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vanke 万科
CHINA VANKE CO., LTD.*
萬科企業股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2202)

2017 FIRST QUARTERLY REPORT

The board (the “**Board**”) of directors (“**Directors**”) of China Vanke Co., Ltd. (the “**Company**” or “**Vanke**”) is pleased to announce the unaudited quarterly report (the “**Quarterly Report**” or the “**Report**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 31 March 2017, which has been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). This announcement is made pursuant to the inside information provisions set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the requirements under Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

§1 IMPORTANT NOTICE

- 1.1** The Board, the supervisory committee and the directors, supervisors and senior management of the Company guarantee the correctness, accuracy and completeness of the contents of the Report, and that there is no false representation, misleading statement or material omission in the Report, and accept full legal responsibilities for the Report jointly and severally.
- 1.2** The Quarterly Report was approved at the 16th meeting of the 17th session of the Board of the Company. Director QIAO Shibo was not able to attend the Board meeting in person due to his business engagements and authorised Director WANG Wenjin to represent him and vote on his behalf at the Board meeting. Director SUN Jianyi was not able to attend the Board meeting in person due to his business engagements and authorised Director YU Liang to represent him and vote on his behalf at the Board meeting. Director WEI Bin and Chen Ying were not able to attend the Board meeting in person due to their business engagements and authorised independent non-executive Director LAW Elizabeth to represent them and vote on their behalf at the Board meeting.
- 1.3** The financial and accounting statements contained in the Quarterly Report of the Company have been prepared in accordance with the IFRSs and have not been audited.
- 1.4** Chairman Wang Shi, Director and President Yu Liang, and Executive Vice President, Chief Financial Officer and Supervisor of Finance Sun Jia declare that the financial statements contained in the Quarterly Report are warranted to be true, accurate and complete.
- 1.5** Unless otherwise indicated, Renminbi is the reporting currency in the Quarterly Report. The “**Reporting Period**” refers to January to March of 2017.
- 1.6** The Company prepared the Quarterly Report in both English and Chinese versions. In the event of any discrepancy in interpretation between the English version and Chinese version of the Quarterly Report, the Chinese version shall prevail.

§2 BASIC CORPORATE INFORMATION

2.1 Major accounting data and financial indicators

(Unit: RMB'000)

	As at 31 March 2017	As at 31 December 2016	Change
Total assets	886,921,369	830,849,421	6.75%
Net equity attributable to equity shareholders of the Company	113,971,376	113,444,766	0.46%
Share capital (<i>shares</i>)	11,039,152	11,039,152	0.00%
Total equity per share attributable to equity shareholders of the Company (<i>RMB</i>)	10.32	10.28	0.46%
	Jan. to Mar. 2017	Jan. to Mar. 2016	YOY change
Revenue	18,059,332	13,709,845	31.73%
Profit for the period attributable to equity shareholders of the Company	695,412	833,233	-16.54%
Net cash used in operating activities	(9,523,936)	(10,726,129)	11.21%
Net cash used in operating activities per share (<i>RMB</i>)	(0.86)	(0.97)	11.21%
Basic earnings per share (<i>RMB</i>)	0.063	0.075	-16.00%
Diluted earnings per share (<i>RMB</i>)	0.063	0.075	-16.00%
Return on equity	0.61%	0.83%	Decreased by 0.22 percentage point

Notes: 1. The equity and earning/return used in the above calculation refer to the net equity attributable to equity shareholders of the Company and the profit for the period attributable to equity shareholders of the Company respectively.

2. The above return on equity is calculated on a weighted average basis.

2.2 Total number of shareholders and shareholdings of the top 10 holders of non-restricted shares as at the end of Reporting Period

Total number of ordinary shareholders as at the end of the Reporting Period	326,711 (including 326,683 holders of A shares and 28 holders of H shares)	Total number of preference shareholders with restored voting rights at the end of the Reporting Period (if any)	0
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Shareholdings of the top 10 shareholders

Name of shareholder	Classification of shareholder	Percentage of shareholdings	Total number of shares held	Number of restricted shares held	Pledged or lock-up	
					Share status	Number of shares
Shenzhen Metro Group Co., Ltd. (“SZMC”)	State-owned legal person	15.31%	1,689,599,817	0	–	0
HKSCC NOMINEES LIMITED	Overseas legal person	11.91%	1,314,931,349	0	–	0
Shenzhen Jushenghua Co., Ltd. (“Jushenghua”)	Domestic non-state-owned legal person	8.39%	926,070,472	0	Pledged	916,670,462
Guangzhou Xinsheng Investment Co., Ltd. (“Guangzhou Xinsheng”)	Domestic non-state-owned legal person	4.77%	526,389,569	0	Pledged	526,389,569
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan	Others	4.14%	456,993,190	0	–	0
Foresea Life Insurance Co., Ltd. – Hai Li Nian Nian	Others	3.17%	349,776,441	0	–	0
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	Others	2.98%	329,352,920	0	–	0
Anbang Property & Casualty Insurance Co., Ltd. – Traditional Products	Others	2.34%	258,167,403	0	–	0
Anbang Life Insurance Co., Ltd. – Conservative Investment Portfolio	Others	2.21%	243,677,851	0	–	0
Western Leadbank FMC – China Construction Bank – Western Leadbank Jinyu No.1 Asset Management Plan	Others	2.04%	225,494,379	0	–	0

Shareholdings of the top 10 holders of non-restricted shares

Name of shareholder	Number of non-restricted shares held	Class of shares
SZMC	1,689,599,817	Ordinary RMB-denominated shares (A shares)
HKSCC NOMINEES LIMITED	1,314,931,349	Overseas listed foreign shares (H shares)
Jushenghua	926,070,472	Ordinary RMB-denominated shares (A shares)
Guangzhou Xinsheng	526,389,569	Ordinary RMB-denominated shares (A shares)
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan	456,993,190	Ordinary RMB-denominated shares (A shares)
Foresea Life Insurance Co., Ltd. – Hai Li Nian Nian	349,776,441	Ordinary RMB-denominated shares (A shares)
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	329,352,920	Ordinary RMB-denominated shares (A shares)
Anbang Property & Casualty Insurance Co., Ltd – Traditional Products	258,167,403	Ordinary RMB-denominated shares (A shares)
Anbang Life Insurance Co., Ltd. – Conservative Investment Portfolio	243,677,851	Ordinary RMB-denominated shares (A shares)
Western Leadbank FMC – China Construction Bank – Western Leadbank Jinyu No.1 Asset Management Plan	225,494,379	Ordinary RMB-denominated shares (A shares)

Remarks on the connected relationship or action in concert of the aforementioned shareholders

1. Jushenghua holds 51% equity interests in Foresea Life Insurance Co., Ltd., and is the trustee of “Western Leadbank FMC – China Construction Bank – Western Leadbank Jinyu No.1 Asset Management Plan” which will exercise the voting right attached to its equity interests in the Company in accordance to the instructions of Jushenghua pursuant to their agreement.
2. Anbang Property & Casualty Insurance Co., Ltd. and Anbang Life Insurance Co., Ltd. are both subsidiaries of Anbang Insurance Group Co., Ltd. “Anbang Property & Casualty Insurance Co., Ltd. – Traditional Products” and “Anbang Life Insurance Co., Ltd. – Conservative Investment Portfolio” have connected relationship.
3. Guangzhou Xinsheng irrevocably entrusted the voting right, proposing right and the right to attend general meetings (“**Specific Shareholders’ Rights**”) attached to its equity interests in the Company’s A shares to SZMC for a period of one year commencing from the effective date of the agreement signed on 16 March 2017 between them.
4. Save as aforesaid, it is not known to the Company as to whether there are connections or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the abovementioned shareholders.

Top 10 ordinary shareholders involved in margin trading business (if any)	Nil
Statements on the transaction of shares under agreements to repurchase of the top 10 holders of ordinary shares and top 10 holders of non-restricted ordinary shares in the Reporting Period (if any)	Nil

- Notes:*
1. The shares held by HKSCC NOMINEES LIMITED were the total number of H shares of the Company traded on the trading platform of HKSCC NOMINEES LIMITED.
 2. The recipients of the collective bonus of Vanke economic profits-bonus scheme hold Class C shares in “Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan” and Class C shares in “Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.2 Classified Collective Asset Management Plan” through Shenzhen Yingan Financial Consultant Company (Limited Partnership). The aforesaid asset management plans aggregately hold 495,934,792 A shares of the Company, representing 4.49% of the total share capital of the Company.

As of 31 March 2017, the total number of shares of the Company was 11,039,152,001, including 9,724,196,533 A shares and 1,314,955,468 H shares.

2.3 Number of preferred shareholders and shareholdings of top 10 preferred shareholders

Applicable Not Applicable

§3 MANAGEMENT DISCUSSION AND ANALYSIS

3.1 Real estate market in the first quarter

During the Reporting Period, the sales of commodity housing in China continued to grow. According to data released by the National Bureau of Statistics of China, sales area and sales amount of commodity housing in China in the first quarter amounted to 255 million sq.m. and RMB1.94 trillion, representing an increase of 16.9% and 20.2% as compared with that in the first quarter of 2016 respectively.

During the reporting period, there was a significant decline in the amount of transactions for new housing resulting from strengthened regulation on the property market in popular cities. In the 14 cities (including Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Wuhan, Dongguan, Foshan, Wuxi, Suzhou, collectively the “**14 Cities**”) which the Group had been focusing on an ongoing basis, the approved pre-sales area in commodity housing recorded a decrease of 37.9% as compared with that in the first quarter of 2016, while the area transacted for commodity housing recorded a decrease of 42.0% as compared with that in the first quarter of 2016. At the end of March, the inventory of new

housing available for sale (the area that had already obtained sales permit but not yet sold) in the 14 Cities further decreased to 85 million sq.m. from 93 million sq.m. at the end of 2016 as the saleable area of new housing exceeds that of supply.

Competition for land in major cities remained fierce. In the 14 Cities in the first quarter, supply of land and saleable area remained substantially the same as compared with that of the first quarter of 2016, while the transaction amount of land increased by 45.2% as compared with the first quarter of 2016, keeping auction price and average transaction amount of the land at a highest record level.

3.2 Business development of the Company during the reporting period

During the Reporting Period, the Group realized a sales area and sales amount of 9.882 million sq.m. and RMB150.27 billion in property business, representing an increase of 81.1% and 99.7% respectively. Of which, the Group recorded sales amount in the first quarter of 2017 of over RMB10 billion in 3 cities respectively, namely Shenzhen, Beijing and Tianjin.

During the reporting period, the Group realized a revenue of RMB18.06 billion, representing an increase of 31.7% as compared with that in the first quarter of 2016. Of which, the property development business's booked area and revenue were 1.43 million sq.m. and RMB15.57 billion respectively, representing an increases of 20.8% and 24.9% respectively from those of the same period of 2016.

As completion of construction and recognition of projects in the property development business are highly affected by the seasonal factor, the completed floor area and recognized revenue usually represent lower percentages of that for the year. During the reporting period, the Group realized a completed floor area of 1.243 million sq.m., representing 5.1% of the planned floor area for the year, which is in accordance with the seasonal fluctuation of the industry.

During the reporting period, the Group realized a net profit for the period attributable to equity shareholders of the Company of RMB695 million, representing a decrease of 16.5% as compared with that in the first quarter of 2016. The decrease in net profit was mainly due to the following reasons: (1) The Group's sales amount increased by 99.7% in the first quarter of 2017, while distribution costs increased by 38.8% as compared with those of the first quarter of 2016, however, the percentage of distribution costs to the total expenses for sales of the first quarter decreased by 0.3 percentage point as compared with that in the first quarter of 2016. (2) Due to the expansion of operation and management scale, the administrative expenses increased by 34.5%, however, the percentage of administrative expenses to the total expenses for sales of the first quarter decreased by 0.5 percentage point, as compared with those in the first quarter of 2016. (3) Due to an expansion in its financing scale, the Group's interest expenses and the finance costs in the first quarter of 2017 increased accordingly. (4) Profit for the period attributable to non-controlling interests to the profit of the first quarter increased to 37.3% resulting from the adding of a comparably large number of cooperation projects recognized in the first quarter.

The Group is of the view that the year-on-year decline in the profit for the first quarter of 2017 was not very meaningful to its annual results. The Group expects the net profit for 2017 to maintain a growth as compared with that of 2016.

Regional sales

Region	Sales area (sq.m.)	Year-on-year percentage change	Sales amount (RMB billion)	Year-on-year percentage change
Guangshen Region	1,944,835	53.7%	43.47	122.4%
Shanghai Region	2,525,953	51.3%	44.29	50.2%
Beijing Region	2,731,761	114.7%	37.98	153.4%
Central and Western Region	2,674,425	114.7%	24.06	124.2%
Overseas regions	4,969	15.0%	0.47	-2.7%
Total	9,881,943	81.1%	150.27	99.7%

As at the end of the first quarter, the Group had an area of 27.193 million sq.m. sold but not yet booked, as construction had yet to be completed. These unbooked resources had a total contract amount of approximately RMB334.94 billion, representing an increase of 19.3% and 20.4%, respectively, as compared with those at the beginning of the year.

The Group maintained prudent measures in making investments and constantly explore a diversified land acquisition model. In the first quarter of 2017, the Group has obtained 42 new projects (61.9% of which were acquired through cooperation) with a planned gross floor area (“GFA”) amounted to approximately 7.644 million sq.m. and a planned GFA attributable to the Company’s equity holding amounted to approximately 4.703 million sq.m.

In the first quarter of 2017, the Group recorded a floor area of new construction started of 9.177 million sq.m., representing an increase of 29.4% as compared to the same period of last year and accounting for 31.4% of the new construction plan of the whole year (that of the first quarter of 2016 was 32.2%).

As at the end of the first quarter, the cash and cash equivalents held by the Group reached RMB90.97 billion (including restricted funds), which is substantially higher than the sum of interest-bearing liabilities due within one year of RMB48.34 billion. The net gearing ratio of the Group was 31.5%, remaining at the industry’s low level. During the Reporting Period, Moody’s, an international rating institution, lifted the Company’s rating to “stable” and maintained “Baa1” rating for the Group’s credit rating.

In January 2017, SZMC acquired 15.31% of the total share capital of the Company by way of transfer agreement, and became a cornerstone shareholder of the Company. In March, SZMC obtained Specific Shareholders’ Rights attached to 1,553,210,974 A shares held by subsidiaries of China Evergrande Group and became the shareholder with the highest proportion of voting rights of the Company. Being the cornerstone shareholder of the Company, SZMC has declared its support on the mixed ownership structure, business partnership mechanism and the urban ancillary services provider strategy of the Company, and its support on the Company’s stable and healthy development. The Group and SZMC will fully leverage their own advantages in the future in joint efforts to implement the “Railway +Property” development strategy and fully enhance the ability in providing urban ancillary services for economic development in urban areas.

§4 SIGNIFICANT EVENTS

4.1 Significant changes and reasons for such changes in major items of the accounting statements and financial indicators

Item	31 Mar. 2017	31 Dec. 2016	Change (+/-)	Remarks
Other current assets	3,640,000	8,670,500	-58.02%	redemption of matured wealth management products

Item	Jan. – Mar. 2017	Jan. – Mar. 2016	Change (+/-)	Remarks
Revenue	18,059,332	13,709,845	31.73%	increase of recognized area
Cost of sales	13,077,438	9,970,455	31.16%	increase of recognized area
Distribution costs	1,008,335	726,596	38.78%	expansion of scale of operation
Administrative expenses	1,602,589	1,191,649	34.48%	expansion of scale of operation
Finance costs	714,508	521,003	37.14%	interest expense increased

4.2 Update on significant events and analysis of their effects and solutions

On 12 January 2017, China Resources Co., Limited (“**CRC**”) and its wholly-owned subsidiary China Resources Trade Co., Ltd. (“**China Resources Trade**”) entered into an *Agreement regarding Transfer of Shares in China Vanke Co., Ltd.* (the “**Agreement**”) with SZMC. Under the Agreement, CRC and China Resources Trade would transfer a total of 1,689,599,817 A shares in the Company to SZMC by way of agreement. On 24 January 2017, the share transfer registration formalities for the transfer of the aforementioned shares were completed. For details, please refer to the information disclosed by the Company on the network of The Stock Exchange of Hong Kong Limited on 12 January, 13 January, 20 January and 24 January 2017.

On 16 March 2017, SZMC entered into *Strategic Cooperation Framework Agreement* (the “**Framework Agreement**”) with China Evergrande Group and a proxy agreement with the subsidiaries of China Evergrande Group on the same day, pursuant to which China Evergrande Group’s subsidiaries agreed to irrevocably entrust to SZMC the Specific Shareholder Rights attached to the 1,553,210,974 A shares in Vanke held by them, within one year from the effective date of the Framework Agreement (the “**Valid Period**”), and SZMC will exercise the above Specific Shareholder Rights at its own discretion. Within one year from the date of the aforesaid agreement, SZMC can exercise a total of 29.38% of the voting rights, proposing rights and rights to attend general meetings of the Company. Currently, SZMC has the highest proportion of voting rights of the Company among shareholders. For details, please refer to the Company’s disclosure on the network of The Stock Exchange of Hong Kong Limited on 17 March 2017.

On 17 March 2017, all the directors of the Group agreed unanimously on the resolution in relation to the consolidation of the Group's commercial property assets and decided to transfer part of or all of the interests in 42 commercial property projects owned by the Group to the commercial property investment fund set up by the Group among others, and give priority to SCPG Holdings Co., Limited and its subsidiaries for the operation and management of other commercial property projects of the Group under the same market conditions. For details, please refer to the Company's disclosure on the network of The Stock Exchange of Hong Kong Limited on 17 March 2017.

4.3 Overdue undertakings of the Company's de facto controller, shareholders, connected parties, purchasers and the Company during the Reporting Period

Applicable Not applicable

During the Reporting Period, there were no overdue undertakings of the Company's de facto controller, shareholders, connected parties, purchasers and the Company.

4.4 Estimates on the operating results of the first half of 2017

Warnings on any potential loss in accumulated net profits from the beginning of the year to the end of the next reporting period or any material change as compared with that in the same period of last year and the reasons

Applicable Not applicable

4.5 Investment of securities

Applicable Not applicable

4.6 Meetings with researchers, communications activities and visits during the Reporting Period

Type of Meeting	Date	Location	Approach	Type of Investors	Topics Discussed and Information Provided
Deutsche Bank meeting	2017.1	Beijing	Face to Face	Investors including securities companies, funds, etc.	1. Major issues discussed;
Zhongtai Securities meeting	2017.2	Hangzhou	Face to Face	Investors including securities companies, funds, etc.	1) The Group's daily operations;
Ping An Securities meeting	2017.2	Shenzhen	Face to Face	Investors including securities companies, funds, etc.	2) The Group's development strategies;

Type of Meeting	Date	Location	Approach	Type of Investors	Topics Discussed and Information Provided
Annual results presentation	2017.3	Shenzhen (Shanghai, Beijing), Hong Kong	Face to Face	Investors including securities companies, funds, individual investors, etc.	3) The Group's opinion on the changes in the industry.
Morgan Stanley meeting	2017.3	Hong Kong	Face to Face	Investors including securities companies, funds, etc.	2. Major information provided:
Citi meeting	2017.3	Hong Kong	Face to Face	Investors including securities companies, funds, etc.	Published information including the Company's regular reports.
Credit Suisse Securities meeting	2017.3	Hong Kong	Face to Face	Investors including securities companies, funds, etc.	

Note: The above-mentioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.

Securities companies	During the Reporting Period	Shenzhen, Dongguan, Guangzhou, Zhuhai, Fuzhou, Changsha, Shanghai, Hangzhou, Nanjing, Suzhou, Yangzhou, Nantong, Ningbo, Wenzhou, Hefei, Wuhu, Beijing, Shenyang, Tangshan, Qingdao, Chengdu, Wuhan, Kunming, Zhengzhou, etc.	Small group or one-on-one	Morgan Stanley, Industrial Securities, UBS Securities, Dongxing Securities, Deutsche Bank, China Securities, Mitsubishi UFJ Securities, Guotai Junan Securities, Citigroup, GF Securities, Changjiang Securities, Merrill Lynch, CICC, Huachuang Securities, Essence Securities, Nomura Securities, DBS Vickers, Credit Suisse, Ping An Securities, Orient Securities, Macquarie, Goldman Sachs, TF Securities, BNP, etc.
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Type of Meeting	Date	Location	Approach	Type of Investors	Topics Discussed and Information Provided
Funds and other investment companies and individual investors	During the Reporting Period	Shenzhen, Dongguan, Guangzhou, Zhuhai, Fuzhou, Changsha, Nanjing, Suzhou, Yangzhou, Nantong, Ningbo, Wenzhou, Hefei, Wuhu, Beijing, Shenyang, Tangshan, Qingdao, Chengdu, Wuhan, Kunming, Zhengzhou, etc.	Small group or one-on-one	CITIC Asset Management, Nomura Asset Management, Bank of Communications Schroder Fund Management, E Fund Management, Harvest Fund, Huaxia Fund, China Life Insurance Co., Ltd, HFT Fund, Zhongou Fund, Huatai Financial Holdings, Taikang Asset, Pictet, Blackrock, PV Capital, Keywise Capital, HSBC Global Asset Management, Value Partner, Allianz Global, Fidelity, CIC, Aberdeen, Orient Finance, BFAM, Torq Capital, BOCHK, Income Partners, JP Morgan Asset Management (Hong Kong) Ltd, Manulife Asset Management (Asia), Pine River Capital Management (HK) Ltd, Sunrise HK, Gavekal Capital Ltd, Hang Seng Bank Hong Kong, Seafarer Capital, GMO, FMR, BALYASNY AM, Wellington Management Co LLP, Point 72 Asset Management, T Rowe Price International, Pointstate, Deutsche Asset & Wealth Management, Willett Advisors, etc.	

4.7 Illegal external guarantees

The Group had no illegal external guarantees during the Reporting Period.

4.8 Non-operating capital of the Group attributable to controlling shareholders and their related parties

During the Reporting Period, the Group had no non-operating capital attributable to controlling shareholders and their related parties.

§5 APPENDIX – FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE IFRSs

5.1 The financial statements prepared in accordance with the IFRSs are set out in Appendix I to this announcement

By order of the Board
China Vanke Co., Ltd.*
Wang Shi
Chairman

Shenzhen, the PRC, 27 April 2017

As at the date of this announcement, the Board of the Company comprises: Mr. WANG Shi, Mr. YU Liang and Mr. WANG Wenjin as executive directors; Mr. QIAO Shibo, Mr. SUN Jianyi, Mr. WEI Bin and Mr. CHEN Ying as non-executive directors; and Mr. ZHANG Liping, Mr. HUA Sheng, Ms. LAW Elizabeth and Mr. HAI Wen as independent non-executive directors.

* *for identification purpose only*

Appendix I

The unaudited consolidated results of the Group for the three months ended 31 March 2017 and the comparative figures for the corresponding period in 2016 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2017

	2017 Jan-Mar <i>RMB'000</i> (Unaudited)	2016 Jan-Mar <i>RMB'000</i> (Unaudited)
Revenue	18,059,332	13,709,845
Cost of sales	<u>(13,077,438)</u>	<u>(9,970,455)</u>
Gross profit	4,981,894	3,739,390
Other net income	463,138	683,261
Distribution costs	(1,008,335)	(726,596)
Administrative expenses	(1,602,589)	(1,191,649)
Other operating expenses	<u>(70,457)</u>	<u>(20,824)</u>
Profit from operations	2,763,651	2,483,582
Finance costs	(714,508)	(521,003)
Share of profits less losses of associates	(212,958)	158,155
Share of profits less losses of joint ventures	<u>454,140</u>	<u>(72,347)</u>
Profit before taxation	2,290,325	2,048,387
Income tax	<u>(1,181,154)</u>	<u>(798,563)</u>
Profit for the period	<u>1,109,171</u>	<u>1,249,824</u>
Attributable to:		
Equity shareholders of the Company	695,412	833,233
Non-controlling interests	<u>413,759</u>	<u>416,591</u>
Profit for the period	<u>1,109,171</u>	<u>1,249,824</u>
Basic earnings per share (RMB)	<u>0.063</u>	<u>0.075</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2017

	2017 Jan-Mar <i>RMB'000</i> (Unaudited)	2016 Jan-Mar <i>RMB'000</i> (Unaudited)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	55,414	(94,455)
Cash flow hedge: net movement in the hedging reserve	(210,413)	10,530
Available-for-sale securities: net movement in the fair value reserve	(102,552)	20,316
Other comprehensive income for the period	(257,551)	(63,609)
Total comprehensive income for the period	851,620	1,186,215
Attributable to:		
Equity shareholders of the Company	438,025	767,202
Non-controlling interests	413,595	419,013
Total comprehensive income for the period	851,620	1,186,215

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

31 March 2017 31 December 2016
RMB'000 RMB'000
(Unaudited) (Audited)

Non-current assets

Property, plant and equipment	9,011,570	9,105,632
Investment properties	12,032,521	12,096,846
Intangible assets	888,723	892,754
Interest in associates	30,542,358	29,777,377
Interest in joint ventures	33,278,833	31,924,611
Other financial assets	1,103,524	1,328,014
Other non-current assets	18,687,635	17,055,019
Deferred tax assets	7,965,456	7,198,533

113,510,620 109,378,786

Current assets

Inventories	490,476,104	466,225,274
Trade and other receivables	188,325,502	159,542,743
Other current assets	3,640,000	8,670,500
Pledged and restricted deposits	7,349,613	7,542,103
Cash and cash equivalents	83,619,530	79,490,015

773,410,749 721,470,635

Current liabilities

Bank loans and borrowings from financial institutions	40,431,285	40,881,705
Bonds payable	7,910,871	2,468,181
Trade and other payables	564,639,218	519,643,307
Current taxation	14,652,631	17,005,293

627,634,005 579,998,486

Net current assets

145,776,744 141,472,149

Total assets less current liabilities

259,287,364 250,850,935

	31 March 2017	31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)

Non-current liabilities

Bank loans and borrowings from financial institutions	70,239,659	56,406,061
Bonds payable	23,438,079	29,108,376
Deferred tax liabilities	694,341	679,255
Provisions	112,170	118,672
Other non-current liabilities	2,817,099	2,862,000

97,301,348

89,174,364

NET ASSETS

161,986,016

161,676,571

CAPITAL AND RESERVES

Share capital	11,039,152	11,039,152
Reserves	102,932,224	102,405,614

Total equity attributable to equity shareholders of the Company

113,971,376

113,444,766

Non-controlling interests

48,014,640

48,231,805

TOTAL EQUITY

161,986,016

161,676,571

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2017

	2017 Jan-Mar <i>RMB'000</i> (Unaudited)	2016 Jan-Mar <i>RMB'000</i> (Unaudited)
Operating activities		
Cash used in operations	(2,996,992)	(1,992,758)
Tax paid	(6,526,944)	(8,733,371)
Net cash used in Operating activities	(9,523,936)	(10,726,129)
Investing activities		
Acquisitions of property, plant and equipment and investment properties	(380,528)	(107,573)
Other cash flows arising from investing activities	3,202,943	1,950,807
Net cash generated from investing activities	2,822,415	1,843,234
Financing activities		
Dividends and interest paid	(2,060,564)	(2,330,867)
Other cash flows arising from financing activities	13,012,561	9,539,012
Net cash generated from financing activities	10,951,997	7,208,145
Effect of foreign exchange rate changes	(120,961)	(22,789)
Net increase/(decrease) in cash and cash equivalents	4,129,515	(1,697,539)
Cash and cash equivalents at 1 January	79,490,015	51,747,798
Cash and cash equivalents at 31 March	83,619,530	50,050,259