



Tax Strategy for the United Kingdom

December 2022

## **Introduction**

China Vanke Co., Ltd. and its direct and indirect subsidiaries (“Vanke”) together constitute one of the largest listed real estate development and service groups in the world. The size and nature of Vanke’s operations in the United Kingdom are currently small relative to its global scale. This tax strategy document applies to the English entities, namely Vanke Overseas UK Management Limited and Vanke Holdings (UK) Limited (together being “Vanke UK”), which form part of Vanke’s group.

As a business and an employer Vanke UK accounts for and pays a range of taxes within the UK and works to ensure it meets all of its UK tax obligations.

This document has been prepared to comply with requirements under the UK Finance Act and was approved by Vanke’s group Chief Financial Officer as a representative of the Board of Directors of Vanke and the Directors of Vanke UK in December 2022. References to tax, taxes and taxation within this tax strategy document are those UK taxes and duties set out in Schedule 19 of the Finance Act 2016 including Income Tax, Corporation Tax, PAYE, NIC and VAT.

This strategy applies from the date of publication until it is superseded.

## **Risk management and governance in relation to taxation**

The support and trust of stakeholders, including government, lay the foundations for Vanke’s sustainable development. Vanke takes corporate governance seriously and aims to comply with all relevant laws and to pay taxes in a timely way in all jurisdictions within which it operates, as set out in Vanke’s 2021 Sustainability Report.

Vanke’s General Meeting of Shareholders, Board of Directors and Board of Supervisors, being its highest decision-making, executive and supervisory bodies respectively, have delegated responsibility for tax risk management to Vanke’s Chief Financial Officer who manages this responsibility through Vanke’s group Management Centre, together with regional and local management teams.

Key taxation risk items in the UK include compliance and reporting risk, transactional risk and reputational risk.

Vanke UK’s local management are responsible for UK tax risk management and governance within Vanke. They work together with Vanke’s global internal tax specialists, appropriately engaging qualified and experienced service providers and/or external advisors to manage the day to day tax compliance obligations which impact Vanke UK’s operations.

## **The level of risk in relation to taxation that Vanke UK is prepared to accept**



Vanke UK's risk assessment of any opportunity takes into account its commercial, regulatory and legal basis and its impact on key stakeholders, including HM Revenue and Customs ("HMRC"). In conducting its assessments, if there is uncertainty as to the application or interpretation of UK tax law, Vanke UK may take appropriate advice from third party advisers to support the decision-making process. Vanke UK would not pursue an interpretation of UK tax legislation which is incompatible with its objective to remain compliant with its UK tax obligations.

#### **Vanke UK's attitude to tax planning**

Vanke UK does not engage in tax planning other than that which supports its commercial activities. Vanke UK does not undertake transactions solely led by a tax planning purpose. Vanke UK does not tolerate tax evasion or the facilitation of tax evasion by any persons acting on its behalf.

Any UK tax planning or structuring that Vanke UK undertakes will consider the most tax and operationally efficient approach, including reliefs or opportunities available, that is in compliance with relevant legislation.

Vanke UK seeks tax advice from external advisors in the normal course of its business on a range of matters including providing advice on transactions, including where there is an area of particular complexity or uncertainty.

#### **Vanke UK's approach towards its dealings with HMRC**

Vanke UK aims to adopt open and collaborative professional relationships at all times with HMRC and make timely submission of tax and related returns and filings, and prompt responses to queries arising.

Given Vanke UK's small scale and presence in the UK relative to its wider group operations, it does not have a Customer Relationship Manager within HMRC. Vanke UK's engagement with HMRC has historically been limited to submission of filings and notifications and responding to queries and information requests.

If any inadvertent errors in submissions to HMRC were to be identified they would be fully disclosed as soon as reasonably practical after discovery.