

# vanke

## CHINA VANKE CO., LTD.\*

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

(Stock code: 2202)

INTERIM  
REPORT  
2021



### Important Notice:

1. The board of directors (the “**Board**”), the supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in the interim report for 2021 (the “**Report**” or the “**Interim Report**”) does not contain any misrepresentation, misleading statement or material omission, and they jointly and severally accept responsibility for the truthfulness, accuracy and completeness of its contents.
2. The Report was considered and approved at the 11th meeting of the nineteenth session of the Board (the “**Meeting**”) held on 27 August 2021. Mr. XIN Jie and Mr. LI Qiangqiang, both being non-executive directors, did not attend the Meeting in-person due to business engagement, and had authorised Mr. HUANG Liping, also a non-executive director, to attend the Meeting and executed voting rights on their behalf. Mr. ZHANG Yichen, an independent non-executive director, did not attend the Meeting in-person due to business engagement, and had authorised Ms. LIU Shuwei, an independent non-executive director, to attend the Meeting and executed voting rights on his behalf. Save as above, all other directors of the Company attended the Meeting in person.
3. There will be no distribution of dividend, bonus share or capitalisation of equity reserve for the 2021 interim period.
4. The Company’s 2021 interim financial report for the six months ended 30 June 2021 was prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”). The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.
5. Mr. YU Liang, Chairman of the Board and Ms. HAN Huihua, Executive Vice President and Finance Principal declare that the financial report contained in the Report is warranted to be true, accurate and complete.
6. Unless otherwise specified, the currency referred to in the Report is Renminbi (“**RMB**”).
7. The Report contains forward-looking statements such as future plans, which do not constitute any specific undertakings by the Group to its investors. Investors are advised to pay attention to investment risks.

*The Report has been prepared in Chinese and English, respectively. In case of discrepancy, the Chinese version shall prevail, except for the interim financial report prepared in accordance with IAS 34, of which the English version shall prevail.*



# CONTENTS

Section 1	Basic Corporate Information	4
Section 2	Accounting and Financial Highlights	6
Section 3	Management Discussion and Analysis	8
Section 4	Corporate Governance	33
Section 5	Environmental and Social Responsibility	36
Section 6	Significant Events	38
Section 7	Change in Share Capital and Shareholdings of Major Shareholders	52
Section 8	Relevant Information on Bonds	59
Section 9	Interim Financial Report	65



# Definition

Term	Meaning
The Company	China Vanke Co., Ltd.
Vanke or the Group	China Vanke Co., Ltd. and its subsidiaries
The Board	The board of directors of the Company
Supervisory Committee	The Supervisory Committee of the Company
Onewo	Onewo Space Technology Service Co., Ltd.
SCPG	SCPG Holdings Co., Limited, incorporated in the Cayman Islands
VX Logistic Properties	Vanke Logistics Development Co., Ltd., a logistics and warehousing service platform of the Group
BG	the abbreviation to Business Group. In June 2021, the Group re-designated its regional BG into Beijing region BG, Northeastern region BG, Central China region BG, Southern region BG, Shanghai region BG, Northwestern region BG and Southwestern region BG based on factors such as the development trend of urban clusters, market development stage, traditional geographical regions and management scale. In order to facilitate the comparison between previous and current data, the regional BG classification in this report still follows the previous standard, i.e. including, Southern region BG, Shanghai region BG, Northern region BG, Central and Western region BG, Northwestern region BG and Property Service BG
BU	the abbreviation to Business Unit, including SCPG BU, Logistics BU, Long-term Rental Apartment BU, Overseas BU, Hotel and Vacation BU, Meisha Education BU and Food BU
Central Bank	The People's Bank of China
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange

Term	Meaning
SEHK	The Stock Exchange of Hong Kong Limited
SZMC	Shenzhen Metro Group Co., Ltd.
SEHK Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	Corporate Governance Code set out in Appendix 14 of SEHK Listing Rules
Articles of Association	Articles of Association of China Vanke Co., Ltd.
Reporting Period or Period	1 January 2021 to 30 June 2021
A Share(s) (RMB-denominated Ordinary Share(s))	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SZSE and traded in Renminbi
H Share(s) (Overseas-listed Foreign Share(s))	overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SEHK and traded in Hong Kong dollars
RMB	Renminbi, unless otherwise specified

# Section 1 Basic Corporate Information

## I. Basic Information

**Company Name (Chinese):** 萬科企業股份有限公司

**Company Name (English):** CHINA VANKE CO., LTD.

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

**Postal code:** 518083

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

**Postal code:** 518083

**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

**Legal representative:** YU Liang

**Authorised representatives for SEHK:** WANG Hai Wu and ZHU Xu

**Alternate authorised representative for SEHK:** YIP Hoi Man

## II. Contact Persons and Contact Details

**Secretary to the Board and company secretary:** ZHU Xu

**E-mail address:** IR@vanke.com

**Securities affairs representative:** JI Jianghua

**E-mail address:** IR@vanke.com

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

**Telephone number:** 0755-25606666

**Fax number:** 0755-25531696

**Assistant company secretary:** YIP Hoi Man

**E-mail address:** IR@vanke.com

**Contact address:** 55/F, Bank of China Tower, 1 Garden Road, Hong Kong

**Telephone number:** 00852-23098888

**Fax number:** 00852-23288097

### III. Information of Stock

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<sup>note</sup>

Stock code of H shares: 2202, 299903<sup>note</sup>

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

### IV. The Place for Information Disclosure and Collection

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

Website address for publication of the Interim Report:

A shares: [www.cninfo.com.cn](http://www.cninfo.com.cn)

H shares: [www.hkexnews.hk](http://www.hkexnews.hk)

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

### V. Modification of Registration

First registration date of the Company: 30 May 1984

Location: Shenzhen

Date of change in registration: 14 July 2017

Location: Shenzhen

Unified social credit code: 91440300192181490G

## Section 2 Accounting and Financial Highlights

### 1. Key accounting data and financial indicators

Unit: RMB'000

Items	30-Jun-2021	31-Dec-2020	Increase/ (decrease) over the beginning of the year
Current assets	1,632,306,779	1,547,450,938	5.48%
Current liabilities	1,380,851,943	1,317,492,690	4.81%
Total equity attributable to equity shareholders of the Company	221,865,540	224,510,953	-1.18%
Share capital (Share)	11,617,732	11,617,732	No change
Net assets per share attributable to equity shareholders of the Company (RMB)	19.10	19.32	-1.18%

Items	Jan-Jun 2021	Jan-Jun 2020	Increase/ (decrease) over the same period of the previous year
Revenue	167,110,935	146,349,507	14.19%
Gross profit	38,328,875	46,551,935	-17.66%
Profit before taxation	28,737,092	36,390,949	-21.03%
Profit for the Period attributable to equity shareholders of the Company	11,046,938	12,507,519	-11.68%
Basic earnings per share (RMB)	0.95	1.11	-14.08%
Diluted earnings per share (RMB)	0.95	1.11	-14.08%
Return on equity (fully diluted)	4.98%	6.39%	decreased by 1.41 percentage points
Return on equity (weighted average)	4.79%	6.44%	decreased by 1.65 percentage points
Net cash flow generated from operating activities	6,781,561	22,605,962	-70.00%



## Section 2 Accounting and Financial Highlights

### 2. Differences between domestic accounting standards and overseas accounting standards

Unit: RMB'000

	PRC accounting standards	International Financial Reporting Standards
Net profit attributable to equity shareholders of the Company	11,046,938	11,046,938
Total equity attributable to equity shareholders of the Company	221,865,540	221,865,540
Explanations for the difference	Nil	

# Section 3 Management Discussion and Analysis

## I. Business Review and Analysis

In recent years, the central government has successively introduced a series of policies in areas including finance, land and market supervision, focusing on the positioning that “houses are for living in and not for speculative investment”. Localities have continued their adjustments and control measures according to the requirements of the long-term effect mechanism. Through accelerating the built-up of multiple supply sources, multi-channel guarantees and a housing system featuring both home purchase and renting, following the policy direction of “facilitating the coordinated development of property and the real economy” which aimed at a property market with sustained stability, real estate enterprises have been promoted to change their development mode. The real estate sector is undergoing transformation with profound effect. The Group is committed to implementing its strategy of placing equal emphasis on property development, operation and services, keeping pace with urban development and customer needs, and accelerating the transformation of the Company with the aim of seeking long-term maximization of its market value.

From January to June 2021, the Group realized an operating income of RMB167.11 billion, a year-on-year increase of 14.2%. In particular, booked revenue from property development business was RMB144.33 billion, accounting for 86.36% of the total. Affected by the decline in profit margin on booked property development projects during the Reporting Period, the net profit attributable to equity shareholders of the Company amounted to RMB11.05 billion, representing a year-on-year decrease of 11.7%.

The Group continued to maintain a safe and sound financial and capital position. At the end of the first quarter, the Group successfully returned to “green threshold”, with all indicators meeting the requirements of the capital monitoring and financing management rules for key real estate enterprises. As at the end of the Reporting Period, the Group’s net gearing ratio stood at 20.2%, with monetary funds (including pledged and restricted deposits) of RMB195.22 billion, much higher than the total interest-bearing liabilities due within one year of RMB84.30 billion, and a gearing ratio excluding receipts of prepayments stood at 69.7%.

The Group ranks 160th in the Fortune Global 500 list of 2021.

### (1) Review of the real estate market in the first half of the year

During the Reporting Period, controlling measures for stabilising land and housing prices and containing anticipation have been well implemented, while policies for supporting development of rental housing have been introduced successively.

**The volume of commercial housing sales across the country grew faster, but the monthly growth rate started to decline.** Influenced by a lower base in the first half of 2020, sales of commercial housing across the country grew faster in the first half of this year. According to data from National Bureau of Statistics, from January to June, the sales area of commercial housing nationwide was 886 million square meters, an increase of 27.7% year-on-year, while the sales amount was RMB9.29 trillion, an increase of 38.9% year-on-year. However, the growth of single-month sales has gradually declined, with the year-on-year growth rates of commercial housing sales area and sales amount in June dropping to 7.5% and 8.6% respectively.

## Section 3 Management Discussion and Analysis

**Investment in property development maintained its growth, but growth in new construction projects were weak.** Investment in property development nationwide in the first half of the year increased by 15.0% year-on-year, but the area of new construction projects only increased by 3.8% year-on-year, still 4.0% behind that for the same period in 2019.

**The land transaction area decreased year-on-year.** According to data from the China Index Academy, in the first half of 2021, the transaction area of residential land in 300 cities across the country decreased by 8% year-on-year, and the average premium for residential land transactions was 17%.

**The growth rate of real estate loans declined.** Central Bank data showed that the balance of real estate loans from major financial institutions across the country grew by 9.5% year-on-year in the first half of the year, with the growth rate falling further by 2.2 percentage points compared to the full year of 2020.

**Policies for supporting development of rental housing introduced successively.** During the Reporting Period, tax concession policies for leasing enterprises which lease housing to individual home tenants were issued. Among which, Office of the State Council published the Opinion on Accelerating the Development of Subsidised Rental Housing, encouraging market players to participate in the supply of small size subsidized rental housing. A series of industry standards such as Standards for Construction of Centralised Rental Housing were announced for implementation. Relevant systems for rental housing are being gradually established and improved. The Group is paying close attention to the formulation and implementation of such policies and keeping an eye on relevant development opportunities.

### (2) Main work in the Reporting Period

Positioning itself as a city and town developer and service provider, the Group adheres to the strategy of “simultaneous development along with cities and customers”, its core businesses include real estate development and related asset management business, property services, and other businesses are actively developed around those aspects of creating a better life for the people.

During the first half of 2021, the Group achieved a revenue of RMB167.11 billion, representing a year-on-year increase of 14.2%, and net profit attributable to equity shareholders of the Company of RMB11.05 billion, representing a year-on-year decrease of 11.7%. Basic earnings per share amounted to RMB0.95, representing a year-on-year decrease of 14.1%. Fully diluted return on equity was 4.98%, representing a decrease of 1.41 percentage points as compared to that of last year.

There will be no dividend distribution, bonus share, or capitalisation of equity reserve of the Group for the 2021 interim period.

Divided in business segments, during the first half of the year, the operating revenue derived from the property development and related asset operation business amounted to RMB157.53 billion, accounting for 94.3% of the Group’s revenue; revenue derived from property services amounted to RMB8.57 billion, accounting for 5.1% of the Group’s revenue.

## Section 3 Management Discussion and Analysis

Unit: RMB'000

Segment	Revenue		Cost of sales		Operating profit margin	
	Amount	Year-on-year change	Amount	Year-on-year change	Value	Year-on-year change
1. Core businesses	166,100,413	14.68%	128,307,628	29.05%	18.01%	Decreased by 5.60 percentage points
including: Property development and related asset operation business	157,525,428	14.03%	121,265,356	29.38%	18.04%	Decreased by 6.02 percentage points
Property services	8,574,985	28.02%	7,042,272	23.60%	17.46%	Increased by 3.09 percentage points
2. Other businesses	1,010,522	-33.13%	474,432	28.21%	52.30%	Decreased by 22.32 percentage points
<b>Total</b>	<b>167,110,935</b>	<b>14.19%</b>	<b>128,782,060</b>	<b>29.04%</b>	<b>18.22%</b>	<b>Decreased by 5.92 percentage points</b>

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

### 1. Overview of business development

#### (1) Property development business

##### ① Sales and recognition

**Growth in sales was maintained.** From January to June, the Group's property development business achieved contracted sales of 21.917 million sq m, an increase of 5.5% year-on-year, and contracted sales of RMB354.43 billion, an increase of 10.6% year-on-year. Of the contracted sales amount in the first half of the year, 86.7% was attributable to residential properties, 9.1% to commercial offices and 4.2% to other ancillary facilities.

## Section 3

# Management Discussion and Analysis

### Sales by geographical region

	Area Sold (‘0000 square meters)	Proportion	Sales Amount (RMB hundred million)	Proportion
Southern Region	315.0	14.4%	721.6	20.4%
Shanghai Region	668.0	30.5%	1,322.2	37.3%
Northern Region	612.0	27.9%	745.9	21.0%
Central and Western Region	427.8	19.5%	545.5	15.4%
Northwestern Region	164.9	7.5%	158.5	4.5%
Others	4.0	0.2%	50.6	1.4%
<b>Total</b>	<b>2,191.7</b>	<b>100.0%</b>	<b>3,544.3</b>	<b>100.0%</b>

Note 1: In June 2021, the Group re-designated its regional BG which mainly undertakes property development business into Beijing region, Northeastern region, Central China region, Southern region, Shanghai region, Northwestern region and Southwestern region based on factors such as the development trend of urban clusters, market development stage, traditional geographical regions and management scale. In order to facilitate the comparison between previous and current data, the regional BG classification in the Report still follows the previous standard.

Note 2: The following are cities that had sales during the Reporting Period. The southern region includes Shenzhen, Guangzhou, Qingyuan, Dongguan, Huizhou, Foshan, Zhuhai, Zhongshan, Xiamen, Fuzhou, Zhangzhou, Quanzhou, Sanya, Nanning, Changsha, Jiangmen, and Liuzhou. The Shanghai region includes Shanghai, Hangzhou, Jiaxing, Suzhou, Kunshan, Changshu, Taicang, Wuxi, Nanjing, Nanchang, Ningbo, Hefei, Yangzhou, Wenzhou, Rui’an, Wuhu, Xuzhou, Suqian, Nantong, Zhenjiang, Changzhou, Haining, Yancheng, Shaoxing, Jinhua, Jingjiang and Taizhou. The northern region includes Beijing, Qinhuangdao, Tianjin, Shenyang, Dalian, Changchun, Harbin, Jilin, Qingdao, Jinan, Yantai, Taiyuan, Jinzhong, Tangshan, Anshan, Shijiazhuang, Zibo, Weihai, Baotou, Linyi, Weifang, Zhangjiakou, Yingkou, Panjin, Baoding and Langfang. The central and western region includes Chengdu, Nanchong, Wuhan, Yichang, Zhengzhou, Chongqing, Guiyang, Ezhou, Kunming, Yuxi, Dali, Xishuangbanna, Meishan, Zhoukou and Xichang. The northwestern region includes: Xi’an, Urumqi, Lanzhou, Yinchuan, Xining, Xianyang and Weinan. Others include: Hong Kong, New York, San Francisco, London, and Seattle.

**Increase in booked revenue.** From January to June, revenue from the Group’s property development and relevant ancillary business was RMB155.87 billion, among which, the Southern region, Shanghai region, Northern region, Central and Western region, and Northwestern region accounted for 27.28%, 28.85%, 14.87%, 23.73%, 5.03%, respectively. The Group realized booked area of 11.154 million square meters, representing a year-on-year increase of 6.2%, and realized booked revenue of RMB144.33 billion, an increase of 11.9% year-on-year, from property development business. The average booked price of development business was RMB12,940.0 per square meter (the first half of 2020: RMB12,285.7 per square meter), and the booked gross profit margin of development business was 24.9% (19.6% after deduction of taxes and surcharges).

## Section 3 Management Discussion and Analysis

Revenue and profit of property development and relevant ancillary business by different regions

	Revenue		Net Profit Attributable to Vanke's Equity Holding	
	(RMB'000)	Proportion	(RMB'000)	Proportion
Southern Region	42,517,954	27.28%	3,407,031	26.05%
Shanghai Region	44,967,692	28.85%	4,186,375	32.01%
Northern Region	23,170,206	14.87%	964,527	7.38%
Central and Western Region	36,991,937	23.73%	3,004,177	22.97%
Northwestern Region	7,847,797	5.03%	1,100,887	8.42%
Others	371,266	0.24%	413,909	3.17%
<b>Total</b>	<b>155,866,852</b>	<b>100.00%</b>	<b>13,076,906</b>	<b>100.00%</b>

Note: Cities with booked revenue from real estate business during the Reporting Period. The southern region includes: Shenzhen, Guangzhou, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Huizhou, Xiamen, Fuzhou, Sanya, and Nanning. The Shanghai region includes: Shanghai, Hangzhou, Suzhou, Wuxi, Changzhou, Yangzhou, Hefei, Nanjing, Ningbo, Nanchang, Wuhu, Nantong, Jiaxing, Xuzhou, Wenzhou, and Yancheng. The northern region includes: Beijing, Tangshan, Tianjin, Shenyang, Dalian, Changchun, Jilin, Qingdao, Yantai, Taiyuan, Jinan and Shijiazhuang. The central and western region includes: Chengdu, Chongqing, Wuhan, Guiyang, Zhengzhou, and Kunming. The northwestern region includes: Xi'an, Lanzhou and Urumqi.

**Growth in resources sold but not booked.** As of the end of the Reporting Period, within the consolidated statements of the Group, there were 53.777 million square meters of sold resources that had not been completed and booked, and total contract amount was approximately RMB781.91 billion, an increase of 9.3% and 12.0% respectively over those by the end of the previous year.

### ② Property development investment

**The scale of new construction fell and completed floor area continued to increase.** In the first half of 2021, the Group realized new construction floor area of 17.483 million sq m, representing a year-on-year decrease of 4.8% and accounting for 55.5% of that planned for the full year (2020 first half: 62.8%). The completed floor area amounted to 12.253 million sq m, representing a year-on-year increase of 14.0% and accounting for 34.2% of that planned for the whole year (2020 first half: 32.4%). The floor area to be completed for the whole year is expected to be nearly the same as that planned at the beginning of the year.

## Section 3

# Management Discussion and Analysis

**Emphasis on rational investment to ensure its investment quality.** The Group insisted on keeping expenditure within the limits of revenues and appropriately replenished project resources on the premise of giving priority to safeguarding the quality of investment. In the first half of the year, the Group acquired 95 new projects with a planned gross floor area (“GFA”) of 15.059 million sq m and planned GFA attributable to the Company’s equity holding of 11.014 million sq m. The total land premium of the above projects amounted to RMB112.63 billion, with an average price of RMB7,480 per sq m which attributable to the Company’s equity holding amounted to approximately RMB88.65 billion.

**Project resources remained at a reasonable level.** As at the end of the Reporting Period, the Group’s projects under construction and planning had an aggregate GFA of approximately 160.659 million sq m and amongst them, projects under construction had a GFA of approximately 112.833 million sq m and a GFA attributable to the Company’s equity holding of approximately 67.388 million sq m; GFA of projects under planning amounted to approximately 47.826 million sq m, with a GFA attributable to Vanke’s equity holding of approximately 30.435 million sq m. In addition, the Group also participated in certain urban renewal projects, based on the current planning conditions, the aggregate GFA of such projects attributable to Vanke’s equity holding was approximately 3.398 million sq m as at the end of the Reporting Period.

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

Unit: sq m

	Project name	Location	% of equity holding	Site area	Planned GFA	GFA attributable to Vanke’s equity holding	Progress status
1	Changsha Yuefu	Yuhua District	52.6%	95,124	239,491	125,929	Pre-construction
2	Changsha Peninsula International	Kaifu District	100.0%	54,322	168,940	168,940	Pre-construction
3	Dongguan Songyue Garden	Songshan Lake	99.7%	99,500	121,214	120,790	Pre-construction
4	Dongguan Future Light	Humen Town	47.7%	81,768	172,468	82,285	Pre-construction
5	Dongguan Zhenshanyue	Houjie Town	39.6%	104,561	250,945	99,324	Pre-construction
6	Foshan Jinyu Horizon	Chancheng District	99.8%	74,505	223,215	222,767	Pre-construction
7	Fuzhou Jiangying Lanyuan	Cangshan District	99.0%	17,301	31,142	30,830	Pre-construction
8	Haikou Jinyu Shijia	Jiangdong New District	40.0%	44,105	111,883	44,753	Under construction
9	Jiangmen Jinyuhua	Pengjiang District	100.0%	80,939	196,280	196,280	Pre-construction
10	Jinjiang Vanke Jinyu International	Jinjiang City	99.3%	57,906	110,021	109,229	Pre-construction
11	Liuzhou Vanke City Lot 4	Liubei District	53.6%	127,135	348,004	186,530	Pre-construction
12	Nanning Emerald Central	Liangqing District	70.1%	100,319	334,848	234,728	Pre-construction
13	Zhongshan City Light	Minzhong Town	90.0%	70,714	212,141	190,932	Under construction

## Section 3 Management Discussion and Analysis

	Project name	Location	% of equity holding	Site area	Planned GFA	GFA attributable to Vanke's equity holding	Progress status
14	Zhuhai Starlight Coastal Garden	Jinwan District	43.1%	72,984	124,214	53,503	Pre-construction
15	Zhuhai Qin'ao Legend	Bonded Area	93.7%	66,795	146,724	137,432	Pre-construction
16	Changzhou Chaoqi Dongfang	Economic Development Zone	48.0%	29,933	59,871	28,744	Pre-construction
17	Hangzhou Heyu Guangnian Mansion	Gongshu District	99.8%	54,462	141,601	141,263	Under construction
18	Hangzhou Huyin Guangnian Mansion	Qiantang New District	99.8%	47,976	144,973	144,727	Pre-construction
19	Jiaxing Qichenli	Nanhu District	32.0%	38,760	45,521	14,576	Under construction
20	Jiaxing Wangchenli	Nanhu District	32.0%	36,456	40,047	12,823	Under construction
21	Jiaxing Lakeside Yinxiu	Nanhu District	96.3%	57,568	120,835	116,376	Pre-construction
22	Jiaxing Boyuewan North Project	Nanhu District	100.0%	68,764	138,196	138,196	Pre-construction
23	Jinhua Jinli Jianglan	Development Zone	100.0%	89,731	161,516	161,516	Pre-construction
24	Jinhua Wancheng Huaifu	Wucheng District	100.0%	133,320	239,976	239,976	Pre-construction
25	Jinhua Wansheng Huaifu	Wucheng District	70.0%	86,304	155,347	108,743	Pre-construction
26	Jinhua Jin Yun Jiang Ting	Development Zone	100.0%	47,249	85,048	85,048	Pre-construction
27	Jiang Yu Dong Fang, Nanchang	Nanchang County	40.4%	53,706	96,671	39,060	Pre-construction
28	Nanchang Xinjian Wangcheng West Project	Xinjian District	50.0%	31,013	80,635	40,318	Pre-construction
29	Nanjing Xiwangcheng	Gaochun District	50.4%	157,586	336,243	169,298	Under construction
30	Nanjing 2021G36 Daishan Project	Yuhuatai District	100.0%	47,295	69,719	69,719	Pre-construction
31	Nanjing 2021G09 Jiangbei Project	Pukou District	100.0%	23,706	35,359	35,359	Pre-construction
32	Nanjing 2021G11 Lishui Project	Lishui District	100.0%	45,806	91,612	91,612	Pre-construction
33	Nanjing 2021G47 Huitong Road Project	Jiangning District	100.0%	31,275	61,394	61,394	Pre-construction
34	Nantong Green Vine Garden	Haimen District	37.2%	45,552	91,104	33,868	Under construction
35	Ningbo Sanguantang Project	Jiangbei District	50.3%	12,089	20,997	10,571	Pre-construction
36	Ningbo Xiaocao Project	Yinzhou District	51.0%	30,828	85,734	43,724	Pre-construction
37	Ningbo Zhanlanxi Project	Jiangbei District	51.0%	25,185	41,505	21,168	Pre-construction
38	Plot No. 8, West Fenglin Road, Shaoxing	Yuecheng District	99.7%	36,108	63,934	63,742	Pre-construction
39	Plot No. 6, West Fenglin Road, Shaoxing	Yuecheng District	99.8%	67,488	93,111	92,929	Pre-construction
40	Plot No. 7-1, West Fenglin Road, Shaoxing	Yuecheng District	99.8%	56,095	129,019	128,795	Pre-construction
41	Suzhou Hushan Guangyun Ting	Wuzhong District	66.9%	34,712	41,655	27,884	Under construction
42	Suzhou Oriental Yayuan	Industrial Park	37.1%	57,710	115,419	42,821	Under construction
43	Suzhou Chengnan Project	Wuzhong District	50.1%	26,356	57,984	29,027	Pre-construction
44	Suzhou Weitang Project	Xiangcheng District	54.2%	39,449	90,733	49,132	Pre-construction



## Section 3

# Management Discussion and Analysis

	Project name	Location	% of equity holding	Site area	Planned GFA	GFA attributable to Vanke's equity holding	Progress status
45	Wenzhou Meilu	Ruian City	91.8%	26,033	83,043	76,207	Under construction
46	Wenzhou Reflections Plaza	Ouhai District	89.6%	48,825	137,200	122,979	Pre-construction
47	Wenzhou Reflections Plaza II	Ouhai District	99.4%	16,894	42,235	41,988	Pre-construction
48	Wuxi Xizhang No. 8	Huishan District	71.6%	83,130	199,508	142,868	Pre-construction
49	Wuhu Xinda Vanke Prestigious	Jinghu District	99.6%	97,811	195,621	194,822	Pre-construction
50	Kunlun Shangguan, Suqian	Suyu District	99.5%	112,124	257,885	256,539	Pre-construction
51	Kunlun, Xuzhou	Yunlong District	69.7%	65,354	179,091	124,771	Pre-construction
52	Yangzhou Ruyuan	Guangling District	36.2%	38,958	55,632	20,111	Pre-construction
53	Sunflower Town South County, Changchun	Gongzhuling City	51.0%	201,017	351,791	179,414	Pre-construction
54	Zitai, Changchun	Jingyue District	49.6%	105,213	188,917	93,642	Under construction
55	No.59 Rongguang Road, Changchun	Erdao District	80.0%	82,282	205,705	164,564	Pre-construction
56	Changchun Park Metropolis	Qikai District	100.0%	170,500	335,885	335,885	Pre-construction
57	Dalian Dong Guan Street Project	Xigang District	99.0%	32,616	47,400	46,926	Pre-construction
58	Jinan Xueshan Vanke City Group III	Licheng District	49.3%	78,506	211,965	104,457	Under construction
59	Qingdao Clouds of Bay	Chengyang District	92.9%	62,265	103,588	96,217	Under construction
60	Shenyang Four Seasons Metropolis	Sujiatun District	38.1%	162,261	324,522	123,643	Under construction
61	Plot 1, Hun Nan Xin Du Xin, Shenyang	Hunnan District	100.0%	185,000	369,000	369,000	Pre-construction
62	Plot 2, Hun Nan Xin Du Xin, Shenyang	Hunnan District	100.0%	37,000	41,000	41,000	Pre-construction
63	Plot 3, Hun Nan Xin Du Xin, Shenyang	Hunnan District	100.0%	59,000	83,000	83,000	Pre-construction
64	Shenyang Zhongde II Plot	Tiexi Economic and Technological Development Zone	100.0%	62,921	94,383	94,383	Pre-construction
65	One Fujian, Shenyang	Huanggu District	100.0%	75,869	136,564	136,564	Pre-construction
66	Shijiazhuang Jade College Phase II	Chang'an District	69.1%	72,403	181,009	125,077	Under construction
67	Shijiazhuang Metro Vanke Lanwan	Chang'an District	40.0%	40,943	102,509	40,996	Under construction
68	Taiyuan Xuyuan	Qingxu County	49.7%	79,396	230,248	114,378	Under construction
69	Taiyuan City Light 5#	Yingze District	90.1%	4,064	7,380	6,648	Pre-construction
70	Tianjin Vanke Eco Light	Binhai New District	99.0%	70,557	112,890	111,761	Under construction
71	Huijiauan Plots #6 and #7, Tianjin	Binhai New District	99.0%	175,154	286,866	284,026	Pre-construction
72	Huijiauan Plots #8 and #9, Tianjin	Binhai New District	99.0%	148,311	318,119	314,970	Under construction
73	Weifang Metropark	Weicheng District	99.0%	115,009	253,020	250,490	Pre-construction
74	Chengdu Zhiyuan	Chenghua District	44.7%	53,158	159,474	71,237	Under construction

## Section 3 Management Discussion and Analysis

	Project name	Location	% of equity holding	Site area	Planned GFA	GFA attributable to Vanke's equity holding	Progress status
75	Chengdu Jinyuhaifu	Tianfu New District	59.0%	34,838	158,704	93,667	Under construction
76	Chengdu He Yuan	Chenghua District	48.0%	22,230	44,459	21,340	Pre-construction
77	Chengdu Guobin Shuyuan Phase II	Jinniu District	99.0%	14,161	35,402	35,048	Pre-construction
78	Chengdu Qingrong City	Pidu District	99.0%	86,356	172,711	170,984	Pre-construction
79	Jiangnan Vanke City Phase II, Chongqing	Banan District	99.1%	152,648	200,998	199,169	Pre-construction
80	Wuhan Vanke Donghu Dibai	Hongshan District	99.1%	22,500	100,800	99,893	Under construction
81	Wuhan Vanke Ideal City Late Phase	Yiling District	99.0%	55,431	88,689	87,807	Pre-construction
82	Wuhan Yichang Vanke City Light	Wujiagang District	59.0%	49,016	127,401	75,166	Under construction
83	Zhengzhou Vanke City Phase 9	Zhongyuan District	41.1%	77,038	192,148	78,877	Under construction
84	Zhengzhou Future Time	Jinshui District	99.3%	53,205	148,974	147,857	Under construction
85	Zhengzhou Ideal Light	Erqi District	51.0%	30,174	105,607	53,860	Pre-construction
86	Zhengzhou Gucui Yinxiu	Jinshui District	50.4%	27,335	141,996	71,566	Pre-construction
87	Zhengzhou Ideal Starlight	Huiji District	46.1%	15,541	62,162	28,657	Pre-construction
88	Zhengzhou Beilong Lake 69 mu Project	Jinshui District	100.0%	46,550	79,133	79,133	Pre-construction
89	Lanzhou Vanke City Late Phase 718 mu Project	Gaolan County	49.3%	478,528	1,161,111	572,196	Under construction
90	Weinan Vanke Jinchen	Linwei District	50.0%	98,962	236,729	118,365	Pre-construction
91	Xi'an Vanke Future Starlight	Xixian New District	98.2%	64,431	171,576	168,478	Pre-construction
92	Xi'an Vanke Four Seasons Flower City	Lantian County	57.7%	171,790	423,078	244,104	Pre-construction
93	Plot of 89 mu in Jinghe New Town, Xi'an	Jingyang County	99.1%	59,432	136,693	135,459	Pre-construction
94	Plot of 57 mu in Jinghe New Town, Xi'an	Jingyang County	99.1%	37,894	87,156	86,369	Pre-construction
95	Yinchuan Ideal New City	Yongning County	19.3%	80,262	160,525	30,949	Pre-construction
	<b>Total</b>			<b>6,901,356</b>	<b>15,058,791</b>	<b>11,014,168</b>	

## Section 3

# Management Discussion and Analysis

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

Unit: sq m

No.	Project name	Location	% of equity holding	Site area	Planned GFA	GFA attributable to Vanke's equity holding	Progress status
1	Dalian Land Lot in A1 District South of Quanshui River	Ganjingzi District	99.0%	29,400	70,500	69,795	Pre-construction
2	Fuzhou Jingxi Town Guangming Village Project	Minhou County	99.0%	39,882	83,655	82,819	Pre-construction
3	Jinan Nanbei Kang 07 Block Project	Shizhong District	99.8%	149,383	415,492	414,453	Pre-construction
4	Zibo Land Lot of Donglv Project Phase I	Zhangdian District	65.0%	50,578	132,018	85,812	Pre-construction
5	Tianjin Land Lot of Xiangluowan	Binhai New District	64.5%	120,938	294,600	190,017	Pre-construction
6	Wuhan Consolidated Land Plot K8 of Tangjiadun	Jiangnan District	50.0%	18,607	78,000	39,000	Pre-construction
7	Wuhan Jinyin Lake 115 Mu Project	Dongxihu District	100.0%	76,349	149,000	149,000	Pre-construction
8	Xuzhou No. 2021-4 Plot B at North District Bus Terminal	Gulou District	100.0%	26,830	58,423	58,423	Pre-construction
9	Xuzhou No. 2021-6 Plot A at Northwest Corner of Wushan Park	Gulou District	100.0%	76,730	85,603	85,603	Pre-construction
10	Xuzhou No. 2021-36 Plot C at Taihang Street North	Yunlong District	100.0%	68,868	151,510	151,510	Pre-construction
11	Xuzhou No. 2021-16 Land Lot of Former Taiyang Hotel (太陽賓館)	Quanshan District	100.0%	9,746	25,827	25,827	Pre-construction
12	Yantai Xiaoshabu F2 Project	Zhifu District	51.0%	42,599	102,200	52,122	Pre-construction
13	Yangzhou No. 2021-3 GZ296 Plot A South to Yaoyang Senior Apartment (耀陽養老公寓)	Guangling District	100.0%	56,285	81,613	81,613	Pre-construction
14	Yuxi Fuxian Lake Laowu Street Project	Hongta District	39.8%	64,182	239,755	95,423	Under construction
<b>Total</b>				<b>830,377</b>	<b>1,968,196</b>	<b>1,581,417</b>	<b>-</b>

## Section 3

# Management Discussion and Analysis

### (2) Property services

In the first half of 2021, Onewo realized revenue of RMB10.38 billion (including revenue from services provided to the Group), an increase of 33.3% year-on-year, among which, revenue from residential property service of RMB5.71 billion, accounting for 55.0%; revenue from commercial property and facility services of RMB3.16 billion, accounting for 30.4%; revenue from smart city service of RMB630 million, accounting for 6.1%; revenue from community life service of RMB560 million, accounting for 5.4%; and revenue from Onewo Growth of RMB320 million, accounting for 3.1%.

In terms of commercial and community space services, Onewo uses Vanke Service as its brand, and its business have been expanded to 105 large and medium-sized cities of China (including Hong Kong), providing services for 3,490 projects. Drawing on 30 years' experience on residential properties to establish its business process, Vanke Service implemented online operation through the digital operation center in Wuhan. Pulin, the real estate brokerage platform under Onewo, recorded a 647% increase in new housing sales over the same period last year. Guangzhou Pulin has entered into a strategic partnership with Guangxin Property. Pulin provides branding and technical support to help Guangxin Property to attempt to develop new value-added community housing services and open its first rental and sales branch, marking the first step towards marketisation for Pulin.

In terms of office space services, Onewo uses Cushman & Wakefield Vanke Service as its brand to continue to provide extensive business scenarios and serves over 1,900 projects including shopping mall complexes, offices, sci-tech parks, schools, urban public buildings and shopping streets from urban redevelopment. Cushman & Wakefield Vanke Service provides services to over 50 leading internet hi-tech enterprises and unicorn enterprises, among them, over 20 enterprises have a market capitalization of over USD10 billion. Among top ten internet enterprises by capitalization in China, eight enterprises are customers of Cushman & Wakefield Vanke Service. Shenzhen Vanke Xiangying Management Services Co., Ltd., as an integrated enterprise service operator under Onewo, seized the business opportunity of enterprise outsourcing services, and successfully developed 10 external customers.

In terms of urban space services, Onewo uses City Up as its brand to provide integrated urban space services including urban space management, community renewal operation, community collaborative governance and ecological housekeeping services through digitalised, mechanised and professionalized operational measures. Its business now covers 21 cities including Beijing, Shenzhen, Guangzhou, Xiong'an New Area, Chengdu, Qingdao, Xiamen, Zhengzhou and Wuhan, and the number of contracts entered increased to 31. During the Reporting Period, City Up launched a pilot scheme for property projects under Hubei United Development Investment Group Co., Ltd. and Chengdu High-tech Investment Group Co., Ltd. by smart solutions such as machine plus human to enhance operating efficiency. In the first half of the year, a strategic cooperation agreement was officially signed with Beijing Fengtai District Government to explore new governance model of old communities.

**(3) Rental housing**

As at the end of the Reporting Period, Port Apartment, the rental housing business, had reserved 192,000 apartments and unveiled a total of 6,000 new apartments in 16 key cities in the first half of the year, and unveiled a total of 148,000 apartments, ranking the first in the scale of centralised apartments nationwide. Port Apartment has now established a presence in 33 cities across China and maintained the No. 1 market share in 9 cities, namely Shenzhen, Tianjin, Xi'an, Jinan, Foshan, Zhuhai, Shenyang, Dongguan and Fuzhou. Revenue for the Reporting Period was RMB1,319 million, representing a year-on-year growth of 25.6%, and the occupancy rate of accumulated days for rooms on rent to accumulated days for rooms unveiled reached 95%.

In the first half of the year, the net referral value of Port Apartment reached 85% and the renewal rate reached 58%. As at the end of the Reporting Period, Port Apartment had served more than 510,000 customers in total and had entered into cooperation agreements for corporate employee leasing with 166 renowned enterprises, providing one-stop living services to 35,000 employees in total. At the same time, Port Apartment has also been actively providing talent housing to various cities, totalling over 30,000 units.

Port Apartment has formed various business models such as leasing communities on collective construction land, self-owned commercial land for the construction of rental housing, joint-venture renovation and operation of urban villages, construction and management of government rental housing, and export of asset-light "EPC+O" (product + construction + operation) services, etc. Beijing Port Apartment Chengshou Temple Community, Shenzhen Port Apartment Cloud City Flagship Store, Shenzhen Port Apartment Nantou City Store and Jinan Port Apartment Dingjiazhuang Talent Apartment have become benchmark projects in the industry. Relying on business advantages, Port Apartment has established and strengthened partnerships with platforms in cities including Shenzhen, Chengdu, Jinan and Changchun, state-owned enterprises and other large enterprises. 6,700 new projects were acquired in the first half of the year.

## Section 3

# Management Discussion and Analysis

### Apartment projects owned and managed by the Group

City	Number of projects	Total number of apartments (unit: 10,000)	Number of apartments available for rental (unit: 10,000)
Shenzhen	152	7.8	7.3
Beijing	16	2.5	0.4
Guangzhou	33	1.2	0.9
Xiamen	19	0.8	0.6
Shanghai	18	0.7	0.3
Xi'an	12	0.7	0.6
Tianjin	15	0.6	0.6
Jinan	12	0.5	0.5
Hangzhou	16	0.5	0.4
Chengdu	12	0.4	0.3
Other cities	125	3.5	2.9
<b>Total</b>	<b>430</b>	<b>19.2</b>	<b>14.8</b>

## Section 3

# Management Discussion and Analysis

### (4) Retail property development and operations

As of the end of the Reporting Period, 9.888 million sq m floor area of retail property development of the Group (including SCPG) had been available for business, representing a year-on-year increase of 18.3%. During the Reporting Period, a total area of 308,000 sq m were unveiled. In addition, the floor area of retail property projects under planning and under construction was 5.493 million square meters.

During the Reporting Period, the revenue of commercial business (including associate and joint venture projects) was RMB3.629 billion, a year-on-year growth of 19.0%. Among them, the revenue of retail property projects managed by SCPG stood at RMB2.453 billion, a year-on-year increase of 21.6%. As of the end of the Reporting Period, the overall occupancy rate of the Group's unveiled projects was 92.3%, and that of retail property projects in the stable development stage (opening for more than 3 years) was 93.9%.

#### Top ten retail property projects operated by the Group (including SCPG) (by revenue)

Project	City	Floor area (Square meter)	Occupancy rate	Revenue January to June 2021 (RMB'0000)
Shanghai Qibao Vanke Plaza	Shanghai	237,193	98.1%	21,245.31
Shenzhen SCPG Center Shopping Plaza	Shenzhen	96,607	98.5%	16,282.07
Shanghai Nanxiang In-City MEGA	Shanghai	336,880	96.7%	15,112.81
Hangzhou Xixi In-City	Hangzhou	251,145	99.2%	13,642.97
Shenzhen Longgang Vanke Plaza	Shenzhen	128,925	98.5%	12,176.59
Ningbo Yinzhou In-City	Ningbo	113,622	99.8%	7,777.15
Jinan In-City	Jinan	156,630	99.8%	7,703.75
Tianjin Xiqing In-City	Tianjin	228,985	99.2%	7,464.91
Beijing In-City	Beijing	72,558	95.2%	6,385.95
Nanning In-City	Nanning	127,180	99.8%	6,278.04

## Section 3

# Management Discussion and Analysis

During the Reporting Period, the Group continued to promote product innovation. In the first half of the year, Huizhou In-City, Shanghai Caohejing In-City and Chengdu In-City opened for business and were well received by the market; the Group focused on key markets and signed agreement to implement projects such as Hangzhou Yongfeng In-City and Shanghai Hongqiao Qianwan In-City.

SCPG continued to implement digital upgrade. Its digital membership operation system covered 64 projects, with the number of members reaching nearly 12 million. Meanwhile, it strengthened online and offline diversified interaction and launched the innovative content brand “Yin Shua Factory (印刷廠)” with the aim of better reaching the preferences of young consumers by providing interesting content and vivid means.

### (5) *Logistic and warehousing services*

VX Logistic Properties continued to improve the distribution of key sectors. As of the end of the Reporting Period, VX Logistic Properties had run a total of 148 projects in 44 cities, with a floor area of 11.49 million square meters of leaseable properties. Among them 126 were high-standard warehouses, with a leaseable floor area of 10.56 million square meters; 22 were cold storage with a leaseable floor area of 930,000 square meters.

During the Reporting Period, VX Logistic Properties unveiled 980,000 square meters. As of the end of the Reporting Period, the gross floor area of unveiled projects reached 7.97 million square meters, including 7.56 million square meters of high-standard warehouses and occupancy rate in the stable stage was 94%, and 410,000 square meters of cold storage were unveiled and occupancy rate in the stable stage was 68%.

During the Reporting Period, the projects managed by VX Logistic Properties (including projects not consolidated in financial statements) generated a revenue of RMB1.34 billion, a year-on-year increase of 64%, of which RMB920 million was generated from the revenue of high-standard warehouses and RMB420 million from the revenue of cold storage, both representing a year-on-year increase of 64%.

VX Logistic Properties adhered to the business strategy of “service + technology”. During the Period, VX Logistic Properties initiated the customer service year and proposed the new service concept of “We are here for everything”. It officially put online the “VX Logistic Properties customer service platform” and launched a proprietary housekeeping service system.



## Section 3

# Management Discussion and Analysis

In addition, based on its countrywide warehouse network and scale, VX Logistic Properties utilized its service and technology power to actively explore new business such as supply chain and medical logistics and enhance its logistics service capabilities in various vertical segments. During the Period, VX Logistic Properties signed a strategic cooperation agreement with Supply and Marketing Cooperatives in Yunnan Province to establish preliminary supply chain service capability for the entire logistics supply chain of agricultural products, providing comprehensive supply chain solutions for chain supermarket customers from product origin to place of sale.

VX Logistic Properties actively undertook social responsibilities and supported the emergency storage task of COVID-19 vaccines. It took just 68 days to transform the Beijing Yizhuang project into a vaccine extension cold storage. The smooth delivery and customer occupation of the Beijing Medical Warehouse signifies the entering of the medical logistics industry by VX Logistic Properties.

### **2. Products and services**

In order to carry out the development direction of transformation to development, operation and service, and to further provide good products and services, the Group introduced standardized management methods for important and complex projects, organized professional efforts to provide professional support and pre-approval of product models for major and complex projects before investment and control key points after investment, and fully utilized the organizational advantages of the Group as a whole to enhance the overall competitiveness of products.

The Group officially launched the customer care plan “Building Beautiful Communities with Owners Together” and 2021 to 2023 is the period for first phase activities. Through exploring sustainable governance model for old community renewal together with the government and owners, the plan seeks to renovate for old residence communities and create harmony and healthy environment for the owners.

### **3. Technology-driven business development**

During the Reporting Period, on the basis of the “Dragon Head-raising” initiative, technological R&D efforts were strengthened for various business aspects such as design, marketing and finance. The depth and width of digitalization and application were promoted to strengthen the technological support for business.

**Driving production and sales.** The Group continued to strengthen the application of digital products such as intelligent design, AI inspection of drawings, cloud modeling, cloud model review, cloud computing, digital finishing and digital sand table in integrated residential areas, and integrate technology into the whole cycle of design, construction, marketing and property management processes, which on the one hand, facilitates enhancement in the design and production quality of products such as residential and parking space and, on the other hand, enables customers to select their preferred home and parking space conveniently with digital products.

## Section 3

# Management Discussion and Analysis

**Improving customer experience.** The Group promoted the use of smart payment terminals at site to optimize customer experience in on-site booking, purchase and payment. Also, mini-programs such as Yixuanfang (易選房) and Jiaoyi Guanjia (交易管家) for mobile devices were used to support customers' online transactions.

**Enhancing management efficiency.** Appropriate innovative applications such as technologies of RPA (robot process automation software), OCR (optical character recognition) and NLP (natural language processing) have been used to enhance the efficiency of managing and controlling of cash flow operations relating to funds, assets and finance, and gradually promote automatic reconciliation and accounting entries.

### (3) Analysis of operations and financial position

#### 1. Profit

Affected by the decline in profit margin on property development business, during the Reporting Period, the Group realized a net profit of RMB16.17 billion, representing a year-on-year decrease of 13.2%. Net profit attributable to equity shareholders of the Company amounted to RMB11.05 billion, representing a year-on-year decrease of 11.7%. The fully diluted return on equity was 4.98%, down by 1.41 percentage points from that of the same period of 2020.

During the first half of the year, booked gross profit margin of the Group's property development and related asset operation business was 18.0%, down by 6.02 percentage points from that of 2020.

During the Reporting Period, the Group realized an investment income of RMB2.88 billion, representing an increase of 7.0% year-on-year, including the net profits from the associates and joint ventures attributable to Vanke's equity holding amounting to RMB2.21 billion.

2. Liabilities

(1) Gearing ratio

As at the end of the Reporting Period, net gearing ratio of the Group was 20.2%.

(2) Interest-bearing liabilities and their composition

As at the end of the Reporting Period, the Group's interest-bearing liabilities amounted to RMB268.71 billion, representing an increase of RMB10.19 billion from that at the beginning of the year and accounting for 13.7% of total assets.

These interest-bearing liabilities were mainly medium and long-term liabilities. Among them, interest-bearing liabilities due within one year amounted to RMB84.30 billion, representing 31.4% of total; interest-bearing liabilities of more than one year amounted to RMB184.41 billion, representing 68.6% of total.

By financing source, bank borrowings, bonds payable and other borrowings accounted for 55.8%, 22.9% and 21.3%, respectively.

By type of interest rates, liabilities with fixed interest rates accounted for 42.0% and liabilities with floating interest rates accounted for 58.0% of the interest-bearing liabilities. Pledged interest-bearing liabilities amounted to RMB3.66 billion, accounting for 1.4% of the total interest-bearing liabilities.

By geographical location, domestic liabilities and overseas liabilities accounted for 74.6% and 25.4% respectively. RMB liabilities and foreign currency liabilities accounted for 75.4% and 24.6%, respectively.

## Section 3

# Management Discussion and Analysis

### (3) Financing overview

The Group continued to optimize its debt structure through different kinds of financing instruments to reduce its financing costs.

During the Reporting Period, the Company issued two tranches of corporate bonds to qualified investors in public, with the issuance amount of RMB3.0 billion and RMB1.566 billion respectively.

During the first half of the year, the Group's actual interest expenses totalled RMB6.31 billion, of which the capitalised interest amounting to a total of RMB2.52 billion.

### (4) Rating

During the Reporting Period, international credit rating agencies S&P, Moody's and Fitch maintained "BBB+", "Baa1" and "BBB+" long-term corporate credit ratings for the Company, respectively, with a "stable" rating outlook. China Chengxin International Credit Rating Co., Ltd. a domestic rating agency, maintained the Group's credit rating as AAA, with stable rating outlook.

## 3. Capital position

During the Reporting Period, the Group achieved a net cash inflow from operations of RMB6.78 billion. As at the end of the Reporting Period, the cash and cash equivalents (including pledged and restricted deposits) held by the Group amounted to RMB195.22 billion, which was much higher than the total current liabilities due within one year of RMB84.30 billion. Among the cash and cash equivalents, Renminbi accounted for 97.8%, whereas US dollar, Hong Kong dollar, British pound and other foreign currencies accounted for a total of 2.2%.

## 4. Risk of fluctuations in exchange rates

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

During the Reporting Period, the Group realized foreign exchange gains of approximately RMB56 million.

## Section 3 Management Discussion and Analysis

In order to constantly control the medium-and long-term fluctuation risks of the exchange rate, the Group persisted with dynamic management of matching of foreign currency asset and liability, term structure and offshore liquidity risk, and utilised natural hedging and purchased hedging instruments to control exchange rate risk at appropriate timing. To lock up the risks arising from the movement in exchange rates of foreign currency liability, the Group's effective cross currency swap (CCS) balance was US\$2,091 million at the end of the Reporting Period. During the Reporting Period, there was no new or expired hedging contract. During the effective period of the hedging contracts, the changes in the fair value of CCS had no impact on the Group's profit and loss.

### 5. Analysis of inventory

As at the end of the Reporting Period, the Group's inventory amounted to RMB 1,055.61 billion, representing an increase of 4.7% from that at the end of 2020; of the aforesaid inventory, projects held for development amounted to RMB189.74 billion, accounting for 18.0%; properties under development amounted to RMB786.60 billion, accounting for 74.5%; and completed properties for sale (existing properties) amounted to RMB70.14 billion, accounting for 6.6%.

### 6. Contingent liabilities

In accordance with industry practice, the Group provided provisional guarantee for mortgage loans taken by purchasers of the Company's properties. The terms of the provisional guarantee commenced on the day the guarantee agreement becoming effective up to the day on which the ownership certificates of the properties purchased by the customers being obtained and the mortgage being registered and delivered to the mortgage banks. As at the end of the Reporting Period, the aggregate guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB210.63 billion. The Group has not suffered any material loss due to the aforesaid guarantees. The Group is of the view that it does not need to make any provisions for such guarantees in the financial statements.

## Section 3

# Management Discussion and Analysis

### 7. Comparison of major assets and liabilities and operating guidances during the Reporting Period

Unit: RMB'000

Item	30-Jun-2021	31-Dec-2020	Change	Description
Other non-current assets	7,162,048	13,840,079	-48.25%	Proceeds from disposal of equity investments
Contract assets	8,829,125	6,162,550	43.27%	Growth in construction contracts
Other current assets	228,066	172,789	31.99%	Increase in wealth management products

  

Item	Jan-Jun 2021	Jan-Jun 2020	Change	Description
Other net income	4,020,829	2,721,865	47.72%	Increase in interest income receivable from associates and joint ventures
Selling and marketing expenses	(4,303,557)	(3,184,895)	35.12%	Increase in sales scale

#### (4) Future development prospects

The current external business environment is still complex. In the second half of the year, the Group will adhere to “Steady Steps towards Long-term Objectives” as the main tone of work and focus on two strategic breakthrough points of “reinforcing and enhancing basic work”, “transforming from mainly developing properties to paying equal attention to real estate development, operation and services” to promote transformation and development. The Group will focus on the following work:

- (1) Improve resource conversion efficiency and speed up payment collection;
- (2) Constantly maintain “green threshold” level;
- (3) Adhere to rational investment and improve investment quality;
- (4) Insist on paying equal attention to development, operation and services, and strengthen the building of operation and service capabilities;

## Section 3 Management Discussion and Analysis

- (5) Fully explore operation potential and strengthen lean management; and
- (6) Take advantage of technological achievements to enhance management capabilities and support business development.

### II. Investment analysis

#### 1. Overview

Applicable  Not applicable

#### 2. Significant equity investment gained during the Reporting Period

Applicable  Not applicable

#### 3. Significant ongoing non-equity investment during the Reporting Period

Applicable  Not applicable

#### 4. Investment in Financial Assets

##### (1) *Investment of securities*

Applicable  Not applicable



## Section 3

# Management Discussion and Analysis

### (2) Derivatives investment

*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 included Cross Currency Swap (CCS). The risks faced by CCS are related to exchange rate market risks and the certainty of the Group's future foreign currency debt cash flows. The Group's control measures on derivative financial instruments are mainly reflected in: For 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 levels of the Group and related entities.

*With regard to change in market price or fair value of the derivatives invested during the Reporting Period, specific method, related assumptions and parameters for analysis of the fair value of derivatives should be disclosed*

No derivatives expired and CCS contributed a potential profit of RMB75,500 for the Company during this Reporting Period. The fair value of CCS at the end of the Reporting Period was determined by reference to the 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 of independent non-executive directors on derivative investment and risk control of the Company*

The independent non-executive directors of the Company are of the view that CCS and other financial derivatives mitigate possible losses associated with foreign currency loans in the event of significant change in exchange rates or interest rates according to the actual situation of business operations, in accordance with the relevant regulations and regulations of the regulatory authorities, standardize derivatives investment and follow the principle of prudence. The relevant arrangements of the Company had been prudent and reasonable.



## Section 3

# Management Discussion and Analysis

### *Derivative positions as at the end of the Reporting Period*

Unit: RMB'000

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 the Reporting Period (%)
CCS	15,027,971	14,942,695	76	4.11

### III. Disposal of material assets and equity interest

#### 1. Disposal of material assets

The Company did not dispose of any material assets during the Reporting Period.

#### 2. Disposal of material equity interest

The Company did not dispose of any material equity interests during the Reporting Period.

## Section 3 Management Discussion and Analysis

### IV. Analysis of principal subsidiaries and associates

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

### V. Structured entity controlled by the Company

Applicable  Not applicable

### VI. Risks of the Company and Countermeasures

During the Reporting Period, the Company considered that there were no material uncertainties or circumstances that would materially affect the Company's ability to continue as a going concern. The principal risks currently faced by the Company and countermeasures thereof are not materially different from those at the end of the previous year. For details, please refer to "8.12 Internal Control and Risk Management" under "Section 8 Corporate Governance Report" of Annual Report 2020 of the Company.

### VII. Events after the Reporting Period

No.	Date of announcement	Brief introduction of item
1	24 August 2021	Upon consideration and approval at the 2020 Annual General Meeting, the First A Shareholders Class Meeting of 2021 and the First H Shareholders Class Meeting of 2021, the Company's dividend distribution plan for the year 2020 was approved, which resulted in a total cash dividend of RMB14,522,165,251.25 (inclusive of tax) and to provide the "scrip dividend" option to eligible H shareholders ("Script Dividend Arrangement for H Shares"). On 24 August 2021, a total of 7,651,174 H shares were issued upon the effectiveness of the Scrip Dividend Arrangement for H Shares.

## Section 4 Corporate Governance

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

#### (1) General meetings held during the Reporting Period

On 30 June 2021, the Company held the Annual General Meeting of 2020, the First A Shareholders Class Meeting of 2021 and the First H Shareholders Class Meeting of 2021. The investors of A shares and H shares of the Company participated in the meetings via on-site meeting and internet voting (only applicable to holders of A shares). Holders with total shareholding representing 54.90% of the total issued share capital of the Company attended the Annual General Meeting of 2020. The shareholdings of A shareholders and H shareholders who attended the First A Shareholdings Class Meeting of 2021 and the First H Shareholders Class Meeting of 2021 represented 55.54% and 51.81% of the A Shares and the H Shares of the Company, respectively. For details, please refer to the announcement dated 30 June 2021 disclosed on the website of SEHK.

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

Applicable  Not applicable

### II. Change in directors, supervisors and senior management during the Reporting Period

On 19 April 2021, Mr. TANG Shaojie, a Non-executive Director of the Company, applied for resignation as a director of the Company due to the change in work arrangements with effect from that date and no longer held any position in the Company after his resignation.

On 23 June 2021, upon consideration and approval at the Tenth meeting of the Nineteenth Session of the Board, the Board agreed to appoint Mr. LIU Xiao as Executive Vice President and Chief Operating Officer (COO) of the Company for a term commencing from the date of consideration and approval by the Board until the expiry of the term of the Nineteenth Session of the Board. Mr. WANG Haiwu, an Executive Director, ceased to be the Executive Vice President and Chief Operating Officer of the Company, subject to other assignment.

On 30 June 2021, upon consideration and approval of the resolution in relation to the by-election of Mr. HUANG Liping as a Non-executive Director at the 2020 Annual General Meeting of the Company, Mr. HUANG Liping was elected as a Non-executive Director of the Company for a term until the expiry of the term of the Nineteenth Session of the Board. On the same day, the amendments to the Articles of Association were considered and approved at the 2020 Annual General Meeting, including that the Board shall have one director assumed by staff representative. According to the amended Articles of Association, the staff representative meeting of the Company informed the Board of the Company that it has voted to approve Mr. WANG Haiwu, a director of the Nineteenth Session of the Board, to be re-designated as staff representative director for a term until the expiry of the term of the Nineteenth Session of the Board.

## Section 4

# Corporate Governance

### III. Proposal of Profit Distribution and Capitalisation of Equity Reserve during the Reporting Period

There will be no distribution of dividend, bonus share or capitalisation of equity reserve for the interim period of 2021.

### IV. Number of Employees and Their Remuneration and Benefits

As of 31 June 2021, there were 105,843 employees on the Group's payroll<sup>1</sup>.

During the Reporting Period, the Group accrued employee remuneration and benefits totalling RMB8.38 billion.

### V. The implementation of share option incentive scheme, employee shareholding plans or other employee incentives of the Company

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

### VI. Corporate Governance

Provision A.6.7 of 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.

Some Independent Non-Executive Directors and Non-Executive Directors did not attend the annual general meeting of 2020, the first A shareholders class meeting of 2021 and first H shareholders class meeting of 2021 (the "Meetings") held by the Company on 30 June 2021 due to COVID-19 or other important business engagements at the same time. A significant number of Directors, members of the Supervisory Committee and senior management of the Company attended the Meetings and had adequate communication and exchange with the shareholders of the Company, the Company has circulated the text of the Meetings to the directors for their information.

<sup>1</sup> This number does not include 44,318 securing personnel whose labor relations belong to associate company of the Group, Shenzhen Wanyu Security Service Technology Co., Ltd.

## Section 4 Corporate Governance

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 adopted the standards prescribed in the Model Code as the code of conduct in dealing in securities by the directors and supervisors of the Company. After inquiries to all the directors and supervisors, all the directors and supervisors of the Company confirmed that they had fully complied with the requirements of the Model Code during the Reporting Period.

The Report was reviewed by the audit committee of the Board. Other than those disclosed in the Report, during the period from 1 January 2021 to 30 June 2021, no significant changes affecting the performance of the Company should be disclosed in accordance with the paragraphs 32 and 40(2) of Appendix 16 to the SEHK Listing Rules.

## Section 5 Environmental and Social Responsibility

Vanke has always adhered to the concept of sustainable development, pursued a green and low-carbon development path, and actively practiced corporate social responsibility. Vanke is currently rated BBB in the MSCI-ESG Index and has been included in the Hang Seng Corporate Sustainability Benchmark Index, and the Hang Seng ESG50 Benchmark Index, and received a three-star GRESB rating.

**Continuing to promote housing industrialization construction.** Housing industrialization refers to housing construction in the industrialized way. It can effectively reduce energy and material consumption during construction and has become an important way for the construction industry to go green. The Company is always committed to environmental protection, and has worked on the industrialized construction system for nearly two decades and gradually figured out a mature path for its promotion and application. The Company continually upgrades the “5+2” construction system, and rigorously implemented the 2018-2021 Vanke Industrial System Promotion Measures for industrialized and standardized construction. Moreover, the Company compiled the Standard for the Industrialized Construction Quality System and Guidelines for the Application of Technology for Seismic Isolation and Shock Absorption, contributing to the green development of the construction industry.

**Creating a green supply chain.** On the basis of fair and open procurement, the Company has incorporated the principle of environmental protection into the management mechanism of our suppliers, and is working together with various parties to continuously promote the “Green Supply Chain Initiative for the Real Estate Sector”, so as to reduce the negative impact on the environment in all aspects of raw material procurement, production and processing, and end consumption, improve resource efficiency, and increase the green elements of the industrial chain, to provide green, healthy and environmentally friendly products to end consumers.

**Developing green buildings.** The Company is an active advocate of green building. While complying with national and industrial standards such as Assessment Standard for Green Building, the Company has formulated and promoted the Vanke Guidelines for Green Building Standards within the Group. The Company has rigorously conducted environmental management in the entire lifecycle of building from design to operation. The Company does its utmost to save resources and reduce the negative impact on the environment to make harmonious coexistence between buildings and nature come true. During the Reporting Period, eight of the Company’s projects have been awarded the Three Star Green Building Certification, nine projects have been awarded LEED Gold or above, and six projects have been awarded the National Healthy Building Certification.

## Section 5 Environmental and Social Responsibility

Vanke has been actively promoting the research and development of ultra-low energy buildings. In close cooperation with institutes specialized in passive ultralow-energy building, Vanke Research and Development Center has formulated “Vanke Passive Ultra-low-Energy Building Solution” targeting efficiency improvement and cost reduction -Vanke Passive Ultra Low Energy Building System Solution. The Company has jointly developed five-component suite of related ultra-low-energy materials, including Curtain Wall Systems, Walls, Efficient Heat Recovery and Make-up Air System, Water Proof Roof and Exterior Shading System. During the Reporting Period, the Company’s Harbin Intelligent Future City Project was certified by the China Construction Industry Association as a near-zero energy building and by the German Energy Agency DENA.

**Creating healthy residential.** Vanke has always been committed to creating a healthy living environment, and based on its existing healthy product system, Vanke has focused on developing a healthy living technology system, putting forward various technical indicators and solutions in terms of air, thermal comfort, water, light, sound, sports, spirit, materials, structural comfort, commuting, intelligence, property services and innovative projects, in order to provide our customers with safe and secure high-quality, healthy residential products and create a people-oriented living space. Since the implementation of the Company’s healthy residential standard in 2020, 98.6% of the new projects by the Company adopted the provisions of the healthy standard.

**Consolidating the fruit of poverty alleviation and rural revitalisation.** During the Reporting Period, the Company continued to actively respond to the State’s strategic plan to consolidate the achievements in poverty alleviation and rural revitalisation. In June 2021, the Company participated in the Guangdong Province and Shenzhen City 630 Relief Day and offered to donate RMB200 million to the ethnic minority areas in the province and Shenzhen City’s assistance to counterpart areas in the province, among which, the Company launched a rural revitalization project in Ruyuan Yao Autonomous Township in Shaoguan City, Guangdong Province. In February 2021, under the guidance of Guangdong Provincial Rural Revitalisation Bureau, Vanke created a “multi-town, contiguous village revitalisation demonstration belt” along the Rugui Highway in Ruyuan County, with the objective of building the “most beautiful corridor for co-living of Yao and Hakka tribes”, in June, the project was submitted to the Guangdong Provincial Party Committee and the Provincial Rural Revitalisation Bureau for confirmation, and preliminary work such as survey and design is currently underway.

## Section 6 Significant Events

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

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

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

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

##### *1. Independence of staff of the listed company*

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



**II. Financial independence of the listed company**

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

**III. Independence of entities of the listed company**

1. The listed company shall legally establish a sound corporate governance structure and an independent and complete organizational structure which are completely separated from the entities of SZMC. The listed company shall not share business entities 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.

## Section 6

# Significant Events

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

### *V. Independence of assets of the listed company*

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

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

**(II) Undertakings on avoiding competition in the same industry**

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

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

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

**(III) Undertakings on regulating related party transactions**

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

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



## Section 6

# Significant Events

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

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

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

## II. Non-operational use of capital of the listed company by the controlling shareholder or other related parties

Applicable    Not applicable

## III. Illegal external guarantees

Applicable    Not applicable

**IV. Appointment and termination of certified public accountants**

Was the interim financial report audited?

Yes  No

The Interim Report of the Company was not audited, and was reviewed by KPMG.

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

Applicable  Not applicable

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

Applicable  Not applicable

**VII. Matters related to bankruptcy and reorganization**

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

**VIII. Litigation matters**

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

**IX. Penalties and rectification**

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

**X. Credit status of the Company and its largest shareholder**

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

**XI. Major related party transactions**

## Section 6

# Significant Events

### 1. Related party transactions related to daily operations

During the Reporting Period, the Company had no major related party transaction related to daily operations.

### 2. Related party transactions involving asset or equity acquisition or disposal

During the Reporting Period, the Company had no major related party transaction involving asset or equity acquisition or disposal.

### 3. Related party (connected) transactions involving investment in third parties

During the Reporting Period, the Company did not have any major related party (connected) transactions of joint and external investment.

**4. Amounts due to or from related parties**

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

**Non-operational amount due to or from related parties**

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

**5. Other major related party transactions**

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

**XII. Major contracts and their implementation**

**1. Entrustment, sub-contracting or leasing arrangements**

*(1) Entrustment*

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

*(2) Sub-contracting*

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

*(3) Leasing*

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

## Section 6 Significant Events

### 2. 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.	Sinobird Holding Limited(100%)	Vanke Real Estate (Hong Kong) Company Limited(100%)	15,680.00	Joint liability guarantee	2018/3/28	Expect 2021/12/31
2.	Hybest (BVI) Company Limited(100%)	Vanke Real Estate (Hong Kong) Company Limited(100%)	16,320.00	Joint liability guarantee	2018/3/29	Expect 2021/12/31
3.	Chericourt Company Limited(75%)	Vanke Overseas Investment Holding Company Limited (75%)	37,575.30	Joint liability guarantee	2020/6/17	2022/6/19
4.	Wealth Hour Limited(95%)	Vanke Property (Hong Kong) Company Limited(100%)	116,734.60	Joint liability guarantee	2020/8/24	2021/8/24
5.	Diamond Huge Limited(100%)	Shenzhen Vanke Development Company(100%)	386,617.50	Joint liability guarantee	2021/2/9	2022/2/8
6.	Rugby Dragons (HK) Limited(40.95%)	Shenzhen Vanke Commercial Enterprise Property Service Company Limited(深圳萬物商企物業服務有限公司) (40.95%)	490.00	Joint liability guarantee	2020/5/12	2023/5/11
7.	Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd. (100%)	Guangzhou Vanke Enterprise Co., Ltd. (100%)	125,000.00	Joint liability guarantee	2020/5/6	2022/5/5
8.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited(100%)	1,066.00	Joint liability guarantee	2016/12/16	2024/12/15
9.	Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd. (100%)	Guangzhou Vanke Enterprise Co., Ltd. (100%)	80,000.00	Joint liability guarantee	2020/8/4	2022/5/3
10.	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Yunnan Vanke Enterprise Co. Ltd. (100%)	28,022.40	Joint liability guarantee	2017/12/29	2022/12/28
11.	Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. (36%)	Yunnan Vanke Enterprise Co. Ltd. (100%)	46,908.00	Joint liability guarantee	2018/1/19	2023/1/19
12.	Wuhan Jinwan Property Co., Ltd. (武漢金萬置業有限公司) (50%)	Wuhan Vanke Real Estate Company Limited(100%)	12,895.00	Joint liability guarantee	2018/10/10	2021/10/9
13.	Beijing Hengyi Enterprise Management Co., Ltd. (北京恒熾企業管理有限公司) (100%)	Beijing Vanke Enterprises Company Limited(100%)	323,400.00	Joint liability guarantee	2018/10/10	2023/12/31
14.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited(100%)	499.79	Joint liability guarantee	2019/9/29	2027/9/28
15.	Shanghai Shenyang Investment Management Co., Ltd. (41%)	Shanghai Vanke Investment Company Limited(100%)	2,029.50	Joint liability guarantee	2019/9/29	2027/9/28
16.	Chengdu Wanxing Industrial Town Real Estate Co., Ltd. (成都萬興產城置業有限公司) (99%)	China Vanke Co., Ltd	210,000.00	Joint liability guarantee	2019/12/12	2026/12/12
17.	Chengdu Wanxing Industrial Town Real Estate Co., Ltd. (成都萬隆產城置業有限公司) (99%)	China Vanke Co., Ltd.	130,000.00	Joint liability guarantee	2019/12/10	2026/12/10



## Section 6 Significant Events

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
18	Wuhan Yutianxinye Land Co., Ltd. (武漢譽天興業置地有限公司) (99%)	China Vanke Co., Ltd	262,500.00	Joint liability guarantee	2019/12/5	2026/12/5
19	Foshan Nanhai District Wanxuan Property Co., Ltd. (佛山市南海區萬軒房地產有限公司) (100%)	China Vanke Co., Ltd	100,000.00	Joint liability guarantee	2019/12/12	2026/12/12
20	Guangzhou Wanxi Enterprise Management Co., Ltd. (50%)	Guangzhou Vanke Enterprise Co., Ltd. (100%)	1,353,000.00	General guarantee obligation	2020/12/3	2025/12/3
21	Shenzhen Vanke Development Co., Ltd.(100%)	Shenzhen Vanke Hongshuwan Property Development Co., Ltd. (96.12%)	107,100.00	Joint liability guarantee	2020/11/11	Two years upon the expiration of the performance period of the master contract

During the Reporting Period, the Company's majority-owned subsidiaries provided RMB3.866 billion guarantees to other majority-owned subsidiaries, and did not provide guarantee to associates and joint ventures, the Company did not provide any new guarantees. The aforementioned entities all performed strict approval procedures pursuant to regulations of the CSRC's Notice of Regulating the External Guarantees of Listed Companies (Zhengjianfa[2005] No. 120).

## Section 6

# Significant Events

As of 30 June 2021, the outstanding amount of guarantees provided by the Company was RMB33.558 billion, accounting for 14.95% of the unaudited net assets attributable to equity shareholders of the Company as at the end of 2020. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries was RMB19.114 billion, while the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associates and joint ventures was RMB14.444 billion. The Company and its majority-owned subsidiaries did not provide external guarantees. The Company also had no overdue guarantee or guarantees involving litigations.

### (2) *Illegal external guarantees*

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

### 3. Major contracts in daily operation

Applicable  Not applicable

### 4. Other major contracts

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

## XIII. Entrusted wealth management

Unit: RMB'000

Specific Type	Source of funds for entrusted wealth management	Amounts for entrusted wealth management	Outstanding balance	Amount due but not received
Wealth management products of banks	Self-owned capital	19,500,000	227,816	-

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

## XIV. Explanation of other significant events

Nil.

**XV. Significant events of the Company's subsidiaries**

Nil.

**XVI. Details on the Company's investor meetings**

During the Reporting Period, the 2020 annual results presentation was broadcasted live over the Internet to communicate with the investors, the "Announcement Regarding Video Webcast of 2020 Annual Results Presentation and Questions Collection" was published in advance on SEHK website, inviting investors to actively participate and for collection of relevant questions. The questions collected covered a number of aspects including industry policies, corporate strategies, business development, technology-enabled businesses, and dividend policies. Among them, the questions related to business, technology and dividends were answered by Company Secretary, Ms. ZHU Xu, in the annual results introduction, and the remaining questions were also covered in the Q&A session. As of 30 June 2021, the total number of views of the annual results presentation was approximately 142,000.

In addition, during the Reporting Period, the Company received surveys by institutional investors such as securities companies and funds, and individual investors via phone conference, exchanged views on the Company's daily operations, development strategies and views on changes in industry and provided public information based on periodic reports.

## Section 6

# Significant Events

Type of meeting	Date	Approach	Types of investors
JP Morgan meeting	2021.1	Telephone conference	Investors including securities companies, funds, etc.
Morgan Stanley meeting	2021.1	Telephone conference	Investors including securities companies, funds, etc.
Sinolink Securities meeting	2021.1	On-site meeting	Investors including securities companies, funds, etc.
2020 Annual Results Presentation	2021.3	Video roadshow	Investors including securities companies, funds, individual investors, etc.
Citi Securities meeting	2021.4	Telephone conference	Investors including securities companies, funds, etc.
JP Morgan meeting	2021.4	Telephone conference	Investors including securities companies, funds, etc.
CICC meeting	2021.4	On-site meeting	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2021.4	On-site meeting	Investors including securities companies, funds, etc.
CITIC Securities meeting	2021.4	On-site meeting	Investors including securities companies, funds, etc.
Bank of America Securities meeting	2021.4	Telephone conference	Investors including securities companies, funds, etc.
Credit Suisse Securities meeting	2021.4	Telephone conference	Investors including securities companies, funds, etc.
China Merchants Securities Meeting	2021.4	On-site meeting	Investors including securities companies, funds, etc.
Guangfa Securities meeting	2021.5	On-site meeting	Investors including securities companies, funds, etc.
CITIC Securities meeting	2021.6	On-site meeting	Investors including securities companies, funds, etc.
CICC meeting	2021.6	On-site meeting	Investors including securities companies, funds, etc.
Citi Securities meeting	2021.6	Telephone conference	Investors including securities companies, funds, etc.

Note: The above-mentioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.

## Section 6 Significant Events

Type of meeting	Date	Approach	Types of investors
Securities companies	During the Reporting Period	Small Group or one-on-one phone conference	Oriental Securities, Ping An Securities, Zhongtai International, CITIC Securities, China Securities, CICC, Haitong Securities, Industrial Securities, China Merchant Securities, Huatai Securities, East Asia Qianhai Securities, Credit Suisse, Tianfeng Securities, Yangtze River Securities, Morgan Stanley, HSBC etc.
Funds and other investment companies and individual investors	During the Reporting Period	Small Group or one-on-one phone conference	China Life, Ping An Asset Management, Yongan Guofu Asset Management, Huashang Fund, ICBC Credit Suisse, CPIC AMC, Zhongou Fund, Greenwoods Assets, Fullgoal Fund, Bao Ying Fund, Essence Fund, Harmony Hui Asset Management, ABC-CA Fund, Changxin Fund, Orient Securities Asset Management, Abu Dhabi Investment Authority, GIC, Blackrock, Platinum, JP Morgan Asset Management, Fidelity, Invesco, Ares SSG, Capital Group, Lazard, Wellington etc.

## Section 7 Change in Share Capital and Shareholdings of Major Shareholders

### I. Change in share capital

#### (1) Change in share capital (as at 30 June 2021)

Unit: Share

Classification of Share	31 December 2020			30 June 2021	
	Quantity	Percentage of shareholding	Changes (+, -)	Quantity	Percentage of shareholding
<b>I. Restricted Shares</b>					
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%	0	6,643,268	0.06%
4. Shares held by foreign investors	-	-	-	-	-
<b>Total number of restricted shares</b>	<b>6,643,268</b>	<b>0.06%</b>	<b>0</b>	<b>6,643,268</b>	<b>0.06%</b>
<b>II. Non-restricted Shares</b>					
1. RMB-denominated ordinary shares	9,717,553,265	83.64%	0	9,717,553,265	83.64%
2. Overseas listed foreign shares	1,893,535,668	16.30%	0	1,893,535,668	16.30%
<b>Total number of non-restricted shares</b>	<b>11,611,088,933</b>	<b>99.94%</b>	<b>0</b>	<b>11,611,088,933</b>	<b>99.94%</b>
<b>III. Total Number of Shares</b>	<b>11,617,732,201</b>	<b>100.00%</b>	<b>0</b>	<b>11,617,732,201</b>	<b>100.00%</b>

In August 2021, the Scrip Dividend Arrangement for H Shares in dividend distribution for the year 2020 of the Company became effective and 7,651,174 additional H Shares of the Company were issued and listed for trading on SEHK on 25 August 2021. Following the creation of the new shares, the total number of issued shares of the Company increased from 11,617,732,201 shares to 11,625,383,375 shares, of which the total number of issued H shares increased from 1,893,535,668 shares to 1,901,186,842 shares, while the total number of issued A Shares remained unchanged at 9,724,196,533 shares. For details of the changes in the share capital of the Company's H Shares, please refer to the "Announcement Regarding the Effectiveness of the Scrip Dividend Arrangement for H Shares in Dividend Distribution for the Year 2020" on 24 August 2021 and the Next Day Disclosure Return of the Company as disclosed on the website of SEHK.

#### (2) Change in Restricted Shares during the Reporting Period

Unit: Share

Name of shareholder	Number of restricted shares held at the end of the previous year	Number of restricted shares with restrictions lifted during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares held at the end of the Reporting Period	Reason for selling restrictions	Date of selling restrictions removal
Yu Liang	5,479,684	-	-	5,479,684	held an office of Directors, Supervisors and senior management of the Company	In accordance with the Implementation Measures of the SZSE for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies
Xie Dong	1,118,059	-	-	1,118,059		
Que Dongwu	45,525	-	-	45,525		
<b>Total</b>	<b>6,643,268</b>	<b>-</b>	<b>-</b>	<b>6,643,268</b>	<b>-</b>	<b>-</b>

## Change in Share Capital and Shareholdings of Major Shareholders

### II. Issue and listing of securities

Applicable   Not applicable

On 22 January 2021, the Company has completed the issuance of corporate bonds (first tranche) of 2021 specialized in rental housing to qualified investors in public. The bonds are mainly divided into two varieties. Variety I is a 3-year term (with the issuer's call option at the end of the second year, coupon adjustment option and investors' put option), with an issue size of RMB1.9 billion and a final coupon rate of 3.38%. Variety II has a term of 7 years (with the issuer's call option at the end of the fifth year, coupon adjustment option and investors' put option), with an issue size of RMB1.1 billion and a final coupon rate of 3.98%.

On 20 May 2021, the Company has completed the issuance of corporate bonds (second tranche) of 2021 to qualified investors in public. This tranche of bonds is mainly divided into two varieties. Variety I is a 5-year term (with the issuer's call option at the end of the third year, coupon adjustment option and investors' put option), with an issue size of RMB1 billion and a final coupon rate of 3.40%. Variety II has a term of 7 years (with the issuer's call option at the end of the fifth year, coupon adjustment option and investors' put option), with an issue size of RMB0.566 billion and a final coupon rate of 3.70%.

On 26 July 2021, the Company has completed the issuance of corporate bonds (third tranche) of 2021 to professional investors in public. The bonds are mainly divided into two varieties. Variety I is a 5-year term (with the issuer's call option at the end of the third year, coupon adjustment option and investors' put option), with an issue size of RMB2.3 billion and a final coupon rate of 3.19%. Variety II has a term of 7 years (with the issuer's call option at the end of the fifth year, coupon adjustment option and investors' put option), with an issue size of RMB0.7 billion and a final coupon rate of 3.49%.

## Section 7

# Change in Share Capital and Shareholdings of Major Shareholders

### III. Information on Shareholders (As at 30 June 2021)

#### (1) Information on shareholders

Unit: Share

Total number of Shareholders as at 30 June 2021	571,126 (including 571,074 A Shareholders and 52 H Shareholders)	Total number of Shareholders as at 31 July 2021	566,091 (including 566,039 A Shareholders and 52 H Shareholders)
---	--	---	--

#### Shareholdings of the top 10 shareholders

Name of shareholder	Classification of Shareholder shareholding	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	27.63%	3,209,810,791	-33,000,000	0	0
HKSCC NOMINEES LIMITED <sup>1</sup>	Foreign legal person	16.30%	1,893,462,028	+9,654	0	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	5.51%	639,835,700	+104,419,997	0	0
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset	Others	2.21%	257,230,800	-199,762,390	0	0
Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership) (深圳盈嘉眾實業合夥企業(有限合夥))	Domestic Non-state owned legal person	2.05%	238,703,992	+238,703,992	0	238,703,992
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.63%	189,566,000	0	0	0
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Others	1.26%	146,255,820	0	0	0
China Securities Finance Corporation Limited	Domestic state-owned legal person	1.14%	132,669,394	0	0	0
CLIC – Dividend – Personal Dividend -005L-FH002 SZ	Others	0.68%	79,474,870	-25,948,300	0	0
CLIC – Traditional – Ordinary Insurance Product -005L-CT001 SZ	Others	0.59%	68,861,468	-16,015,814	0	0
Remarks on strategic investor or ordinary legal person becoming top 10 shareholders after placing of new shares	Nil					



## Change in Share Capital and Shareholdings of Major Shareholders

Remarks on the related party relationship or action in concert of the aforementioned shareholders	<p>Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan and Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership) (深圳盈嘉眾實業合夥企業(有限合夥)) are parties acting in concert.</p> <p>“China Life Insurance Company Ltd. – Dividend – Personal Dividend -005L-FH002 SZ” and “China Life Insurance Company Ltd. – Traditional – Ordinary Insurance Product005L-CT001SZ” belong to insurance products of China Life Insurance Company Ltd..</p> <p>Save as aforementioned, 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.</p>
Description of entrusting/being entrusted voting rights or waiving voting rights of the aforementioned shareholders	The voting rights of the shares held in the “Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset” belong to the trustee of its share C, i.e. Shenzhen Ying’an Financial Advisory Enterprise (Limited Partnership).
Shareholders involved in margin trading business description	As at the end of the Reporting Period, SZMC had lent 33,000,000 A Shares of the Company for a period of not more than 6 months through the margin refinancing business platform and there will be no transfer of ownership of the shares lent under the margin refinancing transfer.
Shareholders involved in contracted repurchase transactions	Nil

## Section 7

# Change in Share Capital and Shareholdings of Major Shareholders

Shareholdings of the top 10 shareholders		
Name of shareholder	Number of non-restricted shares held	Class of shares
SZMC	3,209,810,791	A Shares
HKSCC NOMINEES LIMITED	1,893,462,028	H Shares
Hong Kong Securities Clearing Company Limited	639,835,700	A Shares
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset	257,230,800	A Shares
Shenzhen Yingjiazhong Industrial Partnership (Limited Partnership) (深圳盈嘉眾實業合夥企業(有限合夥))	238,703,992	A Shares
Central Huijin Asset Management Co., Ltd.	189,566,000	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 – Dividend – Personal Dividend -005L-FH002 SZ	79,474,870	A Shares
CLIC – Traditional – Ordinary Insurance Product -005L-CT001 SZ	68,861,468	A Shares

Notes:

1. HKSCC NOMINEES LIMITED is the nominal holder of shares held by the Company's non-registered shareholders of H shares.
2. Hong Kong Securities Clearing Company Ltd. is the nominal holder of shares held by non-registered shareholders who hold A shares of the Company through Northbound Trading under Shenzhen-Hong Kong Stock Connect.
3. In the above table, the total number of A shareholders on 30 June 2021 and 31 July 2021 refers to the number of shareholders after combining margin trading accounts.

As at 30 June 2021, the total number of issued Shares amounted to 11,617,732,201, of which the numbers of A shares and H shares amounted to 9,724,196,533 and 1,893,535,668 respectively.

## Change in Share Capital and Shareholdings of Major Shareholders

### (2) Controlling shareholder and de facto controller

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

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

As at 30 June 2021, to the best knowledge of the Company's Directors, in accordance with the relevant requirements of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), 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	Percentage	Percentage
		Number of underlying shares				of total issued	of total issued	of total issued
						A-Share capital	H-Share capital	share capital
SZMC	Beneficial owner	3,209,810,791		Long Position	A	33.01%	-	27.63%
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	5.78%		4.84%
	Interest of controlled corporations	19,147,000		Long Position	H		1.01%	0.16%
GIC Private Limited	Investment manager	207,419,316		Long Position	H	-	10.95%	1.79%
JP Morgan Chase & Co.	Interest of controlled corporations	10,020,206		Long Position	H	-	0.53%	0.09%
	Interest of controlled corporations	7,119,204		Short Position	H	-	0.38%	0.06%
	Investment manager	75,568,916		Long Position	H	-	3.99%	0.65%
	Person holding a guaranteed interest in shares	2,636,247		Long Position	H	-	0.14%	0.02%
	Approved lending agent	22,289,386		Long Position	H	-	1.18%	0.19%
BlackRock, Inc.	Interest of controlled corporations	96,282,537		Long Position	H	-	5.08%	0.83%
	Interest of controlled corporations	3,967,900		Short Position	H	-	0.21%	0.03%

Save as disclosed above, the Company is not aware of any other person (other than the directors, supervisors, senior management of the Company) who should disclose their interest or short position in accordance with the requirements of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and SEHK Listing Rules.

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

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

## Section 7

# Change in Share Capital and Shareholdings of Major Shareholders

### IV. Changes in shareholdings of directors, supervisors and senior management

As at 30 June 2021, shareholdings of the current directors, supervisors and senior management in the Company:

Name	Title	Number of shares held at the beginning of the Period	Number of shares held as at the end of the Period	Shares held at the end of Reporting Period as a percentage of total number of shares	Reasons for the change	Number of stock options granted	Number of stock options exercised during the Reporting Period	Unit: Share
								Number of stock options not yet exercised at the end of the Reporting Period
YU Liang	Chairman of the Board and an Executive Director	7,306,245	7,306,245	0.0629%	-	0	0	0
XIE Dong	Chairman of Supervisory Committee	1,490,745	1,490,745	0.0128%	-	0	0	0
QUE Dongwu	Supervisor	60,700	60,700	0.0005%	-	0	0	0
<b>Total</b>		<b>8,857,690</b>	<b>8,857,690</b>	<b>0.0762%</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Save as abovementioned, other directors, members of supervisory committee and senior management 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.

# Section 8 Relevant Information on Bonds

## 1. Basic information on corporate bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
China Vanke Co., Ltd. corporate bonds in 2017 (first tranche)	17 Vanke 01	112546	14 July 2017 to 18 July 2017	18 July 2017	18 July 2022	819.43	1.90%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 2018 corporate bonds specialized in rental housing to qualified investors in public (second tranche)	18 Vanke 02	112784	26 October 2018 to 29 October 2018	29 October 2018	29 October 2023	89,203.66	4.18%	
China Vanke Co., Ltd. 2019 corporate bonds specialized in rental housing to qualified investors in public (first tranche)	19 Vanke 01	112844	25 February 2019 to 26 February 2019	26 February 2019	26 February 2024	200,000	3.65%	
China Vanke Co., Ltd. 2019 corporate bonds specialized in rental housing to qualified investors in public (second tranche)	19 Vanke 02	112976	25 September 2019 to 26 September 2019	26 September 2019	26 September 2024	250,000	3.55%	
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (first tranche) (variety I)	20 Vanke 01	149056	13 March 2020 to 16 March 2020	16 March 2020	16 March 2025	150,000	3.02%	
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%	

## Section 8

### Relevant Information on Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
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%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 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%	
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 I)	21 Vanke 01	149357	21 January 2021 to 22 January 2021	22 January 2021	22 January 2024	190,000	3.38%	

## Section 8 Relevant Information on Bonds

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Value Date	Due Date	Balance of bonds (RMB'0000)	Interest rate	Repayment of capital with interest
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%	The bonds pay a simple interest on an annual basis, instead of a compound interest. Interest is paid annually and the principal will be returned on the due date, while the last interest payment will be paid together with the principal amount.
China Vanke Co., Ltd. 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%	

## Section 8

# Relevant Information on Bonds

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

### (I) Overdue bonds

Applicable  Not applicable

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

Applicable  Not applicable

The value date of 18 Vanke 01 was 9 August 2018 and the term of the bond is 5 years, with the Company's coupon adjustment option and investors' put option at the end of the third year. In June 2021, the Company carried out the execution of the put option of 18 Vanke 01. According to the data provided by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the number of "18 Vanke 01" sold back was 6,736,198 and the sale back amount was RMB673,619,800.00 (excluding interest). After this effective sale back, the number of remaining bonds unsold was 0. The amount for exercising the put options has been in place on 9 August 2021, the Company has paid the principal and current interest to the holders of "18 Vanke 01" bonds who have effectively reported the sale back, and 18 Vanke 01 was delisted from the SZSE on that day.

### (III) Adjustments to credit rating results during the Reporting Period

Applicable  Not applicable



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

✓ 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.

## II. Basic information on debt financing instruments of non-financial enterprises

Name of bonds	Abbreviation of bonds	Code of bonds	Issue Date	Initial Date	Due Date	Balance of bonds	Interest rate	Repayment of capital with interest	Trading Floor
China Vanke Co., Ltd. medium-term notes in 2018 (second tranche)	18 Vanke MTN002	101801326	14 November 2018	15 November 2018	15 November 2021	200,000	4.03%	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.	The National Association of Financial Market Institutional Investors
China Vanke Co., Ltd. medium-term notes in 2021 (first tranche)	21Vanke 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)	21Vanke MTN002	102100912	28 April 2021	29 April 2021	29 April 2024	200,000	3.52%		
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									Not involved
Whether there is a risk of termination of listing and trading (if any) and countermeasures									Not applicable

## Section 8

### Relevant Information on Bonds

(I) **Overdue bonds**

Applicable  Not applicable

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

Applicable  Not applicable

(III) **Adjustments to credit rating results during the Reporting Period**

Applicable  Not applicable

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

Applicable  Not applicable

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

The funds to be used to repay the debt financing instruments of non-financial enterprises 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.

### III. Enterprise bonds

Applicable  Not applicable

### IV. Convertible corporate bonds

Applicable  Not applicable

### 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

# Interim Financial Report Section 9 Independent Review Report



Review report to the board of directors of China Vanke Co., Ltd.  
(incorporated in the People's Republic of China with joint stock limited liability)

## Introduction

We have reviewed the interim financial report of China Vanke Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

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

## Scope of review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

## KPMG

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
27 August 2021

## Section 9 Interim Financial Report

### Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021 – unaudited

	Note	Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
<b>Revenue</b>	3(a)	167,110,935	146,349,507
Cost of revenue		(128,782,060)	(99,797,572)
<b>Gross profit</b>		38,328,875	46,551,935
Other net income	4	4,020,829	2,721,865
Selling and marketing expenses		(4,303,557)	(3,184,895)
Administrative expenses		(6,661,302)	(6,307,735)
Other operating expenses		(521,957)	(583,038)
<b>Profit from operations</b>		30,862,888	39,198,132
Finance costs	5(a)	(4,337,322)	(4,519,524)
Share of profits less losses of associates and joint ventures		2,211,526	1,712,341
<b>Profit before taxation</b>		28,737,092	36,390,949
Income tax	6	(12,563,573)	(17,761,755)
<b>Profit for the period</b>		16,173,519	18,629,194
<b>Attributable to:</b>			
Equity shareholders of the Company		11,046,938	12,507,519
Non-controlling interests		5,126,581	6,121,675
<b>Profit for the period</b>		16,173,519	18,629,194
<b>Earnings per share (RMB)</b>			
Basic and diluted	7	0.95	1.11

The accompanying notes form part of this interim financial report.

# Interim Financial Report Section 9

## Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income

For the six months ended 30 June 2021 – unaudited

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>16,173,519</b>	<b>18,629,194</b>
<hr style="border-top: 1px dashed black;"/>		
<b>Other comprehensive income for the period</b>		
<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)	99,699	(689,757)
Share of other comprehensive income of associates	(98,956)	–
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(98,582)	(2,008)
Cash flow hedge:		
Net movement in the hedging reserve	(103,623)	372,242
Share of other comprehensive income of associates	1,324,659	–
<b>Other comprehensive income for the period</b>	<b>1,123,197</b>	<b>(319,523)</b>
<b>Total comprehensive income for the period</b>	<b>17,296,716</b>	<b>18,309,671</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	12,023,736	12,185,579
Non-controlling interests	5,272,980	6,124,092
<b>Total comprehensive income for the period</b>	<b>17,296,716</b>	<b>18,309,671</b>

The accompanying notes form part of this interim financial report.

## Section 9 Interim Financial Report

### Condensed Consolidated Statement of Financial Position

At 30 June 2021 – unaudited

	Note	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	8	32,506,059	31,841,854
Investment properties	9	108,312,532	103,459,740
Intangible assets		889,135	918,742
Interests in associates and joint ventures		142,013,535	141,895,190
Other financial assets		2,518,345	2,298,997
Other non-current assets	11	7,162,048	13,840,079
Deferred tax assets		29,394,681	27,535,431
		<b>322,796,335</b>	<b>321,790,033</b>
<b>Current assets</b>			
Inventories and other contract costs	12	1,055,608,089	1,008,434,340
Contract assets		8,829,125	6,162,550
Trade and other receivables	13	366,090,729	331,115,807
Other current assets		228,066	172,789
Pledged and restricted deposits		8,230,264	9,568,344
Cash and cash equivalents	14	186,985,778	185,662,380
Assets held for sale		6,334,728	6,334,728
		<b>1,632,306,779</b>	<b>1,547,450,938</b>
<b>Current liabilities</b>			
Trade and other payables	15	537,671,207	532,524,608
Contract liabilities		694,227,893	630,747,211
Bank loans and borrowings from financial institutions	16	74,048,249	70,299,267
Bonds payable	17	11,519,263	13,689,877
Lease liabilities		1,750,415	1,584,257
Current taxation		61,634,916	68,647,470
		<b>1,380,851,943</b>	<b>1,317,492,690</b>
<b>Net current assets</b>		<b>251,454,836</b>	<b>229,958,248</b>
<b>Total assets less current liabilities</b>		<b>574,251,171</b>	<b>551,748,281</b>

The accompanying notes form part of this interim financial report.

# Interim Financial Report Section 9

## Condensed Consolidated Statement of Financial Position

At 30 June 2021 – unaudited

		At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
<b>Non-current liabilities</b>			
Bank loans and borrowings from financial institutions	16	133,495,962	132,036,783
Bonds payable	17	50,915,073	43,576,223
Lease liabilities		24,535,961	24,589,946
Deferred tax liabilities		274,217	295,348
Provisions		215,300	215,331
Other non-current liabilities		1,093,899	1,190,176
		210,530,412	201,903,807
<b>NET ASSETS</b>		<b>363,720,759</b>	<b>349,844,474</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	18	11,617,732	11,617,732
Reserves		210,247,808	212,893,221
<b>Total equity attributable to equity shareholders of the Company</b>		<b>221,865,540</b>	<b>224,510,953</b>
<b>Non-controlling interests</b>		<b>141,855,219</b>	<b>125,333,521</b>
<b>TOTAL EQUITY</b>		<b>363,720,759</b>	<b>349,844,474</b>

Approved and authorised for issue by the board of directors on 27 August 2021.

Zhu Jiusheng  
Director

Wang Haiwu  
Director

The accompanying notes form part of this interim financial report.

## Section 9 Interim Financial Report

### Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021 – unaudited

Note	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Exchange reserve	Hedging reserve	Fair value reserve	Other reserves	Retained profits	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 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 the six months ended 30 June 2021												
Profit for the period	-	-	-	-	-	-	-	11,046,938	11,046,938	5,126,581	16,173,519	
Other comprehensive income	-	-	-	1,063,114	(103,623)	17,307	-	-	976,798	146,399	1,123,197	
Total comprehensive income	-	-	-	1,063,114	(103,623)	17,307	-	11,046,938	12,023,736	5,272,980	17,296,716	
Dividends approved in respect of the previous period	18(b)	-	-	-	-	-	-	(14,522,165)	(14,522,165)	-	(14,522,165)	
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	20,504,080	20,504,080	
Acquisitions of subsidiaries	24	-	-	-	-	-	-	-	-	871,260	871,260	
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	(141,759)	-	(141,759)	(247,171)	(388,930)	
Disposals of partial interests in subsidiaries		-	-	-	-	-	(5,225)	-	(5,225)	6,892,950	6,887,725	
Disposals of subsidiaries	25	-	-	-	-	-	-	-	-	(92,535)	(92,535)	
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	(3,470,258)	(3,470,258)	
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	(13,209,608)	(13,209,608)	
Balance at 30 June 2021		11,617,732	22,431,887	97,466,324	(159,658)	283,662	(688,558)	94,941,545	221,865,540	141,855,219	363,720,759	

The accompanying notes form part of this interim financial report.



# Interim Financial Report Section 9

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021 – unaudited

	Attributable to equity shareholders of the Company											
	Note	Share	Share	Statutory	Exchange	Hedging	Fair value	Other	Retained	Total	Non-	Total
		capital	premium	reserves	reserve	reserve	reserve	reserves	profits		controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2020		11,302,143	15,582,180	70,826,254	(1,700,462)	92,776	(195,719)	(3,200,716)	95,352,036	188,058,492	82,520,624	270,579,116
<b>Changes in equity for the six months ended 30 June 2020</b>												
Profit for the period		-	-	-	-	-	-	-	12,507,519	12,507,519	6,121,675	18,629,194
Other comprehensive income		-	-	-	(4,425)	372,242	(689,757)	-	-	(321,940)	2,417	(319,523)
<b>Total comprehensive income</b>		-	-	-	(4,425)	372,242	(689,757)	-	12,507,519	12,185,579	6,124,092	18,309,671
Dividends approved in respect of the previous period	18(b)	-	-	-	-	-	-	-	(11,810,739)	(11,810,739)	-	(11,810,739)
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	-	-	11,956,915	11,956,915
Acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	3,225,009	3,225,009
Acquisitions of additional interests in subsidiaries		-	-	-	-	-	-	(18,801)	-	(18,801)	(3,417)	(22,218)
Disposals of interests in subsidiaries		-	-	-	-	-	-	37,919	-	37,919	1,807,050	1,844,969
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	(712,566)	(712,566)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	(6,522,054)	(6,522,054)
Capital reduction of subsidiaries		-	-	-	-	-	-	-	-	-	(2,757,291)	(2,757,291)
Issue of shares on placing		315,589	6,849,706	-	-	-	-	-	-	7,165,295	-	7,165,295
<b>Balance at 30 June 2020</b>		11,617,732	22,431,886	70,826,254	(1,704,887)	465,018	(885,476)	(3,181,598)	96,048,816	195,617,745	95,638,362	291,256,107

The accompanying notes form part of this interim financial report.

## Section 9 Interim Financial Report

### Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2021 – unaudited

	Note	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
<b>Operating activities</b>			
Cash generated from operations		34,283,730	47,169,541
Income tax paid		(27,502,169)	(24,563,579)
<b>Net cash generated from operating activities</b>		<b>6,781,561</b>	<b>22,605,962</b>
<b>Investing activities</b>			
Acquisitions of property, plant and equipment and investment properties		(2,434,881)	(2,359,704)
Other cash flows (used in)/arising from investing activities		(4,523,428)	3,518,527
<b>Net cash (used in)/generated from investing activities</b>		<b>(6,958,309)</b>	<b>1,158,823</b>
<b>Financing activities</b>			
Dividends and interest paid		(13,080,076)	(10,111,558)
Other cash flows arising from financing activities		14,592,927	14,645,852
<b>Net cash generated from financing activities</b>		<b>1,512,851</b>	<b>4,534,294</b>
<b>Effect of foreign exchange rate changes</b>		<b>(12,705)</b>	<b>101,771</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,323,398</b>	<b>28,400,850</b>
<b>Cash and cash equivalents at 1 January</b>	14	<b>185,662,380</b>	<b>159,738,651</b>
<b>Cash and cash equivalents at 30 June</b>	14	<b>186,985,778</b>	<b>188,139,501</b>

The accompanying notes form part of this interim financial report.

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 1 Basis of preparation

China Vanke Co., Ltd. (the “**Company**”) is a company established and domiciled in the People’s Republic of China (the “**PRC**”). This condensed consolidated interim financial report (“**interim financial report**”) as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates and joint ventures. The Group’s principal activities are development and sale of properties in the PRC.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), including compliance with International Accounting Standard (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue by the Company’s Board of Director on 27 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). KPMG’s independent review report to the Board of Directors is included on page 65.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Group’s annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2020 are available from the Company’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 30 March 2021.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 2 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 16, *Covid-19-related rent concessions*
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – phase 2*

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

#### 3 Revenue and segment reporting

##### (a) Revenue

The principal activities of the Group are development and sale of properties in the PRC.

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of properties	147,123,530	131,404,011
Property management and related services	8,574,985	6,698,359
Construction contracts	7,571,298	4,406,665
Other services	817,424	1,219,625
	<b>164,087,237</b>	<b>143,728,660</b>
<b>Revenue from other sources</b>		
Gross rentals from investment properties	3,023,698	2,620,847
	<b>167,110,935</b>	<b>146,349,507</b>

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

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting

Since the development of operating business and change of internal organization structure, the Group divided Central-western region into two regions: Central-western region and Northwestern region in August 2020. The Group has not restated segment information for comparative figures since the information is not available and the cost to develop it would be excessive. The combined segment information of Central-western region and Northwestern region during current period are largely in the same scope of Central-western region during comparative period, and no segment information for current period on old basis of segmentation is disclosed.

#### (i) Segment results and assets

	Property development						Total RMB'000
	Northern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central- western region RMB'000	Northwestern region RMB'000	Property management RMB'000	
<b>For six months ended</b>							
<b>30 June 2021</b>							
Revenue from external customers	23,170,206	42,517,954	44,967,692	36,991,937	7,847,797	8,574,985	164,070,571
Inter-segment revenue	2,037	5,194	40,325	43,190	3,316	1,807,854	1,901,916
<b>Reportable segment revenue</b>	<b>23,172,243</b>	<b>42,523,148</b>	<b>45,008,017</b>	<b>37,035,127</b>	<b>7,851,113</b>	<b>10,382,839</b>	<b>165,972,487</b>
<b>Reportable segment profit</b>	<b>1,735,859</b>	<b>6,293,189</b>	<b>5,906,254</b>	<b>4,378,965</b>	<b>1,643,960</b>	<b>1,043,430</b>	<b>21,001,657</b>
<b>As at 30 June 2021</b>							
Reportable segment assets	424,636,787	454,585,721	517,372,521	282,626,260	120,350,840	19,009,522	1,818,581,651

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(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					Total RMB'000
	Northern region RMB'000	Southern region RMB'000	Shanghai region RMB'000	Central- western region RMB'000	Property management RMB'000	
<b>For six months ended</b>						
<b>30 June 2020</b>						
Revenue from external customers	16,251,046	37,445,765	44,622,709	40,324,218	6,698,359	145,342,097
Inter-segment revenue	64,602	16,812	122,891	111,200	1,092,590	1,408,095
<b>Reportable segment revenue</b>	<b>16,315,648</b>	<b>37,462,577</b>	<b>44,745,600</b>	<b>40,435,418</b>	<b>7,790,949</b>	<b>146,750,192</b>
<b>Reportable segment profit</b>	<b>2,034,833</b>	<b>5,016,989</b>	<b>9,971,033</b>	<b>8,625,516</b>	<b>626,076</b>	<b>26,274,447</b>
<b>As at 30 June 2020</b>						
<b>Reportable segment assets</b>	<b>376,940,556</b>	<b>405,511,131</b>	<b>419,483,073</b>	<b>363,172,062</b>	<b>15,688,613</b>	<b>1,580,795,435</b>

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting (continued)

##### (i) Segment results and assets (continued)

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

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 3 Revenue and segment reporting (continued)

##### (b) Segment reporting (continued)

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Revenue</b>		
Reportable segment revenue	165,972,487	146,750,192
Elimination of inter-segment revenue	(1,901,916)	(1,408,095)
Unallocated revenue	3,040,364	1,007,410
<b>Consolidated revenue</b>	<b>167,110,935</b>	<b>146,349,507</b>
<b>Profit</b>		
Reportable segment profit	21,001,657	26,274,447
Elimination of inter-segment profit	(508,284)	(308,828)
Share of profits less losses of associates and joint ventures	2,211,526	1,712,341
Dividend income	23,222	24,233
Other income	1,136,498	1,355,912
Other unallocated operating expenses	(407,045)	(487,075)
Unallocated expenses	(1,376,706)	(2,120,586)
Land appreciation tax ("LAT")	6,656,224	9,940,505
<b>Consolidated profit before taxation</b>	<b>28,737,092</b>	<b>36,390,949</b>
<b>Assets</b>		
Reportable segment assets	1,818,581,651	1,580,795,435
Elimination of inter-segment receivables	(634,383,121)	(491,392,973)
Unallocated assets	770,904,584	716,857,715
<b>Consolidated assets</b>	<b>1,955,103,114</b>	<b>1,806,260,177</b>



# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 4 Other net income

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Interest income	2,805,242	1,605,317
Dividend income	23,222	24,233
Forfeited deposits and compensation from customers	273,880	174,536
Net gain on disposals of subsidiaries, joint ventures and associates	396,778	568,099
Net gain/(loss) on disposals of other financial assets	20,000	(3,879)
Net gain on disposals of other current assets	227,088	388,612
Net gain on disposals of property, plant and equipment	116	2,344
Fair value changes	(7,822)	27,200
Net exchange gain/(loss)	55,867	(263,597)
Others	226,458	199,000
	<b>4,020,829</b>	<b>2,721,865</b>

### 5 Profit before taxation

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

#### (a) Finance costs

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Borrowings costs	6,312,538	7,762,953
Less: Borrowing costs capitalised into inventories, investment properties and construction in progress	(2,515,268)	(3,727,941)
Interest on lease liabilities	540,052	484,512
	<b>4,337,322</b>	<b>4,519,524</b>

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 5 Profit before taxation (continued)

##### (b) Staff costs

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Salaries, wages and other benefits	7,902,357	6,959,873
Contributions to defined contribution plans	473,209	171,919
	8,375,566	7,131,792

##### (c) Other items

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Depreciation and amortisation	3,694,243	3,193,027
Cost of inventories	113,912,011	89,420,646
Project management fee charged to associates and joint ventures	(268,444)	(707,106)

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 6 Income tax in the condensed consolidated statement of profit or loss

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for Corporation income tax ("CIT"), Hong Kong Profits Tax and U.S. income tax	7,422,210	9,802,608
Provision for LAT	6,663,064	9,940,788
Withholding tax	341,315	197,890
	14,426,589	19,941,286
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(1,863,016)	(2,179,531)
	12,563,573	17,761,755

### 7 Earnings per share ("EPS")

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB11,046,938,000 (six months ended 30 June 2020: RMB12,507,519,000) and weighted average of 11,617,732,201 ordinary shares (six months ended 30 June 2020: 11,302,143,001 ordinary shares) in issue during the period.

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

### 8 Property, plant and equipment

During the six months ended 30 June 2021, the Group's property, plant and equipment increased RMB664,205,000 (six months ended 30 June 2020: decreased RMB49,194,000) due to the addition of construction cost.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 9 Investment properties

Movements of investment properties are analysed as follows:

	Completed properties RMB'000	Properties under development RMB'000
<b>Cost:</b>		
At 1 January 2021	83,717,230	30,078,433
New leases	996,333	–
Additions of construction costs	–	1,922,103
Change in consolidation scope	4,513,738	(318,817)
Transfer from inventories	1,571,386	–
Transfer upon completion	4,860,105	(4,860,105)
Transfer to property, plant and equipment	(56,747)	(97,093)
Disposals	(253,840)	(2,894,011)
Lease termination	(140,935)	–
Exchange adjustment	(5,092)	–
At 30 June 2021	95,202,178	23,830,510
<b>Accumulated depreciation:</b>		
At 1 January 2021	8,709,805	–
Charge for the period	1,978,701	–
Disposals	(59,736)	–
Lease termination	(38,614)	–
Exchange adjustment	(1,140)	–
At 30 June 2021	10,589,016	–
<b>Impairment:</b>		
At 1 January 2021	131,140	1,494,978
Impairment loss	–	(1,494,978)
At 30 June 2021	131,140	–
<b>Net book value at 30 June 2021</b>	<b>84,482,022</b>	<b>23,830,510</b>

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 10 Right-of-use assets

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

	Notes	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Property, plant and equipment, carried at depreciated cost			
– leasehold land	(i)	5,399,255	5,285,744
– leased properties for own use	(ii)	1,404,386	1,704,518
		6,803,641	6,990,262
Investment properties, carried at depreciated cost			
– leasehold land	(i)	37,226,611	35,895,095
– leased properties to earn rental income	(ii)	23,460,858	23,505,601
		60,687,469	59,400,696
		67,491,110	66,390,958

Notes:

(i) Leasehold land

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

(ii) Leased properties

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

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 11 Other non-current assets

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Prepayments for acquisitions and properties development (Note)	4,205,185	10,980,129
Others	2,956,863	2,859,950
	<b>7,162,048</b>	<b>13,840,079</b>

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

#### 12 Inventories and other contract costs

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Properties held for development	189,741,170	201,752,768
Properties under development	786,598,861	725,075,575
Completed properties for sale	70,137,071	74,044,365
Others	1,458,088	1,254,177
Contract costs	7,672,899	6,307,455
	<b>1,055,608,089</b>	<b>1,008,434,340</b>

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 13 Trade and other receivables

	Notes	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade receivables, net of loss allowance	(a)	3,763,918	3,002,086
Other receivables, net of loss allowance		138,767,541	120,489,698
Prepayments, net of loss allowance		100,916,870	78,600,416
Amounts due from associates	(b)	43,539,212	43,071,461
Amounts due from joint ventures	(b)	79,102,376	85,937,385
Derivative financial instruments		812	14,761
		<b>366,090,729</b>	<b>331,115,807</b>

Notes:

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

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Within 1 year	2,825,528	2,294,266
1 to 2 years	418,715	268,005
2 to 3 years	213,442	247,874
Over 3 years	306,233	191,941
	<b>3,763,918</b>	<b>3,002,086</b>

- (b) The amounts due from associates and joint ventures as at 30 June 2021 include amounts of RMB22,241 million (31 December 2020: RMB13,918 million) which are interest-bearing at market rate, unsecured and repayable on demand. The gross interest income from these associates and joint ventures amounted to RMB910 million during the reporting period ended 30 June 2021 (six months ended 30 June 2020: RMB378 million). The remaining amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 14 Cash and cash equivalents

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Cash at bank and on hand	186,985,778	185,662,380

As at the end of the reporting period, bank deposit balances amounted RMB408 million (31 December 2020: RMB212 million) were held with Huishang Bank, an associate of the Group.

#### 15 Trade and other payables

	Note	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade creditors and bills payable	(a)	307,323,475	296,291,615
Other payables and accruals	(b)	158,717,040	157,960,642
Amounts due to associates	(c)	21,580,509	23,877,251
Amounts due to joint ventures	(c)	48,543,424	53,146,715
Receipts in advance		1,003,846	912,231
Derivative financial instruments		502,913	336,154
		<b>537,671,207</b>	<b>532,524,608</b>



# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 15 Trade and other payables (continued)

Notes:

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

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Current or payable on demand	301,640,975	291,191,085
Due after one year	5,682,500	5,100,530
<b>Total</b>	<b>307,323,475</b>	<b>296,291,615</b>

- (b) Other payables and accruals included advances from non-controlling interests of subsidiaries and other parties for the respective property development projects. These balances, except for an amount of RMB13,824 million (31 December 2020: RMB11,002 million) which are interest-bearing at market rate, are interest-free, unsecured and repayable on demand.
- (c) The amounts of RMB2,584 million (31 December 2020: RMB3,129 million) due to associates and joint ventures are interest-bearing at market rate, unsecured and repayable on demand. The interest expenses for the period amounted to RMB49 million (six months ended 30 June 2020: RMB131 million). The remaining amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

### 16 Bank loans and borrowings from financial institutions

	At 30 June 2021		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
<b>Current</b>			
Secured	7,135,959	–	7,135,959
Unsecured	48,454,689	18,222,793	66,677,482
Interest payables	204,065	30,743	234,808
	<b>55,794,713</b>	<b>18,253,536</b>	<b>74,048,249</b>
<b>Non-current</b>			
Secured	9,690,690	–	9,690,690
Unsecured	84,569,092	39,236,180	123,805,272
	<b>94,259,782</b>	<b>39,236,180</b>	<b>133,495,962</b>

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 16 Bank loans and borrowings from financial institutions (continued)

	At 31 December 2020		
	Bank loans RMB'000	Borrowings from financial institutions RMB'000	Total RMB'000
<b>Current</b>			
Secured	7,664,474	–	7,664,474
Unsecured	41,667,859	20,653,200	62,321,059
Interest payables	194,247	119,487	313,734
	<b>49,526,580</b>	<b>20,772,687</b>	<b>70,299,267</b>
<b>Non-current</b>			
Secured	11,061,080	–	11,061,080
Unsecured	75,739,423	45,236,280	120,975,703
	<b>86,800,503</b>	<b>45,236,280</b>	<b>132,036,783</b>

The secured bank loans are secured with certain inventories, investment properties, pledge deposit and property, plant and equipment with aggregate carrying value of RMB18,086 million (31 December 2020: RMB19,626 million) or pledged by the shares of equity interest or the receivables under the future lease agreement and tuition fee in certain subsidiaries.

At 30 June 2021 and 31 December 2020, non-current interest-bearing loans and borrowings were repayable as follows:

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
After 1 year but within 2 years	75,138,027	53,419,528
After 2 years but within 5 years	55,318,420	75,409,157
After 5 years	3,039,515	3,208,098
	<b>133,495,962</b>	<b>132,036,783</b>

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 17 Bonds payable

	Note	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
<b>Current</b>			
Bonds issued under			
Medium Term Note (“MTN”) Programme	(a)	1,924,722	1,426,873
RMB Corporate Bonds	(b)	3,567,498	3,511,609
RMB MTN Programme	(c)	4,997,721	7,989,349
Interest payables		1,029,322	762,046
		<b>11,519,263</b>	<b>13,689,877</b>
<b>Non-current</b>			
Bonds issued under MTN Programme	(a)	30,905,226	30,121,235
RMB Corporate Bonds	(b)	16,018,925	13,454,988
RMB MTN Programme	(c)	3,990,922	–
		<b>50,915,073</b>	<b>43,576,223</b>
		<b>62,434,336</b>	<b>57,266,100</b>

#### 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 2.95% to 5.35% per annum. At 30 June 2021, RMB22,549 million of non-current bonds issued under the Programme are repayable after 2 years but within 5 years, and RMB8,356 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 RMB34 billion to qualified investors. These bonds are unsecured and interest-bearing at 1.90% to 4.18% per annum. At 30 June 2021, RMB9,065 million of non-current bonds are repayable after 2 years but within 5 years and RMB6,954 million of which are repayable after 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 3.52% to 4.60% per annum. At 30 June 2021, RMB3,991 million of non-current bonds issued under the programme are repayable after 2 years but within 5 years.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 18 Capital, reserves and dividends

##### (a) Share capital

Issued share capital

	No. of shares (‘000)	Share Capital RMB’000
<b>A shares – registered, issued and fully paid of RMB1 each:</b>		
At 1 January and 30 June 2021	9,724,197	9,724,197
<b>H shares – registered, issued and fully paid of RMB1 each:</b>		
At 1 January and 30 June 2021	1,893,535	1,893,535
<b>Total issued shares</b>		
At 1 January and 30 June 2021	11,617,732	11,617,732

Included in the A shares are 6,643,268 shares (31 December 2020: 6,643,268 shares) with restriction to transfer.

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

##### (b) Dividends

Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the period.

	Six months ended 30 June	
	2021	2020
	RMB’000	RMB’000
Final dividend in respect of the previous financial year, approved during the period, of RMB1.25 per share (2020: RMB1.0166131 per share)	14,522,165	11,810,739

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 19 Financial instruments measured at fair value

#### Fair value hierarchy

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

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical financial instruments
- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: fair value measured using significant unobservable inputs

30 June 2021

Items	Fair value at 30 June 2021 RMB'000	Fair value measurements as at 30 June 2021 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Derivative financial instruments:				
– Cross Currency Swap (“CCS”) contracts	812	–	812	–
Unlisted equity securities	808,546	–	–	808,546
Listed equity securities	11,966	11,966	–	–
Non-trading listed securities	1,697,833	1,697,833	–	–
Other current assets*	227,216	–	–	227,216
<b>Recurring fair value measurement assets</b>	<b>2,746,373</b>	<b>1,709,799</b>	<b>812</b>	<b>1,035,762</b>
Derivative financial instruments:				
– CCS contracts	(502,913)	–	(502,913)	–
<b>Recurring fair value measurement liabilities</b>	<b>(502,913)</b>	<b>–</b>	<b>(502,913)</b>	<b>–</b>
Assets held for sale	6,334,728	–	–	6,334,728
<b>Non-recurring fair value measurement assets</b>	<b>6,334,728</b>	<b>–</b>	<b>–</b>	<b>6,334,728</b>

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 19 Financial instruments measured at fair value (continued)

##### Fair value hierarchy (continued)

31 December 2020

Items	Fair value	Fair value measurements as at		
	at 31 December 2020	31 December 2020	2020	2020
	RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Derivative financial instruments:				
– CCS contracts	14,761	–	14,761	–
Unlisted equity securities	697,760	–	–	697,760
Non-trading listed securities	1,601,237	1,601,237	–	–
Other current assets*	170,480	–	–	170,480
<b>Recurring fair value measurement assets</b>	<b>2,484,238</b>	<b>1,601,237</b>	<b>14,761</b>	<b>868,240</b>
Derivative financial instruments:				
– CCS contracts	(336,154)	–	(336,154)	–
<b>Recurring fair value measurement liabilities</b>	<b>(336,154)</b>	<b>–</b>	<b>(336,154)</b>	<b>–</b>
Assets held for sale	6,334,728	–	–	6,334,728
<b>Non-recurring fair value measurement assets</b>	<b>6,334,728</b>	<b>–</b>	<b>–</b>	<b>6,334,728</b>

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

During the six months ended 30 June 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2020: nil).

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2021 and 31 December 2020.

# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 20 Commitments

Capital commitments outstanding at 30 June 2021 not provided for in the financial statements were as follows:

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Construction and development contracts	190,302,081	189,469,842
Land agreements	11,798,427	6,117,510
	<b>202,100,508</b>	<b>195,587,352</b>

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

### 21 Contingent Liabilities

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB210,625 million (31 December 2020: RMB228,226 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.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 22 Material related party transactions

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

##### (a) Transactions with key management personnel

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Short-term employee benefits	5,137	5,606

##### (b) Malls management fee paid by the Group

During the period, the Group paid mall management fee amounted to RMB19 million (six months ended 30 June 2020: RMB14 million) to subsidiaries of SCPG Holdings Co.,Ltd. an associate of the Group.

##### (c) Financial guarantees issued

As at 30 June 2021, the Group provided certain guarantees to secure the loans borrowed by certain associates and joint ventures. The outstanding guarantees amounted to RMB14,444 million (31 December 2020: RMB15,449 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.

##### (d) Transactions with a shareholder

In 2015, the Group cooperated with the Shenzhen Metro Group Co., Ltd (“SZMC”) to jointly develop Mangrove Bay and Shenzhen North Station Project (“the Projects”). At 30 June 2021, the Group’s investment in the Projects amounted to RMB5,993 million (31 December 2020: RMB5,993 million) and the advance balance due to the project was RMB8,782 million (31 December 2020: RMB9,991 million).

During 2020, the Group cooperated with Shenzhen Metro Property Co., Ltd., a wholly-owned subsidiary of SZMC, to jointly develop Foshan Nanhai New Transport Depot Upper Cover Project (Project name: Foshan Nanhai Sky City). As at 30 June 2021, the Group’s investment in the project amounted to RMB2,789 million (31 December 2020: RMB2,789 million) and the advance balance due to the project was RMB771 million (31 December 2020: RMB1,868 million).

In December 2020, the Group set up a joint venture Shenzhen Metro Vanke Industrial Development Co., Ltd. with SZMC. The registered capital of the joint venture is RMB1 billion, of which the Group holds 50% and SZMC holds 50%. As at 30 June 2021, the Group has invested RMB25 million in the joint venture.



# Interim Financial Report Section 9

## Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

### 22 Material related party transactions (continued)

#### (e) Security service fee paid by the Group

During the period, the Group paid security service fee amounted to RMB2,183 million (six months ended 30 June 2020: RMB1,690 million) to Shenzhen Wanyu Security Service Technology Co., Ltd., an associate of the Group.

### 23 Non-adjusting events after the reporting period

#### (a) Issuance of bonds

On 28 July 2021, the Group completed a public offering of bonds specialized in rental housing to eligible investors of RMB3 billion, including RMB2.3 billion of 5-year term with a coupon rate of 3.19%, and RMB0.7 billion of 7-year term with a coupon rate of 3.49%.

#### (b) Redemptions of bonds

On 9 August 2021, the Group bought back the remaining 6,736,198 shares of bonds “18 Vanke 01” amount to RMB673,619,800.00 (excluding interest).

#### (c) Dividend distribution

On 30 June 2021, the Group's Annual General Meeting of 2020, the first A Shareholders Class Meeting of 2021 and the first H Shareholders Class Meeting of 2021 considered and approved the Company's dividend distribution plan of 2020, the total amount of cash dividends for distribution of 2020 is RMB14,522,165,251.25 (inclusive of tax), and approved the scrip dividend scheme for H Shares in the dividend distribution. The Company completed the 2020 dividend distribution on 24 August 2021, distributed cash dividend of RMB14,140,997,414.00, and the remaining dividend was paid in 7,651,174 H-share scrip dividend shares.

## Section 9 Interim Financial Report

### Notes to the Unaudited Interim Financial Report

(Expressed in thousands in Renminbi unless otherwise indicated)

#### 24 Acquisitions of subsidiaries

The acquisitions of these subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	At Acquisition Date RMB'000
Current assets	13,889,183
Non-current assets	4,579,339
Current liabilities	(10,097,691)
Non-current liabilities	(800,101)
Non-controlling interests	(871,260)
Net assets acquired attributable to the Group	6,699,470

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.

#### 25 Disposal of subsidiaries

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

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

	At Disposal Date RMB'000
Current assets	13,214,404
Non-current assets	5,366,911
Current liabilities	(16,088,291)
Non-current liabilities	(1,860,000)
Non-controlling interests	(92,535)
Remaining interests after disposal as interests in joint ventures and associates	(7,000)
Net assets attributable to the Group disposed of	533,489