

**CHINA VANKE CO., LTD.**  
(000002.SZ, 2202.HK)

# **2022 ANNUAL RESULTS ANNOUNCEMENT**

March 31<sup>st</sup> 2023

[www.vanke.com](http://www.vanke.com)

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**Part 1**

# **Results Overview**



## Stabilization of performance

- The operating income reached RMB**503.84 billion**, a YOY growth of **11.3%**.
- The net profit attributable to equity holding amounted to RMB**22.62 billion**, a YOY increase of **0.4%**.

## Financial and cash flow positions remain robust

- In 2022, the Group maintains compliance with the “green category” requirement, credit rating remained in a leading position with both S&P and Fitch maintaining a “BBB+” rating from Moody a “Baa1” .
- Cash on hand reaching RMB**137.21 billion**, covering **2.1** times of short-term debt. The net gearing ratio was **43.7%**.
- Optimized interest-bearing liabilities and its composition, the interest-bearing liabilities due within one year accounted for **20.5%**, down by **1.5 pct**
- The operating cash flow has been positive for **14** consecutive years,
- The comprehensive financing cost of existing financing decreased to **4.06%**, drop **5** BPs YOY.

## The scale of development business maintain the first-tier

## The Development of Operation and Service business grew rapidly

- The sales amount reached RMB**416.97 billion**, a decrease of **33.6%**.
- The Group achieved revenue of RMB**51.26 billion** from operation and services business, a YOY increase of **23.1%**.

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**Part 2**

# **Financial Overview**



## Summary of key accounting data and financial indicators

Profit and Loss	Account unit	2022	2021	Change
Revenue	RMB hundred million	5,038.4	4,528.0	11.3%
Gross margin (before tax)	%	19.6%	21.8%	-2.2pct
Gross margin (after tax)	%	14.7%	17.2%	-2.5pct
Profit for the year	RMB hundred million	375.5	380.7	-1.4%
Profit attributable to shareholders	RMB hundred million	226.2	225.2	0.4%
EPS	RMB	1.95	1.94	0.65%
Dividend ratio (expected)	RMB	35.65%/41.36%*	50.06%	-8.7pct
Assets and Liabilities	Account unit	December 31 2022	December 31 2021	Change
Cash on hand	RMB hundred million	1,372.1	1,493.5	-8.1%
Total assets	RMB hundred million	17,571.2	19,386.4	-9.4%
Interest bearing liabilities	RMB hundred million	3,141.1	2,659.6	18.1%
Interest bearing liabilities due within one year	RMB hundred million	645.2	586.2	10.1%
Total equity	RMB hundred million	4,049.9	3,927.7	3.1%
Equity attributable to shareholders	RMB hundred million	2,426.9	2,359.5	2.9%
Net assets per share	RMB	21.0	20.3	3.5%

\* Note: According to the "Rules for Share Repurchase of Listed Companies", shares repurchased by listed companies with cash consideration can be regarded as cash dividends. The calculation of the dividend ratio includes the company's spending of 1.29 billion yuan to repurchase A-shares in 2022.



# Maintained an industry-leading credit rating

- ❑ **The Group's credit rating is industry-leading.** Rating BBB+ from S&P, BBB+ from Fitch, Baa1 from Moody, AAA from CCXR, with the "three red lines" indicators meeting the "green category" requirements.
- ❑ **The net gearing ratio has remained low for a long time.** As of the end of the Reporting Period, the net gearing ratio was **43.7%**
- ❑ **The cash remained abundant.** Cash on hand was RMB**137.21** billion, covering short-term debts by **2.1** times, cash to short-term debt ratio excluding restricted funds and pre-sale regulatory funds cash is **1.4** times.

## "Three Red Lines" Indicators

Item	Green-level Requirement	December 31, 2022
Asset-liability ratio excluding receipts of prepayments	< 70%	67.6%
Cash to short-term debt ratio*	> 1 x	1.4
Net gearing ratio	< 100%	43.7%

\* Note: The Group's restricted funds of RMB2.78 billion and pre-sale regulatory funds of RMB46.39 billion have been excluded from the cash

## Credit Rating Overview

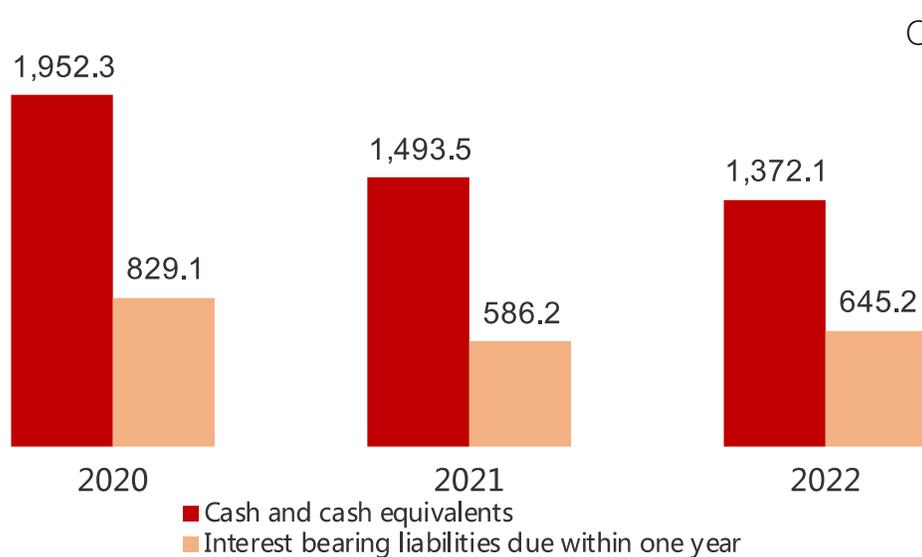
Rating Agency	Ratings	Outlook
S&P	BBB+	Stable
Fitch	BBB+	Stable
Moody	Baa1	Stable
CCXR	AAA	Stable



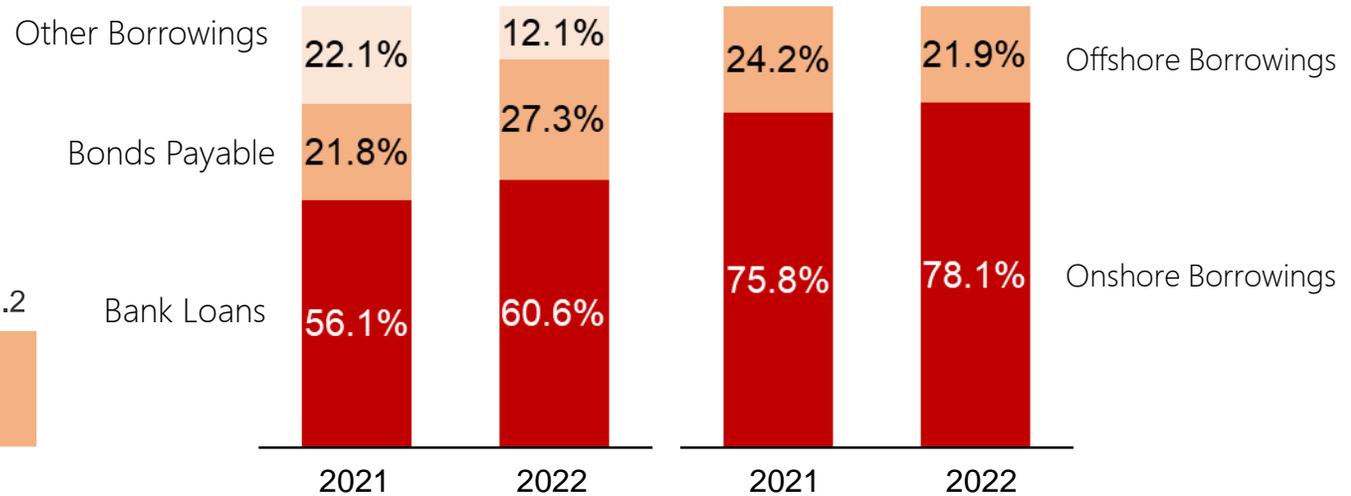
# Optimized interest-bearing liabilities structure

- The total interest-bearing liabilities amounted to RMB**314.11 billion**, among them the interest-bearing liabilities without any pledge or mortgage accounted for **95.2%**.
- The interest-bearing liabilities due within one year amounted to RMB**64.52 billion**, its proportion out of the total interest-bearing liabilities is **20.5%**, down by **1.5 pct.**
- Among the total interest-bearing liabilities, the bank borrowings accounted for **60.6%** and bonds payable accounted for **27.3%**, increased by **4.5** and **5.5** pct respectively, other borrowings accounted for **12.1%** and down by **10.0 pct**, debt structure has been optimized; Onshore liabilities and offshore liabilities accounted for **78.1%** and **21.9%** respectively, the proportion of offshore liabilities has been decreased by **2.3 pct.**

### Changes in Cash and cash equivalents and interest-bearing liabilities due within one year (RMB 100 million)



### Interest-bearing liabilities structure





## Maintaining a wide range of financing channels and a low-level financing cost in the industry

- To enhance the Company's ability to avert financial risks, the Group continued to optimize its debt structure and reduce financing costs through financing instruments including corporate bonds and medium-term notes.
- The total amount of credit bonds issued throughout the year was RMB**30.1 billion**, with an average cost of **3.07%** for the 3-year period, maintained a leading scale of credit bond issued in the industry.
- The comprehensive financing cost of new financing in the year was **3.88%** and the comprehensive financing cost of existing financing reduced to **4.06%**, a consecutive decline since last year.

### Financing Status

Financing channel	Balance (RMB billion)	Range of financing costs
Bank loans	190.37	3.00% to based on contracted Hibor rate float down
Bonds	85.61	2.56% to based on contracted Libor rate float down
Other borrowings	38.13	4.10%~6.16%
<b>Total interest-bearing liabilities</b>		<b>314.11</b>

As of December 31, 2022

### Credit Bond Issuance

Issuance Date	Type	Term of years	Coupon rate (%)	Issuance scale (RMB hundred million)
Jan 2022	Medium-term notes	3	2.95%	30
Feb 2022	Medium-term notes	3	2.98%	30
Feb 2022	Medium-term notes	3	3.00%	20
Mar 2022	Corporate bonds	3/5	3.14%/3.64%	19.9
Jun 2022	Corporate bonds	5/7	2.90%/3.53%	10
Jun 2022	VANKE REAL ESTATE (HONG KONG) Medium-term notes	3	3.55%	5.1
Jul 2022	Corporate bonds	5/7	3.21%/3.70%	34
Jul 2022	Green medium-term notes	3	3.00%	30
Aug 2022	Green medium-term notes	3	2.90%	20
Sept 2022	Green medium-term notes	3	3.20%	20
Oct 2022	Corporate bonds	5	3.45%	25
Dec 2022	Medium-term notes	3	3.00%	20
Dec 2022	Medium-term notes	3	3.00%	37

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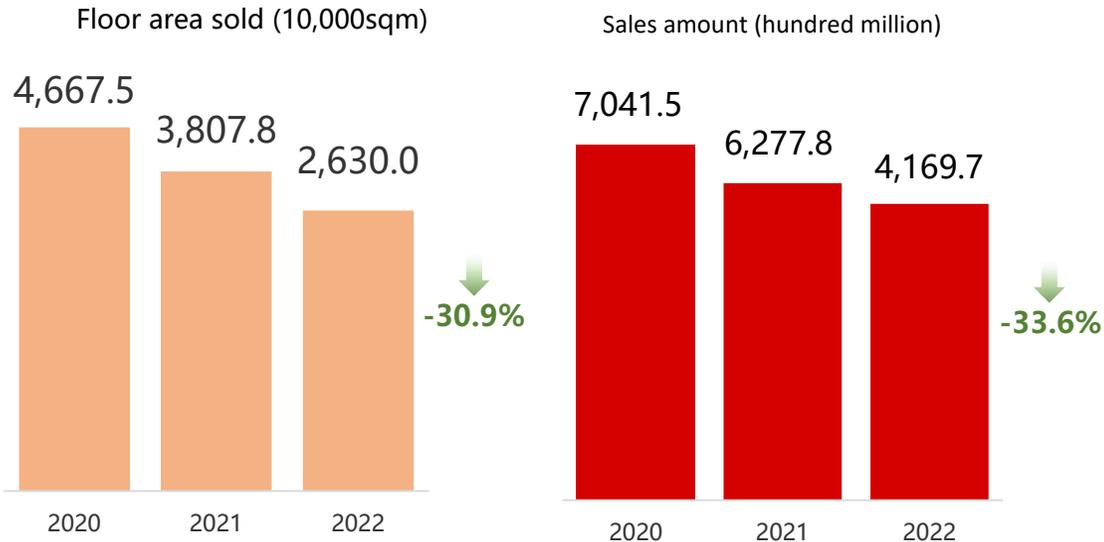
**Part 3**

# **Business Overview**

# Development business: sales amount reached RMB416.97 billion, ranking Top 3 in 44 cities

- ◆ Sales amount reached RMB416.97 billion, a YOY decrease of 33.6%
- ◆ The floor area of newly started projects is 15.68 million m<sup>2</sup>, completed 81.7% of the target set up at the beginning of the year
- ◆ Completed an area of 36.29 million m<sup>2</sup>, an increase of 1.6% YOY and completed 93.1% of the target set up at the beginning of the year

## GFA Sold & Sales Amount



## Ranking Top 3 in 44 cities markets

**NO.1**

Xi'an, Chengdu, Changsha, Jinan, Dongguan, Nanchang, Wenzhou, Zhongshan, Yinchuan, Changchun, Kunming, Lanzhou, Baotou, Yantai, Yangzhou, Guiyang, Shijiazhuang, Ha'erbin, Jiaxing, Xuzhou, etc.

**24 cities**

**NO.2**

Chongqing, Wuhan, Zhengzhou, Suzhou, Shenyang, Zhuhai, Nanning, Taiyuan, Wuhu, Yancheng, Xining

**11 cities**

**NO.3**

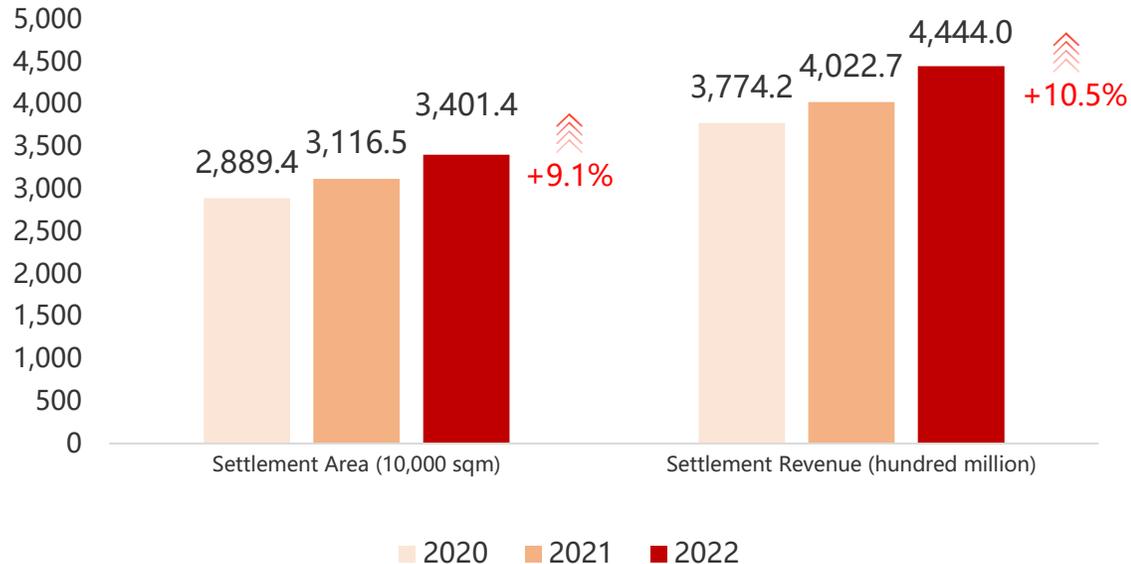
Hangzhou, Ningbo, Foshan, Tianjin, Qingdao, Fuzhou, Huizhou, Wuxi, Changzhou

**9 cities**

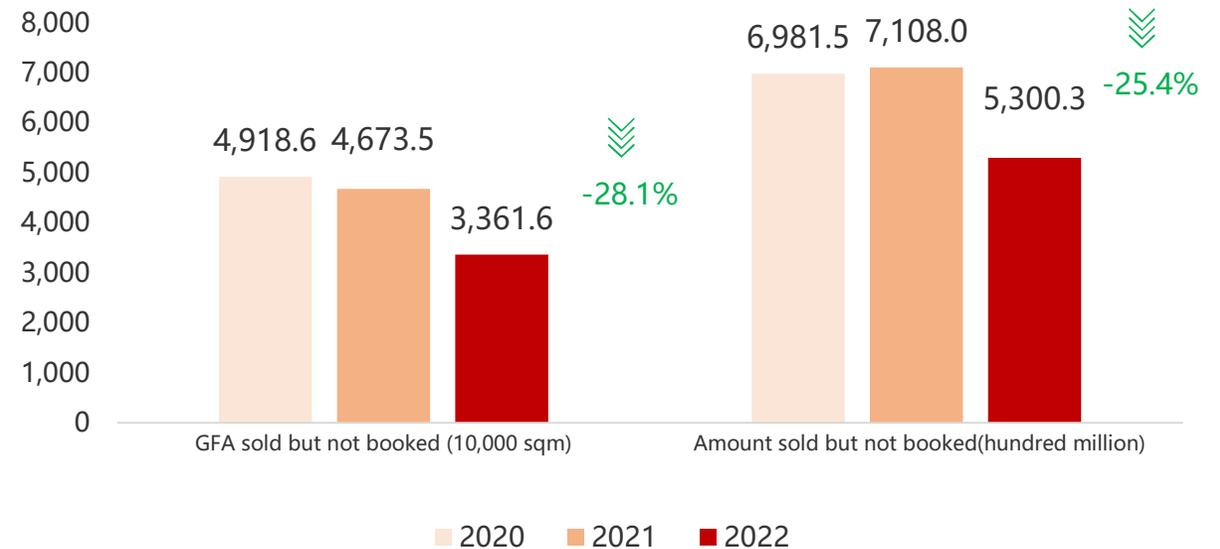
## Development business: settlement area and revenue increased

- ◆ The Group realized an settlement area from real estate development business of **34.014 million** square meters (+9.1%), and booked revenue of RMB**444.4 billion** (+10.5%). Revenue from EPC and agent construction over RMB**10 billion**.
- ◆ The average settlement price is RMB**13,065/m<sup>2</sup>**, a YOY growth of **1.2%**.
- ◆ The gross profit margin of settlement was **20.4%** (15.0% after taxes and surcharges).
- ◆ Within the consolidated scope of the Group, there were **33.616 million** square meters of sold resources that had not been completed and settled. The total contract price was approximately RMB**530.03 billion**.

Settlement area and Settlement revenue



GFA and contract sales of projects sold but not booked within the consolidated statements



## Development business: follow strict investment standards to guarantee investment quality

### ◆ Carefully selected projects with stable regional market and high-quality operating income

Total land premium  
**88.63 billion**

Total planned estimated GFA  
**6.902 million m<sup>2</sup>**

Land premium attributable to the company's equity holding  
**49.64 billion**

Planned estimated GFA attributable to the Company's equity holding  
**4.037 million m<sup>2</sup>**

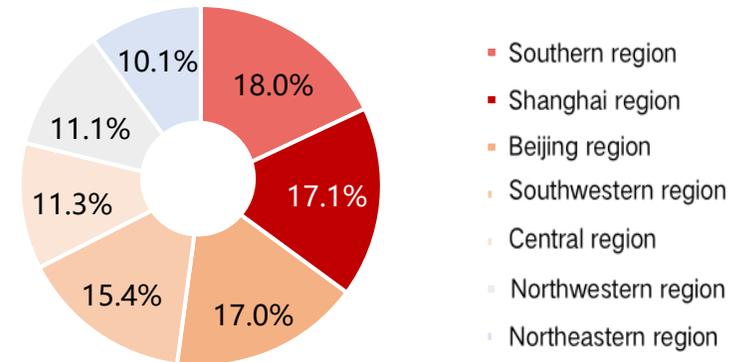
### ◆ Project resources are kept at a reasonable level

- The total GFA of projects under construction and planning reached approximately **118.528 million m<sup>2</sup>**, among which the total GFA under construction was approximately **82.60 million m<sup>2</sup>** and that of the planned projects was approximately **35.93 million m<sup>2</sup>**.
- In addition, the Group participated in a host of old city renovation projects with a total GFA of approximately **4.033 million m<sup>2</sup>** based on current planning conditions.

Top 10 cities in the scope of new land reserve in 2022

City	Planned estimated GFA (10,000 m <sup>2</sup> )	Land acquisition cost(RMB hundred million)
Dongguan	86.8	125.4
Shanghai	25.2	120.6
Shenzhen	36.4	118.4
Hangzhou	39.0	80.0
Guangzhou	29.9	52.6
Fuzhou	31.9	48.1
Hefei	43.0	40.2
Xi'an	44.3	37.6
Wuhan	62.2	37.4
Suzhou	10.4	32.9

Proportion of total area under construction and planning



## Development business: enhance customer experience at all stages including sales, construction, delivery, residential services, etc.

- ◆ Through the simplification of contracting process by technology, about **56,000** groups of customers signed home purchase contracts through the online simplified process.
- ◆ During the construction stage, we invited customers to the construction sites and involved them in quality inspections of key nodes such as the main building construction and interior decoration. **6,322** quality co-assurance sessions were conducted for **408** projects under construction in **53** cities during the Reporting Period, which engaged about **96,000** customers.
- ◆ We promoted the efficiency of property ownership certificate issuance across the Group. During the Reporting Period, **116** projects delivered property ownership certificates to customers on the receiving site.
- ◆ For communities delivered more than 10 years ago, we jointly completed **337** renovations and upgrades of common areas and equipment and facilities to ensure that the communities keep up with the times.



Involve customers in quality co-assurance during the construction stage



Issue property ownership certificate on the delivery day



## Development business: conducting property delivery smoothly and steadily, continuous strengthening of safety and quality control

- Over **340,000** housing units were successfully delivered throughout the year.
- Project quality receive high recognition, **10** projects win prestigious construction awards in China.
  - **Luban Award:** Guangzhou Siyou Vanke Center won the 2022-2023 Luban Award of China Construction Engineering.
  - **Guangsha Award:** Nanning Gong Yuan Li Phase I, Nanning Xing Du Hui, Shenyang Metropolis and Shijiazhuang Jade Park Phase I won the 10th (2021-2022) Guangsha Award.
  - **Zhan Tianyou Award:** Beijing Jade Academy, Jinan Quan Xue Li, Urumqi Metro Legend Phase I, Chengdu Tianhui City and Chengdu Park Metropolis won the 2022 China Civil Engineering Zhan Tianyou Award.



Guangzhou Siyou Vanke Center - Luban Award



Shijiazhuang Jade Park - Guangsha Award



Nanning Xing Du Hui - Guangsha Award



Chengdu Park Metropolis - Zhan Tianyou Award



Urumqi Metro Legend - Zhan Tianyou Award



Jinan Quan Xue Li - Zhan Tianyou Award



# Rental housing: No.1 in China in terms of business scale and operational efficiency

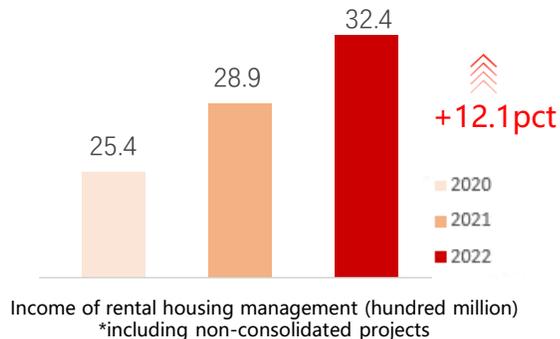
## ■ Maintain industry-leading management scale

- Operating income (including non-consolidated projects) totaled RMB**3.24 billion**, up **12.1%** YoY.
- Newly obtained **17,700** rooms, with a net of **7,100** rooms unveiled. By the end of 2022, a total of **215,100** long-term rental apartments were in operation and under management, with **166,600** rooms unveiled in total. We are present in **34** cities nationwide, and the number of unveiled units ranked top three in **26** cities, including Beijing, Shenzhen, Guangzhou, Chengdu, Wuhan, Hefei etc.

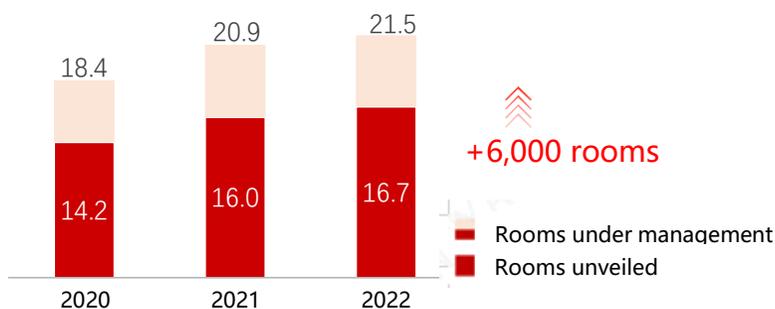
## ■ Steady improvement in operational efficiency, maintaining at an industry-leading level

- The annual occupancy rate in 2022 was **93.3%**. the occupancy rate rebounded in the second half and rose to **95.6%** at the end of the year.
- The GOP margin of property front office in 2022 was **87.5%**. Rental collection rate stood at **98.8%**.
- The customer renewal rate reached **60%**. The number of online platform registrants reached **2.7 million**, an increase of **42%** YOY, and the percentage of customer acquisition through self-owned channels exceeded **80%**, an increase of **11 pct** YOY.

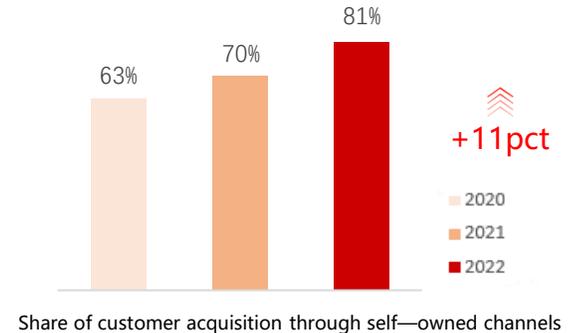
### Income of rental housing management



### Operation and management scale & Cumulative unveiled rooms (10,000 rooms)



### Share of customer acquisition through self-owned channels





# Rental housing: proactively promote the construction and operation of subsidized rental housing

- The scale of government-subsidized rental housing is in the forefront of the industry: in response to the national policy, completed **66** projects in **14** cities such as Beijing, Tianjin, Shenzhen and Xiamen, involving **58,900** housing units.
- Provided multiple-channel operation services for government-subsidized rental housing: including Vanke's own land construction rental housing, urban villages into rental housing, etc.

## Tianjin saw Port Apartment providing the first batch of self-owned projects for subsidized rental housing



**13** projects with **5,764** rooms managed by Tianjin Port Apartment have joined the subsidized rental housing program. With another 4 upcoming projects, it has the biggest affordable rental segment among apartment operators in Tianjin.

## Self-owned land for rental housing - Beijing Tianzhu Project



In response to the national policy that advocates the conversion of non-residential buildings into subsidized rental, Vanke has transformed **325** rooms of self-owned comprehensive office assets into apartment business, which joined the subsidized rental program in July 2022 and opened in October. The current occupancy rate is **97%**.

## Shenzhen: urban villages transformed into subsidized rental housing



To address the housing problems low- and middle-income residents face, Port Apartment launched a large-scale lease-based urban village transformation project, offering **34,700** subsidized housing units across these urban villages in Shenzhen.



In November 2022, the first phase of Yuan Er Cao Qiao Community Store, Vanke's collective land project in Beijing, was unveiled, making it the **forth** large rental community of the Yuan Er line in operation in Beijing. Despite the slack season at the end of 2022, the first phase achieved a 100% occupancy rate shortly after the unveiling. The project provides the all-round rental community solutions covering leasing, commercial and property management.



## Port | Yuan Er-Cao Qiao Community

- Located in southeast Fengtai District, 2.5 kilometers from Lize Financial and Business Center. Close to the Southwest Third Ring Road and Beijing-Kaifeng Highway, Beijing Metro Line 10 (Jijiamiao Station and Caoqiao Station) and Airport Line.
- GFA: **138,000** square meters, with **3,406** rooms featuring **27**-square-meter open space. The first phase is fully rented upon opening.

## Port | Yuan Er-Bay Community

- Sits in north of Airport in Huli District, Xiamen Island, 150m from the coastline, 9.5km from Xiamen Railway Station, 11km from Xiamen North Railway Station and 2.5km from Gaoqi Airport
- GFA: **340,000** square meters, with **7,874** rooms, the first phase with GFA of **150,000** square meters and **4,044** rooms, open in March 2023.



# Rental housing: serve corporate customers in depth and build a new reputation for rental services

## ■ Significant increase in the number of cooperative enterprise and their share in occupancy

- In China, Port Apartment has cooperated with **2,936** corporate clients, the percentage of whom has increased by **19.1%**, up **0.6 pct** YOY. Some of the leading companies it is working with include Huawei, Midea and Tesla.
- The number of top-ranking corporate customers (rented more than 100 rooms) has increased to **57**, up by **30** YOY, who rented a total of **14,200** rooms.

## ■ Typical project case

- Through product customization, Hefei Haiheng Port Apartment has provided more comfortable and cozy blue-collar apartments for over **400** Haier employees;
- By offering talent housing services to high-tech enterprises in Pingshan District, Shenzhen Port Apartment Yanziling Store strives to solve industrial support problems for the government and enterprises. The share of corporate customers has reached **96%**, including BYD, SMIC,OPPO, etc.

### Corporate clients (partial)



Shenzhen Port Apartment Yanziling Store



Hefei Port Apartment Haiheng Store





# Onewo: completed spin-off listing in HKEX with revenue exceeded 30 billion for the first time

## ■ Robust revenue growth

- Onewo achieved a revenue of RMB**30.32 billion**, an increase of **26.1%** YOY; The revenue of community space residential consumption service reached RMB**16.75 billion**, accounting for **55%**, up by **24.4%** YOY; the revenue of commercial corporate and urban space comprehensive service totaled RMB**11.18 billion**, representing **37%**, up by **28.3%** YOY; AIoT (Artificial Intelligence Internet of Things) and BPaaS (Business Process as a Service) solutions recorded a revenue of RMB**2.39 billion**, representing **8%**, an increase of **28.8%** YOY;
- In 2022, the number of third-party projects accounted for **67.7%**, up **1.1 pct** YOY.

## ■ The Onewo Town strategy has been effective

- Driving the number of Onewo Towns to **584**, with **205** new projects, which generated a full income of RMB**1.29** billion.
- The supply chain transformation of **38** pilot Onewo Towns completed in September 2022 reduced the cost of basic residential property services by more than RMB**30 million** by the end of the year, increasing the annual gross margin by more than **4** percentage points.

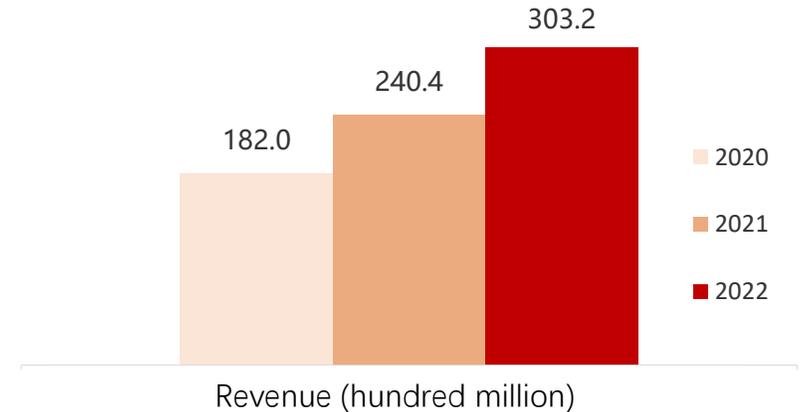
## ■ Completed spin-off and separate listing

- On September 29, 2022, Onewo was listed on the HKEX, coded as "02602.HK".

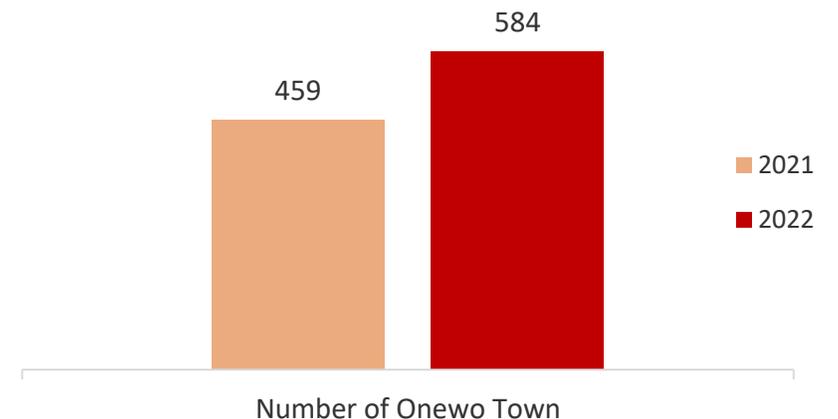
Note 1: The difference between the property service revenue of RMB 30.32 billion and the revenue disclosed by Onewo is due to the difference between the PRC and IFRS standards.

Note 2: Onewo Town: The service circle of Onewo is constructed with the street as the unit, the project in the pipe as the center and the radius within 20-30 minutes' walking distance. The boundary of community, business and urban space service is opened up to realize the sharing of property service personnel, the internal response of Onewo Town is quick to provide integrated services for all Spaces within the street.

## Revenue in all regions



## Number of Onewo Town





## Onewo: residential properties stay committed to high-quality service

### ❑ Continues to provide stable, reliable, high-quality and well-received services

- Vanke Service is present in **149** cities nationwide, focusing on **50** first- and second-tier cities (including Hong Kong) and serving **4,358** residential communities.

### ❑ **59.1%** of the residential projects under management, totaling **2,036**, are owned by third parties

### ❑ Renovate old properties and improve the comprehensive service

- Based on the Friendly Neighborhood Market, we provide residents with high-quality offerings, including grocery, fresh food, household products, education and travel services, maternal and childcare products, pet products, etc. A portion of the proceeds are donated to communities through the Friendly Neighborhood Program. For example, some of the donations have been used to upgrade exercise, entertainment and first aid facilities (AED). Up till today, we have raised **RMB29.10 million** and contributed to hundreds of renovation and renewal projects in **over 100** communities.
- We continue to promote the Safe Elevator project. By taking **9** measures such as replacing aging parts and building professional elevator operational teams, we have reduced the elevator failure rate by **57.1%**, and the annualized number of trappings was **0.06 times/unit** per year, lower than the national standard of **1.4 times/unit** per year.





# Onewo: commercial corporate and urban services expanded rapidly

- ❑ **Cushman & Wakefield Vanke Service:** focus on the Internet, high-end manufacturing, finance and strategic emerging industries, total of **2,133** projects were served, the services scope has gradually expanded to energy management, dust-free management, group meal management, administrative management and other fields. Property and facilities management services reached **7.57 billion** for the year, YoY growth of **43.0%**, revenue from third parties accounted for **85%**. During the year, the newly signed saturation revenue was **RMB4.15 billion**, maintaining the industry leader, acquired **12** new property management service projects for super high-rise landmarks in 2022 and expanded **16** new clients who are listed among Fortune Global 500 and China Top 500 enterprises.
- ❑ **CITY UP:** Entered **36** cities and managed **84** urban space integration service projects.



Shenzhen: Shenwan Huiyun  
Center  
358.7m



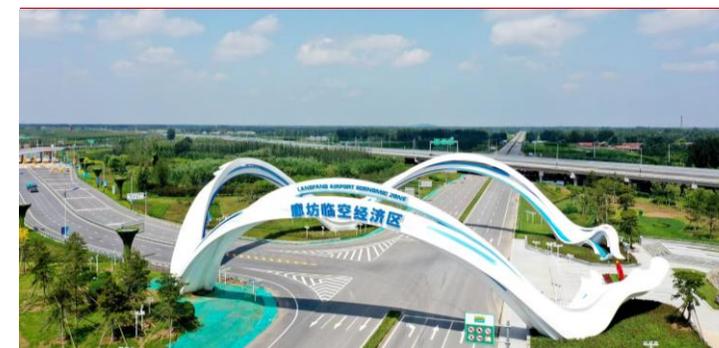
Guangzhou: Guangfa Securities  
Headquarters Building  
308m



Wuhan: Xiangyang Mansion  
263.2m



Shenyang: Hairong Plaza Block  
A/C  
249m



Langfang Airport Economic Zone



# Onewo: continues to build core technology products, aiming to increase technology revenue

- Empowered by technology, Onewo continues to improve its space service capability, and has launched **29** product lines, nearly **140** technology products, and over **14** smart space solutions.
- In 2022, Onewo became an ISV (independent software vendor) partner of Huawei, Tencent, and Alibaba. The combination of its technology products and space technology solutions has boosted sales growth by enabling customer sharing and joint marketing across channels.



User case of smart hospital space technology solution



Lingshi smart edge server and application scenarios



# Logistics and warehousing: operating income increased by **17.9%**, the scale of cold chain ranked first in China

## ◆ Operating income maintained rapid growth, cold chain business continues to lead

- Revenue (including non-consolidated projects) totaled RMB**3.56 billion**, up by **17.9%** YOY, of which RMB**1.40 billion** was generated by cold chain business, up by **46.7%** YOY.
- We are operating and managing **162** self-owned projects in **47** cities nationwide, with a leasable floor area of **9.64 million** square meters, of which **8.46 million** square meters are high standard storage. Our **1.18 million** square meter cold store park ranks No.1 in the industry.
- The leasable floor area of newly unveiled projects is **1.32 million m<sup>2</sup>**, of which **940,000 m<sup>2</sup>** is occupied by **13** high-standard warehouses; **10** cold chain parks (including **5** dry and cold mixed chain projects), of which the leasable floor area is **370,000 m<sup>2</sup>**.

### Revenue

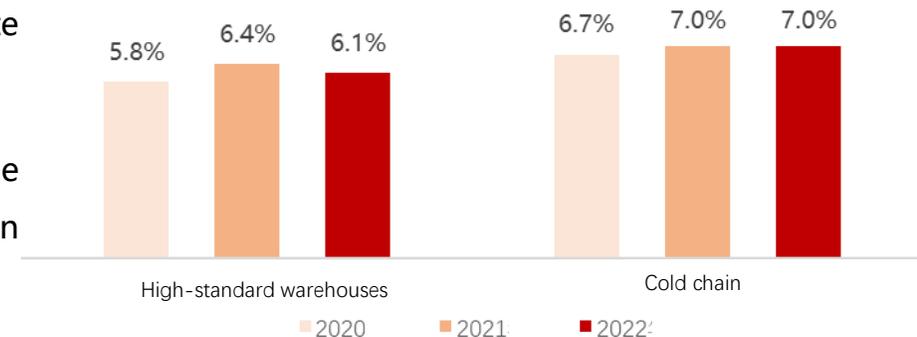


Note: unconsolidated projects are included. In addition, the 2021 revenue of supply chain business was calculated via the net method instead of the gross method.

## ◆ Operational efficiency and profitability improved

- In the stable stage, the occupancy rate of high-standard warehouse is **90%** and utilization rate of cold chain is **75%**
- NOI of logistics business totaled RMB**1.98 billion**, an increase of **11%** YOY. The stable-stage NOI yields of the high-standard warehouses and cold chain are **6.1%** and **7.0%** respectively in 2022.

### Stable-stage NOI yield



Note: Stable period refers to projects that have been open for more than 1 year.

## Logistics and warehousing: continuously strengthen the depth of service, enhance the competitiveness of operation services

### ◆ Deep involvement in customer supply chain management and continuous improvement of customer stickiness

- **Walmart:** we serve **176** Walmart stores and **250,000** members of Sam's Club nationwide based on our diversified service model which integrates fresh food distribution, ambient temperature shipping and processing center. With deep involvement in the improvement of Walmart's supply chain efficiency, our contract revenue increased by **103** YOY in 2022.
- **Tyson:** we created a whole-chain digital solution for Tyson which provides trackability and traceability of the whole supply chain. Offering digital and visualized panoramic perception of services and transparent KPIs in supply chain quality management, we were deeply involved in the planning of Tyson's supply chain network. Commissioned to provide integrated warehousing and distribution services, we established full cooperation with Tyson in South China and served more than **300** of Tyson's customers in 2022.
- **Nayuki:** we completed the supply chain expansion within 3 months. **3** distribution centers in Shenyang, Nanjing and Wuhan are serving more than **1/4** of Nayuki's stores nationwide, delivering more than **210,000** pieces of goods to **2,500** stores per month.



services are recognized by customers



VX warehouse with integrated service



# Project showcase: Shanghai Fengxian Lingang Park: provides an integrated supply chain solution for the fruit industry

## VX Shanghai Fengxian Lingang Park



Date of property title confirmation: September 2019  
Date of construction commencement: October 2019  
Date of operation commencement: March 2022

Business positioning: Fresh fruits operation center  
Net leasable area: 57,098 m<sup>2</sup>  
Product type: Three blocks of three-story ramp warehouses



Break bulk cross-docking  
Expiry management  
Non-conformance management  
Quality inspection

Artificial ripening  
Precooling  
Harvesting  
Packaging

Daily peak inbound and outbound volume: **400,000** cases



Zero-wait warehouse receiving and shipping  
Expiry management  
Non-conformance management  
Quality inspection of fruits

Daily peak inbound and outbound volume: **200,000** cases



Cross docking  
Artificial ripening  
Non-conformance management  
Quality inspection

Daily operation volume: **6,000** pieces  
Inventory turnover: **300%**  
Daily artificial ripening volume: **1,400** cases

10 artificial ripening warehouses equipped with ventilation systems

The Park has **10** independent artificial ripening warehouses with a weekly ripening capacity of **75,000** standard cases of fruits. The warehouses are equipped with independent fans for precise temperature control with good airtightness as well as PLC touchscreens to pre-configure ripening programs according to fruit conditions. Active control of ambient indicators is enabled by supersonic humidifiers, ethylene generators and automated ventilation systems to strictly control temperature, humidity and gas concentration.



## Asia's first Zespri Kiwifruit automatic sorting and packaging line

The Park has created Asia's first automatic sorting and packaging line for Zespri Kiwifruit. This production line is equipped with an optical recognition system for automatic raw fruit screening to remove defective fruit more efficiently. Automatic sorting, casing, labelling and palletization: Weekly capacity is up to **200,000** standard cases.





## ■ Steady increase for revenue

- Commercial business (including non-consolidated projects) generated operating income of RMB**8.72 billion**, a YOY increase of **14.3%**, of which RMB**5.48 billion** was generated from commercial projects managed by SCPG, up **4.8%** YOY, an overall occupancy rate of **93.2%**

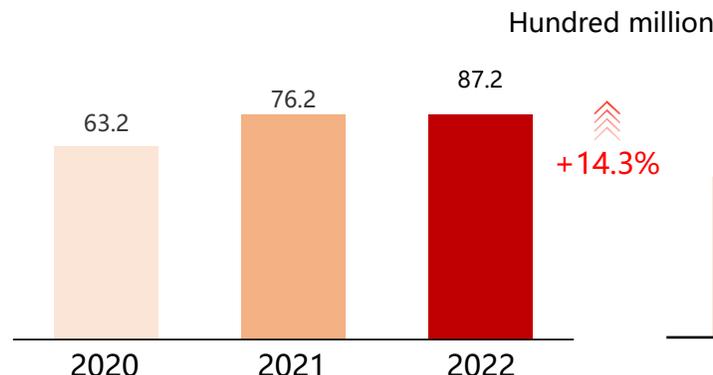
## ■ Expansion of management scale

- A total of **242** commercial projects (including 138 community commercial projects) have been opened with a construction area of **12.227** million square meters, of which **3.654** million square meters are planned and under construction.

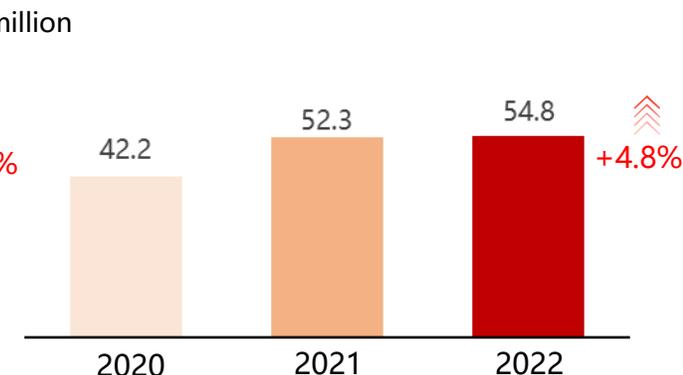
## ■ Operating ability gain market recognition, conducting continuous output management

- By the end of 2022, the number of projects managed by SCPG has reached **36** (**29** unveiled), with GFA of **2.47 million** square meters, and **61%** of which are third-party projects.

### The Group's revenue from commercial property development business



### SCPG's revenue



Notes: the Group's revenue from retail property development business includes non-consolidated projects, and the revenue of SCPG was not consolidated.



## Retail property development and operations: integrate business resources within the group to improve operation quality

### □ Integrate business resources within the group

- For the intensive use of resources involved in projects with similar characteristics in the same region, the Group assigned the management of some commercial projects across 7 regional BGs to SCPG at the end of 2022;
- After the adjustment, first- and second-tier cities account for SCPG more than **90%** in terms of the total area under management, and Yangtze River Delta represents **44%**. The management scale in some key cities has also been enlarged. The top 10 cities take up nearly **60%** in terms of the area under management. Apart from the leading regions such as Shanghai and Hangzhou, the management scale in Tianjin, Xi'an and Ningbo has also ranked among the top in the industry.

### □ Improvement of operation quality and product competitiveness

- SCPG's new-generation products which opened in the last two years, have performed well in the market, the average NOI rate in the first full year was over **6%**, Hangzhou Olympic In-City is reached **6.7%**.
- SCPG has scaled up membership operation to boost brand marketing. The total number of members reached about **22 million** by the end of 2022, with a **37.9%** YoY increase in MAUs. The online community has garnered over **1700+** followers, boost sales growth.

## Hangzhou Olympic In-City



- Created five never-seen-before commercial spaces in Hangzhou, i.e., "Indoor Rainforest", "Sky Runway", "8m ultra-high underground commercial space", "Sky Mirror", "Internet-famous Staircase".
- Constantly new scenarios give this venue the strongest vacation vibe in Hangzhou, catering to customers' demand for "resort" and "immersion experience", which can increase the brand influence and win over customers.
- The 2022 revenue reached RMB**3.3 billion**, with an annual footfall of **15.33 million**, **280,000** new members, **540,000** members in total, and a NOI yield of **6.7%** in the first year.



**25** retail projects opened as scheduled, with a construction area of **918,000** square meters. The overall indicators met expectations and were well received by consumers.

## Qingdao Future City Vanke Plaza



**Date of business opening: Dec.16**  
**GFA: 118,400 m<sup>2</sup>      Leased rate: 97%**  
**Business opening rate: 90%**

## Nanning Changhong Road Vanke Plaza



**Date of business opening: Dec.23**  
**GFA: 76,000 m<sup>2</sup>      Leased rate: 96%**  
**Business opening rate: 92%**

## Shanghai Vanke Unicity



**Date of business opening: Sept.30**  
**GFA: 100,000 m<sup>2</sup>      Leased rate: 97%**  
**Business opening rate: 90%**

- As the first new commercial complex with a gross floor area above 100,000 m<sup>2</sup> over the past five years in Qingdao's northern urban districts and Qingdao Vanke's first large TOD city complex, this project fills the void of commercial real estate in the city's northern districts.
- Positioned as a "Leisure Shopping Park for Happy Families", it provides a one-stop shopping space for a resident population of over 660,000 in the vicinity, contributing to urban renewal in the region.
- Within 3 days of opening, cumulative sales reached 12.33 million and the cumulative customer flow reached 134,000

- The first Vanke Plaza in Guangxi creates the first island-style space in Guangxi modelled after the Crete Island.
- With the slogan of "Fun and Stylish", the project aims to promote "diversity, playability, new social networking, and new lifestyles" in East Nanning through color aesthetics, social space and brand theme stores, focusing on young families and new middle-class young consumers aged between 26 and 35.
- The commercial space is lively and topical with the unicorn character, rainbow theme elements and underground theme space.

- With the orientation of "new city TOD business, vitality growth center", centering on the target customer group, the overall business planning is carried out around "parent-child, sports, social".
- As high as 75% of the regional first-store rate, 80% customized stores, help Qingpu District to upgrade the commercial level;
- The sales per square meter is RMB2327 /m<sup>2</sup>/ month. After 6 months of operation, the cumulative sales exceeds RMB500 million and the cumulative customer flow exceeds 6 million



## ■ Winter resorts:

- The Yanqing Olympic Park was opened to the public during the snow season of 2022-2023. The Group manages **6** ski resorts with a total area of **340 hectare** of **102** ski trails under the management, the total length of which is **79.2 km**.
- Business revenue reached RMB**280 million** in 2022, up **11%** YOY; received **880,000 guests**, up **12%** YOY.
- The ski resort has steadily increased its brand influence. Dior has opened its first ski resort boutique store at the Songhua Lake Resort, which also hosts a diverse range of ski resort activities, including The North Face Mountain Festival and the SKI Electronic Music Festival.
- Vanke's Songhua Lake Resort received the World Ski Awards - China's First Ski Resort in 2022 for **6** consecutive years
- Ski resorts under Vanke's management have hosted the Chinese Youth Skiing Open, "Snow Shines Over China" Alpine Skiing Points Race, "Vanke Cup" National College Skiing Challenge, among many other professional and amateur skiing events to promote the sport in China.



Songhua Lake Resort



Dior opened its boutique store at the Songhua Lake Resort



The "Snow Shines over China" Alpine Skiing Points Race

## Hotels and resorts: developing culture and tourism resources to provide better products and services

### ■ Hotel business:

- The group has **33** hotels in operation in key cities such as Shenzhen, Guangzhou, Suzhou and Hangzhou, as well as tourist cities like Huangshan and Lijiang.
- The joint venture platform Banyan Tree China manages the business development of the “Banyan Tree” “Angsana” in China. Besides the group has launched two proprietary brands, including “Zanyee” for high-end business and “Youxiong” featuring urban culture.



Youxiong Changyuan Suzhou



Youxiong Ancient Town Chaozhou



The Yun Resort Shenzhen Longcheer



# Technology empowers business: management and business improvement

## Strengthen data application in smart systems for higher efficiency and better management

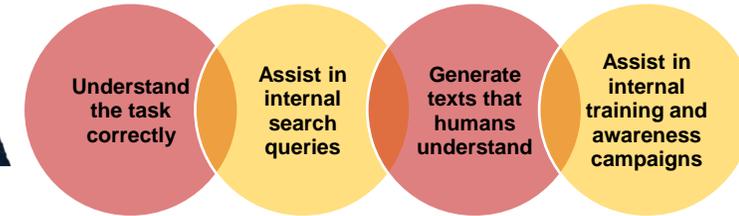
- Integrate data from various areas such as finance, capital, cost, marketing, engineering, empower digital employees through AI technology; developed more than **80** algorithms. Based on algorithms, digital employees automatically analyze and identify process problems as well as potential risks and assist the personnel in charge to solve problems and provide feedback.

## Create digital negotiation space to enhance customer experience; improve online sales service tools to enhance digital marketing

- Through the Cloud Sand Table digital modeling technology, provide interactive 3D models and virtual scenes to help customers better understand the selling points of the products. A Digital Negotiation Zone is set up in the Project Area to show the customers the property and deepen their understanding of products.
- Provide one-stop online services covering viewing, contracting, payment, refund and after-sales service. The Yixuanfang App offers quick access to product information and marketing campaigns, which was visited by **157 million** customers in 2022.



Digital Employee Cui Xiaopan2.0



The application of Cloud Sand Table in the Project Negotiation Area



Online customer service



# ESG: industry-leading and highly-recognized performance

- ◆ **Recognized as excellent ESG practice by professional institutions in China and abroad**
  - One of the 2022 **Best 30 ESG practice cases** of A-share listed companies selected by the China Association for Public Companies, and **the only one chosen from the real estate industry**. Included in the positive list of the Securities and Futures Market Integrity File Database of China Securities Regulatory Commission
  - Selected as one of the outstanding ESG cases in CGJ HKCGI



## ESG Awards Received by Vanke in 2022

Name	Awarded by
2022 All-Asia Executive Team Ranking-Best ESG – Mainland China Top 3	Institutional Investor
2022 China ESG 50	Forbes China
The 18th New Fortune Gold Board Secretary Awards - Best ESG Disclosure Award	New Fortune
The 4th New Fortune Best Listed Company - Best ESG Practice Award	New Fortune Guanghua- Rotman Research Center
The 14th Annual China Corporate Social Responsibility Conference - 2021 Outstanding Responsible Enterprise	Southern Weekly
Top 20 listed companies in the Greater Bay Area in terms of Green Governance	Shenzhen Research Association of Corporate Governance
2022 China Top 100 Employers of the Year	Zhaopin.com

## Industry-leading ESG Ratings

**AA**  
in CNI ESG Rating  
**No. 1 in large-scale real estate enterprises**  
The only real estate company included in the SZSE 100 ESG Leading Index

**A+**  
**No.1 in the real estate sector in Mainland China**  
Continuously included in the HSCASUS, HSMHSUS, HSCASUSB and Hang Seng ESG 50 Index

**BBB**  
**MSCI**



# ESG: industry-leading green building practice and pursuing the sustainable business philosophy

## ◆ Green building

- All the newly constructed projects have met green building standards for **9 consecutive years**. As of December 31, 2022, Vanke's accumulated GFA in line with green building standards exceeded **308.3 million** square meters.
- Among the incremental projects in 2022, **61** are 3-Star green buildings (residential/public/logistics and warehousing), **7** LEED Gold, **3** LEED Platinum, **3** WELL and **1** BRE&TUV net zero carbon-certified. **36%** of the projects adopted **renewable energy design**.
- We continuously promote the application of "5+2" prefabricated construction system, lifting the industrialization ratio of new mainstream projects to **85%**.
- VX Logistic Properties released *Near Zero Carbon Intelligent Logistics White Paper* to promote **100%** green certification and **full coverage** of photovoltaic in cold chain parks.

## ◆ Green Operation

- Clauses of **ESG initiatives** have been incorporated into the standard leasing contract templates for commercial development, operation and rental housing businesses. Tenants of commercial projects are encouraged to adopt green renovations, as a part of the green awareness campaign to raise social awareness of environmental protection.

## ◆ Green financing

- We have set up the Green Financing Framework (GFF), which stipulates that funds received under the GFF shall be earmarked for **green buildings, renewable energy, pollution prevention and control, sustainable water resources and wastewater management**.
- In 2022, Vanke issued three tranches of green medium-term notes with a total scale of RMB**7 billion**, the average cost of financing is **3.03%**.



Second-Party Opinion  
**China Vanke Co. Ltd.**  
 International Green Financing  
 Framework



Vanke green financing  
 framework second opinion



VX Shanghai Fengxian  
 Lingang Park

The first net-zero carbon building  
 certification in China





# ESG: supporting rural vitalization and educational development encouraging citizens to run for health and fun

## ◆ Rural and education revitalization

- In 2022, Vanke continued to support rural revitalization in ethnic minority areas in Guangdong Province, following up on the Multi-town Rural Revitalization Demonstration Belt Project in Ruyuan Yao Autonomous County, Shaoguan City. We built the **"Most Beautiful Yao Hakka Folk Customs Passage"** based on the construction of the Rugui Highway. We also renovated villages in Dayao Village and created the **"Eight Views of Bibei"** along the Shuoxi River by leveraging its geographical advantages, which has boosted the tourism industry along the route.
- In response to the deployment of the national rural revitalization strategy and in support of Shenzhen's paired-up assistance to Shantou, a total of RMB**120 million** in pledges donated on the provincial and municipal 630 Poverty Alleviation Day in 2021 and 2022 were channeled to support the construction of educational infrastructure in Shantou. Specifically speaking, **9** public township kindergartens will be set up in the four districts of Shantou, i.e., Chenghai, Chaoyang, Chaonan and Haojiang.
- We launched the 2021-2025 County Education Support Program with Guixin Foundation in Yongshun County, Hunan Province, with a planned investment of RMB**15 million** to support rural children's reading, science education and rural teacher upskilling.
- We have been funding Zundao School in Sichuan for **14** consecutive years. In 2022, we helped the school to carry out Well-round Growth Programs, such as Xin Art Class and music summer camp.
- We conducted **3** sessions of Blue Envelope Communication Ambassador Volunteer Activities, where **368** employee volunteers were paired up with children in rural schools such as the 7th Primary School in Zhengfeng County, Guizhou. **4,065** letters were exchanged throughout the year, with a total of about **2 million** words written. These letters became the beam guiding children to grow up healthily and happily.

## ◆ Encouraging citizens to run for health and fun

- In 2022, Vanke invited more than **30** national team athletes to root for the Sports Cup National City Fun Running Tournament held in **368** Chinese cities. 1.63 million runners joined who covered **110** million kilometers and ran **8.2 million** times in total, injecting great vitality to the Healthy China initiative.



**Contents**

**Part 4**

**Action Plans**



In 2023, the Group will focus on the following aspects:

- ◆ **First, ensure operational safety**, maintain industry-leading credit ratings, sustain financing flexibility, continue to optimize our debt structure, and uncover opportunities in equity financing to foster healthy business growth.
- ◆ **Secondly, firmly place the equal emphasis on real estate development, operation and services**, develop together with cities and customers, and promote business synergy from the perspective of maximizing the overall interests of the Group with the goal of “maximizing market value in the long term” , and improve the general management level.value in the long term” , and improve the general management level.
- ◆ **Thirdly, develop more superior assets**. The Group will optimise the construction and management standards from the perspective of business operation, improve the operation returns of retail property, office building, apartment, logistics and warehousing projects, develop more superior assets with trading conditions and explore innovative tools such as REITs.
- ◆ **Fourthly, improve ESG value and sustainability**, embed ESG principles in daily work, continue to explore green and low-carbon development models, and actively disclose and address sustainability issues of social concern.



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

- **Actively promote sales return.** Improve the conversion of existing resources and optimize the capacity structure. Focus on both professional synergy and development efficiency in an effort to improve input and output efficiency, contribute more positive cash flow and focus on restoring profitability levels.
- **Improve investment quality.** By changing our focus from urban macro indicators to health status of regional segments, we strengthen the safety boundary of investment projects through sufficient market research and demonstration. We will also strengthen management before and after investment, and regularly review the performance of the management team in key nodes such as products, costs and construction period, so as to guarantee the realisation of investment return.
- **Improve the level of refinement management** based on the iteration and update of product lines to make them more closely align with the needs and expectations of segmented customers, focus on achieving efficiency and quality improvement through the professional synergy of design, cost and procurement, and continuously improve input and output efficiency.
- **Ensure the quality and quantity of housing delivery.** Adhere to the bottom line of safety production and quality, and continue to promote practices such as quality co-construction and handing over the house as a certificate to enhance customer experience and achieve high quality delivery.

### 2023 Commencement & Completion Plan

The estimated GFA of existing projects (excluding newly acquired projects in the future) planned to start or resume is **16,728,000** square meters.

The actual start will include the new project started in this year, which may lead to differences between the actual construction work and the plan.

The estimated GFA of completed projects this year is expected to reach **32,272,000** square meters.



### **Rental housing: expand management scale and improve management level**

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

### **Onewo: maintains high quality of service and achieves steady growth in customer diversification**

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

**Logistics and warehousing: improve the layout of warehouse network and strengthen the construction of channels**

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

**Commercial development and operation: Improve the operation level and ensure the opening of key projects**

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

**Contents**

**Part 5**

**Appendix**



# Appendix: Condensed Consolidated Statement of Profit or Loss

For the year ended 31 December 2022

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

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

For the year ended 31 December 2022

	2022 RMB' 000	2021 RMB' 000
<b>Profit for the year</b>	<b>37,550,909</b>	<b>38,069,527</b>
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</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 reserve (non-recycling)	(625,364)	242,996
Share of other comprehensive income of associates	(138,224)	305,085
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	642,399	(36,973)
Cash flow hedge: net movement in the hedging reserve	(449,795)	(250,544)
Share of other comprehensive income of associates	(5,531,624)	1,207,611
<b>Other comprehensive income for the year</b>	<b>(6,102,608)</b>	<b>1,468,175</b>
<b>Total comprehensive income for the year</b>	<b>31,448,301</b>	<b>39,537,702</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	17,017,553	23,927,379
Non-controlling interests	14,430,748	15,610,323
<b>Total comprehensive income for the year</b>	<b>31,448,301</b>	<b>39,537,702</b>

# Appendix: Condensed Consolidated Statement of Financial Position

As at 31 December 2022

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

As at 31 December 2022

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



# Appendix: Condensed Consolidated Cash Flow Statement

For the year ended 31 December 2022

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



# Appendix: Condensed Consolidated Cash Flow Statement

For the year ended 31 December 2022

	2022 RMB' 000	2021 RMB' 000
<b>Financing activities</b>		
Capital element of lease rentals paid	(1,505,959)	(1,310,726)
Interest element of lease rentals paid	(980,908)	(1,112,014)
Capital contributions from non-controlling interests	14,373,417	38,793,660
Payments to non-controlling interests	(15,775,073)	(23,221,622)
Proceeds from bank loans, borrowings from financial institutions and bonds	142,351,344	122,213,110
Proceed from advance payment from contracted parties	308,00	-
Repayment of bank loans, borrowings from financial institutions and bonds	(100,872,403)	(114,594,233)
Repayment of advance payment from contracted parties	-	(2,308,000)
Repayment of shares repurchase	(1,291,800)	-
Dividends and interest paid	(33,167,700)	(41,563,942)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,438,918</b>	<b>(23,103,767)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,840,903)</b>	<b>(45,271,393)</b>
Cash and cash equivalents at 1 January	140,708,459	185,662,380
Effect of foreign exchange rate changes	557,114	317,472
<b>Cash and cash equivalents at 31 December</b>	<b>134,424,670</b>	<b>140,708,459</b>

# THANKS!

## IMPORTANT NOTICE:

The content of this material is extracted from Vanke's 2022 Annual Report. If there is any discrepancy, please refer to the annual report



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Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen

[www.vanke.com](http://www.vanke.com) 0755-25606666 [IR@vanke.com](mailto:IR@vanke.com)