



**China Vanke Co., Ltd.**

## **2011 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 Directors, members 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, and Director Wang Yin were not able to attend the board meeting in person due to their business engagements and had authorised Director Jiang Wei to represent them and vote on behalf of them. Director Sun Jianyi was not able to attend the board meeting in person due to his business engagements and had authorised Director Shirley L. Xiao to represent him and vote on behalf of him. Independent Director Zhang Liping and Independent Director Paul Chan Mo Po were not able to attend the board meeting in person due to their business engagements and had authorised Independent Director Qi Daqing to represent them and vote on behalf of them.*

*1.4 This quarterly financial report of the Company has 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 2011	As at 31 December 2010	Changes (%)
<b>Total assets</b>	235,703,724,823	215,984,662,720	9.13%
<b>Equity attributable to equity shareholders of the Company</b>	45,532,824,229	44,232,676,791	2.94%
<b>Net assets per share</b>	4.14	4.02	2.99%

	January to March 2011	January to March 2010	Changes (%)
Revenue	7,541,373,198	7,073,423,236	6.62%
Profit attributable to equity shareholders of the Company	1,205,138,560	1,126,579,449	6.97%
Net cash generated from operating activities	(1,975,209,084)	(6,800,224,122)	70.95%
Net cash generated from operating activities per share	(0.18)	(0.62)	70.97%
Basic earnings per share	0.11	0.10	10.00%
Diluted earnings per share	0.11	0.10	10.00%
Return on equity	2.68%	2.94%	Decrease 0.26 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 using weighted average method.

## 2.2 Total number of shareholders and shareholdings 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 2011, the total number of shareholders of the Company was 1,081,957 (including 1,056,821 holders of A shares and 25,136 holders of B shares).

Total number of shareholders as at the end of the reporting period		1,081,957
Shareholding 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 (“CRC”)	1,619,094,766	A Share
Liu Yuansheng	133,791,208	A Share
Bank of China - E Fund Shenzhen Stock Exchange 100 Exchange-Traded Fund	109,420,628	A Share
China Construction Bank - Bosera Theme Industry Stock Securities Investment Fund	104,043,587	A Share
Bosera Value Growth Securities Investment Fund	100,000,000	A Share
ICBC - Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	92,327,708	A Share
Gaohua – HSBC - Goldman Sachs & Co.	75,442,099	A Share
HTHK/CMG FSGUFP - CMG First State China Growth Fund	73,265,868	B Share
Toyo Securities Asia Limited - A/C Client	73,030,711	B Share
Staff Committee of China Vanke Co., Ltd.	67,168,517	A Share

As at the end of 31 March 2011, 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

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 Ping An Property and Casualty Insurance Company Limited – Traditional – General Insurance Products	2,698,727
5	China Life Insurance Company Ltd.	2,619,042
6	CNPC Pension Scheme - ICBC	1,018,195
7	Taiping General Insurance Company Limited	1,003,216
8	China Life Pension Company Limited–Internal Resources	1,000,000
9	China Life Property and Casualty Insurance Company Limited –Traditional – General Insurance Products	820,000
10	China Property & Casualty Reinsurance Company Ltd.	776,162

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

No.	Bondholder	No. of bonds held
1	CCB – ICBC Credit Suisse Credit Tianli Bond Securities Investment Fund	2,196,450
2	ICBC- Harvest Stable Earning Bond Securities Investment Fund	2,018,258
3	ICBC Credit Suisse Asset Management Co., Ltd – ICBC – Assets of Specific Clients	1,766,153
4	CCB–Fullgoal Tianfeng Surging Income Bond Securities Investment Fund	1,364,690
5	Bank of Communications - China AMC Bond Investment Fund	1,167,021
6	CNPC Pension Scheme - ICBC	972,256
7	801 Portfolio of National Social Security Fund, PRC	959,758
8	China Ping An Trust & Investment Co., Ltd. – CMB Furui Life Individual	922,623
9	China Ping An Trust & Investment Co. Ltd – Bank Comm Furui Life Dividend Distribution	742,569
10	China National Machinery Import & Export Corporation	700,759

### §3 Management Discussion and Analysis

The impact of macro adjustments continued to deepen during the reporting period. At the beginning of the year, affected by the relatively large new housing supply at the end of the fourth quarter of the previous year, the transaction volume of residential properties continued to grow when compared with that of the same period last year. In January and February, the sales area and sales amount of commodity housing in the PRC rose by 13.8% and 27.4% respectively from those of the same period last year. Following the launch of a new round of austerity measures and successive implementation

of austerity measures by local governments, transactions in major cities generally slowed down. Housing prices in these cities basically stopped rising.

In March, the sales area and sales amount in 14 major cities, including Beijing, Shanghai, Guangzhou and Shenzhen, decreased by 32% and 37% respectively, when compared with those of the same period last year. Even when compared with the traditional low season of February, the sales area and sales amount decreased by 15% and 16% respectively. Traditionally, due to Chinese New Year effect, February's sales are the lowest in a year, while sales in March will increase substantially when compared with that of February. In recent years, March's sales of the aforesaid cities increased by about 100% when compared with February's. However, the drop in March's sales from February's this year is a rare case in history.

While transactions are slowing down, the market is expecting a substantial rise in new housing supply in the near future when compared to that in the first quarter. It will pose challenges to the market's ability to deplete the existing inventory of homes. During the reporting period, the growth in new construction area of commodity housing in the PRC continued the downward trend that began at the end of last year. The growth rate in new construction area of commodity housing in the PRC in the first quarter decreased to 23.4% from 41.9% in the full year of 2010. Affected by the change in market environment and tightening of credit, enterprises will face tighter liquidity. This will continue to affect the scale of new construction in the industry and pose challenges to new supply in the following year.

During the reporting period, property developers in general slowed down the pace of land acquisition, and became more cautious in project investment. Land supply and sales area in major cities in the first quarter shrank by a relatively large percentage when compared with those of the same period last year, while the premium rate of land transactions reduced significantly. It is expected that in the second half of 2011, increase in land supply will further cool down the land market. Enterprises with stable operation and healthy liquidity will have comparative advantages in seizing market opportunities.

During the period under review, China Vanke proactively responded to market changes and achieved satisfactory sales results. The accumulated sales area and sales amount of the Company reached 3,038,000 sq m and RMB35.51 billion respectively, representing a growth of 144.6% and 135.3% from those of the same period last year respectively. The comparatively large sales growth in the first quarter was mainly due to the Company's focus on the mainstream market, which consists of small to medium sized ordinary housing units, as well as a historical high in monthly sales in January. Among the products sold by the Company during the period, units with area below 90 sq m accounted for 53%, and small to medium sized units below 144 sq m accounted for 87%. In addition, the Company maintained a satisfactory pace of sales by adopting flexible sales strategy. More than 60% of new units launched in each of the first three months of 2011 were sold within the respective month.

Geographically speaking, the sales area and sales amount in Pearl River Delta focused Shenzhen Region reached 846,000 sq m and RMB9.84 billion respectively, representing increases of 213.8% and 136.7% from those of the same period last year respectively. The sales area and sales amount in Yangtze River Delta focused Shanghai Region reached 541,000 sq m and RMB8.86 billion

respectively, representing a growth of 102.0% and 189.3% from those of the same period last year respectively. The sales area and sales amount in Bohai-rim focused Beijing Region reached 991,000 sq m and RMB10.79 billion respectively, representing a growth of 120.2% and 90.5% from those of the same period last year respectively. The sales area and sales amount in Chengdu Region, which comprises core cities of Central and Western Region, reached 660,000 sq m and RMB6.01 billion respectively, representing a growth of 159.3% and 172.3% from those of the same period last year respectively.

In recent years, as the proportion of furnished units is growing, the average construction period is also increasing. The time lag between revenue recognition and sales is more and more significant. Moreover, construction efficiency and quality are affected by the fluctuation in the labour force in construction because a large amount of migrant workers return home during the Chinese New Year. As a result, year-end is the peak time for completion of projects and most projects are booked in the fourth quarter. All these factors, on the one hand, enhance investors' prediction for projects that could be booked by the Company in one or two years; and on the other hand hinder their estimation of the Company's full-year performance on the basis of the booked results in the first three quarters. The Company has leveraged international advanced project management experience and extended the application scope of prefabrication, so as to address the aforesaid time lag problem in revenue recognition. Investors are advised to pay attention to this special factor.

Since there is variation in the area booked at different times of the year, the booked area of the Company for the first quarter slightly declined from that of the same period last year. Moreover, since a relatively high percentage of the booked area for the period came from core cities (the booked area from Shanghai, Shenzhen, Guangzhou together amounted to 247,000 sq m, accounting for 60% of the booked area for the period under review, with a booked revenue of RMB5.83 billion, accounting for 80 per cent of the booked revenue of the period under review), the Company saw an increase in its booked revenue. During the period under review, the Company realized a booked area of 413,000 sq m, representing a decrease of 35.3% from that of the same period last year. The Company's booked revenue amounted to RMB7.26 billion, representing a 4.3% increase from that of the same period last year. The Company's revenue and net profit amounted to RMB7.54 billion and RMB1.21 billion respectively, representing increases of 6.6% and 7.0% from those of the same period last year respectively.

As at the end of the reporting period, included in the consolidated statements was an area of 9,000,000 sq m sold but not yet booked, with a contract amount of approximately RMB105.2 billion, which will provide a solid foundation for the Company to achieve future operating results.

The Company's financial position remained sound, with a healthy inventory structure. As at the end of the period under review, the Company had RMB37.19 billion cash on hand, which is more than the aggregate amount of RMB20.29 billion of short-term borrowings and long-term borrowings due within one year. Among the Company's inventories, completed properties (existing properties) amounted to RMB4.68 billion, accounting for 3.10% of the total inventories.

The Company had an area of 3.46 million sq m commencing construction during the first quarter. Despite the significant changes in the market environment during the period under review, those changes were within the Company's expectation. The Company will continue to adhere to the strategy of rapid development. At present, it is not necessary to adjust the planned area commencing construction for the full year. However, under the home purchase restriction measures, the Company will make flexible adjustment to its product mix according to the changes in customers' demand, with the aim to provide "appropriate products for sale".

During the period, the Company added 15 new development projects, with a site area attributable to China Vanke's equity holding of approximately 1,380,000 sq m (corresponding planned GFA of approximately 3,090,000 sq m). The average premium of the floor area was approximately RMB2,500/sq m. In addition, the Company was involved in three urban redevelopment projects during the period. According to the condition of current planning, China Vanke held a site area attributable to the Company's equity holding of approximately 470,000 sq m (with a corresponding planned GFA of approximately 1,460,000 sq). The estimated average composite redevelopment cost and land premium amounted to approximately RMB1,540/sq m. The Company entered into several new markets, namely Wuhu, Qinhuangdao, Taiyuan. Due to variations in different markets, the Company's sophisticated geographical diversification strategy allows that the Company can flexibly adjust its planning according to market conditions. In view of the correlation between housing price and land premium, the continued impact of residence market austerity measures, as well as the corresponding adjustment to the land market that may happen during the year, the Company will solidify its existing markets and continue to adhere to its strategy of quick turnover and "cash is king". While insisting on a prudent investment approach, the Company will pay close attention to any possible market opportunities.

## §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	31 March 2011 (RMB'000)	31 December 2010 (RMB'000)	Change (+/-)	Reasons for change
Properties under development	94,922,336.35	78,982,068.16	20.18%	Increase in newly added projects
Interest in associates	1,495,347.46	1,035,875.90	44.36%	Increase in investment for associates entities
Loans and borrowings (Current)	20,287,840.31	16,783,690.79	20.88%	Change in debt structure
Items	Jan to Mar 2011 (RMB'000)	Jan to Mar 2010 (RMB'000)	Change (+/-)	Reasons for change
Cost of sales	4,070,990.09	4,625,315.34	-11.98%	Optimisation of cost and decrease in booked area
Distribution expenses	393,521.35	293,290.37	34.17%	Enlargement of sales
Administrative expenses	574,060.70	304,213.71	88.70%	Expansion of the Company
Financial income	117,097.65	36,551.52	220.36%	Relatively increase in interest income

Financial costs	254,795.39	147,183.11	73.11%	Relatively increase in interest cost
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#### 4.2 Progress of significant events and analysis of their impact and solutions

Applicable Not applicable

On 8 April 2011, the resolutions in respect of the Company's A-share Stock Option Incentive Scheme (Revised Draft) were approved at the Company's first extraordinary general meeting in 2011. The Company will implement the scheme in accordance with the stipulations.

The introduction of the Stock Option Incentive Scheme will complement the Company's incentive instruments with a long-term plan, while establishing a check-and-balance mechanism between shareholders and professional management team through linking up their interests. The Scheme will further improve the Company's corporate governance structure and strengthen the Company's competitiveness.

##### 4.2.1 Non-standard opinions

Applicable Not applicable

##### 4.2.2 Signing and implementation of major contracts in daily operation

Applicable Not applicable

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

Applicable Not applicable

Undertaking	Undertaker	Details	Implementation
Other undertakings	China Resources National Corporation ("CRNC")	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	Book value as at the end of the period	Gains/(losses) during the reporting period	Changes in equity attributable to equity shareholders during the Reporting Period
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600751	SST Tianjin Marine Shipping Co., Ltd.	143,600.00	0.04%	143,600.00	-	-
<b>Total</b>		<b>143,600.00</b>	<b>-</b>	<b>143,600.00</b>	<b>-</b>	<b>-</b>

Note: 1. Equity interests of SST Tianjin Marine Shipping Co., Ltd held by the Company are legal person shares over the years. Up till now, the SST Tianjin Marine Shipping Co., Ltd has not undergone share reform.

#### 4.5.3 Investor relations activities such as meetings, communications and visits during the reporting period

Type of Activities	Time	Location	Approach	Classification of visitors	Issues discussed and information provided
Deutsche Bank meeting	2011.1	Beijing	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.
UBS meeting	2011.1	Shanghai	Face to face meeting	Investors including securities companies, funds, etc	
Annual results presentation	2011.3	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Investors including securities companies, funds, individual investors, etc	
CLSA meeting	2011.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse Securities meeting	2011.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
BNP meeting	2011.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Qilu Securities meeting	2011.3	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse Securities meeting	2011.3	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, Changsha, Shanghai, Nanjing, Wuxi, Hangzhou Ningbo, Hefei, Beijing, Tianjin, Shenyang, Anshan, Wuhan, Chengdu, Chongqing, Xi'an, Kunming, Guiyang, etc	Small group or one-on-one	Shenyin Wanguo, CLSA, Orient Securities, Guosen Securities, Nomura Securities, CITIC Securities, Deutsche Bank, Citi, UBS, Goldman Sachs, Credit Suisse Securities, Guangfa Securities, Huatai United Securities, JP Morgan, Changjiang Securities, Haitong Securities, Yuanta Securities, Essence Securities, Merrill Lynch Securities, Goldman Sachs Gaohua, Great Wall Securities, Mitsubishi UFJ Morgan Stanley Securities, Rising Securities, BOC International, Everbright Securities, China Jianyin Investment Securities, Sinolink Securities, Qilu Securities, Samsung Securities, Dongxing Securities, Morgan Stanley, CICC, HSBC, Daiwa Securities, Macquarie, BNP, Jefferies, Barclays Capital, Religare Capital Markets, ISI Group, etc	
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Funds, other investment companies and individual investors	During the reporting period	Shenzhen, Guangzhou, Changsha, Shanghai, Nanjing, Wuxi, Hangzhou Ningbo, Hefei, Beijing, Tianjin, Shenyang, Anshan, Wuhan, Chengdu, Chongqing, Xi'an, Kunming, Guiyang, etc	Small group or one-on-one	Yinhua Fund, China Universal Asset Management, China AMC, Orient Fund, Pacific Assets Management, CCB Principal Asset Management, Guotai Fund, China Post Fund, Bank of Communications Schroders Fund, Changsheng Fund, Rongtong Fund, Fullgoal Fund, Wellington Asset Management, CDH Investments, China International Fund Management, Baoying Fund, Orient Securities Asset Management, Power Corporation of Canada, Southern Fund, Taikang Life, Fortis Haitong Fund, ICBC Credit Suisse Asset Management, Dacheng Fund, Hua An Fund, Guangfa Fund, Boser Fund, Harvest Fund, Baring Asset Management, First Beijing Company, LionRock Capital, Capital Research, Brevan Howard, Prudential, Adage Capital, Millennium Management LLC, SAC, Apollo, GIC, DNB Asset, Pangu Capital Ltd, Sekker and Advisors, Trivest Advisors, Value Investors Management, Clairvoyance Capital, Alliance Bernstein, GMO, Janus, Bernstein, Invesco, GENESIS, Prime Capital Management, Prime Capital Management, Pacific Eagle Asset Mgmt, Chilton Investment, Blue Pool Capital, Mitsubishi UFJ, Value Partners, TIAA-CREF, Och-Ziff, Union Investment, Sumitomo Trust & Banking (Tokyo), Henderson Investment, AMP Capital, JF AM, Point State, Highbridge Capita, 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) Corporate bonds of the Company

During the reporting period, the Company had a good credit standing. The Company's issued bonds, including "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) after the reporting period. CCXR maintained AAA rating for the Company's secured corporate bonds "08 Vanke G1" and upgraded rating for non-secured corporate bonds "08 Vanke G2" to AAA, and raised the overall corporate credit rating of the Company to AAA, while giving a stable outlook rating.

#### 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 associated with the fluctuations of interest rate, the Company entered into an interest rate swap (“IRS”) agreement to hedge floating rate foreign currency loan. The Company would charge the counterparty an interest according to a floating rate, in order to pay the floating-rate interest to the original lender, while paying a fixed rate to the counterparty. In terms of the time limit and amount of foreign currency loan, IRS limited the risk of fluctuations of interest rate through fixed forward rate.
Change in market price or fair value of the derivatives invested 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 amounted to RMB(1,942,460.44). The value of the IRS was determined based on the fair value assessed on 31 March 2011.
Remarks on whether there has been a material change in the accounting policy and accounting measurement principles for the Company’s derivatives during the reporting period as compared with those of the previous reporting period	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 could ward off the possible 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 the Company’s net assets as at the end of the reporting period
Interest rate swap (IRS) agreement	1,249,109.39	901,505.00	(1,942.46)	1.98%
<b>Total</b>	<b>1,249,109.39</b>	<b>901,505.00</b>	<b>(1,942.46)</b>	<b>1.98%</b>

**Consolidated income statement for the three months ended 31 March 2011**

*(Expressed in Renminbi Yuan)*

	<b>Jan-Mar 2011</b>	<b>Jan-Mar 2010</b>
Revenue	7,541,373,198	7,073,423,236
Cost of sales	(4,070,990,090)	(4,625,315,341)
<b>Gross profit</b>	<b>3,470,383,108</b>	<b>2,448,107,895</b>
Other income	34,989,410	76,319,293
Distribution costs	(393,521,353)	(293,290,365)
Administrative expenses	(574,060,702)	(304,213,705)
Other operating expenses	(44,788,331)	(2,750,648)
<b>Profit from operations</b>	<b>2,493,002,132</b>	<b>1,924,172,470</b>
Financial income	117,097,647	36,551,524
Financial costs	(254,795,390)	(147,183,112)
<b>Net financial costs</b>	<b>(137,697,743)</b>	<b>(110,631,588)</b>
Share of profits less losses of associates	(6,563,841)	13,906,776
Share of profits less losses of jointly controlled entities	(11,239,906)	(4,956,802)
<b>Profit before income tax</b>	<b>2,337,500,642</b>	<b>1,822,490,856</b>
Income tax	(1,147,535,921)	(646,535,697)
<b>Profit for the year</b>	<b>1,189,964,721</b>	<b>1,175,955,159</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	1,205,138,560	1,126,579,449
Minority interests	(15,173,839)	49,375,710
<b>Profit for the year</b>	<b>1,189,964,721</b>	<b>1,175,955,159</b>
<b>Basic and diluted earnings per share</b>	<b>0.11</b>	<b>0.10</b>

*Consolidated statement of comprehensive for the three months ended 31 March 2011*  
*(Expressed in Renminbi Yuan)*

	<i>Jan-Mar 2011</i>	<i>Jan-Mar 2010</i>
<b>Profit for the year</b>	<b>1,189,964,721</b>	<b>1,175,955,159</b>
<b>Other comprehensive income for the period</b>		
Exchange differences on translation of financial statements of foreign subsidiaries	40,279,778	1,871,614
Available-for-sale securities, net movement in the fair value reserve	-	6,126,402
<b>Total comprehensive income for the period</b>	<b>1,230,244,499</b>	<b>1,183,953,175</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	1,245,418,338	1,134,577,465
Minority interests	(15,173,839)	49,375,710
<b>Total comprehensive income for the period</b>	<b>1,230,244,499</b>	<b>1,183,953,175</b>

**Consolidated balance sheet at 31 March 2011***(Expressed in Renminbi Yuan)*

	<b>31 Mar. 2011</b>	<b>31 Dec. 2010</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,575,582,038	1,625,695,230
Investment properties	126,939,186	129,176,195
Construction in progress	803,509,009	764,282,141
Interest in associates	1,495,347,456	1,035,875,902
Interest in jointly controlled entities	3,364,834,115	3,374,074,020
Other financial assets	488,631,036	488,565,309
Deferred tax assets	1,801,351,178	1,643,158,028
Other non-current asset	1,055,992,715	1,055,992,715
<b>Total non-current assets</b>	<b>10,712,186,733</b>	<b>10,116,819,540</b>
<b>Current assets</b>		
Inventories	58,383,375	93,090,534
Properties held for development	51,535,214,876	49,314,694,209
Properties under development	94,922,336,354	78,982,068,164
Completed properties for sale	4,681,355,262	5,290,716,117
Trade and other receivables	36,604,925,261	34,370,341,244
Cash and cash equivalents	37,189,322,962	37,816,932,912
<b>Total current assets</b>	<b>224,991,538,090</b>	<b>205,867,843,180</b>
<b>TOTAL ASSETS</b>	<b>235,703,724,823</b>	<b>215,984,662,720</b>
<b>EQUITY</b>		
Share capital	10,995,210,218	10,995,210,218
Reserves	34,537,614,011	33,237,466,573
<b>Total equity attributable to equity shareholders of the Company</b>	<b>45,532,824,229</b>	<b>44,232,676,791</b>
<b>Minority interests</b>	<b>10,596,420,231</b>	<b>10,353,522,851</b>
<b>TOTAL EQUITY</b>	<b>56,129,244,460</b>	<b>54,586,199,642</b>

**Consolidated balance sheet at 31 March 2011 (continued)**

(Expressed in Renminbi Yuan)

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<b>Non-current liabilities</b>		
Loans and borrowings	26,622,625,800	30,611,643,798
Deferred tax liabilities	1,077,621,341	1,086,104,338
Other long term liabilities	9,299,783	8,816,121
Provisions	57,496,495	41,107,323
<b>Total non-current liabilities</b>	<b>27,767,043,419</b>	<b>31,747,671,580</b>
<b>Current liabilities</b>		
Loans and borrowings	20,287,840,313	16,783,690,787
Financial derivatives	16,115,679	15,054,493
Trade and other payables	125,041,339,420	106,138,344,681
Current taxation	6,462,141,532	6,713,701,537
<b>Total current liabilities</b>	<b>151,807,436,944</b>	<b>129,650,791,498</b>
<b>TOTAL LIABILITIES</b>	<b>179,574,480,363</b>	<b>161,398,463,078</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235,703,724,823</b>	<b>215,984,662,720</b>

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**Consolidated cash flow statement for the three months ended 31 March 2011**

(Expressed in Renminbi Yuan)

	<i>Jan-Mar.2011</i>	<i>Jan-Mar.2010</i>
Cash received from sales of products	24,922,860,043	12,391,917,311
Other cash received from business operating activities	1,341,500,283	1,019,658,673
<b>Cash generated from operating activities</b>	<b>26,264,360,326</b>	<b>13,411,575,984</b>
Cash paid for purchasing of merchandise and services	20,459,978,814	15,201,450,723
Cash paid to employees or paid for employees	1,068,536,262	609,565,536
Tax paid for tax	4,682,668,953	2,003,606,662
Other cash paid for business operating activities	2,028,385,381	2,397,177,185
<b>Cash used in operating activities</b>	<b>28,239,569,410</b>	<b>20,211,800,106</b>
<b>Net cash used in operating activities</b>	<b>(1,975,209,084)</b>	<b>(6,800,224,122)</b>
Proceeds from disposal fixed assets	4,525.00	124,484
Other cash received relating to investing activities	305,062,820	34,627,249
<b>Cash generated from investing activities</b>	<b>305,067,345</b>	<b>34,751,733</b>
Acquisition of fixed assets	67,885,198	22,032,731
Cash paid for acquisition of investments	230,841,729	1,114,037,239
Cash paid for acquisition of subsidiaries	64,997,755	313,882,526
Other cash paid relating to investing activities	42,569,163	-
<b>Cash used in investing activities</b>	<b>406,293,845</b>	<b>1,449,952,496</b>
<b>Net cash used in investing activities</b>	<b>(101,226,500)</b>	<b>(1,415,200,763)</b>
Capital injection from minority interests of subsidiaries	705,519,176	781,153,094
Proceeds from loans and borrowings	4,753,090,727	5,227,976,679
<b>Cash generated from financing activities</b>	<b>5,458,609,903</b>	<b>6,009,129,773</b>
Repayment of loans and borrowings	5,370,000,000	1,893,605,140
Dividend paid to equity shareholders of the Company and Interest paid	864,028,761	572,002,620
<b>Cash used in financing activities</b>	<b>6,234,028,761</b>	<b>2,465,607,760</b>
<b>Net cash generated from financing activities</b>	<b>(775,418,858)</b>	<b>3,543,522,013</b>
<b>Effect of foreign exchange rates</b>	<b>(9,814,713)</b>	<b>(2,202,651)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,861,669,155)</b>	<b>(4,674,105,523)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>35,096,935,416</b>	<b>22,002,774,938</b>
<b>Cash and cash equivalents at 31 March</b>	<b>32,235,266,261</b>	<b>17,328,669,415</b>