

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

vanke

CHINA VANKE CO., LTD.*

萬科企業股份有限公司

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

(Stock Code: 2202)

PROFIT ALERT

This announcement is made by China Vanke Co., Ltd.* (the “**Company**”) pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period of estimated results

From 1 January 2024 to 30 June 2024 (“**Reporting Period**”)

(II) Estimated results:

1. Based on the internal preliminary estimation by the Company, the Company’s expected net profit for the Reporting Period is negative, and the net loss attributable to shareholders of the Company is expected to be approximately RMB7,000 million to RMB9,000 million, representing a decrease of 171% to 191% over the same period of last year; the basic earnings per share is approximately RMB-0.59 to RMB-0.76.
2. The estimated results have not been audited by accounting firms.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

- (I) Net profit attributable to shareholders of the Company: RMB9,870.472 million.
- (II) Basic earnings per share: RMB0.84.

III. MAIN WORK PROGRESS AND MAIN REASONS FOR LOSSES IN RESULTS IN THE FIRST HALF OF THE YEAR

During the Reporting Period, the Company has formulated “package of plans” for business reformation and risks mitigation, insists on slimming down, reducing and resolving risks, and achieved positive progress: the Company realized the delivery of 74,000 houses in high quality, which was fully completed as planned; ensured repayment of open market debts on schedule; achieved sales amount of RMB127.33 billion, maintained the first camp in the industry; realized a return of RMB9.34 billion from bulk transactions; and completed the issuance of Consumption Infrastructure REIT by SCPG, an associated enterprise of the Company, with an issuance scale of RMB3.26 billion. At the same time, the Company comprehensively focuses on the three main businesses of comprehensive residential development, property services and rental housing, the construction of product lines has been more matured, the management has been more refined and the competitiveness of products and services has been further improved.

Although the Company has recognized the importance of transformational development at earlier stage, transformational business investments went beyond the boundaries of resources and capabilities. At the same time, the Company has not been able to completely get rid of inertia, and the investments in some development projects has been over-optimistic, resulting in relatively high land acquisition costs. With the settlement of these projects in 2024, the settlement results of the Company will be significantly affected. At the same time, in order to ensure the safety of cash flows, the Company increased inventory destocking and asset disposal through price discounts, which led to further pressure on the Company’s results. During the Reporting Period, the Company expects to incur losses for the following detailed reasons:

- (I) The scale of real estate development projects’ settlements and gross profit margins declined significantly. During the Reporting Period, the profit settlement of real estate development business mainly consist of projects sold in 2022 and 2023 and the completed housing and quasi-completed housing inventory digested in the first half of 2024. A majority of such projects are land acquired before 2022 with a relatively high land acquisition costs, and with the continuous market downturn during the subsequent sales phase, sales and gross profit margins turned out to be lower than investment expectations, led to a significant reduction in total gross profit on settlement during the Reporting Period.
- (II) Impairment provision accrued for certain projects by the Company.
- (III) Loss incurred in certain financial investments in non-main businesses.
- (IV) Considerations of some bulk asset transactions and equity transactions are lower than their book values.

The Company deeply apologises for the performance loss. During the Reporting Period, the Company has focused on the safety of cash flows, moved forward with the business reformation and risk resolving according to the clear roadmap of the “package of plans”, aiming to promote the transformation and upgrading in the long term. The Company has confidence and determination to focus on main businesses, return to the path of healthy and sustainable development in the new development mode of real estate industry as soon as possible, and create value for the shareholders.

This results forecast is the result of the Company's internal preliminary calculation, and the specific financial data is subject to the 2024 interim results announcement which will be officially disclosed. The Company will strictly follow the provisions and requirements of relevant laws and regulations, and make the information disclosure in a timely manner. Investors are advised to make cautious decisions and be aware of the risks associated with investment.

Shareholders of the Company and potential investors are urged to exercise caution when dealing in the securities of the Company.

By order of the Board
China Vanke Co., Ltd.*
ZHU Xu
Company Secretary

Shenzhen, the PRC, 9 July 2024

As at the date of this announcement, the board of the Company comprises Mr. YU Liang, Mr. ZHU Jiusheng and Ms. WANG Yun as executive directors; Mr. XIN Jie, Mr. HU Guobin, Mr. HUANG Liping and Mr. LEI Jiansong as non-executive directors; and Mr. LIU Tsz Bun Bennett, Mr. LIM Ming Yan, Dr. SHUM Heung Yeung Harry and Mr. ZHANG Yichen as independent non-executive directors.

** For identification purpose only*