



China Vanke Co., Ltd.

2010 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 staff fails to assure or dispute with the authenticity, accuracy and completeness of the contents of this Quarterly Report.

1.3 Chairman Wang Shi, 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 authorized 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 his 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 31 March 2010	As at 31 December 2009	Changes (%)
Total assets	148,771,680,824	138,027,359,150	7.78%
Equity attributable to equity shareholders of the Company	38,979,193,610	37,375,888,061	4.29%
Net assets per share	3.55	3.40	4.41%
	January to March 2010	January to March 2009	Changes (%)
Net profit	1,126,579,449	768,764,019	46.54%
Net cash generated from operating activities	(6,800,224,122)	3,684,640,137	-284.56%
Net cash generated from operating activities per share	(0.62)	0.34	-282.35%
Basic earnings per share	0.10	0.07	42.86%
Diluted earnings per share	0.10	0.07	42.86%
Return on equity	2.94%	2.38%	Increase 0.56 percentage points

Note: 1. The net assets and net profit used to calculate the above-mentioned indicators refer to the equity and profit attributable to equity shareholders of the Company.

2. The above-mentioned return on equity is calculated by weighted average method.

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 2010, the total number of shareholders of the Company was 1,539,514 (including 1,500,796 holders of A shares and 38,718 holders of B shares).

Total number of shareholders as at the end of the Reporting Period	1,539,514	
Shareholdings of the top 10 shareholders of non-restricted tradable shares		
Name of shareholders (in full)	No. of non-restricted tradable shares held as at the end of the Reporting Period	Type
China Resources Co., Limited	1,619,094,766	A Share
China Life Insurance Company Limited– Dividend Distribution–Individual Dividend- 005L-FH002 Shen	177,121,543	A Share
E Fund Shenzhen Stock Exchange 100 Exchange-Traded Fund	152,177,373	A Share
Liu Yuansheng	133,791,208	A Share

Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	99,982,991	A Share
Toyo Securities Asia Limited-A/C Client.	87,203,996	B Share
HTHK/CMG FSGUFP-CMG First State China Growth FD	82,406,712	B Share
Naito Securities Co., Ltd.	68,340,132	B Share
Staff Committee of China Vanke Co., Ltd.	67,168,517	A Share
Harvest CSI 300 Securities Investment Fund	62,061,211	A Share

As at the end of 31 March 2010, 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 bond holdings

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.	2,619,042
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	Corporate Annuity Scheme of China National Petroleum Corporation – ICBC	1,010,569
8	China Life Pension Company Limited–Internal Resources	1,000,000
9	China Reinsurance (Group) Corporation	776,162
10	China Ping An Property and Casualty Insurance Company Limited – Investment-oriented Insurance Products	751,630

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

No.	Bondholder	No. of bonds held
1	ICBC/Credit Suisse Fund Company – ICBC – Selected clients' assets	2,385,995
2	ICBC/Credit Suisse Tianli Bond Securities Investment Fund	2,346,450
3	China National Machinery Imp. & Exp. Corporation	1,946,689
4	206 Portfolio of National Social Security Fund, PRC	1,431,065
5	Fullgoal Tianfeng Surging Income Bond Securities Investment Fund	1,364,700
6	ChinaAMC Strategic Select Flexible Allocation Mixed Securities Investment Fund	970,609
7	801 Portfolio of National Social Security Fund, PRC	959,778
8	Corporate Annuity Scheme of China National Petroleum Corporation – ICBC	765,564
9	204 Portfolio of National Social Security Fund, PRC	735,442
10	Harvest Stable Growth Open-end Securities Investment Fund	709,998

§3 Management Discussion and Analysis

During the Reporting Period, the PRC's commodity housing market continued to grow from a relatively low base of the corresponding period of the previous year. Between January and March, the sales area and sales amount of commodity housing in the country rose by 34.2% and 55.2% respectively. When the sales area of commodity housing was compared with the approved pre-sales area of new housing, it indicated a gradual improvement in the balance of supply and demand in major cities in the first quarter, but a historical low inventory level.

Since the second half of 2009, market trend began to vary significantly in different regions. As the demand for asset-backed investment was concentrated in a few popular cities, the growth in housing prices in these cities far exceeded that of the national average. Entering 2010, owing to the continued tight supply and expectations of further price rise, irrational housing purchase began to emerge again in certain popular cities. By contrast, owner-occupation constituted the mainstream demand in many second and third tier cities, resulting in a relatively more stable market there. However, driven by the enthusiastic market sentiment in popular cities, some second and third tier cities had recently begun to show signs of overheating.

To curb excessive rise in housing prices in certain cities, the government has promulgated various stringent measures to restrict housing speculation, including differential housing credit policies, and introduction of tax to regulate property consumption and gains from property transaction. In respect of housing supply, the measures proposed to increase the effective supply of land for residential purpose and requested local governments to ensure that a certain proportion and quantity of low-income housing and ordinary commodity housing with small and medium-sized units shall be built. The above-mentioned policies will have significant impact on the market. It is believed that the trend of rapid rise in housing prices in the popular cities will end and the spillover of euphoria to other cities will stop.

A market is a highly complex system. Change in any factor may set off complicated chain reaction. While there is a positive relationship between demand and supply, there is also the issue of time lag. China is a country with a vast territory. Each region varies in development progress and market conditions. And in a market, there are a number of participants, who have different views and ways of thinking. Their actions will have impact, whether big or small, on the market. Given that the world is now facing unprecedented economic conditions, we will have to wait to see if the industry will witness an end to the market volatility which started in 2007 or move towards a healthy and steady development.

During the Reporting Period, the Company realised accumulated sales area of 1,242,000 sq m, with sales amount of RMB15.09 billion, representing a decrease of 18.5 per cent and an increase of 23.5 per cent respectively, when compared with those of the corresponding period of the previous year.

From a geographical perspective, the Company realised a sales area of 270,000 sq m and a sales revenue of RMB4.16 billion in the Pearl River Delta region, representing decreases of 45.1 per cent and 7.2 per cent, respectively, from those of the same period previous year. In the Yangtze River Delta region, the Company realised a sales area of 268,000 sq m and a sales revenue of RMB3.06 billion, representing decreases of 33.9 per cent and 14.9 per cent, respectively, from those of the same period previous year. The Company realised a sales area of 450,000 sq m and a sales revenue of RMB5.66 billion in the Bohai-Rim region, representing a decrease of 0.1 per

cent and an increase of 93.7 per cent, respectively, from those of the same period previous year. In the central and western region, the Company achieved a sales area of 254,000 sq m and a sales revenue of RMB2.21 billion, representing increases of 43.1 per cent and 81.3 per cent, respectively, from those of the same period previous year.

The Company continued to focus on demand from end-users, and small residential units below 90 sq m accounted for 56 per cent of the Company's products on sale in the first quarter of 2010.

During the Reporting Period, the Company's booked area and booked revenue reached 638,000 sq m and RMB6.96 billion, respectively, representing decrease of 39.9 per cent and 8.3 per cent, respectively, from those of the same period last year. The Company's revenue and net profit during the Reporting Period amounted to RMB7.07 billion and RMB1.13 billion, respectively, representing a decrease of 8.5 per cent and an increase of 46.5 per cent, respectively, from those of the same period last year.

In accordance with the latest market and sales situation, the Company made an assessment of the projects for which provisions for diminution in value were made at the end of 2008. Given that the actual sales performance of Paradiso, Nanjing was better than expected, the provision of diminution in value of RMB166.88 million for this project was fully reversed according to the assessment results, leading to an increase of RMB125.16 million in profit attributable to the equity shareholders of the Company for the Reporting Period. The provisions of diminution in value made for the other three projects remained unchanged.

As at the end of the Reporting Period, the Company had an area of 4,333,000 sq m of project resources sold but not yet completed nor booked, representing an aggregate contract amount of approximately RMB45.84 billion. Area sold but not yet booked in the consolidated financial statements amounted to 3,934,000 sq m, representing a contract amount of RMB42.33 billion. This had laid a solid foundation for the year 2010.

As at the end of the Reporting Period, the cash and cash equivalents held by the Company amounted to RMB17.92 billion, which was higher than the aggregate amount of short term borrowings and long term borrowings due within one year of RMB12.74 billion. Completed properties (completed properties ready for sale) amounted to RMB5.9 billion, representing only 5.7 per cent of the total inventory of the Company. The Company had a sound financial position and a healthy inventory composition that would support the Company to cope with any possible changes in the market.

The Company has always believed that it is not in anyone's interest when property price increases too fast; the industry will only benefit from stable development. The Company strives to gain a fair return through quick turnaround instead of profiting from appreciation of land over time. The land bank of the Company has been remaining at a level sufficient for development within the next two to three years. The Company was cautious in investment in 2009 and adhered to the principle of "rather miss than make wrong acquisition" in certain cities where the housing prices and land premium rose too fast. As such, the Company had stayed away from land lots for which competition was extremely fierce. Its newly added projects were mostly located in the second and third tier cities where housing price grew moderately and owner-occupation made up the mainstream demand. In 2010, the Company will continue to adhere to this prudent strategy for project development.

§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	31/3/2010 (RMB '000)	31/12/2009 (RMB '000)	Change	Reasons for changes
Cash and cash equivalents	17,917,618	23,001,924	-22.10%	Increase in prepayment of land premium for new project
Interest-bearing borrowings (short term)	12,735,247	8,628,670	47.59%	Increase in borrowings and change of borrowing structure

Financial indicators	Jan-Mar 2010 (RMB '000)	Jan-Mar 2009 (RMB '000)	Change	Reasons for changes
Revenue	7,073,423	7,733,123	-8.53%	Difference in composition of booked properties
Cost of sales	4,625,315	5,386,237	-14.13%	Decrease in booked properties
Profit attributable to equity shareholders of the Company	1,126,579	768,764	46.54%	Net profit increased in the reporting period

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

Applicable Not applicable

The public issue of A shares and relevant matters were approved at the first extraordinary general meeting of 2009 on 15 September 2009. The related work is in progress.

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

Applicable Not applicable

Undertakings	Details	Implementation
Other undertakings given to non major shareholders	China Resources National Corporation (“CRNC”) – the parent company of China Resources Co., Limited (“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	11,582,347.80	0.10%	69,922,944.00	-	(3,526,286.40)
600697	Changchun Eurasia Group Co.,	5,070,000.00	1.18%	47,349,439.20	-	1,371,630.58
600680	Shanghai Potevio Co., Ltd	7,076,961.71	0.90%	51,277,366.60	-	11,838,532.96
600751	SST Tianjin Marine Shipping Co.,	143,600.00	0.04%	143,600.00	-	-
Total		23,872,909.51		168,693,349.80	-	9,683,877.14

Note: 1. The above-mentioned equity interests are legal person shares held by the Company over the years. Up till now, SST Tianjin Marine Shipping Co., Ltd has not undergone share reform;

2. The change in fair value of equity interests at the end of the Reporting Period led to an increase in the “Other 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
China Jianyin Investment Securities meeting	2010.1	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc	(1) Major issues discussed: (1) The Company's daily operations; (2) The Company's developme
China Galaxy meeting	2010.1	Beijing	Face to face meeting	Investors including securities companies, funds, etc	
Deutsche Bank meeting	2010.1	Beijing	Face to face meeting	Investors including securities companies, funds, etc	
UBS meeting	2010.1	Shanghai	Face to face meeting	Investors including securities companies, funds, etc	

Citi Securities meeting	2010.1	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	nt strategies; (3) The Company's opinion on the changes in the industry. (II) Major information provided: 1) Published information including the Company's regular reports.
Annual results presentation	2010.3	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Investors including securities companies, funds, individual investors, etc	
CLSA meeting	2010.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse meeting	2010.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
BNP meeting	2010.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Daiwa meeting	2010.3	Tokyo	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse meeting	2010.3	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, Guangzhou, Zhongshan, Zhuhai, Fuzhou, Changsha, Haikou, Shanghai, Nanjing, Suzhou, Hangzhou, Beijing, Tianjin, Shenyang, Dalian, Anshan, Qingdao, Wuhan, Chengdu, Chongqing, Xian, etc	Small group or one-on-one	Shenyin Wanguo ,CLSA, South West Securities, Citi Securities, Huatai United Securities, Changjiang Securities, UBS, CICC, Bohai Securities, Daiwa Securities, Everbright Securities, China Galaxy Securities, Credit Suisse Securities, Essence Securities, China JianYin Investment Securities, ABN Amro BANK, JP Morgan, Merrill Lynch, Royal Bank of Scotland, Morgan Stanley, Great Wall Securities, Mitsubishi UFJ Securities, Goldman Sachs Gaohua, CITIC Securities, Guangfa Securities, CSC Securities, Nomura, Deutsche Bank, BNP, Piper Jaffray Asia Securities Limited, Phillip Securites Group, DBS Vickers, etc	

Fund and other investment companies and individual investors	During the Reporting Period	Shenzhen, Guangzhou, Zhongshan, Zhuhai, Fuzhou, Changsha, Haikou, Shanghai, Nanjing, Suzhou, Hangzhou, Beijing, Tianjin, Shenyang, Dalian, Anshan, Qingdao, Wuhan, Chengdu, Chongqing, Xian, etc	Small group or one-on-one	China AMC, Taikang Life, , Yinhua Fund, China Universal, First-Trust Fund, China Merchants Fund, Penghua Fund, Bank of Communications Schroders Fund, Cephei Investment, CCB Principal Asset Management, E Fund, Congrong Investment, Rongtong Fund, Avenue Capital, Caxton Associates, GSI Management Limited, Wellington, University of Pennsylvania, Orange Capital, Merchant Gates, LaSalle Investment Management, Deutsche Asset Management, T. Rowe Price International, JF Asset Management, Martin Currie Investment Management, Grand River Investments, First State Investments, Oaktree Capital Management, Western Asset Management, Keefe Bruyette & Woods, Mitsubishi UFJ Asset Management, Ballie Gifford, Duquesne Capital Mgt, Pyrford International, Christensen, Pictet Asset Management, Goldman Sachs Principal Strategies, Chugoku Bank, Robeco, Clairvoyance Capital, Morgan Stanley Asset Mgt, AllianzBerstein, Weitz Funds, Partner Funds, Tiger Asia Asset, Hamblin Watsa, Henderson TR Pacific, One Investment & Trinity Street, Jupiter, State Teachers Retirement System of Ohio, Broad Peak Investment Advisers Pte Ltd. , BT Investment Management, GMO, Invesco Hong Kong Limited, GLG Partners, Capital Research, etc
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4.5.4 Other major events and their explanations

Applicable Not applicable

<p>(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;</p> <p>(2) Status of the Company's corporate bonds</p> <p>During the Reporting Period, the Company's credit standing was stable. After the reporting period, the Company's corporate bonds – "08 Vanke G1" (bond code: 112005) and "08 Vanke G2" (bond code: 112006) 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 maintained AAA rating for the Company's secured corporate bonds "08 Vanke G1" and AA+ rating for non-secured corporate bonds "08 Vanke G2". The Company's overall corporate credit rating was maintained at AA+, and the rating outlook was raised from stable to positive.</p>

4.6 Investment in derivatives

Applicable Not applicable

Remarks on risk analysis and management of derivative positions during the year under review (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk, etc.)	<p>In order to limit the risk associated with the fluctuations of interest rate, the Company entered into interest rate swap (IRS) agreements to hedge two floating rate foreign currency loans, one in the amount of US\$67.75 million and the other in the amount of US\$23.61 million. The Company would charge the counterparty an interest according to floating rate, in order to pay the floating-rate interest to the original lender, and pay a fixed rate to the counterparty.</p> <p>IRS is used to control the risk arising from the change in interest rate by fixing a forward interest rate on the notional amount during the term of the foreign currency loan.</p>
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Change in market price or fair value of the derivatives invested during the year under review, 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 aforementioned IRS value on the Company's profit or loss during the Reporting Period amounted to RMB(1,082,691.69). The value of the IRS was determined based on the price quoted in the agreement dated March 31 2010.
Remarks on whether there has been a material change in the accounting policy and accounting measurement principles for the Company's derivatives during the year under review as compared with those of the previous reporting year	Nil
Special advice on derivative investment and risk control by independent directors, sponsors and financial advisors	The Company's independent directors are of the view that financial instruments such as IRS reduced the probable loss associated with foreign currency loan in the event of significant fluctuations in interest rate. The relevant arrangement of the Company has been prudent and reasonable.

4.6.1 Derivative positions as at the end of the Reporting Period

✓ Applicable Not applicable

Unit: RMB'000

Type of contracts	Contract amount as at the beginning of the period	Contract amount as at the end of the period	Profit/loss during the Reporting Period	Contract amount as at the end of the period as a percentage of net assets as at the end of the period
Interest rate swap (IRS) agreement	462,610.55	623,635.71	(1,082.69)	1.60%
Total	462,610.55	623,635.71	(1,082.69)	1.60%

Consolidated income statement for the three months ended 31 March 2010

(Expressed in Renminbi Yuan)

	Jan-Mar 2010	Jan-Mar 2009
Revenue	7,073,423,236	7,733,122,762
Cost of sales	(4,625,315,341)	(5,386,236,972)
Gross profit	2,448,107,895	2,346,885,790
Other income	76,319,293	20,721,291
Distribution costs	(293,290,365)	(238,578,263)
Administrative expenses	(304,213,705)	(287,992,162)
Other operating expenses	(2,750,648)	(22,931,072)
Profit from operations	1,924,172,470	1,818,105,584
Financial income	36,551,524	75,160,324
Financial costs	(147,183,112)	(242,337,537)
Net finance costs	(110,631,588)	(167,177,213)
Share of profits less losses of associates	13,906,776	30,843,113
Share of profits less losses of jointly controlled entities	(4,956,802)	(11,871,665)
Profit before income tax	1,822,490,856	1,669,899,819
Income tax	(646,535,697)	(781,357,267)
Profit for the year	1,175,955,159	888,542,552
Attributable to:		
Equity shareholders of the Company	1,126,579,449	768,764,019
Minority interests	49,375,710	119,778,533
Profit for the year	1,175,955,159	888,542,552
Basic and diluted earnings per share	0.10	0.07

Consolidated statement of comprehensive for the three months ended 31 March 2010
(Expressed in Renminbi Yuan)

	<i>Jan-Mar 2010</i>	<i>Jan-Mar 2009</i>
Profit for the year	1,175,955,159	888,542,552
Other comprehensive income for the period		
Exchange differences on translation of financial statements of foreign subsidiaries	1,871,614	(463,166)
Available-for-sale securities, net movement in the fair value reserve	6,126,402	30,724,335
Total comprehensive income for the period	1,183,953,175	918,803,721
Attributable to:		
Equity shareholders of the Company	1,134,577,465	799,025,188
Minority interests	49,375,710	119,778,533
Total comprehensive income for the period	1,183,953,175	918,803,721

Consolidated balance sheet at 31 March 2010*(Expressed in Renminbi Yuan)*

	31 Mar. 2010	31 Dec. 2009
Non-current assets		
Property, plant and equipment	1,372,219,166	1,387,295,710
Lease prepayments	81,577,777	81,966,326
Investment properties	125,607,420	228,143,158
Construction in progress	656,295,796	593,208,234
Interest in associates	882,127,607	709,512,280
Interest in jointly controlled entities	2,758,203,679	2,763,877,398
Other financial assets	264,959,407	255,622,796
Deferred tax assets	1,368,025,585	1,265,649,479
Other non-current asset	-	-
Total non-current assets	7,509,016,437	7,285,275,381
Current assets		
Inventories	35,431,337	59,998,046
Properties held for development	51,665,821,109	43,259,163,354
Properties under development	46,279,969,395	41,872,964,957
Completed properties for sale	5,906,160,193	5,311,972,269
Trade and other receivables	19,457,663,911	17,235,320,841
Financial derivatives	-	740,471
Cash and cash equivalents	17,917,618,442	23,001,923,831
Total current assets	141,262,664,387	130,742,083,769
TOTAL ASSETS	148,771,680,824	138,027,359,150
EQUITY		
Share capital	10,995,210,218	10,995,210,218
Reserves	27,983,983,392	26,866,813,259
Awarded Shares purchased for the Employees' Share Award Scheme	-	(486,135,416)
Total equity attributable to equity shareholders of the Company	38,979,193,610	37,375,888,061
Minority interests	8,414,316,978	8,032,624,393
TOTAL EQUITY	47,393,510,588	45,408,512,454

Consolidated balance sheet at 31 March 2010 (continued)

(Expressed in Renminbi Yuan)

Non-current liabilities		
Interest-bearing borrowings and bonds	22,435,579,145	23,296,534,102
Deferred tax liabilities	1,162,251,129	1,221,268,786
Other long term liabilities	7,891,827	8,408,145
Provisions	37,608,857	34,355,815
Total non-current liabilities	23,643,330,958	24,560,566,848
 Current liabilities		
Interest-bearing borrowings	12,735,247,377	8,628,670,478
Financial derivatives	342,221	-
Trade and other payables	60,809,859,674	55,244,411,867
Current taxation	4,189,390,006	4,185,197,503
Total current liabilities	77,734,839,278	68,058,279,848
 TOTAL LIABILITIES	 101,378,170,236	 92,618,846,696
 TOTAL EQUITY AND LIABILITIES	 148,771,680,824	 138,027,359,150

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Consolidated cash flow statement for the three months ended 31 March 2010*(Expressed in Renminbi Yuan)*

	Jan-Mar.2010	Jan-Mar.2009
Cash received from sales of products	12,391,917,311	11,389,454,211
Other cash received from business operating activities	1,019,658,673	602,877,516
Cash generated from operating activities	13,411,575,984	11,992,331,727
Cash paid for purchasing of merchandise and services	15,201,450,723	4,914,160,199
Cash paid to employees or paid for employees	609,565,536	384,843,889
Tax paid for tax	2,003,606,662	1,536,684,664
Other cash paid for business operating activities	2,397,177,185	1,472,002,838
Cash used in operating activities	20,211,800,106	8,307,691,590
Net cash used in operating activities	(6,800,224,122)	3,684,640,137
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	124,484	364,892
Other cash received relating to investing activities	34,627,249	53,697,588
Cash generated from investing activities	34,751,733	196,272,721
Acquisition of fixed assets	22,032,731	14,017,126
Cash paid for acquisition of investments	1,114,037,239	13,706,499
Cash paid for acquisition of subsidiaries	313,882,526	152,911,830
Cash used in investing activities	1,449,952,496	180,635,455
Net cash used in investing activities	(1,415,200,763)	15,637,266
Capital injection from minority interests of subsidiaries	781,153,094	-
Proceeds from loans and borrowings	5,227,976,679	6,946,354,133
Cash generated from financing activities	6,009,129,773	6,946,354,133
Repayment of loans and borrowings	1,893,605,140	3,100,394,756
Dividend paid to equity shareholders of the Company and Interest paid	572,002,620	606,567,512
Cash used in financing activities	2,465,607,760	3,706,962,268
Net cash generated from financing activities	3,543,522,013	3,239,391,865
Effect of foreign exchange rates	(2,202,651)	3,966,682
Net increase/(decrease) in cash and cash equivalents	(4,674,105,523)	6,943,635,950
Cash and cash equivalents at 1 January	22,002,774,938	19,978,285,930
Cash and cash equivalents at 31 March	17,328,669,415	26,921,921,880