



**China Vanke Co., Ltd.**

## **2012 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 Jiang Wei were not able to attend the board meeting in person due to their business engagements and had authorised Director Yu Liang to represent them and vote on behalf of them. Director Wang Yin was not able to attend the board meeting in person due to his business engagements and had authorised Director Xiao Li to represent him and vote on behalf of him. Independent Director Hua Sheng was not able to attend the board meeting in person due to his business engagements and had authorised Independent Director Zhang Liping to represent him and vote on behalf of him.*

*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'000)

	As at 31 March 2012	As at 31 December 2011	Changes (%)
<b>Total assets</b>	310,737,990	296,534,297	4.79%
<b>Equity attributable to equity shareholders of the Company</b>	54,358,308	52,967,795	2.63%
<b>Share capital (share)</b>	10,995,210	10,995,210	-

Net assets per share attributable to equity shareholders of the Company(RMB)	4.94	4.82	2.63%
	<b>January to March 2012</b>	<b>January to March 2011</b>	<b>Changes (%)</b>
Revenue	9,752,549	7,541,373	29.32%
Profit attributable to equity shareholders of the Company	1,395,937	1,205,139	15.83%
Net cash generated from operating activities	1,280,121	(1,975,209)	164.81%
Net cash generated from operating activities per share (RMB)	0.12	(0.18)	164.81%
Basic earnings per share (RMB)	0.13	0.11	18.18%
Diluted earnings per share (RMB)	0.13	0.11	18.18%
Return on equity	2.60%	2.68%	Decrease by 0.08 percentage point

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 2012, the total number of shareholders of the Company was 901,745 (including 879,222 holders of A shares and 22,523 holders of B shares).

Total number of shareholders as at the end of the reporting period		901,745
Shareholdings of the top 10 shareholders of non-restricted tradable shares		
Name of shareholders (in full)	Total number of non-restricted tradable shares held as at the end of the reporting period	Type
China Resources Co., Limited (“CRC”)	1,619,094,766	A Share
E Fund Shenzhen Stock Exchange 100 Exchange-Traded Fund	143,492,972	A Share
Liu Yuansheng	133,791,208	A Share
Bosera Theme Industry Stock Securities Investment Fund	117,000,000	A Share
Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	96,693,693	A Share
UBS AG	83,065,242	A Share
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	82,469,721	B Share
National Social Security Fund – Portfolio 103	77,000,000	A Share
Harvest Theme Selected Mixed Securities Investment Fund	70,999,531	A Share
China International Domestic Demand Dynamic Stock Fund	68,000,000	A Share

As at the end of 31 March 2012, 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 the 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	Taiping General Insurance Company Limited	1,003,216
7	China Life Pension Company Limited–Internal Resources	924,010
8	Haitong-BOC-Futong Bank	897,256
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	Harvest Stable Earning Bond Securities Investment Fund	1,066,978
2	China AMC Bond Investment Fund	1,065,000
3	ICBC Credit Suisse Asset Management Co., Ltd – ICBC – Assets of Specific Clients	889,101
4	National Social Security Fund – Portfolio 801	849,518
5	Penghua Harvest Bond Fund	613,644
6	China AMC Classic Allocation Hybrid Fund	550,000
7	GF Securities Co., Ltd.	502,000
8	China Universal Capital Guaranteed Hybrid Fund	500,000
9	ICBC Credit Suisse Four-season Earning Bond Securities Investment Fund	480,842
10	Penghua Fengrun Bond Fund	480,000

### §3 Management Discussion and Analysis

In the first quarter of this year, the sales area of commodity housing in the PRC reduced by 15.5% from that of the same period last year. The sales area of commodity housing in 14 major cities including Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Wuhan, Dongguan, Foshan, Wuxi and Suzhou decreased by 25.5% year-on-year, with greater fluctuations when compared by month.

Residential sales area in the abovementioned 14 cities in January dropped by 72% year-on-year, reaching its lowest level since 2006; the sales area in February increased from January but decreased by 27% when compared with that of the same period last year; in March, with the unlock of end users' demand after the Chinese New Year and the gradual improvement of credit environment for first-time home buyers, market transactions increased, driving the sales area in the abovementioned cities to rise by 62% on a relatively moderate figure in March 2011 and leap by 96% from February.

During the reporting period, the sales area of commodity housing to approved pre-sales area of new

housing ratio in the abovementioned 14 cities rebounded from 0.7 in 2011 to over 1. It should be noted that as the market transaction volume was still low, the rebound of the sales area of commodity housing to approved pre-sales area of new housing ratio was mainly attributable to the decrease of new housing supply. Compared with past years, the approved pre-sales area in major cities in January and February this year reduced significantly, reaching its lowest level since 2006. Despite a rebound in March, the total approved pre-sales area in the first quarter decreased by approximately 15% when compared with that of the same period last year. Reduction of new housing supply had, to certain extent, slowed down inventory build-up; however, considering the existing inventory level, the abovementioned cities' inventory level was still under great pressure.

Owing to lower market transactions and a tightened financing environment for the industry, companies' investment capabilities further declined during the reporting period. A number of companies resorted to reducing construction projects and suspending land purchases. In the first quarter, the floor area of residential properties in the PRC commencing construction decreased by 5.2% year-on-year, which was a rare phenomenon since the floor area commencing construction decreased year-on-year in 2009. The decline in property development investment will have negative impact on the market supply in future.

In the first quarter, the area of land sold in the 16 major cities where statistics are accessible by the public (including Shenzhen, Guangzhou, Dongguan, Foshan, Shanghai, Hangzhou, Nanjing, Suzhou, Ningbo, Beijing, Tianjin, Shenyang, Dalian, Chengdu, Wuhan and Chongqing) dropped by approximately 13% year-on-year, to the lowest point in three years. 63% of the land lots changed hands at the reserve price, while 25% of the land lots failed to sell at auctions, and there were hardly any land lots sold at a price premium.

During the reporting period, the Company persevered with its proactive sales strategy, achieving an accumulated sales area of 3,009,000 sq m, with a sales amount of RMB31.07 billion. However, the Company's sales contract amount in January 2012 dropped year-on-year, as the comparable figure in January 2011 was large (a number of customers who purchased property units at the end of 2010 signed their contracts in January 2011, thereby pushing up the sales contract amount in January 2011 to RMB20.1 billion, which accounted for 56.6% of the total contract amount in the first quarter of last year). The Company's sales amounts in February 2012 and March 2012 grew by 20.7% and 23.5% respectively when compared with those of the same period last year.

In Guangshen region, the Company realized sales area of 1,004,000 sq m and sales revenue of RMB11.04 billion; in Shanghai region, sales area and sales revenue amounted to 504,000 sq m and RMB6.17 billion respectively; in Beijing region, sales area and sales revenue amounted to 874,000 sq m and RMB8.51 billion respectively; and in Chengdu region, sales area and sales revenue amounted to 627,000 sq m and RMB5.36 billion respectively.

The Company adhered to its focus on small to medium sized ordinary commodity housing. Among the residential units sold in the first quarter, the percentage of homes below 144 sq m slightly rose to 90%.

During the reporting period, the Company realized a booked area and booked revenue of 754,000 sq m and RMB9.55 billion respectively, representing year-on-year increases of 83.3% and 31.5% respectively. Meanwhile, the Company realized operating revenue and net profit of RMB9.75 billion and RMB1.40 billion respectively, representing year-on-year increases of 29.3% and 15.8% respectively. However, owing to the type of products booked for the period and market adjustment, the booked gross profit margin of the Company's property business declined by 4.2 percentage points from 35.0% in the corresponding period of last year to 30.8%.

As at the end of the reporting period, the Company had an area of 13,040,000 sq m sold but not yet booked in the consolidated statements as construction had yet to be completed. This area had a contract amount of approximately RMB138.9 billion, representing an increase when compared with that at the beginning of the year.

As at the end of the period under review, the cash and cash equivalents held by the Company amounted to RMB39.05 billion, which was far more than the sum of short-term borrowings and long-term borrowings due within one year of RMB17.80 billion. The net gearing ratio was 23.0%, which was 0.8 percentage point less than that at the beginning of the year. The Company will persevere with its "cash is king" strategy to ensure safe and sound operation in future.

As at the end of the first quarter, the completed properties (properties ready for sale) amounted to RMB8.39 billion, accounting for 3.91% of the Company's inventory.

During the period under review, the Company was involved in one city redevelopment project. According to the current planning, the site area of the part available for development by China Vanke and the plot ratio GFA thereof was approximately 129,000 sq m and approximately 394,000 sq m. In the aspect of future project development, the Company will continue to monitor the land market for any possible opportunities. But on the whole, the Company will adopt a prudent approach – it would "rather forgo an opportunity than making a wrong acquisition".

## §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 2012 (RMB'000)	31 December 2011 (RMB'000)	Change (+/-)	Reasons for change
Trade and other receivables	42,935,534	40,071,647	7.15%	Increase in investment for the development of projects with associates and jointly controlled entities
Cash and cash equivalents	38,342,679	33,614,112	14.07%	Increase in cash used in operating activities and financing activities
Loans and borrowings (Current liabilities)	17,804,344	23,570,276	-24.46%	Change in debt structure

Items	January to March 2012 (RMB'000)	January to March 2011 (RMB'000)	Change (+/-)	Reasons for change
Revenue	9,752,549	7,541,373	29.32%	Increase in booked area
Cost of sales	6,046,667	4,070,990	48.53%	Increase in land and construction and installation cost
Distribution cost	(582,236)	(393,521)	47.96%	Increase in expenses for the marketing of new residential projects to be launched in subsequent periods
Profit for the year	1,530,547	1,189,965	28.62%	Increase in operating profit
Profit Attributable to Equity shareholders of the Company	1,395,937	1,205,139	15.83%	Increase in net profit during the period

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

Applicable Not applicable

##### 4.2.1 Non-standard opinions

Applicable Not applicable

##### 4.2.2 Provision of fund or guarantee which violates the prescribed procedures by the Company

##### to controlling shareholders or their associates

Applicable Not applicable

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

Applicable Not applicable

##### 4.2.4 Others

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
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: 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
BNP meeting	2012.1	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	(I) Major issues discussed: (1) The Company's daily operations; (2) The Company's development strategies; (3) The Company's opinion on the changes in the industry.  (II) Major information provided: Published information including the Company's regular reports.
Credit Suisse Securities meeting	2012.1	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
UBS meeting	2012.1	Shanghai	Face to face meeting	Investors including securities companies, funds, etc	
Deutsche Bank meeting	2012.1	Beijing	Face to face meeting	Investors including securities companies, funds, etc	
Religare meeting	2012.2	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
CITIC Securities meeting	2012.2	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc	
Goldman Sachs meeting	2012.2	Shenzhen	Face to face meeting	Investors including securities companies, funds, etc	
Annual results presentation	2012.3	Hong Kong, Shenzhen (Shanghai, Beijing)	Face to face meeting	Investors including securities companies, funds, individual investors, etc	
CLSA meeting	2012.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Credit Suisse Securities meeting	2012.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	
Goldman Sachs meeting	2012.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc	

BNP meeting	2012.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
Credit Suisse Securities meeting	2012.3	Hong Kong	Face to face meeting	Investors including securities companies, funds, etc
UBS meeting	2012.3	Shanghai	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, Foshan, Dongguan, Zhuhai, Zhongshan, Haikou, Fuzhou, Xiamen, Changsha, Shanghai, Nanjing, Hangzhou, Ningbo, Beijing, Tianjin, Shenyang, Dalian, Qingdao, Wuhan, Chengdu, Chongqing, Xi'an, Kunming, Guiyang, etc	Small group or one-on-one	Shenyin Wanguo, Guotai Junan, Daiwa Securities, Minsheng Securities, CLSA, CITIC Securities, Deutsche Bank, UBS, Goldman Sachs, Credit Suisse Securities, JP Morgan, CICC, Huatai United Securities, Standard Chartered Bank, China Securities, Goldman Sachs GaoHua, Guangfa Securities, Haitong Securities, Merrill Lynch Securities, Yuanta Securities, Changjiang Securities, Citi, Morgan Stanley, Orient Securities, Dongxing Securities, Galaxy Securities, Sinolink Securities, BOC International, Samsung Securities, Macquarie, BNP, Jefferies, Religare, UOB KayHian, Keefe, Bruyette & Woods Asia, Oliver Wyman, DBS Vickers (HK) Ltd etc

Funds, other investment companies and individual investors	During the reporting period	Shenzhen, Guangzhou, Foshan, Dongguan, Zhuhai, Zhongshan, Haikou, Fuzhou, Xiamen, Changsha, Shanghai, Nanjing, Hangzhou, Ningbo, Beijing, Shenyang, Dalian, Qingdao, Wuhan, Chengdu, Chongqing, Xi'an, Kunming, Guiyang, etc	Small group or one-on-one	Guangfa Fund, Orient Securities, Rongtong Fund, Goldman Sachs (Asia) Co., Ltd, Shenzhen Jinchao yang Enterprise Management Ltd (深圳金朝阳企业管理顾问有限公司), CICC Asset Management, China Universal Asset Management, Manulife Teda Fund, Fuanda Fund, Daiwa Asset Management, New China Life, Changsheng Fund, China Life, Bosera Fund, Harvest Fund, China AMC, Fortis Haitong Fund, Yinhua Fund, Dacheng Fund, Southern Fund, E Fund, Fullgoal Fund, Ethan Capital, Wells Capital Management, PNC Capital, Moon Capital, Dialectic Capital, Heitman LLC, Libra Capital Management, Kowloon Development Company Limited, Hwangdbs Investment Management, Discovery Capital Management LLC, Prince Street Capital Management, Matthews International Capital Management, GSI Fund (HK), JF Asset Management, FMR, Capital Group, Cheuvreux Credit Agricole, Boodell & Company, Marsico Capital, TT International, Trusted Sources, Barclays Capital, UBS GAM, F & C, Keywise, Lazard Asset Management, Baillie Gifford, Och-Ziff, Wellington Management, SAC Capital, CSPB, Havenport, Trivest, East Capital, Merchants Gate Capital, Capital, Norges Bank Investment Management, Broad Peak Investment Advisers, Putnam, EFMI Limited (HK, holowesko partners, Waddell & Reed, Algebris, Ashmore EMM, Deutsche Asset Mgmt, Zeal Asset Management, Allianz, Open Door, Pictet Asset Management, Fortress Investment Group, Maverick Capital Ltd, Hokan Zurich Insurance Company Ltd, Bank of Singapore Ltd, TIAA-CREF Investment Management Inc, Sparx, CQS (Hong Kong) Ltd, Samena Capital Hong Kong Limited, SCHRODERS, FIL Investment Management (Singapore), Cascabel Management, Soros etc	
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#### 4.5.4 Other major events and their explanations

√ Applicable  Not applicable

<p>(1) Corporate bonds of the Company During the reporting period, the Company had a good credit standing. There had not been any change in the Company's issued bonds, namely "08 Vanke G1" and "08 Vanke G2".</p> <p>(2) Establishment of internal control system In 2012, the Company continued to adopt a pragmatic internal control approach and attach great importance to actual business risks. The Company has set a specific theme of internal control for each month and promoted internal control in respect of a specialized field for each month. All the departments at the Company's headquarters formulate their annual internal control system establishment scheme, while frontline subsidiaries establish their risk management plan. To enhance the effectiveness of control and management, the Company will prepare a development plan for IT application system in respect of the key aspects of control and management. In the first quarter, the Company carried out special self-inspection and rectification work with respect to financial matters; all frontline subsidiaries conducted specialized internal control evaluation and inspection in accordance with the annual scheme and monthly theme; the Company launched its online file management system.</p>
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#### 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(10,353,617.67). The value of the IRS was determined based on the fair value assessed on 31 March 2012.
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	3,079,879.92	3,076,653.84	(10,353.62)	5.66%
<b>Total</b>	3,079,879.92	3,076,653.84	(10,353.62)	<b>5.66%</b>

# Consolidated income statement

## for the year ended 31 March 2012

*(Expressed in Renminbi Yuan)*

	<i>2012</i>	<i>2011</i>
	<i>Jan.–Mar.</i>	<i>Jan.–Mar.</i>
	RMB'000	RMB'000
Revenue	9,752,549	7,541,373
Cost of sales	(6,046,667)	(4,070,990)
<b>Gross profit</b>	3,705,882	3,470,383
Other revenue	159,335	117,098
Other net income	70,752	32,062
Distribution costs	(582,236)	(393,521)
Administrative expenses	(520,165)	(574,061)
Other operating expenses	(44,348)	(44,788)
<b>Profit from operations</b>	2,789,220	2,607,173
Finance costs	(278,663)	(251,868)
Share of profits less losses of associates	(14,728)	(6,564)
Share of profits less losses of jointly controlled entities	90,991	(11,240)
<b>Profit before taxation</b>	2,586,820	2,337,501
Income tax	(1,056,273)	(1,147,536)
<b>Profit for the year</b>	1,530,547	1,189,965
<b>Attributable to:</b>		
Equity shareholders of the Company	1,395,937	1,205,139
Non-controlling interests	134,610	(15,174)
<b>Profit for the year</b>	1,530,547	1,189,965
<b>Basic earnings per share (RMB)</b>	0.13	0.11

## Consolidated statement of comprehensive income for the year ended 31 March 2012

*(Expressed in Renminbi Yuan)*

	<i>2012</i>	<i>2011</i>
	<i>Jan.–Mar.</i>	<i>Jan.–Mar</i>
	RMB'000	RMB'000
<b>Profit for the year</b>	1,530,547	1,189,965
<b>Other comprehensive income (after tax and reclassification adjustments)</b>		
Exchange differences on translation of financial statements of overseas subsidiaries	(39,652)	40,280
Available-for-sale securities: net movement in the fair value reserve	-	-
	(39,652)	40,280
<b>Total comprehensive income for the year</b>	1,490,895	1,230,245
<b>Attributable to:</b>		
Equity shareholders of the Company	1,356,285	1,245,418
Non-controlling interests	134,610	(15,174)
<b>Total comprehensive income for the year</b>	1,490,895	1,230,244

## Consolidated statement of financial position

at 31 March 2012

(Expressed in Renminbi Yuan)

	<i>31 Mar 2012</i>	<i>31 Dec 2011</i>
	RMB'000	RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	2,905,674	2,777,889
Investment properties	1,185,599	1,126,105
Interest in associates	2,138,204	2,160,824
Interest in jointly controlled entities	4,341,936	4,183,142
Other financial assets	523,885	523,790
Other non-current asset	14,400	463,793
Deferred tax assets	2,635,757	2,326,242
	<u>13,745,455</u>	<u>13,561,785</u>
<b>Current assets</b>		
Inventories	215,002,576	208,661,350
Trade and other receivables	42,935,534	40,071,647
Pledged deposits	711,746	625,403
Cash and cash equivalents	38,342,679	33,614,112
	<u>296,992,535</u>	<u>282,972,512</u>
<b>Current liabilities</b>		
Loans and borrowings	17,804,344	23,570,276
Financial derivative	27,395	17,042
Trade and other payables	177,444,109	168,893,596
Current taxation	8,072,281	8,243,247
	<u>203,348,129</u>	<u>200,724,161</u>
<b>Net current assets</b>	<u>93,644,406</u>	<u>82,248,351</u>
<b>Total assets less current liabilities</b>	<u>107,389,861</u>	<u>95,810,136</u>

# Consolidated statement of financial position

at 31 March 2012(continued)

(Expressed in Renminbi Yuan)

	31 Mar 2012	31 Dec 2011
	RMB'000	RMB'000
<b><i>Non-current liabilities</i></b>		
Loans and borrowings	37,118,035	26,822,359
Deferred tax liabilities	1,083,585	1,104,762
Provisions	54,738	38,678
Other non-current liabilities	12,796	11,798
	<u>38,269,154</u>	<u>27,977,597</u>
<b>NET ASSETS</b>	<u>69,120,707</u>	<u>67,832,539</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	10,995,210	10,995,210
Reserves	<u>43,363,098</u>	<u>41,972,585</u>
<b>Total equity attributable to equity shareholders of the Company</b>	54,358,308	52,967,795
<b>Non-controlling interests</b>	<u>14,762,399</u>	<u>14,864,744</u>
<b>TOTAL EQUITY</b>	<u>69,120,707</u>	<u>67,832,539</u>

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## Consolidated cash flow statement

### for the three months ended 31 March 2012

*(Expressed in Renminbi Yuan)*

	2012	2011
	<i>Jan.–Mar.</i>	<i>Jan.–Mar</i>
	RMB'000	RMB'000
Cash received from sales of products	21,280,298	24,922,860
Other cash received from business operating activities	2,683,234	1,341,500
<b>Cash generated from operating activities</b>	<b>23,963,532</b>	<b>26,264,360</b>
Cash paid for purchasing of merchandise and services	13,456,878	20,459,979
Cash paid to employees or paid for employees	1,166,860	1,068,536
Tax paid for tax	5,013,645	4,682,669
Other cash paid for business operating activities	3,046,028	2,028,385
<b>Cash used in operating activities</b>	<b>22,683,411</b>	<b>28,239,569</b>
<b>Net cash used in operating activities</b>	<b>1,280,121</b>	<b>(1,975,209)</b>
Proceeds from sales of investments	4,000	-
Dividends received	8,550	-
Proceeds from disposal of property, plant and equipment	29	5
Proceeds from other investment activities	78,004	305,063
<b>Cash generated from investing activities</b>	<b>90,583</b>	<b>305,068</b>
Acquisitions of property, plant and equipment and construction in progress	39,048	67,885
Acquisitions of interest in associates, jointly controlled entities and other investments	71,450	230,842
Acquisitions of subsidiaries, net of cash acquired	149,580	64,998
Other cash paid relating to investing activities	-	42,569
<b>Cash used in investing activities</b>	<b>260,078</b>	<b>406,294</b>
<b>Net cash used in investing activities</b>	<b>(169,495)</b>	<b>(101,226)</b>

## Consolidated cash flow statement

### for the three months ended 31 March 2012

*(Expressed in Renminbi Yuan)*

	2012	2011
	<i>Jan.–Mar.</i>	<i>Jan.–Mar</i>
	RMB'000	RMB'000
Net proceeds from issue of shares upon placing	66,613	705,519
Proceeds from loans and borrowings	12,577,474	4,753,091
<b>Cash generated from financing activities</b>	12,644,087	5,458,610
Repayment of loans and borrowings	7,957,741	5,370,000
Dividend paid to equity shareholders of the Company and Interest paid	1,064,324	864,029
<b>Cash used in financing activities</b>	9,022,065	6,234,029
<b>Net cash generated from financing activities</b>	3,622,022	(775,419)
<b>Effect of foreign exchange rates</b>	(4,081)	(9,815)
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,728,567	(2,861,669)
<b>Cash and cash equivalents at 1 January</b>	33,614,112	35,096,935
<b>Cash and cash equivalents at 31 March</b>	38,342,679	32,235,266