73,795	Under construction
13	Future Light, Shenzhen	Baoan District	50.0%	98,082	215,570	107,850	Under construction
14	Jinyu International, Zhongshan	Guzhen Town	98.3%	109,251	278,149	273,532	Under construction
15	Plot 17#, Jinwan Binhai Business District, Zhuhai	Jinwan District	50.0%	33,277	66,553	33,263	Under construction
16	Plot 18#, Jinwan Binhai Business District, Zhuhai	Jinwan District	49.9%	32,049	64,096	31,971	Under construction
17	Vanke Zhenwanhui, Changzhou	Zhonglou District	100.0%	76,916	169,215	169,215	Under construction
18	Hangzhou Xingtu Guangnian Pavilion	Yuhang District	47.4%	78,088	218,646	103,682	Under construction
19	Hangzhou Xingyu Guangnian Mansion	Yuhang District	53.2%	43,413	108,533	57,772	Under construction

Directors' Report

No.	Project Name	Location	Shareholding	Site area	Planned plot ratio-based GFA	Plot ratio-based GFA attributable to equity holding of the Company	Project process
20	Jiangnan Reflections Mansion, Hangzhou	Binjiang District	43.6%	23,999	62,397	27,224	Under construction
21	Hefei Urban Xanadu Project	Shushan District	48.0%	61,120	127,439	61,209	Under construction
22	Hefei Jinshanguang Yao	Feidong District	97.3%	59,634	122,860	119,579	Under construction
23	Hefei Langshi	Baohu District	34.1%	89,780	179,560	61,266	Under construction
24	Jiaxing Cloud Bay	Nanhu District	37.5%	139,964	184,019	69,063	Under construction
25	Nanjing Langshi Garden	Yuhuatai District	59.8%	26,603	74,482	44,518	Under construction
26	Ningbo Star Travel Guangnian Mansion	Yinzhou District	52.9%	31,245	77,205	40,803	Under construction
27	Emerald Albany Phase IV, Shanghai	Jing'an District	70.0%	43,841	252,087	176,461	Under construction
28	Suzhou Langxing Yayuan	Industries District	36.7%	57,816	104,047	38,154	Under construction
29	Lanzhou Crystal City	Xigu District	65.5%	144,259	504,893	330,671	Under construction
30	Xi'an Vanke Dongwang	Yanta District	59.6%	96,984	442,983	263,929	Under construction
31	Subsequent DK4/5 plots of Ideal City, Xi'an	Xixian New Area	100.0%	23,834	40,532	40,532	Pre-construction
32	Urumqi Qimashan 135 mu Project	Sayibak District	99.1%	89,868	188,723	186,968	Under construction
33	Yuehai Jewelry, Yinchuan	Jinfeng District	46.6%	89,484	218,460	101,889	Under construction
34	Guiyang Baihua Avenue 88 mu Project	Yunyan District	100.0%	58,811	182,315	182,315	Pre-construction
35	Vanke Hometown • Puxiu, Chongqing	Yubei District	64.9%	96,571	141,114	91,541	Under construction
36	Star Light Metropolis, Chongqing	Jiulongpo District	59.7%	18,832	37,393	22,323	Under construction
Total				2,524,095	6,902,413	4,036,899	

The total land premium attributable to the Company's equity holding and the total renovation cost of the above projects amounted to approximately RMB49.64 billion.

From the end of the Reporting Period to the date of this Report, the Group had 1 new development projects. The aggregate planned estimated GFA attributable to the Vanke's equity holding amounted to approximately 74,000 sq.m., while the aggregate estimated GFA amounted to approximately 151,000 sq.m. The details are as follows:

Unit: sq.m.

No.	Project name	Location	Shareholding	Site area	Planned GFA	GFA Attributable to the Vanke's Equity Holding	Progress
1	The first batch of plots of the Urban renewal Project (2022WD002) in the Binjiang Area of Longwan, Dongguan	Wanjiang Street	49.2%	43,198	150,602	74,096	Pre-construction
Total				43,198	150,602	74,096	

During the Reporting Period, the Group acquired 10 logistics real estate projects, the leasable GFA of which is approximately 747,000 sq.m..

Unit: '0000 sq.m.

No.	City	Project name	Location	Shareholding	Site area	Planned Leasable GFA	Leasable GFA Attributable to the Company's Equity Holding	Progress
1	Xuzhou	Xuzhou Huaihai International Land Port Project	Huaihai International Port Affair Area	100%	9.1	5.4	5.4	Pre-construction
2	Langfang	Langfang Cold Chain Phase II Project	Economic & Technological Development Zone	100%	1.9	1.6	1.6	Pre-construction
3	Zhengzhou	Zhengzhou Jinqiu Project	Economic Development Zone	30%	6.3	3.2	1.0	Pre-construction
4	Kunming	Kunming Wuhua Taoyuan Village Project	Wuhua District	100%	28.2	15.7	15.7	Pre-construction
5	Shanghai	Shanghai Xinbang Cold Chain Phase II Project	Songjiang District	100%	5.9	5.3	5.3	Pre-construction
6	Changsha	Changsha Huangxing Project	Changsha County	100%	5.1	5.8	5.8	Pre-construction
7	Kunming	Kunming Economic Development Project	Economic & Technological Development Zone	100%	17.5	10.0	10.0	Pre-construction
8	Qingdao	Qingdao Port Cold Chain Project	West Coast New Area	65%	11.0	9.0	5.8	Pre-construction
9	Hefei	Feixi Cold Chain Project	Feixi County	100%	10.7	11.2	11.2	Pre-construction
10	Beijing	Beijing Sanhui Project	Tongzhou District	100%	23.4	12.9	12.9	In operation
Total					119.1	80.1	74.7	

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

Directors' Report

III. Major Sale of Assets and Equity

(I) Major sale of assets

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

(II) Major sale of equity

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

IV. Structured entity controlled by the Company

Applicable Not applicable

V. Major Suppliers and Customers

(I) Major Suppliers

During the Reporting Period, the Group's purchases from the top 5 materials and equipment suppliers totaled RMB5.21 billion, representing 4.0% 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 RMB1.65 billion, accounting for 1.3% of the total purchases in the year. The purchase from related parties do not exist within the purchase from top 5 suppliers.

(II) Major Customers

The current main product of the Group is residential properties. The major customers are individuals, which are in a large number and fragmented. Only certain projects constructed for government or group purchases can generate higher turnovers. During the Reporting Period, the revenue from the top five customers was approximately RMB2.85 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 RMB1.40 billion representing 0.3% of the revenue of the Group for the year. The sales to related parties do not exist within the sales to top 5 customers.

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

The Group has been always attaching great importance to investor relations. In 2022, 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 583 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 2022, the Group received visits and telephone conferences of more than 400 times, participated in 33 face-to-face meetings/online meetings with domestic and overseas institutes, organised 24 monthly sales and operation meetings, 1 Investor Online Reception Meeting Day and answered 410 inquiries of investors through the EasyIR platform of the Shenzhen Stock Exchange; The Company's 2021 annual results presentation and 2022 interim results presentation adopted the approach of pure online video live broadcast, and issued an announcement in advance to invite investors to actively participate and solicit related questions. As of the end of the Reporting Period, the total number of views of the two result presentation conferences was over 260,000 person-times; through the “Vanke Investor Relations” WeChat official account, the Group pushed monthly sales announcements, regular reports, regular reports in one picture and other relevant information of the Company to enhance the interaction with investors. The articles it pushed through WeChat have achieved an annual reading quantity of 267,000 clicks. In addition, the Group also communicates with the investors through website, telephone, email and online interaction platforms, in order to maintain a long-term relationship of trust between the investors and the Company. Thus, after review, the Company believes the implementation of shareholders communication policy is feasible and effective.

The Group set up an investor education base (hereinafter referred to as the “Base”) in 2015, which was awarded the title of “National Investor Education Base for Securities and Futures” in 2016. In 2022, the Base carried out various investor education activities in an orderly manner. One was to closely follow hot topics in the capital market to produce a number of excellent and exquisite investor education products. For example, under the national “dual carbon” strategy, the Base introduced basics of the ESG field to small and medium-sized investors through a brochure titled “Briefing ESG While Walking with the Times”, and made investors understand key contents of the ESG reports of listed companies in an easy-to-understand form. The other was to actively organize various forms of investor education activities in many places including Nan Tou City to help popularize the latest investor education-related knowledge, which has been well received by investors. In 2022, Vanke Investor Education Base won the award of “Excellent Investor Education Base in Shenzhen in 2022” as jointly evaluated by Shenzhen Public Companies Association and Shenzhen Investor Services Center.

Directors' Report

Details on the Group's investor meetings in 2022 are set out as follows:

Type of meeting	Date	Approach	Types of investors
2021 Annual Results Presentation	2022.3	Video roadshow	Investors including securities companies, funds, individual investors, etc.
Guangfa Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
J.P. Morgan meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Credit Suisse Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Haitong Securities Meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Orient Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Industrial Securities meeting	2022.4	Telephone conference	Investors including securities companies, funds, etc.
Credit Suisse Securities meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
Goldman Sachs Securities meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
J.P. Morgan meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2022.5	Telephone conference	Investors including securities companies, funds, etc.
CICC meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Shenwan Hongyuan Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
CSC Meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Orient Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
Guosen Securities meeting	2022.6	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2022.7	Telephone conference	Investors including securities companies, funds, etc.
China Merchants Securities Meeting	2022.7	Telephone conference	Investors including securities companies, funds, etc.
Chang Jiang Securities meeting	2022.7	Telephone conference	Investors including securities companies, funds, etc.
2022 interim results presentation	2022.8	Video roadshow	Investors including securities companies, funds, individual investors, etc
CITIC Securities meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
J.P. Morgan meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
UBS meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
Citi Securities meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
CITIC Securities meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
Haitong Securities Meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
HSBC meeting	2022.9	Telephone conference	Investors including securities companies, funds, etc.
Investors Online Meeting	2022.11	Text Q&A	Various types of investors
Bank of America & BofA Securities meeting	2022.11	Telephone conference	Investors including securities companies, funds, etc.
CICC Securities meeting	2022.11	Telephone conference	Investors including securities companies, funds, etc.

Type of meeting	Date	Approach	Types of investors
China Merchants Securities Meeting Securities companies	2022.11 During the Reporting Period	Telephone conference Small group or one-on- one	Investors including securities companies, funds, etc. CITIC Securities, China Merchants Securities, Guosen Securities, CICC, TF Securities, Guosheng Securities, Industrial Securities, Shenwan Hongyuan Securities, Changjiaing Securities, Zheshang Securities, Guangfa Securities, Haitong Securities, Orient Securities, Cinda Securities, Ping An Securities, BOCI Securities, Kaiyuan Securities, Citi Securities, Morgan Stanley Securities, Pacific Securities, Soochow Securities, Huan Securities, China Post Securities, Huaxi Securities, Huachuang Securities, CSC Securities, BOCI, BNP Paribas, Taiwan SinoPac Securities, HSBC, etc.
Funds and other investment companies and individual investors	During the Reporting Period	Small group or one-on- one	Harvest Fund, HFT Fund, NCAM, China Life, PICC AMC, Taikang Asset Management, Dacheng Fund, E Fund, Ping An Asset Management, Penghua Fund, Bosera Fund, Baoying Fund, China Everwin Fund, DH Fund, Shanghai Harmony Hui Fund, Ruiyuan Fun, Pengyang Fund, Hwabao WP Fund, Maxwealth Fund, BOCIM, Zhongou Fund, Guangfa Fund, AXA SPDB Investment Managers, Minsheng Royal Fund, Yinhua Fund, Fidelity International, GIC, Oaktree Capital, Eastspring, Norges Bank, Capital Group, etc.

Directors' Report

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

In 2022, the Company and its management team received many awards as follows:

No.	Award	Awarding Body
1	2022 Secretary to the Board of Listed Companies – Best Practice Award	China Association for Public Companies
2	2021 Annual Report Results Presentation of Listed Companies – Best Public Companies Practice Award	
3	2022 Performance Evaluation of Secretary to the Board of Listed Companies – 5A Rating	
4	2022 A-share Listed Companies ESG – Best Practice Example	Shenzhen Public Companies Association, investor service center of Shenzhen Stock Exchange Institutional Investor
5	2022 Excellent Investor Education Base in Shenzhen	
6	“All-Asia Executive Team 2022” Ranking – Top 3 in Annual “Honored Companies” in China	
7	“All-Asia Executive Team 2022” Ranking – Top 2 in “Best IR Team”	
8	“All-Asia Executive Team 2022” Ranking – Top 3 in Best ESG in China	
9	“All-Asia Executive Team 2022” Ranking – Top 3 in “Best IR Program” in China	Fortune
10	“All-Asia Executive Team 2022” Ranking – Top 3 in “Best CEO” in China	
11	“All-Asia Executive Team 2022” Ranking – Top 3 in “Best IR Professional”	
12	No.178 in Fortune Global 500	New Fortune
13	The 18th New Fortune Gold Medal Secretary to the Board Selection –Gold Medal Secretary to the Board	New Fortune, Guanghua-Rotman Centre for Information and Capital Market Research
14	The 18th New Fortune Gold Medal Secretary to the Board Selection –Best ESG Information Disclosure Award	
15	The 4th New Fortune Best Listed Company	Securities Times
16	The 4th New Fortune Best Listed Company – Best ESG Practice award	
17	The 13th China Listed Company Investor Relations Tianma Award – Best Investor Relations Award of China Listed Company	Forbes China
18	The 13th China Listed Company Investor Relations Tianma Award – Best Investor Relations Board Secretary Award of Main Board Listed Company	
19	2022 China ESG50 by Forbes China	Hong Kong Investor Relations Association
20	The 8th Investor Relations Award – “Certificate of Excellence”	

No.	Award	Awarding Body
21	The 6th China Excellent IR – Best Capital Market Communication Award	Roadshow
22	The 6th China Excellent IR – Best Information Disclosure Award	
23	The 14th Annual Meeting on Corporate Social Responsibility in China – 2021 Outstanding Responsible Enterprises	Nanfang Weekend
24	2022 China Listed Company Brand Value Ranking – No. 32 in the Top 100	National Business Daily, China Business Research Center of School of Economics and Management, Tsinghua University
25	Quanjing Investor Relations Gold Award (2021) – Best IR Team	Quanjing
26	Quanjing Investor Relations Gold Award (2021) – Small/Medium-sized Investor Relations Interactive Award	
27	Quanjing Investor Relations Gold Award (2021) – Outstanding Secretary to the Board	
28	Quanjing Investor Relations Gold Award (2021) – Results Presentation Innovation Award	
29	Quanjing Investor Relations Gold Award (2021) – Results Presentation Diligence Award	
30	Top 100 Hong Kong Stocks – Top 100 Overall Strength Companies	Research center of Top 100 Hong Kong stocks
31	Greater Bay Area Listed Company – “Green Governance” TOP 20	Shenzhen Research Association of Corporate Governance
32	Greater Bay Area Listed Company – “Secretary to the Board” TOP 20	
33	The 7th Zhitong Finance Listed Company Selection – The Most Valuable Real Estate and Property Company	Zhitong Finance
34	Wind China Listed Company in 2021 – Top 50 Most Popular Listed Companies in Institutions	Wind
35	Wind China Listed Company in 2021 – “Market Value Ranking” – Top 1 in real estate sector	
36	2022 China Real Estate Enterprise Brand Value – No. 2 in the Top 100	Wind Finance News, Real Estate of IFENG.COM

Directors' Report

VII. Permitted Indemnity Provision

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

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

VIII. Management Contracts

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

IX. Directors and Supervisors' Service contracts

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

X. Relationship with Stakeholders

The Group strives to build up a diversified communication mechanism to engage with the government, shareholders, employees, customers and business partners so as to communicate and cooperate with stakeholders through more channels and methods. The Group is committed to responding to the call of national policies and actively creating values for shareholders through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting social public welfare affairs, in order to achieve sustainable development. The Group places significant emphasis on human resources. The Group provides a fair workplace, creating atmosphere of nondiscrimination and diversity among our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' performance. The Group administers its health and safety management system and ensures the adoption of the principles throughout the Group. The Group provides diversified trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations. The Group values the feedback from customers through daily communication, regular investigations, and so on. The Group has also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, the Group treats it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards. See the 2022 Sustainable Development Report for details.

XI. Directors' Responsibility in Respect of the Financial Statements

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

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

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

XII. Charity Donation

During the Reporting Period, the amount of charity donation made by the Group was RMB148 million.

XIII. Compliance with Laws and Regulations

In 2022, the Group maintained compliance with relevant laws and regulations that have significant impacts on operations of the Group.

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

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

XV. Principal Risks

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

XVI. Recommended dividend

For the dividend distribution proposal of the year 2022, please refer to Section 5 "Corporate Governance Report" of the Report.

XVII. Significant Events after the Reporting Period

An aggregate of 300,000,000 new H Shares, representing approximately 13.60% and 2.51% 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 placing shares, have been successfully allotted and issued by the Company on 9 March 2023 at the placing price of HK\$13.05 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\$3,915 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing are approximately HK\$3,903 million.

Fifteen Western St, Hong Kong



Onewo Wuhan Remote Operation Center







The Yun Resort Shenzhen Longcheer

Port Apartment Shenzhen Yun City Flagship Store





vanke
MALL

NITORI

SEPHORA

IZZUE

ZARA

美特斯·邦威

NEW LOOK
LONDON

NEW LOOK
LONDON

NEW LOOK
LONDON

普田
PUTIEN

MRS. BAG & MR. SHOE

Shanghai Qibao Vanke Plaza



Corporate Governance Report

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

I. Overview of Corporate Culture and Corporate Governance

1. Corporate Culture

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

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

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

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

2. Corporate Governance

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

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

During the Reporting Period, the Company held a total of two general meetings. Due to other important business engagements, some of the directors did not attend the general meetings. For the attendance of directors, please see this section headed “2. Attendance of directors at the general meeting” under “IV. Shareholders and General Meeting” 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 2022, the Company won a number of awards including the No.178 of the "Global 500 2022" issued by Fortune and the "All-Asia Executive Team 2022 – Honored Companies" issued by Institutional Investor.

The directors, supervisors and senior management officers of the Company also complied with Model Code. The directors, supervisors, senior management officers and employees of the Company complied with relevant requirements in the Inside Information and Informer Management System and Rules for the Trading of Securities by Employees of the Company and other regulatory framework, to strictly control and contain inside information. Meanwhile, the Company strengthen inside information management, strictly control the range of people who need to know the inside information, register, document and record list of all informers in each of steps before disclosure of inside information, and retain the right to pursue the responsibilities of people who violate inside information system. The Company also held training session for relevant parties of inside information, and made them clearly understand policies regarding inside information from regulations and the Company.

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

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

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

III. An Overview on Competition

Applicable Not applicable

Corporate Governance Report

IV. Shareholders and General Meeting

(I) General meetings held during the Reporting Period

1. Convention of general meetings

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

On 28 June 2022, the Company held the annual general meeting of 2021, the First A Shareholders Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022 at Vanke Center, No.33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China. The shareholders of A Shares and H Shares of the Company participated in the general meeting by way of on-site meeting and internet voting (only applicable to A Shareholders), with total shareholding representing 54.90% of the total share capital of the Company, of which the shareholdings of A shareholders and H shareholders representing 50.5980% and 50.7392% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 28 June 2022 disclosed on the SEHK and the announcement dated 29 June 2022 disclosed on the website of cninfo (www.cninfo.com.cn) respectively.

On 16 December 2022, the Company held the first extraordinary general meeting of 2022 at Vanke Center, No.33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China. The shareholders of A Shares and H Shares of the Company participated in the general meeting by way of on-site meeting and internet voting (only applicable to A Shareholders), with total shareholding representing 58.5984% of the total share capital of the Company, of which the shareholdings of A shareholders and H shareholders representing 59.7389% and 52.8249% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 16 December 2022 disclosed on the SEHK and the announcement dated 17 December 2022 disclosed on the website of cninfo (www.cninfo.com.cn) by the Company.

2. Attendance of directors at the general meetings

During the Reporting Period, Directors made efforts to attend the general meeting in person and actively understand the views of shareholders. The attendance of the Directors of the Nineteenth Session of the Board of the Company at the general meetings are as follows¹:

Name	Position	Attendance in Person (Time)
YU Liang	Chairman, Executive Director	2
ZHU Jiusheng	Executive Director	2
XIN Jie	Non-executive Director	0
HU Guobin	Non-executive Director	0
HUANG Liping	Non-executive Director	1
LEI Jiangsong	Non-executive Director	0
WANG Haiwu	Executive Director	1
KANG Dian	Independent Non-executive Director	0
LIU Shuwei	Independent Non-executive Director	0
NG Kar Ling, Johnny	Independent Non-executive Director	0
ZHANG Yichen	Independent Non-executive Director	0

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

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

Applicable Not applicable

(III) Shareholders' right

1. Convening of extraordinary general meeting

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

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

2. Proposal of resolution at general meeting

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

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

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

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

Corporate Governance Report

On 1 December 2022, the Board of the Company received the “Letter on the addition resolutions to the first extraordinary general meeting of China Vanke Co., Ltd. in 2022” issued by SZMC, the largest shareholder, proposing to submit the resolution on Submitting the General Mandates of the General Meeting to the Board to Issue Shares of the Company as an addition resolution to the first extraordinary general meeting of 2022 (hereinafter referred to as the “General Meeting”) for consideration. The proposal of SZMC is within the scope of the duties and powers of the Vanke general meeting. It has clear topics and specific resolutions, and conforms to the relevant provisions of laws, administrative regulations and the Articles of Association. The Board of the Company agreed to submit the above proposals to the general meeting for consideration. Other than that, no shareholder submitted any proposal to the general meeting during the Reporting Period.

3. Convening of extraordinary meeting of the Board

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

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

4. Enquiry to the Board

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

As considered and approved and authorised at the annual general meeting of 2021, the Articles of Association has been modified and published by the Company. The latest version of the Articles of Association can be inspected on the website of CNINFO Network and SEHK respectively.

(IV) Investor relations

As of the end of 2022, the Company has 9,724,196,533 A Shares issued (including treasury shares), representing 83.61% of total shares of the Company; 1,906,512,938 H Shares listed on SEHK and issued to overseas investors, representing 16.39% of total shares of the Company. H Shares are all public float and its total market value as at the end of 2022 was approximately HK\$30,123 million. For details, please refer to “Section 7 Change in Share 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 2022 can be referred in “VI Details on the Company’s Investor Relations Activities and Investor Protection” in “Section 4 Directors’ Report” in this Report.

V. Board of Directors

(I) Composition of the Board

In accordance with the Articles of Association, the Board of the Company comprises eleven Directors, include one Chairman and one staff representative Director, with the number of independent Director accounting for at least 1/3 of the total number. The term of office of directors (including non-executive directors) is three years, commencing from the date of approval by the general meeting or the date of approval by the staff representatives meeting up to the expiry of the current term of office of the board of directors.

As of the end of the Reporting period, the detailed list of Directors of the nineteenth session of the Board is as follows:

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

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

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

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

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

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

Corporate Governance Report

(III) Performance of duties of the Board

1. Board meeting

During the Reporting Period, the Board held a total of 10 meetings, including 4 on-site meetings and 6 communication votings. On-site meetings were convened by a combination of on-site and communication.

Name	Position	Number of Board Meetings	Board Meeting Attendance			Absence
			Attendance in person	Attendance by authorized person	Attendance	
YU Liang	Chairman, Executive Director	10	10	0	0	
ZHU Jiusheng	Executive Director	10	10	0	0	
XIN Jie	Non-executive Director	10	10	0	0	
HU Guobin	Non-executive Director	10	10	0	0	
HUANG Liping	Non-executive Director	10	10	0	0	
LEI Jiangsong	Non-executive Director	10	10	0	0	
WANG Haiwu	Executive Director, Staff Representative Director	10	10	0	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	9	1	0	
ZHANG Yichen	Independent Non-executive Director	10	9	1	0	

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

(1) Four on-site Board meetings held by the Nineteenth Session of the Board in 2022

The Fifteenth Meeting of the Nineteenth Session of the Board

On 30 March 2022, the Fifteenth Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 30 March 2022, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 31 March 2022.

No.	Resolution
1	The 2021 Annual Report and its Summary
2	The Audited Financial Report for the Year 2021
3	The Company's Major Tasks for the Year 2022
4	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Value for the Year 2021
5	The Proposal on Profit Distribution for the Year 2021
6	The Proposal on "Scrip Dividends for H Shares in 2021 Profit Appropriation"
7	The Internal Control Assessment Report for the Year 2021
8	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2022
9	The Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2021
10	2021 Sustainable Development Report
11	The Resolution Regarding Proposal to the General Meeting for Authorisation of Financial Assistance by the Company and majority-owned subsidiaries to Third Parties
12	The Resolution Regarding Proposal to the General Meeting for Authorisation of Providing Guarantee by the Company to majority-owned subsidiaries
13	The Proposal on Authorising the President to Make Decisions on Matters Related to Supply Chain Financing
14	The Resolution on Repurchase of Part of the A shares of the Company

Corporate Governance Report

The Sixteenth Meeting of the Nineteenth Session of the Board

On 28 April 2022, the Sixteenth Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 28 April 2022, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 29 April 2022.

No.	Resolution
1	2022 First Quarterly Report and the Financial Statement

Resolutions of the Nineteenth Meeting of the Nineteenth Session of the Board

On 30 August 2022, the Nineteenth Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 30 August 2022, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 31 August 2022.

No.	Resolution
1	2022 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 2022 Interim Period

Twenty-first Meeting of the Nineteenth Session of the Board

On 28 October 2022, the Twenty-first Meeting of the Nineteenth Session of the Board was held to consider and approve the following resolutions. The announcement regarding the relevant resolutions was published on the website of SEHK after trading hour on 28 October 2022, and was published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and CNINFO Network, respectively, on 29 October 2022.

No.	Resolution
1	Resolution Regarding 2022 Third Quarterly Report and the Financial Statement

(2) Six votings via telecommunication by the Nineteenth session of the Board in 2022

No.	Times of Meetings	Date of Submission to the Board	Resolution
1	Seventeenth Meeting	7 June 2022	The Resolution in Relation to the Iterative Project Co-investment System Version 6.0 The Resolution Regarding Holding Annual General Meeting and Shareholders Class Meeting of 2021
2	Eighteenth Meeting	3 August 2022	The Resolution Regarding Connected Transactions on Joint Investment with Shenzhen Metro Property
3	Twentieth Meeting	28 September 2022	The Resolution Regarding Proposing the Board to authorize Onewo to carry out financial derivatives hedging transactions
4	Twenty-second Meeting	21 November 2022	The Resolution in relation to Authorize the Issue of Direct Debt Financing Instruments at the General Meeting The Resolution Regarding the Convention of the First Extraordinary General Meeting of 2022
5	Twenty-third Meeting	1 December 2022	The Resolution on Additional Interim Resolution Proposed to 2022 First Extraordinary General Meeting and the Postponement of 2022 First Extraordinary General Meeting
6	Twenty-fourth Meeting	19 November 2022	Resolution Regarding Formulating and Issuance Plan of Overseas Listed Foreign Shares (H Shares) under the Authorization of General Mandate Resolution Regarding 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 The Resolution on on deposit and management adjustment of economic profit bonus

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

Corporate Governance Report

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

(1) Issue of bonds

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

From the beginning of 2022 to the date of this Report, the Group has issued a total of RMB20.7 billion of medium-term notes and RMB8.89 billion of corporate bonds.

(2) Implementation of the proposal on dividend distribution for the year 2021

On 28 June 2022, the 2021 annual general meeting of the Company reviewed and approved the 2021 Profit Distribution Plan: a total of cash dividend of RMB11,276,621,873.75 (inclusive of tax) is proposed for distribution for 2021, representing 50.06% of the net profit attributable to shareholders of the parent company in the Company's consolidated financial statements for 2021. There will be no equity dividend nor capitalisation of equity reserve of the Company. If, based on the total number of 11,625,383,375 shares of the Company as at the end of 2021, a cash dividend of RMB9.70 (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.

On 30 March 2022, the Company held the Fifteenth Meeting of the Nineteenth Session of the Board and considered and approved the Resolution on Repurchase of Part of the A Shares of the Company. The term of the share repurchase plan expired on 30 June 2022. The Company has repurchased a total of 72,955,992 shares of Vanke A Shares, accounting for 0.63% of the company's total share capital (including the repurchased shares). In accordance with the Self-Regulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 9 – Repurchase of Shares, the 72,955,992 shares of Vanke A Shares repurchased this time do not enjoy the rights of profit distribution and other rights during the period of deposit in the special repurchase account. Accordingly, on the premise that the total amount of dividends paid by the Company in 2021 remains unchanged, the Company's actual share of 11,552,427,383 shares entitled to profit distribution is taken as the base number (that is, the total issued share capital of 11,625,383,375 shares is deducted from the 72,955,992 shares that the Company has repurchased and deposited in the special account for repurchase), The cash dividend that can be distributed for every 10 shares is increased from RMB9.70 (inclusive of tax) to RMB9.761257 (inclusive of tax).

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 RMB9.761257. When a shareholder transfers his/her shares, China Securities Depository and Clearing Corporation Limited (“CSDC”) will, according to the Notice from the Ministry of Finance, the State Administration of Taxation and China Securities Regulatory Commission Regarding Policies of Implementation of Differential Individual Income Tax on Dividends of Listed Companies (Cai Shui [2015] No. 101), withhold the amount exceeding the tax amount already deducted and such amount will be paid by the Company on its behalf, in accordance with the actual tax amount to be paid by the shareholder, which is calculated based on the holding period of the shares. Shareholding period is determined in unit of securities account of shareholders. According to the first-in, first-out principle, a supplementary tax amount of RMB1.952251 is required to be paid for transferring every 10 shares held within 1 month (inclusive); a supplementary tax amount of RMB0.976126 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 RMB8.785131 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 RMB8.785131 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 a dividend income tax agreement with the PRC, withholding income tax will be deducted at the relevant rate; for an individual shareholder who is a resident of a country or territory which has no dividend income tax agreement with the PRC, withholding income tax will be deducted at a 20% rate.

The record date for A Shares was 24 August 2022, and ex-dividend date was 25 August 2022, while the ex-dividend date of H Shares was 14 July 2022, the record date for dividend distribution was 21 July 2022 and the date for dividend distribution was 25 August 2022. The exchange rate for H Share’s cash dividend was HK\$1 = RMB0.85443, 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 (29 June 2022) after the approval of the dividend distribution proposal at the Company’s annual general meeting of 2021.

(3) The “Scrip Dividend” for H Shares in Dividend Distribution for the Year 2021

The Proposal on “Scrip Dividends for H Shares in 2021 Profit Appropriation” was considered and approved at the annual general meeting of 2021, the First A Shareholders Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022 of the Company, pursuant to which the “scrip dividend” option is granted to H shareholders by the Company in the 2021 profit distribution plan. During the Reporting Period, the “scrip dividend” option for H shareholders was implemented and 5,326,096 new H Shares of the Company were listed and traded on the SEHK on 26 August 2022. Following the issuance of the new shares, the total number of issued shares of the Company (including A Shares treasury shares) increased from 11,625,383,375 shares to 11,630,709,471 shares, of which the total number of issued H shares increased from 1,901,186,842 shares to 1,906,512,938 shares, while the total number of issued A Shares remained unchanged at 9,724,196,533 shares.

Corporate Governance Report

(4) The Spin-off and Listing of Onewo

The resolutions in relation to the spin-off and separate listing of Onewo to the Hong Kong Stock Exchange were considered and approved at the first extraordinary general meeting of 2021, the Second A Shareholders Class Meeting of 2021 and the Second H Shareholders Class Meeting of 2021 of the Company. During the Reporting Period, Onewo has completed initial public offering of Onewo H shares and listing in the SEHK on 29 September 2022. After deducting the underwriting commission and other expenses related to the exercise of the over-allotment rights, the net proceeds from the initial public offering of 128,048,700 Onewo H shares at HK\$49.35 per share (with par value of RMB1.00) (after fully exercising part of the over-allotment rights) amounted to approximately RMB5,617 million. As of the end of 2022, Onewo has used a total of RMB68 million of proceeds pursuant to the future plans and use of proceeds disclosed in the prospectus for the purposes of implementing the “Onewo Street” model to achieve economies of scale, investing in the development of AIoT and BPaaS solutions, as well as recruiting and cultivating talent, etc. The specific details on the use of raised funds by Onewo is as following.

Items	Percentage of total amount (Approximation)	Net proceeds disclosed in the Prospectus (RMB million)	Amount utilized for the year ended December 31, 2022 (RMB million)	Balance (RMB million)	Expected timetable for the full use of the balance
Financing the development of our replicating the success of our “Onewo Town” model to achieve economies of scale	35%	1,966.0	63.0	1,903.0	By the end of 2027
Investing in the development of AIoT and BPaaS solutions	25%	1,404.3	0.3	1,404.0	By the end of 2027
Incubating the Onewo ecosystem through acquisitions or investments of majority interests in value added service providers and service providers along the upstream and downstream supply chain of our industry	20%	1,123.5	0.0	1,123.5	By the end of 2027
Attracting and nurturing talents	10%	561.7	1.9	559.8	By the end of 2027
Working capital and general corporate purposes	10%	561.7	2.8	558.9	By the end of 2027
Total	100%	5,617.2	68.0	5,549.2	

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

The First Extraordinary General Meeting of the Company in 2022 considered and passed the Resolution to propose a general mandate to the Board of Directors to issue shares of the Company at a general meeting. On 9 March 2023, the Company successfully allotted and issued a total of 300,000,000 new H Shares, representing approximately 13.60% of the total issued H Shares and approximately 2.51% of the total issued share capital after completion of the Placing, to not less than six placees (who and their ultimate beneficial owners are not connected persons (as defined in the SEHK Listing Rules) of the Company) at a price of HK\$13.05 per share (represents a discount of approximately 6.12% to the closing price of HK\$13.90 per H Share as quoted on the SEHK on the date before the placing agreement, i.e. 2 March 2023). The gross proceeds from the Placing amounted to approximately HK\$3,915 million. After deducting all relevant costs and expenses (including commissions and legal fees), the total net proceeds from the Placing amounted to approximately HK\$3,903 million, or approximately RMB3,464 million based on the exchange rate as at 9 March 2023. 60% of the proceeds will be used to repay the Company's overseas debt financing and the remaining 40% will be used to replenish the Company's working capital, subject to adjustment if there are other requirements on the use and deposit of the proceeds in accordance with relevant laws, regulations, regulatory documents or authorities, and the Company undertakes that the proceeds will not be used for new residential development projects in the PRC. Upon completion of the Placing, the total number of issued shares of the Company increased from 11,630,709,471 shares to 11,930,709,471 shares, of which the total number of issued H Shares increased from 1,906,512,938 shares to 2,206,512,938 shares, while the number of issued A shares remained unchanged at 9,724,196,533 shares.

Based on the aforesaid mandate and pursuant to Measures for the Administration of Registration of Securities Offering by Companies Listed and other requirements, the specific plan for issuing A shares to specific targets requires a vote by the shareholders' general meeting item by item, and the relevant resolution to issue A shares to specific targets was considered and approved at the First Extraordinary General Meeting of the Company in 2023. As of the disclosure date of this Report, the relevant resolution is in progress.

(IV) Training of directors

During the Reporting Period, the directors, supervisors and senior management of the Company attended various trainings, studies, observation and communication activities to gain continuous professional development.

Mr. YU Liang, Chairman of the Board, Mr. ZHU Jiusheng, an Executive Director and President, and Mr. XIE Dong, Chairman of the Supervisory Committee participated into specific course training regarding standardized operation held by China Association for Public Companies. Mr. Ng Kar Ling, Johnny participated into follow-up course for independent directors held by Shanghai Stock Exchange.

In addition, some of the Directors of the Company inspected the Company's real estate development projects located in various places to investigate the progress of the Company's non-development business and to understand the Company's business status.

Corporate Governance Report

(V) Independent Directors

During the Reporting Period, there are four independent non-executive directors, each with a term of three years. Each independent Director has confirmed his/her independence through independence confirmation letter as required by Rule 3.13 of the SEHK Listing Rules with the Company, and the Company recognizes the independence of the independent Directors. In 2022, all independent Directors performed their duties with due diligence. Not only did they attend Board meetings and listen to the reports on matters relating to the Company, participate in discussion at specialised committees, and review documents of the Board, but also delivered independent opinion and constructive advice to the Company on aspects such as bonus and dividend distribution, external guarantee, derivatives investment, appointment of accounting firm, internal control and share repurchase.

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

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

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

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

(VI) Specialized committees of the Board

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

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

Name	Position	Audit Committee Meeting	Remuneration and Nomination Committee Meeting	Investment and Decision-making Committee Meeting
KANG Dian	Convener of Remuneration and Nomination Committee	–	2	–
LIU Shuwei	Member of Audit Committee	5	–	–
NG Kar Ling, Johnny	Convener of Audit Committee, Member of Remuneration and Nomination Committee	5	2	–
LEI Jiansong	Member of Audit Committee	5	–	–
XIN Jie	Member of Investment and Decision-making Committee	–	–	2
HU Guobin	Member of Remuneration and Nomination Committee	–	2	–
ZHANG Yichen	Convener of Investment and Decision-making Committee	–	–	2
WANG Haiwu	Member of Investment and Decision-making Committee	–	–	2

Corporate Governance Report

1. Audit Committee

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

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 and discussed and reviewed matters including the arrangement of annual audit, regular financial reporting, profit distribution plan, internal control, engagement of certified public accountants, economic profit bonus for the year, and provision for impairment and write-off.

The Audit Committee reviewed the Company's annual financial statements for the year ended 31 December 2021, the first quarterly financial statements for the three months ended 31 March 2022, the interim financial statements for the six months ended 30 June 2022 and the third quarterly financial statements for the nine months ended 30 September 2022.

Date of Meeting	Subject Matter
16 March 2022	<ul style="list-style-type: none"> Listening to the report on the progress in the preparation of the 2021 financial report (first draft) Listening to the auditor's report on the progress in the audit of the 2021 financial report (first draft) Reviewing and considering the 2021 financial report (first draft) and submitting it to the auditor for audit Considering the 2021 report on self-evaluation of internal control of the Company. Listening to the 2021 internal audit report Listening to the preliminary plan in relation to the provision for impairment of assets in 2021
30 March 2022	<ul style="list-style-type: none"> Considering the 2021 audited financial report Considering the resolution on making and write-off of impairment provisions for 2021 Considering the 2021 profit distribution plan Considering the resolution on recognition of the Company's economic profit bonus for 2021 Considering the resolution on re-appointment of an accounting firm for 2022 Listening to the special explanation and independent opinions of independent directors on the capital utilization by related parties and external guarantee of the Company in 2021

Date of Meeting	Subject Matter
	<p>Considering the 2021 audited financial report</p> <p>Considering the resolution on making and write-off of impairment provisions for 2021</p> <p>Considering the 2021 profit distribution plan</p> <p>Considering the resolution on recognition of the Company's economic profit bonus for 2021</p> <p>Considering the resolution on re-appointment of an accounting firm for 2022</p> <p>Listening to the special explanation and independent opinions of independent directors on the capital utilization by related parties and external guarantee of the Company in 2021</p>
28 April 2022	Considering the first quarter report and financial statements for 2022
26 August 2022	<p>Listening to the interim financial and business reports for 2022</p> <p>Considering the 2022 semi-annual report, summary, financial statements and results announcement</p> <p>Considering the resolution on non-payment of dividends and non-conversion of capital reserve into share capital in the second half of 2022</p> <p>Listening to the report on the capital utilization by related parties and external guarantee of the Company in the second half of 2022</p>
28 October 2022	<p>Listening to the financial and business reports for the third quarter of 2022</p> <p>Considering the report and financial statements for the third quarter of 2022</p>

Corporate Governance Report

2. Remuneration and Nomination Committee

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

The Remuneration and Nomination Committee of the Nineteenth Session of the Board consists of Kang Dian (serving as convener) and Ng Kar Ling, Johnny, both being Independent Non-executive Directors and Hu Guobin, a Non-executive Director.

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. As of 31 December 2022, the Company has one female Director, which has satisfied the policy of diversity of the board of the Company. Thus, the Company believes the implementation of the policy of diversity of the board of the Company is feasible and effective.

During the Reporting Period, the Remuneration and Nomination Committee convened 2 committee meetings in accordance with the provisions of the Articles of Association and Implementing Regulations of the Nomination and Remuneration Committee of the Board.

Date of Meeting	Subject Matter
25 January 2022	Consideration for the Resolution Regarding Determining the Company's 2021 Year-end Bonus Package and the Remuneration of Senior Management Notification on the Management of Part of the Annual Bonus of the Company Notification on the Amount of 2021 Annual Non-Property Development Businesses Bonus not included in the Group Bonus Package
30 March 2022	Consideration for the Resolution Regarding Confirming the Company's 2021 Annual Economic Profit Bonus

3. Investment and Decision-making Committee

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

The Investment and Decision-making Committee of the Nineteenth Session of the Board consists of ZHANG Yichen (serving as convener), an independent non-executive director, XIN Jie, a non-executive director and WANG Haiwu, an executive director.

During the Reporting Period, the Investment and Decision-making Committee held 2 meetings, the convention of the meetings are in compliance with the provisions of the Articles of Association and Implementing Regulations of the Investment and Decision-making Committee of the Board and discussed and reviewed the matters regarding the annual investment, co-investment mechanism, and so on.

Date of Meeting	Subject Matter
30 March 2022	Listening to the 2021 Vanke Investment Report
7 June 2022	Consideration for the Resolution on the Iterative Program Co-investment Mechanism 6.0
	Listening to the Report on the Implementation Details in Relation to Iterative Co-investment Mechanism

VI. Supervisory Committee

As of 31 December 2022, the tenth session of the Supervisory Committee consisted of three members, namely Mr. XIE Dong as the chairman of Supervisory Committee, Mr. LI Miao as a member of Supervisory Committee, and Ms. QUE Dongwu as a member of Supervisory Committee in the capacity as a staff representative supervisor. The biographies of the supervisors are detailed in this section under "VII Directors, Members of Supervisory Committee and Senior Management".

The 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 2022, please refer to "Section 8 – Report of Supervisory Committee".

Corporate Governance Report

VII. Directors, Members of Supervisory Committee and Senior Management

(I) Basic information and work experience

1. Directors

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

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

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

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

Mr. **HUANG Liping**, born in 1968, currently is the the Director of the Company, and the deputy secretary of the Party Committee, director and the general manager of SZMC. Mr. Huang graduated from Tongji University with a bachelor's degree in geotechnical engineering in 1991 and obtained a master's degree in engineering from Tongji University in 1994. Mr. Huang is a professor-level senior engineer. Mr. Huang successively held the positions as the engineer, deputy chief engineer, chief engineer of Shenzhen Gongkan Geotechnical Engineering Co. from April 1994 to June 1999, as the head of business department of SZMC, the deputy manager of the Line 2 construction branch, the deputy manager of the Line 7 construction branch (in charge), and the manager of the Line 7 construction branch from June 1999 to August 2014; as deputy general manager and Party Committee member of Shenzhen Metro Group Co., Ltd. from August 2014 to August 2018; as the deputy secretary of the Party Committee, director and general manager of Shenzhen Talent Anju Group Co., Ltd. from August 2018 to February 2022; and as the deputy secretary of the Party Committee, director and the general manager of SZMC from February 2022 till now. He has been served as the Director of the Company since June 2021.

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

Corporate Governance Report

Mr. **WANG Haiwu**, born in 1978, currently is a staff representative Director and a member of the investment and decision-making committee of the Company and the president of SCPG. Mr. Wang graduated from Zhongnan University of Economics and Law in Accounting major with a bachelor's degree of Administration in 2000, and obtained a master's degree of Administration from Jilin University in 2007. Mr. Wang used to work in Shenzhen Tongren Accounting Co., Ltd.*. Mr. Wang joined Vanke in 2003, initially worked in Shenzhen Vanke Development Company Limited (formerly known as Shenzhen Vanke Real Estate Company Limited*), subsequently he successively held positions as the manager of financial management department, vice general manager, and general manager in Dongguan Vanke Real Estate Company Limited*, a senior vice president of the Company, and the chief partner and chief executive officer of Central and Western Regional Business Group, concurrently as the general manager of Vanke (Chengdu) Enterprises Company Limited* and an Executive Vice President and the Chief Operating Officer of the Company. He has been served as a Director of the Company from July 2020 up to now, and has been served as the president of SCPG from June 2021 up to now. Mr. Wang is recognized as "High Level Professional Talent of Shenzhen" by Shenzhen City, and "Excellent Private Entrepreneurs of Sichuan Province" by Sichuan Provincial Party Committee and Provincial Government.

2. Independent Directors

Mr. **KANG Dian**, born in 1948. He is currently an independent Director and the convener of the Remuneration and Nomination Committee of the Company. 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. Mr. Kang has been served as an independent Director of the Company from July 2017 up to now. 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.

Ms. **LIU Shuwei**, born in 1952, is currently an independent Director and a member of the Audit Committee of the Company, and holds position in Central University of Finance and Economics. Ms. Liu graduated from Peking University with a master's degree in Economics in 1986. 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. Ms. Liu has been served as an independent Director of the Company since July 2017, and currently serves as an independent director of Gree Electric Appliances Inc. of Zhuhai (a company listed on SZSE; stock code: 000651), an independent director of Costar Group Co., Ltd. (a company listed on SZSE, stock code: 002189) and an independent director of Shenzhen Royole Technologies Co., Ltd..

Mr. **NG Kar Ling**, Johnny, born in 1960. He is currently an independent Director, the convener of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company. 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. 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 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. Mr. Ng has been served as an independent Director of the Company from July 2017 up to now and currently serves as an independent director of China Petroleum & Chemical Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600028, the SEHK, stock code: 0386), an independent director 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), an independent director of China Telecom Corporation Limited (a company listed on the Shanghai Stock Exchange, stock code: 601728; and a company listed on the SEHK, stock code: 0728) and a vice director committee member of the second session of independent director specialized committee of China Association for Public Companies. Mr. Ng served as an independent director of Fangdd Network Group Ltd. (a company listed on the Nasdaq Stock Market, stock code: DUO.O).

Mr. **ZHANG Yichen**, born in 1963, is currently an independent director and a convenor of the investment and decision-making committee of the Company, the chairman and chief executive officer of CITIC Capital Holdings Limited. Mr. Zhang graduated from the Massachusetts Institute of Technology in 1986 and holds a bachelor's degree in Computer Science. Mr. Zhang successively worked at Greenwich Capital Markets, Bank of Tokyo, New York Branch as Head of Proprietary Trading, and Merrill Lynch as Managing Director of Debt Capital Market for Greater China from 1987 to 2000. Mr. Zhang joined CITIC Group in 2000. From 2000 to 2002, he served as an executive director of CITIC Pacific and the president of CITIC Pacific Communications. He participated in the founding of CITIC Capital Holdings Limited ("CITIC Capital") in 2002. Currently, he serves as the chairman and chief executive officer of CITIC Capital. Mr. Zhang has been served as an independent Director of the Company from July 2020 up to now. Mr. Zhang also currently serves as director or other positions in certain companies invested by CITIC Capital, such as the chairman of the board of directors of Grand Foods Holdings Limited (McDonald's Master Franchises in Mainland China and Hong Kong), chairman of Harbin Pharmaceutical Group Holding Co., Ltd., director of AsiaInfo Technologies Limited (a company listed on the Hong Kong Stock Exchange; stock code: 1675). Mr. Zhang currently serves as an independent director of Hong Kong Exchanges and Clearing Limited (a company listed on the Stock Exchange, stock code: 0388). Mr. Zhang is a member of the 11th, 12th and 13th National Committees of the Chinese People's Political Consultative Conference. Mr. Zhang used to served as the chairman of the board of directors of Genertec Universal Medical Group Company Limited (a company listed on the Hong Kong Stock Exchange; stock code: 2666), director of S.F. Holding Co., Ltd. (a company listed on SZSE; stock code:002352).

Corporate Governance Report

3. Members of Supervisory Committee

Mr. **XIE Dong**, born in 1965, is currently the chairman of the supervisory committee of the Company and chairman of labour union of the Company and is also a member of specialized committee of the board of supervisors of China Association for Public Companies. Mr. Xie 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. Mr. Xie joined the Company in 1992, and had successively served as a manager, general manager, director of the human resources department, deputy general manager of the Company and executive vice president of the Company. Mr. Xie has been a member and the chairman of the Supervisory Committee since 2014. Before joining Vanke, Mr. Xie used to work for Shenzhen RGB Electronics Co., Ltd. of China Shenzhen TV Company (Headquarter).

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

Ms. **QUE Dongwu**, born in 1966, currently is a staff representative supervisor of the Company, executive director and chief executive officer of Vanke Overseas Investment Holding Company Limited (a company listed on the SEHK, Stock Code: 1036.HK), a subsidiary of the Company. Ms. QUE obtained her bachelor of arts degree of Education in English from Suzhou University in 1989. She obtained her master degree in Economics from Fudan University, PRC in 1999. Ms. QUE joined the Company in 1993 and served successively as the manager and general manager of the treasury department of the Company's treasury management center, treasury director and financial director of the Company and the chief partner and general manager of Overseas BU. In July 2012, She became an executive director of Vanke Overseas Investment Holding Company Limited and has served as the chief executive officer of the company since 2019. She has been served as the staff representative supervisor of the Company from July 2020 up to now.

4. Senior Management

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

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

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

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

Corporate Governance Report

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

There is no change in directors, members of the Supervisory Committee and senior management occurred during the Reporting Period.

(III) Details of remuneration for 2022

During the Reporting Period, the aggregate amount of annual immediate cash remuneration before taxation received by the 8 directors, supervisors and senior management from the Group was RMB32.457 million.

The aggregate amount of annual immediate cash remuneration before taxation received by 4 independent directors from the Group was RMB2.40 million.

XIN Jie, HU Guobin, HUANG Liping, LEI Jiangsong, the directors, and LI Miao, the supervisor, who do not hold positions in the Company, had never received remuneration from the Group.

Unit: RMB'0000

Name	Title	Sex	Age	Period of service	Annual immediate cash remuneration (before tax)	Social security and housing provident fund paid by the Company
YU Liang	Chairman of the Board	Male	58	2017.7~2023.6	393.5	11.4
ZHU Jiusheng	Director President, CEO	Male	54	2020.7-2023.6 2018.2-2023.6	582.9	11.4
XIN Jie	Director	Male	57	2020.7-2023.6	0	0
HU Guobin	Director	Male	58	2020.7-2023.6	0	0
HUANG Liping	Director	Male	55	2021.6-2023.6	0	0
LEI Jiangsong	Director	Male	53	2021.11-2023.6	0	0
WANG Haiwu	Staff Representative Director	Male	45	2020.7~2023.6	222.5	11.4
KANG Dian	Independent Director	Male	75	2017.7~2023.6	60.0	0
LIU Shuwei	Independent Director	Female	71	2017.7~2023.6	60.0	0
NG Kar Ling, Johnny	Independent Director	Male	63	2017.7~2023.6	60.0	0
ZHANG Yichen	Independent Director	Male	60	2020.7~2023.6	60.0	0
XIE Dong	Chairman of Supervisory Committee	Male	58	2014.3~2023.6	471.4	11.4
LI Miao	Supervisor	Male	50	2020.7~2023.6	0	0
QUE Dongwu	Staff Representative Supervisor	Female	57	2020.7~2023.6	265.4	0
LIU Xiao	Executive Vice President, Chief Operation Officer	Male	44	2021.6~2023.6	430.0	11.9
HAN Huihua	Executive Vice President, Finance Principal	Female	41	2020.3~2023.6	450.0	11.4
ZHU Xu	Secretary to the Board	Female	48	2016.3~2023.6	430.0	11.4
Total					3,485.7	80.4

Note 1: Pursuant to the resolution at the twenty-seventh meeting of the eighteenth session of the Board, the Group's annual bonus package is based on a fixed percentage of net profit attributable to shareholders of the Company. Pursuant to the resolution of the Company's first extraordinary general meeting of 2018, the annual cash remuneration (including both fixed monthly salary and annual cash bonus) of the Chairman of the Board is linked with the growth rate of the net profit attributable to the equity shareholders of the Company. In the event that the net profit growth rate exceeds 15%, the growth rate of the total amount of the annual cash remuneration = the net profit growth rate – 15%. In the event that the net profit growth rate is within the range from zero to 15% (both percentages inclusive), there shall be no increase in the total annual cash remuneration. In the event that the net profit growth rate is below zero, the total annual cash remuneration shall be reduced by a corresponding percentage. Pursuant to the resolution of the twenty-seventh meeting of the eighteenth session of the Board. The appropriation method of the total amount of annual cash remuneration of the chief executive officer is same the Chairman of the Board, while cash remuneration of other Directors, Supervisors and senior management who hold positions in the Company are determined in accordance with the overall operating performance of the Company and their individual performance.

Note 2: The total annual immediate cash remuneration (before taxation) of YU Liang, Chairman of the Board of Directors, for the years 2021 and 2022, as calculated in accordance with the remuneration plan determined at the general meeting, was RMB6.735 million, both unchanged. In 2022, Chairman YU Liang voluntarily allocated RMB2.8 million (before tax) from his total annual bonus to specifically reward winners of the "2022 Chairman's Special Award", leaving a total annual immediate cash remuneration (before taxation) of RMB3.935 million. And in 2021, Chairman YU Liang voluntarily gave up his annual bonus, resulting in an actual annual immediate cash remuneration of RMB1.449 million.

Top five paid person of the Company in 2022

Unit: RMB'0000

Ranking	Total remuneration (before tax) received from the Company	Any remunerations received from shareholders or other connected entities
1	1,001.4	No
2	953.0	No
3	683.7	No
4	594.3	No
5	562.9	No
Total	3,795.3	–

Note: One of top five highest paid person of the Company in 2022 is a director.

Corporate Governance Report

(IV) Change in shareholding during the Reporting Period

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

Unit: Share					
Name	Title	Number of shares held at the beginning of the Period	Change during the Period	Number of shares held as at the end of the Period	Shares held at the end of Reporting Period as a percentage of total number of shares
YU Liang	Chairman of the Board	7,306,245	+88,700	7,394,945	0.0636%
XIE Dong	Chairman of Supervisory Committee	1,490,745	+161,900	1,652,645	0.0142%
ZHU Jiusheng	Director, President and Chief Executive Officer	0	+195,900	195,900	0.0017%
WANG Haiwu	Staff Representative Director	0	+150,000	150,000	0.0013%
QUE Dongwu	Staff Representative Supervisor	60,700	+147,500	208,200	0.0018%
HAN Huihua	Executive Vice President, Financial Principal	0	+141,000	141,000	0.0012%
LIU Xiao	Executive Vice President, Chief Operation Officer	0	+157,600	157,600	0.0014%
ZHU Xu	Secretary to the Board	0	+138,800	138,800	0.0012%
Total		8,857,690	+1,181,400	10,039,090	0.0863%

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

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.

VIII. Compliance with the Corporate Governance Code by the Company

(I) Corporate Governance Functions

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

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

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

(II) Chairman, President and Chief Executive Officer

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

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

IX. Securities Transactions of Directors and Supervisors

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

Corporate Governance Report

X. Directors and Supervisors' Interests in Contracts

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

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

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

XII. Relevant Information on Senior Management

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

1. Composition of remuneration

The Group's remuneration system consists of fixed salary, 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 holds, 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. The "Resolution on Principles of Annual Bonus Arrangement for Year 2020-2022" was considered and approved by the Company at the twenty-seventh meeting of the eighteenth session of the Board, defined the principles of annual bonus arrangement for the year 2020-2022.
- (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. It won't bear any obligation to the Company after the expiry of deferred lock-up period.

2. Appropriation for economic profit bonus for 2021

The total amount of economic profit bonus of the Company in 2021 was RMB0.085 billion. The Board considered and approved relevant year's economic profit bonus will be temporary retained on the account of the Company, and will be distributed after a three-year lock up period.

3. Appropriation for economic profit bonus for 2022

On 30 March 2023, the economic profit (EP) recorded by the Company in 2022 was confirmed as RMB-1,062,685,170.43 on the twenty-eighth Meeting of the Nineteenth Session of the Board, pursuant to which, the amount to be returned in 2022 shall be RMB106,268,517.04.

4. Shares of the Company held by "collective bonus" of economic profit bonus

The recipients of the economic profit bonus entrusted a third party, Ying'an Company, to manage the investments and gain investment income.

Shenzhen Deyuzhong Industrial Co., Ltd. (深圳德宇眾實業有限公司) is a subsidiary of Ying'an Company, Ying'an Enterprise Partnership and Yingjiazhong Enterprise Partnership is the enterprise partnership managed by Ying'an Company, which together owned 585,985,518 shares in Vanke with voting rights, representing 4.91% of the total share capital of Vanke.

(II) Company secretary

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

In 2022, both Ms. Zhu Xu and Ms. Yip Hoi Man have received over 15 hours of relevant profession trainings according to the requirements in Rule 3.29 of the SEHK Listing Rules.

Corporate Governance Report

XIII. Employees

(I) Composition of Employees

As of 31 December 2022, there were 131,817 employees on the Group's payroll, among which 72,086 employees were male and 59,731 employees were female. The Company actively attract excellent talents, and strive to form a diversified and inclusion work environment to realize reasonable spread of gender, age and geographic of employees.

As classified by age, 55,252 employees were at or under the age of 29; 70,756 employees were between the ages of 30 to 49 (both ages inclusive); 5,809 employees were at or over the age of 50;

As classified by geographical location, 131,573 employees were in Mainland China; 191 employees were in Hong Kong, Macau and Taiwan regions; 53 employees were at overseas.

(II) Remuneration

The overall remuneration system of the Group continues to implement the concept of "providing competitive remuneration in the industry in accordance with the principles of marketization to retain and attract outstanding talents". During the Reporting Period, the Group accrued employee remuneration and benefits totaling RMB20.42 billion.

(III) Training

The Group trains employees according to the philosophy of "highly unified cultural heritage and diversified talent training." The Group has established a general training system of its headquarters and a decentralized training system for each BG/BU, which are connected by the Joyful V-Learning platform. Meanwhile, the Group encourages all employees to explore the necessary learning opportunities by themselves, supports them to externally participate in learning and improve their academic qualifications, and creates opportunities for each striver to challenge himself, learn and develop continuously.

In 2022, the Group developed the "Talent Training Plan of the Group." The Group carried out service and professional strength training, scouted grassroots strivers and improved the Group's talent training infrastructure; tilted the training resources in favor of grass-roots training, with a focus on improving the grass-roots leadership of "good shift leaders" and the grass-roots service strength of lecturers. The Group enriched the training forms through "learning maps", "daily practice", "situational teaching" and "online interaction", so as to provide training and growth space, and development opportunities for grass-roots strivers.

For details on employees training, refer to the 2022 Sustainable Development Report.

XIV. Profit Appropriation and Dividend Distribution Proposal

The financial statements prepared by the Company in accordance with China Accounting Standards and IFRS respectively and audited by auditor, show the net profit attributable to shareholders of the parent company for 2022 was RMB22.618 billion and the net profit of the parent company was RMB14.571 billion.

Pursuant to requirements of the Reply on the Queries of Profit Distribution for Preparation of Consolidated Accounting Report (Cai Kuai Han[2000]No.7) (《關於編製合併會計報告中利潤分配問題的請示的覆函》(財會函[2000]7號)) issued by the Ministry of Finance, 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 2022 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 2022	A	12,149,803,291.57	12,149,803,291.57
Distribution of dividends for the year 2021	B	11,276,621,873.75	11,276,621,873.75
Net profit of the parent company for the year 2022	C	14,571,458,923.68	14,571,458,923.68
Distributable profits of the parent company	D=A-B+C	15,444,640,341.50	15,444,640,341.50

The profit available for distribution to shareholders shall be the distributable profits of the parent company in the above data, i.e. RMB15.445 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 shareholders' meeting the following profit appropriation proposal for the year 2022:

1. The reserve of the Company exceeded 50% of the Company's capital, no provision for statutory reserve will be made;

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2. To appropriate 45% of the net profit of the Company to discretionary surplus reserve, with a total of RMB6,557,156,515.66;
3. To appropriate 55% of the net profit of the Company and unappropriated profit of 2021 for dividend distribution fund, with a total of RMB8,887,483,825.84.

The Company's 2022 dividend distribution proposal: The total amount of cash dividends proposed for distribution for 2022 will be RMB8,063,272,365.72 (inclusive of tax), accounting for 35.65% of the net profit attributable to shareholders of the parent company for 2022, without any bonus shares or capitalisation of equity reserve to share capital. As of now, the Company has a total of 11,930,709,471 shares. Considering that 72,955,992 shares have been repurchased but not cancelled, the total number of shares actually entitled to profit distribution is 11,857,753,479. Based on this, a cash dividend of RMB6.80 (inclusive of tax) will be distributed for each 10 shares. If any circumstance, 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 amount of dividends remains unchanged.

The remaining undistributed profits, amounting to RMB824,211,460.12, are retained for the following year.

According to the rules, the Company's repurchase of shares in cash shall be considered as cash dividends. In 2022, the Company spent RMB1,291,541,933.32 (excluding transaction cost) to repurchase 72,955,992 A-shares of the Company through centralised bidding. The funds used for such repurchase shall be considered as cash dividends of the Company for 2022, so the total amount of cash dividends of the Company for 2022 will be RMB9,354,814,299.04, accounting for 41.36% of the Company's net profit attributable to shareholders of the parent company in 2022.

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
2021	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB9.761257 (inclusive of tax) would be distributed for every 10 existing shares held.
2020	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB12.5 (inclusive of tax) would be distributed for every 10 existing shares held.
2019	Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB10.166131 (inclusive of 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:

							Unit: RMB
Year	Cash dividend (including tax)	Net profit of the parent company	Net profit attributable to shareholders of the parent company in the Company's consolidated financial statements	As a percentage of the net profit of the parent company	As a percentage of the net profit attributable to shareholders of the parent company in the Company's financial consolidated statements	Profit available for appropriation in the Company's consolidated financial statements for the year	
2021	11,276,621,873.75	24,945,811,004.21	22,524,033,383.22	45.20%	50.06%	106,418,640,153.17	
2020	14,522,165,251.25	40,984,723,712.04	41,515,544,941.31	35.43%	34.98%	125,056,842,434.03	
2019	11,810,739,436.05	36,050,781,629.60	38,872,086,881.32	32.76%	30.38%	118,785,044,988.01	
Accumulated cash dividends in the past three years as a percentage to the average net profit attributable to equity shareholders of the parent company in the Company's consolidated financial statements in the past three years						109.64%	

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

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

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XVI. Internal Control and Risk Management

In 2022, the Company continuously improved and strengthened the functions of risk identification, monitoring and prevention at the board of directors and internal management levels, wherein the board of directors authorized the Audit Committee to be specifically responsible for assessing and confirming the nature and degree of risks that the Company was willing to accept so as to achieve its strategic objectives, and for checking and evaluating whether the risk management system established by the Company was operating effectively, and the headquarters was responsible for identifying and preventing risks at the company level, and for gradually establishing risk management functions in various business groups/institutions and front-line business units to identify and evaluate risks.

Meanwhile, the board of directors of the Company was responsible for establishing, perfecting and effectively implementing internal control as well as evaluating its effectiveness in line with the provisions of enterprise internal control systems. The Audit Committee continuously supervised the Company's internal monitoring systems, evaluated the effective implementation and self-evaluation of internal control, as well as guided and coordinated internal audit and other relevant matters.

Risk Management

With a view to promoting sustainable, healthy and stable development of the Company and achieving its business objectives, the headquarters and relevant departments of each business group/institution are responsible for collecting and researching external risk factors such as economic situation, industrial policy, market competition and resource supply, and internal risk factors such as financial situation, capital situation, asset management and operation management, in accordance with the established development strategies; and for applying the combination of quantitative and qualitative methods to identify and evaluate main risks, providing a basis for the management to formulate risk response strategies. Meanwhile, they establish a hierarchical and graded risk management framework, release a risk management manual, and continuously monitor soundness, reasonableness and effectiveness of the risk management system, so as to enhance risk control and prevention capabilities.

The board of directors believes that there are no material uncertain events or circumstances that will seriously affect the Company's ability to continue as a going concern. After careful evaluation, the major risks currently faced by the Company and relevant countermeasures are as follows:

(I) Environmental risks

In 2022, the deterioration of the external environment was further exacerbated due to multiple factors, when real estate sales plummeted and a large number of real estate companies faced debt repayment risks, causing a major impact on market confidence. For the purpose of stabilizing the real estate market and economic growth, the State has once again made it clear that real estate is a pillar industry of the national economy and introduced a number of policies to promote stable development of the real estate industry.

Since its inception 38 years ago, the Company has been always adhering to a sound financial and operational strategy. In 2022, the Company insisted on doing certain things in an uncertain environment, actively exploring financing channels, optimizing expenditure limits, maintaining credit ratings, ensuring safety of the Company's cash flows and improving the Company's ability to cope with risks, while investing cautiously, focusing on strategic layout of the Company and improving the investment efficiency.

(II) Business risks

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

With regard to real estate development, the Company has established systems covering development quality, schedule, safety, materials and cost management. The engineering managers of each business group/institution and front-line business unit monitor safety production, project quality, project progress, etc. in real time, dynamically keep an eye on supplier operations and project performance, and consummate construction safety guarantee measures. While centering on own capabilities, they actively explore business value orientation, customer reputation, business operation, financial return level, etc. of various operations and services, and coordinate internal and external advantages and resources to continuously boost their core business capabilities and improve products and services.

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(III) Talent risks

In the face of changing policies and market environment, the Company encounters greater challenges in attracting outstanding talents, especially the attractiveness of the real estate industry to young employees has weakened significantly. Led by the development and operation headquarters, the Company promotes the one-piece construction of the Group, and tackles with the problems like decentralized capabilities and unstable trading performance. It continues to improve its own operating efficiency and competitiveness in terms of operations and services, so as to strive for greater development space and better return levels.

In 2022, under the premise of maintaining the development strategy of placing equal emphasis on development, operation and service, the Company formulated a comprehensive work plan for talent cultivation, and carried out a series of work around grassroots service improvement, professional training and struggler discovery, prioritizing training resources to grassroots strugglers, focusing on improving the grassroots leadership of “good team leaders” and empowering grassroots service instructors. And meanwhile, it enriched the training forms through “Learning Map”, “Daily Practice”, “Situational Teaching” and “Online Interaction” on the VLearning Platform, so as to provide training, growth space and development opportunities to grassroots strugglers.

(IV) Compliance risk

The Company’s operation is subject to a wide range of policies and regulations, including the company ordinance of the regions where it locates, laws and regulations in relation to financial and taxation, property sales and construction, property management, and personal information, and listing rules of Hong Kong and mainland China etc., and changes of laws, regulations and policies may affect the Company.

In 2022, the Company 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 on the latest regulations and policies to deepen the understanding of the policy and make timely adjustments to the business that meet the policy requirements, 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.

(V) Data security risk

In the era of internet, big data and cloud calculation, maintaining a high-efficient proper operation of information systems and strengthening the confidentiality of information as well as personal information security compliance 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, network security and data 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 security link between various systems through integration to guarantee the security of data in the process of collection, storage, transmission, processing, usage and deletion. The Company actively promotes the planning, design, and implementation of information security and compliance, formulates and implements information security and compliance management systems, as well as security principles; passes the information security standard certification and national security level protection certification every year to ensure the continuous and effective operation of the Company's information security and compliance management system and strengthens the security protection of customers' personal information by centralizing the information security technology control mechanism; and prevents external malicious intrusion, reduces information security risks, and protects the Company's information systems and information assets.

(VI) 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 Integrity” website 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 comprehensive audit and special investigations to bring the role of supervisor into play. The Company constantly improved its integrity system by requiring all staff to make regular and irregular reporting on potential conflict of interest, conducting 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.

Internal Monitoring

Under the continuous efforts of the board of directors, the board of supervisors, the management and all employees, the Company has established a relatively complete and effective internal control system, and has established systematic internal control and necessary internal supervision mechanisms from the company level to all business process levels, thus reasonably guaranteeing legal compliance of the Company's operation and management, asset safety, and authenticity and completeness of financial reports and related information.

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Adhering to the principle of risk orientation, the Company further strengthens the evaluation system covering the headquarters and various business units, and conducts internal control self-evaluation every year. The evaluation period for 2022 is from 1 January 2022 to 31 December 2022. The businesses included in the evaluation scope embrace real estate development, property services, logistics and warehousing services, rental housing, commercial development and operation, etc.; and the matters included in the evaluation scope embrace internal environment, risk assessment, control activities, information and communication and internal oversight, with an internal control audit report issued by KPMG Huazhen LLP.

The board of directors believes that the internal control system as established by the Company does not have material weaknesses in completeness, compliance and effectiveness, and that the Company has maintained effective internal control over financial reporting and has not identified material weaknesses in internal control over non-financial reporting in 2022.

The Company has established a multi-level supervision and inspection system covering the headquarters and each business unit. Through various forms like comprehensive audit, special audit, special investigation and engagement of third-party inspections, the Company supervises the implementation of control over each line of business and independently evaluates the effectiveness of the design and operation of its internal controls.

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

XVII. Audit

(I) Appointment and remuneration of auditors

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

(II) Confirmations by Directors and auditors

All Directors of the Company confirmed their responsibilities for the preparation of consolidated financial statements for the year ended 31 December 2022. KPMG Huazhen LLP, the auditor of the Company, confirmed its auditor's responsibilities for the audit of the consolidated financial statements in the Independent Auditor's Report of the financial statements for the year ended 31 December 2022.

I. Undertakings

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

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

1. Undertakings related to maintenance of independence of the Company

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

"1. Independence of staff of the listed Company

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

Significant Events

II. Financial independence of the listed Company

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

III. Independence of departments of the listed Company

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

IV. Independence of business of the listed Company

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

V. Independence of assets of the listed Company

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

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

2. Undertakings on avoiding competition in the same industry

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

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

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

Significant Events

3. Undertakings on regulating related party transactions

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

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

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

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

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

Applicable Not applicable

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

Applicable Not applicable

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

- III. **Illegal external guarantees**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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.

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

Applicable Not applicable

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

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

Applicable Not applicable

During the Reporting Period, the Company acquired 239 new subsidiaries and reduced 105 subsidiaries.

Significant Events

VIII. Appointment of Certified Public Accountants

The annual general meeting of 2021 resolved to re-appoint KPMG Huazhen LLP and KPMG as the Company's auditors for the year of 2022. The following table shows the details on the appointment of the certified public accountants of the Company:

Type	2022	Audit fee (Unit: RMB'0000)	Years of consecutive service	2021	Audit fee (Unit: RMB'0000)
Audited item	Auditor			Auditor	
The Group's consolidated financial statements prepared in accordance with the PRC accounting standards for business enterprises and the internal control audit report	KPMG Huazhen LLP	1,680	22	KPMG Huazhen LLP	1,680
Signing CPA	Zhou Yongming		2	Zhou Yongming	
Signing CPA	Li Moran		4	Li Moran	
The Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards	KPMG		30	KPMG	
Signing CPA	Guen Kin Shing		2	Guen Kin Shing	

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

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

Applicable Not applicable

X. Matters Related to Bankruptcy and Reorganization

Applicable Not applicable

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

XI. Material Litigation or Arbitration

Applicable Not applicable

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

XII. Penalties and rectification

Applicable Not applicable

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

XIII. Credit status of the Company and its largest shareholder

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

XIV. Major connected transactions

Applicable Not applicable

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

XV. Major Contracts and their Implementation

(I) Entrustment, sub-contracting or leasing arrangements

1. Entrustment

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

2. Sub-contracting

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

3. Leasing

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

Significant Events

(II) Major guarantees

1. Guarantees

Unit: RMB'0000

No.	Principal of the guarantee	Guarantor	Remaining guaranteed amount as at the end of the Reporting Period	Type of guarantee	Date when the guarantee began	Due date of the guarantee
1	Chericourt Company Limited (75%)	Vanke Overseas Investment Holding Company Limited (75%)	57,363.13	Joint liability guarantee	2020/6/17	2023/6/19
2	Wealth Honour Limited (95%)	Vanke Property (Hong Kong) Company Limited (100%) JUBILANT CASTLE LIMITED (95%)	124,958.12	Joint liability guarantee	2022/8/24	2023/8/24
3	Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd. (100%)	Guangzhou Vanke Enterprise Co., Ltd. (100%)	205,000.00	Joint liability guarantee	2022/4/28	2027/4/27
4	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	697.00	Joint liability guarantee	2016/12/16	2024/12/15
5	Beijing Hengyi Enterprise Management Co., Ltd. (100%)	Beijing Vanke Enterprises Company Limited (100%)	323,400.00	Joint liability guarantee	2018/10/10	2023/12/31
6	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	411.18	Joint liability guarantee	2019/9/29	2027/9/28
7	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited (100%)	1,740.45	Joint liability guarantee	2019/9/29	2027/9/28
8	Chengdu Wanlong Industrial Town Real Estate Co., Ltd. (99%)	China Vanke Co., Ltd.	30,000.00	Joint liability guarantee	2019/12/10	2026/12/10
9	Wuhan Yutianxingye Land Co., Ltd. (99%)	China Vanke Co., Ltd.	262,500.00	Joint liability guarantee	2019/12/5	2026/12/5
10	Vanke (Chongqing) Enterprises Company Limited (100%)	China Vanke Co., Ltd.	580,000.00	Joint liability guarantee	2021/11/19	2036/11/19
11	Vanke (Xinjiang) Enterprises Company Limited (100%)	China Vanke Co., Ltd.	70,000.00	Joint liability guarantee	2022/1/25	2037/1/25
12	Zhengzhou Rongwang Real Estate Development Co., Ltd. (99%)	China Vanke Co., Ltd.	112,000.00	Joint liability guarantee	2022/12/13	2025/12/23
13	Shenzhen Vanke Development Co., Ltd. (100%)	China Vanke Co., Ltd.	388,000.00	Joint liability guarantee	2022/11/24	2025/11/24

During the Reporting Period, the majority-owned subsidiaries of the Company provided RMB3.300 billion guarantees to other majority-owned subsidiaries of the Company, the Company itself provided RMB5,700 million guarantees to its majority-owned subsidiaries, but none of them provided guarantees to associates and joint ventures. The aforementioned entities all performed strict approval procedures pursuant to provisions of the regulatory requirements. For details, please refer to the announcement of the Company on the website of CNINFO (www.cninfo.com.cn).

As of 31 December 2022, the outstanding amount of guarantees provided by the Company was RMB21.560 billion, accounting for 8.88% of the audited net assets attributable to equity shareholders of the Company as at the end of 2022. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries to other majority-owned subsidiaries was RMB21.532 billion, while the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries to associates and joint ventures was RMB28 million. The Company and its majority-owned subsidiaries did not provide external guarantees. The Company also had no overdue guarantee or guarantees involving with litigations.

2. Illegal external guarantees

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

(III) Other major contracts

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

XVI. Significant events of the Company's subsidiaries

Applicable Not applicable

During the Reporting Period, Onewo has completed initial public offering and listing on the SEHK on 29 September 2022.

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

During the Reporting Period, the Company purchased part of its ordinary A Shares, with details can be referred in "IV. Specific implementation of share repurchase in the Reporting Period" in "Section 7 Change in Share Capital and Information on Shareholders".

During the Reporting Period, Onewo has completed initial public offering and listing on the SEHK on 29 September 2022.

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

XVIII. Pre-emptive Rights

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

Change in Share Capital and Information on Shareholders

I. Change in Shares

(I) Change in the shares of the Company (As of 31 December 2022)

Unit: Share

Classification of Share	31 December 2021		Increase/Decrease (+, -)		31 December 2022	
	Quantity	Percentage of shareholding	Issuance of new shares	Others	Quantity	Percentage of shareholding
I. Restricted Shares						
1. State-owned shares and shares held by the State-owned legal persons	-	-	-	-	-	-
2. Shares held by the domestic legal person	-	-	-	-	-	-
3. Shares held by domestic natural persons	6,643,268	0.06%	-	+886,050	7,529,318	0.06%
4. Shares held by foreign investors						
Total number of restricted shares	6,643,268	0.06%	-	+886,050	7,529,318	0.06%
II. Non-restricted Shares						
1. RMB-denominated ordinary shares	9,717,553,265	83.59%	-	-886,050	9,716,667,215	83.55%
2. Overseas listed foreign shares	1,901,186,842	16.35%	+5,326,096	-	1,906,512,938	16.39%
Total number of non-restricted shares	11,618,740,107	99.94%	+5,326,096	-886,050	11,623,180,153	99.94%
III. Total number of shares	11,625,383,375	100.00%	+5,326,096	-	11,630,709,471	100.00%

Note: 1. In August 2022, the implementation of the “scrip dividend” option for the Company’s H shareholders was completed, and 5,326,096 new H Shares were issued by the Company. For details, please refer to “Issue and listing of securities” in this section.

2. During the Reporting Period, certain directors, supervisors and senior management of the Company increased their shareholdings in the Company and 75% of their new shareholdings were subject to lock-up in accordance with the relevant regulations, as set out in the “Table of Changes in Restricted Shares during the Reporting Period” in this section.

Change in Share Capital and Information on Shareholders

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

YU Liang (chairman of the Board), XIE Dong (chairman of the supervisory committee), ZHU Jiusheng (director, president and chief executive officer), WANG Haiwu (staff representative director), QUE Dongwu (staff representative supervisor), HAN Huihua (executive vice president and finance principal), LIU Xiao (executive vice president and chief operating officer) and Zhu Xu (secretary to the Board) (the abovementioned persons, collectively, "Participants") of the Company plan to increase their holdings of A Shares in the Company within six months from 31 March 2022 by an aggregate amount of not less than RMB20 million, being the total after-tax cash compensation received by the principal purchaser from the Company in the year 2021. During the Reporting Period, the Participants have acquired an aggregate of 1,181,400 additional A Shares of the Company, representing 0.0102% of the total share capital of the Company (including treasury shares), through centralized price competition system trading on the Shenzhen Stock Exchange at a cost of RMB20,674,100, representing 103.37% of the total after-tax cash remuneration of the Participants for the year 2021. In accordance with the relevant regulations, the additional shares held by the participants are subject to a lock-up restriction of 75% of their number.

Unit: Share

Name of shareholder	Number of restricted shares with		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
	restricted shares held at the end of last year	released during the year				
YU Liang	5,479,684	0	66,525	5,546,209	Held an office of Directors, Supervisors and senior management of the Company	Executed in accordance with the Self-Regulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 10 – Share Change Management
XIE Dong	1,118,059	0	121,425	1,239,484		
ZHU Jiusheng	0	0	146,925	146,925		
WANG Haiwu	0	0	112,500	112,500		
QUE Dongwu	45,525	0	110,625	156,150		
HAN Huihua	0	0	105,750	105,750		
LIU Xiao	0	0	118,200	118,200		
ZHU Xu	0	0	104,100	104,100		
Total	6,643,268	0	886,050	7,529,318		

Change in Share Capital and Information on Shareholders

II. Issue and listing of securities

(I) Issue of securities during the Reporting Period

Applicable Not applicable

1. The “Scrip Dividend” for H Shares

The Proposal on “Scrip Dividends for H Shares in 2021 Profit Appropriation” was considered and approved at the annual general meeting of 2021, the First A Shareholders Class Meeting of 2022 and the First H Shareholders Class Meeting of 2022 of the Company, pursuant to which the “scrip dividend” option is granted to H shareholders by the Company in the 2021 profit distribution plan. Some H-shareholders have opted for “scrip dividends”, resulting in the issuance of 5,326,096 H shares, which were listed and traded on the SEHK on 26 August 2022. Following the issuance of the new shares, the total number of issued shares of the Company (including 72,955,992 A-share treasury shares) increased from 11,625,383,375 shares to 11,630,709,471 shares, of which the total number of issued H Shares increased from 1,901,186,842 shares to 1,906,512,938 shares, while the total number of issued A Shares remained unchanged at 9,724,196,533 shares.

2. Issuance of corporate bonds

In 2022, the Company has completed the issuance of four tranches corporate bonds to eligible investors, totaling RMB8.89 billion.

No.	Issuance completion date	Bond abbreviation	Bond size (RMB 100 million)	Coupon rate	Terms
1	4 March 2022	22 Vanke 01	8.9	3.14%	3 years
2		22 Vanke 02	11	3.64%	5 years
3	6 June 2022	22 Vanke 03	3.5	2.90%	3+2 years
4		22 Vanke 04	6.5	3.53%	5+2 years
5	8 July 2022	22 Vanke 05	29	3.21%	3+2 years
6		22 Vanke 06	5	3.70%	5+2 years
7	31 October 2022	22 Vanke 07	25	3.45%	3+2 years

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

For changes in share capital, please refer to The “Scrip Dividend for H Shares” in this section.

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

Change in Share Capital and Information on Shareholders

III. Information on Shareholders (As of 31 December 2022)

(I) Information on shareholders

Unit: Share

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
Total number of Shareholders as at the end of 2022	431,475 (including 431,398 A Shareholders and 77 H Shareholders)	Total number of Shareholders as at 28 February 2023	486,413 (including 486,336 A Shareholders and 77 H Shareholders)			
	Shareholdings of the top 10 shareholders					
Name of shareholder	Classification of Shareholder	Percentage of shareholding	Total number of shares held	Change in shares during the Reporting Period	Number of restricted shares held	Number of pledged or lock-up shares
SZMC	Domestic state-owned legal person	27.88%	3,242,810,791	0	0	0
HKSCC NOMINEES LIMITED	Foreign shareholder	16.39%	1,906,364,315	+ 5,305,143	0	0
Yingjiazhong Enterprise Partnership	Domestic ordinary legal person	3.77%	438,703,992	0	0	438,703,992
Hong Kong Securities Clearing Company Limited	Foreign shareholder	3.72%	433,198,856	+ 92,536,514	0	0
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.59%	185,478,200	0	0	0
NCI – Dividend – Personal Dividend-018L-FH002 SZ	Funds, wealth management products, etc.	1.45%	168,778,848	+ 87,155,703		
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Funds, wealth management products, etc.	1.26%	146,255,820	0	0	0
China Securities Finance Corporation Limited	Domestic stated-owned legal person	1.14%	132,669,394	0	0	0
CLIC – Traditional – Ordinary Insurance Product-005L-CT001 SZ	Funds, wealth management products, etc.	1.08%	125,313,495	+ 96,286,727	0	0
Ying'an Partnership Enterprise	Domestic ordinary legal person	1.05%	122,230,826	0	0	108,991,900
Remarks on strategic investor or ordinary legal person becoming top 10 shareholders after placing of new shares	Nil					

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 NOMINEES LIMITED	1,906,364,315	H Shares
Yingjiazhong Enterprise Partnership	438,703,992	A Shares
Hong Kong Securities Clearing Company Limited	433,198,856	A Shares
Central Huijin Asset Management Co., Ltd.	185,478,200	A Shares
NCI – Dividend – Personal Dividend-018L-FH002 SZ	168,778,848	A Shares
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	146,255,820	A Shares
China Securities Finance Corporation Limited	132,669,394	A Shares
CLIC – Traditional – Ordinary Insurance Product-005L-CT001 SZ	125,313,495	A Shares
Ying'an Enterprise Partnership	122,230,826	A Shares
Remarks on the related party relationship or action in concert of the aforementioned shareholders	“Yingjiazhong Enterprise Partnership” and “Ying'an Enterprise Partnership” are parties acting in concert. Other than the above, it is not known to the Company as to whether there are connections or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the abovementioned shareholders.	
Shareholders involved in margin trading business description	SZMC plans to continue to carry out the refinancing securities lending business, with its holding of no more than 97,241,965 A shares of the Company (no more than 1% of the Company's A shares), accounting for approximately 0.836% of the Company's total share capital, and the ownership of the lent shares will not be transferred.	
Shareholders involved in contracted repurchase transactions	Nil	

Change in Share Capital and Information on Shareholders

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

Note 2: Hong Kong Securities Clearing Company Ltd. is the nominal holder of shares held by non-registered shareholders who hold A shares of the Company through Northbound Trading under Shenzhen-Hong Kong Stock Connect.

Note 3: In the above table, the total number of A shareholders at the end of 2022 and 28 February 2023 refers to the number of shareholders after combining margin trading accounts.

As of 31 December 2022, the total share capital of the Company was 11,630,709,471, including 9,724,196,533 A Shares and 1,906,512,938 H Shares. Of which, the "total share capital" includes 72,955,992 A Shares repurchased during the year and managed as treasury shares.

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

Unit: Share

No.	Name of shareholder of restricted shares	Number of restricted shares held	Date on which listing and trading may commence	Increase in the number of shares that may be listed and traded	Conditions of selling restrictions
1	YU Liang	5,546,209	–	–	Selling restrictions were imposed according to relevant regulations of the SZSE.
2	XIE Dong	1,239,484			
3	QUE Dongwu	156,150			
4	ZHU Jiusheng	146,925			
5	LIU Xiao	118,200			
6	WANG Haiwu	112,500			
7	HAN Huihua	105,750			
8	ZHU Xu	104,100			
	Total	7,529,318			

(III) Controlling shareholders and de facto controllers

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

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

Applicable Not applicable

Change in Share Capital and Information on Shareholders

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

As of 31 December 2022, SZMC holds 3,242,810,791 A Shares in the Company, representing 27.88% of the total number of shares in the Company, and is the largest shareholder of the Company. Details are set out below:



Change in Share Capital and Information on Shareholders

Basic Information of SZMC is as following:

Date of registration:	31 July 1998
Registered capital:	RMB45,943,160,000
Legal representative:	Xin Jie
Registered address:	Metro Building, No. 1016 Fu Zhong Yi Road, Futian District, Shenzhen
Business Scope:	Planning, design, construction, financing, operation, resource development and operation, land allocation and property development and operation of rail transit and other government investment decision-making projects;
	(I) Investment and organization of various industrial projects (franchises, proprietary and proprietary projects shall apply separately);
	(II) Domestic commerce, material supply and marketing (franchises, proprietary and proprietary projects shall apply separately);
	(III) Design, produce, publish and represent domestic and overseas advertising business;
	(IV) Property management;
	(V) Rail transit-related business consulting, education and training.

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

Applicable Not applicable

IV. Specific implementation of share repurchase in the Reporting Period

Applicable Not applicable

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

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

Change in Share Capital and Information on Shareholders

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

To the best knowledge of directors of the Company, as of 31 December 2022, in accordance with relevant requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), other than directors, members of Supervisory Committee or chief executive, the interests and short positions of the Company held by substantial shareholders are as follows:

Name of shareholder	Capacity (types of interest)	Number of shares held	Nature of Interest (shares)	Types of Shares	Percentage of total issued A-Share capital	Percentage of total issued H-Share capital	Percentage of total issued share capital
SZMC	Beneficial owner	3,242,810,791	Long Position	A Shares	33.35%	–	27.88%
Shenzhen Ying'an Financial Advisory Co., Ltd. (深圳盈安財務顧問 有限公司)	Interest of controlled corporations	561,739,618	Long Position	A Shares	5.78%	–	4.83%
		24,245,900	Long Position	H Shares	–	1.27%	0.21%
BlackRock, Inc.	Interest of controlled corporations	94,840,432	Long Position	H Shares	–	5.17%	0.85%
		1,931,226	Short Position	H Shares	–	0.21%	0.03%
JPMorgan Chase & Co.	Interest of controlled corporations	32,418,346	Long Position	H Shares	–	1.70%	0.28%
		28,177,060	Short Position	H Shares	–	1.48%	0.24%
		35,503,816	Long Position	H Shares	–	1.86%	0.31%
		2,070,847	Long Position	H Shares	–	0.11%	0.02%
Citigroup Inc.	Investment manager Person holding a guaranteed interest in shares Approved Lending Agent	25,456,909	Long Position	H Shares	–	1.34%	0.22%
		5,441,632	Long Position	H Shares	–	0.29%	0.05%
		4,438,323	Short Position	H Shares	–	0.23%	0.04%
GIC Private Limited	Approved Lending Agent	181,581,471	Long Position	H Shares	–	9.52%	1.56%
		131,450,065	Long Position	H Shares	–	6.89%	1.13%

Change in Share Capital and Information on Shareholders

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

VI. The public float as required by SEHK Listing Rules

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

Report of Supervisory Committee

In 2022, 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 2022 were presented as follows:

I. Convention of Meetings

In 2022, 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:

(I) The Ninth Meeting of the Tenth Session of the Supervisory Committee

The Ninth Meeting of the Tenth Session of the Supervisory Committee was held on 30 March 2022. The meeting considered and approved the following resolutions:

No.	Issues for consideration and approval
1	The 2021 Annual Report and its Summary
2	The Audited Financial Report for the Year 2021
3	The Report of the Supervisory Committee of the Company for the Year 2021
4	The Company's Major Tasks for the Year 2022
5	The Resolution in relation to the Appropriation and Write-off of the Provision for Impairment in Value for the Year 2021
6	The Proposal on Profit Distribution for the Year 2021
7	The Proposal on "Scrip Dividends for H Shares in 2021 Profit Appropriation"
8	The Internal Control Assessment Report for the Year 2021
9	The Resolution in relation to the Reappointment of Certified Public Accountants for the Year 2022
10	The Resolution Regarding Confirmation of Economic Profit Bonus for the Year 2021
11	2021 Report on Sustainable Development
12	The Resolution Regarding Proposal to the General Meeting for Re-authorisation of Financial Assistance by the Company and majority-owned subsidiaries to Third Parties
13	The Resolution Regarding Proposal to the General Meeting for Authorisation of Providing Guarantee to the Company and majority-owned subsidiaries
14	Proposal on Authorising the President to Make Decisions on Matters Related to Supply Chain Financing
15	The Resolution in relation to the Partial Repurchase of A Shares

Report of Supervisory Committee

(II) The Tenth Meeting of the Tenth Session of the Supervisory Committee

The Tenth Meeting of the Tenth Session of the Supervisory Committee was held on 28 April 2022. The meeting considered and approved 2022 First Quarterly Report and the Financial Statement.

(III) The Eleventh Meeting of the Tenth Session of the Supervisory Committee

The Eleventh Meeting of the Tenth Session of the Supervisory Committee was held on 30 August 2022. The meeting considered and approved the following resolutions:

No.	Issues
1	2022 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 2022 Interim Period

(IV) The Twelfth Meeting of the Tenth Session of the Supervisory Committee

The Twelfth Meeting of the Tenth Session of the Supervisory Committee was held on 28 October 2022. The meeting considered and approved 2022 Third Quarterly Report and the Financial Statement.

II. Performance of Duties by Members of the Supervisory Committee

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

III. Inspection Tours

In 2022, the Supervisory Committee of the Company carried out more inspecting and visiting work on each BG and BU. Through on-site inspection, meetings and seminars, trainings, audit and investigations, the committee inspected and supervised the operation management, risk management, internal control, the management's performance of duties, protection of shareholders' and employees' interest of the BG and BU. It covered financial, investment, marketing, fundraising, construction cost and other aspects. The committee supervised relevant personnel to diligently perform their duties, control risks and fine-tune their internal control systems, to prevent professional ethics risk.

Report of Supervisory Committee

IV. Opinions on Certain Issues of the Company

(I) Statutory compliance

In 2022, members of the Supervisory Committee continued to supervise the Company's operations through presenting at important meetings such as operation decision meetings and board meetings, reviewing reports on special projects, on-site inspection and meeting with staff. The Supervisory Committee is of the view that the decision-making procedures of the general meeting and the board meeting are lawful and that the Board and the management team of the Company have faithfully fulfilled the resolutions at the general meeting in compliance with the relevant laws, regulations and the Articles of Association, and no actions in violation of laws, regulations and Articles of Association or damage the interest of the Company have been found when directors and senior management discharging the Company's duties.

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

(II) Financial monitoring

In 2022, the Supervisory Committee continued to review the Company's financial situation through the review of financial reports and inspection tours, and monitored the Company's operation and its risks. The Supervisory Committee also provided assessment opinions to each regular report and was of the opinion that the procedures for the preparation and review of regular reports by the Board of the Company were in line with laws, administrative regulations and the provisions of the CSRC, and the contents of the reports reflected the actual situation of the listed company in a true, accurate and complete manner, without any false records, misleading statements or major omissions.

(III) Internal control system

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

In 2022, the Supervisory Committee of the Company will continue to fulfil their duties, faithfully and diligently perform their supervisory duties, supervise the standard operation of the Company and safeguard the interest of the Company, its stakeholders such as shareholders and employees, surrounding the overall operational objectives and key tasks of the Company and in accordance with the provisions of Company Law, Securities Law, Articles of Association and the listing rules.

I. Enterprise Bonds

Applicable Not applicable

II. Corporate Bonds

Applicable Not applicable

(I) Basic Information of Corporate Bonds

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (first tranche) (variety II)	20 Vanke 02	149057	13 March 2020 to 16 March 2020	16 March 2020	16 March 2027	100,000	3.42%
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (second tranche) (variety I)	20 Vanke 03	149123	18 May 2020 to 19 May 2020	19 May 2020	19 May 2025	100,000	2.56%
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (second tranche) (variety II)	20 Vanke 04	149124	18 May 2020 to 19 May 2020	19 May 2020	19 May 2027	150,000	3.45%
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (third tranche) (variety I)	20 Vanke 05	149141	18 June 2020 to 19 June 2020	19 June 2020	19 June 2025	80,000	3.20%
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (third tranche) (variety II)	20 Vanke 06	149142	18 June 2020 to 19 June 2020	19 June 2020	19 June 2027	120,000	3.90%
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (fourth tranche) (variety I)	20 Vanke 07	149296	12 November 2020 to 13 November 2020	13 November 2020	13 November 2025	38,100	3.50%

Information on Bonds

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (fourth tranche) (variety II)	20 Vanke 08	149297	12 November 2020 to 13 November 2020	13 November 2020	13 November 2027	160,000	4.11%
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (first tranche) (variety II)	21 Vanke 02	149358	21 January 2021 to 22 January 2021	22 January 2021	22 January 2028	110,000	3.98%
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (second tranche) (variety I)	21 Vanke 03	149477	19 May 2021 to 20 May 2021	20 May 2021	20 May 2026	100,000	3.40%
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (second tranche) (variety II)	21 Vanke 04	149478	19 May 2021 to 20 May 2021	20 May 2021	20 May 2028	56,600	3.70%
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to professional investors in public (third tranche) (variety I)	21 Vanke 05	149567	23 July 2021 to 26 July 2021	26 July 2021	26 July 2026	230,000	3.19%
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to professional investors in public (third tranche) (variety II)	21 Vanke 06	149568	23 July 2021 to 26 July 2021	26 July 2021	26 July 2028	70,000	3.49%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (first tranche) (variety I)	22 Vanke 01	149814	3 March 2022 to 4 March 2022	4 March 2022	4 March 2025	89,000	3.14%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (first tranche) (variety II)	22 Vanke 02	149815	3 March 2022 to 4 March 2022	4 March 2022	4 March 2027	110,000	3.64%

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety I)	22 Vanke 03	149930	2 June 2022 to 6 June 2022	6 June 2022	6 June 2027	35,000	2.90%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety II)	22 Vanke 04	149931	2 June 2022 to 6 June 2022	6 June 2022	6 June 2029	65,000	3.53%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety I)	22 Vanke 05	149975	7 July 2022 to 8 July 2022	8 July 2022	8 July 2027	290,000	3.21%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety II)	22 Vanke 06	149976	7 July 2022 to 8 July 2022	8 July 2022	8 July 2029	50,000	3.70%
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (fourth tranche)	22 Vanke 07	148099	28 October 2022 to 31 October 2022	31 October 2022	31 October 2027	250,000	3.45%

Information on Bonds

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

(II) Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

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

The value date of 19 Vanke 02 was 26 September 2019 and the term of the bond is 5 years, with the Company's coupon rate adjustment option and investors' put option at the end of the third year. In August 2022, the Company decided to carry out the execution of the put option of 19 Vanke 02. According to the data provided by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the number of sheets of "19 Vanke 02" sold back was 25,000,000 and the sale back amount was RMB2,500,000,000 (excluding interest). After this effective sale back, the number of sheets of remaining bonds unsold was 0. The amount for exercising the put options has been in place on 26 September 2022, and the Company has paid the principal and current interest to the holders of "19 Vanke 02" bonds who have effectively reported the sale back, and 19 Vanke 02 was delisted from the SZSE on that day.

The value date of 21 Vanke 01 was 22 January 2021 and the term of the bond is 3 years, with the Company's redemption option, coupon rate adjustment option and investors' put option at the end of the second year. In December 2022, based on the actual situation of the Company and the current market environment, the Company decided to exercise the 21 Vanke 01 issuer's redemption option to redeem all 21 Vanke 01 registered on the redemption registration date, with the number of sheets of bonds redeemed being 19,000,000 and the amount being RMB1,900,000,000 (excluding interest). The Company has redeemed 21 Vanke 01 on 30 January 2023 and delisted it from the SZSE on that day.

The value date of 20 Vanke 01 was 16 March 2020 and the term of the bond is 5 years, with the Company's redemption option, coupon rate adjustment option and investors' put option at the end of the third year. In February 2023, based on the actual situation of the Company and the current market environment, the Company decided to exercise the 20 Vanke 01 issuer's redemption option to redeem all 20 Vanke 01 registered on the redemption registration date, with the number of sheets of bonds redeemed being 15,000,000 and the amount being RMB1,500,000,000 (excluding interest). The Company has redeemed 20 Vanke 01 on 16 March 2023 and delisted it from the SZSE on that day.

Information on Bonds

(IV) Intermediary agencies

Name of bonds	Name	Office address	Signing CPA	Contact person	Telephone number
17 Vanke 01, 19 Vanke 02, 20 Vanke 01, 20 Vanke 02, 20 Vanke 03, 20 Vanke 04, 20 Vanke 05, 20 Vanke 06, 20 Vanke 07, 20 Vanke 08, 21 Vanke 01, 21 Vanke 02, 21 Vanke 03, 21 Vanke 04, 21 Vanke 05, 21 Vanke 06, 22 Vanke 01, 22 Vanke 01, 22 Vanke 02, 22 Vanke 03, 22 Vanke 04, 22 Vanke 05, 22 Vanke 06, 22 Vanke 07	CITIC Securities Co., Ltd. KPMG Huazhen LLP Guangdong Shujin Law Firm	North Block, Excellence Times Plaza Phase 2, No.8, Zhong Xin San Road, Futian District, Shenzhen, Guangdong 8/F, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing 11th to 12th floor, Taiping Finance Tower, 6001 Yitian Road, Futian District, Shenzhen	- Fang Jiong, Chen Yongyi, Li Moran -	Yang Fang Li Moran Wang Cuiping	021-20262380 0755-25473335 13480145387
17 Vanke 01, 19 Vanke 02, 20 Vanke 01, 20 Vanke 02, 20 Vanke 03, 20 Vanke 04, 20 Vanke 05, 20 Vanke 06, 20 Vanke 07, 20 Vanke 08, 21 Vanke 01, 21 Vanke 02	China Chengxin International Credit Rating Co., Ltd.	60101, Building 1, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	-	Shi Shi	010-85172818
21 Vanke 03, 21 Vanke 04, 21 Vanke 05, 21 Vanke 06, 22 Vanke 01, 22 Vanke 02, 22 Vanke 03, 22 Vanke 04, 22 Vanke 05, 22 Vanke 06, 22 Vanke 07	China Lianhe Credit Rating Co., Ltd.	12/F, PICC Office Tower, 2 Jianguomenwai Street, Chaoyang District, Beijing	-	Liu Deng	18566603268

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

Yes No

(V) Use of proceeds from fund-raising activities

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

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

Applicable Not applicable

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

Applicable Not applicable

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

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

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

Information on Bonds

III. Debt financing instruments of non-financial enterprises

✓Applicable Not applicable

(I) Basic information on debt financing instruments of non-financial enterprises

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate
China Vanke Co., Ltd. medium-term notes in 2021 (first tranche)	21 Vanke MTN001	102100209	27 January 2021 to 29 January 2021	29 January 2021	29 January 2024	200,000	3.76%
China Vanke Co., Ltd. medium-term notes in 2021 (second tranche)	21 Vanke MTN002	102100912	28 April 2021 to 29 April 2021	29 April 2021	29 April 2024	200,000	3.52%
China Vanke Co., Ltd. medium-term notes in 2021 (third tranche)	21 Vanke MTN003	102101821	2 September 2021 to 3 September 2021	6 September 2021	6 September 2024	200,000	3.08%
China Vanke Co., Ltd. medium-term notes in 2022 (first tranche)	22 Vanke MTN001	102280222	25 January 2022 to 26 January 2022	27 January 2022	27 January 2025	300,000	2.95%
China Vanke Co., Ltd. medium-term notes in 2022 (second tranche)	22 Vanke MTN002	102280265	14 February 2022 to 15 February 2022	16 February 2022	16 February 2025	300,000	2.98%
China Vanke Co., Ltd. medium-term notes in 2022 (third tranche)	22 Vanke MTN003	102280364	23 February 2022 to 24 February 2022	25 February 2022	25 February 2025	200,000	3.0%
China Vanke Co., Ltd. Green medium-term notes in 2022 (first tranche)	22 Vanke GN001	132280068	19 July 2022 to 20 July 2022	21 July 2022	21 July 2025	300,000	3.0%
China Vanke Co., Ltd. Green medium-term notes in 2022 (second tranche)	22 Vanke GN002	132280075	10 August 2022 to 11 August 2022	12 August 2022	12 August 2025	200,000	2.9%
China Vanke Co., Ltd. Green medium-term notes in 2022 (third tranche)	22 Vanke GN003	132280088	19 September 2022 to 20 September 2022	21 September 2022	21 September 2025	200,000	3.2%
China Vanke Co., Ltd. medium-term notes in 2022 (fourth tranche)	22 Vanke e MTN004	102282715	13 December 2022 to 14 December 2022	15 December 2022	15 December 2025	200,000	3.0%
China Vanke Co., Ltd. medium-term notes in 2022 (fifth tranche)	22 Vanke MTN005	102282785	26 December 2022 to 27 December 2022	28 December 2022	28 December 2025	370,000	3.0%

Unit: RMB'0000

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate
The way of repay capital with interest							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.
Trading Floor							the National Association of Financial Market Institution Investors
Qualified investors arrangement (if any)							Medium-term notes are issued to institutional investors in the national interbank bond market (except for those whose purchase is prohibited by national laws and regulations)
Trading mechanisms applicable							Price-enquiry transaction, Requests for Quote and click-to-trade
Whether there is a risk of termination of listing and trading (if any) and countermeasures							Not applicable

(II) Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

Information on Bonds

(IV) Intermediary agencies

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

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

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

Yes No

(V) Use of proceeds from fund-raising activities

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

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

Applicable Not applicable

Information on Bonds

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

Applicable Not applicable

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

The funds to be used to repay the debt financing instruments of non-financial enterprises issued by the Company mainly come from the cash flows generated from the Group's daily operations. During the Reporting Period, the Group maintained a healthy financial structure, with adequate cash and cash equivalents to meet its short-term debt obligations. The steady cash inflows had provided a strong guarantee to the repayment of the principal amount and interest of the Company's debt financing instruments of non-financial enterprises. During the Reporting Period, there had not been any material change in the debt repayment plans and debt repayment guarantee measures relating to the debt financing instruments of non-financial enterprises.

IV. Convertible corporate bonds

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Yes No



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

Opinion

We have audited the consolidated financial statements of China Vanke Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 185 to 294, which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022 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 ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Independent Auditor's Report

Key audit matters (continued)

Net realisable value of inventories	
<i>Refer to note 19 to the consolidated financial statements and the accounting policies in note 1(q).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2022, 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;

Key audit matters (continued)

Net realisable value of inventories (continued)	
<i>Refer to note 19 to the consolidated financial statements and the accounting policies in note 1(q).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>We identified the assessment of net realisable value of the Group's inventories as a key audit matter because of the significance of inventories to the assets of the Group and because of the inherent risks involved in estimating the costs to complete each property development project and the future selling prices for each property development project, particularly in light of the current economic circumstances and various property market measures introduced in various cities across Mainland China.</p>	<ul style="list-style-type: none"> on a sample basis, comparing the estimated construction costs to complete each property development project with the Group's latest budgets and comparing the costs incurred to 31 December 2022 with budgets made at 31 December 2021 to assess the accuracy of management's forecasting and budgeting process; performing sensitivity analyses to determine the extent of changes in key estimates and assumptions that, either individually or collectively, would be required for inventories to be materially misstated and considering the likelihood of such a movement in those key estimates and assumptions arising and the potential for management bias in their selection.

Independent Auditor's Report

Key audit matters (continued)

Provision for land appreciation tax ("LAT") in Mainland China	
<i>Refer to notes 6 and 28 to the consolidated financial statements and the accounting judgement and estimates in note 1(x).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>LAT in 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 2022 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.

Key audit matters (continued)

Revenue recognition for property development projects ("PDP")	
<i>Refer to note 3 to the consolidated financial statements and the accounting policies in note 1(z)(i).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue arising from sales of PDP accounted for 89% of the Group's revenue for the year ended 31 December 2022.</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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

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

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

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

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

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

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

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

30 March 2023

Consolidated statement of profit or loss

for the year ended 31 December 2022

	Note	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Revenue	3(a)	503,838,367	452,797,774
Cost of revenue		(405,784,703)	(357,106,481)
Gross profit		98,053,664	95,691,293
Other net income	4	9,903,438	6,724,017
Selling and marketing expenses		(12,412,367)	(12,808,639)
Administrative expenses		(14,059,033)	(14,150,965)
Other expenses		(1,404,718)	(2,130,339)
Profit from operations		80,080,984	73,325,367
Lease liability charges		(980,908)	(1,112,014)
Finance costs	5(a)	(4,905,644)	(6,749,333)
Share of profits less losses of associates and joint ventures	16	(798,717)	4,888,729
Profit before taxation		73,395,715	70,352,749
Income tax	6(a)	(35,844,806)	(32,283,222)
Profit for the year		37,550,909	38,069,527
Attributable to:			
Equity shareholders of the Company		22,617,779	22,524,033
Non-controlling interests		14,933,130	15,545,494
Profit for the year		37,550,909	38,069,527
Earnings per share (RMB)			
Basic and diluted	10	1.95	1.94

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

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Note	Year ended 31 December	
		2022	2021
		RMB'000	RMB'000
Profit for the year		37,550,909	38,069,527
<hr/>			
Other comprehensive income for the year (after tax and reclassification adjustments)			
<i>Items that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income ("FVOCI")—net movement in fair value reserves (non-recycling)		(625,364)	242,996
Share of other comprehensive income of associates		(138,224)	305,085
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		642,399	(36,973)
Cash flow hedge:			
Net movement in the hedging reserve	9	(449,795)	(250,544)
Share of other comprehensive income of associates		(5,531,624)	1,207,611
Other comprehensive income for the year		(6,102,608)	1,468,175
<hr/>			
Total comprehensive income for the year		31,448,301	39,537,702
<hr/>			
Attributable to:			
Equity shareholders of the Company		17,017,553	23,927,379
Non-controlling interests		14,430,748	15,610,323
<hr/>			
Total comprehensive income for the year		31,448,301	39,537,702

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2022

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment	11	35,133,670	32,631,565
Investment properties	12	119,407,195	108,521,492
Intangible assets and goodwill	14	10,309,985	8,542,126
Interests in associates and joint ventures	16	129,486,468	144,449,332
Biological assets		319,393	–
Other financial assets	17	5,131,808	2,874,594
Other non-current assets	18	6,494,070	7,832,794
Deferred tax assets	28(b)(ii)	35,485,475	33,517,920
		341,768,064	338,369,823
Current assets			
Inventories and other contract costs	19	913,730,553	1,083,598,314
Contract assets	20(a)	10,927,515	10,390,002
Trade and other receivables	21	353,511,585	356,067,288
Other current assets	22	18,142	22,482
Pledged and restricted deposits		2,782,965	8,643,985
Cash and cash equivalents	23	134,424,670	140,708,459
Assets held for sale		–	892,423
		1,415,395,430	1,600,322,953
Current liabilities			
Trade and other payables	24	473,072,657	541,059,314
Contract liabilities	20(b)	465,580,958	636,858,514
Bank loans and borrowings from financial institutions	25	48,146,286	53,842,277
Bonds payable	26	17,950,541	6,576,207
Lease liabilities	27	1,958,553	1,925,950
Current taxation	28(a)	71,092,578	71,184,205
		1,077,801,573	1,311,446,467
Net current assets		337,593,857	288,876,486
Total assets less current liabilities		679,361,921	627,246,309

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2022

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	25	180,773,281	154,322,279
Bonds payable	26	68,815,570	53,020,572
Lease liabilities	27	22,065,726	24,309,642
Deferred tax liabilities	28(b)(ii)	1,179,389	1,344,534
Provisions		412,292	275,163
Other non-current liabilities	29	1,124,157	1,201,342
		274,370,415	234,473,532
NET ASSETS			
		404,991,506	392,772,777
CAPITAL AND RESERVES			
Share capital	30	11,630,709	11,625,383
Treasury shares		(1,291,800)	–
Reserves		232,352,433	224,327,751
Total equity attributable to equity shareholders of the Company			
		242,691,342	235,953,134
Non-controlling interests			
		162,300,164	156,819,643
TOTAL EQUITY			
		404,991,506	392,772,777

Approved and authorised for issue by the board of directors on 30 March 2023.

Zhu Jiusheng
Director

Wang Haiwu
Director

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2022

	Attributable to equity shareholders of the Company												
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve			Non-controlling interests RMB'000	Total equity RMB'000	
								(non-recycling) RMB'000	Other reserves RMB'000	Retained profits RMB'000			
													Total RMB'000
Balance at 1 January 2022		11,625,383	-	22,555,066	111,186,520	(65,894)	136,741	(208,853)	(1,974,273)	92,698,444	235,953,134	156,819,643	392,772,777
Changes in equity for 2022													
Profit for the year		-	-	-	-	-	-	-	-	22,617,779	22,617,779	14,933,130	37,550,909
Other comprehensive income	9	-	-	-	-	(4,409,982)	(449,795)	(740,449)	-	-	(5,600,226)	(502,382)	(6,102,608)
Total comprehensive income		-	-	-	-	(4,409,982)	(449,795)	(740,449)	-	22,617,779	17,017,553	14,430,748	31,448,301
Issuance of shares	30(b)	5,326	-	77,513	-	-	-	-	-	-	82,839	-	82,839
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	-	-	-	(11,276,622)	(11,276,622)	-	(11,276,622)
Appropriation to statutory reserves	30(c)(i)	-	-	-	6,557,157	-	-	-	-	(6,557,157)	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	-	7,506,330	7,506,330
Acquisitions of subsidiaries	35	-	-	-	-	-	-	-	-	-	-	4,144,101	4,144,101
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	-	(393,629)	-	(393,629)	(3,467,292)	(3,860,921)
Disposals of interests in subsidiaries		-	-	-	-	-	-	-	2,599,867	-	2,599,867	6,758,961	9,358,828
Disposals of subsidiaries	36	-	-	-	-	-	-	-	-	-	-	(554,427)	(554,427)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(7,831,284)	(7,831,284)
Repurchase of shares	30(b)	-	(1,291,800)	-	-	-	-	-	-	-	(1,291,800)	-	(1,291,800)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	-	(15,506,616)	(15,506,616)
Others		-	-	-	-	-	-	102,584	-	(102,584)	-	-	-
Balance at 31 December 2022		11,630,709	(1,291,800)	22,632,579	117,743,677	(4,475,876)	(313,054)	(846,718)	231,965	97,379,860	242,691,342	162,300,164	404,991,506

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2022

	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 (non-recycling) RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021		11,617,732	22,431,887	97,466,324	(1,222,772)	387,285	(705,865)	(3,880,410)	98,416,772	224,510,953	125,333,521	349,844,474
Changes in equity for 2021												
Profit for the year		-	-	-	-	-	-	-	22,524,033	22,524,033	15,545,494	38,069,527
Other comprehensive income	9	-	-	-	1,156,878	(250,544)	497,012	-	-	1,403,346	64,829	1,468,175
Total comprehensive income		-	-	-	1,156,878	(250,544)	497,012	-	22,524,033	23,927,379	15,610,323	39,537,702
Issuance of shares	30(b)	7,651	123,179	-	-	-	-	-	-	130,830	-	130,830
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	-	-	(14,522,165)	(14,522,165)	-	(14,522,165)
Appropriation to statutory reserves	30(c)(i)	-	-	13,720,196	-	-	-	-	(13,720,196)	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	32,757,809	32,757,809
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	3,807,764	3,807,764
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	(240,360)	-	(240,360)	(1,698,709)	(1,939,069)
Disposals of interests in subsidiaries		-	-	-	-	-	-	2,272,321	-	2,272,321	15,024,676	17,296,997
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(101,150)	(101,150)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(7,181,802)	(7,181,802)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	(26,650,775)	(26,650,775)
Others		-	-	-	-	-	-	(125,824)	-	(125,824)	(82,014)	(207,838)
Balance at 31 December 2021		11,625,383	22,555,066	111,186,520	(65,894)	136,741	(208,853)	(1,974,273)	92,698,444	235,953,134	156,819,643	392,772,777

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Operating activities			
Cash generated from operations	23(b)	40,089,968	41,072,096
Income tax paid		(37,339,518)	(36,958,935)
Net cash generated from operating activities		2,750,450	4,113,161
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	35	(8,383,938)	(15,918,005)
Investment in associates and joint ventures		(10,158,297)	(15,250,059)
Other investments		(251,635)	(208,447)
Acquisitions of property, plant and equipment, investment properties and intangible assets		(12,826,706)	(9,577,908)
Net cash inflow from disposals of subsidiaries	36	1,453,307	3,221,932
Proceeds from disposal of property, plant and equipment		77,834	63,571
Proceeds from disposals of investments		7,641,027	856,446
Interest received		2,532,054	4,424,509
Net cash flow from redemptions of wealth management product		2,445	150,524
Investment income received		6,883,638	5,956,650
Net cash used in from investing activities		(13,030,271)	(26,280,787)

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Financing activities			
Capital element of lease rentals paid	23(c)	(1,505,959)	(1,310,726)
Interest element of lease rentals paid	23(c)	(980,908)	(1,112,014)
Capital contributions from non-controlling interests		14,373,417	38,793,660
Payments to non-controlling interests		(15,775,073)	(23,221,622)
Proceeds from bank loans, borrowings from financial institutions and bonds	23(c)	142,351,344	122,213,110
Proceed from advance payment from contracted parties	23(c)	308,000	–
Repayment of bank loans, borrowings from financial institutions and bonds	23(c)	(100,872,403)	(114,594,233)
Repayment of advance payment from contracted parties	23(c)	–	(2,308,000)
Repayment of shares repurchase		(1,291,800)	–
Dividends and interest paid		(33,167,700)	(41,563,942)
Net cash generated from/(used in) financing activities		3,438,918	(23,103,767)
Net decrease in cash and cash equivalents		(6,840,903)	(45,271,393)
Cash and cash equivalents at 1 January	23(a)	140,708,459	185,662,380
Effect of foreign exchange rate changes		557,114	317,472
Cash and cash equivalents at 31 December	23(a)	134,424,670	140,708,459

The accompanying notes form part of these financial statements.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Group and the Group’s interest in associates and joint ventures.

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

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

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

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

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

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

(c) Changes in accounting policies

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

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

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

(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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

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

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(u) or (v) 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.

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(p)), unless the investment is classified as held for sale (see note 1(ac)).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(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(ac)). 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(p)). 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.

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(p))).

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)).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(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.

(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(p)).

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

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 fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 31(e). These investments are subsequently accounted for as follows, depending on their classification.

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(z)(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 ECL, 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.

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(z)(v).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(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)).

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

(j) Cash flow hedges

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

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

(k) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(o)) 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(z)(iv).

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(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(p)):

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

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(ab)).

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.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

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.

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 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(m) Biological assets

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

(i) Consumable biological assets

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

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

(ii) Bearer biological assets

The bearer biological assets are initially measured at cost:

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

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

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

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

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

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

(n) Intangible assets (other than goodwill)

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(p)). 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

Both the period and method of amortisation are reviewed annually. The Group does not have any intangible assets with indefinite useful lives.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(n) Intangible assets (other than goodwill) (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(ab)), less accumulated amortisation and impairment losses (see note 1(p)).

(o) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. 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

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 note 1(p)), except for the right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 1(q).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(o) Leased assets (continued)

(i) As a lessee (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 lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.

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

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

(ii) As a lessor

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

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(p) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

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

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

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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

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

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

Measurement of ECLs (continued)

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.

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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)**(p) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments and contract assets (continued)***Significant increases in credit risk (continued)*

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.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(z)(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)

(p) 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;
- interests in associates and joint ventures;
- 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).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(p) 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(p)).

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

(q) Inventories and other contract costs

(i) Property development

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(q) Inventories and other contract costs (continued)

(i) Property development (continued)

- 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.

(ii) Other contract costs

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

Incremental costs of obtaining a contract 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(z).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(r) Contract assets and contract liabilities

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

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

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(z)(vi)).

(s) 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(r)).

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

(t) Cash and cash equivalents

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

(u) Trade and other payables

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(v) 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.

(w) 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) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(x) 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.

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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(x) Income tax (continued)

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.

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.

(y) 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)

(z) Revenue and other income

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

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

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

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

(i) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognized when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

(ii) Provision of services

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(z) Revenue and other income (continued)

(iii) Construction contracts

The Group's construction activities under construction contracts with customers for office premises and residential buildings create or enhance real estate assets controlled by the customers.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time during the construction process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those services.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group applies the most likely amount approach to estimate such variable consideration by considering the single most likely amount in a limited range of possible consideration amounts, taking into account the Group's current progress and future performance expectations compared to the agreed completion timeline.

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)

(aa) 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.

(ab) Borrowing costs

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

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.

(ac) 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(ac) Non-current assets held for sale (continued)

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.

(ad) Related parties

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

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

(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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

1 Significant accounting policies (continued)

(ad) Related parties (continued)

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

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(ae) Segment reporting

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

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

2 Accounting judgements and estimates

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

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

(i) Classification between subsidiaries, joint ventures and associates

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Accounting judgements and estimates (continued)

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

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

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

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

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

(b) Sources of estimation uncertainty

Notes 14 and 31 contain information about the assumptions and their risk factors relating to goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Properties for sale

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

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

2 Accounting judgements and estimates (continued)

(b) Sources of estimation uncertainty (continued)

(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.

(iv) Recognition of deferred tax assets

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

(v) Revenue recognition

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

In addition, the contract assets arising from construction contracts are reclassified to receivables when the right to the consideration has become unconditional and are disclosed in note 21, rather than note 20.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting**(a) Revenue**

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

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

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of properties	450,601,146	407,691,658
Property management and related services	25,773,938	19,830,882
Construction contracts	12,171,810	15,232,300
Other services	6,820,722	2,534,767
	495,367,616	445,289,607
Revenue from other sources		
Gross rentals from investment properties	8,470,751	7,508,167
	503,838,367	452,797,774

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 2022, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB491.0 billion (31 December 2021: RMB664.3 billion). This amount mainly represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the properties under development for sale, when the properties are assigned to the customers, which is expected to occur over the next 12 to 36 months (2021: next 12 to 36 months).

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(a) Revenue (continued)

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

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

(b) Segment reporting

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

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

(i) Segment results and assets

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, other investments and current assets in 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.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

The measure used for reporting segment profit is the profit before PRC Corporate Income Tax ("CIT"), excluding share of profits or losses of associates or joint ventures, dividend income, other income (other than Interest income and Net exchange gain/(loss)) and other expenses (other than loss allowance of prepayment) in Mainland China, but including the loss allowance and the profit arising from the inter-segment transactions. LAT which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Property development								Total RMB'000
	Beijing region RMB'000	Northeastern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central region RMB'000	Northwestern region RMB'000	Southwestern region RMB'000	Property management RMB'000	
2022									
Revenue from external customers									
before tax	68,786,443	36,446,598	100,361,164	137,542,753	33,059,279	33,770,118	54,939,411	25,773,938	490,679,704
Inter-segment revenue	181,904	2,557	711,986	135,711	3,471	18,847	16,130	4,550,385	5,620,991
Reportable segment revenue, before tax	68,968,347	36,449,155	101,073,150	137,678,464	33,062,750	33,788,965	54,955,541	30,324,323	496,300,695
Reportable segment profit	5,941,580	3,699,477	12,096,149	17,254,160	3,667,478	5,393,700	2,792,860	1,711,788	52,557,192
Reportable segment assets	276,357,130	89,440,321	395,951,963	431,795,966	133,427,831	89,085,157	168,231,865	36,200,630	1,620,490,863

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

	Property development								
	Beijing region	Northeastern region	Southern region	Shanghai region	Central region	Northwestern region	Southwestern region	Property management	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021									
Revenue from external customers									
before tax	58,791,233	33,095,484	114,428,688	102,785,481	38,765,843	29,857,211	45,007,750	19,830,882	442,562,572
Inter-segment revenue	99,179	2,132	77,515	71,484	45,597	6,514	105,315	4,208,637	4,616,373
Reportable segment revenue,									
before tax	58,890,412	33,097,616	114,506,203	102,856,965	38,811,440	29,863,725	45,113,065	24,039,519	447,178,945
Reportable segment profit	3,049,072	4,621,512	12,751,440	12,982,444	4,698,165	4,839,323	3,507,594	1,975,903	48,425,453
Reportable segment assets	305,749,038	109,578,125	436,079,497	507,886,377	153,684,742	104,134,246	195,186,375	27,854,130	1,840,152,530

Beijing region:	Northeastern region:	Southern region:	Shanghai region:	Central region:	Northwestern region:	Southwestern region:
Beijing, Tianjin, Qingdao, Jinan, Yantai, Taiyuan, Shijiazhuang, Tangshan, Qinhuangdao, Zhangjiakou, Jinzhong, Linyi, Zibo, Weihai and Xiong'an, etc	Baotou, Dalian, Shenyang, Anshan, Fushun, Yingkou, Panjin, Changchun, Jilin and Harbin, etc	Shenzhen, Guangzhou, Dongguan, Foshan, Fuzhou, Xiamen, Zhuhai, Jiangmen, Zhongshan, Qingyuan, Huizhou, Nanning, Liuzhou, Sanya, Putian, Quanzhou, Jinjiang and Zhangzhou, etc	Shanghai, Hangzhou, Suzhou, Nanjing, Ningbo, Xuzhou, Nantong, Wuxi, Zhenjiang, Changshu, Yangzhou, Kunshan, Shaoxing, Yancheng, Changzhou, Jiaying, Haining, Jingjiang, Rui'an, Taicang, Gaoyou, Suqian, Haimen, Taizhou, Jinhua, Ma'anshan, Huzhou, Jiangyin, Wenzhou, Wuhu and Hefei, etc	Nanchang, Changsha, Zhengzhou, Wuhan, Yichang, E'zhou and Zhoukou, etc	Xi'an, Lanzhou, Xining, Yinchuan, Xianyang, Weinan and Urumqi, etc	Chongqing, Chengdu, Guiyang, Nanchong, Kunming, Yuxi, Xishuangbanna, Dali, Yongchuan, Xichang and Meishan, etc

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

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

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Revenue		
Reportable segment revenue before tax	496,300,695	447,178,945
Elimination of inter-segment revenue	(5,620,991)	(4,616,373)
Unallocated revenue	13,158,663	10,235,202
Consolidated revenue	503,838,367	452,797,774
Profit		
Reportable segment profit	52,557,192	48,425,453
Elimination of inter-segment profit	(620,123)	(319,423)
Share of profits less losses of associates and joint ventures	(798,717)	4,888,729
Dividend income	41,684	58,804
Other income	6,170,439	2,837,891
Other expenses, excluding loss allowance of prepayment	(922,803)	(1,865,270)
Unallocated expenses	(4,041,487)	(1,803,553)
LAT	21,009,530	18,130,118
Consolidated profit before taxation	73,395,715	70,352,749
	31 December 2022 RMB'000	31 December 2021 RMB'000
Assets		
Reportable segment assets	1,620,490,863	1,840,152,530
Elimination of inter-segment receivables	(663,791,061)	(685,520,552)
Unallocated assets	800,463,692	784,060,798
Consolidated assets	1,757,163,494	1,938,692,776

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

3 Revenue and segment reporting (continued)**(b) Segment reporting (continued)****(iii) Geographical information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, intangible assets and goodwill, interests in associates and joint ventures, biological assets, other financial assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the properties sold. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated, in the case of intangible assets, biological assets, other financial assets and other non-current assets, and the location of operations, in the case of interests in associates and joint ventures.

	Revenue from external customers	
	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Mainland China	503,151,711	449,052,132
Hong Kong Special Administrative Region ("Hong Kong") and overseas	686,656	3,745,642
	503,838,367	452,797,774

	Specified non-current assets	
	31 December 2022 RMB'000	31 December 2021 RMB'000
Mainland China	293,646,730	293,677,578
Hong Kong	4,438,532	2,923,278
The United States of America	7,002,243	5,818,744
The United Kingdom	1,195,084	2,432,303
	306,282,589	304,851,903

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

4 Other net income

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Interest income	3,571,437	3,819,804
Dividend income from investments	41,684	58,804
Forfeited deposits and compensation from customers	642,418	595,317
Net gain on disposals of subsidiaries, joint ventures and associates	4,612,857	1,376,876
Net gain on disposal of other current assets	22,417	269,867
Net gain on disposal of other financial assets	333	20,000
Net gain on disposals of property, plant and equipment	12,759	19,241
Fair value change	4,917	3,817
Net exchange gain	119,878	7,518
Gain on previously held interest in associate upon taking control	215,104	–
Others	659,634	552,773
	9,903,438	6,724,017

5 Profit before taxation

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

(a) Finance costs

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Borrowings costs	12,041,883	13,450,324
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress (Note)	(7,136,239)	(6,700,991)
	4,905,644	6,749,333

Note: The borrowing costs have been capitalised at a weighted average rate of 3.97% (2021: 4.43%) per annum.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

5 Profit before taxation (continued)

(b) Staff costs

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Salaries, wages and other benefits	18,933,558	16,032,490
Contributions to defined contribution plans	1,484,434	1,088,851
	20,417,992	17,121,341

The total Economic Profits Bonus for 2022 were RMB106 million reversed (2021: accrued RMB85 million) 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

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Depreciation and amortisation	9,299,963	8,063,320
Impairment loss on trade and other receivables and other non-current assets	481,916	280,488
Impairment loss on interest in an associate	–	408,813
Reversal of impairment loss on prepayment	–	(15,420)
Auditors' remuneration	16,800	16,800
Cost of inventories (note 19(a))	366,002,752	324,880,985

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Current tax		
Provision for CIT, Hong Kong Profits Tax and U.S. income tax	17,789,376	19,698,609
Provision for LAT	21,025,128	18,139,347
Withholding tax	27,816	181,594
	38,842,320	38,019,550
Deferred tax		
Origination and reversal of temporary differences (note 28(b)(i))	(2,997,514)	(5,736,328)
	35,844,806	32,283,222

(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 Mainland China are 25% (2021: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% (2021:16.5%) of the estimated assessable profits for the year.

The U.S. income tax comprises federal income tax calculated at 21% and state income tax calculated at the rates ranging from 0% to 10% on the estimated assessable profits of the subsidiaries of the Company which were incorporated in U.S.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

6 Income tax in the consolidated statement of profit or loss (continued)**(a) Taxation in the consolidated statement of profit or loss represents: (continued)****(iii) Withholding tax**

A withholding tax of 10% is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008. Under the China-Hong Kong Tax Treaty and the relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% equity interests or more of a PRC enterprise is entitled to a reduced withholding tax rate of 5%. Some overseas subsidiaries of the Group are entitled to a reduced withholding tax rate of 5%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Profit before taxation	73,395,715	70,352,749
Less: LAT	(21,009,530)	(18,130,118)
Profit before CIT, Hong Kong Profits Tax and U.S. income tax	52,386,185	52,222,631
Notional tax calculated at applicable income tax rate of the relevant group entities concerned	12,697,478	12,997,392
Non-taxable income	(10,421)	(1,236,883)
Non-deductible expenses	2,488,967	2,388,043
Effect of temporary difference not recognised	347,337	1,556,187
Utilisation of previously unrecognised tax losses	(847,751)	(1,522,085)
Over-provision in respect of prior years	159,666	(29,550)
CIT, Hong Kong Profits Tax and U.S. income tax	14,835,276	14,153,104
LAT	21,009,530	18,130,118
Income tax expense	35,844,806	32,283,222

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

7 Directors', supervisors' and chief executive's emoluments

	Year ended 31 December 2022			Year ended 31 December 2021	
	Directors'/ supervisors' fee	Basic salaries, allowances and other benefits	Bonuses and retirement benefit	Total	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. YU Liang	–	1,150	2,899	4,049	1,547
Mr. WANG Haiwu	–	925	1,414	2,339	4,378
President, executive director and Chief Executive Officer					
Mr. ZHU Jiusheng	–	1,069	4,874	5,943	5,927
Non-executive directors					
Mr. XIN Jie	–	–	–	–	–
Mr. HU Guobin	–	–	–	–	–
Mr. HUANG Liping	–	–	–	–	–
Mr. LEI Jiangsong	–	–	–	–	–
Independent non-executive directors					
Mr. KANG Dian	600	–	–	600	600
Ms. LIU Shuwei	600	–	–	600	600
Mr. Ng Kar Ling, Johnny	600	–	–	600	600
Mr. Zhang Yichen	600	–	–	600	600
Supervisors					
Mr. XIE Dong	–	995	3,833	4,828	4,813
Ms. QUE Dongwu	–	1,254	1,400	2,654	4,236
Mr. LI Miao	–	–	–	–	–
2022	2,400	5,393	14,420	22,213	23,301

In addition, certain directors and supervisors participated in the Economic Profits Bonus Plan of the Company. Details are disclosed in note 34(a).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, 1 (2021: 1) of them are directors or supervisors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other 4 (2021: 4) individuals are as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Salaries and other emoluments	3,911	4,921
Discretionary bonuses	27,630	32,722
Contributions to retirement benefit scheme	469	406
	32,010	38,049

The emoluments of the 4 (2021: 4) individuals with the highest emoluments are within the following bands:

	Year ended 31 December 2022	Year ended 31 December 2021
	Number of individuals	Number of individuals
HK\$6,000,001 – HK\$7,000,000	1	–
HK\$7,000,001 – HK\$7,500,000	1	1
HK\$8,500,001 – HK\$9,000,000	–	1
HK\$10,500,001 – HK\$11,000,000	1	–
HK\$11,500,001 – HK\$12,000,000	1	–
HK\$15,000,001 – HK\$15,500,000	–	2

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

9 Other comprehensive income

	Year ended 31 December 2022					
	Attributable to equity shareholders of the Company					Total OCI RMB'000
	Exchange reserve RMB'000	Hedging reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Total RMB'000	Non-controlling interests RMB'000	
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at FVOCI (non-recycling)	-	-	(625,364)	(625,364)	-	(625,364)
Share of other comprehensive income of associates	-	-	(115,085)	(115,085)	(23,139)	(138,224)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	(90,844)	-	-	(90,844)	733,243	642,399
Cash flow hedge reserve: Effective portion of changes in fair value of hedging instruments recognised during the year	-	1,014,200	-	1,014,200	-	1,014,200
Cash flow hedge reserve: Reclassification adjustments for amounts transferred to profit or loss	-	(1,014,200)	-	(1,014,200)	-	(1,014,200)
Costs of hedging reserve: Change in fair value for the year	-	(449,795)	-	(449,795)	-	(449,795)
Share of other comprehensive income of associates	(4,319,138)	-	-	(4,319,138)	(1,212,486)	(5,531,624)
Total	(4,409,982)	(449,795)	(740,449)	(5,600,226)	(502,382)	(6,102,608)

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

9 Other comprehensive income (continued)

	Year ended 31 December 2021					
	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)	-	-	242,996	242,996	-	242,996
Share of other comprehensive income of associates	-	-	254,016	254,016	51,069	305,085
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries	151,417	-	-	151,417	(188,390)	(36,973)
Cash flow hedge reserve: Effective portion of changes in fair value of hedging instruments recognised during the year	-	(237,617)	-	(237,617)	-	(237,617)
Cash flow hedge reserve: Reclassification adjustments for amounts transferred to profit or loss	-	237,617	-	237,617	-	237,617
Costs of hedging reserve: Change in fair value for the year	-	(250,544)	-	(250,544)	-	(250,544)
Share of other comprehensive income of associates	1,005,461	-	-	1,005,461	202,150	1,207,611
Total	1,156,878	(250,544)	497,012	1,403,346	64,829	1,468,175

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 RMB22,617,779,000 (2021: RMB22,524,033,000) and weighted average of 11,593,943,000 ordinary shares (2021: 11,620,282,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2022 No. of shares (‘000)	2021 No. of shares (‘000)
Issued ordinary shares at 1 January	11,625,383	11,617,732
Effect of ordinary shares repurchased and issued	(31,440)	2,550
Weighted average number of ordinary shares at 31 December	11,593,943	11,620,282

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

11 Property, plant and equipment

	Buildings held for own use RMB'000	Improvements to premises RMB'000	Leasehold land RMB'000	Machinery and motor vehicles RMB'000	Electronics and other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2021	16,880,574	14,805,176	5,944,685	786,836	1,394,058	3,236,850	43,048,179
Additions	394,408	440,211	-	97,139	286,158	3,507,357	4,725,273
Transfer in	1,546,058	1,757,915	334,243	168,223	-	(3,346,078)	460,361
Disposals	(402,320)	(35,093)	-	(16,433)	(49,603)	-	(503,449)
Transfer out	(1,169,686)	-	-	-	-	-	(1,169,686)
Change in consolidation scope	44,071	(3,204)	141,241	(11,189)	54,477	-	225,396
Exchange adjustments	-	(503)	(9,715)	(43)	(2,407)	-	(12,668)
At 31 December 2021	17,293,105	16,964,502	6,410,454	1,024,533	1,682,683	3,398,129	46,773,406
At 1 January 2022	17,293,105	16,964,502	6,410,454	1,024,533	1,682,683	3,398,129	46,773,406
Additions	282,600	1,507,457	-	557,487	233,558	1,122,399	3,703,501
Transfer in	2,360,595	873,370	774,840	438,701	-	(2,670,803)	1,776,703
Disposals	(615,041)	(56,423)	(200,835)	(41,970)	(107,665)	-	(1,021,934)
Change in consolidation scope	959,438	804	509,036	634,190	286,328	-	2,389,796
Exchange adjustments	(999)	1,717	41,720	51	9,968	-	52,457
At 31 December 2022	20,279,698	19,291,427	7,535,215	2,612,992	2,104,872	1,849,725	53,673,929
Accumulated depreciation:							
At 1 January 2021	3,647,278	5,737,929	658,941	356,724	805,453	-	11,206,325
Charge for the year	763,390	2,128,274	135,759	61,482	200,043	-	3,288,948
Written back on disposals	(125,828)	(15,837)	-	(11,779)	(39,791)	-	(193,235)
Transfer out	(180,980)	-	-	-	-	-	(180,980)
Change in consolidation scope	592	(767)	(6,349)	(1,688)	30,228	-	22,016
Exchange adjustments	-	(312)	(151)	(31)	(739)	-	(1,233)
At 31 December 2021	4,104,452	7,849,287	788,200	404,708	995,194	-	14,141,841
At 1 January 2022	4,104,452	7,849,287	788,200	404,708	995,194	-	14,141,841
Charge for the year	924,961	2,509,797	194,731	247,868	253,659	-	4,131,016
Written back on disposals	(179,266)	(10,360)	(36,935)	(31,625)	(66,214)	-	(324,400)
Change in consolidation scope	247,232	14	35,900	252,631	51,403	-	587,180
Exchange adjustments	(372)	1,027	650	49	3,268	-	4,622
At 31 December 2022	5,097,007	10,349,765	982,546	873,631	1,237,310	-	18,540,259
Net book value:							
At 31 December 2022	15,182,691	8,941,662	6,552,669	1,739,361	867,562	1,849,725	35,133,670
At 31 December 2021	13,188,653	9,115,215	5,622,254	619,825	687,489	3,398,129	32,631,565

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties

(a) Reconciliation of carrying amount

	2022		2021	
	Completed properties RMB'000	Properties under development RMB'000	Completed properties RMB'000	Properties under development RMB'000
Cost:				
At 1 January	100,702,377	20,722,184	83,717,230	30,078,433
New lease	1,908,786	–	1,733,147	–
Additions of construction costs	–	2,313,275	–	3,628,515
Change in consolidation scope	4,354,320	–	(1,370,345)	(361,996)
Transfer from inventories and others	8,310,174	–	6,929,010	–
Additions	–	–	612,159	–
Exchange adjustment	134,683	–	(75,175)	–
Transfer upon completion	5,111,460	(5,111,460)	9,728,757	(9,728,757)
Disposals	(383,690)	–	(169,929)	(2,894,011)
Lease termination	(1,544,281)	–	(402,477)	–
At 31 December	118,593,829	17,923,999	100,702,377	20,722,184
Accumulated depreciation:				
At 1 January	12,771,929	–	8,709,805	–
Change in consolidation scope	192,547	–	(310,473)	–
Charge for the year	4,554,749	–	4,505,550	–
Exchange adjustment	21,798	–	(8,407)	–
Disposals	(47,037)	–	(29,781)	–
Lease termination	(514,493)	–	(94,765)	–
At 31 December	16,979,493	–	12,771,929	–
Impairment provision:				
At 1 January	131,140	–	131,140	1,494,978
Reversal for the year	–	–	–	(1,494,978)
At 31 December	131,140	–	131,140	–
Net book value:				
At 1 January	87,799,308	20,722,184	74,876,285	28,583,455
At 31 December	101,483,196	17,923,999	87,799,308	20,722,184

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties (continued)

(a) Reconciliation of carrying amount (continued)

As at 31 December 2022, the fair value of the Group's investment properties, excluding leased properties to earn rental income, was approximately RMB116,293,029,000 (31 December 2021: RMB103,914,052,000). This fair value, 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 and Cushman & Wakefield, which are independent qualified professional valuers.

The valuation for completed properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The valuation for properties under development was arrived at by making reference to comparable sales as available in the relevant market. The construction cost incurred, estimated construction cost to complete the development, discount rate and estimated developer's profit as at the date of valuation are also taken into account.

The fair value of the investment properties disclosed at the end of the reporting period is categorised into Level 3 valuations: Fair value measured using significant unobservable inputs, as defined in IFRS 13, Fair value measurement.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

12 Investment properties (continued)

- (b) The Group leases out investment properties under operating leases. The leases run for an initial period of two to twenty years. The lease payments include fixed rentals and variable lease payment based on business performance of the tenants.

Undiscounted lease payments under operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2022 RMB'000	2021 RMB'000
Within 1 year	5,118,170	4,506,367
After 1 year but within 2 years	3,854,609	3,668,067
After 2 years but within 3 years	3,733,642	3,596,673
After 3 years but within 4 years	3,668,186	3,618,131
After 4 years but within 5 years	3,724,255	3,684,547
After 5 years	4,114,512	4,051,485
	24,213,374	23,125,270

Certain of the Group's investment properties were pledged for bank loans, see note 25 for details.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

13 Right-of-use assets

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

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	6,552,671	5,622,254
– leased properties for own use	(ii)	1,347,755	1,674,018
		7,900,426	7,296,272
Investment properties, carried at depreciated cost			
– leasehold land	(i)	41,171,959	36,379,542
– leased properties to earn rental income	(ii)	20,834,802	22,568,082
		62,006,761	58,947,624
		69,907,187	66,243,896

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

13 Right-of-use-assets (continued)

Except for lease liability charges, the analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Property, plant and equipment	682,216	354,123
Investment properties	2,587,293	2,969,686
	3,269,509	3,323,809

	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000
Expense relating to leases of low-value assets and short-term leases	201,612	166,145

During the year, additions to right-of-use assets are set out in note 11 and note 12(a), respectively.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 23(d) and 27, respectively.

(i) Leasehold land

The principal activities of the Group are development and sale of properties in Mainland China. The acquisition cost of interests in leasehold land for property development for sale in the ordinary course of business are presented in 'inventory' (see note 19). The interests in leasehold land which are held to earn rental income and/or for capital appreciation are presented in 'investment properties'. The Group presents interests in leasehold land that do not meet the definition of inventory or investment property in 'property, plant and equipment'.

(ii) Leased properties

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill

	Property management contracts RMB'000	Operating right and others RMB'000	Goodwill RMB'000	Total RMB'000
Cost:				
At 1 January 2021	960,412	676,549	206,343	1,843,304
Exchange adjustment	–	–	(4,034)	(4,034)
Acquisition of subsidiaries	4,258,894	53,889	3,620,014	7,932,797
At 31 December 2021 and 1 January 2022	5,219,306	730,438	3,822,323	9,772,067
Exchange adjustment	–	–	17,325	17,325
Acquisition of subsidiaries	799,474	3,984	1,562,638	2,366,096
At 31 December 2022	6,018,780	734,422	5,402,286	12,155,488
Accumulated amortisation:				
At 1 January 2021	415,431	509,131	–	924,562
Charge for the year	197,708	71,114	–	268,822
Acquisition of subsidiaries	32,445	4,112	–	36,557
At 31 December 2021 and 1 January 2022	645,584	584,357	–	1,229,941
Charge for the year	539,699	74,499	–	614,198
Acquisition of subsidiaries	–	1,364	–	1,364
At 31 December 2022	1,185,283	660,220	–	1,845,503
Net book value:				
At 31 December 2022	4,833,497	74,202	5,402,286	10,309,985
At 31 December 2021	4,573,722	146,081	3,822,323	8,542,126

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill (continued)

(a) Goodwill

Goodwill has been allocated to the Group's cash-generating units (CGUs) as follows.

	31 December 2022 RMB'000	31 December 2021 RMB'000
Fujian Bon Property Group Co., Ltd. ("Bon Property")	1,205,097	1,205,097
Shanghai Yango Intelligent Life Service Group Co., Limited ("Yango")	2,414,917	2,414,917
Vanke Overseas Investment Holding Company Limited	219,634	202,309
Huanshan Group Co., Ltd. ("Huanshan")	1,562,638	–
	5,402,286	3,822,323

The recoverable amounts of CGUs of Bon Property and Yango are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets of the CGUs approved by management covering a five-year period. Cash flow beyond the five-year period are extrapolated using the estimated terminal growth rates below. The growth rates don't exceed the long-term average growth rate for the related industry in which the CGUs operate. The pre-tax discount rates below reflect specific risks relating to the relevant industry and the CGU itself and macro-environment of the relevant region.

The key assumptions used in the estimation of value in use were as follows.

	31 December 2022	31 December 2021
Annual growth rate of revenue	10%-24%	3%-24%
Long-term growth rate	2%	2%
Pre-tax discount rate	16%-17%	16%-17%

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

14 Intangible assets and goodwill (continued)**(a) Goodwill (continued)**

The increase of goodwill arose from acquisition of Huanshan during the year. The recoverable amounts of Huanshan are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets of the CGUs approved by management covering a five-year period. Cash flow beyond the five-year period are extrapolated using the estimated terminal growth rates below. The growth rates don't exceed the long-term average growth rate for the related industry in which the CGUs operate.

The key assumptions used in the estimation of value in use were as follows.

	31 December 2022
Weighted average growth rate of revenue	8.2%
Long-term growth rate	0%
Pre-tax discount rate	12%

Management have undertaken sensitivity analysis on the impairment test of goodwill. With regard to the assessment of the value-in-use of the CGUs, the management believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

Based on the results of the above, the Group determines that there is no impairment on goodwill as at 31 December 2022 (31 December 2021: Nil).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

15 Investments in subsidiaries

The following are the particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. The Mainland China 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	RMB5,000,000	100%	100%	-	Property development
Shanghai Vanke Enterprises Company Limited	Shanghai	RMB10,000,000	100%	-	100%	Property development
Beijing Vanke Enterprises Company Limited	Beijing	RMB2,000,000	100%	95%	5%	Property development
Foshan Vanke Property Company Limited	Foshan	RMB60,000	100%	-	100%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB300,000	100%	-	100%	Property development
Zhuhai Vanke Development Company Limited	Zhuhai	RMB10,000	100%	100%	-	Property development
Xiamen Vanke Enterprises Company Limited	Xiamen	RMB1,200,000	100%	100%	-	Property development
Fuzhou Vanke Development Company Limited	Fuzhou	RMB20,000	100%	100%	-	Property development
Hainan Vanke Corporate Management Company Limited	Hainan	RMB10,000	100%	100%	-	Property development
Nanjing Vanke Enterprises Company Limited	Nanjing	RMB150,000	100%	100%	-	Property development
Suzhou Vanke Enterprises Company Limited	Suzhou	RMB100,000	100%	100%	-	Property development
Ningbo Vanke Enterprises Company Limited	Ningbo	RMB150,000	100%	100%	-	Property development
Hefei Vanke Enterprises Company Limited	Hefei	RMB200,000	100%	100%	-	Property development
Tangshan Vanke Real Estate Development Company Limited	Tangshan	RMB200,000	100%	-	100%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000	100%	15%	85%	Property development
Shenyang Vanke Enterprises Company Limited	Shenyang	RMB100,000	100%	95%	5%	Property development
Dalian Vanke Property Company Limited	Dalian	RMB30,000	100%	100%	-	Property development
Changchun Vanke Real Estate Development Company Limited	Changchun	RMB50,000	100%	95%	5%	Property development
Yantai Vanke Enterprises Company Limited	Yantai	RMB30,000	100%	100%	-	Property development
Taiyuan Vanke Enterprises Company Limited	Taiyuan	RMB100,000	100%	100%	-	Property development
Qingdao Vanke Enterprises Company Limited	Qingdao	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
Vanke (Chongqing) Enterprises Company Limited	Chongqing	RMB100,000	100%	100%	-	Property development
Xi'an Vanke Enterprises Company Limited	Xi'an	RMB20,000	100%	100%	-	Property development
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000	100%	100%	-	Property development
Yunnan Vanke Enterprises Company Limited	Kunming	RMB40,000	100%	100%	-	Property development
Vanke (Xinjiang) Enterprises Company Limited	Urumqi	RMB100,000	100%	95%	5%	Property development
Zhejiang Zhenan Vanke Real Estate Company Limited	Wenzhou	RMB1,300,000	100%	100%	-	Property development
Wuhu Vanke Real Estate Company Limited	Wuhu	RMB60,000	100%	100%	-	Property development
Yangzhou Vanke Real Estate Company Limited	Yangzhou	RMB10,000	100%	100%	-	Property development
Zhengzhou Vanke Enterprises Company Limited	Zhengzhou	RMB100,000	100%	100%	-	Property development

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	
Xuzhou Vanke Enterprises Company Limited	Xuzhou	RMB100,000	100%	100%	-	Property development
Jinan Vanke Enterprises Company Limited	Jinan	RMB100,000	100%	100%	-	Property development
Guangxi Vanke Corporate Management Company Limited	Nanning	RMB10,000	100%	100%	-	Property development
Changzhou Vanke Enterprises Company Limited	Changzhou	RMB20,000	100%	100%	-	Property development
Lanzhou Vanke Enterprises Company Limited	Lanzhou	RMB100,000	100%	100%	-	Property development
Shijiazhuang Vanke Real Estate Development Company Limited	Shijiazhuang	RMB50,000	100%	-	100%	Property development
Zhongshan Vanke Enterprises Company Limited	Zhongshan	RMB100,000	100%	100%	-	Property development
Changsha Vanke Enterprises Company Limited	Changsha	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 Real Estate Company Limited	Nantong	RMB50,000	100%	-	100%	Property development
Jiangxi Vanke Yida Property Investment Company Limited	Nanchang	RMB100,000	50%	50%	-	Property development
Jiaxing Vanke Real Estate Development Company Limited	Jiaxing	RMB100,000	100%	-	100%	Property development
Yancheng Vanke Real Estate Development Company Limited	Yancheng	RMB20,000	100%	-	100%	Property development
Ha'erbin Vanke Enterprises Company Limited	Ha'erbin	RMB100,000	100%	100%	-	Property development
Baotou Vanke Real Estate Company Limited	Baotou	RMB10,000	100%	100%	-	Property development
Jiangmen Vanke Enterprise Company Limited	Jiangmen	RMB100,000	100%	100%	-	Property development
Huizhou Vanke Enterprises Company Limited	Huizhou	RMB20,000	100%	100%	-	Property development
Linyi Vanke Enterprises Company Limited	Linyi	RMB100,000	100%	100%	-	Property development
Vanke Overseas Investment Holding Company Limited	The Cayman Islands/ Hong Kong	HKD7,500	75%	-	75%	Property Investment holding
Vanke Real Estate (HK) Company Limited	Hong Kong	HKD6,309,217	100%	80%	20%	Investment holding
Vanke Property (HK) Company Limited	Hong Kong	USD490,000	100%	-	100%	Investment holding
Vanke Property Real Estate (HK) Company Limited	Hong Kong	USD90,000	100%	49%	51%	Investment holding
Dongguan Vanke Architectural Technology Research Company Limited	Dongguan	RMB20,000	100%	100%	-	Others
Vanke Holdings USA LLC	U.S.	USD972,501	100%	-	100%	Investment holding
Jilin Songhua Lake International Resorts Company Limited	Jilin	RMB1,100,000	100%	-	100%	Tourism
Vanke Logistics Development Company Limited	Shanghai	RMB35,968,000	75%	75%	-	Warehousing service
Zhuhai Port Apartment Management Company Limited	Zhuhai	RMB5,000	100%	-	100%	Long-term rentals
Yango	Shanghai	RMB212,500	56.06%	-	56.06%	Property management, Commercial complex management services
Bon Property	Fuzhou	RMB62,100	56.06%	-	56.06%	Property services
Huanshan	Qingdao	RMB127,334	100%	-	99.33%	Cultivation

No individual non-controlling interest is considered material to the Group as at 31 December 2022 and 2021.

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(Expressed in thousands in Renminbi unless otherwise indicated)

16 Interests in associates and joint ventures

(a) Interests in associates

	31 December 2022 RMB'000	31 December 2021 RMB'000
Listed in Hong Kong	4,329,032	4,423,643
Listed in U.S.	–	2,597,927
Unlisted	64,406,487	72,036,693
	68,735,519	79,058,263

As at 31 December 2022, the market value of the interests in associates listed in Hong Kong was RMB2,767,567,000 (31 December 2021: RMB3,006,981,000).

As at 31 December 2021, the market value of the investment in an associate listed in U.S. was RMB5,968,689,000. During 2022, the above investment was partially disposed and the remaining investment held was classified as other financial asset (note 17).

Management considers that none of the associates of the Group will have a significant impact to the financial position and performance of the Group individually.

	31 December 2022 RMB'000	31 December 2021 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	69,144,332	79,467,076
Aggregate impairment loss on interest in an associate	(408,813)	(408,813)
Aggregate amounts of the Group's share of those associates' profit or loss for the year	(822,771)	1,282,946
Aggregate amounts of the Group's share of those associates' other comprehensive income for the year	(7,381,451)	1,512,696
Shares of changes in equity other than comprehensive income and distributions received from associates	–	(295,594)

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(Expressed in thousands in Renminbi unless otherwise indicated)

16 Interests in associates and joint ventures (continued)**(b) Interests in joint ventures**

Management considers that none of the joint ventures of the Group will have significant impact to the financial position and performance of the Group individually.

	31 December 2022 RMB'000	31 December 2021 RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	60,750,949	65,391,069
Aggregate amounts of the Group's share of those joint ventures' profit or loss	24,054	3,605,783

17 Other financial assets

	31 December 2022 RMB'000	31 December 2021 RMB'000
Equity securities designated at FVOCI (non-recycling)		
– Listed equity securities	1,254,300	1,833,455
Financial assets measured at FVPL		
– Listed equity securities	2,722,036	4,156
– Unlisted equity securities	1,155,472	1,036,983
	3,877,508	1,041,139
	5,131,808	2,874,594

The Group designated its investments in certain companies at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividend was received on the investments during the year (2021: Nil).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

18 Other non-current assets

	31 December 2022 RMB'000	31 December 2021 RMB'000
Prepayments for acquisitions and properties development	4,137,093	5,287,086
Others	2,356,977	2,545,708
	6,494,070	7,832,794

19 Inventories and other contract costs

	31 December 2022 RMB'000	31 December 2021 RMB'000
Properties held for development	111,704,959	159,313,570
Properties under development	695,301,171	828,395,035
Completed properties for sale	98,070,445	86,951,841
Others	2,019,405	1,011,237
Contract costs	6,634,573	7,926,631
	913,730,553	1,083,598,314

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

	2022 RMB'000	2021 RMB'000
Carrying amount of inventories sold	365,552,934	321,760,871
Write-down of inventories	449,818	3,120,114
	366,002,752	324,880,985

Certain of the Group's inventories were pledged for bank loans, see note 25 for details.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

19 Inventories and other contract costs (continued)**(b) Contract costs**

Contract costs capitalised as at 31 December 2022 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 RMB6,356,484,000 (2021: RMB4,998,444,000).

The amount of capitalised contract costs that is expected to be recovered after more than one year is RMB1,200,790,000 (31 December 2021: RMB1,469,809,000).

20 Contract assets and contract liabilities**(a) Contract assets**

	31 December 2022 RMB'000	31 December 2021 RMB'000
Contract assets		
Arising from performance under construction contracts	10,927,515	10,390,002
Receivables from contracts with customers within the scope of IFRS15, which are included in "Trade and other receivables (Note 21)"	7,511,245	4,771,279

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 RMB862,582,000 (2021: RMB555,711,000), all of which relates to retentions.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

20 Contract assets and contract liabilities (continued)

(b) Contract liabilities

	31 December 2022 RMB'000	31 December 2021 RMB'000
Contract liabilities		
Property development	465,580,958	636,858,514

The Group receives 20%-100% of the contract value as a deposit from customers when they sign the sale and purchase agreement and the rest of the consideration is paid according to payment schedules. This deposit is recognised as a contract liability until the properties are controlled by the customer.

Movements in contract liabilities

	2022 RMB'000
Balance at 1 January	636,858,514
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(410,449,850)
Increase in contract liabilities as a result of receiving forward sales deposits and instalments excluding amounts recognised as revenue during the year	226,344,530
Change in consolidation scope	12,827,764
Balance at 31 December	465,580,958

The amount of forward sales deposits and instalments received expected to be recognised as income after more than one year is RMB96,699 million (31 December 2021: RMB131,842 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Trade receivables, net of loss allowance	(a)	7,511,245	4,771,279
Other receivables, net of loss allowance	(b)	118,792,438	128,049,457
Prepayments, net of loss allowance	(c)	73,260,608	85,234,890
Amounts due from associates	(d)	49,744,066	46,566,499
Amounts due from joint ventures	(d)	104,158,174	91,445,163
Derivative financial instruments	24(d)	45,054	–
		353,511,585	356,067,288

All of the trade and other receivables, apart from receivables of RMB3,857 million (31 December 2021: RMB3,774 million), are expected to be recovered within one year.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables (continued)**(a) Ageing analysis**

As at the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the date the trade receivables recognised and net of loss allowance, is as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Within 1 year	6,413,684	3,767,388
1 to 2 years	545,512	424,626
2 to 3 years	215,363	252,915
Over 3 years	336,686	326,350
	7,511,245	4,771,279

The Group's credit policy is set out in note 31(a).

- (b) Other receivables mainly included deposits paid for the acquisition of land and advances made to non-controlling shareholders of certain subsidiaries. Allowance for other debtors related to certain long outstanding deposits and management assessed that only a portion of the receivables is expected to be recovered.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

21 Trade and other receivables (continued)

- (c) Prepayments include prepayments for inventories of RMB8,975 million (31 December 2021: RMB11,027 million), prepaid CIT of RMB16,032 million (31 December 2021: RMB16,944 million) and prepaid LAT of RMB12,220 million (31 December 2021: RMB12,936 million) and prepaid value-added tax (“VAT”) of RMB31,050 million (31 December 2021: RMB39,149 million). Impairment provision for prepayments relates to certain prepayments for leasehold land, which are not expected to be recoverable.
- (d) The amounts due from associates and joint ventures as at 31 December 2022 include amounts of RMB20,848 million (31 December 2021: RMB22,265 million) which are interest-bearing at market rate, unsecured and repayable on demand. The interest income from these associates and joint ventures amounted to RMB1,482 million (31 December 2021: RMB1,306 million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

22 Other current assets

At 31 December 2022, other current assets mainly represented investments in wealth management products with maturity dates of less than one year.

23 Cash and cash equivalents**(a) Cash and cash equivalents comprises**

	31 December 2022 RMB'000	31 December 2021 RMB'000
Cash at bank and on hand	134,424,670	140,708,459

As at the end of the reporting period, bank deposit balances amounted RMB23.6 million (2021: RMB195 million) were held with Huishang Bank, an associate of the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(b) Reconciliation of profit before taxation to cash generated from operation

	Note	2022 RMB'000	2021 RMB'000
Profit before taxation		73,395,715	70,352,749
Adjustments for:			
Write-down of inventories	19(a)	449,818	3,120,114
Impairment loss on trade and other receivables and other non-current assets	5(c)	481,916	280,488
Impairment loss of interest in an associate	5(c)	–	408,813
Reversal of impairment loss on prepayment	5(c)	–	(15,420)
Depreciation and amortisation	5(c)	9,299,963	8,063,320
Net gain on disposals of property, plant and equipment	4	(12,759)	(19,241)
Net gain on disposals of subsidiaries, joint ventures and associates	4	(4,612,857)	(1,376,876)
Net gain on disposal of other financial assets	4	(333)	(20,000)
Gain on previously held interest in associate upon taking control	4	(215,104)	–
Net gain on disposal of other current assets	4	(22,417)	(269,867)
Fair value changes	4	(4,917)	(3,817)
Lease liability charges		980,908	1,112,014
Finance costs	5(a)	4,905,644	6,749,333
Interest income	4	(3,571,437)	(3,819,804)
Dividend income from investments	4	(41,684)	(58,804)
Share of profits less losses of associates and joint ventures		798,717	(4,888,729)
Net exchange gain	4	(119,878)	(7,518)
Changes in working capital:			
Decrease/(increase) in inventories and other contract costs		196,495,994	(38,294,654)
Decrease/(increase) in trade and other receivables and contract assets		2,838,154	(11,271,768)
(Decrease)/increase in trade and other payables and contract liabilities		(240,955,475)	11,031,763
Cash generated from operations		40,089,968	41,072,096

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and borrowings from financial institutions RMB'000 Note 25	Bonds payable RMB'000 Note 26	Interest payables RMB'000	Lease liabilities RMB'000 Note 27	Payable/ (advance) to contracted parties RMB'000	Total RMB'000
At 1 January 2022	207,938,527	58,026,317	1,942,720	26,235,592	(308,000)	293,835,156
Changes from financing cash flows:						
Proceeds from bank loans, borrowings from financial institutions and bonds	112,299,124	30,052,220	-	-	-	142,351,344
Repayment of bank loans, borrowings from financial institutions and bonds	(95,864,633)	(5,007,770)	-	-	-	(100,872,403)
Repayment of advance payment from contracted parties	-	-	-	-	308,000	308,000
Interest paid	-	-	(12,382,740)	-	-	(12,382,740)
Capital element of lease rentals	-	-	-	(1,505,959)	-	(1,505,959)
Interest element of lease rentals paid	-	-	-	(980,908)	-	(980,908)
Total changes from financing cash flows	16,434,491	25,044,450	(12,382,740)	(2,486,867)	308,000	26,917,334
Exchange adjustments	2,260,302	2,536,951	29,511	-	-	4,826,764
Other changes:						
Increase in lease liabilities from entering into new leases during the period	-	-	-	2,028,882	-	2,028,882
Decrease in lease liabilities from termination of leases during the period	-	-	-	(1,896,500)	-	(1,896,500)
Interest expenses (Note 5(a))	-	-	4,905,644	-	-	4,905,644
Lease liability charges	-	-	-	980,908	-	980,908
Capitalised borrowing costs (Note 5(a))	-	-	7,136,239	-	-	7,136,239
Change in consolidation scope	1,864,927	-	-	(837,736)	-	1,027,191
Total other changes	1,864,927	-	12,041,883	275,554	-	14,182,364
At 31 December 2022	228,498,247	85,607,718	1,631,374	24,024,279	-	339,761,618

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(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans and borrowings from financial institutions RMB'000 Note 25	Bonds payable RMB'000 Note 26	Interest payables RMB'000	Lease liabilities RMB'000 Note 27	Payable/ (advance) to contracted parties RMB'000	Total RMB'000
At 1 January 2021	202,022,316	56,504,054	1,271,253	26,174,203	2,000,000	287,971,826
Changes from financing cash flows:						
Proceeds from bank loans, borrowings from financial institutions and bonds	107,235,746	14,977,364	-	-	-	122,213,110
Repayment of bank loans, borrowings from financial institutions and bonds	(101,659,017)	(12,935,216)	-	-	-	(114,594,233)
Repayment of advance payment from contracted parties	-	-	-	-	(2,308,000)	(2,308,000)
Interest paid	-	-	(12,525,694)	-	-	(12,525,694)
Capital element of lease rentals	-	-	-	(1,310,726)	-	(1,310,726)
Interest element of lease rentals paid	-	-	-	(1,112,014)	-	(1,112,014)
Total changes from financing cash flows	5,576,729	2,042,148	(12,525,694)	(2,422,740)	(2,308,000)	(9,637,557)
Exchange adjustments	(331,418)	(519,885)	(253,163)	-	-	(1,104,466)
Other changes:						
Increase in lease liabilities from entering into new leases during the period	-	-	-	1,914,836	-	1,914,836
Decrease in lease liabilities from termination of leases during the period	-	-	-	(542,721)	-	(542,721)
Interest expenses (Note 5(a))	-	-	6,749,333	-	-	6,749,333
Lease liability charges	-	-	-	1,112,014	-	1,112,014
Capitalised borrowing costs (Note 5(a))	-	-	6,700,991	-	-	6,700,991
Change in consolidation scope	670,900	-	-	-	-	670,900
Total other changes	670,900	-	13,450,324	2,484,129	-	16,605,353
At 31 December 2021	207,938,527	58,026,317	1,942,720	26,235,592	(308,000)	293,835,156

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(Expressed in thousands in Renminbi unless otherwise indicated)

23 Cash and cash equivalents (continued)**(d) Total cash outflow for leases**

Amounts included in the cash flow statement for leases, excluding the acquisition of land use right as inventory, comprise the following:

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Within operating cash flows	201,612	166,145
Within investing cash flows	448,790	196,197
Within financing cash flows	2,486,867	2,422,740
	3,137,269	2,785,082

These amounts relate to the following:

	Year ended 31 December 2022	Year ended 31 December 2021
	RMB'000	RMB'000
Purchase of leasehold land for own use	448,790	196,197
Lease rentals paid	2,688,479	2,588,885
	3,137,269	2,785,082

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(Expressed in thousands in Renminbi unless otherwise indicated)

24 Trade and other payables

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Trade creditors and bills payable	(a)	289,241,525	330,536,573
Other payables and accruals	(b)	122,397,187	143,839,349
Amounts due to associates	(c)	24,361,700	23,014,522
Amounts due to joint ventures	(c)	35,426,814	41,391,381
Receipts in advance		1,260,189	1,364,286
Derivative financial instrument	(d)	193,450	721,411
Contingent consideration	(e)	191,792	191,792
		473,072,657	541,059,314

Notes:

- (a) An amount of RMB7,709 million (31 December 2021: RMB6,676 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:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Current or payable on demand	281,532,695	323,860,523
Due after one year	7,708,830	6,676,050
Total	289,241,525	330,536,573

- (b) Other payables and accruals mainly include advances from non-controlling interests of certain subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB1,035 million (31 December 2021: RMB4,617 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.
- (c) The amounts of RMB243 million (31 December 2021: RMB3,807 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the year amounted to RMB39 million (2021: RMB109 million). The remaining amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

24 Trade and other payables (continued)

- (d) The Group entered into cross currency swap (“CCS”) contracts for hedging purpose. These CCS contracts are measured at fair value. The effective portion of gains and losses on CCS qualifying for hedge accounting as at 31 December 2022 was recognised in the other comprehensive income and calculated separately in equity in hedging reserve.

The notional amount of outstanding CCS contracts as at 31 December 2022 is RMB11,913 million (31 December 2021: RMB11,929 million), and the fair value of related derivative financial liability is RMB193 million (2021: derivative financial liabilities at RMB721 million) and derivative financial assets at RMB45 million (2021: Nil).

- (e) In 2021, the Group obtained control over Bon Property by acquiring 100% of the equity interests in Bon Property with a fixed cash consideration of RMB1,814,400,000 and a contingent cash consideration of RMB191,792,000.

25 Bank loans and borrowings from financial institutions

This note provides information about the contractual terms of the Group’s bank loans and borrowings from financial institutions. For more information about the Group’s exposure to interest rate risk, please refer to note 31(c).

	31 December 2022		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
Current			
Secured	2,364,109	–	2,364,109
Unsecured	38,010,857	7,350,000	45,360,857
Interest payables	421,320	–	421,320
	40,796,286	7,350,000	48,146,286
Non-current			
Secured	12,715,556	–	12,715,556
Unsecured	137,275,725	30,782,000	168,057,725
	149,991,281	30,782,000	180,773,281

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

25 Bank loans and borrowings from financial institutions (continued)

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

25 Bank loans and borrowings from financial institutions (continued)

The secured bank loans are secured over share of interests in certain subsidiaries of the Group and other assets as below:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Inventories	6,334,756	4,898,578
Investment properties	10,535,073	8,867,026
Pledged deposit	–	3,866,175
Property, plant and equipment	767,289	492,938
	17,637,118	18,124,717

Bank loans and borrowings from financial institutions are interest-bearing at 3.00% to 3 months HIBOR float 2.26% per annum (2021: 1.14% to 6.16% per annum).

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

	31 December 2022 RMB'000	31 December 2021 RMB'000
After 1 year but within 2 years	58,223,605	66,846,309
After 2 years but within 5 years	87,159,745	76,765,869
After 5 years	35,389,931	10,710,101
	180,773,281	154,322,279

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

26 Bonds payable

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Current			
Bonds issued under			
Medium Term Note (“MTN”) Programme	(a)	11,214,848	504,432
RMB Corporate Bonds	(b)	5,577,300	4,501,313
Interest payables		1,158,393	1,570,462
		17,950,541	6,576,207
Non-current			
Bonds issued under MTN Programme	(a)	22,328,886	30,510,074
RMB Corporate Bonds	(b)	19,825,940	16,521,269
RMB MTN Programme	(c)	26,660,744	5,989,229
		68,815,570	53,020,572
		86,766,111	59,596,779

Notes:

- (a) Vanke Real Estate Hong Kong (“VREHK”), a wholly-owned subsidiary of the Group, established a MTN Programme (“the Programme”) which is listed on the Stock Exchange of Hong Kong. These bonds are unsecured and interest-bearing at 3.15% to 3 months LIBOR float 1.55% per annum. At 31 December 2022, RMB9,943 million of non-current bonds issued under the Programme are repayable after 1 year but within 2 years, RMB10,329 million of non-current bonds issued under the Programme are repayable after 2 year but within 5 years, and RMB2,057 million of which are repayable after 5 years.
- (b) The Company was approved by the China Securities Regulatory Commission (“CSRC”) for public issuance of corporate bonds not exceeding RMB45 billion to qualified investors. These bonds are unsecured and interest-bearing at 2.56% to 4.11% per annum. At 31 December 2022, RMB3,295 million of non-current bonds are repayable after 1 year but within 2 years, and RMB16,531 million of which are repayable after 2 years but within 5 years.
- (c) The Group issued notes under the MTN programme which are listed on the National Association of Financial Market Institution Investors. These bonds are unsecured and interest-bearing at 2.90% to 3.76% per annum. At 31 December 2022, RMB5,994 million of non-current bonds issued under the programme are repayable after 1 years but within 2 years, and RMB20,666 million of which are repayable after 2 years but within 5 years.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

27 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current reporting period:

	31 December 2022	
	Present value of the lease payments RMB'000	Total lease payments RMB'000
Within 1 year	1,958,553	2,638,269
After 1 year but within 2 years	2,020,635	2,674,932
After 2 years but within 3 years	2,076,663	2,680,471
After 3 years	17,968,428	23,961,837
	22,065,726	29,317,240
Balance at 31 December	24,024,279	31,955,509
Less: total future interest expenses		(7,931,230)
Present value of lease liabilities		24,024,279
	31 December 2021	
	Present value of the lease payments RMB'000	Total lease payments RMB'000
Within 1 year	1,925,950	2,923,431
After 1 year but within 2 years	2,048,164	2,946,560
After 2 years but within 3 years	2,095,182	2,918,475
After 3 years	20,166,296	27,852,812
	24,309,642	33,717,847
Balance at 31 December	26,235,592	36,641,278
Less: total future interest expenses		(10,405,686)
Present value of lease liabilities		26,235,592

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Income taxes	14,298,169	12,799,799
LAT	56,794,409	58,384,406
	71,092,578	71,184,205

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.

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses RMB'000	Write-down of inventories and impairment of investment properties RMB'000	Accruals for construction costs RMB'000	Accrual for LAT RMB'000	Unrealised profits RMB'000	Impairment loss of trade and other receivables RMB'000	Other temporary differences RMB'000	Fair value adjustments arising from business combinations RMB'000	Withholding tax RMB'000	Total RMB'000
Deferred tax arising from:										
At 1 January 2021	11,562,923	335,853	1,793,855	11,594,719	1,307,458	358,779	581,844	(195,998)	(99,350)	27,240,083
Credited/(charged) to profit or loss (note 6(a))	3,092,346	(202,917)	170,286	1,772,464	44,380	(15,304)	869,386	56,260	(50,573)	5,736,328
Acquisition of subsidiaries	301,880	-	-	-	-	-	-	(1,054,873)	-	(752,993)
Disposals of subsidiaries	(50,032)	-	-	-	-	-	-	-	-	(50,032)
At 31 December 2021 and 1 January 2022	14,907,117	132,936	1,964,141	13,367,183	1,351,838	343,475	1,451,230	(1,194,611)	(149,923)	32,173,386
Credited/(charged) to profit or loss (note 6(a))	3,240,678	(23,131)	136,150	(507,135)	(11,315)	39,063	(41,974)	153,071	12,107	2,997,514
Acquisition of subsidiaries	329,669	-	25,680	121,486	-	-	-	(33)	-	476,802
Disposals of subsidiaries	(173,668)	-	-	(1,167,948)	-	-	-	-	-	(1,341,616)
At 31 December 2022	18,303,796	109,805	2,125,971	11,813,586	1,340,523	382,538	1,409,256	(1,041,573)	(137,816)	34,306,086

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position (continued)**(b) Deferred tax assets and liabilities recognised: (continued)****(ii) Reconciliation to the consolidated statement of financial position**

	31 December 2022 RMB'000	31 December 2021 RMB'000
Representing:		
Deferred tax assets	35,485,475	33,517,920
Deferred tax liabilities	(1,179,389)	(1,344,534)
	34,306,086	32,173,386

(c) Deferred tax assets not recognised:

Deferred tax assets has not been recognised in respect of the following items:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Tax losses	5,752,988	6,263,474
Deductible temporary differences	6,119,818	8,119,603
At 31 December	11,872,806	14,383,077

The deductible temporary differences will not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses expired/will expire in the following years:

	31 December 2022 RMB'000	31 December 2021 RMB'000
2022	–	448,103
2023	973,520	883,615
2024	423,703	302,975
2025	1,733,290	1,595,917
2026	1,661,515	3,032,864
2027	960,960	–
	5,752,988	6,263,474

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

28 Income tax in the consolidated statement of financial position (continued)

(d) Deferred tax liabilities not recognised

Pursuant to the Implementation Rules of the Enterprise Income Tax Law, overseas investors of foreign investment enterprises shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group recognised the deferred tax liabilities in relation to the distributable profits expected to be distributed in foreseeable future.

At 31 December 2022, temporary differences relating to the undistributed profits of domestic subsidiaries that have not been recognised as deferred tax liability amounted to RMB14,974 million (31 December 2021: RMB15,145 million). Deferred tax liabilities of RMB981 million (31 December 2021: RMB993 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and management expects that it is probable that these profits will not be distributed in the foreseeable future.

29 Other non-current liabilities

The balance mainly represents the amounts that are held on behalf of the owners committees in the property management sector by the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
Balance at 1 January 2021		11,617,732	-	22,431,887	97,466,324	371,944	15,446,354	147,334,241
Changes in equity for 2021:								
Profit for the year		-	-	-	-	-	24,945,811	24,945,811
Total comprehensive income		-	-	-	-	-	24,945,811	24,945,811
Issuance of shares	30(b)	7,651	-	123,179	-	-	-	130,830
Dividends approved in respect of the previous year	30(d)	-	-	-	-	-	(14,522,165)	(14,522,165)
Appropriation of statutory reserves	30(c)(i)	-	-	-	13,720,196	-	(13,720,196)	-
Balance at 31 December 2021 and 1 January 2022		11,625,383	-	22,555,066	111,186,520	371,944	12,149,804	157,888,717
Changes in equity for 2022:								
Profit for the year		-	-	-	-	-	14,571,459	14,571,459
Total comprehensive income		-	-	-	-	-	14,571,459	14,571,459
Issuance of shares	30(b)	5,326	-	77,513	-	-	-	82,839
Repurchase of shares	30(b)	-	(1,291,800)	-	-	-	-	(1,291,800)
Dividends approved in respect of the previous year	30(d)(ii)	-	-	-	-	-	(11,276,622)	(11,276,622)
Appropriation of statutory reserves	30(c)(i)	-	-	-	6,557,157	-	(6,557,157)	-
Balance at 31 December 2022		11,630,709	(1,291,800)	22,632,579	117,743,677	371,944	8,887,484	159,974,593

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)

(b) Share capital

Issued share capital

	2022		2021	
	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	1,901,186	1,901,186	1,893,535	1,893,535
Shares issued	5,326	5,326	7,651	7,651
At 31 December	1,906,512	1,906,512	1,901,186	1,901,186
At 1 January	11,625,383	11,625,383	11,617,732	11,617,732
At 31 December	11,630,709	11,630,709	11,625,383	11,625,383

Included in the A shares are 7,529,318 shares (2021: 6,643,268 shares) with restriction to transfer.

On 25 August 2022, the Company granted the “scrip dividend” option to H shareholders in the 2021 profit distribution plan and completed the placing of 5,326,096 overseas listed foreign shares (H shares), which increased RMB5,326,000 of share capital and RMB77,513,000 of capital reserve.

On 25 August 2021, the Company granted the “scrip dividend” option to H shareholders in the 2020 profit distribution plan and completed the placing of 7,651,174 overseas listed foreign shares (H shares), which increased RMB7,651,174 of share capital and RMB123,179,203 of capital reserve.

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)

(c) Nature and purpose of reserves

(i) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law, the Group is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make up for previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2022, the directors proposed to transfer RMB6,557,157,000 (2021: RMB13,720,196,000) of the Company's current year's net profit to this reserve.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(aa).

(iii) Hedging reserve

The hedging reserve consists of cash flow hedge reserve and cost of hedging reserve. Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss. The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element and foreign currency basis spread of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

(v) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)**(d) Distributability of reserves and dividends**

At 31 December 2022, 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 RMB8,887,484,000 (31 December 2021: RMB12,149,804,000).

(i) Dividend payable to equity shareholders of the Company attributable to the year

	31 December 2022 RMB'000	31 December 2021 RMB'000
Dividend to be proposed at the Company's forthcoming annual general meeting of RMB0.68 per share (2021: RMB0.97 per share)	8,063,272	11,276,622

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 or 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

	31 December 2022 RMB'000	31 December 2021 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.97 per share (2021: RMB1.25 per share)	11,276,622	14,522,165

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

30 Capital, reserves and dividends (continued)**(e) Capital management (continued)**

The Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Group. Net debt is calculated as total bank loans and borrowings from financial institutions and bonds payable excluding interest payable less cash and cash equivalents and pledged and restricted deposits. The gearing ratio of the Group at 31 December 2022 and 2021 is calculated as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Bank loans and borrowings from financial institutions	228,498,247	207,938,527
Bonds payable	85,607,718	58,026,317
Less: Cash and cash equivalents	(134,424,670)	(140,708,459)
Pledged and restricted deposits	(2,782,965)	(8,643,985)
Net debt	176,898,330	116,612,400
Total equity	404,991,506	392,772,777
Gearing ratio	43.68%	29.69%

31 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, pledged and restricted deposits, contract assets, trade and other receivables and other financial assets, and the carrying amounts of these assets represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged and restricted deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low.

Except for the financial guarantee given by the Group as set out in notes 33 and 34(d), the Group does not provide any other guarantee which would expose the Group to credit risk.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(i) Trade receivables and contract assets

Credit risk from sale of properties is minimised as the Group normally receives full payment from buyers before the transfer of property ownership. Credit risk from construction contracts is minimised as the customers are mainly government related parties with good credit record and the contracts include payment schedules which require stage payments over the construction period once milestones are reached.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, trade receivables amounted to RMB7,511 million or 0.43% of total assets (31 December 2021: RMB4,771 million or 0.25% of total assets), and contract assets amounted to RMB10,928 million or 0.62% of total assets (2021: RMB10,390 million or 0.54% 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 2022:

	Gross carrying amount RMB'000	Expected loss rate %	Loss allowance RMB'000
Within 1 year	6,612,259	3.00	198,574
1-3 years	806,159	5.62	45,285
Over 3 years	454,350	25.90	117,664
	7,872,768		361,523

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2022 RMB'000	2021 RMB'000
Balance at 1 January	240,288	115,741
Amounts reversal during the year	(61,378)	(21,443)
Impairment losses recognised during the year	207,411	65,770
Change in consolidation scope	(24,798)	80,220
Balance at 31 December	361,523	240,288

No loss allowance in respect of contract assets was accrued during the reporting period since the expected credit loss from contract assets is considered immaterial.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(a) Credit risk (continued)****(ii) Other receivables and other non-current assets**

In respect of amounts due from associates and joint ventures, the Group assesses and closely monitors their financial conditions and profitability to manage their credit risk.

In respect of other receivables due from third parties, the Group monitors the exposures and manages them based on historical settlement records and past experience, current conditions and forecasts of future economic conditions.

At each reporting date, the Group measures the expected credit losses of other receivables in following ways:

If, at the reporting date, the credit risk on other receivable has not increased significantly since initial recognition, the Group measures the loss allowance for other receivable at an amount equal to 12-month expected credit loss. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if the credit risk on other receivable has increased significantly since initial recognition and no impairment loss has occurred. The Group measures the loss allowance for other receivables at an amount equal to the lifetime expected credit loss if impairment losses has occurred since initial recognition.

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables as at 31 December 2022:

	Gross carrying amount RMB'000	12-month expected credit loss allowance RMB'000
For other receivables that the credit risk has not increased significantly since initial recognition:	115,417,598	217,094
	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivables that the credit risk has increased significantly since initial recognition and no impairment loss has occurred:	2,236,705	772,184

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(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(a) Credit risk (continued)

	Gross carrying amount RMB'000	Lifetime expected credit loss allowance RMB'000
For other receivables that impairment losses have occurred since initial recognition:	3,379,970	1,252,557

Expected loss rates are based on historical loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of other receivables during the year is as follows:

	2022 RMB'000	2021 RMB'000
Balance at 1 January	1,984,363	1,843,182
Amounts reversals during the year	(68,806)	(67,147)
Impairment losses recognised during the year	313,706	250,966
Change in consolidation scope	12,572	(42,638)
Balance at 31 December	2,241,835	1,984,363

During the year, management concluded that the credit risk of investment instruments which included in other non-current assets increased significantly since initial recognition. An impairment loss of RMB91 million was made during the year ended 31 December 2022(2021: RMB52 million).

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(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(b) Liquidity risk**

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflow					
	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
31 December 2022						
Bank loans and borrowings from financial institutions	228,919,567	264,316,101	57,850,204	65,963,014	96,057,118	44,445,765
Bonds payable	86,766,111	93,414,741	19,287,796	21,533,776	50,400,944	2,192,225
Lease liabilities	24,024,279	31,955,509	2,638,269	2,674,932	7,902,984	18,739,324
Trade and other payables	415,302,915	415,503,261	407,794,431	7,708,830	–	–
Other non-current liabilities	1,124,157	1,267,742	–	1,013,665	–	254,077
Total	756,137,029	806,457,354	487,570,700	98,894,217	154,361,046	65,631,391

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

	Contractual undiscounted cash outflow					
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2021						
Bank loans and borrowings						
from financial institutions	208,164,556	231,364,554	61,374,928	73,520,107	81,428,558	15,040,961
Bonds payable	59,596,779	65,081,844	7,352,811	13,865,993	29,078,588	14,784,452
Lease liabilities	26,235,592	36,641,278	2,923,431	2,946,560	8,633,366	22,137,921
Trade and other payables	522,602,741	522,699,239	516,023,191	6,676,048	–	–
Other non-current liabilities	1,201,342	1,208,127	–	1,208,127	–	–
Total	817,801,010	856,995,042	587,674,361	98,216,835	119,140,512	51,963,334

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from its bank loans and borrowings from financial institutions. Bank loans and borrowings from financial institutions issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest-bearing borrowings are disclosed in notes 25 and 26 to the consolidated financial statements.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	31 December 2022		31 December 2021	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate borrowings:				
Bank loans and borrowings from financial institutions	4.10%~6.16%	34,532,000	2.99%~6.16%	58,522,629
Bonds payable	2.56%~5.35%	81,110,698	1.90%~5.35%	55,448,168
		115,642,698		113,970,797
Variable rate borrowings:				
Bank loans and borrowings from financial institutions	Floating rate based on Hibor/LPR/RFR	193,966,247	Floating rate based on Libor/Hibor/SWAP/LPR	149,641,927
Bonds payable	Floating rate based on Libor	4,497,020	Floating rate based on Libor	4,148,611
		198,463,267		153,790,538
Total net borrowings		314,105,965		267,761,335
Fixed rate borrowings as a percentage of total borrowings		37%		43%

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(c) Interest rate risk (continued)****(ii) Sensitivity analysis**

At 31 December 2022, it is estimated that a general increase of 50 basis points in interest rates of bank loans and borrowings from financial institutions of the Group, with all other variables held constant, would have decreased the Group's profit after tax and total equity by approximately RMB323 million (31 December 2021: RMB313 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 2021.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate bank loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation.

(d) Currency risk

The functional currency of the Company and its principal subsidiaries is Renminbi ("RMB"). The Group is exposed to currency risk primarily on cash and cash equivalents, other financial assets, trade and other receivables and borrowings which are denominated in United States dollars (USD), Hong Kong dollars (HKD), and Great Britain Pound (GBP).

Cash and cash equivalents denominated in foreign currencies are as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
USD	7,398,597	5,813,480
HKD	927,900	341,753
GBP	28,807	2,993

Other financial assets denominated in foreign currencies are as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
USD	130,984	85,720

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

Trade and other receivables denominated in foreign currencies are as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
USD	959,435	929,816
HKD	2,685	1,681
GBP	—	66

Bank loans and borrowings from financial institutions and bonds payable denominated in foreign currencies, excluding amount hedge against by CCS contracts, are as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
USD	19,908,485	25,863,947
HKD	25,686,488	14,829,355
GBP	746,864	360,906

Trade and other payables denominated in foreign currencies are as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
USD	58,909	3,889
HKD	309,124	28,884
GBP	11,331	—

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk

The following table provides information on the CCS contracts which have been designated as cash flow hedges of the foreign exchange risk inherent in the Group's foreign currency borrowings and bonds at the end of the reporting period:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Notional amount		
– CCS contracts	11,912,762	11,929,122
Carrying amount qualified for hedge accounting (note)		
– CCS contracts	148,396	721,411

Note: CCS contracts amounted to RMB148,396,000 are included in the "Trade and other receivables" and "Trade and other payables" line item in the consolidated statement of financial position.

The CCS will mature in the next 6 years. The Group adopts rollover strategy to match the maturity of hedging instruments with the maturity of the related USD borrowings and bonds (see note 31(b)) and have fixed exchange rates of USD against RMB ranging from 6.7280 to 6.9200 (2021: 6.7280 to 6.9200).

The Group seeks to hedge the foreign exchange spot rate only and applies a hedge ratio of 1:1. The existence of an economic relationship between the hedging instruments and hedged items is determined by matching their critical contract terms. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counter parties and the Group's own credit risk on the fair value of the CCS contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)**(d) Currency risk (continued)****(i) Hedges of foreign exchange risk (continued)**

The following table provides a reconciliation of the cash flow hedge reserve and deferred costs of hedging reserve in respect of foreign exchange risk and shows the effectiveness of the hedging relationships:

	2022 RMB'000	2021 RMB'000
Cash flow Hedge Reserve		
Balance at 1 January	–	–
Effective portion of the cash flow hedge recognised in other comprehensive income	1,014,200	(237,617)
Amounts reclassified to profit or loss (note (i))	(1,014,200)	237,617
Balance at 31 December (note (ii))	–	–
Costs of Hedging Reserve		
Balance at 1 January	136,741	387,285
Costs of hedging for the year	(400,207)	(250,544)
Amounts reclassified to profit or loss (note (i))	(49,588)	–
Balance at 31 December (note (ii))	(313,054)	136,741
Change in spot element of hedging instruments during the year	1,014,200	(237,617)
Change in value of hedged item used to determine hedge effectiveness during the year	(1,014,200)	237,617

Notes:

- (i) Amounts reclassified to profit or loss are recognised in the “Finance costs” line item in the consolidated statement of profit or loss (see note 5(a)).
- (ii) The entire balance in cash flow hedge reserve and costs of hedging reserve relates to continuing hedges.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Hedges of foreign exchange risk (continued)

Based on the assumption that HKD continue to be pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant. Management estimated that a 1% (2021: 1%) appreciation of USD/HKD against RMB, the Group's net profit and equity would be both decreased by approximately RMB367 million (2021: decreased by RMB350 million respectively). Management estimated that a 1% (2021: 1%) appreciation of GBP against RMB, the Group's net profit and equity would be both decreased by approximately RMB7 million (2021: decreased by RMB4 million respectively).

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant. Financial assets and liabilities denominated in currencies other than RMB held by subsidiaries of the Group in Hong Kong or overseas which the functional currencies are not RMB were not accounted for in the analysis.

(e) Fair values

(i) Financial instruments measured at fair value

Fair value hierarchy

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

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(e) Fair values (continued)

(i) Financial instruments measured at fair value (continued)

31 December 2022

Items	Fair value at 31 December 2022 RMB'000	Fair value measurements as at 31 December 2022 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
CCS contracts	45,054	–	45,054	–
Unlisted equity securities	1,155,472	2,881	–	1,152,591
Non-trading listed securities	1,254,300	1,254,300	–	–
Trading listed equity securities	2,722,036	2,722,036	–	–
Other current assets*	18,142	–	–	18,142
Recurring fair value measurement assets	5,195,004	3,979,217	45,054	1,170,733
Derivative financial instruments				
– CCS contracts	(193,450)	–	(193,450)	–
Contingent consideration	(191,792)	–	–	(191,792)
Recurring fair value measurement liabilities	(385,242)	–	(193,450)	(191,792)

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

31 Financial risk management and fair values (continued)

(e) Fair values (continued)

(i) Financial instruments measured at fair value (continued)

31 December 2021

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

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

During 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2021: Nil).

(ii) Fair value of financial assets and liabilities carried at other than fair value.

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

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

32 Commitments

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Construction and development contracts	156,385,821	218,056,728
Land agreements	2,568,748	7,450,810
	158,954,569	225,507,538

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

33 Contingent liabilities

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB224,365 million (31 December 2021: RMB244,427 million) which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties.

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

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

Details of the financial guarantees issued by the Group for certain associates and joint ventures are set out in note 34(d).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

34 Material related party transactions

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

(a) Transactions with key management personnel

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

	2022 RMB'000	2021 RMB'000
Short-term employee benefits	35,660	36,498

(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 2022 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 2022 will be approved after the 2022 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 for 2021 were not paid in 2022.

(iii) In 2022, the Group did not sell any properties to key management personnel (2021: RMB7,351,000 with cost of sales of RMB4,673,000).

(b) Project management fee charged by the Group

During 2022, the Group charged associates and joint ventures project management fee amounted to RMB485 million (2021: RMB781 million).

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

34 Material related party transactions (continued)

(c) Malls management fee paid by the Group

During 2022, the Group paid associates malls management fee amounted to RMB45 million (2021: RMB41 million).

(d) Financial guarantees issued

As at 31 December 2022, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB28 million (2021: RMB13,938 million).

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

(e) Transactions with a shareholder

In 2015, the Group cooperated with the Shenzhen Metro Group to jointly develop Mangrove Bay and Shenzhen North Station Project (the "Projects"). The Group's investment in the Projects amounted to RMB5,993 million. As at 31 December 2022, the outstanding payables balances was RMB8,747 million (31 December 2021: RMB8,676 million).

In 2020, the Group set up Foshan Nanhai Wantie Property Development Co., Ltd. together with Shenzhen Metro Property Co., Ltd., a wholly-owned subsidiary of Shenzhen Metro Group, as a non-controlling shareholder, to jointly develop Foshan Nanhai New Transport Depot Upper Cover Project. The Group's investment in the project amounted to RMB2.8 billion. As at 31 December 2022, the outstanding payables balances was RMB225 million (31 December 2021: RMB545 million).

In 2020, the Group and Shenzhen Metro Group set up a joint venture, Shenzhen Metro Vanke Industrial Development Co., Ltd, to jointly acquire and develop transit-oriented development projects in the Greater Bay Area and other major cities. The Group subscribed for the registered capital in proportion to its 50% equity interest in the joint venture amounted to RMB500 million. At 31 December 2022, the Group's investment in the Projects amounted to RMB25 million.

(f) Security service fee paid by the Group

In 2022, the Group paid security service fee amounted to RMB5,400 million (2021: RMB4,591 million) to Shenzhen Vanyu SecurePro Co., Ltd., an associate of the Group.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

35 Acquisitions of subsidiaries

During the year, the Group has acquired certain subsidiaries which held property development projects or engaged in the cultivation and feed production and sales.

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

	2022 RMB'000
Current assets	61,209,029
Non-current assets	13,473,524
Current liabilities	(48,926,242)
Non-current liabilities	(1,929,570)
Non-controlling interest	(4,144,101)
Net assets acquired attributable to the Group	19,682,640
Goodwill on acquisition (a)	1,562,638
Total consideration	21,245,278
Consideration paid in prior years for the acquisitions	(12,192,079)
Consideration to be paid subsequent to current year	(476,293)
Consideration paid during the year	8,576,906
Total cash and cash equivalents acquired	(1,915,549)
Consideration paid for prior years' acquisitions	1,722,581
Net cash outflow	8,383,938

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

35 Acquisitions of subsidiaries (continued)

- (a) The goodwill is attributable mainly to the synergies expected to be achieved in the Group's future business.
- (b) The acquired subsidiaries' major assets are properties held for development, properties under development and completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties. The above subsidiaries contributed aggregate revenue and net profit attributable to the equity shareholders is immaterial.

36 Disposal of subsidiaries

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

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

	2022 RMB'000
Current assets	25,596,009
Non-current assets	3,726,169
Current liabilities	(19,958,582)
Non-current liabilities	(2,253,479)
Non-controlling interests	(554,427)
Remaining interests after disposal as interests in joint ventures and associates	(1,324,804)
Net assets attributable to the Group disposed of	5,230,886
Total consideration	5,258,880
Consideration received in prior years for the disposals	(3,599,100)
Consideration to be received subsequent to current year	(292,621)
Consideration received, satisfied in cash	1,367,159
Cash and cash equivalents disposed of	(377,691)
Consideration received for the disposals in prior years	463,839
Net cash inflow	1,453,307

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

37 Company-level statement of financial position as at 31 December 2022

	31 December 2022 RMB'000	31 December 2021 RMB'000
Non-current assets		
Property, plant and equipment	3,573,261	3,266,004
Investment properties	–	427
Investments in subsidiaries	61,212,810	59,203,911
Interests in associates and joint ventures	2,697,348	5,170,275
Other financial assets	474,839	482,839
Other non-current assets	267,039	267,039
	68,225,297	68,390,495
Current assets		
Trade and other receivables	432,867,105	390,092,147
Other current assets	87,626	32,869
Cash and cash equivalents	44,542,800	50,296,118
	477,497,531	440,421,134
Current liabilities		
Bank loans, borrowings from financial institutions	40,636,040	39,654,057
Bonds payable	6,509,134	5,873,517
Trade and other payables	166,486,588	167,246,951
Contract liabilities	4,043,500	4,043,297
	217,675,262	216,817,822
Net current assets	259,822,269	223,603,312
Total assets less current liabilities	328,047,566	291,993,807

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

37 Company-level statement of financial position as at 31 December 2022 (continued)

		31 December 2022 RMB'000	31 December 2021 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions		121,586,289	111,594,593
Bonds payable		46,486,684	22,510,497
		168,072,973	134,105,090
NET ASSETS			
		159,974,593	157,888,717
CAPITAL AND RESERVES			
Share capital	30(b)	11,630,709	11,625,383
Treasury stock		(1,291,800)	–
Reserves		149,635,684	146,263,334
TOTAL EQUITY			
		159,974,593	157,888,717

38 Non-adjusting events after the reporting period

(a) After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 30(d).

(b) Redemptions of bonds

On 30 January 2023, the Group repaid the remaining 19,000,000 shares of bonds “21 Vanke 01” amount to RMB1,900,000,000.

On 16 March 2023, the Group repaid the remaining 15,000,000 shares of bonds “20 Vanke 01” amount to RMB1,500,000,000

(c) Placing H share

On 2 March 2023, the Company entered into the placing agreement with the placing agents in relation to the placing of 300,000,000 H shares at the placing price of HK\$13.05 per H share.

Notes to the financial statements

(Expressed in thousands in Renminbi unless otherwise indicated)

39 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
IFRS 17, <i>Insurance contracts</i>	1 January 2023
Amendments to IAS 1, <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to IAS 1, <i>Disclosure of accounting policies</i>	1 January 2023
Amendments to IAS 8, <i>Definition of accounting estimates</i>	1 January 2023
Amendments to IAS 12, <i>Deferred tax related to assets and liabilities arising from a single transaction</i>	1 January 2023

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Financial Summary

	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
Consolidated Results					
Revenue	503,838,367	452,797,774	419,111,678	367,893,878	297,083,058
Profit before taxation	80,080,984	70,352,749	103,755,529	106,116,493	87,064,968
Income tax	(35,844,806)	(32,283,222)	(44,457,413)	(50,984,878)	(37,792,673)
Profit for the year	37,550,909	38,069,527	59,298,116	55,131,615	49,272,295
Attributable to:					
Equity shareholders of the Company	22,617,779	22,524,033	41,515,545	38,872,087	33,772,652
Non-controlling interests	14,933,130	15,545,494	17,782,571	16,259,528	15,499,643
Consolidated Assets					
Non-current assets	341,768,064	338,369,823	321,790,033	290,940,096	233,507,500
Inventories and other contract costs	913,730,553	1,083,598,314	1,008,434,340	901,807,080	754,310,077
Cash and cash equivalents	134,424,670	140,708,459	185,662,380	159,738,651	175,668,164
Other current assets	367,240,207	376,016,180	353,354,218	377,517,470	365,177,674
Bank loans and borrowings from financial institutions	228,919,567	208,164,556	202,336,050	196,142,559	190,065,978
Bonds payable	86,766,111	59,596,779	57,266,100	62,908,538	71,141,619
Receipts in advance/contract liabilities	465,580,958	636,858,514	630,747,211	577,047,227	504,711,414
Other liabilities	570,905,352	641,300,150	629,047,136	623,325,857	527,123,674
Capital and Reserves	404,991,506	392,772,777	349,844,474	270,579,116	235,620,730
Total equity attributable to equity shareholders of the Company	242,691,342	235,953,134	224,510,953	188,058,492	155,764,132
Non-controlling interests	162,300,164	156,819,643	125,333,521	82,520,624	79,856,598
Basic earnings per share (RMB)					
Basic earnings per share (RMB)	1.95	1.94	3.62	3.47	3.06
Dividends per share(taxes included) (RMB)					
Dividends per share(taxes included) (RMB)	0.68	0.97	1.25	1.045	1.07

Contents of Documents Available for Inspection

1. Financial Statements containing the signature and seal of the Company's legal representative and Supervisor of Finance;
2. Original copy of the audit report containing the seal of the account firm and the signature of the certified public accountants;
3. Original copy of all the company documents and announcements disclosed in the newspaper designated by CSRC during the reporting period;
4. Annual report disclosed in other securities markets.

The Company should keep the original copy or the legally effective copy of the above documents at the Company's office of the Board.

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