



China Vanke Co., Ltd.

2009 Third 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 disputes with the authenticity, accuracy and completeness of the contents of 2009 Third 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. Independent Director Judy Tsui Lam Sin Lai was not able to attend the board meeting in person due to her business engagements and had authorised Independent Director David Li Ka Fai to represent her and vote on behalf of her. Independent Director Charles Li was not able to attend the board meeting in person due to business engagements and had authorised Independent Director Qi Daqing to represent him and vote on his behalf at the board meeting.

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 30 September 2009	As at 31 December 2008	Changes	
Total assets	131,514,124,967	120,586,410,234	9.06%	
Shareholders' equity (excluding minority interests)	34,942,753,924	31,891,925,262	9.57%	
Total Shares	10,995,210,218	10,995,210,218	-	
Net assets per share	3.18	2.90	9.66%	
	From July to September 2009	Changes	From January to September 2009	Changes
Revenue	7,435,491,349	49.78%	27,988,969,280	31.96%
Profit attributable to equity shareholders of the Company	433,199,832	101.03%	2,957,592,239	29.92%
Net cash inflow from operating activities	-	-	11,241,209,260	665.13%
Net cash inflow from operating activities per share	-	-	1.022	664.64%
Basic earnings per share	0.039	95.00%	0.269	29.95%
Diluted earnings per share	0.039	95.00%	0.269	29.95%
Return on equity	1.24%	Increase 0.52 percentage point	8.46%	Increase 0.89 percentage point

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 30 September 2009, the total number of shareholders of the Company was 1,324,772 (including 1,286,892 holders of A shares and 37,880 holders of B shares).

(Unit: share)

Total number of shareholders as at the end of the Reporting Period		1,324,772	
Shareholdings of the top 10 shareholders of non-restricted tradable shares			
Name of shareholders (in 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	
China Life Insurance Company Limited– Dividend Distribution–Individual Dividend- 005L-FH002 Shen	193,530,833	A Share	
Liu Yuansheng	133,791,208	A Share	
ICBC–Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	102,137,903	A Share	
Toyo Securities Asia Limited-A/C Client	90,038,032	B Share	
HTHK/CMG FSGUFP-CMG First State China Growth Fund	82,406,712	B Share	

ICBC – Bosera Tertiary Industry Growth Stock Investment Fund	80,000,000	A Share
Bank of Communications–Bosera Emerging Growth Fund	75,000,000	A Share
ICBC - E Fund Value Growth Mixed Securities Investment Fund	72,085,189	A Share
Naito Securities Co., Ltd.	69,469,524	B Share

As at the end of 30 September 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 Petroleum Finance Co., Ltd.	4,157,662
3	China Pacific Life Insurance Company Limited	3,433,312
4	China Life Insurance Company Ltd.	2,519,008
5	China Ping An Life Insurance Company Limited–Traditional–General Insurance Products	2,218,727
6	China Life Property and Casualty Insurance Company Limited–Traditional– General Insurance Products	1,820,000
7	China Ping An Property and Casualty Insurance Company Limited–Investment Insurance Products	1,034,630
8	China Life Pension Company Limited–Internal Resources	1,000,000
9	China Reinsurance (Group) Corporation	776,162
10	Generali China Life Insurance–Investment Related Products–Stock Account	713,500

(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	CITIC Securities Ltd	2,105,709
3	China National Machinery Imp. & Exp. Corporation	1,946,689
4	ICBC–BOCOM Schroders Principal-Protected Mixed Securities Investment Fund	1,388,331
5	206 Portfolio of National Social Security Fund, PRC	1,375,065
6	CCB–Fullgoal Tianfeng Surging Income Bond Securities Investment Fund	1,370,000
7	CITIC Securities Ltd–CITIC–CITIC Securities Bond Selected Asset Management Scheme	1,030,060
8	801 Portfolio of National Social Security Fund, PRC	859,778
9	Harvest Stable Growth Open-end Securities Investment Fund	709,798
10	202 Portfolio of National Social Security Fund, PRC	700,000

§3 Management Discussion and Analysis

During the Reporting Period, the transaction volume of commodity housing in the county rose significantly from that of the corresponding period of last year. The sales area and sales amount increased by 69.9% and 118.5% from those of the same period last year, respectively. The sales area and sales amount of the 14 major cities on which China Vanke focused surged by 128.9% and 172.7% during the third quarter of 2009, respectively, as compared with the same period last year.

When compared with that of the second quarter, the sales area and sales amount of commodity housing in the country during the third quarter rose by 4.7% and 6.0%, respectively. However, market situation varied across regions, with correction seen in certain cities after sales hit record high in the middle the year.

Slowdown in the growth of transaction volume across the country and declining sales volume in certain cities in the third quarter as compared with the second quarter have something to do with supply shortage. When the market went through the adjustment period in 2008, enterprises lowered their construction work volume, but when the market started to recover this year, saleable inventory at the time was quickly absorbed. This led to a situation where in the short run, new supply would not be able to meet sales demand. By the third quarter, inventory available for sale on the market fell to a record low in recent years, restraining transaction volume from growing further.

What deserves attention is that the approved pre-sales area in a number of cities in September rose over that of July and August, indicating that the tight supply of new housing is gradually easing. This also is in line with the Company's judgement made in its interim report regarding a relatively big growth in new housing supply by the end of the year. Increasing supply of new housing will help stabilise the housing price in the fourth quarter and realise a satisfactory transaction volume.

During the Reporting Period, the government's adjustment to the second home mortgage policy, to certain extent, had "psychological" impact on the market. However, given that the government took action at a time when there was insufficient supply in the market and housing prices were under upward pressure, it was viewed as a just in time adjustment, with positive impact on preventing the market from overheating, while facilitating its healthy and steady growth.

During the Reporting Period, the Company realised a sales area of 1,615,000 sq m, with a sales revenue of RMB15.4 billion, representing increases of 18.2 per cent and 34.1 per cent, respectively, from those in the same period of 2008. From January to September 2009, the Company's accumulated sales area and sales revenue amounted to 5,103,000 sq m and RMB46.2 billion, respectively, representing increases of 26.8 per cent and 29.6 per cent, respectively, from those in the same period of 2008.

During the first three quarters, the Company realised a sales area of 1,367,000 sq m and a sales revenue of RMB13.9 billion in the Pearl River Delta region, representing increases of 12.4 per cent and 18.3 per cent, respectively, from those of the same period previous year. In the Yangtze River Delta region, the Company realised a sales area of 1,452,000 sq m and a sales revenue of RMB15.1 billion, representing increases of 10.6 per cent and 12.1 per cent, respectively, from those of the same period

previous year. The Company realised a sales area of 1,593,000 sq m and a sales revenue of RMB12.4 billion in the Bohai-Rim region, representing increases of 64.2 per cent and 73.6 per cent, respectively, from those of the same period previous year. In other markets, the Company achieved a sales area of 690,000 sq m and a sales revenue of RMB4.7 billion, representing increases of 31.7 per cent and 46.3 per cent, respectively, from those of the same period previous year.

During the Reporting Period, the Company's booked area and booked revenue reached 1,028,000 sq m and RMB7.2 billion, respectively, representing increases of 70.2 per cent and 47.9 per cent, respectively, from those of the same period last year. The Company's revenue and net profit during the Reporting Period amounted to RMB7.4 billion and RMB433.2 million, respectively, representing increases of 49.8 per cent and 101.0 per cent, respectively, from those of the same period last year. From January to September, the Company's booked area and book revenue were 3,513,000 sq m and RMB27.6 billion, respectively, representing increases of 30.9 per cent and 32.0 per cent, respectively, from those of the same period last year. During the first nine months of 2009, the Company's accumulated revenue and net profit amounted to RMB28.0 billion and RMB2.96 billion, respectively, representing increases of 32.0 per cent and 29.9 per cent, respectively, from those of the same period previous year. As at the end of the Reporting Period, the Company had an area of 4,502,000 sq m sold but not yet completed and booked. The area involved a total contract amount of RMB39.37 billion.

As at the end of the Reporting Period, the Company's cash and cash equivalents amounted to RMB27.6 billion, and short-term borrowings and long-term borrowings due within one year totalled RMB8.3 billion. With a net debt ratio of 9.8 per cent, the Company's financial position remained sound.

During the Reporting Period, the Company continued to comply with the high standards it set for obtaining new projects. During the period, the Company obtained 15 projects in 11 cities, namely Guangzhou, Foshan, Zhongshan, Changsha, Hangzhou, Ningbo, Nanchang, Beijing, Tianjin, Qingdao, Wuhan. The aggregate plot ratio GFA was approximately 4,111,000 sq m, of which 2,844,000 sq m of total GFA is attributable to China Vanke's equity holding. China Vanke's current land bank is insufficient to meet the needs for development in the next three years. In view of the need for continuous growth, the Company will keep an eye on the market situation and capture every opportunity for replenishing its land bank with quality sites for future development.

During the Reporting Period, the Company maintained its development focus on "quality and efficiency". It improved its operation and profitability through a series of measures including fine-tuning its products, strengthening cost and expenses management and maximising its advantage in economies of scale and broad market coverage.

During the period, the Company actively promoted standardisation of furnished units within the Group. Working towards this goal, the Company combined the Group's resources and increased the use of central purchasing to make purchases. The Company has now set the standards for C-grade furnished units, and promotion of these standards across the Group is underway. In August, the Company bought materials for C-grade furnished units through central procurement in Shanghai. The purchase amount exceeded RMB1 billion, representing a cost reduction of over RMB100 million. The Company will continue to promote product standardisation, to increase the use of central purchasing in order to

benefit from bulk purchase.

During the quarter under review, the Company further tightened its cost and expenses control, through simplifying management process, adopting stringent supervision measures, intensifying customer research, and fine-tuning its advertising strategy. For the first three quarters of 2009, the Company's administrative expenses and distribution costs decreased by 11.1 per cent and 17.6 per cent, respectively, from those of the same period last year. The aggregate amount of administrative expenses and distribution costs as a percentage of revenue decreased by 35.2 per cent from that of the same period last year.

The Company mentioned at the beginning of the year that it would further expand its source of funding and would consider equity financing at an appropriate time. Since then, the Company has increased the pace of project development and seized market opportunities to replenish its land bank. All these drive up the Company's capital needs. During the Reporting Period, the proposal regarding the public offer of new A shares was approved by the board of directors of the Company. The related financing plan was also passed by a majority vote at the Company's 2009 first special general meeting on 15 September 2009. The issue of shares is expected to further enhance the Company's financial position and operation flexibility, which will be beneficial to the Company's sustainable development.

On 29 September, the Company's office address changed from Vanke Architecture Research Centre, No. 63 Meilin Road, Futian District, Shenzhen to Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen.

New projects

During the Reporting Period, the Company had 15 new projects, with a total planned gross floor area ("GFA") of approximately 4,111,000 sq m, of which approximately 2,844,000 sq m of total planned GFA is attributable to China Vanke's equity holding. From January to September, the Company had 30 new projects, with a total planned GFA of approximately 8,308,000 sq m, of which approximately 6,327,000 sq m of total planned GFA is attributable to China Vanke's equity holding, and the average cost of land is RMB2,689 per sq m. As at the end of the Reporting Period, the GFA of the projects under planning attributable to China Vanke's equity holding was 21,640,000 sq m.

The details of the new projects during the third quarter are as follows:

(Unit: '000 sq m)

City	Project name	Location	Percentage of shareholding	Site area (sq m)	Planned GFA (sq m)	Planned GFA attributable to China Vanke's equity holding (sq m)	Progress
Guangzhou	Jinshazhou B04 land lot	Baiyun district	100%	17.2	31.0	31.0	Preliminary
	Nansha 08NJY-1 Project	Nansha district	95%	134.8	269.5	256.0	Preliminary
Foshan	Dengzhou land lot, Chencun, Shunde	Shunde district	49%	284.0	710.1	347.9	Preliminary
Zhongshan	Kuchong land lot	East district	100%	76.4	152.9	152.9	Preliminary
Changsha	Four Seas Project	Yuelu district	80%	38.3	137.6	110.1	Preliminary
	Hongfa Project	Yuhua district	60%	232.4	545.0	327.0	Preliminary
Hangzhou	Caozhuang R21-25 Project	Jianggan district	100%	14.2	33.9	33.9	Preliminary
	Caozhuang R21-24 Project	Jianggan district	100%	23.0	53.0	53.0	Preliminary
Ningbo	Cicheng Project	Jiangbei district	100%	314.2	393.7	393.7	Preliminary
Nanchang	Police Academy Project	Qingyunpu district	50%	97.1	145.2	72.6	Preliminary
Beijing	Changyang No. 1 Project	Fangshan district	50%	160.9	341.5	170.7	Preliminary
	Changyang No. 5 Project	Fangshan district	50%	276.2	511.7	255.9	Preliminary
Tianjin	Airport Price-restricted Housing Project	Dongli district	51%	136.5	204.8	104.4	Preliminary
Qingdao	Houtaolin Project	Chengyang district	80%	130.9	231.6	185.3	Preliminary
Wuhan	Land parcel for final phase of City Garden Project	Donghu new technology development district	100%	231.0	349.6	349.6	Preliminary
Total				2,167.1	4,111.2	2,844.2	-

From the end of the Reporting Period to the day of publication of this report, the Company obtained 2 new projects, with a total land premium of RMB1,220 million. The planned GFA of these 2 projects is 614,000 sq m, of which 362,000 sq m of GFA is attributable to China Vanke's equity holding. The details are as follows:

(Units: '000 sq m)

City	Project name	Location	Percentage of shareholding	Site area (sq m)	Planned GFA (sq m)	Planned GFA attributable to China Vanke's equity holding (sq m)	Progress
Xiamen	Xiang'an X2009G04 Project	Xiang'an district	100%	54.4	109.0	109.0	Preliminary
Changchun	Diesel Plant Project	Er'dao district	50%	251.4	505.0	252.5	Preliminary
Total				305.8	614.0	361.5	-

§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

ITEMS	30/9/2009 (RMB'000)	31/12/2008 (RMB'000)	Change(+/-)	Reasons for change
Cash and cash equivalents	27,614,616	19,978,286	38.22%	Growth in sales and increase in cash reserves
Interest-bearing borrowings (Short term)	8,322,920	17,866,343	-53.42%	Loan repayment
Interest-bearing borrowings and bonds (Long term)	23,443,557	14,942,136	56.90%	Increase in long-term borrowings

ITEMS	2009.1-9 (RMB'000)	2008.1-9 (RMB'000)	Change(+/-)	Reasons for change
Revenue	27,988,969	21,210,466	31.96%	Significant increase of property sale in the current period
Cost of sales	20,414,159	13,987,387	45.95%	Property development scale expanding and increase in land cost
Distribution costs	934,484	1,133,777	-17.58%	Change in sales strategy and strengthened cost control
Share of profits less losses of associates	184,173	14,945	1132.34%	Increase in profits of invested entities and disposal of partial equity interest of the companies
Minority interest	712,390	357,779	99.11%	Increase in the share of profits by partners

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

Applicable Not applicable

In 27 August 2009, the Company announced the resolution regarding the public offer of A shares approved at a meeting of the board of directors. The resolution regarding the public offer of A share was approved at the First Special General Meeting held on 15 September 2009. For details, please refer to the announcements published in China Securities Journal, Securities Times, Shanghai Securities News, cninfo.com.cn and irasia.com in Hong Kong on 27 August and 16 September 2009. The work in relation to the public offer of A share is now proceeding on a normal course.

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 5 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).	Undertakings have been strictly fulfilled
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.	Undertakings have been strictly fulfilled
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 undertakings.

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) from January to September in 2009	Changes in equity attributable to equity shareholders from January to September in 2009
000001	Shenzhen Development Bank Co., Ltd – A	11,582,347.80	0.10%	60,308,539.20	-	31,796,856.00
600697	Changchun Eurasia Group Co., Ltd	5,070,000.00	1.18%	35,342,974.26	563,683.80	8,192,204.56
600680	Shanghai Potevio Co., Ltd	7,076,961.71	0.90%	29,561,918.06	6,933,221.12	7,073,278.60
600751	S*ST Tianjin Marine Shipping Co., Ltd.	143,600.00	0.04%	143,600.00	-	-
Total		23,872,909.51	-	125,357,031.52	7,496,904.92	47,062,339.16

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
Morgan Stanley meeting	2009.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	(I) Major issues discussed: (1) The Company's daily operations; (2) The Company's development strategies; (3) The Company's opinion on the changes in the industry.
Deutsche Bank meeting	2009.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Guosen Securities meeting	2009.7	Chongqing	Face to face meeting	Investors including securities companies, funds, etc	
Nomura Securities meeting	2009.7	Singapore	Face to face meeting	Investors including securities companies, funds, etc	
Macquarie meeting	2009.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Sinolink Securities meeting	2009.7	Guilin	Face to face meeting	Investors including securities companies, funds, etc	
Goldman Sachs meeting	2009.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Interim results presentation	2009.8	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Investors including securities companies, funds, individual investors, etc	(II) Major information provided: Published information including the Company's regular reports.
United Securities meeting	2009.8	Beijing	Face to face meeting	Investors including securities companies, funds, etc	
China Jianyin Investment Securities meeting	2009.8	Beijing	Face to face meeting	Investors including securities companies, funds, etc	

Changjiang Securities meeting	2009.8	Beijing	Face to face meeting	Investors including securities companies, funds, etc
Shenyin Wanguo meeting	2009.8	Hangzhou	Face to face meeting	Investors including securities companies, funds, etc
Guotai Junan meeting	2009.8	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc
JP Morgan meeting	2009.9	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
Nomura Securities meeting	2009.9	Beijing	Face to face meeting	Investors including securities companies, funds, etc
Everbright Securities meeting	2009.9	Shanghai	Face to face meeting	Investors including securities companies, funds, etc
CICC meeting	2009.9	Shanghai	Face to face meeting	Investors including securities companies, funds, etc
CLSA meeting	2009.9	Shanghai	Face to face meeting	Investors including securities companies, funds, etc
Sinolink Securities meeting	2009.9	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc
UBS meeting	2009.9	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
CLSA meeting	2009.9	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
Note: The above-mentioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.				
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 Gao Hua, CITIC Securities, Deutsche Bank, Credit Suisse, Nomura Securities, Changjiang Securities, CICC, BOC International, Hongta Securities, Donghai Securities, Guodu Securities, China Merchants Securities, ABN Amro, Mitsubishi UFJ, Essence Securities, United Securities, Ping An Securities, Taishin Securities, HSBC, Yuanta Securities, Daiwa Securities, Southchina Securities, CSC International, Merrill Lynch, CCB International, Great Wall Securities, Guosen Securities, Royal Bank of Scotland, BNP, DBS Vickers, 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 Management Company Limited (中国银河投资管理有限公司), Dalian Chenxi Investment Company, China Life, E Fund, China AMC, Greenwood Asset Management, Harvest Fund, Fortis Haitong Fund, Bosera Funds, Fullgoal Fund, China Southern Fund, China Universal, China Life Franklin Asset Management Co., Limited, Mirae Asset, Zhonghai Fund, Taikang Life, Cephei Investment, Bank of Communications Schroder Fund, Dacheng Fund, , Lion Fund, Invesco Great Wall Fund, Guangfa Fund, Hua An Fund, Rongtong Fund, Fuh Hwa Securities Investment Trust, sinowise, CCB Principal Asset Management, Yinhua Fund, Beijing Ding Tian Investment Management Company Limited, Franklin Templeton Sealand Fund, Waddell & Reed Investment Management Co., ICBC Credit Suisse Asset Management, 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, GMO, Owl Creek Asset Management, Buena Vista Fund, Dodge and Cox US, Tiedemann, Aberdeen, Tiburon Partners, Clairvoyance, Mirae Asset Inv Mgmt, SAC Capital, ABC-CA Fund Mgmt, Daiwa Asset Management, Fair Asset Management, NPJ AM, Boyer Allan Investment Management, GE Asset Management, Jupiter Asset Management Ltd, Kelusa Capital, Alpine Woods Capital, GIC, Kylin Fund, orange capital partners, Wellington, Black Rock, Allegiant Asset Management Company, TIAA-CREF, Lazard Asset Management, Putnam Investments, William Blair, Kingdom, T-Rowe Price, emperor investments, 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 its related parties, nor did the Company provide any guarantee to third parties in violation of regulations and procedures;

(2) During the Reporting Period, the Company distributed the first-year interest of the Company's "08 Vanke G1" and "08 Vanke G2" corporate bonds. During the reporting period, the Company's issued bonds had been tracked and rated by China Chengxin Securities Rating Co., Ltd. (中诚信证券评估有限公司). The rating company gave an AAA credit rating for "08 Vanke G1", and AA+ credit rating for "08 Vanke G2", and AA+ credit rating for the Company as a whole. The Company had maintained a sound credit standing.

4.6 Investment in derivatives

Applicable Not applicable

Remarks on risk analysis and management of derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk, etc.)	In order to hedge against exchange rate risk of foreign currency loan, the Company entered into a non-deliverable forward (NDF) contract to hedge a US\$19.8 million loan. NDF is used to hedge against the risk arises from the change in exchange rate by fixing a forward exchange rate on the notional amount during the term of the contract. During the Reporting Period, the NDF reached maturity and was settled. As at the end of the Reporting Period, the Company did not have any derivative investments.
Change in market price or fair value of the derivatives during the Reporting Period, as well as the method, related assumptions and parameters used to analyse the fair value of derivatives should be disclosed	The effect of the change in the fair value of the NDF on the Company's profit or loss during the Reporting Period was RMB220,048.28. The fair value of the Company's NDF is determined with reference to the market price of the NDF which matured on the same day.
Remarks on whether there is a material change in the accounting policy and principles for derivatives during the Reporting Period	No
Professional opinions from independent directors, sponsor or financial adviser on the Company's investment and risk management of derivatives	The Company's independent directors are of the view that the use of NDF reduced the loss of the Company associated with foreign currency loan in the event of significant fluctuations in exchange rate. The Company's arrangement has been prudent and reasonable.

4.6.1 Derivative positions as at the end of the Reporting Period

Applicable Not applicable

Consolidated income statement for the three months ended 30 September 2009

(Expressed in Renminbi Yuan)

	Jul-Sep 2009	Jul-Sep 2008
Revenue	7,435,491,349	4,964,360,034
Cost of sales	(5,573,311,057)	(3,781,543,643)
Gross profit	1,862,180,292	1,182,816,391
Other income	162,727,234	8,324,747
Distribution costs	(383,036,687)	(424,593,690)
Administrative expenses	(327,000,586)	(187,671,880)
Other expenses	(38,568,672)	(21,594,040)
Results from operating activities	1,276,301,581	557,281,528
Financial income	48,789,145	27,298,817
Financial expenses	(239,522,024)	(98,673,515)
Net finance costs	(190,732,879)	(71,374,698)
Share of profits less losses of associates	20,806,265	13,179,290
Share of profits less losses of jointly controlled entities	13,749,178	39,703,775
Profit before taxation	1,120,124,145	538,789,895
Income tax	(550,369,440)	(211,139,604)
Profit for the period	569,754,705	327,650,291
Attributable to:		
Profit attributable to equity shareholders of the Company	433,199,832	215,486,088
Minority interests	136,554,873	112,164,203
Profit for the period	569,754,705	327,650,291
Earnings per share		
Basic	0.039	0.020
Diluted	0.039	0.020
Other comprehensive income for the period	(11,717,794)	(13,822,688)
Total comprehensive income for the period	558,036,911	313,827,603
Attributable to:		
Equity shareholders of the Company	421,482,038	201,663,400
Minority interests	136,554,873	112,164,203

Consolidated income statement for the nine months ended 30 September 2009

(Expressed in Renminbi Yuan)

	Jan-Sep 2009	Jan-Sep 2008
Revenue	27,988,969,280	21,210,466,144
Cost of sales	(20,414,159,486)	(13,987,387,412)
Gross profit	7,574,809,794	7,223,078,732
Other income	216,288,710	50,010,030
Distribution costs	(934,484,166)	(1,133,777,027)
Administrative expenses	(908,874,865)	(1,022,230,614)
Other expenses	(106,972,915)	(74,869,367)
Results from operating activities	5,840,766,558	5,042,211,754
Financial income	183,521,350	192,386,012
Financial expenses	(586,361,344)	(446,716,451)
Net finance costs	(402,839,994)	(254,330,439)
Share of profits less losses of associates	184,172,621	14,944,922
Share of profits less losses of jointly controlled entities	(4,580,863)	59,719,179
Profit before taxation	5,617,518,322	4,862,545,416
Income tax	(1,947,536,362)	(2,228,225,055)
Profit for the period	3,669,981,960	2,634,320,361
Attributable to:		
Profit attributable to equity shareholders of the Company	2,957,592,239	2,276,541,800
Minority interests	712,389,721	357,778,561
Profit for the period	3,669,981,960	2,634,320,361
Earnings per share		
Basic	0.269	0.207
Diluted	0.269	0.207
Other comprehensive income for the period	36,823,021	52,194,759
Total comprehensive income for the period	3,706,804,981	2,686,515,120
Attributable to:		
Equity shareholders of the Company	2,994,415,259	2,328,736,559
Minority interests	712,389,722	357,778,561

Consolidated balance sheet as at 30 September 2009*(Expressed in Renminbi Yuan)*

	30 Sep 2009	31 Dec 2008
Non-current assets		
Property, plant and equipment	1,172,573,933	1,290,600,931
Investment properties	229,597,579	198,394,767
Construction in progress	105,297,971	188,587,023
Interest in associates	500,476,813	508,175,188
Interest in jointly controlled entities	1,893,228,296	1,888,809,160
Other financial assets	221,798,490	256,158,816
Intangible assets	82,378,908	-
Deferred tax assets	1,504,389,233	1,449,480,633
Total non-current assets	5,709,741,223	5,780,206,518
Current assets		
Inventories	53,835,069	48,111,356
Properties held for development	37,958,216,339	34,131,859,032
Properties under development	42,442,850,958	44,340,453,697
Completed properties for sale	6,755,332,903	7,890,962,140
Trade and other receivables	10,979,532,380	8,416,531,561
Cash and cash equivalents	27,614,616,095	19,978,285,930
Total current assets	125,804,383,744	114,806,203,716
TOTAL ASSETS	131,514,124,967	120,586,410,234
CAPITAL AND RESERVES		
Share capital	10,995,210,218	10,995,210,218
Reserves	24,433,679,122	22,146,755,978
Awarded Shares purchased for the Employees' Share Award Scheme	(486,135,416)	(1,250,040,934)
Total equity attributable to equity shareholders of the Company	34,942,753,924	31,891,925,262
Minority interests	7,421,395,795	6,926,624,219
TOTAL EQUITY	42,364,149,719	38,818,549,481

Consolidated balance sheet as at 30 September 2009 (continued)

(Expressed in Renminbi Yuan)

	30 Sep 2009	31 Dec 2008
Non-current liabilities		
Interest-bearing borrowings and bonds(Long term)	23,443,556,632	14,942,136,092
Deferred tax liabilities	1,243,366,150	1,380,487,627
Other long term liabilities	11,786,604	12,644,850
Provisions	32,429,428	41,729,468
Total non-current liabilities	24,731,138,814	16,376,998,037
Current liabilities		
Interest-bearing borrowings(Short term)	8,322,919,884	17,866,342,910
Financial derivatives	-	1,694,880
Trade and other payables	52,949,538,249	43,979,207,733
Current taxation	3,146,378,301	3,543,617,193
Total current liabilities	64,418,836,434	65,390,862,716
TOTAL LIABILITIES	89,149,975,248	81,767,860,753
TOTAL EQUITY AND LIABILITIES	131,514,124,967	120,586,410,234

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Consolidated cash flow statement for the nine months ended 30 September 2009

(Expressed in Renminbi Yuan)

	Jan-Sep 2009	Jan-Sep2008
Cash received from sales of products	41,355,694,164	31,991,624,081
Other cash received from business operating activities	1,799,176,130	1,655,910,985
Cash generated from operating activities	43,154,870,294	33,647,535,066
Cash paid for purchasing of merchandise and services	21,466,720,733	23,163,910,324
Cash paid to employees or paid for employees	868,308,952	1,931,518,754
Tax paid for tax	5,391,007,399	6,393,483,242
Other cash paid for business operating activities	4,187,623,950	4,147,762,796
Cash used in operating activities	31,913,661,034	35,636,675,116
Net cash used in operating activities	11,241,209,260	(1,989,140,050)
Proceeds from disposal of interest in other long term investments	90,477,205	844,049,750
Proceeds from investment income	228,763,122	34,120,115
Proceeds from disposal fixed assets	88,802,961	4,056,312
Acquisitions of interest in associates, jointly controlled entities and other investments	4,400,259	-
Other cash received relating to investing activities	172,237,517	169,542,207
Cash generated from investing activities	584,681,064	1,051,768,384
Acquisition of fixed assets	84,475,241	184,358,958
Cash paid for acquisition of investments	202,806,289	251,294,540
Cash paid for acquisition of subsidiaries	569,017,159	2,746,538,193
Cash used in investing activities	856,298,689	3,182,191,691
Net cash used in investing activities	(271,617,625)	(2,130,423,307)
Capital injection from minority interests of subsidiaries	157,235,000	472,257,408
Proceeds from loans and borrowings	17,866,920,394	12,814,500,108
Received from other financing activities	-	5,855,297,211
Cash generated from financing activities	18,024,155,394	19,142,054,727
Repayment of loans and borrowings	18,822,758,840	9,697,651,296
Dividend paid to equity shareholders of the Company and Interest paid	2,534,774,284	2,383,042,422
Cash used in financing activities	21,357,533,124	12,080,693,718
Net cash generated from financing activities	(3,333,377,730)	7,061,361,009
Effect of foreign exchange rates	116,260	(45,884,416)
Net increase/(decrease) in cash and cash equivalents	7,636,330,165	2,895,913,236
Cash and cash equivalents at 1 January	19,978,285,930	17,046,504,584
Cash and cash equivalents at 30 September	27,614,616,095	19,942,417,820