



## China Vanke Co., Ltd.

### 2009 First Quarterly Report

#### **§1 Important Notice**

*1.1 The Board, the Supervisory Committee, Directors, members of the Supervisory Committee and senior management of the Company warrant that in respect of the information contained in this Quarterly Report, there are no misrepresentations or misleading statements, or material omission, and individually and collectively accept full responsibility for the authenticity, accuracy and completeness of the information contained in this Quarterly Report.*

*1.2 None of the Director, member of the Supervisory Committee and senior management fails to assure or dispute with the authenticity, accuracy and completeness of the contents of this Quarterly Report.*

*1.3 Deputy Chairman Song Lin, Director Wang Yin and Director Jiang Wei were not able to attend the board meeting in person due to their business engagements and had authorised Director Yu Liang to represent them and vote on behalf of them. Director Sun Jianyi was not able to attend the board meeting in person due to his health condition and had authorised Director Shirley L. Xiao to represent him and vote on behalf of him. Independent Director Qi Daqing was not able to attend the board meeting in person due to his business engagements and had authorised Director Charles Li to represent him and vote on behalf of him.*

*1.4 This quarterly financial and accounting reports of the Company have not been audited.*

*1.5 The Company's Chairman Wang Shi, Director and President Yu Liang, and Executive Vice President and Supervisor of Finance Wang Wenjin declare that the financial report contained in this Quarterly Report is warranted to be true and complete.*

## §2 Basic Corporate Information

### 2.1 Major accounting data and financial indicators

(Unit: RMB)

	As at the end of the Reporting Period	As at the end of the previous year	Changes (%)
Total assets	126,489,255,135	120,586,410,234	4.90%
Shareholders' equity	32,690,950,450	31,891,925,262	2.51%
Net assets per share	2.97	2.90	2.41%
	Reporting Period	Corresponding period of previous year	Changes (%)
Net profit	768,764,019	718,133,262	7.05%
Net cash flow from operating activities	3,684,640,137	(1,419,962,635)	359.49%
Net cash flow from operating activities per share	0.34	(0.13)	361.54%
Basic earnings per share	0.070	0.065	7.69%
Diluted earnings per share	0.070	0.065	7.69%
Return on equity	2.35%	2.38%	Down by 0.03 percentage point

Note: 1. The net assets and net profit presented in the table above refer to equity attributable to equity shareholders of the Company and net profit attributable to equity shareholders of the Company respectively.

2. In June 2008, the Company implemented the proposal on the transfer of capital surplus reserve to share capital for the year 2007, pursuant to which six shares were transferred to shareholders for every 10 shares held. As a result, the Company's total number of shares increased by 60 per cent, while the earnings per share and net cash flow from operating activities per share for the first quarter of 2008 were adjusted accordingly.

### 2.2 Total number of shareholders and shareholding of the top 10 shareholders of non-restricted tradable shares as at the end of the Reporting Period

As at the end of 31 March 2009, the total number of shareholders of the Company was 1,019,359 (including 988,519 holders of A shares and 30,840 holders of B shares).

Total number of shareholders as at the end of the Reporting Period	1,019,359	
Shareholdings of the top 10 shareholders of non-restricted tradable shares		
Name of shareholders (Full)	Total number of non-restricted tradable shares held as at the end of the Reporting Period	Type
China Resources Co., Limited	1,355,094,766	A Share
Liu Yuansheng	133,791,208	A Share
ICBC — Bosera Services Sector Growth Stock Securities Investment Fund	101,090,270	A Share
Bank of Communications-Bosera Emerging Growth Stock Securities Investment Fund	99,999,800	A Share

ICBC — Bosera Select Stock Securities Investment Fund	99,806,568	A Share
TOYO Securities Asia Limited-A/C Client	97,979,271	B Share
China Construction Bank — Bosera Theme Industry Stock Securities Investment Fund	95,000,000	A Share
China Life Insurance Company Limited—Dividend Distribution—Individual Dividend-005L-FH002 Shen	94,392,341	A Share
ICBC — Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	92,068,057	A Share
Bosera Value Growth Securities Investment Fund	75,668,153	A Share

As at the end of 31 March 2009, the total number of shares of the Company was 10,995,210,218 including 9,680,254,750 A shares and 1,314,955,468 B shares.

### 2.3 Bond holdings of the Company's top 10 bondholders as at the end of Reporting Period

(1) Name of the top 10 bondholders of 08 Vanke G1 bonds and their bondholdings

Serial No.	Bondholder	No. of bonds held
1	New China Life Insurance Company—Dividend Distribution—Individual Dividend-018L-FH002 Shen	5,548,262
2	China Pacific Life Insurance Company Limited	3,433,312
3	China Ping An Life Insurance Company Limited – Traditional—General Insurance Products	2,218,727
4	China Life Property and Casualty Insurance Company Limited—Traditional—General Insurance Products	1,820,000
5	China Life Insurance Company Limited	1,770,000
6	China Life Pension Company Limited—Internal Resources	1,000,000
7	Ping An Property and Casualty Insurance Company of China—Investment-oriented Insurance Products	999,995
8	203 Portfolio of National Social Security Fund, PRC	751,541
9	Shanghai's Corporate Annuities Transition Plan by Changjiang Pension Insurance Company Limited—Bank of Communications	708,336
10	China Reinsurance (Group) Corporation	690,604

(2) Name of the top 10 bondholders of 08 Vanke G2 bonds and their bondholdings

Serial No.	Bondholder	No. of bonds held
1	ICBC/Credit Suisse Tianli Bond Securities Investment Fund	2,346,450
2	Guangfa Wealth Stock Securities Investment Fund	2,083,451
3	CCB Sustaining Profit Increase Bond Securities Investment Fund	1,982,176
4	Fullgoal Tianfeng Surging Income Bond Securities Investment Fund	1,400,000
5	Bank of Communications Schroder Principal-Protected Mixed Securities Investment Fund	958,261
6	801 Portfolio of National Social Security Fund, PRC	809,778
7	Bosera Stable Value Bond Investment Fund	800,000
8	CITIC Securities Ltd	790,000
9	ChinaAMC Stable Growth Mixed Securities Investment Fund	733,834
10	ICBC Credit Suisse Asset Management Co., Ltd – ICBC – Specific client assets	727,373

### **§3 Management Discussion and Analysis**

Since end of 2008, the transaction volume of residential properties in certain cities has been rising on previous periods, with significant increase recorded in the Pearl River Delta region. This trend sustained through the first quarter of 2009, and gradually became a general nation-wide trend, as evidenced by the increase in the sales area and sales amount of commodity housing in the country when compared with those of the same period previous year. Transaction volume rebounded significantly in those major cities that saw greater market adjustment earlier. In the 14 cities where China Vanke has been closely monitoring, the transaction volume in the first quarter, in general, rose substantially when compared with that of the same period of 2008. Among the 14 cities, some of them even saw their transaction volume rise over that of the same period of 2007. In line with the active primary market, the recent transaction volume in the secondary market also showed signs of significant rebound.

The Company's management believes that a number of factors have contributed to the increase in the transaction volume during the Reporting Period. In order to clear inventory, property developers have used various strategies to boost sales. Preferential credit and tax policies have enabled people to lower the cost of purchasing house for self-use, thereby restoring confidence in the property market. The relatively long market adjustment period has provided sufficient time for the build-up of pent-up demand before it unleashes. In the Pearl River Delta region, it made sense to see a rebound in the transaction volume as prices in the area had previously undergone considerable adjustments.

How this trend will move requires further observation. Given the various uncertainties in the macro environment, it is too early to conclude that the adjustment of the residential property market has come to an end. The Company will continue to adhere to the principle of "being responsive is more important than being able to make predictions" in operation management, and will continue to adopt market pricing strategy and actively promote sales.

During the Reporting Period, the Company realised sales area and sales amount of 1,525,000 sq m and RMB12.22 billion respectively, representing increases of 33.2% and 21.0% from those of the same period of 2008 respectively. The Company's booked area and booked revenue reached 1,061,000 sq m and RMB7.59 billion, representing increases of 32.1% and 27.0% from those of the same period last year respectively. The Company's revenue and net profit reached RMB7.73 billion and RMB769 million respectively, representing increases of 27.7% and 7.1% from those of the same period last year respectively.

As at the end of the Reporting Period, the Company, according to the latest market conditions and sales performance, made an assessment of the projects for which provision for diminution in value had been at the end of 2008. As the sales performance of Jinyu Tixiang Project in Nanjing is better than expectation, in accordance with the assessment results, the provision for diminution in value was adjusted from RMB63.59 million to RMB49.57 million, thereby increasing the net profit attributable to equity shareholders of the Company by RMB10.51 million. The results of the assessment of the other 12 projects made at the end of 2008 remained unchanged.

The Group's Shenzhen King Metropolis, Shanghai Jade Villa, Dalian Glamorous City, and Chengdu Golden Hairong, which were launched during the period, reported satisfactory sales. During the Reporting Period, Foshan King Metropolis, Shanghai Everest Town, and Wuhan Golf project also recorded outstanding sales results.

Geographically, the Company realised a sales area of 491,000 sq m and a sales revenue of RMB4.48 billion in the Pearl River Delta region, representing increases of 44.5% and 34.1% from those of the same period previous year respectively. In the Yangtze River Delta region, the Company realised a sales area of 405,000 sq m and a sales revenue of RMB3.60 billion, representing an increase of 15.5% and a decrease of 6.1% from those of the same period previous year respectively. The Company realised a sales area of 451,000 sq m and a sales revenue of RMB2.92 billion in the Bohai-Rim region, representing increases of 88.1% and 73.0% from those of the same period previous year respectively. In other markets, the Company achieved a sales area of 178,000 sq m and a sales revenue of RMB1.22 billion, representing decreases of 17.0% and 1.1% from those of the same period previous year respectively.

As at the end of Reporting Period, the Company had an area of 3,799,000 sq m sold but not yet completed and booked. The area involved a total contract amount of RMB30.71 billion, thereby laying a solid foundation for achieving 2009 results target.

The Company insists on "building inventory based on sales", to ensure that the pace of development is matched with its sales progress. The Company will consider to adjust its project development plan according to the market conditions, and such will be disclosed in the interim report.

Benefiting from satisfactory sales results, the Company further improved its inventory mix. As at the end of the Reporting Period, of the various types of inventory of the Company, completed properties amounted to RMB6.67 billion, representing a 15.5% decrease from that of the end of 2008 and accounting for 7.9%; planned development products (corresponding to the Company's projects under planning) amounted to RMB32.24 billion, accounting for 38.0%; and products under development amounted to RMB45.78 billion (including an area of 3,799,000 sq m sold but not yet booked, which had a contract amount of RMB30.71 billion), accounting for 54.0%.

As at the end of Reporting Period, the Company's cash and cash equivalents amounted to RMB26.92 billion, net debt ratio decreased to 24.5%, and short-term borrowings and long-term borrowings due within one year totaled RMB18.73 billion. The Company's financial position remained sound. Sufficient liquidity has put the Company in an advantageous position to utilise the market adjustment to acquire projects.

On the front of project development, the Company adheres to the principle of "careful selection and capturing opportunities", with a focus on project resources that can add strategic value to the Company's development. In order to enhance project quality, the Company has strengthened risk

control. During the Reporting Period, the Company had further optimised its investment management system, and set stricter benchmarks for acquiring new projects.

The Company believes that the key to cope with industry restructuring is to return to market and customer origins, and practically augment products' market competitiveness. To catapult product quality, the Company continues to raise product quality awareness and step up efforts to improve construction management by enhancing communication and cooperation with construction units. With respect to product design, the Company has proceeded with a specific product benchmarking study, namely "Rose in the wind". While promoting its excellent traditions, the Company emphasises learning from success examples in the industry. To boost sales efficiency, the Company will keep on improving the database containing relevant information, fortifying its sales team development and fine-tuning the sales resources allocation. On the aspect of cost management, the Company has carried out cost benchmarking activities. To tighten cost control, the Company will include the relevant benchmarks in the performance-linked remuneration appraisal system of the Group's headquarters for the current year.

## §4 Significant Events

### 4.1 Significant changes and reasons for such changes in major items of the accounting statements and financial indicators of the Company

√Applicable Not applicable

Financial indicators	3/31/2009 (RMB '000)	12/31/2008 (RMB '000)	Change	Reasons for changes
Cash and cash equivalents	26,921,922	19,978,286	34.76%	Receipt from sales of properties and increase in borrowings
Interest-bearing borrowings (Long term)	17,943,290	14,942,136	20.09%	Increase in borrowings for further development and land acquisition

  

Financial indicators	Jan-Mar 2009	Jan-Mar 2008	Change	Reasons for changes
Revenue	7,733,123	6,056,755	27.68%	Growth in sales from property development
Cost of sales	5,386,237	3,925,913	37.20%	Growth in property development business
Distribution costs	238,578	278,414	-14.31%	Cost control measures
Administrative expenses	287,992	387,101	-25.60%	The incentive plan did not incur any administrative expenses
Net financial cost	167,177	124,835	33.92%	Increase in interest which could not be capitalised
Minority interests	119,779	23,597	407.61%	The booking of jointly developed projects led to increase in profit attributable to minority interest

### 4.2 Progress of significant events and analysis of their impact and solutions

√Applicable Not applicable

Since the Company's net profit after extraordinary gains or losses in 2008 decreased by 15.61% from that of 2007, it failed to meet the performance target of "achieving a growth rate of over 15% in net profit after extraordinary gains or losses" as stipulated by Provision No. 12 of Phase One Restricted Stock Incentive Plan, the Company issued an announcement regarding the termination of the implementation of the restricted stock incentive plan for year 2008 on 14 April 2009. The implementation of the incentive plan for year 2008 under Phase One Restricted Stock Incentive Plan was terminated. The 60,925,820 Vanke A shares held by the incentive plan for year 2008 will be sold within 20 trading days (during the window period) from the date on which the above mentioned announcement was issued, and the proceeds from the sale of the shares will be transferred to the Company within three working days after the sale.

#### 4.3 Implementation of the undertakings given by the Company, shareholders and beneficial controllers

Applicable  Not applicable

Undertaking	Details	Implementation
Share reform	Under the Company's share reform, CRC had undertaken not to trade or transfer its non-tradable shares within the 12-month period from the date on which such non-tradable shares were granted the right to list on the stock exchange. After the expiry of the 12-month period, the original non-tradable shares could be sold through trading on the stock exchange. The amount of shares to be sold shall not exceed five per cent and 10 per cent of the Company's total issued shares during the respective periods of 12 months and 24 months. In addition, the selling price shall not be less than 120 per cent of the exercise price of the put warrant (the selling price will be adjusted during the statutory share disposal restriction period and according to the adjustment methods for the exercise price of the put warrant).	Undertaking strictly abided
Undertakings given in acquisition report or report on change in equity interests	No	
Undertakings given in major asset restructuring	No	
Undertakings given at the time of the issue	For the private placing of A shares in 2006, CRC undertook to be subject to a lock-up period of 36 months for the subscribed shares of its own accord. CRC holds 264,000,000 restricted tradable shares of the Company issued from the 2006 private placing, and that amount represents 2.4% of the Company's total number of shares. The lock-up period of these shares will expire on 26 December 2009.	Undertaking strictly abided
Other undertakings given to non major shareholders	China Resources National Corporation ("CRNC") – the parent company of CRC, being the Company's original single largest shareholder and the present single largest shareholder, gave a significant undertaking to the Company in 2001: CRNC would provide as much support to the Company as it did in the past, as long as such support was beneficial to the Company's development, and that it would remain impartial in the event of any competition between the investment projects of the Company and that of CRNC and its subsidiaries, and in the event of any disagreements or disputes arising from horizontal competition.	CRNC has fulfilled its undertaking.

#### 4.4 Warning of and explanation for the accumulated net profit from the beginning of the year to the end of the next reporting period forecast to be a probable loss or to be significantly differed from that of the corresponding period of the previous year

Applicable Not applicable

#### 4.5 Other major events and their explanations

##### 4.5.1 Securities investments

Applicable Not applicable

##### 4.5.2 Equity interests held in other listed companies

Applicable Not applicable

(Unit: RMB)

Stock code	Stock abbreviation	Initial investment amount	Percentage of shareholdings	Booked value as at the end of the Reporting Period	Gains/(losses) during the Reporting Period	Changes in equity attributable to equity shareholders during the Reporting Period
000001	Shenzhen Development Bank Co., Ltd – A	11,582,347.80	0.10%	48,041,884.80	-	19,530,201.60
600697	Changchun Eurasia Group Co., Ltd	5,070,000.00	1.18%	29,781,294.10	-	2,630,524.40
600680	Shanghai Potevio Co., Ltd	8,722,080.97	1.11%	40,378,451.68	-	16,244,692.22
600751	S*ST Tianjin Marine Shipping Co., Ltd.	143,600.00	0.04%	143,600.00	-	-
<b>Total</b>		<b>25,518,028.77</b>		<b>118,345,230.58</b>	-	<b>38,405,418.22</b>

Note: 1. The above-mentioned equity interests are legal person shares held by the Company over the years. Up till now, the S\*ST Tianjin Marine Shipping Co., Ltd has not undergone share reform, and Changchun Eurasia Group Co., Ltd is still subject to a lock-up period;

2. The change in fair value of equity interests at the end of the Reporting Period led to an increase in the “available-for-sale financial assets”, and a corresponding increase in “capital reserve”.

##### 4.5.3 Investor relations activities such as meetings, communications and handling of inquiries during the Reporting Period

Type of Activities	Time	Location	Approach	Classification of visitors	Issues discussed and information provided
Goldman Sachs Meeting	2009.1	Hong Kong	Face to face meeting	Securities companies and funds investors	(I) Major issues discussed: 1) The Company’s daily operations; 2) The Company’s development strategies; 3) The Company’s opinions on the
UBS Meeting	2009.1	Shanghai	Face to face meeting	Securities companies and funds investors	
Deutsche Bank Meeting	2009.1	Beijing	Face to face meeting	Securities companies and funds investors	
Ping An Securities Meeting	2009.1	Shenzhen	Face to face meeting	Securities companies and funds investors	
Lianhe Securities Meeting	2009.1	Shenzhen	Face to face meeting	Securities companies and funds investors	



Merrill Lynch Meeting	2009.1	Hong Kong	Face to face meeting	Securities companies and funds investors	changes in the industry (II) Major information provided: Public information such as the Company's regular reports
Daiwa Securities Meeting	2009.2	Tokyo	Face to face meeting	Securities companies and funds investors	
CLSA Meeting	2009.2	Hong Kong	Face to face meeting	Securities companies and funds investors	
CITIC Securities Meeting	2009.2	Shenzhen	Face to face meeting	Securities companies and funds investors	
China Merchants Securities Meeting	2009.2	Shenzhen	Face to face meeting	Securities companies and funds investors	
Annual results presentation	2009.3	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Securities companies and funds, and individual investors	
CLSA Meeting	2009.3	Hong Kong	Face to face meeting	Securities companies and funds investors	
Credit Suisse Securities Meeting	2009.3	Hong Kong	Face to face meeting	Securities companies and funds investors	
UBS Meeting	2009.3	Shenzhen	Face to face meeting	Securities companies and funds investors	
Note: The above-mentioned meetings were either one-on-one meetings, or small group meetings or large group presentation. The Company received or met with investors from over 50 companies.					
Securities Companies	During the Reporting Period	Shenzhen, Dongguan, Guangzhou, Suzhou, Shanghai, Hangzhou, Nanjing, Wuxi, Tianjin, Shenyang, Beijing, Wuhan, Chengdu, Chongqing, Changsha, etc.	Small group or one-on-one	Goldman Sachs, Shenyin & Wanguo, CLSA, UBS, Macquarie, First Shanghai Securities, JP Morgan, Morgan Stanley, Everbright Securities, Citi, Goldman Sachs Gaohua, Citic Securities, Deutsche Bank, Credit Suisse, Nomura Securities, Changjiang Securities, CICC, BOCI, Hongta Securities, Donghai Securities, Guodu Securities, China Merchants Securities, ABN AMRO, Mitsubishi UFJ, Essence Securities, Lianhe Securities, Ping An Securities, Royal Bank of Scotland, BNP, DBS Vickers, and Research-works, etc.	

Fund and other investment companies and individual investors	During the Reporting Period	Shenzhen, Dongguan, Guangzhou, Suzhou, Shanghai, Hangzhou, Nanjing, Wuxi, Tianjin, Shenyang, Beijing, Wuhan, Chengdu, Chongqing, Changsha, etc.	Small group or one-on-one	China Galaxy Investment, Dalian Chenxi Investment, China Life, E Funds, China AMC, Greenwoods Asset Management, Harvest Fund, Fortis Haitong Investment Management, Boseru Funds, Fullgoal Fund, China Southern Fund, China Universal Asset Management, China Life Franklin Asset Management, Mirae Asset, Zhonghai Fund, Taikang Life, Cephei Investment, Bank of Communications Schroder Fund, Dacheng Fund, , Lion Fund, Invesco Great Wall, GF Fund, Hua An Funds, Rongtong Fund, Fuh Hwa Investment trust, Ignis Investment Services Limited, Emerging Markets Mgmt LLC, Fortress Investment Group, ING Real Estate, Cohen & Steers, Galleon Asia, JPMorgan Asset Management, Fidelity, Bain Capital, Portman Holdings, UBS AG, UBS Global Asset management, Rexiter, American Century Investment, CM Asia Pacific, Hamon Asset Management Limited, Blackstone Group Asia Limited, Fox-Pitt, Sansar, Oppenheimer Fund, Acru Asset Management, HT Capital, MFC Global Investment Management, Broad Peak Investment, Sloane Robinson, Alliance Bernstein, Lansdowne, Templeton, Marshall Wace, T Rowe Price, Robeco, Kingdon Capital, TPG—Axon, Tiger Asia, Montpelier Asset Management, Joho Partner, Newton Investment Management, BEA Union Investment, JF Asset Management, Farallon, Hellman& Friedman, Capital, PMA, Capital, PMA, Soros Capital Management, Partner Fund, Keywise Capital, Blue Ridge, Norges Bank, APG Investments, Janus Capital, MICH Investments, Highbridge, Sumitomo Trust & Banking, TY Advisor, Piper Jaffray & Co., Triskele Capital Management Limited, Marverick Capital, Bennelong, Dragon Back, Union Investment privatfords GMBH, AMP Capital, Henderson Global Marvin & Palmer, Harding Loevner LLC, UOB Kay Hian, GLG Partners LP, DIAM Asset Management, Nomura Securities, TIAA CREF, and GMO, etc.	
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#### 4.5.4 Other major events and their explanations

Applicable  Not applicable

(1) The Company did not provide any funds for use by its controlling shareholder and other related parties, nor did the Company provide any guarantee to third parties in violation of regulations and procedures;

(2) Information on the Company's corporate bonds

During the Reporting Period, the Company's credit standing was stable. China Chengxin Credit Management Co., Ltd. conducted tracking rating of the Company's "08 Vanke G1" (Bond code: 112005) and "08 Vanke G2" (Bond code: 112006), and kept the ratings of AAA and AA+ for secured bonds 08 Vanke G1 and unsecured bonds 08 Vanke G2 respectively, and a rating of AA+ for the Company. The rating company assigned a "stable" outlook to the future ratings of the Company.

The Company will distribute the first-year interest due to the corporate bonds on 7 September 2009, and the interest payment will be funded by the Company's internal resources.

**Consolidated income statement for the three months ended 31 March 2009**

(Expressed in Renminbi Yuan)

	<b>Jan-Mar 2009</b>	<b>Jan-Mar 2008</b>
Revenue	7,733,122,762	6,056,755,249
Cost of sales	(5,386,236,972)	(3,925,912,602)
<b>Gross profit</b>	<b>2,346,885,790</b>	<b>2,130,842,647</b>
Other income	20,721,291	6,422,988
Distribution costs	(238,578,263)	(278,414,498)
Administrative expenses	(287,992,162)	(387,100,843)
Other expenses	(22,931,072)	(27,060,809)
<b>Results from operating activities</b>	<b>1,818,105,584</b>	<b>1,444,689,485</b>
Financial income	75,160,324	152,437,906
Financial expenses	(242,337,537)	(277,272,645)
<b>Net finance costs</b>	<b>(167,177,213)</b>	<b>(124,834,739)</b>
Share of profits less losses of associates	30,843,113	665,692
Share of profits less losses of jointly controlled entities	(11,871,665)	6,307,467
<b>Profit before taxation</b>	<b>1,669,899,819</b>	<b>1,326,827,905</b>
Income tax	(781,357,267)	(585,098,109)
<b>Profit for the period</b>	<b>888,542,552</b>	<b>741,729,796</b>
<b>Attributable to:</b>		
Profit attributable to equity shareholders of the Company	768,764,019	718,133,262
Minority interests	119,778,533	23,596,534
<b>Profit for the period</b>	<b>888,542,552</b>	<b>741,729,796</b>
<b>Earnings per share</b>		-
Basic	0.070	0.065
Diluted	0.070	0.065

**Consolidated balance sheet at 31 March 2009***(Expressed in Renminbi Yuan)*

	<b>31 Mar. 2009</b>	<b>31 Dec. 2008</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,254,221,471	1,290,600,931
Investment properties	169,092,420	198,394,767
Construction in progress	235,640,267	188,587,023
Interest in associates	434,265,026	508,175,188
Interest in jointly controlled entities	1,876,937,495	1,888,809,160
Other financial assets	211,912,651	256,158,816
Deferred tax assets	1,547,750,724	1,449,480,633
<b>Total non-current assets</b>	<b>5,729,820,054</b>	<b>5,780,206,518</b>
<b>Current assets</b>		
Inventories	61,657,902	48,111,356
Properties held for development	32,237,251,686	34,131,859,032
Properties under development	45,783,364,094	44,340,453,697
Completed properties for sale	6,667,975,817	7,890,962,140
Trade and other receivables	9,087,263,702	8,416,531,561
Cash and cash equivalents	26,921,921,880	19,978,285,930
<b>Total current assets</b>	<b>120,759,435,081</b>	<b>114,806,203,716</b>
<b>TOTAL ASSETS</b>	<b>126,489,255,135</b>	<b>120,586,410,234</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	10,995,210,218	10,995,210,218
Reserves	22,945,781,166	22,146,755,978
Awarded Shares purchased for the Employees' Share Award Scheme	(1,250,040,934)	(1,250,040,934)
<b>Total equity attributable to equity shareholders of the Company</b>	<b>32,690,950,450</b>	<b>31,891,925,262</b>
<b>Minority interests</b>	<b>7,041,402,748</b>	<b>6,926,624,219</b>
<b>TOTAL EQUITY</b>	<b>39,732,353,198</b>	<b>38,818,549,481</b>

**Consolidated balance sheet at 31 March 2009** (continued)

(Expressed in Renminbi Yuan)

	<b>31 Mar. 2009</b>	<b>31 Dec. 2008</b>
<b>Non-current liabilities</b>		
Interest-bearing borrowings(Long term)	17,943,289,500	14,942,136,092
Deferred tax liabilities	1,340,104,781	1,380,487,627
Other long term liabilities	15,224,376	12,644,850
Provisions	33,938,233	41,729,468
<b>Total non-current liabilities</b>	<b>19,332,556,890</b>	<b>16,376,998,037</b>
<b>Current liabilities</b>		
Interest-bearing borrowings(Short term)	18,730,699,434	17,866,342,910
Financial derivatives	3,841,200	1,694,880
Trade and other payables	44,870,515,869	43,979,207,733
Current taxation	3,819,288,544	3,543,617,193
<b>Total current liabilities</b>	<b>67,424,345,047</b>	<b>65,390,862,716</b>
<b>TOTAL LIABILITIES</b>	<b>86,756,901,937</b>	<b>81,767,860,753</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>126,489,255,135</b>	<b>120,586,410,234</b>

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**Consolidated cash flow statement for the three months ended 31 March 2009**

(Expressed in Renminbi Yuan)

	Jan-Mar 2009	Jan-Mar 2008
Cash received from sales of products	11,389,454,211	8,987,690,884
Other cash received from business operating activities	602,877,516	1,311,820,013
<b>Cash generated from operating activities</b>	<b>11,992,331,727</b>	<b>10,299,510,897</b>
Cash paid for purchasing of merchandise and services	4,914,160,199	8,048,702,606
Cash paid to employees or paid for employees	384,843,889	627,672,979
Tax paid for tax	1,536,684,664	1,937,898,706
Other cash paid for business operating activities	1,472,002,838	1,105,199,241
<b>Cash used in operating activities</b>	<b>8,307,691,590</b>	<b>11,719,473,532</b>
<b>Net cash used in operating activities</b>	<b>3,684,640,137</b>	<b>(1,419,962,635)</b>
Proceeds from disposal of interest in other long term investments	80,000,000	-
Proceeds from investment income	62,210,241	-
Proceeds from disposal fixed assets	364,892	99,184
Other cash received relating to investing activities	53,697,588	44,591,784
<b>Cash generated from investing activities</b>	<b>196,272,721</b>	<b>44,690,968</b>
Acquisition of fixed assets	14,017,126	36,772,073
Cash paid for acquisition of investments	13,706,499	550,484,973
Cash paid for acquisition of subsidiaries	152,911,830	1,081,999,763
<b>Cash used in investing activities</b>	<b>180,635,455</b>	<b>1,669,256,809</b>
<b>Net cash used in investing activities</b>	<b>15,637,266</b>	<b>(1,624,565,841)</b>
Capital injection from minority interests of subsidiaries	-	336,507,408
Proceeds from loans and borrowings	6,946,354,133	3,480,171,049
<b>Cash generated from financing activities</b>	<b>6,946,354,133</b>	<b>3,816,678,457</b>
Repayment of loans and borrowings	3,100,394,756	1,743,718,049
Dividend paid to equity shareholders of the Company and Interest paid	606,567,512	442,167,673
<b>Cash used in financing activities</b>	<b>3,706,962,268</b>	<b>2,185,885,722</b>
<b>Net cash generated from financing activities</b>	<b>3,239,391,865</b>	<b>1,630,792,735</b>
<b>Effect of foreign exchange rates</b>	<b>3,966,682</b>	<b>(6,681,523)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,943,635,950</b>	<b>(1,420,417,264)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>19,978,285,930</b>	<b>17,046,504,584</b>
<b>Cash and cash equivalents at 31 March</b>	<b>26,921,921,880</b>	<b>15,626,087,320</b>