



China Vanke Co., Ltd.
2010 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 this Quarterly Report.

1.3 Deputy Chairman Qiao Shibo, 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.

1.4 This quarterly financial statements 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 2010	As at 31 December 2009	Changes	
Total assets	188,292,319,208	138,027,359,150	36.42%	
Shareholders' equity(excluding minority interests)	40,255,221,614	37,375,888,061	7.70%	
Total Shares	10,995,210,218	10,995,210,218	-	
Net assets per share	3.66	3.40	7.70%	
	From July to September 2010	Changes	From January to September 2010	Changes
Revenue	5,269,980,667	-29.12%	21,086,234,891	-24.66%
Profit attributable to equity shareholders of the Company	459,505,335	6.07%	3,272,003,908	10.63%
Net cash inflow from operating activities	-	-	(1,207,363,590)	-110.74%
Net cash inflow from operating activities per share	-	-	(0.11)	-110.74%
Basic earnings per share	0.042	6.07%	0.298	10.63%
Diluted earnings per share	0.042	6.07%	0.298	10.63%
Return on equity	1.15%	Decrease 0.10 percentage points	8.39%	Decrease 0.45 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 30 September 2010, the total number of shareholders of the Company was 1,306,313 (including 1,276,270 holders of A shares and 30,043 holders of B shares).

Total number of shareholders as at the end of the Reporting Period			1,306,313
Shareholdings of the top 10 shareholders of non-restricted tradable shares			
Serial No.	Name of shareholders (in full)	Total number of non-restricted tradable shares held as at the end of the Reporting Period	Type
1	China Resources Co., Limited	1,619,094,766	A Share
2	Bank of China - E Fund Shenzhen Stock Exchange 100 Exchange-Traded Fund	150,556,325	A Share
3	Liu Yuansheng	133,791,208	A Share
4	China Life Insurance Company Limited- Dividend-Distribution- Individual Dividend- 005L-FH002 Shen	111,741,448	A Share
5	ICBC-Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	102,239,426	A Share
6	Morgan Stanley & Co. International PLC	100,240,821	A Share
7	CCB-Bosera Theme Industry Stock Securities Investment Fund	98,000,000	A Share
8	HTHK/CMGFSGUFP-CMG First State China Growth Fund	92,012,968	B Share
9	Toyo Securities Asia Limited-A/C Client	82,454,306	B Share
10	ICBC - China International Domestic Demand Dynamic Stock Securities Investment Fund	73,809,464	A Share

As at the end of 30 September 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 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 Insurance (Group) Co. Ltd.	3,433,312
4	China Life Insurance Company Ltd.	2,619,042
5	China Ping An Life Insurance Company Limited–Traditional–General Insurance Products	2,560,727
6	China Life Property and Casualty Insurance Company Limited –Traditional – General Insurance Products	1,820,000
7	CNPC Pension Scheme - ICBC	1,017,984
8	China Life Pension Company Limited–Internal Resources	1,000,000
9	China Property & Casualty Reinsurance Company Ltd.	776,162
10	Generali China Life Insurance–Investment Related Products–Stock Account	706,500

(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 Asset Management Co., Ltd – ICBC – Assets of Specific Clients	2,728,528
2	CCB – ICBC Credit Suisse Credit Tianli Bond Securities Investment Fund	2,346,450
3	ICBC- Harvest Stable Earning Bond Securities Investment Fund	2,059,405
4	China National Machinery Import & Export Corporation	1,500,759
5	206 Portfolio of National Social Security Fund, PRC	1,430,218
6	CCB–Fullgoal Tianfeng Surging Income Bond Securities Investment Fund	1,364,700
7	CNPC Pension Scheme - ICBC	972,256
8	801 Portfolio of National Social Security Fund, PRC	959,778
9	China Ping An Trust & Investment Co. Ltd – CMB Furui Life Individua	922,343
10	China Ping An Trust & Investment Co. Ltd – Bank Comm Furui Life Dividend Distribution	742,569

§3 Management Discussion and Analysis

As the new construction projects which increased since the second half of 2009 were gradually launched during the Reporting Period, new housing supply rose steadily and sales activities reached a peak in September 2010. The area of newly launched projects in the 14 major cities on which China Vanke focused increased by approximately 100% in September when compared with the monthly average in the second quarter. Owing to the increase in supply, the overall transaction volume of residential properties in major cities in the third quarter surged when compared with the previous quarter, but was still significantly lower than that in the corresponding period of the previous year. When compared with the same period last year, the sales area of new residential properties in the above-mentioned cities in the third quarter declined by 35.9%.

In view of the sales area to approved pre-sales area ratio, new housing supply in the third quarter surpassed that of sales in the same period, marking the end of the decline in home inventory that had started since 2009. It is expected that the new housing supply in the fourth quarter will remain high, while housing

inventory available for sale will gradually rise.

The land market showed signs of a cool-down in the first half of the current year, but saw a rebound in the third quarter, with reserve price and average transaction price higher than those in the second quarter. However, both reserve price and average transaction price had yet to return to their levels in 2009. On the whole, the main trends in the market that we see is property developers facing tighter liquidity, while the rebound in the land market is expected not to last long.

At the end of the Reporting Period, to strengthen the effect of the previous round of macro adjustments and to further implement State Council's "Notice regarding determination to curb rapidly rising housing price in certain cities", the relevant ministries under the State Council successively introduced measures to impose new requirements in relation to the regulation of the property industry, including: all commercial banks suspend loans to families purchasing their third house and to those non local residents who cannot provide proof of local tax payment or proof of social insurance payment for more than one year; raise the down payment for first-time buyers of commodity housing to 30% or above; adjust deed tax and preferential tax policies for personal income tax, etc. As at the date of announcement of the Report, a number of cities have promulgated measures to limit the total number of properties bought by a single family.

The aforesaid policies reinforce the State's commitment to regulate the property market and guard against overly rapid rise in housing prices, which will have significant impact on the market. Since the introduction of the measures, the number of visitors to show apartments of projects being launched in general drops. Customers' desire to buy declines significantly. It is expected that as the measures gradually take effect, investment-driven demand will further be restrained, while the overall market sales will slow down, inventory available for sale will increase, supply-demand balance will change to become more favourable for home purchasers, and demand from end-users will further dominate the market in the future.

In view of the change in market environment, the Company will continue to adhere to its basic principles of "not hoarding land resources; not stalling home sale; not acquiring supreme land lot", and will sell its housing units at a price with reference to home purchasers' desired and acceptable level, in order to keep sales moving at a reasonable rate. As the Company has gained first mover advantage in project launch since the beginning of this year, it is not under too much sales pressure for the rest of the year. In addition, with its competitive edges in unique features and product mix, which sees a high proportion of small-sized residential units and furnished units, China Vanke is quite confident in continuing to surpass the overall market performance.

In the third quarter, the Company's product positioning continued to target at end users and the Company achieved satisfactory sales results. Its cumulative sales area and sales amount in the third quarter reached 2,808,000 sq m and RMB34.64 billion respectively, representing increases of 73.9% and 124.9% respectively from those of the corresponding period of 2009. From January to September 2010, the Company realized sales area and sales amount of 6,011,000 sq m and RMB71.42 billion respectively, representing 17.8% and 54.8% respectively from those of the corresponding period of 2009.

Since completion of different projects occur on different dates in a year, the Company's floor area completed between January and September 2010 represented a relatively small portion of the total area completed in the entire year. The booked area and booked revenue between January and September 2010 amounted to 2,160,000 sq m and RMB20.92 billion respectively, representing a decline of 39.0% and 24.2% respectively when compared with those of the same period last year. The Company realized revenue of RMB21.09 billion, representing a 24.7% decrease from that of the same period last year. With more projects to be completed and recognized in the fourth quarter, it is expected that the Company's booked revenue in the fourth quarter will surpass the sum of those in the previous three quarters.

As most of the projects booked in the corresponding period of the previous year consisted of projects sold during the trough period in 2008, booked earnings had improved considerably since the beginning of this year, with year-on-year growth in net profit significantly surpassing that of revenue. Between July and September, the Company achieved net profit of RMB460 million, representing a 6.1% increase from that of the same period last year. From January to September, the Company realized a total of RMB3.27 billion in net profit, representing a 10.6% increase when compared with that of the corresponding period of the previous year.

As at the end of the Reporting Period, the Company had an area of 7,840,000 sq m sold but incomplete and not yet booked, with an aggregate contract amount of approximately RMB86.3 billion. Included in the consolidated statements was an area of 6,600,000 sq m sold but not yet booked, with a contract amount of RMB77.8 billion, representing increases of 40% and 44% when compared with those in the interim period. Since the proportion of furnished units has been rising in recent years and the period from completion of sale to satisfying the conditions for recognition has been prolonged, the number of properties sold but not yet booked has been increasing. Such trend is expected to continue for at least a year.

Since the Company's sales went well in the third quarter, with successive record high monthly sales in August and September, the Company's cash and cash equivalents at the end of the Reporting Period rose significantly to RMB31.54 billion when compared with that at the end of the interim period, which far exceeded the aggregate amount of short-term borrowings and long-term borrowings due within one year of RMB15.83 billion. The Company's financial position was further enhanced. Affected by substantial growth in advance receipts, the Company's gearing ratio was 73.8%, slightly increased from that at the end of the interim period. However, advance receipts did not constitute pressure of repayment. The Company's interest-bearing borrowings actually accounted for only 23.9% of its total assets. Of the interest-bearing borrowings, short-term borrowings accounted for only 35.2%. As at the end of the Reporting Period, the Company's net gearing ratio was 27.2%, representing a decrease of 13.6 percentage points from 40.8% at the end of the interim period.

As at the end of September, among the Company's different types of inventories, completed properties (completed properties ready for sale) amounted to RMB5.24 billion, accounting for only 4.2%, representing a decline from that at the end of the interim period. The Company continued to maintain a healthy inventory structure.

During the Reporting Period, the Company continued to adhere to its prudent investment strategy of “forgoing the opportunity rather than making wrong acquisitions”, leverage the edge of its geographical diversification, and control the risks of land acquisition. In the third quarter, the Company entered new markets of Qingyuan, Yangzhou, Langfang, with a total of 20 new projects. The total planned GFA of the aforesaid 20 new projects attributable to China Vanke’s equity holding amounted to 5,260,000 sq m. Of the new projects acquired between January and September 2010, the total planned GFA attributable to China Vanke’s equity holding amounted to 14,270,000 sq m. The average accommodation value of the newly added projects remained at a relatively low level of around RMB2,400. The Company is currently in a strong cash position, with cash sufficient to fund future development. The Company will continue to adopt prudent investment strategy and rapid development strategy, and acquire project resources necessary for property development at reasonable prices, and pay close attention to possible opportunities arising from market adjustment.

§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	30/9/2010 (RMB'000)	31/12/2009 (RMB'000)	Change(+/-)	Reasons for change
Interest in jointly controlled entities	3,791,949.16	2,763,877.40	37.20%	Increase of investment
Other financial assets	88,483.63	255,622.80	-65.39%	Disposal of available for sale financial assets
Properties under development	65,814,360.88	41,872,964.96	57.18%	Increase in property development
Interest-bearing borrowings(Short term)	15,831,178.46	8,628,670.48	83.47%	Change in debt structure
Trade and other payables	88,775,815.29	55,244,411.87	60.70%	Increase in investment for the development of projects with associates and jointly controlled entities

Items	2010.1-9 (RMB'000)	2009.1-9 (RMB'000)	Change(+/-)	Reasons for change
Revenue	21,086,234.89	27,988,969.28	-24.66%	Difference in booked time of property development
Cost of sales	13,509,556.74	20,414,159.49	-33.82%	Difference in booked time of property development
Financial income	447,777.18	183,521.35	143.99%	Increase in dividends from investment of cost method
Share of profits less losses of jointly controlled entities	70,433.01	-4,580.86	1637.55%	More profits recognized from jointly controlled entities
Attributable to minority interests	553,641.75	712,389.72	-22.28%	Decreased in booked revenue of corporate projects

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

√Applicable Not applicable

On 15 September 2009 the “Resolution Regarding The Proposal On The Public Offer Of New A Shares” was approved at the Company’s First Special General Meeting of 2009. Validity period of the resolution is: 12 months from the date of shareholders’ meeting in which the resolution was reviewed and approved. As at 15 September 2010, the above-mentioned resolution of shareholders’ meeting was due. According to the relevant regulations, the “Resolution Regarding The Proposal On The Public Offer Of New A Shares” reviewed and approved at the first Special General Meeting of 2009 became invalid.

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

√ Applicable □ Not applicable

Undertaking	Details	Implementation
Other undertakings	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 2010	Changes in equity attributable to equity shareholders from January to September in 2010
000001	Shenzhen Development Bank Co., Ltd – A	-	-	-	43,480,910.81	(61,866,882.60)
600697	Changchun Eurasia Group Co., Ltd	-	-	-	44,208,569.16	(40,907,808.62)
600680	Shanghai Potevio Co., Ltd	-	-	-	28,385,048.22	(32,361,871.93)
600751	SST Tianjin Marine Shipping Co., Ltd.	143,600.00	0.04%	143,600.00	-	-
Total		143,600.00	-	143,600.00	116,074,528.19	(135,136,563.15)

Note: 1. The above-mentioned equity interests are legal person shares held by the Company over the years. Up till now, the SST Tianjin Marine Shipping Co., Ltd has not undergone share reform.
2. During the Reporting Period, all equity interests of Shenzhen Development Bank Co., Ltd – A, Changchun Eurasia Group Co., Ltd, and Shanghai Potevio Co., Ltd held by the Company were sold, and gains from the disposal was recognized as “Investment Income”.

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
CITIC Securities meeting	2010.7	Qingdao	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. (II) Major information provided: Published information including the Company’s regular reports.
BNP meeting	2010.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse meeting	2010.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
CLSA meeting	2010.7	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
CITIC Securities meeting	2010.7	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc	
Interim results presentation	2010.8	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Investors including securities companies, funds, individual investors, etc	
Credit Suisse meeting	2010.8	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
BNP meeting	2010.8	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	

Shenyin Wanguo meeting	2010.8	Beijing	Face to face meeting	Investors including securities companies, funds, individual investors, etc
Guotai Junan meeting	2010.8	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc
Nomura Securities meeting	2010.9	Tokyo	Face to face meeting	Investors including securities companies, funds, etc
CITIC Securities meeting	2010.9	Dongguan	Face to face meeting	Investors including securities companies, funds, etc
UBS meeting	2010.9	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
CLSA meeting	2010.9	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, Guangzhou, Zhongshan, Xiamen, Sanya, Changsha, Shanghai, Hangzhou, Nanjing, Wuxi, Ningbo, Beijing, Tianjin, Shenyang, Changchun, Dalian, Qingdao, Wuhan, Chengdu, Chongqing,, Xi'an , etc	Small group or one-on-one	Goldman Sachs, Great Wall Securities, Macquarie, Deutsche Bank, CLSA, UBS, Credit Suisse, Shenyin Wanguo, Nikko Cordial Securities, CITIC Securities, Orient Securities, BNP, Essence Securities, Citi, DBS Vickers Securities, Morgan Stanley, HSBC, Samsung Securities, CICC, Guangfa Securities, Gaohua Securities, Changjiang Securities, Nomura Securities, JP Morgan, Qilu Securities, Masterlink Securities, Daiwa Securities, Royal Bank of Scotland, Clairvoyance, Daewoo Securities Galaxy Securities, Keefe, Bruyette & Woods, and Merrill Lynch, etc
Fund and other investment companies and individual investors	During the Reporting Period	Shenzhen, Guangzhou, Zhongshan, Xiamen, Sanya, Changsha, Shanghai, Hangzhou, Nanjing, Wuxi, Ningbo, Beijing, Tianjin, Shenyang, Changchun, Dalian, Qingdao, Wuhan, Chengdu, Chongqing,, Xi'an , etc	Small group or one-on-one	Cephei Investment, Boser Fund, Soros Fund Management, Invesco Great wall Fund, Wanjia Fund, ABN AMRO TEDA, China Orient Asset Management, Tianhong Fund, Yinhua Fund, Orient Fund, Southern Fund, Fortis Haitong Investment Management, China AMC, Taikang Life, CCB Principal AMC, Franklin Templeton Sealand Fund, Hua An Fund, Huashang Fund, AETNA Fund CSC Fund, SinoPac Fund, [Uni-President Fund, HSBC Fund, Invesco Fund, Fubon Fund, Shin Kong Life, MassMutual Mercuries Life, TransGlobe Life, Korea Development Bank, Taiyo Life Insurance, Great Wall Fund, Lion Fund, Changjiang Pension, JF Asset Mgmt, Lazard Asset Management, Mondrian, Baring Assets, Abu Dhabi Investment Authority, Capital Research, Chuo Mitsui Investment, BSI Generale, DBSAM, HTC Capital, PHEIM, Chilton Investment Company, The Blackstone Group, Cadwalader, Wickersham & Taft, William McAree Investment Partners, Blackrock, TT International, Boyer Allan, Noondays, Moore Capital, Tiger Asia, Buenavista Fund, Bennelong Asset Management, First State Investment, Keywise, Harvest Global Investments, China Life Investment, Wellington, Government of Singapore Investment Corporation, Standard Life Investments, Blue Ridge Capital LLC, Baillie Gifford, Penta, Spinner Asset Management, Tuboron Partners, Highbridge, AMP, Perpetual, Och-Ziff, Trivest, Prudential, BroadPeak, Waddell&Reed, NSSF, BOC Group Life Assurance, EMIC, TM Capital Partners, Tudor Investments Corporation, Tantallon Capital, Resolution Capital, Mitsubishi UFJ Asset Management, Colonial First State, Cathay Life, Kingdon Capital, Neuberger Berman, Morgan Stanley Investment Management, Mount Kellett Capital, Sumitomo Mitsui Asset, Clough Capital Partners, Buena Vista, etc

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) Corporate bonds of the Company
 During the Reporting Period, the Company distributed the second-year interest of the Company's "08 Vanke G1" and "08 Vanke G2" corporate bonds.

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 limit the risk association with the fluctuations of interest rate, the Company entered into Interest Rate Swap(IRS) agreements and would charge the counterparty an interest according to floating interest, in order to pay the floating-rate interest to the original lender, and pay a fixed rate to the counter party. 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.
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 IRS value on the Company's profit or loss during the Reporting Period was RMB (16,275,323.80). The value of the Company's IRS is determined with reference to the fair value appraised as at 30 September 2010.
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 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)

Types 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 a percentage of net assets as at the end of the period
Interest rate swap (IRS) agreement	462,610,550.00	1,717,895,966.99	(16,275,323.80)	4.27%
Total	462,610,550.00	1,717,895,966.99	(16,275,323.80)	4.27%

Consolidated income statement for the three months ended 30 September 2010

(Expressed in Renminbi Yuan)

	Jul-Sep 2010	Jul-Sep 2009
Revenue	5,269,980,667	7,435,491,349
Cost of sales	(3,462,667,296)	(5,573,311,057)
Gross profit	1,807,313,371	1,862,180,292
Other income	46,946,815	162,727,234
Distribution costs	(400,325,189)	(383,036,687)
Administrative expenses	(312,306,496)	(327,000,586)
Other expenses	(27,242,972)	(38,568,672)
Results from operating activities	1,114,385,529	1,276,301,581
Financial income	74,176,302	48,789,145
Financial expenses	(87,634,546)	(239,522,024)
Net finance costs	(13,458,244)	(190,732,879)
Share of profits less losses of associates	(2,819,019)	20,806,265
Share of profits less losses of jointly controlled entities	(6,339,067)	13,749,178
Profit before taxation	1,091,769,199	1,120,124,145
Income tax	(426,944,430)	(550,369,440)
Profit for the period	664,824,769	569,754,705
Attributable to:		
Profit attributable to equity shareholders of the Company	459,505,335	433,199,832
Minority interests	205,319,434	136,554,873
Profit for the period	664,824,769	569,754,705
Earnings per share		
Basic	0.042	0.039
Diluted	0.042	0.039
Other comprehensive income for the period	22,762,535	(11,717,794)
Total comprehensive income for the period	687,587,304	558,036,911
Attributable to:		
Equity shareholders of the Company	482,267,870	421,482,038
Minority interests	205,319,434	136,554,873

Consolidated income statement for the nine months ended 30 September 2010

(Expressed in Renminbi Yuan)

	Jan-Sep 2010	Jan-Sep 2009
Revenue	21,086,234,891	27,988,969,280
Cost of sales	(13,509,556,744)	(20,414,159,486)
Gross profit	7,576,678,147	7,574,809,794
Other income	253,601,462	216,288,710
Distribution costs	(1,006,726,766)	(934,484,166)
Administrative expenses	(887,754,439)	(908,874,865)
Other expenses	(62,397,259)	(106,972,915)
Results from operating activities	5,873,401,145	5,840,766,558
Financial income	447,777,180	183,521,350
Financial expenses	(473,806,265)	(586,361,344)
Net finance costs	(26,029,085)	(402,839,994)
Share of profits less losses of associates	14,848,848	184,172,621
Share of profits less losses of jointly controlled entities	70,433,006	(4,580,863)
Profit before taxation	5,932,653,914	5,617,518,322
Income tax	(2,107,008,256)	(1,947,536,362)
Profit for the period	3,825,645,658	3,669,981,960
Attributable to:		
Profit attributable to equity shareholders of the Company	3,272,003,908	2,957,592,239
Minority interests	553,641,750	712,389,721
Profit for the period	3,825,645,658	3,669,981,960
Earnings per share		
Basic	0.298	0.269
Diluted	0.298	0.269
Other comprehensive income for the period	(23,439,217)	36,823,021
Total comprehensive income for the period	3,802,206,441	3,706,804,981
Attributable to:		
Equity shareholders of the Company	3,248,564,691	2,994,415,259
Minority interests	553,641,750	712,389,722

Consolidated balance sheet as at 30 September 2010

(Expressed in Renminbi Yuan)

	30 Sep 2010	31 Dec 2009
Non-current assets		
Property, plant and equipment	1,363,555,187	1,387,295,710
Lease prepayments	80,718,586	81,966,326
Investment properties	144,281,323	228,143,158
Construction in progress	748,560,145	593,208,234
Interest in associates	766,290,191	709,512,280
Interest in jointly controlled entities	3,791,949,164	2,763,877,398
Other financial assets	88,483,632	255,622,796
Deferred tax assets	1,345,872,395	1,265,649,479
Total non-current assets	8,329,710,623	7,285,275,381
Current assets		
Inventories	66,584,154	59,998,046
Properties held for development	52,430,335,639	43,259,163,354
Properties under development	65,814,360,878	41,872,964,957
Completed properties for sale	5,241,495,962	5,311,972,269
Trade and other receivables	24,866,376,628	17,235,320,841
Financial derivatives	-	740,471
Cash and cash equivalents	31,543,455,324	23,001,923,831
Total current assets	179,962,608,585	130,742,083,769
TOTAL ASSETS	188,292,319,208	138,027,359,150
CAPITAL AND RESERVES		
Share capital	10,995,210,218	10,995,210,218
Reserves	29,260,011,396	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	40,255,221,614	37,375,888,061
Minority interests	9,081,511,570	8,032,624,393
TOTAL EQUITY	49,336,733,184	45,408,512,454

Consolidated balance sheet as at 30 September 2010 (continued)

(Expressed in Renminbi Yuan)

	30 Sep 2010	31 Dec 2009
Non-current liabilities		
Interest-bearing borrowings and bonds(Long term)	29,131,764,583	23,296,534,102
Deferred tax liabilities	1,080,660,062	1,221,268,786
Other long term liabilities	8,550,657	8,408,145
Provisions	43,567,523	34,355,815
Total non-current liabilities	30,264,542,825	24,560,566,848
Current liabilities		
Interest-bearing borrowings(Short term)	15,831,178,460	8,628,670,478
Financial derivatives	15,534,853	-
Trade and other payables	88,775,815,288	55,244,411,867
Current taxation	4,068,514,598	4,185,197,503
Total current liabilities	108,691,043,199	68,058,279,848
TOTAL LIABILITIES	138,955,586,024	92,618,846,696
TOTAL EQUITY AND LIABILITIES	188,292,319,208	138,027,359,150

Consolidated cash flow statement for the nine months ended 30 September 2010

(Expressed in Renminbi Yuan)

	Jan-Sep 2010	Jan-Sep2009
Cash flows from operating activities		
Cash receipts from customers	54,283,454,889	41,355,694,164
Cash paid to suppliers	(42,941,813,416)	(21,466,720,733)
Cash paid to and for employees	(1,131,132,831)	(868,308,952)
Cash paid for other taxes	(6,603,238,943)	(5,391,007,399)
Cash generated from other operating activities	5,511,421,036	1,799,176,130
Cash used in other operating activities	(10,326,054,325)	(4,187,623,950)
Net cash generated from / (used in) operating activities	(1,207,363,590)	11,241,209,260
Cash flows from investing activities		
Acquisitions of subsidiaries, net of cash acquired	(450,226,495)	(569,017,159)
Acquisitions of interest in associates, jointly controlled entities and other investments	(1,155,471,630)	(202,806,289)
Acquisitions of minority interests	(368,305,267)	-
Acquisitions of property, plant and equipment and construction in progress	(56,160,940)	(84,475,241)
Payment for acquisitions of subsidiaries in previous year	(26,164,230)	-
Proceeds from disposals of subsidiaries	6,519,582	4,400,259
Proceeds from disposal of property, plant and equipment	458,787	88,802,961
Proceeds from disposal of interest in other long term investments	158,403,841	90,477,205
Proceeds from other investment activities	826,706,405	172,237,517
Proceeds from investment income	439,300,965	228,763,122
Cash used in other investment activities	(993,726,314)	-
Net cash used in investing activities	(1,618,665,296)	(271,617,625)

Consolidated cash flow statement for the nine months ended 30 September 2010

(Expressed in Renminbi Yuan)

	Jan-Sep 2010	Jan-Sep2009
Cash flows from financing activities		
Capital injections from minority interests of subsidiaries	1,594,241,499	157,235,000
Proceeds from loans and borrowings	21,874,453,038	17,866,920,394
Repayment of loans and borrowings	(8,882,790,882)	(18,822,758,840)
Dividends paid to equity shareholder	(771,376,582)	(549,760,511)
Dividends paid to minority shareholder	(332,449,919)	(46,375,168)
Interests paid	(1,949,316,947)	(1,938,638,605)
Net cash (used in) / generated from financing activities	11,532,760,207	(3,333,377,730)
Net increase in cash and cash equivalents	8,706,731,321	7,636,213,905
Cash and cash equivalents at 1 January	22,002,774,937	19,978,285,930
Effect of foreign exchange rate changes	4,181,269	116,260
Cash and cash equivalents at balance sheet date	30,713,687,527	27,614,616,095