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)

LISTING OF THE OVERSEAS LISTED FOREIGN SHARES BY WAY OF INTRODUCTION ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Sole Sponsor

中信証券國際
CITIC Securities International

PRC Financial Adviser

中信证券
CITIC SECURITIES

Hong Kong Financial Advisers

中信証券國際
CITIC Securities International

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

* For identification purpose only

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this listing document, you should obtain professional advice.

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This listing document is published in connection with the listing by way of introduction on the main board of The Stock Exchange of Hong Kong Limited of the overseas listed foreign shares of the Company (the "**H Shares**"), which will, due to the change of listing venue, be converted from the domestically listed foreign shares of the Company (the "**B Shares**") listed on the Shenzhen Stock Exchange. The Company's domestic shares denominated in Renminbi (the "**A Shares**") currently in issue are listed on the Shenzhen Stock Exchange. This listing document contains particulars given in compliance with the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information with regard to the Company and its subsidiaries.

This listing document does not constitute an offer of, nor is it calculated to invite offers for, the Shares or other securities of the Company, nor have any such Shares or other securities been allotted with a view to any of them being offered for sale to or subscription by members of the public. No Shares in the share capital of the Company will be allotted and issued in connection with, or pursuant to, the publication of this listing document.

Your attention is drawn to the section headed "Risk Factors" in this listing document. The Company is incorporated, and its main business is located, in the People's Republic of China (the "**PRC**"). Potential investors in the Company should be aware of the differences in the legal, economic and financial systems between the mainland of the PRC and Hong Kong and that there are different risk factors relating to investments in PRC-incorporated businesses. Potential investors should also aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the Shares of the Company. Such differences and risk factors are set out in the section headed "Risk Factors" on page 24 of this listing document.

Information regarding the proposed arrangements for the listing of, and dealings and settlement of dealings in, the H Shares following completion of the Listing is set out in the section headed "Listings, Registration, Dealings and Settlement" of this listing document.

* *For identification purpose only*

23 June 2014

Last trading day of B Shares	3 June 2014
Suspension of trading in B Shares	4 June 2014
Removal of B Shares from the system of SD&C	19 June 2014
Announcement of (i) the closing price of A Shares from the date of removal of B Shares from SD&C to 23 June 2014 and the closing price of B Shares on 3 June 2014, being the last trading day of B Shares, and (ii) the price per B Share payable by the Cash Option Providers to B Shareholders pursuant to the Cash Option on the websites of the Hong Kong Stock Exchange and the Company	23 June 2014
Dispatch of H Share certificates	23 June 2014
Announcement of (i) obtaining the final listing approval from the Hong Kong Stock Exchange, (ii) the closing price of A Shares on 24 June 2014 and the closing price of B Shares on 3 June 2014, being the last trading day of B Shares, and (iii) the price per B Share payable by the Cash Option Providers to B Shareholders pursuant to the Cash Option on the websites of the Hong Kong Stock Exchange and the Company	24 June 2014
Listing of H Shares on the Hong Kong Stock Exchange	25 June 2014

Notes:

(1) All times and dates refer to Hong Kong local times and dates, except as otherwise stated. Details of the Listing, including its conditions, are set out in the section headed "Information about this Listing Document and the Listing" in this listing document.

(2) The H Share certificates are expected to be dispatched on 23 June 2014. The H Share certificates will only become valid if the Listing becomes unconditional. In the event of the Listing does not become unconditional, dealings in the H Shares will not commence on 25 June 2014. In such event, we will make an announcement of the above and, if necessary, of a revised timetable. Investors who trade in the H Shares prior to the receipt of the H Share certificates do so entirely at their own risk.

IMPORTANT NOTICE TO INVESTORS

We have not authorised anyone to provide you with information or representation that is different from what is contained in this listing document in respect of the Listing. Any such information or representation must not be relied on by you as having been authorised by us, the Sole Sponsor, any of our or their respective directors, officers or representatives or any other person involved in the Listing.

CONTENTS

This summary aims to give you an overview of the information contained in this listing document. Since it is a summary, it does not contain all the information that may be important to you. You should read the listing document in its entirety before you make any investment decision.

OVERVIEW OF OUR BUSINESS

We are a leading residential property developer in China, primarily focused on the development, sales and management of quality residential properties. We were ranked No. 1 in China in 2011, 2012 and 2013 in terms of contracted sales, according to China Real Estate Appraisal Centre (中國房地產測評中心) and China Real Estate Information Corporation (中國房產信息集團).

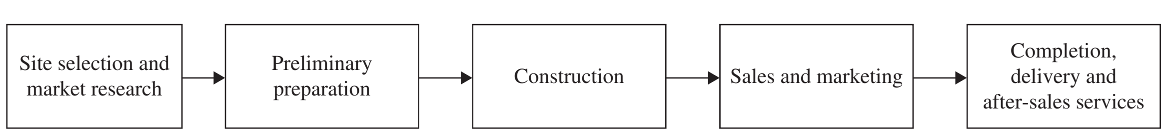
With more than 25 years of experience in the property industry, we specialise in property development, sales and management with a focus on developing high quality residential properties with small- to medium-sized units targeted at the mass market. Our property development projects cover 65 major cities across China in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region, and three overseas markets. Properties developed by us include low-rise residential units, multi-storey residential units, high-rise residential units, commercial units and mixed-use properties. For the year ended 31 December 2013, furbished units accounted for approximately 90% of the total units we delivered. Our revenue from sales of properties constitutes substantially all of our revenue. For the years ended 31 December 2011, 2012 and 2013, our revenue from sales of properties amounted to RMB65,313.2 million, RMB94,001.0 million and RMB123,545.8 million, respectively, accounting for approximately 96.5%, 97.1% and 96.9% of our total revenue, respectively.

We are committed to, and have a long history of, providing quality products and services to our customers. Over the past decades, we have received numerous awards and recognitions from authoritative industry associations and media for our achievements. We have established a strong market position in many major cities in the PRC. We are also a market leader in promoting housing industrialisation and green technology on property development in China.

We place great emphasis on property management as part of our after-sales services, and we believe that these services enhance the value of the properties we have developed and our brand image. As of 31 March 2014, we were providing property management services to 419 property projects located in 58 cities in China. Further, to create a more comfortable and convenient living environment for our customers, we provide ancillary services such as "Fortune Depot" (幸福驛站), community food court and self-storage facilities.

PROPERTY DEVELOPMENT PROCESS

Our headquarters, regional offices, local offices and project companies work closely in developing our projects. Our headquarters and regional offices are responsible for making strategic decisions in relation to the development of our projects while our local offices and project companies oversee the day-to-day operations of our projects. We have established various procedures and policies to manage our property development process. The illustration below outlines the core elements of our typical project development process.



We normally spend three to six months on site selection, market research and land acquisition, and fewer than nine months on project planning, design and financing. The period from the commencement of construction to the pre-sales of the first phase of our projects is typically around six months. It then normally takes around 19 months from pre-sales of the first phase of our developed properties and marketing to delivery of the properties in the first phase. Please refer to the section headed "Business — Property Development Process" on page 168 of this listing document for further details.

SUPPLIERS AND CUSTOMERS

We outsource all of the construction work of our projects under development, through tender processes, to external professional construction companies, which are all Independent Third Parties. We maintain a stable relationship with more than 50 construction companies, a majority of which have been working with us for more than five years. We are responsible for purchasing specific construction materials such as elevators, pipes, coatings, flooring, kitchen appliances and sanitary wares while general and basic construction materials such as steel and concrete mix are generally procured by our construction contractors. We have established a centralised procurement process aimed at giving us economies of scale and enhancing our bargaining power. We have built stable strategic cooperation relationships with reputable suppliers in the PRC.

We engage sales agents through tender process to promote the sale of our properties according to the prices set out by us. During the Track Record Period, more than 80% of our properties were sold through our sales agents. We abide by our principle of "building quality houses for ordinary people". Majority of our property products are small- to medium-sized residential units with GFA of not more than 144 sq.m. Most of our customers are individuals and such products mainly target the mass market and first-time home purchasers. We also enter into construction contracts for indemnificatory apartments with local governments.

COMPETITIVE STRENGTHS

We believe that our success and our ability to capitalise on future growth opportunities are attributable to the following key competitive strengths:

- A leading residential property developer and property management services provider in the PRC with superior brand recognition
- Diversified product lines and nationwide presence to reduce operational risks
- Prudent investment, financial control and management to sustain profitability
- Diversified financing channels to optimise capital structure and liquidity
- High quality products and services to achieve customer satisfaction and a market leader in green construction
- Strong corporate governance with an experienced and well recognised core management team

STRATEGIES AND FUTURE PLANS

Guided by our philosophy of "Follow the Right Principles, Pursue Meticulous Management" (大道當然，精細致遠), we intend to seek sustainable growth and further strengthen our leading position in the PRC property industry by pursuing the following principal strategies:

- Further strengthen our national leadership with global reach
- Adhere to a flexible operating strategy and maintain rapid project turnovers

- Continue to focus on the mass market and providing quality products and services to customers

- Continue to promote housing industrialisation and green construction, and to perform our corporate social responsibilities

RISK FACTORS

There are risks associated with any investment. Some of the particular risks in investing in our H Shares are set out in the section headed "Risk Factors" on page 24 of this listing document. You should read the entire section carefully together with all of the information set out in this listing document, prior to making any investment decision.

In particular, we are susceptible to changes in policies related to the PRC property industry. The PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures. During the Track Record Period and up to the Latest Practicable Date, the PRC government had implemented a series of regulations and policies to slow down the property market and inflation of property prices, dampen property speculation and encourage self-use demand. The policies taken by national or local government may limit our ability to sell our properties at a profit, generate sufficient operating cash flows from contracted sales, obtain finance, acquire land for future developments, impose additional requirements for pre-sales or use proceeds raised by pre-sales properties other than the purpose of the respective project.

On 20 February 2013, the State Council announced that it would implement a series of policies to limit property speculation. Such policies include setting pricing targets for newly developed properties, requiring provincial governments to impose purchase limits and credit restrictions, expanding the scope of property tax pilots, increasing the supply of land and residential units and tightening market regulations. On 1 March 2013, the General Office of the State Council further announced the Notice on Further Regulation on Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》). This notice further clarified the requirements of the State Council. Please refer to the section headed "Business — Austerity Measures on the Property Market by the PRC Government" on page 205 of this listing document for further details. We believe that the policies and measures help to restrain speculative investment and establish a more stabilised property market in China. However, we may face the risks that the average selling price and the demand for properties may experience fluctuations as a result of such policies.

Our business and prospects are heavily dependent on the performance of the PRC property markets, particularly in various major cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region. These property markets may be affected by local, regional, national and global factors, including economic and financial condition, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property purchasers, inflation, government policies, interest rates and availability of capital. These may have a material adverse impact on our cash flows, financial condition and results of operations.

In addition, investors are advised that the appraised value of our properties may differ from their actual realisable value and are subject to change. If the actual realisable value of our properties is substantially lower than the appraised value of our properties, there may be a material adverse effect on our business, results of operation and financial condition. Please refer to the section headed "Risk Factors — Risks Relating to Our Businesses and Industry — The appraised value of our properties may be different from their actual realisable value and are subject to change, and if the actual realisable value of our properties is substantially lower than their appraised value, there may be a material adverse effect on our business, results of operation and financial condition" on page 33 of this listing document for further details.

OUR PROPERTY PROJECTS

As of 31 March 2014, we had 406 property projects in 65 cities across China in various stages of development (including projects we develop through associates and joint ventures), of which 120 were located in the Guangshen Region, 92 in the Shanghai Region, 121 in the Beijing Region and 73 in the Chengdu Region, including GFA of 1,859,809 sq.m. of completed projects (excluding sold and recognised GFA) (with GFA of 1,484,904 sq.m. of property interests attributable to our Company), 41,118,550 sq.m. of projects under development (with GFA of 28,995,506 sq.m. of property interests attributable to our Company) and 59,726,992 sq.m. of projects held for future development (with GFA of 42,688,355 sq.m. of property interests attributable to our Company). As of 31 March 2014, our development properties with carrying amounts representing 0.5% or more of our total assets included the following:

Guangshen Region: Liuxiandong Project, Shenzhen (深圳留仙洞項目), Shuijing Project, Buji, Shenzhen (深圳布吉水徑項目), Park Avenue, Shenzhen (深圳公園里), Watercity, Dongguan (東莞雙城水岸), Dream Town, Humen, Dongguan (東莞虎門萬科城), Donghui Town, Guangzhou (廣州東薈城), Xinguang City Garden, Guangzhou (廣州新光城市花園), Land Lot B23024 Finance District C, Foshan (佛山金融C區B23–24地塊), Vanke Plaza, Foshan (佛山萬科廣場) and Lakeside Holiday Park, Sanya (三亞湖畔度假公園)

Shanghai Region Feicui Binjiang Project, Shanghai (上海翡翠濱江), Project No.11, Hongqiao, Shanghai (上海虹橋11號項目), Dream Town, Shanghai (上海萬科城), Nanzhan Business District Land Lot, Shanghai (上海南站商務區地塊), Xincheng Road, Wuxi (無錫信成道), Liangzhu Cultural Village, Hangzhou (杭州良渚文化村), Yunluwan, Ningbo (寧波雲鷺灣), Longwan Golden, Wenzhou (溫州龍灣花園) and Forest Park, Hefei (合肥森林公園)

Beijing Region King Metropolis, Beijing (北京金域華府), Spring Dew Mansion, Beijing (北京朗潤園) and Chunheli, Shenyang (瀋陽春河里)

Chengdu Region Yuefu Music Plaza, Chengdu (成都金色樂府音樂廣場), Dream Town, Chongqing (重慶萬科城), Joying Gold, Chongqing (重慶金色悦城) and A Glamorous City, Kunming (昆明魅力之城)

For further details of the above projects, please refer to the section headed "Business — Our Property Projects" on page 142 of this listing document.

The following table sets out a summary of our contracted sales, contracted GFA and contracted ASP by region for the years indicated.

	For The Year Ended 31 December								
	2011			2012			2013		
Regions	Contracted Sales	Contracted GFA	Contracted ASP	Contracted Sales	Contracted GFA	Contracted ASP	Contracted Sales	Contracted GFA	Contracted ASP
	(RMB million)	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB million)*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB million)*	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	36,747	3,077,834	11,939	46,816	4,128,149	11,341	52,385	4,298,851	12,186
Shanghai Region	26,277	1,848,388	14,216	32,968	2,556,891	12,894	46,046	3,396,877	13,555
Beijing Region	36,514	3,403,377	10,729	36,990	3,460,377	10,690	45,401	4,054,334	11,198
Chengdu Region	22,002	2,423,081	9,080	24,453	2,810,868	8,699	27,104	3,148,839	8,608
Total	**121,540**	**10,752,680**	**11,303**	**141,227**	**12,956,285**	**10,900**	**170,936**	**14,898,901**	**11,473**

The table below sets out the geographic breakdown of our revenue from sales of properties, recognised GFA and recognised ASP for the years indicated.

	For The Year Ended 31 December											
	2011				2012				2013			
	Revenue		Recognised GFA	Recognised ASP	Revenue		Recognised GFA	Recognised ASP	Revenue		Recognised GFA	Recognised ASP
	(RMB'000)	*%*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB'000)*	*%*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB'000)*	*%*	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	23,413,680	35.84	1,775,145	13,190	26,728,777	28.43	2,398,703	11,143	41,618,398	33.68	3,963,547	10,500
Shanghai Region	18,552,881	28.41	1,391,878	13,329	19,428,139	20.67	1,426,061	13,624	25,188,490	20.39	1,942,960	12,964
Beijing Region	15,995,163	24.49	1,551,015	10,313	31,419,980	33.43	3,119,394	10,072	32,035,545	25.93	3,457,700	9,265
Chengdu Region	7,351,480	11.26	906,221	8,112	16,424,083	17.47	2,048,799	8,016	24,703,402	20.00	2,945,738	8,386
Total	**65,313,204**	**100.00**	**5,624,259**	**11,613**	**94,000,979**	**100.00**	**8,992,957**	**10,453**	**123,545,835**	**100.00**	**12,309,945**	**10,036**

The decrease of our recognised ASP in 2012 was primarily attributable to (i) the decrease in the proportion of projects which satisfied the requirements for delivery in first-tier cities, which generally had higher recognised ASP, as a result of our expansion into second- and third-tier cities in 2011 and 2012; and (ii) the downturn in the PRC property market in 2011, which affected the prices of our properties that were sold in late 2011 and satisfied the requirements for delivery in 2012. There was a slight decrease in our recognised ASP in 2013 as a majority the properties that satisfied the requirements for delivery in 2013 were pre-sold in 2011 and 2012 when the market experienced price decreases following the downturn in the PRC property market in 2011.

To gain experience in property development in overseas countries with mature property markets, in part by drawing upon the experience of overseas counterparts, we began to develop properties in overseas markets in 2013. In cooperation with well-known local developers, we currently have projects in Hong Kong, the United States and Singapore.

For details of the full list of our properties which were valued by our Property Valuer as of 31 March 2014, please refer to the table on page 130 under the section headed "Business — PRC Property portfolio summary" in this listing document. In valuing our property interests, our Property Valuer adopted (i) the direct comparison approach with respect to our property interests in Group I which are held by the Group for sale, property interests in Group III which are held by the Group for future development, and property interests in Group IV which are contracted to be acquired by the Group; (ii) the income approach with respect to our property interests in Groups V to VII which are occupied by the Group or held by the Group for investment in the PRC or Hong Kong; and (iii) the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees that expected to be incurred for completing the development with respect to our property interests in Group II which are currently held under development by the Group. Please refer to the Property Valuation Report included as Appendix V to this listing document for further details.

According to the valuation by our Property Valuer, as of 31 March 2014, the aggregate value of our property projects amounted to RMB390,342.49 million. In compliance with the relevant professional guidelines, our Property Valuer valued our properties on the assumptions that a seller sells the relevant property interests in the market without the benefit of any deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could affect the value of the property interests, and that the properties are free from encumbrances, restrictions and outgoings of an onerous nature. Our Property Valuer relied on the information provided by our Group and our PRC legal advisors in relation to titles of the properties and assumed the properties under construction will be developed and completed in accordance with the latest development proposal. Please refer to the Property Valuation Report included as Appendix V to this listing document for further details.

COMPETITIVE LANDSCAPE

The property market in China is highly competitive and fragmented, although the market has seen an increase in concentration by key players in recent years. There are no special barriers of entry into the property development industry. We compete with other property developers in China in terms of a number of factors, such as location, product quality, service quality, price, financial resources, brand recognition and the ability to acquire good quality land reserve. Our existing and potential competitors include major domestic property developers, and foreign developers, to a lesser extent, such as leading property developers from Hong Kong. Our contracted sales in 2013 amounted to RMB170.9 billion, representing approximately 2.1% of the total sales of commodity units in the PRC according to the National Bureau of Statistics of PRC.

SELECTED LINE ITEMS FROM OUR CONSOLIDATED FINANCIAL STATEMENTS

The following tables set forth the summary of our consolidated financial information. We have derived the consolidated financial information for the years ended 31 December 2011, 2012 and 2013, and as of 31 December 2011, 2012 and 2013 from our audited consolidated financial statements as set out in Appendix I, II and III to this listing document.

Selected Items from Consolidated Statements of Profit or Loss

	For The Year Ended 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Revenue			
Sales of properties	65,313,204	94,000,979	123,545,835
Construction contracts[1]	1,324,755	1,415,632	1,431,580
Property management and related services	540,406	807,186	1,384,676
Others[2]	531,031	636,117	1,091,674
Sub-total	67,709,396	96,859,914	127,453,765
Gross Profit	24,459,978	31,405,686	34,639,413
Profit for the year	11,599,606	15,662,588	18,297,549
Attributable to:			
Equity shareholders of the Company	9,624,875	12,551,182	15,118,549
Non-controlling interests	1,974,731	3,111,406	3,179,000

Notes:

(1) Mainly including revenue from the construction of indemnifactory apartments for local governments.

(2) Mainly including rental income from our properties and management fees from joint ventures and associated companies.

Selected Items from Consolidated Statements of Financial Position

	As of 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current Assets	282,972,512	362,901,994	442,316,079
Current Liabilities	200,724,161	259,833,566	328,921,834
Net Current Assets	82,248,351	103,068,378	113,394,245

Selected Items from Consolidated Cash Flow Statements

	For the Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Net cash generated from operating activities	3,389,424	3,725,959	1,923,869
Net cash used in investing activities	(5,652,567)	(2,453,453)	(7,954,417)
Net cash generated from/(used in) financing activities	806,859	16,285,510	(2,057,646)
Effect of foreign exchange rate change	(26,539)	(51,904)	(27,881)
Net (decrease)/increase in cash and cash equivalents	(1,482,823)	17,506,112	(8,116,075)
Cash and cash equivalents at the beginning of the year	35,096,935	33,614,112	51,120,224
Cash and cash equivalents at the end of the year	33,614,112	51,120,224	43,004,149

KEY FINANCIAL RATIOS

	For the year Ended 31 December/ As of 31 December		
	2011	2012	2013
Gross profit margin (%)	36.1	32.4	27.2
Net profit margin (%)	17.1	16.2	14.4
Return on equity (%)	19.8	21.5	21.5
Current ratio (times)	1.41	1.40	1.34
Gearing ratio (%)	23.8	23.5	30.7
Interest coverage ratio (times)	5.32	5.14	4.97

Please refer to page 246 under the section headed "Financial Information — Key Financial Ratios" for details on how these ratios were derived.

The decrease of our gross profit margin in 2012 was mainly attributable to (i) the decrease of our recognised ASP following the downturn in the PRC property market in 2011, especially in the Guangshen Region, from RMB11,613 per sq.m. in 2011 to RMB10,453 per sq.m. in 2012, and (ii) a greater proportion of our recognised sales coming from furbished units in 2012, which had relatively lower profit margins than unfurbished units. The decrease of our gross profit margin in 2013 was primarily due to (i) increases in our land acquisition and construction costs in line with general industry trends, whereas there was a slight decrease in our recognised ASP in 2013 as compared to that in 2012 as a majority the properties that satisfied the requirements for delivery in 2013 were pre-sold in 2011 and 2012 when the market experienced price decreases following the downturn in the PRC property market in 2011, and (ii) a greater proportion of our recognised sales coming from furbished units, which had lower profit margins than unfurbished units.

The Directors believe that the gross profit margin of the Company will be stable in the near future. As indicated by the slight increase in our contracted price in 2013 as compared to that in 2012, from RMB10,900 per sq.m. in 2012 to RMB11,473 per sq.m. in 2013, our property prices have stabilised in 2013 despite the slight decrease in recognised ASP that year, which was primarily attributable to the fact that a majority of the properties which satisfied the requirements for delivery in 2013 were pre-sold in 2011 and 2012 when the market experienced price decreases following the downturn in the PRC property market in 2011. In addition, we exercise great cautions when we participate in land auctions and follow a strict land acquisition protocol. We refrain from acquiring plots excessively or over-aggressively and we refrain from paying aggressive premiums for any parcel of land, so as to maintain our land acquisition cost at a reasonable level. Our average land acquisition cost per sq.m. was RMB2,707, RMB2,790 and RMB3,516 for the years ended 31 December, 2011, 2012 and 2013, respectively. The increase in 2013 was mainly due to an increase in land acquisition in first-tier cities and areas with developed or relatively developed ancillary facilities that year. In particular, the proportion of our investment in first-tier cities increased from 20.0% in 2012 to 32.0% in 2013 whilst the proportion of our investment in areas with developed or relatively developed ancillary facilities increased from 74.0% in 2012 to 85.0% in 2013. The property prices in such cities and locations are generally higher and as such, we do not expect the increase in our land acquisition cost in 2013 to have any material adverse impact on our gross profit margin in the near future.

Certain cities in the PRC have experienced property price decreases in early 2014 as affected by a series of governmental policies aimed at limiting property speculation in the residential market in recent years. Such policies have led to a continued decline in investment demand on residential properties in certain third and fourth-tier cities, in particular. We expect the same factors will continue to affect the property market in 2014. However, in view that (i) our products mainly target the mass market and first-time home purchasers, and we believe the demand for self-use properties from first-time purchasers remain strong in major cities where our properties are located; and (ii) our disciplined land acquisition strategy has allowed us to develop a well-diversified land bank with plots purchased at reasonable prices, we believe the governmental policies and the decrease in investment demand will not have any material impact on our cashflow and profitability in the near future.

LIQUIDITY AND CAPITAL RESOURCES

Borrowings

	As of 31 December			As of 30 April
	2011	2012	2013	2014
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
Current				
— Bank loans	13,582,446	13,606,361	10,298,645	9,755,237
— Borrowings from financial institutions	9,987,830	16,069,380	22,325,662	19,599,523
— Bonds payable	—	5,881,618	—	—
Total	23,570,276	35,557,359	32,624,307	29,354,760
Non-current				
— Bank loans	12,960,451	15,436,034	24,376,711	27,234,541
— Borrowings from financial institutions	8,011,511	20,600,036	12,306,417	21,932,900
— Bonds payable	5,850,397	—	7,398,392	7,483,380
Total	26,822,359	36,036,070	44,081,520	56,650,821

Capital Resources

Property development requires substantial capital investment for land acquisition and construction. To date, we financed our projects primarily through internal cash flows, including proceeds from pre-sales and sales of our properties, bank loans, trust financing and the issuance of bonds. We also develop properties through joint ventures and associates established with our partners which allow us to leverage on the development funds of our partners. Please refer to the section headed "Business — Project Financing" on page 179 of this listing document for further details.

Proceeds from pre-sales form an important source of our operating cash inflows, and such pre-sales proceeds are primarily used to finance the development of our property projects. Our bank borrowings and lines of credit are primarily obtained from headquarters of major commercial banks in China, and we have also used trust financing to fund our property projects. As of 30 April 2014, approximately 96% of our bank borrowings, trust financing and bonds payable were unsecured and our cash balance exceeded the short term portion of our total borrowings due to our strong operating cash flow and prudent financial policy. Taking into account our cash generated from our operations, presently available bank loans and other borrowings, our Directors are satisfied, after due and careful inquiry, that we have sufficient available working capital for our present requirements for at least the 12 months following the date of this listing document.

RECENT DEVELOPMENT

The following table sets out our contracted sales, contracted GFA and contracted ASP by region for the three months ended 31 March 2014.

Regions	Contracted Sales	Contracted GFA	Contracted ASP
	(RMB million)	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	14,983	1,076,765	13,915
Shanghai Region	19,295	1,329,329	14,515
Beijing Region	12,492	924,716	13,509
Chengdu Region	7,461	819,216	9,108
Total	**54,231**	**4,150,026**	**13,068**

The following table sets out our revenue from sales of properties, recognised GFA and recognised ASP by region for the three months ended 31 March 2014.

	Revenue		Recognised GFA	Recognised ASP
	(RMB'000) *(unaudited)*	%	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	3,464,325	40.37	306,642	11,298
Shanghai Region	2,930,335	34.15	181,984	16,102
Beijing Region	530,344	6.18	51,974	10,204
Chengdu Region	1,655,926	19.30	186,443	8,882
Total	**8,580,930**	**100.00**	**727,043**	**11,803**

According to our management accounts, we recorded a contracted GFA of 6.5 million sq.m. with a contracted sales amount of RMB81.5 billion in the first five months of 2014, representing an increase of approximately 7.0% and 16.2% compared to the first five months in 2013. As of 30 April 2014, our current assets, current liabilities and net current assets were RMB468,122.4 million, RMB347,403.5 million and RMB120,718.9 million, respectively.

Our Directors have confirmed that, since 31 December 2013 and up to the date of this listing document, there had been no material adverse change in our financial position or prospects and no event had occurred that would materially and adversely affect the information shown in the consolidated financial statements in Appendices I, II and III to this listing document. For details relating to our recent acquisitions subsequent to the Track Record Period, please refer to the section headed "Financial Information — Recent Acquisitions" on page 249 of this listing document.

DIVIDEND POLICY

Our Board of Directors is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders' general meeting for approval. Our dividend distributions are based on our distributable profit, taking into consideration our financial conditions, business planning, return to our shareholders, our capital requirement, our finance costs and external financing environment.

We paid cash dividends in the amount of RMB1,429.4 million, RMB1,981.4 million and RMB4,516.1 million for 2011, 2012 and 2013, respectively, representing RMB0.13, RMB0.18 and RMB0.41 per Share. Pursuant to our Articles of Association, the total profit distributed in the form of cash dividends for the last three years shall not be less than 30% of the average annual distributable profit of the Company of the last three years. Dividends paid in prior periods may not be indicative of future dividend payments. We cannot guarantee when, if and in what form dividends will be paid in the future.

SHAREHOLDER INFORMATION

As of the Latest Practicable Date, CRC directly held 1,645,494,720 A Shares of our Company and indirectly held 6,840,570 A Shares of our Company through its wholly owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司), which in aggregate represents approximately 15.00% equity interests in our Company. It is our substantial shareholder and thus our connected person pursuant to Rule 14A.11(1) of the Hong Kong Listing Rules.

NON-COMPLIANCE INCIDENTS

During the Track Record Period, we were involved in certain incidents of non-compliance with applicable PRC laws and regulations, mainly including (i) idle land; and (ii) commencement of construction before obtaining the requisite construction work planning permits or construction work commencement permit. Please refer to the section headed "Business — Legal Proceedings and Compliance — Compliance" starting on page 195 for further details.

LISTING AND ARRANGEMENT

Reasons for the Listing

We believe that seeking the Listing will enable us to promote our brand recognition and presence in the international market and give us the access to international capital market.

Listing expenses

Our listing expenses mainly comprise of professional fees to be paid to the Sole Sponsor, property valuer, legal advisers and reporting accountant, etc. for their services rendered in relation to the Listing. As of 31 December 2013, we had incurred listing expenses of approximately RMB11.9 million, which was recorded as administrative expenses in our consolidated financial statements for 2013. The total amount of listing expenses is estimated to be approximately RMB52.2 million. Our Directors do not expect the listing expenses to be incurred after the Track Record Period to have a material adverse impact on our financial results for the year ended 31 December 2014.

Certain risks that our B Shareholders should be aware of

Our B Shareholders should be aware of the risks and the special notes to them as set out in the Implementation Plan, which was published by our Company on 19 January 2013 and approved by our Shareholders at the extraordinary general meeting held on 4 February 2013. The full version of the Implementation Plan could be accessed at the following links: http://www.cninfo.com.cn/finalpage/2013–01–19/62039379.PDF (Chinese version) and http://www.irwebcast.com/cgi-local/report/redirect.cgi?url=http://202.66.146.82/listco/cn/vanke/announcement/a130119f.pdf (English version).

Limited trading rights in our H Shares for PRC Shareholders

In accordance with relevant PRC laws and regulations, PRC investors are not allowed to purchase overseas securities. Upon and after the Listing, our PRC Shareholders can only hold or sell the H Shares they held but cannot purchase any additional H Shares or any other securities to be listed on the Hong Kong Stock Exchange. All proceeds from the sale of the H Shares owned by our PRC Shareholders must be remitted into the PRC as soon as possible upon the sale.

Application for the listing of our H Shares on the Hong Kong Stock Exchange by way of Introduction

Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares on the Main Board of the Hong Kong Stock Exchange. Upon the completion of the Listing, all B Shares in issue will, due to the change of the listing venue, be converted into H Shares which will be listed on the Main Board of the Hong Kong Stock Exchange by way of introduction. It is expected that dealings in our H Shares in board lots of 100 H Shares will commence on 25 June 2014. **The Listing does not involve any offering of new Shares or a public offering of any other securities and no funds will be raised pursuant to the Listing.**

The Arrangement

Based on the closing price of B Shares on 3 June 2014, being the last trading day of B Shares, of HK$12.41, the market capitalisation of the 1,314,955,468 H Shares to be held by public H Shareholders is expected to be approximately HK$16.3 billion. Based on the closing price of B Shares on 3 June 2014 of HK$12.41, the closing price of A Shares on the Latest Practicable Date of RMB8.12 and the translation of Renminbi into HK dollars at the rate of RMB0.79379 to HK$1.00, the market capitalisation of our Company's total issued Shares of 11,015,026,419 Shares was approximately HK$115.5 billion. For historical trading information in respect of B Shares on the Shenzhen Stock Exchange, please refer to the section headed "Listings, Registration, Dealings and Settlement".

As of the Latest Practicable Date, there were more than 300 public beneficial B Shareholders with securities accounts opened in Hong Kong with CITIC Securities Brokerage HK or other eligible Hong Kong or overseas securities corporations holding in aggregate 952,053,622 B Shares, representing approximately 72.4% of the total number of issued B Shares and approximately 8.6% of the total number of issued Shares, who are ready to trade their H Shares on the Hong Kong Stock Exchange upon the commencement of trading of H Shares on the Listing Date. Based on the closing price of B Shares on 3 June 2014 of HK$12.41, the market capitalisation of such 952,053,622 B Shares was approximately HK$11.8 billion, which is already larger than the entire market capitalisation of a large number of Hong Kong-listed companies. Therefore, our Company expects that there will be adequate liquidity of H Shares upon the Listing. Upon Listing, the Cash Option Providers will hold in total 307,695,173 H Shares (including nil B Share acquired by CRH, 12,091,929 B Shares acquired by GIC and 12,091,930 B Shares acquired by Value Partners pursuant to exercise of the Cash Option by the B Shareholders). Such H Shares are not subject to any lock-up period and can be traded on the Hong Kong Stock Exchange once Listing occurs.

In this listing document, unless the context otherwise requires, the following expression shall have the following meanings.

"2013 Medium Term Note Programme"	the medium term note programme of USD2,000 million established by our wholly-owned subsidiary, Bestgain Real Estate Lyra Limited on 16 July 2013
"A Shareholder(s)"	holder(s) of our A Shares
"A Share(s)"	ordinary share(s) issued by our Company in the PRC with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
"A Share Stock Option Incentive Scheme"	A Share stock option scheme of our Company as approved and adopted by our incentive extraordinary general meeting on 8 April 2011, and the details of which are set out in "Other Information — A Share Stock Option Incentive Scheme" in Appendix IX to this listing document
"Arrangement"	being the measures taken by our Company aiming to provide, attain and/or maintain the liquidity of our H Shares to be traded on the Hong Kong Stock Exchange as set out in the section headed "Listings, Registration, Dealings and Settlement" of this listing document
"Articles of Association" or "Articles"	the articles of association of our Company, the current version of which was adopted by our Shareholders at the extraordinary Shareholders' meeting on 4 February 2013, which will become effective upon the listing of our H Shares on the Hong Kong Stock Exchange, as the same may be amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Audit Committee"	the audit committee of our Company
"B Shareholder(s)"	holder(s) of our B Shares
"B Share(s)"	ordinary share(s) issued by our Company in the PRC with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in HK dollars
"Beijing Region"	for the purpose of this listing document, refers to the Bohai Region and surrounding areas including but not limited to Beijing, Tianjin, Shenyang, Changchun, Dalian, Jilin, Fushun, An' shan, Qingdao, Yantai, Qinhuangdao, Langfang, Tangshan and Taiyuan
"Board" or "Board of Directors"	the board of Directors of our Company

"Business Day"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Cash Option"	the cash option provided by Cash Option Providers to all our B Shareholders at HK$13.13 per B Share under the Implementation Plan, which was adjusted to HK$12.39 per B Share due to the payment of a cash dividend of RMB1.8 or HK$2.23 for every ten existing Shares for the year 2012 (calculated based on the central parity rate on 21 March 2013, the first day after 2012 annual general meeting of our Company, being RMB0.8081 to HK$1.00), and the payment of a cash dividend of RMB4.1 or HK$5.17 for every ten existing Shares for the year 2013 (calculated based on the central parity rate on 31 March 2014, the first business day after 2013 annual general meeting of our Company, being RMB0.7931 to HK$1.00)
"Cash Option Providers"	CRH, GIC and Value Partners, who provided the Cash Option to all our B Shareholders under the Implementation Plan
"CBRC"	China Banking Regulatory Commission (中國銀行業監督管理委員會)
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chengdu Region"	for the purpose of this listing document, refers to certain areas in Central and Western China including but not limited to Chengdu, Nanchong, Wuhan, Chongqing, Kunming, Guiyang, Xi'an and Urumqi
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this listing document, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"CITIC Securities Brokerage HK"	CITIC Securities Brokerage (HK) Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
"Company"	China Vanke Co., Ltd. (萬科企業股份有限公司), a joint stock company incorporated in the PRC with limited liability on 30 May 1984, and whose shareholding structure is set out in the section headed "History and Development" of this listing document

"Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the Standing Committee of the NPC on 29 December 1993, which became effective on 1 July 1994, and as amended by the Standing Committee of the NPC on 27 October 2005 and 28 December 2013, which became effective on 1 March 2014, as amended, supplemented or otherwise modified form time to time
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context requires otherwise
"CR Trust"	China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司) (formerly known as Shenzhen City Trust & Investment Co. (深圳市信託投資公司), Shenzhen International Trust & Investment Co. Head Office (深圳國際信託投資總公司), Shenzhen International Trust & Investment Co. (深圳國際信託投資公司), Shenzhen International Trust & Investment Co., Ltd. (深圳國際信託投資有限責任公司)), a company established in the PRC with limited liability on 24 August 1982, and held by our substantial shareholder, CRC, as to 51%. Thus, it is our connected person pursuant to Rule 14A.11(4) of the Hong Kong Listing Rules
"CR Vanguard"	China Resources Vanguard Co. Ltd. (華潤萬家有限公司) (formerly known as China Resources Vanguard Supermarket Co. Ltd. (華潤萬佳超級市場有限公司), China Vanguard Super Department Co. Ltd. (萬佳百貨股份有限公司), Shenzhen Vanguard Super Department Co. Ltd. (深圳市萬佳百貨股份有限公司) and Shenzhen Vanguard Business Chain Co. Ltd. (連鎖商業)), a company established in Hong Kong with limited liability on 14 February 1984, and indirectly held by our substantial shareholder, CRC, as to 51.52%. Thus, each of its subsidiaries and itself is our connected person pursuant to Rule 14A.11(4) of the Hong Kong Listing Rules
"CRC"	China Resources Co., Limited (華潤股份有限公司), a joint stock limited liability company established in the PRC on 20 June 2003 and our substantial shareholder, which directly holds 14.94% interests in our Company and indirectly holds 0.06% interests in our Company through its wholly owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司) as of the Latest Practicable Date. Thus, it is our connected person pursuant to Rule 14A.11(1) of the Hong Kong Listing Rules. CRC is a wholly-owned subsidiary of CRNC
"CRH"	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability on 8 July 1983 and a wholly-owned subsidiary of CRC. Thus, it is our connected person pursuant to Rule 14A.11(4) of the Hong Kong Listing Rules

"CRNC"	China Resources National Corporation (中國華潤總公司), a company incorporated in the PRC with limited liability on 31 December 1986, being the ultimate holding company of CRC. Thus, it is our connected person pursuant to Rule 14A.11(4) of the Hong Kong Listing Rules. CRNC is wholly-owned by the SASAC
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the directors of our Company
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和企業所得稅法》)
"GIC"	Government of Singapore Investment Corporation Pte Ltd., a major sovereign fund established in the Republic of Singapore with limited liability on 22 May 1981, an existing substantial shareholder of several subsidiaries of our Company that held 98,053,119 A Shares and 66,366,194 B Shares of our Company, which accounted for approximately 1.49% of the total issued Shares of our Company as of the Latest Practicable Date. Thus, each of its subsidiaries and itself is a connected person of our Company pursuant to Rule 1.01 of the Hong Kong Listing Rules
"Group", "we", "our" and "us"	our Company and its subsidiaries
"Guangshen Region"	for the purpose of this listing document, refers to the Pearl River Delta and surrounding areas including but not limited to Guangzhou, Shenzhen, Dongguan, Huizhou, Zhongshan, Foshan, Qingyuan, Zhuhai, Xiamen, Fuzhou, Sanya and Changsha
"H Share(s)"	overseas listed foreign share(s) issued by our Company with a nominal value of RMB1.00 each, which are to be listed on the Hong Kong Stock Exchange upon the Listing and traded in HK dollars
"H Share Register"	a register of members for H Shares in Hong Kong
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Share Transaction Cost"	the transaction costs of dealings in H Shares on the Hong Kong Stock Exchange, which include a trading fee of 0.005% charged per side of the consideration of a transaction, an SFC transaction levy of 0.003% charged per side of the consideration of a transaction and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration of the H Shares transferred

"HK$" or "HK dollars" or "HKD" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Financial Adviser(s)"	CITIC Securities Corporate Finance (HK) Limited and/or Guotai Junan Securities (Hong Kong) Limited, engaged by the Company to act as its Hong Kong financial adviser(s) in relation to the Listing
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as the same may be amended and supplemented or otherwise modified form time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huawei Xincheng"	Shenzhen Huawei Xincheng No.1 Investment Enterprise (limited partnership) (深圳市華威欣城一號投資合夥企業(有限合夥)), a limited partnership established in the PRC on 21 November 2012, which is managed by our connected person Huawei Yongsheng acting as its general partner. By virtue of Chapter 14A of the Hong Kong Listing Rules, Huawei Xincheng is an associate of Huawei Yongsheng and thus our connected person
"Huawei Yongsheng"	Shenzhen Huawei Yongsheng Management Co., Ltd. (深圳市華威永盛企業管理有限公司), a company established in the PRC with limited liability on 28 November 2012, which is held by Harvest Capital Ltd. and CR Trust as to 51% and 49%, respectively. Harvest Capital Ltd. is a wholly-owned subsidiary of our substantial shareholder CRC and CR Trust is a subsidiary of CRC. Thus, Huawei Yongsheng is a subsidiary of CRC and therefore its associate and our connected person under Rule 14.11(4) of the Hong Kong Listing Rules
"IFRSs"	International Financial Reporting Standards, which are standards and interpretations adopted by the International Accounting Standards Board. They comprise: (i) International Financial Reporting Standards; (ii) International Accounting Standards; and (iii) Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee
"Implementation Plan"	the implementation plan in relation to the proposed Listing《境內上市外資股轉換上市地以介紹方式在香港聯合交易所有限公司主板上市及掛牌交易的方案》published by our Company on the website of the Shenzhen Stock Exchange on 19 January 2013 and approved by our Shareholders at the extraordinary general meeting on 4 February 2013, the full text of which is available in Chinese at http://www.cninfo.com.cn/finalpage/2013–01–19/62039379.PDF and in English at http://202.66.146.82/listco/cn/vanke/announcement/a130119f.pdf

"Independent Third Party(ies)"	a person or persons or a company or companies that is not or are not our connected person(s)
"Japanese Yen"	the lawful currency of Japan
"Latest Practicable Date"	17 June 2014, being the latest practicable date for ascertaining certain information in this listing document before its publication
"Listing"	the listing of our H Shares on the main board of the Hong Kong Stock Exchange by way of introduction
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
"Listing Date"	the date on which dealing in our H Shares commences on the Hong Kong Stock Exchange
"Mandatory Provisions"	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas《到境外上市公司章程必備條款》, for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas, which were promulgated by the State Council Securities Commission and the State Restructuring Commission on 27 August 1994, as the same may be amended and supplemented or otherwise modified from time to time
"Ministry of Finance"	Ministry of Finance of the PRC (中華人民共和國財政部)
"Ministry of Land and Resources"	Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHURD"	Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部), or its predecessor of the PRC, Ministry of Construction of the PRC (中華人民共和國建設部)
"National Bureau of Statistics"	National Bureau of Statistics of the PRC (中華人民共和國國家統計局)
"NDRC"	National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"NPC"	National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Financial Adviser"	CITIC Securities Co., Ltd., a company incorporated in the PRC with limited liability on 25 October 1995, engaged by the Company to act as its PRC financial adviser in relation to the Listing
"Property Valuer"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited

"QFIIs"	qualified foreign institutional investors licensed by the CSRC to invest in RMB-denominated shares listed on China's domestic securities exchanges
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (中華人民共和國國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SD&C"	China Securities Depository and Clearing Corporation Limited (Shenzhen branch) (中國證券登記結算有限責任公司深圳分公司)
"Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as enacted by the Standing Committee of the NPC on 29 December 1998, which became effective on 1 July 1999, and as amended by the Standing Committee of the NPC on 28 August 2004 and 27 October 2005, which became effective on 1 January 2006, as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as the same may be amended, supplemented or otherwise modified from time to time
"Shanghai Hutong"	Shanghai Hutong Property Co., Ltd. (上海滬彤置業有限公司), a company established in the PRC with limited liability on 27 December 2010, which is held by our wholly-owned subsidiary Shanghai Vanke Investment Management Co., Ltd. (上海萬科投資管理有限公司) and Huawei Xincheng as to 61% and 39%, respectively. Huawei Xincheng is a connected person of our Company (other than at the level of subsidiaries). Thus, Shanghai Hutong is our connected person under Rule 14A.11(5) of the Hong Kong Listing Rules
"Shanghai Region"	for the purpose of this listing document, refers to the Yangtze River Delta and surrounding areas including but not limited to Shanghai, Nanjing, Hangzhou, Suzhou, Wuxi, Yangzhou, Zhenjiang, Nantong, Xuzhou, Ningbo, Wenzhou, Nanchang, Hefei and Wuhu

"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	Share(s) in the share capital of our Company, with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Shares
"Shenzhen Listing Rules"	the Stock Listing Rules of the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Singapore Dollars" or "SGD"	the lawful currency of the Republic of Singapore
"Singapore Stock Exchange"	the Singapore Exchange
"Sole Sponsor"	CITIC Securities Corporate Finance (HK) Limited, a corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
"Special Regulations"	the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》), promulgated by the State Council on 4 August 1994, as amended, supplemented or otherwise modified from time to time
"SSSCC"	Shenzhen Securities Communication Co., Ltd. (深圳證券通信有限公司)
"State Council"	State Council of the PRC (中華人民共和國國務院)
"subsidiary"	has the meaning ascribed to it in section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance
"substantial shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Supervisor(s)"	the member(s) of the Supervisory Committee of our Company
"Supervisory Committee"	the supervisory committee of our Company established pursuant to the Company Law, as described in Appendix VII — Summary of the Articles of Association
"Track Record Period"	the period comprising the three years ended 31 December 2011, 2012 and 2013
"Transaction Guide"	the transaction guide (《境內操作指南》) complied by the SD&C and published by our Company on 28 May 2014 on the websites of the Shenzhen Stock Exchange and our Company to provide investors with guidance on trading in our H Shares
"U.S." or "United States"	United States of America

"US$" or "U.S. dollars" or "USD" or "United States Dollars"	United States dollars, the lawful currency of United States
"Value Partners"	Value Partner Group, a company established in the Cayman Islands with limited liability on 10 November 2006, holding 10,904,702 A Shares and 241,328,979 B Shares, which in aggregate accounted for approximately 2.29% of the total issued Shares of our Company as of the Latest Practicable Date, two wholly-owned subsidiaries of which, namely Value Partners Limited and Value Partners Hong Kong Limited are arranged by our Company to be Cash Option Providers
"Vanke Real Estate (Hong Kong)"	Vanke Real Estate (Hong Kong) Co. Ltd., a company established in Hong Kong with limited liability on 10 November 2004, a wholly-owned subsidiary of the Company
"Ying'an Advisory"	Shenzhen Ying'an Financial Advisory Co., Ltd. (深圳盈安財務顧問有限公司), a company established in the PRC with limited liability on 14 April 2014. Ying'an Advisory is the trustee, acting in its capacity, as such trustee, of a trust of which our executive Directors, two Supervisors, chief executive and a former Director within the preceding 12 months are beneficiaries. Thus, Ying'an Advisory is an associate of our executive Directors, two Supervisors, chief executive and a former Director within the preceding 12 months and a connected person of us pursuant to Rules 1.01 and 14A.11(4) of the Hong Kong Listing Rules
"Ying'an Partnership"	Shenzhen Ying'an Financial Advisory Enterprise (Limited Partnership) (深圳盈安財務顧問企業(有限合夥)), a limited partnership formed by Ying'an Advisory as general partner on 25 April 2014. Ying'an Partnership is the trustee, acting in its capacity, as such trustee, of a trust of which our executive Directors, two Supervisors, chief executive and a former Director within the preceding 12 months are beneficiaries. Thus, Ying'an Partnership is an associate of our executive Directors, two Supervisors, chief executive and a former Director within the preceding 12 months and a connected person of us pursuant to Rules 1.01 and 14A.11(4) of the Hong Kong Listing Rules

The names of companies and entities established in the PRC and the laws and regulations in the PRC have been included in this listing document both in English and Chinese. Unless such companies, entities, laws and regulations have an English name as part of their legal name, all English translations of official Chinese names are for identification purposes only. In the event of any inconsistency between the Chinese names and their English translations, the Chinese name shall prevail.

In this listing document, unless the context otherwise requires, the following terms shall have the following meanings. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"CAGR"	compound annual growth rate
"contracted ASP"	the average selling price per sq.m. which is derived by dividing the contracted sales of properties by the contracted GFA in a given period
"contracted GFA"	GFA for which the relevant sale and purchase contracts of properties have been entered into
"GDP"	gross domestic product
"GFA"	gross floor area
"LAT"	land appreciation tax (土地增值税) as defined in the PRC Provisional Regulations on Land Appreciation Tax of 1994 and its implementation rules, as described in the section entitled "Taxation and Foreign Exchange" in Appendix VIII to this listing document
"plot ratio"	the ratio of the gross floor area excluding floor area below ground, of all buildings to their site area
"public tender," "auction," or "listing-for-sale"	public tender, auction or listing at a land exchange administered by the local government, each of which is a competitive bidding process through which a purchaser acquires land use rights directly from the PRC government; See the section entitled "Regulatory Overview — Land Grants — Ways of Land Grant" in this listing document for a detailed explanation of these processes
"recognised ASP"	the average selling price per sq.m. which is derived by dividing the revenue recognised from sales of properties by the total recognised GFA in a given period
"recognised GFA"	GFA for which relevant revenue has been recognised in our consolidated financial statements
"sq.m."	square metres
"%"	per cent

FORWARD-LOOKING STATEMENTS CONTAINED IN THIS LISTING DOCUMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES

The listing document contains certain "forward-looking statements" that are, by their nature, subject to significant risks and uncertainties. The forward-looking statements are contained principally in sections entitled "Summary", "Risk Factors", "Listings, Registration, Dealings and Settlement", "Industry Overview", "Business" and "Financial Information". These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under the section entitled "Risk Factors", which may cause our actual results, performance or achievements to be materially different from performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business and operating strategies and our future business development;
- the general economic, market and business conditions in China;
- the expected growth and market opportunities as to the property industry in China in general and the cities in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- our ability to enter into new markets and expand our operations;
- our expectations with respect to our ability to acquire and maintain regulatory qualifications required to operate our business;
- costs of bank loans and other forms of financing, and our ability to secure adequate financing for our property development;
- our estimated capital expenditure;
- our financial conditions and performance;
- our dividend distribution plans;
- the performance of the obligations and undertakings of the independent contractors;
- significant delay in obtaining the proper legal titles or approvals for our properties under development or held for future development;
- our ability to successfully complete or sell our property projects in a timely manner;
- changes in currency exchange rates; and
- macroeconomic policies of the PRC government.

The words "aim", "anticipate", "believe", "consider", "could", "estimate", "expect", "intend", "may", "ought to", "plan", "predict", "propose", "seek", "will", "would", and the negative of these terms and other similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of uncertainties and factors, including but not limited to:

- any changes in the economic, market and business conditions in China;
- any changes in laws and regulations of the central and local governments in China and the rules, regulations and policies of the relevant government authorities relating to all aspects of our business;
- changes in the political, legal and social conditions in China;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices;
- the effects of competition in the property industry;
- various business opportunities that we may pursue; and
- the risk factors discussed in this listing document as well as other factors beyond our control.

The forward-looking statements in this listing document have been made by our Directors after due and careful consideration and on bases and assumptions that are fair and reasonable. Subject to the requirements of applicable laws and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this listing document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this listing document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this listing document are qualified by reference to the cautionary statements set forth in this section as well as the risks and uncertainties discussed in section entitled "Risk Factors" in this listing document.

Investing in and holding our H Shares is subject to a number of risks. Accordingly, you should carefully consider the risks described below, together with all of the information set out in this listing document, prior to making any investment or holding in our H Shares. If one or more of the following risks were to arise, our business, results of operations, financial condition and/or prospects and/or our H Share price could be materially and adversely affected, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESSES AND INDUSTRY

Our operations may be substantially affected by changes in national or local policies relating to the PRC property industry

Our industry is subject to extensive government regulation and our operations therefore may be substantially affected by changes in the national or local policies relating to the PRC property sector. PRC national and local governments exert considerable direct and indirect influence on the development of the property sector by imposing industry policies and other economic measures, such as controls over the supply of land available for development, controls (through bank reserve requirements) over the supply of credit, controls over project financing, raising the benchmark interest rates for commercial banks, capping the total amount of bank loans available for property developers, capping the number of properties an individual may buy and capping the proportion of the purchasing price which individuals can pay by bank mortgages. Furthermore, the PRC government may impose additional taxes and levies on property sales and further restrict foreign investment in the PRC property sector.

From 2004 to 2013, the PRC government introduced a series of regulations and policies designed to generally control the growth of the property market, including, among others:

- requiring strict enforcement of idle land related laws and regulations;
- restricting the granting of new credit facilities for property developers holding large amounts of idle land and vacant commodity properties;
- forbidding commercial banks from lending to property developers with internal capital ratios of less than a certain prescribed percentage;
- forbidding commercial banks from granting loans to property developers for the purpose of paying land grant premiums;
- imposing a business tax levy on the sales proceeds from the transfer of certain types of properties within a number of years of the purchase;
- increasing the minimum down payment required for the purchase of residential properties;
- restricting the availability of loans to families owning several residential properties by mortgage;
- limiting the availability of individual housing provident fund loans to families, owning several residential properties, for the purchase of residential properties; and
- imposing property taxes in Shanghai and Chongqing, beginning in early 2011.

Following a downturn in the PRC property market in late 2008 and early 2009, property prices and transaction volumes increased sharply beginning in the second half of 2009. This has led to the imposition of a series of regulations and policies by the PRC and local governments to slow down the property market and the increase in property prices, as well as to combat property speculation. These policies impose additional requirements for pre-sales and restrict the use of funds raised by pre-sales to the development of the respective projects. They may limit our ability to obtain financing, acquire land for future development, sell our properties at a profit and to generate sufficient operating cash flows from contracted sales. Such measures resulted in downward pressure on the PRC property market starting in the second half of 2011 and reduced transaction volumes in the first quarter of 2012. In addition, since January 2010, policies implemented by the PRC government with regard to bank loans and trust financing arrangements for property development projects have had, and may continue to have, a dampening effect on the property markets in which we operate.

On 20 February 2013, the State Council announced that it would implement a series of policies to limit property speculation. Such policies include setting price control targets for newly developed properties, requiring provincial governments to impose purchase limits and credit restrictions, expanding the scope of property tax pilot programmes, increasing the supply of land and residential units and tightening market regulations. On 1 March 2013, the General Office of the State Council further announced the Notice on Further Regulation of the Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》). This notice requires provincial and municipal governments to strengthen their administration of the property market, including increasing the supply of properties and setting price control targets in cities with rapidly increasing property prices. The notice requires the local governments to strictly implement existing purchase restrictions. If the property prices of any city rise too quickly and there is no purchase limit policy in place yet, the relevant provincial government must require the city to promptly adopt purchasing restrictions. Financial institutions are required by the notice to strictly implement credit policies with regard to the down payment ratios and interest rates for mortgages and to give increased scrutiny when reviewing the background of mortgage applicants. The local offices of the PBOC may also increase the interest rates and the down payment ratios for mortgages for second properties if the property prices in any city rise too quickly. The tax, building and construction authorities are required to coordinate to ensure that the 20% individual income tax on the income from the sale of second-hand properties is implemented. Besides the above restrictive measures, the notice also encourages governments to increase the supply of land for construction of residential units and affordable housing. The relevant authorities are required to speed up the approval processes for property developments with small-to medium-sized units. Financial institutions are required to prioritize the property development loan applications for projects where small- to medium- sized units account for more than 70% of the total units. Since March 2013 and up to the Latest Practicable Date, there was no additional national policy introduced by the PRC government to regulate the PRC property sector. However, certain local governments, in particular the four first-tier cities (Beijing, Shanghai, Guangzhou, Shenzhen) and many second- and third-tier cities, such as Hangzhou, Wuhan and Nanjing, where the Group carries out its property development operations, introduced new policies to further regulate the local property markets including but not limited to control over the property prices, restrict the eligibility of non-local residents to purchase local properties, higher minimum down payment ratios for the purchase of second property and increase land supply for residential properties.

There can be no assurance that the PRC national or local governments will not adopt additional or more stringent industry policies, regulations and measures in the future. We cannot predict the extent to which our sales volume and turnover may be affected by such measures. If we fail to adapt our operations to new policies, regulations or measures that come into effect from time to time with respect to the PRC property industry, or if our marketing and pricing strategies are ineffective, such policy changes may result in a decrease in our contracted sales and require us to lower our selling prices and/or incur additional costs, and our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially and adversely affected. Please see the section headed "Regulatory Overview" of this listing document for details. Please also refer to the paragraph headed "— Risks Relating to Conducting Business in China" in this section for more risks and uncertainties relating to the extensive PRC regulations.

Our business and prospects are heavily dependent on the performance of the PRC property market, and in particular on the performance of the markets in various major cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region and therefore any potential decline in property sales or prices or demand for properties in the PRC generally, or in the major cities in these regions, could have a material adverse effect on our business, financial conditions and results of operations

We principally develop and sell properties in cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region. As of 31 March 2014, we had 406 property projects in the PRC in various stages of development (including projects we developed through our associates and joint ventures), of which 120 were located in the Guangshen Region, 92 in the Shanghai Region, 121 in the Beijing Region and 73 in the Chengdu Region. Our business continues to be heavily dependent on the property markets in these four regions. These property markets may be affected by local, regional, national and global factors, including economic and financial developments, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. Any adverse developments in the PRC property market generally or in these regions in particular, could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to complete our development projects on time, which may affect our cash flow and results of operations and subject us to liability

Property development projects require substantial capital expenditure prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take over a year or longer before a positive net cash flow may be generated through pre-sales, sales, leasing or rentals. As a result, our cash flows and results of operations may be affected by our project development schedules and any changes to those schedules. The schedules of our project developments depend on a number of factors, including the performance and efficiency of our third-party contractors and our ability to finance construction. Other specific factors that could adversely affect our project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns and decreases in business and consumer sentiments in general;
- failure to obtain necessary licenses, permits and approvals from relevant government authorities in a timely manner;
- changes in relevant regulations, government policies and government planning; and
- relocation of existing residents and/or demolition of existing structures.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm our reputation as a property developer, lead to loss of or delay in recognising revenues and lower returns. If a property project is not completed on time, the purchasers of pre-sold units of the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sales agreements and claim damages. We cannot assure you that we will not experience any significant delays in completion or delivery of our projects in the future or that we will not be subject to any liabilities for any such delays.

We may be subject to fines or forfeit land to the PRC government if we fail to develop properties within the time and in accordance with the terms set out in the relevant land grant contracts

Under PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land premium, resettlement and demolition costs and other fees, the designated use of the land and the time for commencement and completion of the property development, government authorities may issue a warning, impose a penalty and/or order us to forfeit the land. Specifically, under current PRC laws, if we fail to commence development within one year of the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land equal to 20% of the land premium. If we fail to commence development within two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may confiscate our land use rights without compensation, unless the delay in the development is caused by government action or is due to a force majeure. Moreover, if a property developer commences development of the property in accordance with the timeframe stipulated in the land grant contract but, suspend for more than one year and falls under either of the following two situations (i) the developed GFA on the property is less than one third of the total planned GFA for the project, or (ii) the total invested capital is less than one fourth of the total planned investment in the project, the land may be treated as idle land and will be subject to the risk of forfeiture.

In September 2007, the Ministry of Land and Resources issued a new notice to further enhance control of the land supply by requiring developers to develop land according to the terms of the land grant contracts and restricting or prohibiting any non-compliant developers from participating in future land auctions. In January 2008, the State Council issued a Notice on Promoting Land Saving and Efficient Use (《關於促進節約集約用地的通知》) to escalate the enforcement of existing rules on idle land management. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (《關於嚴格建設用地管理促進批而未用土地利用的通知》) in August 2009, which reiterated the applicable rules with regard to idle land management. On 1 June 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (《閒置土地處置辦法》), which went into effect 1 July 2012. These further measures may prevent competent land authorities from accepting any application for new land use rights or processing any title transfer transaction, lease transaction, mortgage transaction or land registration application with respect to idle land prior to the completion of the required rectification procedures.

For non-compliance in this respect during the Track Record Period, please see the section entitled "Business — Legal Proceedings and Compliance — Compliance — Administrative Penalties" for further details.

We face certain risk associated with the resettlement of acquired land and the demolition of existing structures which may materially and adversely increase our development costs and delay our land acquisition and development

Some of our projects require resettlement of existing residents and demolition of existing structures. According to the applicable laws and local regulations, delays in the relocation of existing residents of land acquired by property developers may lead to delays in the title delivery by the government for the relevant properties, consequently delaying the development of the relevant property projects and increasing the development costs. With regard to land clearance costs, if we obtain the land use rights from the PRC government, these costs are usually included in the land use rights premiums. Otherwise, we are required to pay the cost as determined in accordance with calculation methods published by the relevant local authorities prior to construction. If the compensation required by government authorities were to increase significantly due to increases in the property market prices, land premiums payable by us may substantially increases. In respect of projects in which the resettlement costs are borne by us, if we fail to reach an agreement on compensation and resettlement at a reasonable cost or within a certain period, our costs may increase or the development of the land may be delayed and our results of operations and our financial condition may be materially and adversely affected.

Any occurrence of the above factors may result in delays to our development schedules, leading to increases in costs and delays in the expected cash inflows resulting from pre-sales of the relevant projects, which could materially and adversely affect our cash flows, financial condition and results of operations in the future.

Fluctuations in the price of construction materials and labor costs could affect the construction fees charged by our construction contractors which could materially and adversely affect our business and financial performance

The cost of construction materials, such as steel, cement and labor costs are subject to a high degree of volatility. As most of our major construction contracts are fixed unit price contracts, the risk of fluctuations in construction material and labor costs during the terms of the contracts are absorbed by our construction contractors to a large extent as we outsource our construction work to them as they are responsible for purchasing most of the construction materials and bear relevant labor costs during the terms of the relevant contracts. However, if there is any significant increase in the cost of construction materials and labor costs, our construction contractors may require to renegotiate the construction fees with us or we may be subject to higher construction fees when our existing construction contracts expire. If any of these occur, our business, financial condition and results of operations may be materially and adversely affected.

We guarantee mortgage loans of certain of our customers and may become liable to mortgagee banks if customers default on their mortgage loans

In accordance with industry practice, banks require us to guarantee mortgage loans taken by purchasers of the properties that we develop. Typically, we guarantee mortgage loans taken out by purchasers up until (i) we complete the relevant properties and the property ownership certificates and the mortgage are registered in favour of the mortgagee bank, (ii) two years after the expiry date of the mortgage loan contract or (iii) the settlement of mortgage loans between the mortgagee bank and the purchaser. These are contingent liabilities not reflected on our balance sheets. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers and rely on the credit evaluations conducted by the mortgage banks for such customers.

As of 31 December 2013, our outstanding guarantees in respect of the residential mortgages of our customers amounted to RMB40,949 million. During the Track Record Period, we encountered 41 incidents of default by purchasers, which involved an aggregate default payment of approximately RMB63.9 million, as a result of which we suffered an actual loss of approximately RMB3.8 million. Should any material default occur and if we were called upon to honor our guarantees, our financial condition and results of operations could be adversely affected.

We may be adversely affected if we fail to fulfill our obligations under our bank loans, trust financing arrangements or corporate bonds

During the Track Record Period, we did not default on any bank loans, trust financing repayment obligation and corporate bonds. If we default on any such bank loans, trust financing repayment obligation and corporate bonds and thus breach the relevant agreements, undertakings or commitments, we may be subject to litigation, our reputation may be damaged and it may be difficult for us to raise further funds at our expected costs. Any of the foregoing occurrences may materially and adversely affect our business, financial condition and results of our operations. For further details regarding external financing, please refer to the paragraphs headed "Business — Project Financing" in this listing document.

The CBRC and/or other agencies of the PRC government may tighten the regulations relating to trust loans being provided to the property industry in the PRC, which may affect our ability to obtain trust loans

To finance our property development, we have entered into a number of trust financing arrangements with trust financing companies. Trust financing made up a significant portion of the financing we used during the Track Record Period. However, there are uncertainties regarding trust financing. The operation of trust financing companies in the PRC is primarily regulated by the CBRC pursuant to the Rules Governing Trust Financing Companies (《信託公司管理辦法》), which went into effect on 1 March 2007. Trust financing companies are therefore under the supervision and monitoring of the CBRC and are required to comply with the relevant notices and regulations promulgated by the CBRC. There can be no assurance that the PRC government will not implement additional or more stringent requirements with regard to trust financing companies. This could result in a reduction in our financing options and/or an increase in the cost of financing our properties, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks associated with certain covenants or restrictions under our bank borrowings and trust financing arrangements which may adversely affect our business, financial condition and results of operations

We are subject to certain restrictive covenants in the loan contracts between us and certain banks and the trust arrangements entered into by us. For instance, our loan agreements with certain commercial banks may restrict our operating subsidiaries from paying dividends to their shareholders without prior consent from the lenders. Our loan agreements with certain banks may contain cross-default clauses. If any cross-default occurs, such banks are entitled under these agreements to accelerate the repayment of all or part of the relevant loans and to recover against the security for such indebtedness. We may be required to seek the consent of the banks in order to carry out any mergers, restructurings, spin-offs, reductions in registered share capital, material asset transfers, liquidations, changes in shareholding or management structures or the establishment of any joint ventures. Furthermore, as long as such loans are outstanding, some of our relevant operating subsidiaries may not be able to provide guarantees to any third parties. Should we fail to abide by these provisions, our lenders may be entitled to accelerate repayment of the relevant loans, in which case our business, financial condition and results of operations could be materially and adversely affected.

We may not have adequate financing to fund our future land acquisitions and property development, and such capital resources may not be available on commercially reasonable terms or at all

Property development is capital intensive. We expect to continue to incur a high level of capital expenditure for land acquisition and construction in the foreseeable future. For information on our estimated capital expenditure in 2014 and our capital commitments as of 31 December 2013, please refer to the paragraphs headed "Financial Information — Capital Commitments" and "Financial Information — Working Capital" in this listing document.

During the Track Record Period, we financed our property projects primarily through a combination of internally generated funds, including proceeds from pre-sales and sales of our properties, borrowings from financial institutions consisting of CBRC-licensed commercial banks and trust financing companies and issuances of corporate bonds. Our ability to obtain external financing in the future and the cost of such financing are subject to uncertainties beyond our control, including:

- requirements to obtain PRC government approvals necessary for obtaining financing in the domestic or international markets;
- our future results of operations, financial condition and cash flows;
- the condition of the international and domestic financial markets and the availability of financing;
- changes in the monetary policies of the PRC government with respect to bank interest rates and lending practices; and
- changes in policies regarding regulation and control of the property market.

The PRC government has implemented a number of measures to manage the growth of the money supply and the availability of credit, especially with respect to the property sector. For example:

- the PBOC has adjusted the Renminbi deposit reserve ratio for major banks several times since 2010, first upward (to a peak of 21.5%) and more recently downward (to its present level of 20.0%);
- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008. On 8 June 2012, the PBOC decreased the benchmark one-year bank lending rate to 6.31% and further decreased it to 6.00% on 6 July 2012;
- restricting commercial banks from granting loans to property developers which will be used to pay land premium;
- requiring that at least (i) 20% of total investment in property projects is for affordable housing and commodity housing; and (ii) 30% of the total investment for all other types of property projects is funded by the developer's own capital;
- restricting trust companies from providing financing to a project developer which has not obtained the relevant land use rights certificates, construction land planning permits, construction work planning permits and construction work commencement permits; and
- restricting trust companies from funding projects developed by a developer which or whose controlling shareholder holds below a second-level qualification.

For further information, please refer to the section headed "Regulatory Overview" of this listing document. The above measures and other similar government actions and policy initiatives have limited our ability and flexibility in using bank loans and trust financing arrangements to finance our property projects. Should the PRC government introduce similar additional initiatives, we may not be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms or at all.

We face intense competition, which may materially and adversely affect our business, results of operation and financial condition

The property market in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the regions where we have operations and we may enter into. Many of our competitors, including overseas listed foreign developers and top-tier domestic developers. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, temporary local market surplus in property supply leading to property price decline, and higher costs to attract or retain talented employees, thereby affecting the profitability of the Company. If we fail to compete effectively, our business operations and financial condition will suffer.

Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, necessary government approvals to carry out our property development and management operations

The property industry in the PRC is heavily regulated. Property developers must abide by various laws and regulations, including rules stipulated by national and local governments to enforce these laws and regulations. To engage in property development and management operations, we must apply to relevant government authorities to obtain and renew various licenses, permits, certificates and approvals, including but not limited to, qualification certificates, land use rights certificates, qualification certificates for property developers, construction work commencement permits, construction work planning permits, construction land planning permits and pre-sales permits. Before the government authorities issue or renew any certificate or permit, we must meet the relevant requirements. Please see the section headed "Regulatory Overview" of this listing document for details.

As of 31 March 2014, we commenced construction of 24 projects prior to obtaining the requisite construction work planning permits or construction work commencement permits. We received fines ranged from RMB5,238.2 to RMB1.6 million, and amounted to approximately RMB7.6 million in total. For further details in this respect, please see section entitled "Business — Legal Proceedings and Compliance — Compliance — Administrative Penalties" in this listing document.

We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. In the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

Our financing costs are subject to changes in interest rates

We have incurred and expect to continue to incur a significant amount of interest expense relating to our borrowings from banks, as well as from our trust financing arrangements. Accordingly, changes in interest rates have affected and will continue to affect our financing costs. Because a majority of our borrowings are in Renminbi, the interest rates on our borrowings are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. Our interest costs incurred in the years ended 31 December 2011, 2012 and 2013 were RMB4,208.2 million, RMB5,782.3 million and RMB6,574.8 million, respectively. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby adversely affect our business, financial condition and results of operations.

We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future, which may affect our business, financial condition, results of operations and prospects

The growth and success of our business depend on our ability to continue acquiring land reserves located in desirable locations at commercially reasonable prices. Our ability to acquire land depends on a variety of factors that we cannot control, such as overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and the competition for such land parcels. During the Track Record Period, our land reserves were primarily acquired in land auctions held by local governments and through the acquisition of property development companies or property development rights from other developers. The availability and price of land sold at auctions depend on factors beyond our control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Specific regulations are in place to control the methods and procedures by which land parcels are acquired and developed in the PRC. Please refer to the section headed "Regulatory Overview" of this listing document for details. Furthermore, the rapid development of the cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region in recent years has resulted in a shortage in the supply of undeveloped land in desirable locations and increased land acquisition costs, which is one of the largest components of our cost of sales.

We may not be able to develop properties successfully across different regions and as a result, our business, results of operation and financial condition may be materially and adversely affected

We are a nation-wide property developer. As of 31 March 2014, our property development projects covered 65 major cities in China and three overseas markets. Due to the inherent local nature of property development, the local climate, geological conditions, living habits, purchasing preferences, market conditions, regional development policies, regulations and law, etc., each local area is unique in different aspects. Therefore, when developing properties across different regions, we may encounter unique challenges. Experience gained from developing properties in one city in the past may not be applicable to other new regions. Our existing business model may not align with local government requirements or local demand in new areas. Furthermore, we face competition in these new areas from developers which may have more name recognition, more familiarity with local regulations, business models and practices and better relationships with local suppliers, contractors and purchasers. We may not be able to find reliable local suppliers or contractors in the new areas into which we enter at reasonable prices or at all. If we cannot develop properties successfully in the new regions into which we enter, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be unable to successfully manage the growth of our business

The scale of our business has increased significantly in recent years and we expect our business to continue to grow in the future. As of 31 March 2014, we had 719 subsidiaries in the PRC and Hong Kong. We have established a set of policies, controls and procedures to manage our subsidiaries, including personnel management policies, internal control policies and internal audit procedures. However, there can be no assurance that these policies, controls and procedures will prove as effective as we have hoped.

We rely on third-party contractors and any failure by these contractors to provide satisfactory services, our reputation, business, results of operation and financial condition may be materially and adversely affected

We engage third-party contractors to carry out various services relating to our property development projects. We generally select third-party contractors through a tender process and endeavour to engage companies with a strong reputation and track record, high performance reliability and with adequate financial resources. Our third-party contractors may fail to provide satisfactory services at the level of quality or within the time required by us. In addition, completion of our property developments may be delayed, and we may incur additional costs, due to the financial or other difficulties of our contractors. If the performance of any third-party contractor is unsatisfactory, we may need to replace such contractor or take other remedial actions, which could increase the costs and adversely affect the development schedules of our projects and materially and adversely affect our reputation, credibility, financial condition and business operations. In addition, as we are entering into new geographical areas in the PRC, there may be a shortage of third-party contractors that meet our quality standards and other requirements in such locations and, as a result, we may not be able to engage a sufficient number of high-quality third-party contractors which may materially and adversely affect our business, financial condition, results of operations and prospects.

The total GFA of some of our property developments may be different from the original authorised area

Government grants of land use rights for a parcel of land specify in the land grant contract the permitted total GFA that the developer may develop on the land. In addition, the total GFA is also set out in the relevant urban planning approvals and construction permits. However, the actual GFA constructed may be different from the total GFA authorised in the land grant contract or relevant construction permits due to factors such as subsequent planning and design adjustments. The actual GFA may be subject to approval when the relevant authorities inspect the properties after completion. The developer may be required to pay additional land premium and/or administrative fines or take corrective actions in respect of the adjusted land use and excess GFA before a completion certificate (工程竣工驗收備案表) can be issued to the property developer. The methodology for calculating the additional land premium is generally the same as the original land grant contract. If issues related to excess GFA cause delays in the delivery of our products, we may also incur liability to purchasers under our sales and purchase agreements. We cannot assure you that the constructed total GFA for each of our existing projects under development or any future property developments will not exceed permitted total GFA. Any of these factors may materially and adversely affect our reputation, business, results of operations and financial condition.

For non-compliance incidents during the Track Record Period, please see the section entitled "Business — Legal Proceedings and Compliance — Compliance — Administrative Penalties" in this listing document for further details.

The appraised value of our properties may be different from their actual realisable value and are subject to change, and if the actual realisable value of our properties is substantially lower than their appraised value, there may be a material adverse effect on our business, results of operation and financial condition

The appraised value of our properties as set forth in the property valuation report contained in Appendix V to this listing document is based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties and land reserves is based, include that:

- we will develop and complete the projects on a timely basis in accordance with our latest development proposals provided to Jones Lang LaSalle Corporate Appraisal and Advisory

Limited and set out in the property valuation report contained in Appendix V to this listing document;

- we have obtained or will obtain on a timely basis all approvals from regulators necessary for the development of the projects, which does not allow for any delays, such as those that may be caused by weather or natural disasters, or delays in the timely completion of demolition and relocations; and

- we have paid all the land premium and demolition and resettlement costs and obtained all land use rights certificates and transferable land use rights without any obligation to pay additional land premium or demolition and resettlement costs.

If we fail to obtain the approvals from regulators necessary for the development of our projects, some assumptions used by Jones Lang LaSalle Corporate Appraisal and Advisory Limited in reaching the appraised value of our properties will prove inaccurate. Therefore, the appraised value of our properties should not be taken as their actual realisable value or a forecast of their realisable value. Unforeseeable changes to the development of our property projects as well as national and local economic conditions may affect the value of our property holdings.

PRC properties without proper land use rights certificates are not typically assigned commercial value in property valuation reports. Jones Lang LaSalle Corporate Appraisal and Advisory Limited, however, made reference to 33 properties in the property valuation report contained in Appendix V to this listing document under the paragraphs headed "Summary Disclosure of Property Valuation — Group IV — Property interests contracted to be acquired by the Group in the PRC" with respect to which we, as of 31 March 2014, had entered into land grant contracts or equity transfer agreements but had not paid the relevant land premiums in full or satisfied other conditions for obtaining the relevant land use rights certificates and appraised the value of portion of the land parcels of these properties for which the relevant land use rights certificates have not been obtained according to our attributable ownership in the relevant project companies. The total capital value for reference (for properties without proper title certificates) of such land parcels is of RMB38,409 million as set out in the property valuation report contained in Appendix V to this listing document and is subject to the issuance of the relevant land use rights certificates by the PRC government, which in turn, depends on our timely payment of the requisite land premiums and satisfaction of many other conditions, some of which are beyond our control. You should not rely on such estimated value attributed to us by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The LAT calculated by the relevant PRC tax authorities may be different from our calculation of LAT liabilities for provision purposes, which may have an adverse effect on our financial conditions

Pursuant to PRC regulations on LAT, both domestic and foreign investors in real estate development in the PRC are subject to LAT on income from the sale or transfer of land use rights, properties and their attached facilities, at progressive rates ranging from 30% to 60% on the appreciation of land value. During the Track Record Period, we paid RMB3,413.7 million, RMB4,685.5 million and RMB4,901.1 million for LAT for the years ended 31 December 2011, 2012 and 2013, respectively. In accordance with a circular issued by the State Administration of Taxation, which became effective on 1 February 2007, LAT obligations are required to be settled with the relevant tax bureaus within a specified time frame after the completion of a property development project.

We make provisions for LAT by reference to our sales recognised and in accordance with our estimates of the LAT which will be payable under relevant PRC laws and regulations. As we often develop our projects in several phases, deductible items for calculation of LAT, such as land costs, are apportioned amongst such different phases of development. Provisions for LAT are made on our own estimates based on, among others, our own apportionment of deductible expenses which are subject to final confirmation by the relevant tax authorities upon settlement of the LAT. For the years ended 31 December 2011, 2012 and 2013, we made LAT provisions of RMB3,705.4 million, RMB4,825.0 million and RMB3,414.9 million, respectively. LAT liabilities are subject to determination by the tax authorities upon the completion of the property development projects and may be different from the amounts that were initially recorded, and any such differences may impact our profits after tax and deferred tax provision in the periods in which such taxes are finalised with the relevant tax authorities. Our financial condition may be adversely impacted if our LAT liabilities as calculated by the relevant tax authorities are higher than our provisions.

The property development business is subject to claims under statutory quality warranties, and if a number of claims are brought against us under our warranties, our reputation, business, results of operation and financial condition may be materially and adversely affected

Under the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) enacted by the State Council on 20 July 1998 and amended on 8 January 2011, and the Regulation for the Administration of Sales of Commodity Buildings (《商品房銷售管理辦法》), which went into effect on 1 June 2001, all property developers in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. Generally, we receive quality warranties from our third-party contractors with respect to our property projects. If a large number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and adversely affect our business, financial condition and results of operations.

Property owners may not retain us as the provider of property management services and as a result, our business and results of operation may be materially and adversely affected

As of 31 March 2014, we managed 419 property projects of various kinds with a total GFA of over 71.0 million sq.m. in 58 cities in China. Under PRC laws and regulations, property owners of a residential development have the right to change the property management service provider upon the approval of a certain percentage of the property owners of that residential development. If owners of the properties that we have developed are not satisfied with our property management services, they may terminate our property management services or publish negative feedback in respect of our property management services, in which case our reputation, future sales of our properties and our results of operations could be adversely affected.

If we are unable to successfully retain the services of our current personnel and hire, train and retain senior executives or key personnel, our ability to develop and successfully market our products may be impaired

The success and growth of our business has depended significantly on our ability to identify, hire, train and retain suitable employees with capable skills and qualifications, including management personnel with relevant professional skills. We rely on them to continue to develop of our business. We provide incentives to attract and retain large enterprise management and international personnel to meet the future development needs by including the established of our share incentive plan. However, as the competition is fiercesome in China for senior management and key personnel with extensive experience in property development, if a large number of directors and senior management resign, and we fail to find a suitable candidate, our business may be adversely affected.

Potential liability for health and environmental problems could result in delay in the development of our properties

We are subject to a variety of laws and regulations concerning the protection of health and the environment. As required by PRC laws, independent environmental consultants have conducted environmental impact assessments at all of our construction projects and environmental impact assessment documents were submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request a developer to submit the environmental impact documents, issue orders to suspend the construction and impose a penalty for a project where environmental impact assessment documents have not been approved before commencement of construction. If we cannot obtain the approval on our construction projects and environmental impact assessment documents in due course, the development of our projects may be delayed.

If our joint venture partners act contrary to our interests, our business may be materially and adversely affected

Some of our investments are in equity joint venture companies formed to develop, own and/or manage property. Although we are responsible for the day-to-day operations of most of our joint ventures and have the ability to make certain business decisions that are in the ordinary course of our equity joint venture companies, certain important matters may be subject to the consent of our joint venture partners. The request for a unanimous resolution allows the joint venture partners to block actions that we believe to be in our or the joint ventures' best interest.

Although we have not experienced any significant problems with respect to our joint venture partners to date, should significant disputes occur in the future or our joint venture partners act contrary to our interests or their opinions differ with us, this may adversely affect the business and financial condition of our Group.

Our current insurance coverage may not be adequate to cover all risks related to our operations

Property developers are not required under applicable PRC laws and regulations to maintain insurance coverage in respect of their property development operations. Consistent with what we believe to be the industry norm for the property development industry in the PRC, we do not maintain insurance coverage against destruction of or damage to our properties, no matter whether they are under development or held for sale other than those over which our lending banks have securities interests or for which we are required to maintain insurance coverage under the relevant loan agreements. If we suffer any losses, damages or liabilities in the course of our business operations, we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. Therefore, there may be instances when we will sustain losses, damages and liabilities because of our lack of insurance coverage, which may in turn adversely affect our financial condition and results of operations.

We are subject to PRC regulatory requirements, and our failure to fully comply with such requirements could materially and adversely affect our business, financial condition, results of operation and our reputation

We are currently subject to periodic inspections, examinations and inquiries in respect of our compliance with applicable regulatory requirements by PRC regulatory authorities, including the CSRC, the MOFCOM, the SAIC, the SAFE, the state tax bureau and local tax bureau, and their respective local offices. In addition, our overseas operations are also subject to regulatory requirements in other jurisdictions outside the PRC. If sanctions, fines and other penalties are imposed on us for failing to comply with applicable requirements, guidelines or regulations, our business, financial condition, results of operations and our reputation may be materially and adversely affected.

We may be involved in legal and other disputes arising out of our operations and may face significant liabilities as a result

We may be involved from time to time in disputes with various parties involved in the development and the sale of our properties, including contractors, suppliers, construction workers, original residents, partners, banks and purchasers. These disputes may lead to protests and may result in damage to our reputation, substantial costs and diversion of resources and management's attention. As most of our projects are comprised of multiple phases, purchasers of our properties in earlier phases may commence legal actions against us if our subsequent planning and development of the projects are perceived to be inconsistent with our representations and warranties made to such earlier purchasers. In addition, we may have compliance issues with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavourable decrees that result in liabilities and cause delays to our property developments. Please see paragraphs under "Business — Legal Proceedings and Compliance — Legal proceedings". We may be involved in other proceedings or disputes in the future that may have an adverse effect on our business, financial condition, results of operations or cash flows.

We may be exposed to intellectual property infringement, misappropriation or other claims by third parties and deterioration in our brand image could adversely affect our business

We believe that we have built an excellent reputation in China for the quality of our various product series. We have also placed great importance on the continuous enhancement of our brand name and the increase in our brand recognition. Our brand strategy, however, depends on our ability to use, develop and protect our intellectual properties, such as our trademarks. Although we have applied for trademark registration for our names and logos, we have not successfully registered all of these trademarks in China or elsewhere. As a result, we could be subject to trademark disputes. The defense and prosecution of intellectual property lawsuits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert our resources and the time and attention of our management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liabilities to third parties, require us to seek licenses from third parties and to pay ongoing royalties, or subject us to injunctions prohibiting the use of such name and/or logo.

Adverse media reports about us or our projects, whether substantiated or not, may cause harm to our reputation and adversely affect our business operations

The development and future trends in the PRC property industry, including business strategies of major property developers, have been the focus of numerous media reports. As a leading property developer in China, information about us or our projects appears frequently in various media outlets. Some of these media reports contain inaccurate information about our Company and our projects. For example, at the end of 2013, certain media falsely reported that we had failed to pay and underpaid certain required LAT. The day after that report was made, we issued an announcement clarifying that we did not have any unpaid or underpaid LAT. There can be no assurance that there will not be additional false, inaccurate or adverse media reports about us or our projects in the future. In particular, we may be required to respond or take defensive and remedial actions with regard to such inaccurate or adverse media reports, which may adversely affect our business operations.

Moreover, there can be no assurance as to the appropriateness, accuracy, completeness or reliability of any media reports regarding our Company. To the extent that any media reports contain information that is inconsistent or conflicts with the information contained in this listing document, investors should not rely on any such information in making a decision as to whether to purchase our Shares, and should rely only on the information included in this listing document.

Our reputation may be adversely affected by the investigation on our former Supervisor by relevant authorities

Our Directors and Supervisors shall comply with laws, administrative regulations, our Articles of Association and other applicable rules and disciplines and may be subject to investigations by relevant authorities for suspected violation of any applicable laws, administrative regulations and rules and disciplines. Mr. Wu Ding, our former Supervisor, who resigned on 19 May 2014, is under investigation for suspected serious violations of disciplines. The investigation against Mr. Wu Ding has nothing to do with our Group and does not affect the business and operations of our Group. Due to the widespread attention of the public and media report, the investigation on our former Supervisor may cause harm to our reputation.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

Government control of currency conversion may adversely affect the value of your investments

The currency paid out for dividends by us for A Shares is Renminbi. We paid out our dividends of B Shares in HK dollars and will pay out our dividends in HK dollars for our H Shares. The major currency which we receive and pay out through our operation is Renminbi, which is not a freely convertible currency. A portion of our cash may be required to be converted into other currencies in order to meet our foreign currency needs, including cash payments on declared dividends, if any, on our H Shares.

However, the PRC government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, we might not be able to pay dividends to the holders of our H Shares in foreign currencies. On the other hand, foreign exchange transactions under capital accounts in the PRC continue to be not freely convertible and require the approval of the SAFE. These limitations could affect our ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy other foreign exchange requirements. If we are unable to obtain the relevant approvals, our capital expenditure plans and, consequently, our ability to develop our business, could be adversely affected.

Future fluctuations in the value of Renminbi could have an adverse effect on our financial condition and results of operations

While we conduct a majority of our business operations in the PRC, we also derive foreign currencies denominated revenue, and we convert Renminbi into foreign currencies to make investments and acquisitions overseas or pay dividends to our Shareholders. A portion of our revenue, expenses and bank borrowings are denominated in U.S. dollars and other foreign currencies, although our functional currency is Renminbi. As a result, fluctuations in exchange rates, particularly between Renminbi, HK dollars or U.S. dollars, could affect our profitability and may result in foreign currency exchange losses of our foreign currency-denominated assets and liabilities.

The exchange rate of Renminbi against U.S. dollars and other currencies fluctuates and is affected by, among other things, changes in the PRC, as well as, international political and economic conditions and the PRC government's fiscal and currency policies. Since 1994, the conversion of Renminbi into foreign currencies, including HK dollars and U.S. dollars, has been based on rates set daily by the

PBOC, based on the previous business day's inter-bank foreign exchange market rates and exchange rates in global financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. On 19 June 2010, the PBOC announced that the PRC government would reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. On 16 April 2012, the PBOC enlarged the previous floating band of the trading prices of Renminbi against U.S. dollars in the inter-bank spot foreign exchange market from 0.5% to 1% and further enlarged to 2% by the PBOC on 15 March 2014 in order to further improve the managed floating Renminbi exchange rate regime based on market supply and demand with reference to a basket of currencies. There remains significant international pressure on the PRC government to adopt a more flexible currency policy. We cannot assure you that the value of Renminbi will not experience significant fluctuations against U.S. dollars in the future. Any significant increase in the value of Renminbi against foreign currencies could reduce the value of our foreign currency-denominated revenue and assets while any decrease in the value of Renminbi against foreign currencies especially HK dollars could increase our costs for paying dividends to our Shareholders.

The legal system of the PRC is still developing and there are inherent uncertainties that may affect the protection afforded to our business and our Shareholders

Our business and operations in China are governed by the PRC legal system that is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new and continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency. Some of the laws and regulations are still in the developmental stage and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. We cannot predict the effect of future legal developments in China, including the promulgation of new laws, changes in existing laws or their interpretation or enforcement, or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to us and our Shareholders. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. In addition, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management attention. As our Shareholder, you hold an indirect interest in our operations in China. Our operations in China are subject to PRC regulations governing PRC companies. These regulations contain provisions that are required to be included in the articles of association of PRC companies and are intended to regulate the internal affairs of these companies. PRC company law and regulations, in general, and the provisions for the protection of shareholders' rights and access to information, in particular, may be considered less developed than those applicable to companies incorporated in Hong Kong, the United States and other developed countries or regions.

It may be difficult to effect service of process upon, or to enforce against, us or our Directors or members of our senior management who reside in the PRC in connection with judgments obtained in non-PRC courts

Most of our assets and our subsidiaries are located in China. In addition, most of our Directors and senior management reside within China, and the assets of our Directors and senior management may also be located within China. As a result, it may not be possible to effect service of process outside China upon most of our Directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments from various jurisdictions is uncertain.

We face risks related to force majeure events, natural disasters, health epidemics and other outbreaks, which could significantly affect our operations

Our business could be materially and adversely affected by natural disasters or the outbreak of avian influenza, severe acute respiratory syndrome ("**SARS**"), or other epidemics. On 12 May 2008, and 14 April 2010, severe earthquakes hit part of Sichuan province in southwest China and part of Qinghai province in west China, resulting in significant casualties and property damage. If a similar disaster were to occur in the future, particularly in regions where we operate, our operations could be materially and adversely affected due to loss of personnel, damage to property or decreased demand for our products.

In April 2009, a new strain of influenza A virus subtype H1N1 was discovered and quickly spread across the world, including to China. In July 2009, the World Health Organisation declared the outbreak to be a pandemic, while noting that most of the illnesses were of moderate severity. Any outbreak of avian influenza, SARS, influenza A (H1N1), or other adverse public health developments, could adversely affect the overall business sentiment and environment in China and the world, which in turn may lead to slower overall economic growth in China and the world. Any contraction or slowdown in the economic growth of China and the world could adversely affect our business, financial condition, results of operations and growth prospects. In addition, if any of our employees is infected or affected by any severe communicable disease, it could adversely affect or disrupt our operations, as we may be required to close some or all of our business to prevent the spread of the disease. The spread of any severe communicable disease in China may also affect our customers and suppliers, which could in turn adversely affect our business, financial condition, results of operations and growth prospects.

RISKS RELATING TO THIS LISTING

Certain risks that our B Shareholders should be aware of

Our B Shareholders should be aware of the risks and special notes to the investors set out in the Implementation Plan, which was published by our Company on 19 January 2013 and approved by the Shareholders of our Company at the extraordinary general meeting held on 4 February 2013. The full version of the Implementation Plan is available at the following website:

For the Chinese version:

http://www.cninfo.com.cn/finalpage/2013-01-19/62039379.PDF

For the English version:

http://202.66.146.82/listco/cn/vanke/announcement/a130119f.pdf

B Shareholders are advised to seek their own PRC, Hong Kong and other relevant legal counsels' and/or financial advisers' advice regarding their investment in our Company. In particular, the B Shareholders should be aware of the following risks set out in the Implementation Plan:

- Risk regarding difference between B Share market and H Share market. B Share and H Share markets have different trading volume, liquidity, trading hours, investor bases and other characteristics. As a result of these differences, the trading price of our B Shares and H Shares may not be the same and the historical share prices of B Shares may not be indicative of the share price at which the H Shares will be traded following the completion of the Listing. We could not guarantee that the price of H Shares in the future could be higher or equal to the price of B Shares before the Listing. Moreover, unlike B Share that has a price limit at the rate of 10% per trading day, H share has no price limit and all fluctuation in price is depended upon the market.

- Risk regarding increasing transaction costs. Immediately upon the Listing, B Shareholders who choose to convert their B Shares into H Shares and hold such H Shares for investment will need to pay more fees, charges and costs than they need to pay for their holding of our B Shares:

  (i) special transaction charges in relation to the trading of H Shares, including but not limited to registration and transfer fees, dividends collection fees and bonus shares collection fees; and

  (ii) those Shareholders who continue to trade our H Shares through relevant PRC securities company's trading system are obliged to pay commission charges to such PRC securities companies in addition to all transaction costs set out in (i) above for their trading in our H Shares.

- Risk regarding limited trading right. In accordance with relevant PRC laws and regulations in relation to foreign exchange, PRC Shareholders are not able to purchase overseas securities. Upon and after the Listing, our PRC Shareholders can only hold or sell the H Shares held by them but cannot purchase any additional H Shares or any other securities listed on the Hong Kong Stock Exchange. All proceeds from the sale of the H Shares held by the designated nominee of our PRC Shareholders must be remitted into the PRC as soon as practicable upon the sale.

Please see the section headed "Listings, Registration, Dealings and Settlement" in this listing document for further details.

The liquidity of our H Shares on the Hong Kong Stock Exchange may be limited and the effectiveness of the Arrangement is subject to limitations

As of the Latest Practicable Date, our Company has 9,700,070,951 A Shares and 1,314,955,468 B Shares, both of which are listed on the Shenzhen Stock Exchange. Our Company intends to convert all the B Shares into H Shares which will be listed by way of introduction on the main board of the Hong Kong Stock Exchange. Application has been made to the Listing Committee for the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange. Immediately upon the completion of the Listing, all of the 1,314,955,468 B Shares will, due to the change of the listing venue, be converted into H Shares to be held by (i) our existing B Shareholders whom did not elect the Cash Option, or (ii) the Cash Option Providers. It is expected that 1,314,955,468 H Shares (representing all of the total number of H Shares and approximately 11.94% of the total number of issued Shares), being the maximum number of H Shares which will be available either to be sold by the H Shareholders through their respective accounts opened with the relevant PRC securities companies (through which their H Shares will be held by the designated nominee), or to be traded through their existing Hong Kong accounts or their other designated Hong Kong accounts to be opened with the designated broker in Hong

Kong or other eligible Hong Kong securities corporations upon the Listing. Moreover, as of the Latest Practicable Date, there were more than 300 public B Shareholders with securities accounts opened in Hong Kong with the designated broker in Hong Kong or other eligible Hong Kong securities corporations holding in aggregate 952,053,622 B Shares, representing approximately 72.4% of the total number of issued B Shares and approximately 8.6% of the total number of issued Shares, who are ready to trade their H Shares on the Hong Kong Stock Exchange upon the commencement of trading of H Shares on the Listing Date. Based on the closing price of B Shares on 3 June 2014 (being the last trading day of B Shares) of HK$12.41, the market capitalisation of such 952,053,622 B Shares was approximately HK$11.8 billion. Please also see the section headed "Listings, Registration, Dealings and Settlement" in this listing document.

Notwithstanding the above, certain H Shareholders may not be willing to sell or trade their H Shares based on the Arrangement upon the Listing. This may adversely affect investors' ability to purchase or liquidate our H Shares on the Hong Kong Stock Exchange. Neither our Company nor the Sole Sponsor has arranged any bridging arrangement or any other arbitrage activity for the Listing. Accordingly, there is no guarantee that the Arrangement will attain and/or maintain liquidity in our H Shares at any particular level on the Hong Kong Stock Exchange, nor is there assurance that a liquid and orderly market may be established despite the Arrangement is in place. Furthermore, there is no guarantee that the price at which H Shares are traded on the Hong Kong Stock Exchange will be substantially the same as or similar to the price at which B Shares are traded on the Shenzhen Stock Exchange.

The characteristics of the A Share and H Share markets may differ, and the liquidity and market price of our H Shares may be volatile

Following the Listing, our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be traded on the Hong Kong Stock Exchange. Without approval from the relevant regulatory authorities, our A Shares and H Shares are neither interchangeable nor fungible, and there is no trading or settlement between the A Share and the H share markets. The A Share and H share markets have different trading characteristics (including trading volume and liquidity) and investor bases, including different levels of retail and institutional participation. As a result of these differences, the trading price of our A Shares and H Shares may not be the same. Moreover, fluctuations in our A Share price may affect our H Share price, and vice versa. Because of the different characteristics of the A Share and H share markets, the historical prices of our A Shares may not be indicative of our H Share performance. You should, therefore, not place any undue reliance on the prior trading history of our A Shares when evaluating an investment in our H Shares.

There has been no prior public market for our H Shares. In addition, following the Listing, the price and trading volume of our H Shares may be highly volatile and may fluctuate substantially in response to, among other factors:

- variations in our revenue, earnings, cash flow, asset quality, and financial and operating performance;
- changes in financial estimates by securities analysts;
- investor perceptions of us and the investment environment in Asia, including the PRC and Hong Kong;
- development of the PRC banking industry;
- depth and liquidity of the market for our H Shares;
- differences between our actual profits and forecasts by third party research analysts or media (if any);

- disputes or lawsuits relating to transfers of our Shares;
- complaints or allegations of financial or other impropriety at our Group made by third parties (as have been made in the past), whether true or not;
- fluctuation in the price and trading volume of the A Shares; and
- general economic and other factors.

There is no assurance that an active trading market for our H Shares will develop following the Listing or, if it does develop, that it will be sustained or that the market price for our H Shares will not decline. The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, Europe, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with similar business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares.

Recently, a number of PRC based companies have listed their securities, or are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings or introduction. The trading performances of the securities of these companies at the time of or after their offerings or introduction may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. These broad market and industry factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating and financial performance.

You may be subject to PRC taxation

As for non-tax resident enterprise ("**non-TRE**") investors, according to the EIT Law and its Implementation Rules (《中華人民共和國企業所得稅法實施條例》(國務院令第512號)) effective from 1 January 2008, and the relevant circulars issued by the SAT (國稅函 [2009] 394號; 國稅函 [2008] 897號), dividends distributed (a) to non-TRE holders and (b) to non-TRE investors of our foreign invested PRC subsidiaries are both subject to PRC withholding tax of 10% unless the non-TRE's country of residence has a tax treaty with the PRC that provides for a different withholding arrangement. According to the Arrangement between the Mainland and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於業務所得稅避免雙重徵稅和防止偷稅的安排》) signed by the two parties on 21 August 2006, a non-TRE incorporated in Hong Kong will be subject to withholding tax of 5% on dividends it receives from our foreign invested PRC subsidiaries if such non-TRE holds at least 25% equity interests in our foreign invested PRC subsidiaries.

As for non-PRC resident individual holders of our H Shares ("**non-resident individual holders**"), under applicable PRC tax laws, including the relevant Circular issued by the SAT (國稅函 [2011] 348號) the dividends we pay to non-PRC resident individual holders of our H Shares are subject to PRC individual income tax at a rate of 10%, unless reduced by applicable tax treaties, arrangements or rules, or at the actual tax rate of your country of residence (if that actual rate is between 10% and 20%), or at the rate of 20% in all the other situations (if your country of residence has a tax rate above 20% or has no tax treaties arrangements or rules with the PRC). As for non-PRC resident individual holders of our foreign invested PRC subsidiaries, pursuant to the Circular on Questions Concerning Individual Income Tax Policies (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知 (財稅字[1994]20號)》) issued by the Ministry of Finance and the SAT, non-PRC resident individual holders are temporarily exempted from PRC individual income tax.

Despite the arrangements mentioned above, there are significant uncertainties as to the interpretation and application of applicable PRC tax laws and rules due to several factors. Among other things, it is anticipated the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. On 3 February 2013, the State Council issued the notice of State Council on approving and forwarding the certain opinions of the National Development and Reform Commissions and other departments on Deepening the Income Distribution System Reform (《關於深化收入分配制度改革的若干意見》 (國發[2013]6號)) ("**Income Distribution Reform Notice**"). According to the Income Distribution Reform Notice, the PRC government plans to revoke the currently applied preferential tax treatment regarding the dividends distributed to non-PRC resident individual holders of a PRC foreign invested enterprise, although the SAT remains yet to issue clear rules in this regard.

In addition, it is also unclear whether and how the PRC individual income tax on gains realised by non-PRC resident holders of H Shares through the sale, or transfer by other means, of H Shares will be collected by the PRC tax authorities in the future.

Non-TRE investors selling H Shares would be subject to 10% PRC withholding tax, subject to any applicable treaty relief.

Considering these uncertainties, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realised through sale or transfers of the H Shares. For additional information, please see Appendix VIII "Taxation and Foreign Exchange" to this listing document.

Our Shareholders' interest may be diluted as a result of additional equity fund-raising

Our Company may need to raise additional funds in the future to finance expansion of or new developments relation to its existing operations or new acquisitions. If we issue additional Shares or equity-linked securities of the Company in the future other than on a pro-rata basis to existing Shareholders, Shareholders may experience dilution in their shareholding.

Future sales or perceived sales of substantial amounts of our H Shares in the public market or the conversion of our A Shares to H Shares could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise capital in the future.

The market price of our H Shares could decline as a result of future sales of substantial amounts of our H Shares or other securities relating to our Shares in the public market, or the issuance of our new Shares or other securities relating to our Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect the prevailing market price of our H Shares or our ability to raise capital in the future at a time and at a price favourable to us, and our shareholders would experience dilution in their holdings upon issuance or sale of additional securities for any purpose, including, among other things, to improve our capital adequacy in the future.

Further, according to the stipulations by the CSRC and our Articles of Association, our A Shares may be transferred to overseas investors, and such transferred shares may be listed or traded on an overseas stock exchange, provided certain conditions are met and certain procedures are completed. Conversion of a substantial number of our A Shares to H Shares, or the perception that such conversion may occur, could materially and adversely affect the price of our H Shares.

Investors may not be able to participate in rights offerings or elect to receive stock dividends and may experience dilution of shareholding

We may, from time to time, distribute rights to our Shareholders, including rights to acquire securities. We will not distribute rights to a holder of our H Shares in the United States unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the US Securities Act of 1933, as amended, ("**US Securities Act**") or are registered under the US Securities Act. We cannot assure you that we will be able to establish an exemption from registration under the US Securities Act, and we are under no obligation to file a registration statement with respect to any rights or underlying securities or to endeavour to have a registration statement declared effective under the US Securities Act. Accordingly, holders of the H Shares in the United States or other jurisdictions which have relevant restrictions may be unable to participate in rights offerings and may experience dilution of their holdings as a result. In addition, if we are unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, we may allow the rights to lapse, in which case holders of the H Shares will receive no value for these rights.

Dividends declared in the past may not be indicative of our dividend policy in the future

Dividends paid in prior periods may not be indicative of future dividend payments. We cannot guarantee when, if and in what form dividends will be paid in the future. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including, without limitation, our business and financial performance, capital and regulatory requirements and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain facts and statistics in this listing document relating to the PRC and global economy, the PRC property market may not be fully reliable

Certain facts and statistics in this listing document relating to the PRC, the PRC and global economy, the PRC property market have been derived from various official government publications that we generally believe to be reliable. However, we cannot guarantee the quality or reliability of these materials. While our Directors have taken reasonable care in extracting and reproducing such information, they have not been prepared or independently verified by us and the Sole Sponsor or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of these facts and statistics, which may not be consistent with other information compiled within or outside China. Due to possibly flawed or ineffective collection methods or discrepancies between government-published information and other market practice, these facts and statistics in this listing document may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled by the government on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Therefore, you should not unduly rely upon the facts and statistics from government official publications with respect to China, the PRC economy and the PRC property market contained in this listing document.

Forward-looking statements contained in this listing document are subject to risks and uncertainties

This listing document contains certain statements that are "forward-looking" and uses forward looking terminology such as "anticipate", "believe", "expect", "may", "plan", "consider", "ought to", "should", "would" and "will". Those statements include, among other things, the discussion of our growth strategy and the expectations of our future operations, liquidity and capital resources. Investors of our H Shares are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in the risk factors discussed above. In light of these and other uncertainties, the inclusion of forward-looking statements in this listing document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. We do not intend to update these forward looking statements in addition to our on-going disclosure obligations pursuant to the Hong Kong Listing Rules or other requirements of the Hong Kong Stock Exchange. Investors should not place undue reliance on such forward-looking information.

You should read the entire Implementation Plan, this listing document and the Transaction Guide carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and this Listing

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and this Listing. Prior to the date of this listing document, there has been press and media coverage regarding us and this Listing, which included certain financial information, financial projections, valuations, capital expenditure and other information about us that do not appear in this listing document. We have not authorised the disclosure of any such information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in the Implementation Plan, this listing document or the Transaction Guide, we disclaim responsibility for it and you should not rely on such information.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted to us, the following waivers from strict compliance with the Hong Kong Listing Rules.

MANAGEMENT PRESENCE

Rule 8.12 of the Hong Kong Listing Rules provides that a listing applicant applying for a primary listing on the Hong Kong Stock Exchange must have sufficient management presence in Hong Kong, and this normally means that at least two of such listing applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Hong Kong Listing Rules provides that the requirement under Rule 8.12 of the Hong Kong Listing Rules may be waived by the Hong Kong Stock Exchange at its discretion. It states that in exercising such discretion, the Hong Kong Stock Exchange will have regard to, among other considerations, the listing applicant's arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Currently, the head office and the business operations of our Company and its major subsidiaries are mainly based, managed and conducted in the PRC. We do not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong as required under Rules 8.12 and 19A.15 of the Hong Kong Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Hong Kong Listing Rules based on the following arrangements to maintain effective communication between the Hong Kong Stock Exchange and our Company:

(a) Both of the two authorised representatives, Mr. Wang Wenjin ("**Mr. Wang**"), an executive Director and executive vice president of our Company, and Mr. Tan Huajie ("**Mr. Tan**"), the secretary to the Board and the company secretary of our Company, will act as our principle channel of communication with the Hong Kong Stock Exchange. Our Company has also appointed Mr. LUK, Chi Chung Peter ("**Mr. Luk**"), a Hong Kong resident and the assistant company secretary of our Company, as its alternative authorised representative. Although Mr. Wang and Mr. Tan normally reside in the PRC, both of them possess valid travel documents to visit Hong Kong and are able to renew such travel documents upon expiry. Accordingly, the authorised representatives and the alternative authorised representative of our Company will be able to meet with the relevant members of the Hong Kong Stock Exchange within a reasonable period of time. Each of the two authorised representatives and the alternative authorised representative of our Company will also be readily available by telephone, email and facsimile to promptly address the enquiries from the Hong Kong Stock Exchange.

(b) Both of the two authorised representatives and the alternative authorised representative of our Company have means of contacting all Directors (including the independent non-executive Directors) promptly at all times and when the Hong Kong Stock Exchange wishes to contact a Director for any reason.

(c) Each of the Directors (including the independent non-executive Directors) has provided his mobile phone numbers, office phone numbers, email addresses and fax numbers to each of the authorised representatives and the alternative authorised representative of our Company and the Hong Kong Stock Exchange, and in the event that any Director (including any independent non-executive Director) expects to travel or otherwise be out of office, he will provide the contact details and his place of accommodation to the two authorised representatives and the alternative authorised representative.

(d) Each of the Directors who is not ordinarily resident in Hong Kong possesses valid travel documents to visit Hong Kong and are able to renew such travel documents when they expire and will be able to meet with the relevant members of the Hong Kong Stock Exchange within a reasonable period of time. Each of the Directors (including the independent non-executive Directors) will be readily contactable by telephone, facsimile and email, and is authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange.

(e) Mr. Luk, the alternative authorised representative of our Company, who is a Hong Kong resident, will, among other things, act as a channel of communication of our Company with the Hong Kong Stock Exchange and be available to answer enquiries from the Hong Kong Stock Exchange.

(f) Our Company has appointed a compliance adviser pursuant to Rule 3A.19 of the Hong Kong Listing Rules who will have access at all times to the two authorised representatives and the alternative authorised representative, the Directors (including independent non-executive Directors) and other senior management of our Company, and will act as an additional channel of communication between our Company and the Hong Kong Stock Exchange. The compliance adviser will be appointed for a period commencing on the Listing Date and ending on the date on which our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Hong Kong Listing Rules.

(g) Meetings between the Hong Kong Stock Exchange and the Directors (including the independent non-executive Directors) could be arranged through the authorised representatives, the alternative authorised representative or the compliance adviser of our Company or directly with the Directors (including the independent non-executive Directors) within a reasonable time frame. Our Company will inform the Hong Kong Stock Exchange promptly in respect of any change in its authorised representatives, the alternative authorised representative and/or the compliance adviser.

COMPANY SECRETARY

Rule 8.17 of the Hong Kong Listing Rules provides that a listing applicant must appoint a company secretary who satisfies Rule 3.28 of the Hong Kong Listing Rules. Rule 3.28 of the Hong Kong Listing Rules provides that the company secretary of a listing applicant must be a person who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a Member of The Hong Kong Institute of Chartered Secretaries;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing "relevant experience", the Hong Kong Stock Exchange will consider the individual's:

(a) length of employment with the listing applicant and other listed issuers and the roles he played;

(b) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Tan, the secretary to the Board, as the company secretary of our Company. For the relevant experiences and qualifications of Mr. Tan, please refer to the relevant disclosure in respect of Mr. Tan's biographical information under the section headed "Directors, Supervisors and Senior Management" in this listing document. Mr. Tan is experienced in handling administrative work and preparing meeting materials for the Board, and has a thorough understanding of the operation of our Company and the Board. However, Mr. Tan does not possess requisite qualifications as stipulated under Rule 3.28 of the Hong Kong Listing Rules and may not be able to fulfill the requirements under Rule 3.28 of the Hong Kong Listing Rules. As such, our Company has appointed Mr. Luk as an assistant company secretary of our Company to assist Mr. Tan in the compliance matters for the Listing as well as other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date. Mr. Luk is ordinarily resident in Hong Kong and fulfills the qualification requirements under Rule 3.28 of the Hong Kong Listing Rules. While Mr. Tan has not previously had personal experience of the Hong Kong regulatory system, he will be assisted and have the resources and expertise of Mr. Luk as an assistant company secretary.

Over a period of three years from the Listing Date, our Company proposes to implement the following measures to assist Mr. Tan to become a company secretary with the requisite qualifications as stipulated under Rule 3.28 of the Hong Kong Listing Rules:

(a) Mr. Luk, the assistant company secretary who meets the requirements under Rule 3.28 of the Hong Kong Listing Rules, will assist Mr. Tan so as to enable him to acquire the relevant knowledge and experience (as required under Rule 3.28 of the Hong Kong Listing Rules) in order to discharge his duties and responsibilities as a company secretary of our Company. Based on Mr. Luk's relevant experience, he will be able to explain and advise both Mr. Tan and our Company on the relevant requirements of the Hong Kong Listing Rules as well as other applicable Hong Kong laws and regulations.

(b) Mr. Tan, the company secretary of our Company, will be assisted by Mr. Luk for a period of three years commencing from the Listing Date, a period which should be sufficient for him to acquire the relevant knowledge and experience required under Rule 3.28 of the Hong Kong Listing Rules.

(c) Our Company will ensure that Mr. Tan has access to the relevant training and support to enable him to familiarise himself with the Hong Kong Listing Rules and the duties required of a company secretary of a Hong Kong listed company. Mr. Tan will endeavour to attend relevant training courses including briefing on the latest changes to the applicable Hong Kong laws and regulations and the Hong Kong Listing Rules to be organised by our legal advisers as to Hong Kong laws and seminars organised by the Hong Kong Stock Exchange for listed companies from time to time.

(d) Mr. Tan will communicate regularly with Mr. Luk on matters relating to corporate governance, the Hong Kong Listing Rules as well as other applicable Hong Kong laws and regulations which are relevant to the operations and affairs of our Company. Mr. Luk will work closely with, and provide assistance to Mr. Tan in order to discharge his duties and responsibilities as a company secretary, including organizing our Company's board meetings and shareholders' meeting.

(e) Pursuant to Rule 3.29 of the Hong Kong Listing Rules, Mr. Tan and Mr. Luk will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarise themselves with the requirements of the Hong Kong Listing Rules and Hong Kong regulatory requirements. Both Mr. Tan and Mr. Luk will be advised by our legal adviser as to Hong Kong laws and its compliance adviser as and when required.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Hong Kong Listing Rules. The waiver is valid for an initial period of three years from the Listing Date. Upon the expiry of three years period, our Company will evaluate the qualifications and experiences of Mr. Tan. Upon the determination of our Company that no on-going assistance is necessary, our Company will demonstrate to the Hong Kong Stock Exchange that, with the assistance of Mr. Luk over such three-year period, Mr. Tan has acquired the relevant knowledge and experience as stipulated under Rules 3.28 and 8.17 of the Hong Kong Listing Rules. The Hong Kong Stock Exchange will then determine whether any further waiver would be necessary. The waiver will be revoked immediately when Mr. Luk ceases to provide assistance to Mr. Tan during the three-year period from the Listing Date.

ACCOUNTANTS' REPORT

Rule 4.01(1) of the Hong Kong Listing Rules and paragraph 37 of Appendix 1A to the Hong Kong Listing Rules provide that a new listing applicant is required to prepare an accountants' report in accordance with Chapter 4 of the Hong Kong Listing Rules and to disclose all the specified details concerning the financial information in the accountants' report as set out in Appendix 16 to the Hong Kong Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 4.01(1) of the Hong Kong Listing Rules and paragraph 37 of Appendix 1A to the Hong Kong Listing Rules such that our Company has reproduced in this listing document its previously published audited consolidated financial statements of the Group for the past three financial years ended 31 December 2011, 2012 and 2013, which were prepared in accordance with IFRSs based on the following grounds:

(a) The previously published financial statements of the Group for the past three financial years ended 31 December 2011, 2012 and 2013 were prepared in accordance with IFRSs, an accounting standard acceptable to the Hong Kong Stock Exchange under Rule 4.11 of the Hong Kong Listing Rules and were audited by KPMG Huazhen. In addition, our Company's annual reports for the past three financial years ended 31 December 2011, 2012 and 2013 complied with the disclosure requirements of the CSRC for public companies and relevant requirements of the Shenzhen Stock Exchange. KPMG Huazhen has confirmed that it has been approved by the China Ministry of Finance and the CSRC as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong. Accordingly, it shall fulfill the relevant requirements under Listing Rule 19A.08.

(b) The Listing is to be conducted by way of introduction, which means that there will be no offering of shares and no new investors becoming shareholders of our Company at the time of listing. There would be no fund raising activities under the Listing. At the time of listing, part or all of the existing B Shareholders and/or the Cash Option Providers will become the H Shareholders. All H Shareholders upon listing have already been provided with historical financial information about our Company through the previously published financial statements of the Group for the three financial years ended 31 December 2011, 2012 and 2013.

(c) Our Company has over 700 subsidiaries that it may be unduly burdensome and unnecessary to require our auditors to prepare the accountants' report instead of having the previously published financial statements reproduced in the listing document. It is expected that significant additional time and cost will be required for the preparation of the accountants' report, and such accountants' report will not provide any additional material information to the shareholders.

(d) Our Company has included the following statement in this listing document: "This listing document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information to the public with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief that all material information has been included in this listing document and the information contained in this listing document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this listing document misleading."

(e) As a public company listed in Shenzhen, the consolidated financial statements for each of the three financial years of the Group were filed with the Shenzhen Stock Exchange and must strictly comply with the Shenzhen Listing Rules and the relevant PRC securities laws and regulations. Our Company and the Sole Sponsor believe that the previously published consolidated financial statements for each of the past three financial years provide adequate and sufficient historical financial information to our existing A and B Shareholders as well as H Shareholders in the future.

Accordingly, our Company is not required to prepare the accountants' report for the three financial years ended 31 December 2011, 2012 and 2013. Alternatively, our Company has reproduced in this listing document its previously published audited consolidated financial statements of the Group for the past three financial years ended 31 December 2011, 2012 and 2013, which were prepared in accordance with IFRSs.

DEALINGS IN SHARES PRIOR TO LISTING

Rule 9.09 (b) of the Hong Kong Listing Rules provides that there must be no dealing in the securities of a new listing applicant for which listing is sought by any connected person of the listing applicant from four clear business days before the expected hearing date until listing is granted ("**Restricted Period**").

In the context of listing by way of introduction of a widely held, publicly traded company, our Company has no control over the investment decision of its Shareholders and connected persons. Our Company does not contemplate that it is within its control to satisfy the strict requirement under Rule 9.09(b) of the Hong Kong Listing Rules. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules such that the restrictions on dealing in the shares of our Company seeking for the Listing under Rule 9.09(b) of the Hong Kong Listing Rules shall not apply to its existing substantial shareholder CRC, its future substantial shareholders, a subsidiary of its existing substantial shareholder and a connected person CRH and its existing shareholder and a connected person GIC, and their respective associates over whom our Company has no control in relation to their investment decisions when they act as the Cash Option Providers for the Company to purchase B Shares. Except for being the Cash Option Providers to purchase B Shares under the Listing, CRC, CRH, GIC and their respective associates will comply with Rule 9.09(b) of the Hong Kong Listing Rules so that each of them cannot deal in the shares of the Company seeking for the Listing during the Restricted Period.

In support of this waiver application, our Company has either confirmed or undertaken to the following:

(a) Each of our Company and its senior management has no control over the investment decisions of its Shareholders (including potential new substantial shareholders of our Company) and their respective associates and their investing public, nor is each of them in a position to be fully aware of the dealing of the shares by the Shareholders of our Company (save as disclosed in (c) below).

(b) Our Company confirms that the waiver is only applicable to its existing substantial shareholder, CRC, its future substantial shareholders, a subsidiary of its existing substantial shareholder and a connected person CRH, and its existing shareholder and a connected person, GIC, and their respective associates over whom our Company has no control in relation to their investment decisions when they act as the Cash Option Providers for the Company to purchase B Shares. Except for being the Cash Option Providers to purchase B Shares under the Listing, CRC, CRH, GIC and their respective associates will comply with Rule 9.09(b) of the Hong Kong Listing Rules so that each of them cannot deal in the shares of the Company seeking for the Listing during the Restricted Period. Normally, our executive directors and senior management are involved in the Group's daily management and operations and our other directors are not involved in the daily management and operations. Currently, three directors of our Company, namely Mr. Qiao Shibo, Mr. Wei Bin and Mr. Chen Ying, concurrently worked at CRH and/or its associates as senior officers. However, all of them, representing three out of the total board of eleven directors of our Company, are non-executive in nature and do not involve in the daily management and operations of the Group. In addition, all of these three directors of our Company were nominated by the board of directors of our Company and were approved and appointed by the shareholders' general meeting of our Company. Other than that, our Company has confirmed that none of its existing directors concurrently worked at CRH or GIC and/or each of respective associates. Each of CRC, CRH, GIC and the future substantial shareholders/connected persons of our Company and their respective associates have not, or will not be involved in the Group's daily management and operations prior to the Listing.

(c) Our Company confirms that its directors, supervisors, senior management, together with their respective associates, will not deal in the shares of our Company seeking for the Listing during the Restricted Period.

(d) CRC, the existing substantial shareholder of our Company and its subsidiary and a connected person of our Company, CRH and the existing shareholder and a connected person of our Company, GIC, have undertaken to us that they will not deal in the shares of our Company seeking for the Listing during the Restricted Period save and except for the participations of CRH and GIC in the cash offer as two of the institutions acting as the Cash Option Providers. The purpose of the participations of CRH and GIC in the cash offer is to protect the interests of B Shareholders so that the B Shareholders can choose to accept the cash offer if they do not choose to hold B Shares to be converted into H Shares, which is passive in nature and in line with the interests of our Company and the B Shareholders as a whole.

(e) Our Company undertakes that it shall notify the Hong Kong Stock Exchange of any dealing or suspected dealing in the shares of our Company seeking for the Listing by any connected persons during the Restricted Period. In particular, our Company will report to the CSRC and the Hong Kong Stock Exchange the B Shares to be acquired by CRH and GIC as a result of the exercise of the cash offer by the B Shareholders.

(f) Our Company undertakes that it shall release price sensitive information to the public as required by relevant laws and regulations applicable to our Company so that anyone who may deal in the shares of our Company seeking for the Listing as a result of this waiver will not be in possession of non-public price sensitive information.

(g) Our Company and the Sole Sponsor undertake that no non-public information will be disclosed to the existing substantial shareholder, the potential new substantial shareholders and any of the connected persons of our Company.

(h) CRH, a subsidiary of the existing substantial shareholder of our Company, and GIC, the existing shareholder and a connected person of our Company, are two of the institutions acting as the Cash Option Providers which provide Cash Option to the B Shareholders. Other than that, our Company has confirmed that its existing substantial shareholder, its future substantial shareholders, its connected persons and their respective associates will not be involved in the Listing.

PROFIT FORECAST MEMORANDUM

Rule 9.11(10)(b) of the Hong Kong Listing Rules provides that, where the listing document does not contain a profit forecast, a final or an advanced draft of the board's profit forecast memorandum covering the period up to the forthcoming financial year end date after the date of listing and cash flow forecast memorandum covering at least 12 months from the expected date of publication of the listing document with principal assumptions, accounting policies and calculations for the forecasts are required to be submitted to the Hong Kong Stock Exchange.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Listing Rule 9.11(10)(b) on the following reasons:

(a) This listing document does not include a profit forecast.

(b) There is sufficient disclosure of its financial position, and business and financial prospects, in its periodic financial reports and public announcements by virtue of the relevant listing rules and applicable securities laws to which our Company is subject:

(i) As required by the Shenzhen Listing Rules and relevant PRC laws and regulations, our Company is required to include a general description of outlook and prospects and a warning statement and related explanations if the forecast operating results for the next reporting period will be a net loss or have a material adverse change when compared with its previous corresponding period in its quarterly unaudited financial statements report; and

(ii) As required by the Shenzhen Listing Rules and relevant PRC laws and regulations, our Company is required to make an announcement where there is any material change (over 50%) in expectations to its financial position and prospects.

(c) Our Company is already listed on the Shenzhen Stock Exchange where there is extensive coverage on its financial position and prospects through analysts' research in the market.

(d) The Shenzhen Listing Rules do not require our Company to include a profit forecast in the listing document or its periodic report and our Company does not intend to do so. In such a circumstance, it would be very onerous to require our Company to produce and submit such a memorandum which would not provide any additional material information on top of its general disclosure obligation.

(e) In 2013, our Group achieved a revenue of RMB127,454 million, with total profits before income tax of RMB27,847 million and profits attributable to the equity shareholders of our Company amounting to RMB15,119 million. With such financial performance, we are expected to keep making profits in 2014.

PUBLIC FLOAT

Rule 8.08(1)(a) of the Hong Kong Listing Rules requires that at least 25% of the issuer's total issued share capital must at all times be held by the public. Rule 8.08(1)(b) of the Hong Kong Listing Rules requires that the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital, with an expected market capitalisation at the time of listing of not less than HK$50 million. Under Rule 8.08(1)(d) of the Hong Kong Listing Rules, subject to certain criteria, the Hong Kong Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalisation at the time of listing of over HK$10 billion, where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage.

As of the Latest Practicable Date, there were 1,314,955,468 B Shares which account for approximately 11.94% of our total issued share capital. In addition, the Cash Option Providers include CRH and GIC, both of whom are our connected persons pursuant to the Hong Kong Listing Rules. As such, any B Shares to be held by them as a result of the exercise of Cash Option will not be considered as public float. Apart from the B Shares to be held by CRH and GIC, it is expected that the B Shares to be held by all the other third parties as a result of the exercise of Cash Option will be considered as public float for B Shares. CRH and GIC committed a cap amount for the purpose of providing the Cash Option which would cause the maximum number of B Shares that CRH and GIC can acquire amount to no more than approximately 3.08% of our total issued share capital. Therefore, the percentage of B Shares to be held in the public hands after the exercise of the Cash Option may fall from approximately 11.44% to approximately 8.35% of our total issued share capital.

In light of the above, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 8.08(1)(b) of the Hong Kong Listing Rules that the H Shares will account for approximately 11.94% of our total issued share capital and a lower public float percentage for H Shares of 8% (or such higher percentage as may be held by the public upon completion of the Cash Option) of our total issued share capital which is less than the 15% threshold based on the following grounds:

(a) *Open market.* According to the closing prices of A Shares on the Latest Practicable Date and B Shares on 3 June 2014, being the last trading day of the B Shares, our total market capitalisation will be approximately HK$115.5 billion. There will be an open market in the H Shares and that the number of H Shares concerned would enable the market to operate properly with only 8% (or such higher percentage as may be held by the public upon the completion of the Cash Option) of our total issued share capital in public hands from time to time for the following reasons:

- *Sufficient securities will be available in Hong Kong:* Under the Implementation Plan, all B Shares will be converted into H Shares to be held by the existing B shareholders and/or the Cash Option Providers as a result of acceptances of the Cash Option. Thus, sufficient H Shares will be listed on the main board of the Hong Kong Stock Exchange and will be available for the potential investors in Hong Kong.

- *The size of the proposed Listing:* Under the Implementation Plan, all B Shares will be converted into H Shares to be held by the existing B Shareholders and/or the Cash Option Providers as a result of acceptances of the Cash Option. Based on our total market capitalisation as approximately HK$115.5 billion according to the closing prices of A Shares on the Latest Practicable Date and B Shares on 3 June 2014, being the last trading day of B Shares, the size of the proposed Listing will be approximately HK$16.3 billion at the time of Listing.

- *The liquidity of the securities:* Assuming a public float percentage of 8% of our total issued share capital for H Shares, based on our total market capitalisation as approximately HK$115.5 billion according to the closing prices of A Shares on the Latest Practicable Date and B Shares on 3 June 2014, being the last trading day of B Shares, the value of H Shares in the public hands will be approximately HK$10.9 billion at the time of Listing. It is also submitted that such H Shares to be held in the public hands would not be subject to any lock-up restrictions in the Hong Kong market.

(b) *Diversity of shareholder base and adequate spread of shareholders.* We will proceed with and complete the proposed Listing only if the public float requirements are satisfied, namely: (a) the percentage of public float for the H Shares will meet the minimum percentage granted by the Hong Kong Stock Exchange; (b) at the time of Listing, the H Shares for which listing is sought amount to 11.94% of our total issued share capital; (c) at the time of Listing, there will be no less than 300 public H Shareholders holding H Shares of no less than HK$1 billion with securities accounts opened in Hong Kong with eligible Hong Kong securities corporations, who are ready to trade their H Shares upon the commencement of trading of H Shares on the Listing Date; and (d) there will not be more than 50% of the H Shares in public hands at the time of Listing that will be beneficially owned by three largest public shareholders.

We will make appropriate disclosure of the lower prescribed percentage of public float for H Shares in this listing document and confirm sufficiency of the public float for H Shares in our successive annual reports after the Listing. In addition, we undertake, within one year from the Listing, to take appropriate measures (if it is permitted under applicable PRC laws and regulations and it is subject to the approvals from relevant PRC authorities, including but not limited to the CSRC) to restore the public float for H Shares of no less than 10% of our total issued share capital. As of the Latest Practicable Date, after exercise of the Cash Option, CRH and GIC held nil and 66,366,194 B Shares, respectively, whilst a total of 1,248,589,274 B Shares were held in public hands, representing a public float percentage of approximately 11.34%. Accordingly, the public float for H Shares of no less than 10% of our total issued share capital has already been fulfilled.

We will also implement appropriate measures and mechanisms to ensure continuing maintenance of the minimum percentage of public float for H Shares prescribed by the Hong Kong Stock Exchange. In the event that such public float percentage falls below the minimum percentage prescribed by the Hong Kong Stock Exchange, we will consult with our substantial shareholder CRC and/or other Cash Option Providers to take appropriate steps and measures (if it is permitted under applicable PRC laws and regulations and it is subject to the approvals from relevant PRC authorities, including but not limited to the CSRC), to ensure that the minimum percentage of public float for H Shares as prescribed by the Hong Kong Stock Exchange is complied with.

BUSINESS OR SUBSIDIARY ACQUIRED AFTER THE TRACK RECORD PERIOD

Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules require that the financial statements to be included in a listing document must include the results and balance sheet, respectively, of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up, in respect of each of the three financial years immediately preceding the issue of the listing document or in each case as of the end of each of the three financial years to which the latest audited accounts of such business or subsidiary have been made up (the "**Target Financial Information**").

Since 1 January 2014, our Group has acquired or agreed to acquire the following companies which would be or be deemed as our subsidiaries:

(i) 70% equity interests in Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司), which is principally engaged in wholesale and retail business, investment project management, property management, lease and consulting, and automobile warehousing, at a consideration of RMB186,653,300 on 31 March 2014;

(ii) 30% equity interests in Nanchang Metro Times Real Estate Co., Ltd.（南昌地鐵時代置業有限公司）, which is principally engaged in property development, sale and management, at a consideration of RMB40,970,000 on 19 February 2014;

(iii) 100% equity interests in Radiant Merit Limited (including its three wholly owned subsidiaries named as Honour Vanage Limited, Charm Shine Limited and Kong Fortune Investment Limited, respectively), which is principally engaged in property development, at a consideration of HK$220,000,000 on 28 April 2014;

(iv) 60% equity interests in Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司), which is principally engaged in investment and asset management, at a consideration of RMB127,210,000 on 13 March 2014;

(v) 51% equity interests in Zhengzhou Meijing Property Co., Ltd. (鄭洲美景置業有限公司), which is principally engaged in property development, sale and lease, at a consideration of RMB100,000,000 on 3 March 2014;

(vi) 90% equity interests in Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司), which is principally engaged in property development and equity investment, at a consideration of RMB72,000,000 on 7 March 2014; and

(vii) 100% equity interests in Dalian Hezhong Real Estate Development Co., Ltd. (大連合眾房地產開發有限公司), which is principally engaged in property development and sale, at a consideration of RMB10,000,000 on 17 April 2014.

Accordingly, the aggregate consideration for the above acquisitions of subsidiaries (the "**Acquisitions**") is RMB711,407,700.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules based on the following reasons:

(i) **Ordinary and usual course of business:** Our Group had conducted these Acquisitions in its ordinary and usual course of business. The purpose of the Acquisitions was to obtain the interest in the land held by these acquired companies, instead of acquiring any new business. It is a normal practice in the PRC for real estate companies to acquire land interest through acquiring the company holding the interest of the land. The considerations for the Acquisitions were mainly determined by the value of the land instead of the financial results of the acquired companies.

(ii) **Lack of Sufficient Information and Explanations for Historical Results:** The Acquisitions were entered into through arm's length negotiation and on normal commercial terms between the relevant parties. Although our Company had obtained historical books and records of the acquired companies, the information contained in such historical books and records are not sufficient for our Company to conduct an audit and prepare an accountants' report as required by Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules. In addition, the preparation of the accountants' report as required by Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules will require the counterparty of each of the Acquisitions (each a "**Counterparty**"), being an Independent Third Party, to provide explanations for the historical financial and operational results of relevant acquired subsidiary. Pursuant to the sale and purchase agreement for each of the relevant acquired subsidiary under the Acquisitions, each Counterparty is not obliged to provide assistance to our Company to prepare such a report. Our Company has requested each Counterparty to cooperate in the preparation of the required accountants' report but was declined by the relevant Counterparty. Without such necessary assistance and cooperation, our Company would not be able to prepare such a required accountants' report as required by Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules. While our Company had used its best efforts to obtain the information disclosed in the listing document as alternative disclosure, it could not obtain all information and explanations for historical results which are necessary for conducting an audit and is unable to meet the requirements under Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules.

(iii) **Immateriality:** The Acquisitions, individually or in aggregate, are insignificant to our Company. Applying the relevant size tests under Rule 14.07 of the Hong Kong Listing Rules, the Acquisitions in aggregate represent only 0.7% of our Group's total assets as of 31 December 2013, 0.0% of our Group's total revenue for the year ended 31 December 2013 and 0.6% of our Group's profits before tax for the year ended 31 December 2013, and 0.8% of our Company's market capitalisation with reference to the average closing price for the five business days immediately preceding the date of the relevant acquisition. Accordingly, the Acquisitions would not trigger the discloseable transaction requirement under Chapter 14 of the Hong Kong Listing Rules (requiring a 5% threshold). Our Company therefore takes the view that the Acquisitions are immaterial and does not expect them to have any material effect on its business, financial conditions and operations.

(iv) **Detrimental to the Company and the investors:** To require our Company to prepare the accounts required by Rules 4.04 (2) and 4.04(4)(a) of Hong Kong Listing Rules would be extremely burdensome to our Company which is detrimental to our Company and its shareholders as a whole.

(v) **Irrelevance:** Given the immaterial nature of the Acquisitions, to require our Company to prepare the accounts required by Rules 4.04 (2) and 4.04(4)(a) of Hong Kong Listing Rules will not provide any meaningful information to the investors and such financial information would not likely affect potential investors' investment decision.

(vi) **Alternative disclosure:** Our Company will provide alternative information in connection with the Acquisitions in order to compensate for the non-inclusion of the Target Financial Information in the accountants' report. Please see the paragraphs headed "Financial Information — Recent Acquisitions" of the listing document for more details. Such alternative disclosure of the Acquisitions would include but not limited to the following:

- a general description of the scope of business of acquired subsidiaries;
- the value of the consideration for each of the Acquisitions;
- the basis on which the consideration was determined;
- reasons for entering into each of the Acquisitions;

- for Dalian Hezhong Real Estate Development Co., Ltd. (大連合眾房地產開發有限公司), Guangzhou Tengchuang Trading Co., Ltd. (廣州市騰創貿易有限公司), Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司) and Zhengzhou Meijing Property Co., Ltd. (鄭州美景置業有限公司), the operating income, operating profit and net profit for the years ended 31 December 2012 and 2013, and the net assets and total assets value as of 31 December 2012 and 2013;

- for Radiant Merit Limited, revenue, profit before taxation and net profit for the year ended 31 December 2013, and the net assets and total assets value as of 31 December 2013, as Radiant Merit Limited was established on 3 July 2013;

- for Honour Vanage Limited, Charm Shine Limited and Kong Fortune Investment Limited, the revenue, profit before taxation and net profit for the years ended 31 December 2012 and 2013, and the net assets and total assets value as of 31 December 2012 and 2013;

- the fair value of the property held by Radiant Merit Limited and its wholly-owned subsidiaries, Charm Shine Limited, Honour Vantage Limited and Kong Fortune Investment Limited, as valued by DTZ Debenham Tie Leung Limited, an independent valuer; and

- for Nanchang Subway Time Property Co., Ltd. (南昌地鐵時代置業有限公司) and Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司), the operating income, operating profit and net profit for the year ended 31 December 2013, and the net assets and total assets value as of 31 December 2013, as Nanchang Subway Time Property Co., Ltd. (南昌地鐵時代置業有限公司) was established on 15 October 2013 and Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司) was established on 22 February 2013.

Accordingly, our Company has not included in the financial statements in this listing document the results and balance sheet of the business or subsidiary acquired after the Track Record Period. Alternatively, our Company has included in this listing document certain financial information we could obtain in connection with the subsidiaries acquired after the Track Record Period.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS LISTING DOCUMENT

This listing document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information to the public with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief that all material information has been included in this listing document and the information contained in this listing document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this listing document misleading.

RESTRICTION ON THE USE OF THIS LISTING DOCUMENT

This listing document is published solely in connection with the Listing. It may not be used for any other purpose and, in particular, no person is authorised to use or reproduce this listing document or any part thereof in connection with any offering of Shares or other securities of the Company. Accordingly, there is no, and will not be any, public offer, solicitation, or invitation by or on behalf of the Company and/or the Sole Sponsor to subscribe for or purchase any of our Shares. Neither this listing document nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Listing may be used for the purpose of making, and the delivery, distribution and availability of this listing document or such other document or information (or any part thereof) does not constitute, any offer of or solicitation or an invitation by or on behalf of our Company and the Sole Sponsor to subscribe for or purchase any of our Shares.

CSRC APPROVAL

The CSRC issued its approval for the Listing and our application to list our H Shares on the Hong Kong Stock Exchange on 3 March 2014. In granting such approval, the CSRC accepts no responsibility for our financial soundness nor the accuracy of any of the statements made or opinions expressed in this listing document. No other approval in the PRC are required to be obtained for the listing of our H Shares on the Hong Kong Stock Exchange.

NO CHANGE IN BUSINESS

No change in the business of the Company is contemplated immediately following the Listing.

APPLICATION FOR THE LISTING OF OUR H SHARES ON THE HONG KONG STOCK EXCHANGE BY WAY OF INTRODUCTION

Application has been made to the Listing Committee for the listing of, and permission to deal in our H Shares on the main board of the Hong Kong Stock Exchange. Our A Shares will be primarily listed on the Shenzhen Stock Exchange and upon completion of the Listing, our H Shares will be primarily listed on the Hong Kong Stock Exchange. Consequently, unless otherwise agreed by the Shenzhen Stock Exchange or, as the case may be, the Hong Kong Stock Exchange, our Company must comply with the listing rules of both the Shenzhen Stock Exchange and Hong Kong Stock Exchange and any other relevant regulations and guidelines in the PRC and Hong Kong which are applicable to our Company. In the event that there is a conflict or inconsistency between the requirements of the listing rules of these two stock exchanges, the listing rules with the more onerous requirements shall prevail. Our Directors will use their best endeavours to ensure that no release of information will be made in the PRC unless a simultaneous release is made in Hong Kong and vice versa.

INFORMATION ON THE LISTING

The Listing does not involve any offering of new Shares or a public offering of any other securities of the Company and no founds will be raised pursuant to the Listing.

The publication or delivery of this listing document should not, under any circumstances, constitute a representation that there has been no change or development reasonable likely to involve a change in our affairs since the date of this listing document or imply that the information contained in this listing document is correct as of any date subsequent to the date of this listing document.

Details of the listings, registration, dealings and settlement of our H Shares are set out in the section headed "Listings, Registration, Dealings and Settlement" in this listing document.

COMMENCEMENT OF DEALINGS IN THE H SHARES ON THE HONG KONG STOCK EXCHANGE

It is expected that dealings in our H Shares of board lots of 100 Shares will commence on the Hong Kong Stock Exchange on 25 June 2014, Hong Kong local time. Our Shares will be listed and traded on the main board of the Hong Kong Stock Exchange in HK dollars.

REASONS FOR THE LISTING

We believe that seeking the Listing will enable us to promote our brand recognition and presence in the international market and give us the access to international capital market.

H SHARES WILL BE ELIGIBLE FOR CCASS

Subject to the granting of the listing of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in our H Shares on the Hong Kong Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between the participants of the Hong Kong Stock Exchange is required to take place on the second Business Day after any trading day.

All necessary arrangements have been made for our H Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

H SHARES REGISTER AND STAMP DUTY

Our H Shares' register of members will be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited. Further details of the transfer, trading of our H Shares are set out under the section headed "Listings, Registration, Dealings and Settlement" in this listing document.

Dealings in our H Shares registered on our H Shares' register of members will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in HK dollars in respect of our H Shares will be paid to our H Shareholders listed on our H Share Register, by ordinary post, at the Shareholder's risk, to the registered address of each H Shareholder.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed Computershare Hong Kong Investor Services Limited, our H Share Registrar, and it has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(i) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the Company Law, the Special Regulations, and the Articles of Association;

(ii) agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and each of us acting for ourselves and for each of our Directors, Supervisors, managers and officers agrees with each of our Shareholders to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award, which arbitration shall be final and conclusive. Please see the sections headed "Appendix VI — Summary of PRC and Hong Kong Principal Legal and Regulatory Provisions" and "Appendix VII — Summary of the Articles of Association" to this listing document;

(iii) agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and

(iv) authorises us to enter into a contract on his behalf with each of our Directors, Supervisors and officers whereby such Directors, Supervisors and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in the Articles of Association.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in our H Shares (exercising rights attached to them). None of us, the Sole Sponsor, the PRC Financial Adviser, the Hong Kong Financial Advisers, any of their respective directors or any other person or party involved in the Listing accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our H Shares.

LANGUAGE

Translated English names of Chinese laws and regulations, government authorities, institutions, natural persons or other entities included in this listing document and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Any discrepancies in any table between totals and sums of amounts listed herein are due to rounding.

EXCHANGE RATE CONVERSION

Solely for your convenience, this listing document contains translations of certain Renminbi amounts into HK dollars at specified rates. No representation is made that the Renminbi amounts could actually be converted into any HK dollar amounts at the rates indicated or at all. Unless indicated otherwise, the conversion of Renminbi into HK dollars was made at the rate of RMB0.79386 to HK$1.00, the exchange rate prevailing on the Latest Practicable Date, set by PBOC for foreign exchange transactions. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Further information on exchange rates is set out in "Appendix VIII — Taxation and Foreign Exchange".

Registered Address and Address of Head Office	Vanke Centre, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, China
Principal place of Business in Hong Kong registered under Part 16 of the Companies Ordinance	55/F, Bank of China Tower 1 Garden Road Hong Kong
Website Address	http://www.vanke.com/
Authorised Representatives	Mr. WANG Wenjin (王文金) Room 702, Tingsong Building Yangming Villa, Meigang Road Futian District, Shenzhen Guangdong Province PRC Mr. TAN Huajie (譚華傑) Room 503, Block A, Yundongjiayuan Shazui Road, Futian District Shenzhen, Guangdong Province PRC
Alternative Authorised Representative	Mr. LUK, Chi Chung Peter (陸治中) *(Member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, The Taxation Institute of Hong Kong, The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators)*
Company Secretary	Mr. TAN Huajie (譚華傑) Room 503, Block A, Yundongjiayuan Shazui Road, Futian District Shenzhen, Guangdong Province PRC
Assistant Company Secretary	Mr. LUK, Chi Chung Peter (陸治中) *(Member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, The Taxation Institute of Hong Kong, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators)* 55/F, Bank of China Tower 1 Garden Road Hong Kong
Audit Committee	Ms. LAW Elizabeth (羅君美) *(Chairlady)* Mr. WEI Bin (魏斌) Mr. HAI Wen (海聞)

Remuneration and Nomination Committee	Mr. ZHANG Liping (張利平) *(Chairman)* Mr. HAI Wen (海聞) Mr. SUN Jianyi (孫建一)
Investment and Decision-making Committee	Mr. ZHANG Liping (張利平) *(Chairman)* Mr. CHEN Ying (陳鷹) Mr. WANG Wenjin (王文金)
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Bankers	Bank of China No. 1, Fuxingmennei Street, Beijing, 100818, PRC Agriculture Bank of China No. 69, Jianguomennei Avenue, Dongcheng District, Beijing, 100005, PRC China Construction Bank No. 25, Finance Street, Xicheng District, Beijing, 100032, PRC Industry and Commercial Bank of China No. 55, Fuxingmennei Street, Xicheng District, Beijing, 100140, PRC China Merchants Bank 49/F, China Merchants Bank Tower, No. 7088 Shennan boulevard, Shenzhen, 518040, PRC Bank of Communications No. 188, Yincheng Zhong Road, Shanghai, 200120, PRC

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. WANG Shi (王石)	Room 101, Block 3, Haitang Avenue, Yiyuan Villa, Yinhu Road, Luohu District, Shenzhen, Guangdong Province, PRC	Chinese
Mr. YU Liang (郁亮)	31/F, Block B, Yuanzhong Garden, No. 6 Yuanling Fourth Street, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Mr. WANG Wenjin (王文金)	Room 702, Tingsong Building, Yangming Villa, Meigang Road, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Non-executive Directors		
Mr. QIAO Shibo (喬世波)	No. 1002, Unit 1, 8/F, No. 6 Zuojiazhuang Middle Street, Chaoyang District, Beijing, PRC	Chinese
Mr. SUN Jianyi (孫建一)	D101, Moliyuan, Vanke City Garden, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Mr. WEI Bin (魏斌)	Room 3503, 35/F, Block A, Causeway Centre, 28 Harbour Road, Wanchai, Hong Kong	Chinese
Mr. CHEN Ying (陳鷹)	Room 3006, 30/F, Block C, Causeway Centre, 28 Harbour Road, Wanchai, Hong Kong	Chinese

Name	Residential Address	Nationality
Independent Non-executive Directors		
Mr. ZHANG Liping (張利平)	32B, Block A, Regence Royale, No. 2 Bowen Road, Mid-Levels, Hong Kong	Chinese
Mr. HUA Sheng (華生)	No. 101, Gate 3, Building 1, No. 89 Beisihuan East Road, Chaoyang District, Beijing, PRC	Chinese
Ms. LAW Elizabeth (羅君美)	Flat D1, 4/F, Block D, Wisdom Court, No. 5 Hatton Road, Hong Kong	Chinese
Mr. HAI Wen (海聞)	No. 1804 4/F, Lanqi Ying, Haidian District, Beijing, PRC	Chinese
SUPERVISORS		
Mr. XIE Dong (解凍)	2–605B, Nantian Plaza, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Ms. LIVASIRI, Ankana	Flat 1204, 12/F Villa Lotto 18 Broadwood Happy Valley Hong Kong	Thai
Mr. ZHOU Qingping (周清平)	No. 63 Meilin Road, Futian District, Shenzhen, Guangdong Province, PRC	Chinese

For further information regarding our Directors and Supervisors, please refer to the section headed "Directors, Supervisors and Senior Management" in this listing document.

PARTIES INVOLVED IN THE INTRODUCTION

Sole Sponsor	CITIC Securities Corporate Finance (HK) Limited 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong (a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO)
PRC Financial Adviser	CITIC Securities Co., Ltd. North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province, PRC
Hong Kong Financial Advisers	CITIC Securities Corporate Finance (HK) Limited 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong (a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO) Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (a licensed corporation to conduct type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO)
Compliance Adviser	CITIC Securities Corporate Finance (HK) Limited 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong (a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO)

Legal Advisers to our Company	*As to Hong Kong Law* Paul Hastings 21–22/F, Bank of China Tower, 1 Garden Road, Hong Kong *As to PRC Law* Shu Jin Law Firm Aerospace Skyscraper, 4019 Shennan Road, Futian District, Shenzhen 518048, PRC
Legal Advisers to the Sole Sponsor	*As to Hong Kong Law* Clifford Chance 28th Floor, Jardine House, One Connaught Place, Hong Kong *As to PRC Law* Global Law Office 15&20/F, Tower 1 China Central Place, No. 81 Jianguo Road, Chaoyang District, Beijing 100025, PRC
Independent Auditor and Reporting Accountant	KPMG Huazhen (Special General Partnership) *Certified Public Accountants* 8/F, Tower E2, Oriental Plaza 1, East Chang An Avenue, Beijing 100738, PRC
Independent Property Valuer and Industry Consultant	Jones Lang LaSalle Corporate Appraisal and Advisory Limited 6/F, Three Pacific Place, 1 Queen's Road East, Admiralty, Hong Kong

This section contains information relating to the economy of China and the industry in which we operate. We have extracted and derived the information in the section below, in part, from various official government publications and a commissioned report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited. See "— Sources of Information" below. We believe that such sources are appropriate sources for the information and statistics below, including forward-looking information for future periods as identified, and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. We have derived such information and data partly from publicly available government and official sources and private publications, which have not been independently verified by us, the Sole Sponsor, nor any of their or our directors, affiliates, advisers or any other parties involved in the Listing. Furthermore, the information extracted from PRC government sources may not be consistent with the information compiled within or outside PRC by third parties. We make no representation as to the correctness or accuracy of government or official information contained in this listing document. Accordingly, such information should not be unduly relied upon.

SOURCES OF INFORMATION

In connection with the Listing, we commissioned this section from Jones Lang LaSalle Corporate Appraisal and Advisory Limited for use in this listing document to provide prospective investors with information relating to the economy of China, the residential market of China, and the selected key cities in which we operate, namely Shenzhen, Guangzhou, Dongguan, Shanghai, Suzhou, Wuxi, Hangzhou, Beijing, Tianjin, Shenyang, Chengdu and Wuhan. Jones Lang LaSalle Corporate Appraisal and Advisory Limited has charged us a total fee of RMB500,000 for the preparation of this section, which we believe is in line with the market rate for such report.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited is an international real estate consultancy group, which provides a range of services including valuation and consultancy for occupiers, investors and developers across all sectors of the real estate market. Jones Lang LaSalle Corporate Appraisal and Advisory Limited has licensed offices in Beijing, Shanghai, Guangzhou, Shenzhen and Chengdu in China, as well as Hong Kong, Singapore and so on in Asia.

For the purpose of the Listing, Jones Lang LaSalle Corporate Appraisal and Advisory Limited also serves as our property valuer. A property valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited which relates to our property interests is included in Appendix V to this listing document. Jones Lang LaSalle Corporate Appraisal and Advisory Limited provided services through two business teams which are independent from each other. This section was prepared primarily by the designated market research team of Jones Lang LaSalle Corporate Appraisal and Advisory Limited based on data from various government publications, site visits and interviews, proprietary database of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, as well as renowned research institution, CREIS (中國房地產指數系統), on the relevant property markets.

The CREIS China Index Database (CREIS中指數據) is developed by the China Index Academy. China Index Academy is a Chinese property research institution, which was integrated in 2004 with a number of China research resources, including China Real Estate Index System, Soufun Research Institute, China Villa Index System and Top 10 China Real Estate Research Group. The database has been widely used and relied upon in the PRC property market. China Index Academy is independent of our Group, our connected persons and the Sole Sponsor.

The following sets out the main reasons why Jones Lang LaSalle Corporate Appraisal and Advisory Limited adopted the above sources of information and considered them as reliable:

1. It is general market practice to adopt official data and announcements from various Chinese government agencies; and

2. Jones Lang LaSalle Corporate Appraisal and Advisory Limited understands the data collection methodology and data source of the proprietary database of Jones Lang LaSalle Corporate Appraisal and Advisory Limited and the subscribed database from China Index Academy.

While preparing this section, Jones Lang LaSalle Corporate Appraisal and Advisory Limited has relied on the assumptions listed below:

— All land transaction records and contracted average selling prices of select projects provided by the Company are true and correct;

— All published data by the Statistics Bureaus are true and correct;

— All collected information relating to residential sales transactions from the relevant local housing administrative bureaus are true and correct;

— All land transaction records collected from the Land Resources Administrative Bureaus are true and correct; and

— Where subscribed data is obtained from renowned public institutions, Jones Lang LaSalle Corporate Appraisal and Advisory Limited will rely upon the apparent integrity and expertise of such institutions. Jones Lang LaSalle Corporate Appraisal and Advisory Limited will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.

Our Directors confirm that there were no adverse changes in the market information since the Latest Practicable Date which may qualify, contradict or have an impact on the information in this section.

OVERVIEW OF THE PRC ECONOMY

Over the past six years, China's nominal GDP has increased from RMB31,405 billion to RMB56,885 billion during 2008 to 2013, representing a CAGR of approximately 12.6%. Meanwhile, China's nominal GDP per capita also grew at a CAGR of 12.0% from RMB23,708 to RMB41,805 during 2008 to 2013, indicating a significant jump on the purchasing power of the PRC population.

Strong investment demand is the key driver to China's economic growth. Due to optimist economic outlook, China's fixed asset investment grew at a CAGR of 20.4%, from RMB17,283 billion in 2008 to RMB43,653 billion in 2013.

The cities in which our existing and planned property developments and investments are situated also experienced significant GDP growth. The tables below illustrate the nominal GDP and the annual growth rate in these cities for the periods indicated:

	2008		2009		2010		2011		2012		2013	
	Nominal GDP	Annual growth rate	Nominal GDP	Annual growth rate	Nominal GDP	Annual growth rate	Nominal GDP	Annual growth rate	Nominal GDP	Annual growth rate	Nominal GDP	Annual growth rate
	RMB bn		*RMB bn*		*RMB bn*		*RMB bn*		*RMB bn*		*RMB bn*	
China	31,405	18%	34,090	9%	40,151	17%	47,310	18%	51,947	10%	56,885	7.7%
Beijing	1,112	9%	1,215	16%	1,411	15%	1,625	10%	1,780	10%	1,950	10%
Tianjin	672	28%	752	12%	922	23%	1,131	23%	1,289	14%	1,437	11%
Shenyang	386	16%	436	14%	502	14%	591	12%	661	10%	722	10%
Shanghai	1,407	13%	1,505	7%	1,717	14%	1,920	12%	2,010	5%	2,010	5%
Hangzhou	479	11%	509	8%	595	13%	702	13%	780	11%	834	8%
Wuxi	446	15%	499	12%	579	16%	688	19%	757	10%	807	9%
Suzhou	708	21%	774	9%	923	19%	1,050	14%	1,201	10%	1,302	10%
Wuhan	412	28%	462	12%	552	19%	676	22%	800	18%	900	13%
Chengdu	390	17%	450	15%	555	23%	685	23%	814	19%	911	12%
Shenzhen	779	12%	820	11%	951	12%	1,150	10%	1,295	13%	1,450	12%
Guangzhou	829	13%	914	12%	1,060	13%	1,230	11%	1,350	10%	1,542	14%
Dongguan	370	14%	376	5%	425	10%	474	8%	501	6%	550	10%

Source: National Bureau of Statistics

KEY DRIVERS OF THE PRC PROPERTY MARKET

Prior to the 1990s, the PRC real estate industry was part of the nation's planned economy. From the 1990s, the PRC's real estate and housing sector began the transition to a market-oriented system. Since then, solid economic conditions of China have led to a strong growth in the PRC property market, particularly the private residential sector. From 2008 to 2013, investments in real estate development in China grew at a CAGR of 22.5%, increasing from RMB3,120 billion in 2008 to RMB8,601 billion in 2013. Below drivers demonstrate a strong support to the property market development.

Fast-growing Urbanisation

Due to the reform and opening policy and the rapid economic development, China has experienced a fast growing urbanisation since 1990s. By the end of 2013, the urbanisation rate in China increased from 45.7% in 2008 to 53.7% in 2013, with total urban population climbing from 607 million in 2008 to 731 million in 2013. Due to the sharp jump in urban population, demand for residential properties picked up in urban cities. According to the National New Urbanisation Plan (2014–2020) (國家新型城鎮化規劃(2014–2020)) published in March 2014, the urbanisation rate of urban residence (常住人口城鎮化率) is expected to reach 60% by 2020. Meanwhile, it is expected about 100 million persons of agricultural population will be transferred to urban household population by 2020. Thus, it is expected that more people will be moving to urban cities, resulting in huge demand for residential properties in the future. The table below describes China's urbanisation rate for the periods indicated:

	2008	2009	2010	2011	2012	2013	2008–2013 CAGR
Total population *(million)*	1,328	1,335	1,341	1,347	1,354	1,361	0.5%
Urban population *(million)*	607	622	666	691	712	731	3.8%
Urbanisation rate *(%)*	45.7	46.6	49.7	51.3	52.6	53.7	—

Source: National Bureau of Statistics

Rising disposable income

The rapid economic growth in China has resulted in steadily growth in per capita disposable income of urban household at a CAGR of 11.3%, rising from RMB15,781 in 2008 to RMB26,955 in 2013. In light of the rising purchasing power, demand for middle-to-high end private residential properties continued to grow with improving living standards and conditions. The table below describes China's per capita disposable income of urban households for the periods indicated:

	2008	2009	2010	2011	2012	2013	2008–2013 CAGR
Per capita disposable income of urban households *(RMB)*	15,781	17,175	19,109	21,810	24,565	26,955	11.3%

Source: National Bureau of Statistics

OTHER FACTORS AFFECTING PROPERTY DEVELOPMENT OPERATIONS

In recent years, property development operations are affected by rising land premiums and increasing cost of funding. Over the years, land premiums have generally been increasing in China. It is widely expected that land premiums will continue to rise as the PRC economy continues to develop and demolition and resettlement costs continue to increase. Furthermore, the rising lending rate continued to burden the fund raising pressures to property developers, with the benching lending rate for one to three years climbing 0.75 percentage points during 2008 to 2012.

In general, rising land premium, construction cost, and lending rate severely impacted the property development operation in PRC, causing the profit margins of most major listed property developers continuing to drop during the past few years.

Land Price

During 2008 to 2013, total site area sold grew at a CAGR of 31.4% from 384 million sq.m. in 2008 to 1,504 million sq.m. in site values for residential property development picked up at a CAGR of 12.2%, from RMB2,281 per sq.m. in 2008 to RMB4,055 per sq.m. in 2013, with the site area sold surging at a CAGR of 31.4%. In general, the land cost is anticipated to continue to increase in the future, creating more pressure on real estate developers. The table below sets out the site area sold and the average site values over the periods indicated according to land transaction records of Bohai Costal region, Northeastern region, Yangtze River Delta region, Pearl River Delta region, and Central-western region:

	2008	2009	2010	2011	2012	2013	2008–2013 CAGR
Site Area Sold *(million sq.m.)*	384	828	1,236	1,436	1,310	1,504	31.4%
Average Site Values *(RMB per sq.m.)*	1,446	1,790	1,921	1,559	1,591	2,196	8.7%
(1) for residential property development *(RMB per sq.m.)*	2,281	2,970	3,340	2,974	3,242	4,055	12.2%
(2) for commercial property development *(RMB per sq.m.)*	2,749	2,544	2,822	2,969	2,678	3,423	4.5%
(3) for industrial property development *(RMB per sq.m.)*	343	311	315	330	316	368	1.4%

Sources: CREIS

Benchmark Lending Rate

In December 2008, the benchmark lending rate reached its record low, with the annual lending rates for one to three years amounting to 5.4%. As the PRC began to adopt a restrictive monetary measure since the second half of 2010, the benchmark lending rate began to rise and in July 2012, the annual lending rates for one to three years reached 6.15%. Generally, the benchmark lending rates for one to three years rose 0.75 percentage points during the past five years, which resulted in an increasing pressure on cost of funding for property developers. The table below sets out the benchmark lending rates over the periods indicated:

	Dec 2008	Oct 2010	Dec 2010	Feb 2011	Apr 2011	Jul 2011	Jun 2012	Jul 2012
Annual Lending Rate *(%)*:								
For one to three Years	5.40	5.60	5.85	6.10	6.40	6.65	6.40	6.15

Sources: The People's Bank of China

Historical price trend of construction materials

Raw Material

The Purchasing Price Index of Raw Material, Fuel and Power ("PPIRM") is a common weather vane to predict construction cost which is especially important for real estate developers. According to a report conducted by National Bureau of Statistics of the PRC, the construction raw material of PPIRM fluctuated during 2008 to 2013. The peak occurred in 2008 with an index of 109.5, followed by 2011 with an index of 108.4. However, the price of raw material for construction dropped dramatically in 2012 to an index of 99.7. In 2013, it continued to decrease to an index of 98.7. In general, the price of the raw material fluctuates year on year owing to economic, political and social changes. The table below sets out the purchasing price index of raw material, fuel, and power on construction materials over the periods indicated:

	2008	2009	2010	2011	2012	2013	2008–2013 CAGR
Purchasing Price Index of Raw Material, Fuel and Power (PPIRM) — Constriction Material	109.5	101.1	103.8	108.4	99.7	98.7	-2.1%

Sources: National Bureau of Statistics

Steel Prices

The PRC steel prices fluctuated during 2008 to 2013. The steel product price index rose from an index of 3,690 in 2008 to the peak of 4,760 in 2010. Then, it began to drop and reached 3,600 by the end of 2013. The table below sets out the steel product price index over the periods indicated:

	2008	2009	2010	2011	2012	2013
Steel Product Price Index	3,690	3,910	4,760	4,480	3,800	3,600

Sources: Standard Commodity Trade Centre (西本新幹線電子商務有限公司)

Cement Prices

The PRC Cement prices fluctuated during 2008 to 2013. The China Producer Price Index — Manufacture of Cement declined from an index of 111 in 2008 to reach an index of 99.7 in 2013. The table below sets out the China Producer Price Index — Manufacture of Cement over the periods indicated:

	2008	2009	2010	2011	2012	2013
The China Producer Price Index — Manufacture of Cement	111	95.3	112.2	112.3	92.2	99.7

Sources: Bloomberg

RECENT DEVELOPMENT OF THE PRC PROPERTY MARKET

Propelled by above factors, the PRC property market witnessed a remarkable growth during the past decades, with booming demand for private residential properties. Meanwhile, real estate investments picked up at a CAGR of 22.5% during 2008 to 2013, increasing from RMB3,120 billion to RMB8,601 billion over the same period of time. In the meantime, in terms of residential market, total investments in residential development continued to expand at a CAGR of 21.3%, rising from RMB2,244 billion in 2008 to RMB5,895 billion in 2013.

Furthermore, in terms of supply of residential properties, a total GFA of approximately 787 million sq.m. of commercialised residential buildings was completed in 2013, an increase at a CAGR of 7.7% when comparing to the 543 million sq.m. in 2008. Meanwhile, in terms of demand for residential properties, a total GFA of approximately 1,157 million sq.m. of commercialised residential buildings was sold in 2013, represented a strong growth at a CAGR at 14.3% when comparing to the 593 million sq.m. in 2008.

In the meantime, total sales of commercialised residential buildings surged rapidly over the past few years, growing at a CAGR of 30.9% from RMB2,120 billion in 2008 to RMB8,143 billion in 2013. Besides, the average sales prices for commercialised residential buildings in China also experienced a substantial growth, with the average price grew at a CAGR of 11.8% over the same period, increasing from RMB3,576 per sq.m. in 2008 to RMB6,237 per sq.m. in 2013. The table below sets out selected property market statistics over the periods indicated:

	2008	2009	2010	2011	2012	2013	2008–2013 CAGR
Real estate investment *(RMB billion)*	3,120	3,624	4,826	6,180	7,180	8,601	22.5%
Investment in residential development *(RMB billion)*	2,244	2,561	3,403	4,432	4,937	5,895	21.3%
GFA of commercialised residential buildings completed *(million sq.m.)*	543	596	634	743	790	787	7.7%
GFA of residential properties sold *(million sq.m.)*	593	862	934	965	985	1,157	14.3%
Total sales of commercialised residential buildings sold *(RMB billion)*	2,120	3,843	4,412	4,862	5,347	8,143	30.9%
Average selling price of commercialised residential buildings *(RMB per sq.m.)*	3,576	4,459	4,725	4,993	5,430	6,237	11.8%

Source: National Bureau of Statistics

As a result of continuous development on the real estate market, the average sales price also experienced a positive price growth during 2008 to 2013. The table below sets out the total GFA sold of residential properties and its average sales prices in selected cities over the periods indicated.

Total GFA sold of residential properties *(million sq m)*

	Beijing	Tianjin	Shenyang	Shanghai	Hangzhou	Suzhou	Wuxi	Guangzhou	Shenzhen	Dongguan	Wuhan	Chengdu
2008	9.0	5.0	10.8	20.1	6.8	8.3	4.6	5.5	4.1	4.9	5.5	5.2
2009	18.8	13.3	12.2	29.3	13.1	20.1	9.8	9.8	6.4	5.8	11.8	12.6
2010	12.3	8.9	14.1	16.9	8.0	11.8	8.5	6.0	3.2	4.7	11.2	8.4
2011	9.6	8.9	14.4	14.7	6.0	9.4	5.3	5.6	2.7	5.9	10.8	6.7
2012	13.4	8.9	13.8	15.9	9.2	12.6	7.8	7.7	3.7	6.8	13.4	9.0
2013	12.1	11.8	15.0	20.2	9.7	16.3	7.8	8.1	4.4	8.4	15.8	11.1

Sources: National Bureau of Statistics, CREIS

Average sales price *(RMB per sq m)*

	Beijing	Tianjin	Shenyang	Shanghai	Hangzhou	Suzhou	Wuxi	Guangzhou	Shenzhen	Dongguan	Wuhan	Chengdu
2008	11,267	6,921	3,439	8,115	8,212	5,532	5,136	9,340	12,655	6,136	5,406	5,247
2009	13,570	7,414	3,928	12,364	10,613	6,358	5,858	9,346	14,975	6,403	5,257	5,179
2010	17,969	9,297	5,062	14,290	14,259	8,145	7,353	12,484	20,106	7,759	6,213	7,825
2011	17,627	9,345	5,822	13,565	12,749	9,060	8,084	13,401	18,984	8,319	6,412	9,163
2012	18,584	10,061	6,226	13,870	13,292	8,980	7,745	14,094	18,906	8,750	6,367	8,572
2013	20,658	10,218	6,316	16,192	14,679	9,479	7,451	14,758	21,627	9,242	6,849	9,437

Sources: National Bureau of Statistics, CREIS

As the PRC government issued various restrictive policies to combat rapid residential price growth across China since the second half of 2011, some cities, such as Wuxi, experienced a mild downward adjustment in residential prices, mainly affected by lowering investment demand. In contrast, in first-tier cities and major second-tier cities, it is expected that their residential property markets will continue with its stable uptrend in the next three to five years, due to the solid economic fundamentals and strong end users' demand.

In early 2014, affected by continuous austerity measures on the residential market, speculative investment demand on residential properties continued to decline due to the uncertainties in investment return which in turn resulted in imbalance between demand and supply, particularly in few third- and fourth- tier cities. (For further details regarding austerity measures on the residential market, please refer to the section headed "Rick Factors" — Our operations may be substantially affected by changes in national or local policies relating to the PRC property industry in this listing document.) According to the recent residential price indexes of major 70 cities in China published by the National Bureau of Statistics, in March 2014, 4 cities recorded a month-on-month price decline, 10 cities remained constant, and 56 cities witnessed a price growth. In particular, the residential price index of Haikou witnessed a 0.2% monthly decrease, whilst Wenzhou, Yichang and Shaoguan also saw a 0.1% monthly decline. In terms of year-on-year change, all cities witnessed a positive price increase except Wenzhou, its residential price recorded a 3.9% yearly decline. It is expected that the first-tier cities and major second- and third- tier cities will continue to witness a price growth for their solid economic fundamentals and increasing urbanization.

REGULATORY ENVIRONMENT OF THE PRC PROPERTY INDUSTRY

Please refer to the section headed "Summary of PRC and Hong Kong Principal Legal and Regulatory Provisions" in Appendix VI to this listing document.

OVERVIEW OF COMPETITIVE LANDSCAPE IN REAL ESTATE MARKET IN CHINA

The property market in China is highly fragmented. Our existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers primarily from Asia, including leading property developers from Hong Kong. We compete with them in relation to a number of factors, including the acquisition of land, brand recognition, financial resources, price, product quality, service quality and other factors. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and greater brand recognition.

In order to establish a market share amidst the intense competition, developers have established different types of products and brands in order to differentiate their market position and to attract different groups of target customers. Also, convenient accessibility, supporting facilities, and reputation of quality are also the key factors affecting the attractiveness of a residential project.

Furthermore, there are certain barriers to enter into the PRC property development market. Property development requires intensive capital investment and various kinds of expertise. Property developers must possess planning and design capabilities, in-depth industry knowledge, a broad and high quality customer base, a good understanding of government policies on property development and demands from local residents in each cities and operation expertise on different types of properties. Furthermore, the property developers must also have good relationship with local governments in order to develop new projects in local cities. Therefore, early and large-scale participants in the industry which have gained experiences and market reputation across the region would have a competitive advantage over new entrants.

Throughout the years, Vanke has successfully positioned itself as the furbished developer. All flats they sold come with basic outfitting, whilst most developers are selling unfurbished flats in the PRC, especially in the second- and third-tier cities. With in-house experienced interior design team, Vanke enjoys competitive advantages against its peers. Furthermore, as a national developer with massive developments, Vanke enjoys stronger bargaining power with suppliers for a bulk purchase discount.

OUR MARKET POSITION — National Ranking

We ranked among the top 10 property developers in China in term of contracted GFA and contracted sales for the year 2013, by China Real Estate Information Corporation (中國房產信息集團).

Top 10 Real Estate Developers Year 2013

	By Contracted Sales			By Contracted GFA	
	Company	National market share		Company	National market share
1	China Vanke Co., Ltd.	2.1%	1	Greenland Group	1.3%
2	Greenland Group	2.0%	2	Country Garden Holdings Company Limited	1.3%
3	China Wanda Real Estate	1.6%	3	Evergrande Real Estate Group Limited	1.2%
4	Poly Real Estate Group Company Limited	1.5%	4	China Vanke Co., Ltd.	1.2%
5	China Overseas Land & Investment Limited	1.4%	5	Poly Real Estate Group Company Limited	0.8%
6	Country Garden Holdings Company Limited	1.3%	6	China Wanda Real Estate	0.8%
7	Evergrande Real Estate Group Limited	1.3%	7	China Overseas Land & Investment Limited	0.8%
8	China Resources Land Limited	0.8%	8	China Resources Land Limited	0.5%
9	Shimao Property Holdings Limited	0.8%	9	Shimao Property Holdings Limited	0.4%
10	Greentown China Holdings Limited	0.7%	10	Century Golden Resources Group	0.3%

Note:

China Real Estate Information Corporation is an independent institution providing real estate related research and/or information services in China. It conducts surveys on a quarterly and nationwide basis with respect to various aspects of the property industry. Its evaluation results are published for public consumption and available at no cost on its website: http://www.cric.com/Research/Details/3943 Contents available at such website do not constitute a part of this listing document.

OUR MARKET POSITION — Industry Awards

In the past decade, we were awarded among the top 10 property developers in China in different aspects, by various professional institutions in the China real estate industry. Please refer to the section headed "Business" for the major awards of the company.

OVERVIEW OF SELECTED KEY CITIES

In addition to the nationwide purchase restrictions issued by the State Council, all the selected key cities are subject to different local restrictive measures issued in February 2011, namely the Notice on Further Improvement of the Control in Real Estate Market (《關於進一步做好房地產市場調控工作的通知》). The opinion provides the following major purchase restrictions within specific districts:

i. Local resident families that own one housing unit are allowed to purchase only one additional housing unit (whether newly built or second-hand);

ii. Sales of properties to local resident families that own two housing units or more are prohibited;

iii. Non-local resident families that own one housing unit and can provide local tax clearance certificates or local social insurance payment certificates for one year or above within the five years prior to the purchase date are allowed to purchase only one additional housing unit (whether newly built or second-hand); and

iv. Sales of properties to non-local resident families that cannot provide local tax clearance certificates or local social insurance payment certificates for one year or above within five years prior to the purchase date or to non-local resident families that own two housing units or more are prohibited.

Furthermore, the local tax authorities also require prepayment of LAT by the property developers upon receipt of sale and pre-sales proceeds from property development projects. Such amount of LAT pre-payable by property developers to the local tax authorities ranges between 2% to 8%, depending on the price and the location of the relevant properties.

Beijing Property Market

After experiencing slight decline in the residential market due to government's tightening controls since 2010, total GFA of residential properties completed in Beijing grew by 15.2 million sq.m. in 2012 to 16.9 million sq.m in 2013. In contrast, the cooling measures on residential market severely impacted the total transaction volume in Beijing. Total GFA of residential properties sold decreased by 8.1% from 14.8 million sq.m. 2012 to 13.6 million sq.m. in 2013. On the other hand, its total sales decreased by 0.9% from RMB245.5 billion to RMB243.4 billion in 2013. Besides, the average sales price increased by 7.9% from RMB16,553 per sq.m. in 2012 to RMB17,854 per sq.m. in 2013.

Based on positive economic outlook, it is expected that the residential market of Beijing will remain stable in the near future. The table below sets out the key statistics related to the property market in Beijing for the periods indicated:

Residential Properties	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total GFA completed *(million sq.m.)*	14.0	16.1	15.0	13.1	15.2	16.9
Total GFA sold *(million sq.m.)*	10.3	18.8	12.0	10.3	14.8	13.6
Total sales revenue *(RMB billion)*	120.1	248.6	206.0	160.6	245.5	243.4
Average sales price *(RMB per sq.m.)*	11,648	13,224	17,151	15,517	16,553	17,854

Source: CREIS

Tianjin Property Market

In 2013, Tianjin's residential market remained active, with total GFA of residential properties completed in Tianjin grew by 10.5% from 19.1 million sq.m. in 2012 to 21.1 million sq.m. in 2013. In terms of transaction volume, with solid demand and strong economic fundamentals, total GFA of residential properties sold sharply increased by 13.9% from 15.1 million sq.m. in 2012 to 17.2 million sq.m. in 2013. Total sales also experienced a significant growth of 19.3% from RMB121.0 billion in 2012 to RMB144.3 billion in 2013, whilst the average sales price also experienced a stable growth of 4.7% from RMB8,009 per sq.m. in 2012 to RMB8,389 per sq.m in 2013.

Based on positive economic outlook and rising income levels, it is expected that the residential market of Tianjin will remain positive in the near future. The table below sets out the key statistics related to the property market in Tianjin for the periods indicated.

Residential Properties	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total GFA completed *(million sq.m.)*	14.9	15.8	16.0	16.5	19.1	21.1
Total GFA sold *(million sq.m.)*	11.4	14.6	13.2	13.7	15.1	17.2
Total sales revenue *(RMB billion)*	63.5	96.5	103.4	116.7	121.0	144.3
Average sales price *(RMB per sq.m.)*	5,598	6,605	7,940	8,547	8,009	8,389

Source: CREIS

Shenyang Property Market

Shenyang's residential market slowed down in 2013 due to the government's tightening controls on the residential market. Total GFA of residential properties completed dropped by 25.0% from 16.4 million sq.m. in 2012 to reach 12.3 million sq.m. in 2013. In terms of transaction volume, total GFA of residential properties sold also decreased by 8.2% from 22.0 million sq.m. in 2012 to 20.2 million sq.m. in 2013, whilst its total sales also dropped by 0.3% from RMB131.8 billion in 2012 to RMB122.5 billion in 2013. In contrast, due to rising income levels and improving living standards, the average sales price increased by 1.4% from RMB5,989 per sq.m. in 2012 to RMB6,073 per sq.m. in 2013.

Based on the positive economic outlook and rising income levels, it is expected that the residential market of Shenyang will remain stable in the near future. The table below sets out the key statistics related to the residential property market in Shenyang for the periods indicated:

Residential Properties	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total GFA completed *(million sq.m.)*	10.8	10.8	11.1	16.1	16.4	12.3
Total GFA sold *(million sq.m.)*	13.1	13.7	15.1	19.5	22.0	20.2
Total sales revenue *(RMB billion)*	50.4	57.4	77.4	109.3	131.8	122.5
Average sales price *(RMB per sq.m.)*	3,856	4,196	5,109	5,612	5,989	6,073

Source: CREIS

Shanghai Property Market

Due to government's tightening controls on the residential market, total GFA of residential properties completed in Shanghai decreased by 11.8% from 16.1 million sq.m. in 2012 to 14.2 million sq.m. in 2013.

However, transaction volume showed a recovery sign. In 2013, total GFA of residential properties sold increased by 27.0% from 15.9 million sq.m. in 2012 to 20.2 million sq.m. in 2013. Also, the average sales price increased by 16.7% from RMB13,870 per sq.m. in 2012 to RMB16,192 per sq.m. in 2013, leading to a 47.8% growth in total sales revenue from RMB220.9 billion in 2012 to RMB326.4 billion in 2013.

Based on the positive economic outlook, it is expected that the residential market of Shanghai will remain stable in the near future. The table below sets out the key statistics related to the property market in Shanghai for the periods indicated:

Residential Properties	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total GFA completed *(million sq.m.)*	18.0	15.1	14.0	16.5	16.1	14.2
Total GFA sold *(million sq.m.)*	20.1	29.3	16.9	15.0	15.9	20.2
Total sales revenue *(RMB billion)*	162.9	362.0	241.6	203.5	220.9	326.4
Average sales price *(RMB per sq.m.)*	8,115	12,364	14,290	13,566	13,870	16,192

Source: CREIS

Hangzhou Property Market

Hangzhou's residential market remained active in 2013, with total GFA of residential properties completed in Hangzhou increased by 26.9% from 6.7 million sq.m. in 2012 to 8.5 million sq.m. in 2013. Meanwhile, total GFA of residential properties sold increased by 5.4% from 9.2 million sq.m. in 2012 to 9.7 million sq.m. in 2013, whilst its total sales revenue increased by 16.3% from RMB122.3 billion in 2012 to RMB142.2 billion in 2013. Furthermore, the average sales price also grew by 10.4% from RMB13,292 per sq.m. in 2012 to RMB14,679 per sq.m in 2013.

Based on positive economic outlook, it is expected that the residential market of Hangzhou will remain stable in the near future. The table below sets out the key statistics related to the property market in Hangzhou for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	7.7	6.3	8.0	8.4	6.7	8.5
Total GFA sold *(million sq.m.)*	6.7	13.1	8.0	6.0	9.2	9.7
Total sales revenue *(RMB billion)*	55.6	139.5	113.7	76.5	122.3	142.2
Average sales price *(RMB per sq.m.)*	8,212	10,613	14,259	12,749	13,292	14,679

Source: CREIS

Suzhou Property Market

Affected by government's tightening controls on the residential market, total GFA completed of residential properties in Suzhou dropped by 11.5% from 13.9 million sq.m. in 2012 to 12.3 million sq.m. in 2013. However, with solid demand and strong economic fundamentals, the residential property market continued to grow in 2012 and 2013. In terms of transaction volume, total GFA of residential properties sold increased by 29.4% from 12.6 million sq.m. in 2012 to 16.3 million sq.m. in 2013, whilst its total sales revenue of residential properties increased by 36.5% from RMB113.4 billion in 2012 to RMB154.8 billion in 2013. Besides, the average sales price increased by 5.6% from RMB8,980 per sq.m. in 2012 to RMB9,479 per sq.m. in 2013.

Based on the positive economic outlook, it is expected that the residential market of Suzhou will remain stable in the near future. The table below sets out the key statistics related to the property market in Suzhou for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	11.3	11.0	11.2	9.2	13.9	12.3
Total GFA sold *(million sq.m.)*	8.3	18.8	11.4	9.4	12.6	16.3
Total sales revenue *(RMB billion)*	45.9	119.7	93.3	85.3	113.4	154.8
Average sales price *(RMB per sq.m.)*	5,532	6,358	8,145	9,060	8,980	9,479

Source: CREIS

Wuxi Property market

Residential development in Wuxi remained active in 2013, with total GFA of residential properties completed in Wuxi increased by 51.8% from 5.6 million sq.m. in 2012 to 8.5 million sq.m in 2013. Meanwhile, total GFA of residential properties sold remained stable at 7.8 million sq.m. in both 2012 and 2013. However, total sales revenue of residential properties dropped by 4.3% from RMB60.6 billion in 2012 to RMB58.0 billion in 2013. The average sales price decreased by 3.8% from RMB7,745 per sq.m. in 2012 to RMB7,451 per sq.m. in 2013.

Being affected by weakening market sentiment, it is expected that the average price of residential properties in Wuxi may see further downward adjustment in the near future. The table below sets out the key statistics related to the property market in Wuxi for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	9.1	5.5	7.9	6.0	5.6	8.5
Total GFA sold *(million sq.m.)*	4.6	9.8	8.5	5.3	7.8	7.8
Total sales revenue *(RMB billion)*	23.5	57.1	62.8	42.8	60.6	58.0
Average sales price *(RMB per sq.m.)*	5,136	5,858	7,353	8,084	7,745	7,451

Source: CREIS

Guangzhou Property Market

In 2013, demand for residential properties in Guangzhou remained active. Due to limited land resources, total GFA of residential properties completed in Guangzhou has remained quiet since 2011, and decreased by 12.5% from 8.0 million sq.m. in 2012 to 7.0 million sq.m in 2013. In contrast, in terms of transaction volume, total GFA of residential properties sold rebounded in 2012, and increased by 23.8% from 11.3 million sq.m. in 2012 to 14.0 million sq.m. in 2013. On the other hand, due to the solid demand, total sales revenue of residential properties increased by 44.1% from RMB135.4 billion in 2012 to RMB195.1 billion in 2013, whilst average sales price increased by 16.3% from RMB12,000 per sq.m. in 2012 to RMB13,954 per sq.m in 2013.

It is expected that the residential market of Guangzhou will remain stable in the near future. The table below sets out the key statistics related to the property market in Guangzhou for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	7.5	7.9	7.7	8.3	8.0	7.0
Total GFA sold *(million sq.m.)*	8.8	12.5	11.1	9.9	11.3	14.0
Total sales revenue *(RMB billion)*	77.2	112.6	118.0	108.3	135.4	195.1
Average sales price *(RMB per sq.m.)*	8,781	8,988	10,615	10,925	12,000	13,954

Source: CREIS

Shenzhen Property Market

In 2013, demand for residential properties in Shenzhen remained active. Due to limited land resources, total GFA of residential properties completed in Shenzhen decreased by 31.0% from 2.9 million sq.m. in 2012 to 2.0 million sq.m. in 2013. In contrast, in terms of transaction volume, due to strong demand and active market sentiment, total GFA sold increased by 8.2% from 4.9 million sq.m. in 2012 to 5.3 million sq.m. in 2013. The total sales revenue of residential properties also experienced a significant growth of 33.2% from RMB92.7 billion in 2012 to RMB123.5 billion in 2013, whilst the average sale price increased by 23.3% from RMB18,995 per sq.m. in 2012 to RMB23,427 per sq.m. in 2013.

It is expected that the residential market of Shenzhen will remain stable in the near future. The table below sets out the key statistics related to the property market in Shenzhen for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	4.4	2.7	2.5	2.5	2.9	2.0
Total GFA sold *(million sq.m.)*	4.1	7.2	4.1	4.7	4.9	5.3
Total sales revenue *(RMB billion)*	53.0	103.2	78.4	98.7	92.7	123.5
Average sales price *(RMB per sq.m.)*	12,823	14,389	18,953	21,037	18,995	23,427

Source: CREIS

Dongguan Property Market

Due to the series of government's cooling measures on the residential market, total GFA of residential properties completed in Dongguan dropped by 35.5% from 3.1 million sq.m. in 2012 to 2.0 million sq.m. in 2013. In contrast, demand for residential properties remained active, with total GFA sold increased by 24.1% from 5.8 million sq.m. in 2012 to 7.2 million sq.m. in 2013, whilst total sales revenue of residential properties also increased by 33.9% form RMB47.2 billion in 2012 to RMB63.2 billion in 2013. In the meantime, the average price also increased by 7.9% from RMB8,100 per sq.m. in 2012 to RMB8,736 per sq.m. in 2013.

With continuous economic development, it is expected that the residential market of Dongguan will remain positive in the near future. The table below sets out the key statistics related to the property market in Dongguan for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	4.0	2.7	2.6	2.4	3.1	2.0
Total GFA sold *(million sq.m.)*	4.7	5.8	4.7	5.4	5.8	7.2
Total sales revenue *(RMB billion)*	24.6	33.4	33.4	41.3	47.2	63.2
Average sales price *(RMB per sq.m.)*	5,258	5,774	7,111	9,381	8,100	8,736

Source: CREIS

Wuhan Property market

Due to the government's tightening controls on the residential market, total GFA of residential properties completed in Wuhan dropped by 41.1% from 9.0 million sq.m. in 2012 to 5.3 million sq.m. in 2013.

However, with solid demand and strong economic fundamentals, the residential property market rebounded in 2013. In terms of transaction volume, total GFA of residential properties sold increased by 25.9% from 13.9 million sq.m. in 2012 to 17.5 million sq.m. in 2013, whilst its total sales revenue of residential properties increased by 32.2% from RMB95.8 billion in 2012 to RMB126.6 billion in 2013. The average sales price grew by 5.0% from RMB6,895 per sq.m. in 2012 to RMB7,237 per sq.m. in 2013.

Based on positive economic outlook, it is expected that the residential market of Wuhan will remain positive in the near future. The table below sets out the key statistics related to the property market in Wuhan for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	7.7	8.2	7.3	10.0	9.0	5.3
Total GFA sold *(million sq.m.)*	6.8	10.4	11.0	11.8	13.9	17.5
Total sales revenue *(RMB billion)*	31.9	54.1	60.7	79.0	95.8	126.6
Average sales price *(RMB per sq.m.)*	4,681	5,199	5,550	6,675	6,895	7,237

Source: CREIS

Chengdu Property market

With government's tightening controls on the residential market, the total GFA of residential properties completed in Chengdu dropped by 15.1% from 15.9 million sq.m. in 2012 to 13.5 million sq.m. in 2013.

With solid demand and strong economic fundamentals, the residential property market rebounded in 2013. In terms of transaction volume, total GFA of residential properties sold increased by 5.4% from 24.2 million sq.m. in 2012 to 25.5 million sq.m. in 2013, whilst its total sales revenue of residential properties increased by 5.9% from RMB161.9 billion in 2012 to RMB171.4 billion in 2013. The average sales price grew steadily by 0.4% from RMB6,678 per sq.m. in 2012 to RMB6,707 per sq.m. in 2013.

Based on positive economic outlook and solid end users' demand, it is expected that the residential market of Chengdu will remain positive in the near future. The table below sets out the key statistics related to the property market in Chengdu for the periods indicated:

Residential Properties	2008	2009	2010	2011	2012	2013
Total GFA completed *(million sq.m.)*	10.3	14.6	13.0	11.8	15.9	13.5
Total GFA sold *(million sq.m.)*	13.6	25.5	22.9	22.8	24.2	25.5
Total sales revenue *(RMB billion)*	64.8	123.9	133.4	145.3	161.9	171.4
Average sales price *(RMB per sq.m.)*	4,778	4,864	5,827	6,360	6,678	6,707

Source: CREIS

Set below is the summary of the PRC laws and regulations in relation to the business and operation of our Company, including the establishment of real estate enterprises, acquisition of land use rights, property development, sales/pre-sales of commodity buildings, insurance and environment protection, etc.

ESTABLISHMENT OF REAL ESTATE ENTERPRISES

General provisions

In accordance with the Law of the People's Republic of China on Urban Real Estate Administration (《中華人民共和國城市房地產管理法》) (revised on 27 August 2009), the real estate development enterprise is defined as the enterprises that engage in the real estate development and operation for the purpose of seeking profits. In accordance with the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) (promulgated and implemented on 20 July 1998 by the State Council), establishment of a real estate development enterprise shall, in addition to the conditions for the enterprise establishment prescribed by relevant laws and administrative regulations, fulfil the following conditions:

1. The registered capital shall be RMB1 million or above, and

2. The enterprise shall have not less than 4 full-time technical personnel with certificates of qualifications of real estate specialty and construction engineering specialty and not less than 2 full-time accountants with certificates of qualifications.

People's governments of the provinces, autonomous regions and municipalities directly under the central government may, in the light of the actual local conditions, formulate more stringent provisions for the conditions of registered capital and specialised technical personnel for the establishment of a real estate development enterprise than those in the preceding paragraph.

Pursuant to the Development Regulations, to establish a real estate development enterprise, the developer must apply for registration with the administration for industry and commerce of the people's government at or above the county level, which should, in examining the application for the registration, seek the views of the real estate development authority at the relevant level. The developer must also report its establishment to the real estate development authority in the location of its registration within 30 days of receipt of its business license.

Foreign investment in property development

On 11 July 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》) (the "**Document No. 171**"). Document No. 171 provides that: (i) foreign organisations and individuals who have established foreign-invested enterprises are allowed to invest in and purchase non-owner-occupied real estate in China; while branches of foreign organisations established in China and foreign individuals who work or study in China for over a year are eligible to purchase commercial houses which match their actual needs for self-use under their names; (ii) the registered capital of foreign-invested real estate enterprises with the total investment amount of more than US$10 million shall be no less than 50% of their total investment; (iii) foreign-invested real estate enterprises can apply for the foreign-invested enterprise approval certificate and business licence with an operation term of over a year only after they have paid back all the land premium and obtained the state-owned land use rights certificate; (iv) foreign investors shall pay off all considerations for the transfer in a lump sum with their own funds if they acquire Chinese real estate enterprises or any equity interest held by Chinese parties in sino-foreign joint venture engaged in real estate industry; (v) no offshore or domestic loan is allowed and the foreign exchange administration shall not approve the conversion of foreign loans into Renminbi if the foreign-invested real estate enterprises have not contributed their registered capital in full, or have not obtained the state-owned land use rights certificate, or their capital for a development project is less than 35% of the total investment; and (vi) by no means can the Chinese or foreign investors make any commitment in any documents to guarantee a fixed return or fixed revenue for any party in the contract.

On 14 August 2006, MOFCOM promulgated the Notice on Relevant Issues on Implementing the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market by the General Office of MOFCOM (《商務部辦公廳關於貫徹落實〈關於規範房地產市場外資准入和管理的意見〉有關問題的通知》). According to the notice, foreign-invested real estate enterprises with the total investment amount exceeding or equal to US$10 million or between US$3 million and US$10 million shall have its registered capital no less than 50% of the total investment and no less than 70% hereof when the total investment amount is less than or equal to US$3 million. Foreign investors that merge with domestic real estate enterprises through stock equity transfer and other means shall prepare for proper staff rearrangement, settle debts from the bank and pay off all considerations for the transfer in a lump sum with its own funds within three months since the issuing date of foreign-invested enterprise business licence. Foreign investors who merge their equity in the domestic enterprises with foreign-invested property enterprises shall prepare for proper staff rearrangement, settle debts from the bank and pay off all considerations for the transfer in a lump sum with its own funds within three months since the issuing date of foreign-invested enterprise business licence.

MOFCOM and SAFE jointly issued a Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry (《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》) (the "**Notice No. 50**") on 23 May 2007. Under the Notice, local commercial authorities shall reinforce the approval and supervision procedures over foreign-invested real estate enterprises, and strictly control foreign fund from investing in high-end real estate development projects. Foreign-invested company which intends to engage in the property development business shall obtain the land use rights, or at least has entered into pre-contract purchase agreement with the relevant land administrative authorities, land developers, or the owners of the house or other constructions, otherwise the proposed foreign-invested real estate company will not be approved by the relevant authorities. For existing foreign-invested company who intends to expand its business or company who intends to engage in the operation or development of new real estate project, they shall complete relevant procedures with the approval authority.

On 18 June 2008, MOFCOM issued the Notice Regarding the Registration Filing Foreign-invested Real Estate Industry (《商務部關於做好外商投資房地產業備案工作的通知》) ("**Circular 23**"), which requires that registration filing shall be preliminarily examined by the provincial branch of MOFCOM before submitting to MOFCOM for registration. Pursuant to Circular 23, MOFCOM may randomly select approximately five to ten registered foreign-invested real estate enterprises for test examinations quarterly. The foreign currency registration and qualification of any enterprise which is found to be in violation of the existing regulations shall be cancelled by the SAFE upon the notice of MOFCOM.

On 10 May 2013, the SAFE issued the "Notice of the State Administration of Foreign Exchange on Issuing the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors and the Supporting Documents" (《國家外滙管理局關於印發(外國投資者境內直接投資外滙管理規定)及配套文件的通知》) ("**Notice No. 21**"), effective as of 13 May 2013. The Notice No. 21 abolishes 24 previous regulations, and further simplifies and clarifies the regulation of foreign exchange of domestic direct investment of foreign investors.

In April 2013, the SAFE issued the "Administrative Measures for Registration of Foreign Debts" (《外債登記管理辦法》) and "Guidelines on the Administration of Registration of Foreign Debts" (《外債登記管理操作指引》). The above mentioned provides that (inter alia), (i) the SAFE will not process any foreign debt registration of any foreign invested real estate enterprise which obtained its certificate of authorisation and completed the filing procedures with MOFCOM on or after 1 June 2007; (ii) foreign invested real estate enterprises established prior to 1 June 2007 may borrow foreign debt within the gap between its total investment and registered capital; and (iii) foreign invested real estate enterprises that have yet to fully paid up its registered capital and obtained State-owned Land Use Certificate, or the paid-in capital of its development project is less than 35% of the total investment of the project are not allowed to borrow foreign debts.

QUALIFICATIONS OF REAL ESTATE DEVELOPMENT ENTERPRISES

Classification and rating of qualifications of real estate development enterprises

In accordance with the relevant provisions of the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), a real estate development enterprise shall, within 30 days starting from the date of obtainment of the business licence, file the relevant documents with the competent department of real estate development of the place where the registration authority is located. The competent department of real estate development shall, on the basis of the assets, specialised technical personnel and development and management achievements, verify the level of qualification of the real estate development enterprise in question. The real estate development enterprise shall, in accordance with the verified level of qualification, undertake corresponding real estate development projects.

On 29 March 2000, the Ministry of Construction promulgated the Regulations on Administration of Qualification of Real Estate Development Enterprises (《房地產開發企業資質管理規定》). Pursuant to the regulations, the enterprises engaged in real estate development shall be approved in accordance with the provisions of application for the enterprise qualification level. Enterprises that fail to obtain certificates of real estate investments (hereinafter referred to as qualification certificates) shall not engage in the real estate development business.

Enterprises engaged in real estate development are classified into four qualification levels: Level I, Level II, Level III and Level IV in accordance with the enterprise conditions. The preliminary examination of the qualification of Level I should be overseen by the administrative departments of people's governments of the provinces, autonomous regions and municipalities directly under the central government and then reported to the construction administrative departments of the State Council for approval. The examination measures of the enterprises of Level II qualification or lower shall be developed by the construction administrative department of the people's governments of the provinces, autonomous regions and municipalities directly under the central government. Enterprises passing the qualification examination shall be awarded with corresponding levels of qualification certificates by the qualification examination departments. The newly-established real estate enterprises shall file a record with the competent department of real estate development within 30 days upon receipt of the business licence. The competent department of real estate development shall verify and issue the provisional qualification certificate (暫定資質證書) to the enterprises that conform to the conditions within 30 days upon receipt of the application for filing. The valid period of the provisional qualification certificate is one year. The competent department of real estate development may extend the valid period of the provisional qualification certificate depending on the actual conditions and the extension shall not exceed two years. Enterprises engaged in real estate development shall apply for verification of qualification level to the competent department of real estate development within one month before expiration of the valid period of the provisional qualification certificate.

Business scope of real estate development enterprises

Pursuant to the relevant provisions of the Regulations on Administration of Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), enterprises of various qualification levels shall engage in real estate development and management within the prescribed scope of business and shall not undertake tasks bypassing their own levels. The construction scale of real estate projects undertaken by real estate development enterprises with Level I qualification across the country shall not be restricted. Real estate development enterprises with qualifications of Level II or lower shall be allowed to undertake development and construction projects with a construction area of less than 250,000 square meters. The specific range of business is determined by the competent construction administrative department of the people's government of provinces, autonomous regions and municipalities directly under the central government.

Annual qualification review of real estate development enterprises

Pursuant to the relevant provisions of the Regulations on Administration of Qualifications of Real Estate Development Enterprises (《房地產開發企業資質管理規定》), the qualification of real estate development enterprises shall be subject to annual review. For enterprises that do not conform to the existing qualification criteria or found with improper business practices, their qualification certificates shall be downgraded or cancelled by the original qualification approval department. The annual qualification review of real estate development enterprises with Level I qualification shall be under the charge of competent construction administrative department of State Council or its authorised authority. For the annual qualification review of real estate development enterprises with qualifications of Level II or below, the competent construction administrative department of the provinces, autonomous regions and municipalities directly under the central government shall formulate the administrative measures.

LAND USE RIGHTS FOR REAL ESTATE DEVELOPMENT

Overview

All land in the PRC is either state-owned or collectively-owned, depending on the location of the land. All land in urban areas is state-owned, and all land in the rural areas and all farm land are collectively-owned, unless otherwise specified by laws. The State has the right to resume its ownership of land or the land use rights in accordance with laws if required for the public interest (and compensation shall be paid by the State).

Although all land in the PRC is state-owned or collectively-owned, individuals and entities may obtain land use rights and hold such land use rights for development purposes. Individuals and entities may acquire land use rights in different ways, the two most important being land grants from local land authorities and land transfers from land users who have already obtained land use rights.

Land grants

National and local legislation

In April 1988, the National People's Congress (the "NPC") passed an amendment to the Constitution of the PRC. The amendment allowed the transfer of land use rights for value to prepare for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, the Standing Committee of the NPC also amended the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) to permit the transfer of land use rights for value.

In May 1990, the State Council enacted the Provisional Regulations of the People's Republic of China Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》). These regulations, generally referred to as the Urban Land Regulations, formalised the process of the grant and transfer of land use rights for value. Under this system, the State retains the ultimate ownership of the land. However, the right to use the land, referred to as land use rights, can be granted by the State and local governments at or above the county level for a maximum period of 70 years for specific purposes pursuant to a land grant contract and upon payment to the State of a premium for the grant of land use rights.

The Urban Land Regulations prescribe different maximum periods of grant for different uses of land as follows:

Use of land	Maximum period *(Years)*
Commercial, tourism, entertainment	40
Residential	70
Industrial	50
Educational, scientific, cultural, public health and sports	50
Comprehensive utilisation or others	50

Under the Urban Land Regulations, domestic and foreign enterprises are permitted to acquire land use rights unless laws provides otherwise. The State may not resume possession of lawfully-granted land use rights prior to expiration of the term of grant. Should the State resumes the possession for public interest under special circumstances during the term of grant, compensation shall be paid by the State, on the basis of the period of which the land user has used the land and the status with respect to the development and utilisation of the land. Subject to compliance with the terms of the land grant contract, a holder of land use rights may exercise substantially the same rights as a land owner during the grant term, including holding, leasing, transferring, mortgaging and developing the land for sale or lease.

Upon paying in full the land premium pursuant to the terms of the contract, a land-grantee may apply to the relevant land bureau for the land use rights certificate. In accordance with the Property Rights Law of the People's Republic of China (《中華人民共和國物權法》), which was issued on 16 March 2007 and effective on 1 October 2007, the term of land use rights for land of residential use will automatically be renewed upon expiry. The renewal of the term of land use rights for other uses shall be dealt with according to the then-current relevant laws. In addition, if the State resumes the possession of land for public interest during the term of the relevant land use rights, compensation shall be paid to the owners of residential properties and other real estate on the land and the relevant land premium shall be refunded to them by the State.

Ways of land grant

Pursuant to PRC laws and the stipulations of the State Council, except for land use rights which may be obtained through allocation, land use rights for property development are obtained through the grant from government. There are two ways by which land use rights may be granted, namely by private agreement or competitive processes (i.e., tender, auction or listing at a land exchange administered by the local government).

As of 1 July 2002, the grant of land use rights by way of competitive processes is governed by the Regulations on the Grant of Use Right of State-owned Land by Invitation of Tender, Auction or Listing-for-bidding (《招標拍賣掛牌出讓國有土地使用權規定》), issued by the Ministry of Land and Resources of the PRC on 9 May 2002 and revised as of 21 September 2007 with the name of Regulations on Granting State-owned Construction Land Use Right through Tenders, Auction and Putting up for Bidding (《招標拍賣掛牌出讓國有建設用地使用權規定》) (the ''Land Grant Regulations''). The Land Grant Regulations specifically provide that land to be used for industrial, commercial, tourism, entertainment or commodity residential purposes, or where there are two or more intended users for the certain piece of land, shall be granted by way of competitive processes. A number of measures are provided by the Land Grant Regulations to ensure such grant of land use rights for commercial purposes is conducted openly and fairly. For instance, the local land bureau shall take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to approval of the city or provincial government. The grantee shall apply for land registration and obtain the state-owned land use rights certificate upon full payment of the land premium of the granted land according to the state-owned land grant contract. In the event that the land premium of the granted land is not paid in full, the grantee shall not receive the land use rights certificate. In addition, the announcement of tender, auction or listing-for bidding shall be made 20 days prior to the date on which such competitive process begins. Further, it also stipulated that for listing at a land exchange, the time period for accepting bids shall be no less than 10 days. On 13 May 2011, the Ministry of Land and Resources promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing (《關於堅持和完善土地招標拍賣掛牌出讓制度的意見》), which provides, among other things, that (i) correct utilisation of the regulating and controlling effects of the land transfer policy through tender, auction and listing; (ii) improvement in the transparency of the system of tender, auction and listing for housing land; and (iii) adjustment and improvement in the land transfer policy through tender, auction and listing, including (a) limitation on house price or land price, and transfer of policy-related housing land by listing or auction; (b) limitation on the GFA of allocated security housing, and transfer of commodity housing land by listing or auction; (c) carrying out of comprehensive assessment on conditions of land development and utilisation and land transfer prices, and determination of the person who is entitled to land use rights by tender; (iv) promotion of online operation of the transfer of land use rights; and (v) improvement in the contracts for land transfer through tender, auction and listing.

In the case of tender, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and inform those qualified to participate in the bidding processes by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted by way of tender, a tender evaluation committee consisting of not less than five members (including a representative of the grantor and other experts), formed by the land bureau is responsible for opening the tenders and deciding on the successful bidder. The successful bidder shall then sign the land grant contract with the land bureau and pay the balance of the land premium before obtaining the State land use rights certificate.

Where land use rights are granted by way of auction, a public auction shall be held by the relevant local land bureau. The land use rights are granted to the highest bidder. The successful bidder shall then be asked to sign the land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

Where land use rights are granted by way of listing-for-sale administered by the local government, a public notice shall be issued by the local land bureau to specify the location, area and purpose of use of land and the initial bidding price, period for receiving bids and terms and conditions upon which the land use rights are proposed to be granted. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions. The successful bidder shall enter into a land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

In June 2003, the Ministry of Land and Resources promulgated the Regulations on Grant of State-owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》), or the 2003 Regulations, to regulate granting of land use rights by agreement when there is only one party interested in the land, the designated uses of which are other than for commercial purposes as described above. According to the 2003 Regulations, the local land bureau, together with other relevant government departments, including the city planning authority, shall formulate a plan concerning the grant, including the specific location, boundary, purpose of use, area, term of grant, conditions of use, conditions for planning and design as well as the proposed land premium, which shall not be lower than the minimum price regulated by the State, and submit such plan to the relevant government for approval. Afterwards, the local land bureau and the relevant party shall negotiate and enter into the land grant contract based on the above-mentioned plan. If two or more parties are interested in the land use rights proposed to be granted, such land use rights shall be granted by way of tender, auction or listing at a land exchange in accordance with the 2007 Regulations.

The grantee is required to pay the land premium pursuant to the terms of the contract and the contract is then submitted to the relevant local bureau for the issue of the land use rights certificate. Upon expiration of the term of grant, the grantee may apply for its renewal. Upon approval by the relevant local land bureau, a new contract is entered into to renew the grant, and a land premium shall be paid.

According to the "Notice of the Ministry of Land and Resources on Relevant Issues Concerning the Strengthening of Examination and Approval of Land Use in Urban Construction" (《關於加強城市建設用地審查報批工作有關問題的通知》) enacted by the Ministry of Land and Resources on 4 September 2003, from the day of promulgation, land use for luxurious commodity houses shall be stringently controlled, and applications for land use rights to build villas shall be stopped. According to the "Circular on the Distribution of the Catalog for Restricted Land Use Projects (2012 Edition) and the Catalog for Prohibited Land Use Projects (2012 Edition)" (《關於印發(限制用地項目目錄(2012年本))和(禁止用地項目目錄(2012年本))的通知》) promulgated by the Ministry of Land and Resources in May 2012, the granted area of the residential housing projects should not exceed (i) seven hectares for small cities and towns, (ii) 14 hectares for medium-sized cities, or (iii) and 20 hectares for large cities and plot ratio which is not lower than 1.0. In addition, villas, golf courses, horse-racing courses, and new training centres of the Chinese Communist Party and government agencies, state-owned enterprises and institutional agencies are classified as forbidden land supply items.

Land transfers from current land users

In addition to a direct grant from the government, an investor may also acquire land use rights from land users that have already obtained the land use rights by entering into an assignment contract or a joint-develop agreement with such land user.

The assignment contract or joint-develop agreement shall be registered with the relevant local land bureau at the municipal or county level for land use rights title change purposes. Upon a transfer of land use rights, all rights and obligations contained in the land grant contract are deemed to be incorporated as part of the terms and conditions of such transfer.

The assignment contract or the joint-develop agreement is subject to terms and conditions specified in the land grant contract. For residential construction projects, the Urban Real Estate Law requires that at least 25% of total amount of investment or development must have been made or completed before assignment can take place. All rights and obligations of the current holder under a land grant contract will be transferred contemporaneously to the assignee of the land use rights. The relevant local government has the right to acquire the land use rights to be assigned if the assignment price is significantly lower than the market price. Relevant local governments may also acquire the land use rights from a land user in the event of a change in town planning. The land user will then be compensated for the loss of his land use rights.

DEVELOPMENT OF A REAL ESTATE PROJECT

Commencement of property development projects

According to the "Law of the People's Republic of China on Urban Real Estate Administration" (《中華人民共和國城市房地產管理法》), those who have obtained the right of land use by way of grant for real estate development must develop the land in accordance with the land use as prescribed, and the construction period must be stated in the grant contract land use right. When the development has not started one year later than the date for starting the development as prescribed by the grant contract land use right, an idle land fee no more than 20% of the land grant premium may be collected and when the development has not started two years later, the right to use the land may be confiscated without any compensation, except that the delays are caused by force majeure, the activities of government, or the necessary preparatory work for starting the development.

The Measures on Disposal of Idle Land (《閒置土地處置辦法》) was promulgated on 28 April 1999 (the "**1999 Measures**"), revised on 1 July 2012 (the "**2012 Measures**") Pursuant to the 2012 Measures, land can be defined as idle land under any of the following circumstances:

(i) development and construction of the land is not commenced after one year of the prescribed time limit in the land use right grant contract or allocation decision; or

(ii) the development and construction of the land has been commenced but the area of the development and construction that has been commenced is less than one-third of the total area to be developed and constructed or the invested amount is less than 25% of the total amount of investment, and the development and construction have been continuously suspended for one year or more without an approval (the "**Other Idle Land**").

Where the delay of commencement of development is caused by the government's behavior or due to the force majeure of natural disasters, the Land Administrative Authorities shall discuss with the state-owned construction land use right owner and choose the following methods for disposal:

(i) extending the time limit of the start of development. The government and the state-owned construction land use right owner shall enter into the supplemental agreement and re-specify the time limit of the start of development and construction completion and the liability for breach of contract. The time limit of the start of development shall not be extended over one year from the date of the start of development specified on the supplemental agreement;

(ii) adjusting the land use and planning conditions. The relevant land use procedure shall be re-gone through and the land fees shall be checked, collected or returned according to the new land use or planning conditions;

(iii) the government arranges temporary use for the idle land. The state-owned construction land use right owner shall re-develop and construct the idle land till the former project satisfies the requirements of development and construction. The time limit of temporary use shall not be over two years from the date of temporary use arranged;

(iv) getting back the use right of the state-owned construction land with compensation;

(v) exchanging the idle land. When the land fees of the idle land have been paid up, the project fund has been completed and the idleness is caused by the plan amendment according to the law, the government can exchange other state-owned construction land of same value and use for the state-owned construction land use right owner to develop and construct. As for the grant land, the state-owned construction land use right owner and the government shall re-enter into land grant contract which shall specify the land as the exchange land; and

(vi) the Land Administrative Authorities can stipulate other disposal ways according to the actual situation.

Save for the above item (iv), the time of the commencement of development shall be re-dated according to newly agreed or stipulated time. The Other Idle Land shall be disposed of according to the above-mentioned disposal methods.

If the delay of commencement is caused by other reasons, and the work has not been commenced after one year from the prescribed date of commencement, an idle land fee less than 20 percent of the land grant premium may be collected. If the work has not been commenced after two years from the prescribed date of commencement, the land can be confiscated without any compensation.

On 8 September 2007, the Ministry of Land and Resources promulgated the "Notice on Strengthening the Disposing of Idle Land" (《關於加大閑置土地處置力度的通知》), providing that the surcharge on idle land shall be 20% of the land grant premium in principle and where the confiscation measure is required in accordance with the law, such measure shall be strictly implemented.

On 3 January 2008, the State Council issued the "Notice on Promoting the Saving and Intensive Use of Land" (《國務院關於促進節約集約用地的通知》). This notice strictly enforces the policies for dealing with idle land. If a piece of land has been idle for two years or more, it must be taken back free of charge absolutely and rearranged for other uses. If the land does not meet the statutory conditions for recovery, it must be timely dealt with and fully used through changing its uses, replacement by parity value, temporary use or incorporation into government reserves. If a piece of land has been idle for more than one year but less than two years, the idle land surcharge must be collected at 20% of the land grant premium. If the land premium has not been completely paid off according to the contract, no land certificate may be granted, and it is also prohibited to grant the land certificate by dividing the land based on the proportion of the paid land grant fee.

According to the "Notice on Promoting the Steady and Healthy Development of the Real Estate Market" (《關於促進房地產市場平穩健康發展的通知》) issued by the State Council on 7 January 2010, the land resource authorities shall strengthen the investigation and handling of idle lands.

Planning of real estate development projects

Under the Regulations on Planning Administration regarding Granting and Transfer of State-owned Land Use Right in Urban Area (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Construction in December 1992, a real estate developer shall apply for a construction land planning permit (《建設用地規劃許可證》) from the municipal planning authority. After obtaining the construction land planning permit, the real estate developer shall conduct all necessary planning and design works in accordance with relevant planning and design requirements. A planning and design proposal in respect of the real estate project shall be submitted to the municipal planning authority in compliance with the requirements and procedures under the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), which was issued on 28 October 2007, and a construction work planning permit (《建設工程規劃許可證》) shall be obtained from the municipal planning authority.

Construction work commencement permit

Upon obtaining the Permit for Housing Demolition and Resettlement, the real estate developer may appoint a qualified third party to carry out the demolition and removal within the land area and period specified in the Permit for Housing Demolition and Resettlement after the local real estate administration office having issued a demolition and resettlement notice to the inhabitants of the housing to be demolished. Subject to a written agreement entered into between the real estate developer and the parties relevant to the demolition and resettlement for compensation and resettlement, the real estate developer shall pay compensation and resettlement fees to the inhabitants of the housing to be demolished. Compensation may be effected by way of monetary compensation or exchange of property rights. In addition to the payment of demolition and resettlement compensation, the real estate developer shall pay resettlement allowance to the parties which are affected by the demolition and resettlement. Where a real estate developer has completed the above procedures and the site is ready for commencement of the construction works, the progress of demolition of existing buildings complies with construction needs, funds required for the construction have been made available, the contractor has been determined, and the design for construction has been examined and approved by the relevant government authorities, the real estate developer shall then apply for a construction work commencement permit (建築工程施工許可證) from the relevant construction authority in accordance with the Regulations on Administration Regarding Permission for Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction in October 1999 and amended in July 2001.

Acceptance and examination upon completion of a real estate project

Pursuant to the Regulations on Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》) promulgated by the State Council on 20 July 1998, the Administrative Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the Ministry of Construction on 7 April 2000 and amended on 19 October 2009 and the Provisions on Acceptance and Examination upon Completion of Housing Construction and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收規定》) issued by MOHURD on 2 December 2013, upon the completion of real estate development project, the real estate development enterprise shall file with the competent department for real estate development of local government at or above county level in the place where the project is located after the project has passed the acceptance examination. A real estate project shall not be delivered before passing the acceptance examination and obtaining the completion certificate.

ENVIRONMENTAL PROTECTION

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Prevention and Control of Noise Pollution Law of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》) and the Administrative Regulations on Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建設項目竣工環境保護驗收管理辦法》). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table or an environmental impact registration form shall be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

SALES/PRE-SALES OF COMMODITY BUILDINGS

Sale of Commodity Properties

Under the "Measures for Administration of Sale of Commodity Properties" (《商品房銷售管理辦法》) promulgated by MOHURD on 4 April 2001 and became effective on 1 June 2001 (the "**Measures for Sale of Commodity Properties**"), the sale of commodity properties can include both sales prior to and after the completion of the properties.

Pre-sales permit of commodity properties

Any pre-sales of commodity properties must be conducted in accordance with the "Measures for Administration of Pre-sales of Commodity Properties" (《城市商品房預售管理辦法》) promulgated by MOHURD on 15 November 1994, as amended on 15 August 2001 and 20 July 2004 (the "**Pre-sales Measures**").

The Pre-sales Measures provide that any pre-sales of commodity properties is subject to specified procedures. The pre-sales of commodity properties shall obtain licences and permits. If a real estate developer intends to sell commodity properties in advance, it shall apply to the real estate administrative authority to obtain a pre-sales permit. The pre-sales of commodity properties is required to meet the following conditions:

(i) the related land grant premium having been fully paid up and a land use rights certificate having been obtained;

(ii) a construction work planning permit and a construction work commencement permit having been obtained; and

(iii) the funds invested in the development of the commodity properties intended for presale representing 25% or more of the total investment in the project and the progress of construction and the completion and delivery dates having been properly determined.

Supervision on proceeds of pre-sales of commodity properties

Under the "Pre-sales Measures" and "Law of the PRC on Urban Real Estate Administration", the pre-sales proceeds of commodity buildings may only be used to fund the property development costs of the relevant projects.

On 13 April 2010, MOHURD promulgated the "Notice on Further Strengthening the Supervision and Administration of Real Estate Market and Improving the Commodity House Pre-sales System" (《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》), which stipulates, among other things, that:

(i) for the commodity house projects which have not obtained the pre-sales permissions, real estate development enterprises shall not conduct any pre-sales activity, or collect fees from purchasers in the nature of deposit or reservation fee in forms of subscription, reservation, number arrangement and VIP card distribution and shall not engage in any sales exhibition. For those which have obtained the pre-sales permit, real estate development enterprises shall carry out one-time publications of the sources of all houses permitted to sell and the price of each house within ten days, and sell the houses strictly at the prices reported and definitely posted. Real estate enterprises shall not sell the houses to any third party, of which the titles have been reserved by themselves, prior to the initial registration of the titles, or pre-sell the commodity houses in the methods of return-cost sale or after-sale lease arrangement or engage in any false transaction;

(ii) the smallest scale set by a pre-sales permit shall not be smaller than a building, and the pre-sales permit shall not be proceeded by floor or unit;

(iii) real estate development enterprises shall sell commodity houses according to the pre-sales plans for commodity houses. Major alteration in the pre-sales plans shall be reported to the competent authority and made public;

(iv) real-name system shall be strictly implemented in the sale of commodity houses, and changes of the names of the purchasers without permission are not allowed after subscription. Pre-sales shall be rescinded if the purchaser does not enter into pre-sales contract within the time limit after subscription, and the houses upon rescission shall be sold to the public; and

(v) the supervision mechanism of pre-sales proceeds shall be perfected. For areas where a supervision system of pre-sales proceeds has been set up, measures shall be taken to promote the system. For areas where a supervision system of pre-sales proceeds has not been set up, the regulations on supervision of pre-sales proceeds shall be enacted as soon as possible. All of the pre-sales proceeds of commodity properties shall be put into custody accounts, which shall be supervised and managed by relevant regulatory authorities in order to ensure the proceeds to be used for commodity properties construction. Pre-sales proceeds may be allocated according to the construction progress, provided that adequate fund has been reserved for completion and delivery of the projects.

Sales after the completion of commodity properties

Under the "Measures for Administration of Sale of Commodity Properties", commodity properties may be put to post-completion sale only when the following preconditions have been satisfied:

(i) the real estate development enterprise offering to sell the post-completion buildings shall have an enterprise legal person business license and a qualification certificate of a real estate developer;

(ii) the enterprise has obtained a land use rights certificate or other approval documents of land use;

(iii) the enterprise has obtained the construction project planning permit and the construction work commencement permits;

(iv) the commodity properties have been completed and been inspected and accepted as qualified;

(v) the relocation of the original residents has been well settled;

(vi) the supplementary essential facilities for supplying water, electricity, heating, gas and communication have been made ready for use, and other supplementary essential facilities and public facilities have been made ready for use, or the schedule of construction and delivery date of have been specified; and

(vii) the property management plan has been completed.

The "Provisions on Sales of Commodity Properties at Clearly Marked Price" (《商品房銷售明碼標價規定》) was promulgated by the NDRC on 16 March 2011 and became effective on 1 May 2011. According to the provisions, any real estate developer or real estate agency (the "**Real Estate Operators**") is required to mark the selling price explicitly and clearly for both newly-build and second-hand commodity properties. The provisions require Real Estate Operators to clearly indicate the prices and relevant fees of commodity properties, as well as other factors affecting the prices of commodity properties to the public. With respect to the real estate development projects that have received property pre-sales license or have completed the filing procedures for the sales of constructed properties, Real Estate Operators shall announce all the commodity properties available for sales on at once within the specified time limit. Furthermore, with regard to a property that has been sold out, Real Estate Operators are obliged to disclose this information and to disclose the actual transaction price. Real Estate Operators cannot sell commodity properties beyond the explicit marked price or charge any other fees not explicitly marked. Moreover, Real Estate Operators may neither mislead properties purchasers with false or irregular price marking, nor engage in price fraud by using false or misleading price marking methods.

On 4 November 2010, MOHURD and the SAFE collectively promulgated the "Notice on Further Regulating the Administration on House Purchase by Overseas Organisation and Individual" (《關於進一步規範境外機構和個人購房管理的通知》), which stipulates that, except as otherwise stated in laws and regulations, an overseas individual shall solely purchase one unit of owner-occupied residential house, and an overseas organisation with a branch or representative office set up in the PRC shall solely purchase non-residential house necessary for business operations in the city where it is registered.

On 26 February 2013, the State Council issued the "Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market" (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》) which are intended to cool down the property market and emphasis the government's determination to strictly enforce regulatory and macro-economic measures, which include, among other things, (i) home purchase restrictions, (ii) increased down payment requirement for second residential properties purchase, (iii) suspending mortgage financing for third or more residential-properties purchase and (iv) 20% individual income tax rate applied to the gain from the sale of properties.

MORTGAGE AND GUARANTEE

Mortgage of real estate

The mortgage of real estate in the PRC is mainly governed by the "Property Rights Law" (《物權法》), the "Guarantee Law of the PRC" (《中國擔保法》), and the "Measures for Administration of Mortgages of Urban Real Estate" (《城市房地產抵押管理辦法》). According to these laws and regulations, land use rights, the buildings and other attachments on the ground may be mortgaged. When a mortgage is created on the ownership of a building legally obtained, a mortgage shall be simultaneously created on the land use right of the land on which the building is situated. The mortgagor and the mortgagee shall sign a mortgage contract in writing. A system has been adopted to register the mortgages of real estate. After a real estate mortgage contract has been signed, the parties to the mortgage shall register the mortgage with the real estate administration authority at the location where the real estate is situated. The real estate mortgage right shall be valid from the date of registration of the mortgage. If a mortgage is created on the real estate in respect of which a property ownership certificate has been obtained legally, the registration authority shall make an entry under the "third party rights" item on the original property ownership certificate and issue a Certificate of Third Party Rights to a Building to the mortgagee. If a mortgage is created on a commodity building put to pre-sale or on a working progress basis, the registration authority shall record the details on the mortgage contract. If construction of a real property is completed during the term of a mortgage, the parties involved shall re-register the mortgage of the real property after the issuance of the certificates evidencing the rights and ownership to the real estate.

LEASING

Both the Urban Land Regulations and the Real Estate Law permit the leasing of granted land use rights and of the buildings or houses erected on the land. On 1 December 2010, the Ministry of Construction promulgated the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) (the "New Lease Measures"), which become effective on 1 February 2011, and replaces the Administrative Measures for Urban House Leasing (《城市房屋租賃管理辦法》). Pursuant to the New Lease Measures, parties thereto shall register and file with the local property administration authority within 30 days after the execution of lease contract. Non-compliance with such registration and filing requirements shall be subject to fines. According to the Real Estate Law, rental income derived from the any building situated on allocated land, or land which the landlord has acquired only allocated land use rights, shall be turned over to the State.

REAL ESTATE LOANS

Individual Housing Loans

On 26 May 2010, MOHURD, PBOC and CBRC jointly promulgated Circular on the Determination Criteria of Second Residential Property in Individual Commercial Housing Loan Applications (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》). The circular lays down the determining criteria of a property being identified as an individual's second residential property in individual commercial housing loan applications. The circular provides that the number of residential properties owned by an individual loan applicant shall be determined with reference to the number of completed residential properties actually owned by the members of the family (including the individual loan applicants, their spouses and minor children) of the individual who plans to purchase another residential property with the use of individual commercial housing loan. The application or authorisation of any individual commercial housing loan by an individual loan applicant shall be subject to checks on the loan applicants' residential property registry records through the property registration information system and the issuance of written results of such checks by the urban real estate competent authorities. The lender shall implement a differential credit policy for the individual loan applicants' second (or above) residential property in accordance with the number of residential properties owned by such applicants. The policy in this circular is also applicable to non-residents who can provide local tax clearance certificates or local social insurance payment certificates for one year or above.

On 2 November 2010, MOHURD, Ministry of Finance, PBOC and CBRC jointly promulgated the Circular on Regulations of Policies Concerning Individual Housing Provident Fund Loans (《關於規範住房公積金個人住房貸款政策有關問題的通知》) and regulations in relation to Individual Housing Provident Fund Loans. The circular provides that Individual Housing Provident Fund Loans shall only be used in purchasing, building, re-building and overhauling ordinary and privately used residential properties of labourers with the aim of meeting their basic needs for housing. The use of Individual Housing Provident Fund Loans to carry out speculative purchase of properties is strictly prohibited. To purchase the first residential property for private use with Individual Housing Provident Fund Loans, the down payment of the purchase shall not be less than 20% of the total purchase price for a property with a GFA less than 90 sq.m. (inclusive). For a property with a GFA more than 90 sq.m., the down payment shall not be less than 30% of the total purchase price. For the purchase of the second residential property, Individual Housing Provident Fund Loans are only available to labourers whose families' per-capita gross floor area is lower than the local average, and the loans could only be used to purchase ordinary and privately used residential properties that help improve the living conditions of the labourers. The down payment for the purchase of the second residential property shall not be less than 50% of the total purchase price, and the interest rate of the loan shall not be less than 1.1 times of the interest rate for Individual Housing Provident Fund Loans in relation to the purchase of the first residential property during the same period. Individual Housing Provident Fund Loans are not available to labourers and their families for purchasing the third (or more) residential property.

Commercial Bank Loans

On 5 June 2003, the PBOC promulgated the Notice on Further Strengthening the Administration of Real Estate Related Credit (《關於進一步加強房地產信貸業務管理的通知》). According to this notice, commercial banks shall focus on supporting real estate projects targeting at mid-to lower-income households and appropriately restrict the granting of real estate loans to projects for the construction of luxury apartments and houses. The notice provides that when applying for bank loans, a real estate development company shall contribute at least 30% of the total investment of the project from its own funds, and prohibits banks from advancing funds to real estate developers as working capital or for payment of land premiums.

On 12 August 2003, the State Council published the Notice by the State Council on Facilitating Sustained and Healthy Development of the Real Estate Market (《國務院關於促進房地產市場持續健康發展的通知》). This notice provides a series of measures to control the real estate market, including but not limited to enhancing the gathering and granting of public housing fund, perfecting the security of the housing loans and strengthening the supervision of real estate loans. The purpose of the notice is to create a positive influence on the long-term development of the real estate market in China.

On 30 August 2004, the CBRC issued a Guideline for Commercial Banks on Risks of Real Estate Loans (《商業銀行房地產貸款風險管理指引》). According to this guideline, no loans shall be granted to projects which have not obtained requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits. The guideline also stipulated that bank loans shall only be extended to real estate developer who applied for loans and contributed not less than 35% of the total investment of the property development project by its own capital. In addition, the guideline provides that commercial banks shall set up strict approval systems for granting loans.

On 31 May 2006, the PBOC promulgated a Notice on Issues Regarding the Adjustment of Housing Credit Policies (《關於調整住房信貸政策有關事宜的通知》). This notice provides that, the down payment for an individual house bought through a mortgage loan shall not be lower than 30% of the purchase price from 1 June 2006. However, for houses purchased for self-residential purposes and with a GFA of less than 90 sq.m., the 20% down payment regulation still applies.

On 27 September 2007, PBOC and CBRC promulgated a Notice on Strengthening the Administration of Commercial Real-Estate Credit Loans (《關於加強商業性房地產信貸管理的通知》). This circular provides that the down payment requirement applicable to a purchaser acquiring his second residential property shall be not less than 40% and the interests payable on these loans shall be not less than 1.1 times of the benchmark interest rate of the same kind and same term published by PBOC. Under this circular, the PRC government has tightened the control over the loans from commercial banks to property developers in order to prevent from excessive credit granting of these banks. The circular emphasises that commercial banks shall not offer loans to property developers who have been found by state land and resource and construction authorities as hoarding land and buildings. Commercial banks are also prohibited from accepting commercial properties that have been vacant for more than three years as guaranties for loans. Under the Complementary Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的補充通知》), for a member of a family (including the debtors, their spouse and their juvenile children) has purchased a house by the loans, any member of the family that purchases another house will be regarded as a second-time home buyer.

On 29 July 2008, PBOC and CBRC issued the Notice on Financially Promoting the Land Saving and Efficient Use (《關於金融促進節約集約用地的通知》), which, among other things,

- restricts from granting loans to property developers for the purpose of paying land premiums;

- provides that, for secured loans for land reserve, legal land use rights certificates shall be obtained and the loan mortgage shall not exceed 70% of the appraised value of the collateral, and the term of loan shall be no more than two years in principle;

- provides that for the property developer who (i) delays the commencement of development date specified in the land transfer agreement more than one year, (ii) has not completed one-third of the intended project, or (iii) has not invested one-fourth of the intended total project investment, loans shall be granted or extended prudently;

- restricts granting loans to the property developer whose land is idle for more than two years; and

- prohibits taking idle land as a security for loans.

On 25 May 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (《關於調整固定資產投資項目資本金比例的通知》). This notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments is 20% and the minimum capital requirement for other real estate development projects is 30%. These regulations apply to both domestic and foreign investment projects.

On 19 June 2009, the CBRC issued the Notice on Further Strengthening the Risk Management of Mortgage Loans (《關於進一步加強按揭貸款風險管理的通知》), which requires all financial institutions to tighten pre-loan inspections and standards for granting mortgage loans and strengthen the risk control of mortgage loans, adhere to the policy of meeting the needs of first-time home buyers and strictly comply with the policy on mortgage loans for second residential properties.

On 7 January 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》). The Notice, among other things, provides that:

- for the families (including the debtors, their spouses and their juvenile children) who have bought a residential house by the loans and are applying for loans to purchase the second residential house or more residential houses, the down payments of the loans shall be not less than 40% and the loan rates shall be strictly commensurate with the credit risks.

- Banks are restricted from granting loans to a property development project or property developer which is not in compliance with credit loan regulations or policies.

On 17 April 2010, the State Council issued the Notice on Strictly Restraining the Excessive Growth of the Property Prices in Some Cities (《關於堅決遏制部分城市房價過快上漲的通知》), pursuant to which, a stricter differential housing credit policy shall be enforced. It provides that, among other things, (1) for a family member who is a first-time home buyer (including the debtors, their spouses and their juvenile children, similarly hereinafter) of the apartment with a GFA more than 90 sq.m., a minimum 30% down payment shall be paid; (2) for a family who applies loans for its second house, the down payment requirement is raised to at least 50% from 40% and also provides that the applicable mortgage rate must be at least 1.1 times of that of the corresponding benchmark interest rate over the same corresponding period published by the PBOC; and (3) for those who purchase three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks may suspend housing loans to third or more home buyers in places where house prices rise excessively rapidly and high and housing supply is insufficient.

On 29 September 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》), which (i) raises the minimum down payment to 30% for all first-time home buyers with mortgage loans; (ii) requires commercial banks in China to suspend mortgage loans to (1) customers for their third or more residential property purchase, and (2) non-local residents who are unable to provide documentation certifying payment of local tax or social security for longer than a one-year period; and (iii) restricts the grant of new project bank loans or extension of credit facilities for all property companies with non-compliance records regarding, among other things, holding idle land, changing the land use to that outside the scope of the designated purpose, postponing construction commencement or completion, or hoarding properties.

INSURANCE

There are no mandatory provisions in the PRC laws, regulations and government rules requiring a real estate developer to maintain insurance for its real estate projects. According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) promulgated by the Standing Committee of the National People's Congress on 1 November 1997 and effective on 1 March 1998 and amended on 22 April 2011, construction enterprises shall maintain accident and casualty insurance for workers engaged in dangerous operations and pay the insurance premium. In the Opinions of the Ministry of Construction on Strengthening the Insurance of Accidental Injury in the Construction Work (《建設部關於加強建築意外傷害保險工作的指導意見》) promulgated by the Ministry of Construction on 23 May 2003, the Ministry of Construction further emphasised the importance of the insurance of accidental injury in the construction work and put forward the detailed opinions of guidance.

PROPERTY SERVICE ENTERPRISES

Qualifications for property management enterprises

Enterprises that engage in property management shall establish a qualification management system pursuant to relevant provisions under the Property Management Regulations (《物業管理條例》) (implemented on 1 September 2003 and revised on 26 August 2007). Pursuant to relevant provisions under the Measures on Property Service Enterprises Qualification Management (《物業服務企業資質管理辦法》) (implemented on 1 May 2004 and revised on 26 November 2007), a newly-established property service enterprise shall apply for the qualification by submitting the following documents to competent property departments of the people's government of the municipalities directly under the central government and cities with special development zones where its business has been registered within 30 days after the receipt of its business licence. Qualification examination and legal authority shall approve and issue the qualification certificate of corresponding levels based on the actual conditions of enterprises.

Pursuant to the Measures on Property Service Enterprises Qualification Management (《物業服務企業資質管理辦法》), qualification of property service enterprises shall be classified into Level I, Level II and Level III. The construction department of the State Council is responsible for the issue and management of Level I qualification certificates of property service enterprises. Construction departments under the people's government of provinces and autonomous regions are responsible for the issue and management of Level II qualification certificates. Real estate construction departments under the people's government of municipalities directly under the central government are responsible for the issue and management of Level II and Level III qualification certificates, which are subject to the guidance and supervision of the construction departments of the State Council. Real estate construction departments of the cities with special development zones are responsible for the issue and management of Level III qualification certificates, which are subject to the guidance and supervision of the construction departments of the State Council.

Property service enterprises with Level I qualification are allowed to undertake different kinds of property management projects. Property service enterprises with Level II qualification are allowed to undertake residential and non-residential property management projects of not more than 300,000 square meters and 80,000 square meters respectively. Property service enterprises with Level III qualification are allowed to undertake residential and non-residential property management projects of not more than 200,000 square meters and 50,000 square meters respectively. The qualification of property service enterprises shall be subject to annual review.

Pursuant to the Catalogues of Industries, property management services fall into such categories which foreign investment is permitted. Foreign-invested property management enterprises can be established in the forms of Sino-foreign joint venture, Chinese foreign cooperative venture or wholly foreign-owned company. Prior to the incorporation, the enterprise shall obtain the permission and the certificate of approval for establishment of enterprises with foreign investment from the competent commerce department.

Engagement of property service enterprises

In accordance with the relevant regulations of Property Rights Law of the PRC (《中華人民共和國物權法》) and Property Management Regulations (《物業管理條例》), selection and engagement of property service enterprises shall have the consent of not less than half of the total number of owners while the gross floor area in the possession of such owners shall not be less than half of the total gross floor area of the property. In the event that the property service enterprise has been selected by the construction department prior to the engagement of property service enterprise by the owners at the meeting of owners, a preliminary property management contract shall be signed.

MEASURES ADJUSTING THE HOUSING STRUCTURE AND STABILISING HOUSING PRICES

On 26 March 2005, the General Office of the State Council promulgated the Notice on Effectively Stabilising House Prices (《關於切實穩定住房價格的通知》) to restrain the excessive increase of housing prices and to promote the sound development of the real estate market. The notice provided that housing prices should be stabilised and the system governing housing supply should be vigorously adjusted and improved. In accordance with the notice, seven departments of the State Council, including the Ministry of Construction, issued the Opinion on Stabilising Housing Prices (《關於做好穩定住房價格工作的意見》) on 30 April 2005. The opinion stated, among other things, that (i) local governments should focus on ensuring the supply of low-to medium-end ordinary residential houses while controlling the construction of high-end residential houses; (ii) to curb any speculation in the real estate market, a 5% business tax would be levied from 1 June 2005 on the total revenue arising from any transfer by individuals of houses within two years from their purchase thereof or on the difference between the transfer price and the original price for any transfer of non-ordinary houses by individuals after two or more years from their initial purchase thereof; and (iii) the real estate registration department will no longer register the transfer of pre-sold houses which have not obtained the relevant property ownership certificates.

Pursuant to these measures, local governments were required to adopt plans, by September 2006, to focus on developing low-to-mid-priced and small-to-medium-size properties to meet demand from owner-occupiers. These measures stipulated that commencing from 1 June 2006, the minimum down payments for residential units completed or yet to be completed with GFA exceeding 90 sq.m. and residential units for occupation by the owner with GFA under 90 sq.m. are 30% and 20%, respectively. The measures required that at least 70% of the residential units in residential housing projects approved or commenced after 1 June 2006 shall be no larger than 90 sq.m.. The measures continue to restrict land provision for development of villas and low density and large residential property.

On 24 May 2006, the General Office of the State Council forwarded the Notice on Adjusting the Housing Structure and Stabilising Housing Prices (《關於調整住房供應結構穩定住房價格意見的通知》). The notice provided for the following broad directives to, among other things: (i) encourage mass-market residential developments and curb the development of high-end residential properties; (ii) enforce the collection of the 5% business tax on property sales (business taxes shall be levied on the entire sale price of any property sold within five years, or on the profit arising from any property sold after five years subject to possible exemptions for ordinary residential properties); (iii) restrict housing mortgage loans to not more than 70% of the total property price (for houses purchased for self-residential purposes and with a GFA of less than 90 sq.m., the owners are still able to apply for a housing mortgage up to an amount representing 80% of the total property price); (iv) halt land supply for villa projects and restrict land supply for high-end and low-density residential projects; (v) moderate the progress and scale of demolition of old properties for re-development; (vi) require local governments to ensure that units of less than 90 sq.m. in size shall account for over 70% of the total development and construction area (with any exceptions requiring the approval of the Ministry of Construction); and (vii) prevent banks from providing loans to a property developer whose total capital fund is less than 35% of the total investment amount in an intended development project.

On 6 July 2006, the Ministry of Construction promulgated Certain Opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly Constructed Residential Units (《關於落實新建住房結構比例要求的若干意見》), or the New Opinions. The New Opinions stipulated that, the residential units with a GFA of less than 90 sq.m. shall account for over 70% of the total area of residential units, which are newly approved and constructed in each city or county after 1 June 2006. The relevant local government shall have the authority to determine the configuration of newly constructed property.

Pursuant to the Opinions on Solving Housing Shortage for Urban Low-income Households (《關於解決城市低收入家庭住房困難的若干意見》) promulgated by the State Council on 7 August 2007, each local authorities shall adjust the housing supply structure in order to: (i) implement the Circular on Forwarding the Notice of the Ministry of Construction and Other Departments on Adjusting Housing Supply Structure and Stabilising Housing Prices issued by the General Office of the State Council (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》); (ii) focus on the development of low to medium-priced, and small to medium-sized commodity housing; and (iii) increase the supply of housing. The approval percentage of new housing construction (with a GFA of less than 90 sq.m.) shall be more than 70% of the total housing development area. The annual supply of low rental housing construction land, economy-sized housing and low to medium-priced and small to medium-sized commodity housings shall not be less than 70% of the total residential housing land.

Pursuant to the Notice on Implementation of the Opinions of the State Council on Solving Housing Shortage for Urban Low-income Households to Further Adjust Land Supply (《關於認真貫徹〈國務院關於解決城市低收入家庭住房困難的若干意見〉進一步加強土地供應調控的通知》) promulgated by Ministry of Land and Resources on 30 September 2007, the administration department of the Ministry of Land and Resources at both municipality and county levels (the "Administration Department") shall give priority to arranging land supply for low rental housing, economy-sized housing and low to medium-priced and small to medium-sized commodity housing. The annual supply volume shall not be less than 70% of total residential land supply. The Administration Department will integrate and implement the Notice on the Implementation of Specific Clearing of the Grant of the State-owned Land Use Rights (《關於開展國有土地使用權出讓情況專項清理工作的通知》) jointly published by the Ministry of Supervision, Ministry of Land and Resources, Ministry of Finance, National Audit Office of the PRC and the Ministry of Construction on 8 August 2007. Further, it will investigate, on a case by case basis, the development of residential land with an emphasis on the observation of land-use contract by real estate development enterprises. For any developer that neither commences nor completes the construction work in accordance with the land-use contract, the Administration Department will provide opinions to ensure that such enterprises complete the development on schedule. Enterprises that do not carry out any measure to resolve the situation will be prohibited from participating in any tenders, auction and putting up for bidding for acquiring new land sites. The Administration Department will strictly enforce the regulations governing idle land and for land where the construction still has not commenced after exceeding one full year from the date of commencement stipulated in the contract, the idle land fee shall be imposed and the respective enterprises will be instructed to commence the construction works and fulfill the completion schedule. The idle land fee, in principle, shall be computed and imposed based on 20% of land premium price of the granted or allocated land. Any land that has not been developed for over two years shall be reclaimed with no compensation. For land where construction have been commenced on the date stipulated in the contract but the developed area is less than the one-third of the area to be developed or the invested capital is less than one-fourth of the total investment as stipulated in the contract and the development is suspended over a year without any approval, it shall be treated as idle land in strict compliance with the laws.

On 30 December 2007, the General Office of the State Council issued the Notice on the Strict Implementation of the Laws and Policies Regarding Rural Collective Construction Land (Guo Fa Ban 2007 No. 71) (《關於嚴格執行有關農村集體建設用地法律和政策的通知》(國辦發[2007]71號)). This notice states that residential land in rural areas shall only be allocated to residents of the relevant village residing in the area and that no urban inhabitants shall be allowed to purchase an homesteads, peasants' dwellings or "small houses with property rights" in rural areas. No organisation or individual shall be allowed to illegally rent or occupy any land collectively owned by peasants for the development of real estate.

On 7 February 2008, the State Council issued the Land Investigation Regulations (Order No. 518 of the State Council of the People's Republic of China) (《土地調查條例》(中華人民共和國國務院令第518號)). This regulation provides that a nationwide land investigation shall be carried out once every 10 years and a land status alteration investigation shall be carried out each year by the competent state land and resources department at or above the county level and this investigation is done in conjunction with the relevant government departments of the same level. The regulation also specifies the qualification requirements that a government department shall meet in order to undertake the investigation tasks. The regulation specifies that the purpose of land investigations is to ascertain the land resources that are available and their utilisation.

On 7 January 2010, the General Office of the State Council issued the Notice on Promoting the Steady and Healthy Development of the Real Estate Market (《關於促進房地產市場平穩健康發展的通知》), which provides that, among other things, land resource authorities shall deepen the supervision on the compliance of the contracts and strictly collect the land premiums according to the land grant contracts, and shall:

- effectively increase the supply of social welfare housing and ordinary commodity residential properties, in particular, low to medium-priced and small to medium-sized ordinary commodity residential properties;
- direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market;
- strengthening credit risk management for real estate projects and market supervision;
- speeding up the construction of social welfare housing projects; and
- setting or clarifying the responsibilities of provincial and local governments.

On 8 March 2010, the Ministry of Land and Resources issued the Notice on Strengthening the Supply and Supervision of Land Use for Real Estate Property (《國土資源部關於加強房地產用地供應和監管有關問題的通知》). The notice, among other things, provides that:

- the land and resources bureau at city and county levels shall ensure that the land supply for government-subsidised housing, slum-dwellers reconstruction and small commercial housing units for self housing shall not be less than 70% of the total residential land supply and strictly control the land supply for large-sized apartments and restrict the land supply for villas;
- land resource authorities shall prohibit property developers who owe land grant premium payments, possess idle land, engage in land speculation and price manipulation, conduct project development exceeding approved scope or fail to conform with the land use rights grant contract from land bidding transactions within a set period of time; and

- the land use rights grant contract shall be executed within ten days after a grant of land has been mutually agreed and a down payment of 50% of the land grant premium shall be paid within one month from the execution of the land use rights grant contract with the remaining amount paid no later than one year after the execution of the land use rights grant contract.

On 21 September 2010, the Ministry of Land and Resources and MOHURD jointly promulgated the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》), which stipulates, among other things, that: (i) at least 70% of land designated for construction of urban housing shall be used for affordable housing, housing for resettlement of shanty towns and small to medium-sized ordinary commercial housing; in areas with high housing prices, the supply of land designated for small to medium-sized, price-capped housing shall be increased; (ii) developers and their controlling shareholders are prohibited from participating in land biddings before the rectification of certain misconduct, including (1) illegal transfer of land use rights; (2) failure to commence required construction within one year from the delivery of land under land grant contracts due to such developers' own reasons; (3) non-compliance with the land development requirements specified in land grant contracts; and (4) crimes such as obtaining land by forging official documents and illegal land speculation; (iii) developers are required to commence construction within one year from the date of delivery of land under the relevant land grant contract and complete construction within three years of commencement; (iv) development and construction of projects of low-density and large-sized housing shall be strictly limited and the plot ratio of the planned GFA to the total site area of residential projects shall be more than 1; and (v) the grant of two or more bundled parcels of lands and undeveloped land is prohibited.

On 29 September 2010, the MOHURD and the SAT promulgated the "Notice on the Adjustment of the Deed Tax and Personal Income Tax Preferential Policies in Real Estate Transactions" (《關於調整房地產交易環節契稅、個人所得稅優惠政策的通知》), with effect from 1 October 2010, which provides that the deed tax rate is reduced to 1% for a first time individual buyer who purchases an ordinary residential property with a GFA less than 90 sq.m. as the family's sole property.

On 4 November 2010, the MOHURD and the SAFE collectively promulgated the "Notice on Further Regulating the Administration on House Purchase by Overseas Organisation and Individual" (《關於進一步規範境外機構和個人購房管理的通知》), which stipulates that, except as otherwise stated in laws and regulations, an overseas individual shall solely purchase one unit of owner-occupied residential house, and an overseas organisation with a branch or representative office set up in the PRC shall solely purchase non-residential house necessary for business operations in the city where it is registered.

In December 2010, the Ministry of Land and Resources promulgated the Notice on Strict Implementation of Policies Regarding Regulation and Control of Real Estate Land and Promotion of the Healthy Development of Land Markets (《關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知》), which, among other things, provides that (i) cities and counties that have less than 70% of their land supply designated for affordable housing, redevelopment housing for shanty towns or small to medium-sized residential units shall not provide land for large-sized and high-end housing until the end of 2010; (ii) local land and resources authorities shall file a transaction report with the Ministry of Land and Resources and provincial land and resources authorities, respectively, in relation to land sold via competitive bidding, auction and listing-for-sale with a 50% or more premium; and (iii) for land designated for affordable housing but used for the development of commodity houses, any illegal income derived therefrom will be confiscated and the relevant land use rights will be revoked. In addition, unapproved changes to the plot ratio are strictly prohibited.

On 26 January 2011, the General Office of the State Council issued the Notice on Issues Concerning Further Improvement of the Control on Real Estate Market (《進一步做好房地產市場調控工作有關問題的通知》). This notice, among other things, provides that:

- individuals selling housing properties within five years of purchase shall be charged business taxes on the full amount of sale price, whether ordinary or non-ordinary;

- the minimum down payment for second home purchases increases from 50% to 60%;

- a property developer, who fails to obtain the construction work commencement permit and commence development for more than two years from the commencement date stipulated in the land grant contract, shall forfeit the land use rights and the PRC government shall impose an idle land fee of up to 20% of the land premium on such property developer; and

- municipalities directly under the central government, municipalities with independent planning status, provincial capitals and cities with high housing prices shall limit the number of homes local residents can purchase in a specific period. In principle, local resident families that own one house and non-local resident families who can provide local tax clearance certificates or local social insurance payment certificates for a required period are permitted to purchase only one additional house (including newly built houses and second-hand houses). Sales of properties to (i) local resident families who own two houses or more, (ii) non-local resident families who own one house or more, and (iii) non-local resident families who cannot provide local tax clearance certificates or local social insurance payment certificates for a required period shall be suspended in local administrative regions.

In addition to the general framework for transactions relating to land use rights set out in the Urban Land Regulations, local legislation may provide for additional requirements, including those applicable to specific transactions within specific areas relating to the grant and transfer of land use rights. These local regulations are numerous and some of them are deemed to be inconsistent with national legislation. Under PRC laws, national laws and regulations prevail to the extent of such inconsistencies.

On 27 January 2011, the Ministry of Finance and the SAT issued the "Notice on Adjusting the Business Tax Policy on Transfers of Residential Properties by Individuals" (《關於調整個人住房轉讓營業稅政策的通知》) to discourage speculative activities in the secondary property market and control soaring housing prices. For example, effective from 28 January 2011:

(i) transfers of residential properties by individuals who have held them for less than five years are subject to a business tax calculated on a gross basis;

(ii) transfers of non-ordinary residential properties by individuals who have held them for five years or more are subject to a business tax calculated on a net basis; and

(iii) transfers of ordinary residential properties by individuals who have held them for five years or more are exempted from the business tax.

On 26 February 2013, the State Council issued the "Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market" (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》), which stipulates the following:

(i) improving the mechanism of work responsibility of stability of the real estate price, measures including requiring the relevant departments under the State Council to strengthen the supervision and inspection of the stability of prices. The provincial people's government shall conduct interviews if local governments in its jurisdiction fail to implement housing purchase restrictions;

(ii) sticking to suppress the investment purchasers, measures including continuing to implement and improve the purchase restriction measures; using the effect of tax to adjust the real estate price, the tax bureau and housing construction departments shall closely coordinate and shall levy individual income tax at a tax rate of 20% according to the regulations;

(iii) increasing the land supply for residential commercial properties, measures including that the total land supply for residential land in 2013 in principle shall be no less than the average land supply in the past five years;

(iv) accelerating the planning and construction of affordable housing project, fully implementing the task of building 4.7 million units, constructing 6.3 million new sets of affordable housing projects in 2013;

(v) improving the market supervision and anticipation management; strengthening the administration on the credibility of real estate development enterprises; studying the establishment of shared credit management system among housing and urban construction, development and reform, land and natural resources, finance, taxation, industry and commerce, statistics and other departmental; timely recording and releasing the illegal behavior of the real estate enterprises. For enterprises setting up extraordinarily high prices for the pre-sales commodity properties and accepting no price guidance from the relevant urban housing construction authorities, or having not established pre-sales proceeds supervision mechanism for commodity properties projects, pre-sales permit shall not be issued. If real estate enterprises have idle land or conduct activities such as land speculation, keeping the properties off the market, driving up prices and other illegal acts, the relevant departments shall establish a linkage mechanism and intensify the relevant punishments. The Land and Resources Department shall prohibit the enterprise to participant in land bidding, the financial institutions shall not grant new loans for development projects, the securities regulatory authorities shall suspend the approval of its listing, refinancing or significant asset restructuring and the banking supervision departments shall prohibit the enterprises from financing through trust scheme.

For more details regarding regulatory and Shareholders' approval for the Listing, please refer to "Appendix IX — Statutory and General Information" to this listing document. As advised by our PRC legal adviser, the Company had obtained all necessary approvals and authorisations in the PRC in relation to the Listing.

OUR HISTORY

Our history could be traced back to May 1984, when our Company's predecessor, Exhibition Centre for Modern Science and Education Equipment (現代科教儀器展銷中心), was established as a state-owned enterprise by Shenzhen Special Economic Zone Development Corporation (深圳經濟特區發展公司). It primarily engaged in the import and sale of office facilities and visual equipment. It was renamed "Shenzhen Modern Science Equipment Centre (深圳現代科儀中心)" in 1987 and, subsequently, "Shenzhen Modern Enterprise Co., Ltd. (深圳現代企業有限公司)" in 1988. In November 1988, with the approval of the "Shen Fu Ban (1988) No. 1509 Document" issued by the Municipal Government of Shenzhen, Shenzhen Modern Enterprise Co., Ltd. underwent a share reform and restructuring and was renamed "Shenzhen Vanke Co., Ltd. (深圳市萬科企業股份有限公司)". In the same month, it began engaging in the business of property development through Shenzhen (Baoan) Vanke Property Co., Ltd. (深圳(寶安)萬科產業有限公司), a subsidiary in which it had a 85% shareholding. Shenzhen Vanke Co., Ltd. (深圳萬科企業股份有限公司) was renamed "China Vanke Co., Ltd. (萬科企業股份有限公司)" in December 1993.

As of 27 January 1989, our Company had a total share capital of RMB41,332,680 divided into 41,332,680 shares of RMB1.00 each, of which 13,246,680 shares were later deemed as state-owned shares and legal person shares, representing the net asset value of Shenzhen Modern Enterprise Co., Ltd. at the time and 28,086,000 A Shares were offered and issued to the public. On 29 January 1991, our Company's 28,086,000 A Shares were listed on the Shenzhen Stock Exchange under the stock code "0002".

In May 1991, pursuant to the approval issued by the Shenzhen Special Economic Zone Branch of the PBOC, our Company implemented its profit appropriation proposal for the year 1990. Pursuant to the proposal, (i) one bonus share was distributed for every five existing shares held, with an aggregate of 8,266,536 bonus shares distributed; (ii) one new share at RMB4.40 per share was placed for every two existing shares shown on our Company's register of members and based on the total of 41,332,680 shares, 20,666,340 new shares were issued; and (iii) 7,700,000 new shares were placed to new investors at RMB4.80 per share. After the implementation of the proposal, the total number of Shares of our Company was increased to 77,965,556.

In March 1992, pursuant to the approval given at our Company's 4th annual general meeting, our Company implemented its profit appropriation proposal for the year 1991. Pursuant to the proposal, one bonus share was distributed for every five existing shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 92,364,611.

In March 1993, pursuant to the approval by our Shareholders at our Company's 5th annual general meeting and by the Shenzhen Special Economic Zone Branch of the PBOC, our Company implemented its profit appropriation proposal for the year 1992. Pursuant to the proposal, (i) one bonus share was distributed for every four existing shares held; (ii) a cash dividend of RMB0.06 was paid for each existing share held; and (iii) a transfer of capital surplus reserve to share capital was effected on the basis of one share issued for every four existing shares held. Upon completion, the total number of Shares of our Company was increased to 138,546,916.

In the same month, our Company issued 45 million B Shares at the issue price of HK$10.53 per share, raising proceeds of HK$451.35 million, which were mainly used for investment in property development. On 28 May 1993, our B Shares became listed on the Shenzhen Stock Exchange under the stock abbreviation "Shen Vanke B" and the stock code "2002". As a result of such issuance, the total number of Shares of our Company was increased to 183,546,916.

In May 1994, pursuant to the approval given at our Company's 6th annual general meeting, our Company implemented its profit appropriation proposal for the year 1993. Pursuant to the proposal, (i) 3.5 bonus shares were distributed and a cash dividend of RMB1.50 was paid for every ten existing A

Shares held; and (ii) 485 bonus shares were distributed and a cash dividend of RMB208.00 was paid for every 2,000 existing B Shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 242,955,336.

In June 1995, pursuant to the approval given at our Company's 7th annual general meeting, our Company implemented its profit appropriation proposal for the year 1994. Pursuant to the proposal, 1.5 bonus shares were distributed and a cash dividend of RMB1.50 was paid for every ten existing shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 279,398,636.

In October 1995, pursuant to the approval issued by the Shenzhen Special Economic Zone Branch of the People's Bank of China, our Company implemented an employee share option scheme. Pursuant to the scheme, 8,826,500 shares were issued at the issue price of RMB3.01 per share, thereby increasing the total number of Shares of our Company to 288,225,136.

In June 1996, pursuant to the approval given at our Company's 8th annual general meeting, our Company implemented its profit appropriation proposal for the year 1995. Pursuant to the proposal, one bonus share was distributed and a cash dividend of RMB1.40 was paid for every ten existing Shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 317,047,649.

In June 1997, pursuant to the approval given at our Company's 9th annual general meeting, our Company implemented its profit appropriation proposal for the year 1996. Pursuant to the proposal, 1.5 bonus shares were distributed and a cash dividend of RMB1.00 was paid for every ten existing Shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 364,604,796.

In the same month, our Company conducted a rights issue on the basis of 2.37 new shares offered for every ten existing shares held. Pursuant to the proposal, (i) the issue price for our A Shares was RMB4.50 per share and a total of 66,973,802 A Shares were issued; and (ii) the issue price for our B Shares was HK$4.20 per share and a total of 19,278,825 B Shares were issued, increasing the total number of Shares of our Company to 450,857,423.

In May 1998, pursuant to the approval given at our Company's 10th annual general meeting, our Company implemented its profit appropriation proposal for the year 1997. Pursuant to the proposal, one bonus share was distributed and a cash dividend of RMB1.50 was paid for every ten existing shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 495,943,165.

In June 1999, pursuant to the approval given at our Company's 11th annual general meeting, our Company implemented its profit appropriation proposal for the year 1998. Pursuant to the proposal, one bonus share was distributed and a cash dividend of RMB1.00 was paid for every ten existing shares held. After the issuance of such bonus shares, the total number of Shares of our Company was increased to 545,537,481.

In July 1999, pursuant to the approvals issued by the Office of the People's Government of Shenzhen Municipality and the Office of Shenzhen State-owned Assets Administration, Shenzhen Investment Management Corporation (深圳市投資管理公司), our Company's then third largest shareholder, transferred its 14,497,425 state-owned legal person shares of our Company to its wholly-owned subsidiary, Shenzhen Special Economic Zone Development (Group) Company (深圳經濟特區發展(集團)公司), our Company's then largest shareholder. After the transfer, the state-owned legal person shares held by Shenzhen Special Economic Zone Development (Group) Company in our Company increased from 31,859,139 shares to 46,356,564 shares, with its shareholding in our Company increased from 6.42% to 9.35%. Shenzhen Investment Management Corporation continued to hold 1,449,742 state-owned legal person shares in our Company, representing 0.29% of the total share capital of our Company.

In early 2000, our Company conducted a rights issue on the basis of 2.727 new shares offered for every ten existing shares held at an issue price of RMB7.50 per share. A total of 85,434,460 shares were issued, increasing the total number of Shares of our Company to 630,971,941.

On 20 June 2000, Shenzhen Special Economic Zone Development (Group) Company, our Company's then single largest shareholder, entered into an equity transfer agreement with CRNC, disposing of all of the 51,155,599 state-owned legal person shares it held in our Company to CRNC. The disposed shares represented 8.11% of our Company's total share capital. The equity transfer agreement was approved by the Ministry of Finance.

In December 2000, CRNC acquired 26,920,150 legal person shares of our Company from Tem Fat Hing Fung (Changzhou) Development Co., Ltd. (添發慶豐(常州)發展有限公司). After the share transfer, CRNC held an aggregate of 78,075,749 shares in our Company.

In 2002, pursuant to the approval issued by CSRC, our Company issued to the public 15 million convertible bonds with a par value of RMB100 each ("**Vanke Convertible Bonds Trache 1**"). The total issue amount was approximately RMB1.5 billion. As of 22 May 2003, a total of 45,928,029 Shares had been converted from such convertible bonds, increasing the total number of Shares of our Company to 676,899,970. As of the Latest Practicable Date, all such convertible bonds had been either converted into A Shares or redeemed by our Company. As such, there were no outstanding convertible bonds to be converted into Shares of our Company under Vanke Convertible Bonds Trache 1.

In May 2003, pursuant to the approval given at our Company's 15th annual general meeting, our Company implemented its profit appropriation proposal for the year 2002. Pursuant to the proposal, a cash dividend of RMB2.00 was paid for every ten existing shares held and a transfer of capital surplus reserve to share capital was effected on the basis of ten shares issued for every ten existing shares held. After the transfer, the total number of Shares of our Company was increased to 1,353,799,940.

On 27 June 2003, CRNC transferred all of its equity interests in our Company to CRC.

In May 2004, pursuant to the approval given at our Company's 16th annual general meeting, our Company implemented its profit appropriation proposal for the year 2003. Pursuant to the proposal, (i) a cash dividend of RMB0.5 was paid and one bonus share was distributed for every ten existing shares held; and (ii) a transfer of capital surplus reserve to share capital was effected on the basis of four shares issued for every ten existing shares held. After the implementation of the proposal, the total number of Shares of our Company was increased to 2,273,627,871.

In September 2004, pursuant to the approval by our Shareholders at our Company's first extraordinary general meeting in 2003 and by CSRC, our Company issued to the public 19.9 million convertible bonds with a par value of RMB100 each ("**Vanke Convertible Bonds Tranche 2**"). The total issue amount was RMB1.99 billion. As of 17 June 2005, a total of 336,220 shares had been converted from such convertible bonds, increasing the total number of Shares of our Company to 2,273,964,091.

In June 2005, based on the total share capital of our Company as of the close of market on 17 June 2005 and pursuant to the approval given at our Company's 17th annual general meeting, our Company proceeded with a transfer of capital surplus reserve to share capital on the basis of five shares issued for every ten existing shares held. After the transfer, the total number of Shares of our Company was increased to 3,410,946,136.

As of 14 April 2006, a total of 558,952,615 shares had been converted from "Vanke Convertible Bonds Tranche 2", increasing the total number of Shares of our Company to 3,969,898,751. As of the Latest Practicable Date, all such convertible bonds had been either converted into A Shares or redeemed by our Company. As such, there were no outstanding convertible bonds to be converted into Shares of our Company under Vanke Convertible Bonds Trache 2.

From 29 August 2006 to 4 September 2006, 15,953 put warrants, which were issued by CRC, were exercised, increasing CRC's shareholding of A Shares in our Company from 525,487,521 shares to 525,503,474 shares, representing 13.24% of the total share capital of our Company.

In December 2006, pursuant to the approval by our Shareholders at our Company's first extraordinary general meeting in 2006 and by CSRC, our Company conducted a private placement of 400 million A Shares with ten specified target investors, including CRC. As a result of the private placement, the total number of Shares of our Company was increased to 4,369,898,751.

On 13 April 2007, pursuant to the approval of the proposal regarding dividend distributions and the transfer of capital surplus reserve to share capital for the year 2006 given at our Company's 2006 annual general meeting, our Company proceeded with the transfer of capital surplus reserve to share capital on the basis of five shares issued for every ten existing shares held. After the transfer, the total number of Shares of our Company was increased to 6,554,848,126.

In August 2007, pursuant to the approval issued by CSRC, our Company issued to the public 317,158,261 new A Shares. After the issuance of such new A Shares, the total number of Shares of our Company was increased to 6,872,006,387.

In June 2008, pursuant to the approval given at our Company's 2007 annual general meeting, our Company implemented its proposal regarding the transfer of capital surplus reserve to share capital on the basis of six shares issued for every ten existing shares held, resulting in an increase of 4,123,203,831 Shares in the share capital. After the transfer, the total number of Shares of our Company was increased to 10,995,210,218.

On 8 April 2011, our A Share Stock Option Incentive Scheme was considered and approved in our Company's first extraordinary general meeting in 2011. On 25 April 2011, we granted 108,435,000 stock options to certain Directors, members of our senior management and key staff of our Group. On 9 May 2011, the registration of the granting of stock options was completed. The exercise price of the stock options was RMB8.89 per share, which was adjusted to RMB8.48 per share as a result of our Company's implementation of its proposals for dividend distributions for the years 2010, 2011 and 2012.

As of the Latest Practicable Date, owing to the exercise of stock options, the number of Shares of our Company had been increased by 19,816,201 to 11,015,026,419.

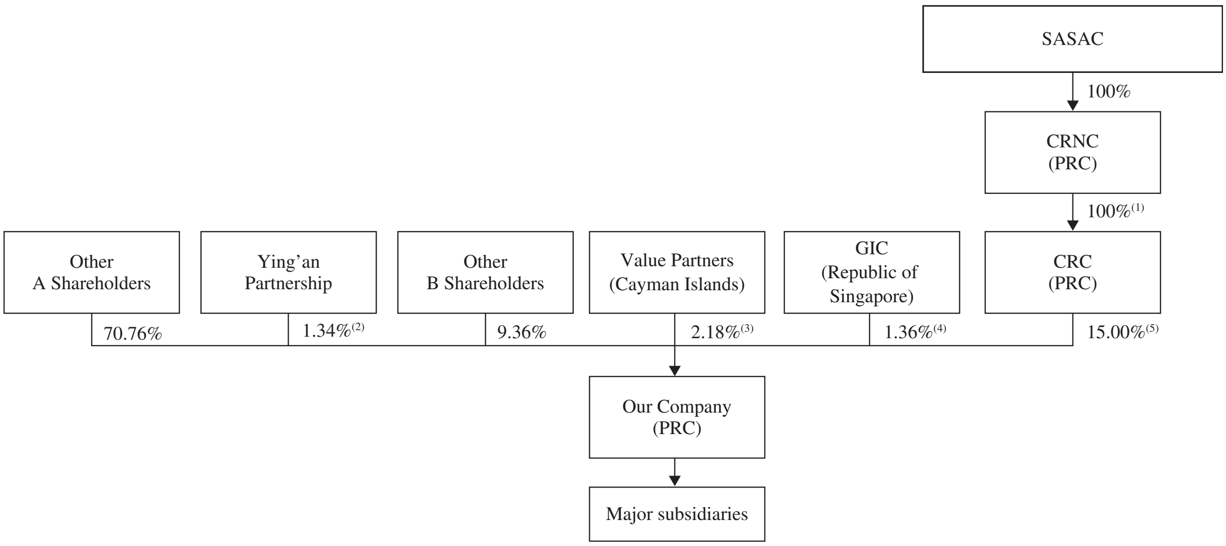
As advised by the PRC legal adviser, each of the abovementioned changes in relation to the shareholding structure of our Company was legally and properly completed and complied with all applicable laws and regulations of the PRC at the time the changes took place, and we have obtained all the necessary approvals, permits, licenses, authorisations and consents from the relevant PRC governmental authorities with respect to such changes.

The following table sets forth our significant business development/milestones:

Year	Events
1984	• We established our predecessor as Exhibition Centre for Modern Science and Education Equipment (現代科教儀器展銷中心)
1988	• We completed the share reform and restructuring, and issued shares to the public
	• We began engaging in the business of property development
1991	• Our A Shares were listed on the Shenzhen Stock Exchange
1993	• Our B Shares were approved to be listed on the Shenzhen Stock Exchange
	• We established our core business as urban residential development
2000	• We are selected as the "International 200 Small Best Companies" by Forbes
2001	• We disposed non-core business and focused on property development business
2004	• We announced our 10-year development plan, targeting to achieve a sales revenue of over RMB100 billion in the next 10 years
2005	• Our trademark became the first nationwide well-known trademark within property industry in the PRC and began the reform of our non-tradable shares
2010	• We attended the Shanghai World Expo and independently built our own pavilion
	• We achieved a sales revenue of RMB108.16 billion
2012	• We completed the acquisition of Vanke Property (Overseas) Limited (Hong Kong stock code: 1036) from Wing Tai Properties Limited (Hong Kong stock code: 369), which was a key step for us to enter into the Hong Kong property market
2013	• We announced Implementation Plan in relation to the Listing
	• We successfully issued overseas bonds and began to develop properties in the United States and Singapore

OUR SHAREHOLDING AND GROUP STRUCTURE

The following chart sets out the simplified shareholding and group structure of our Company as of 3 June 2014, being the last trading day of B Shares:



Notes:

(1) CRNC directly held 99.9961% shareholding in, and indirectly held through its wholly owned subsidiary, China Resources International Tendering Co., Ltd., 0.0039% shareholding in CRC.

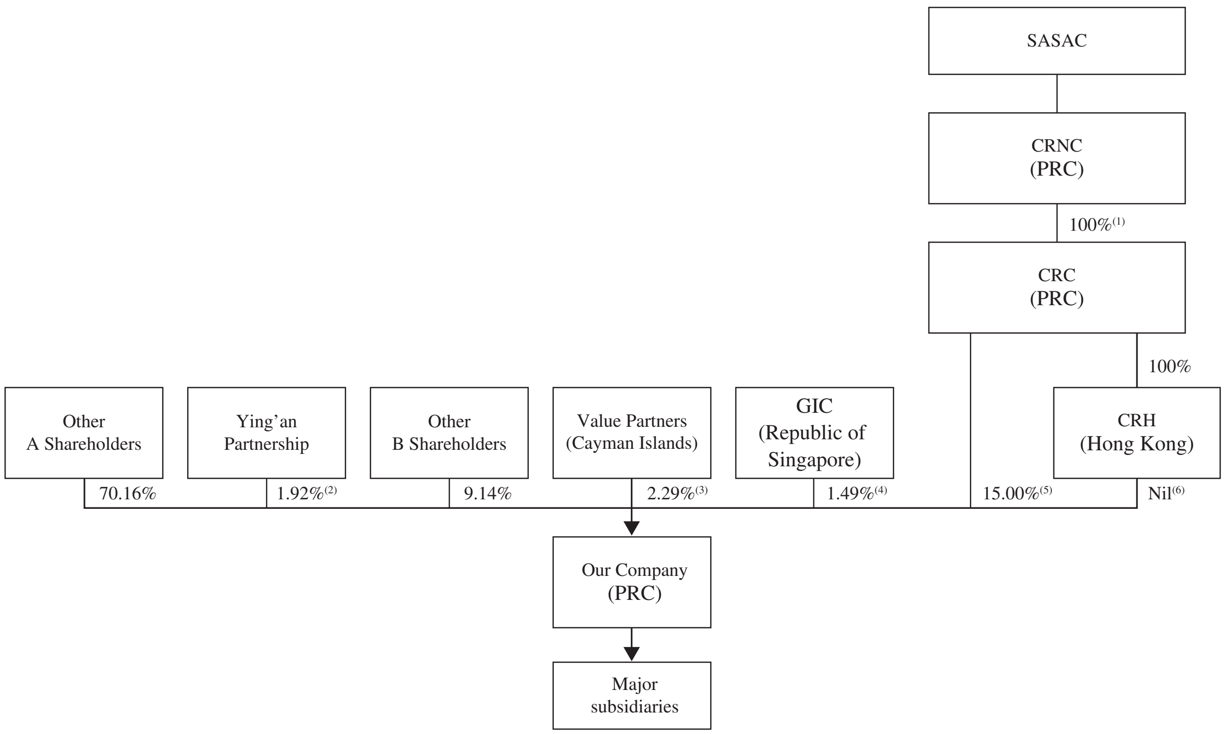
(2) Ying'an Partnership held 147,346,218 A Shares of our Company as of 3 June 2014.

(3) Value Partners held 10,600,062 A Shares and 229,237,049 B Shares of our Company as of 3 June 2014.

(4) GIC held 95,075,119 A Shares and 54,274,265 B Shares of our Company as of 3 June 2014.

(5) CRC directly held 1,645,494,720 A Shares of our Company and indirectly held 6,840,570 A Shares of our Company through its wholly owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司) as of 3 June 2014. Please refer to the section headed "Substantial Shareholder" for more details.

The following chart sets out the simplified shareholding and group structure of our Company as of the Latest Practicable Date, after the exercise of Cash Option by the B Shareholders:



Notes:

(1) CRNC directly held 99.9961% shareholding in, and indirectly held through its wholly owned subsidiary, China Resources International Tendering Co., Ltd., 0.0039% shareholding in CRC.

(2) Ying'an Partnership held 211,368,362 A Shares of our Company as of the Latest Practicable Date.

(3) Value Partners held 10,904,702 A Shares and 241,328,979 B Shares of our Company as of the Latest Practicable Date, including 12,091,930 B Shares acquired as a result of the exercise of the Cash Option by the B Shareholders during the period from 9 June 2014 to 13 June 2014.

(4) GIC held 98,053,119 A Shares and 66,366,194 B Shares of our Company as of the Latest Practicable Date, including 12,091,929 B Shares acquired as a result of the exercise of the Cash Option by the B Shareholders during the period from 9 June 2014 to 13 June 2014.

(5) CRC directly held 1,645,494,720 A Shares of our Company and indirectly held 6,840,570 A Shares of our Company through its wholly owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司) as of the Latest Practicable Date.

(6) CRH acquired nil B Shares as a result of the exercise of the Cash Option by the B Shareholders during the period from 9 June 2014 to 13 June 2014.

Our Major Subsidiaries

Our major subsidiaries during the Track Record Period and as of the Latest Practicable Date, which were all established in the PRC, are set forth in the following table.

No.	Name of subsidiaries	Place of incorporation	Date of incorporation	Commencement of business	Effective shareholding percentage of our Company as of the Latest Practicable Date	Major scope of business
1.	Anshan Vanke Property Development Co., Ltd. (鞍山萬科房地產開發有限公司)	Anshan	7 June 1993	7 June 1993	100%	Property development
2.	Beijing Chaoyang Vanke Property Development Co., Ltd. (北京市朝陽萬科房地產開發有限公司)	Beijing	1 December 2005	1 December 2005	60%(1)	Property development
3.	Beijing Vanke Enterprise Co., Ltd. (北京萬科企業有限公司)	Beijing	28 December 1987	28 December 1987	100%	Property development
4.	Beijing COFCO Vanke Jiarifengjing Property Development Co., Ltd. (北京中糧萬科假日風景房地產開發有限公司)	Beijing	15 May 2006	15 May 2006	50%(2)(21)	Property development
5.	Beijing Zhuzong Vanke Property Development Co., Ltd. (北京住總萬科房地產開發有限公司)	Beijing	22 November 2010	22 November 2010	50%(3)(21)	Property development
6.	Dalian Vanke Glamour City Development Co., Ltd. (大連萬科魅力之城開發有限公司)	Dalian	20 October 2008	20 October 2008	100%	Property development
7.	Dongguan Songhuju Property Co., Ltd. (東莞市松湖居置業有限公司)	Dongguan	15 August 2007	15 August 2007	100%	Property development
8.	Foshan Nanhai District Vanke Jinyulanwan Property Co., Ltd. (佛山市南海區萬科金域藍灣房地產有限公司)	Foshan	14 August 2009	14 August 2009	55%(4)	Property development

No.	Name of subsidiaries	Place of incorporation	Date of incorporation	Commencement of business	Effective shareholding percentage of our Company as of the Latest Practicable Date	Major scope of business
9.	Foshan Shunde District Vanke Property Co., Ltd. (佛山市順德區萬科置業有限公司)	Foshan	8 March 2006	8 March 2006	100%	Property development
10.	Fuzhou Vanke Property Co. Ltd. (福州市萬科房地產有限公司)	Fuzhou	24 December 2007	24 December 2007	100%	Property development
11.	Guangzhou Panyu Xiangxin Property Co., Ltd. (廣州市番禺向信房地產有限公司)(5)	Guangzhou	16 June 1993	16 June 1993	100%	Property development
12.	Guangzhou Wanhe Property Co., Ltd. (廣州市萬合房地產有限公司)	Guangzhou	18 January 2011	18 January 2011	100%	Property development
13.	Guangzhou Wanxin Property Co., Ltd. (廣州市萬新房地產有限公司)	Guangzhou	13 June 2005	13 June 2005	100%	Property development
14.	Guangzhou Wanyi Property Co., Ltd. (廣州市萬怡房地產有限公司)	Guangzhou	20 December 2010	20 December 2010	55%(6)	Property development
15.	Guiyang Vanke Jingjia Property Co., Ltd. (貴陽萬科勁嘉房地產有限公司)	Guiyang	4 August 2009	4 August 2009	100%	Property development
16.	Hainan Luobidong Industry Co., Ltd. (海南落筆洞實業有限公司)	Sanya	10 January 2007	10 January 2007	100%(7)	Property development
17.	Hangzhou Liangzhu New Town Development Co., Ltd. (杭州良渚文化村開發有限公司)	Hangzhou	13 November 2000	13 November 2000	100%	Property development
18.	Hangzhou Wankun Property Development Co., Ltd.(8) (杭州萬坤置業有限公司)	Hangzhou	20 March 2007	20 March 2007	—	Property development
19.	Hunan Heshun Property Co., Ltd. (湖南和順置業有限公司)	Changsha	27 February 2006	27 February 2006	70%(9)	Property development

No.	Name of subsidiaries	Place of incorporation	Date of incorporation	Commencement of business	Effective shareholding percentage of our Company as of the Latest Practicable Date	Major scope of business
20.	Nanjing Jinyulanwan Property Co., Ltd. (南京金域藍灣置業有限公司)	Nanjing	17 August 2007	17 August 2007	100%	Property development
21.	Ningbo Vanke Property Co., Ltd. (寧波萬科房地產開發有限公司)	Ningbo	20 September 2006	20 September 2006	100%	Property development
22.	Qingdao Vanke City Real Estate Co., Ltd. (青島萬科城地產有限公司)	Qingdao	26 June 2009	26 June 2009	55%[10]	Property development
23.	Qingdao Vanke Enterprise Co., Ltd. (青島萬科企業有限公司)	Qingdao	19 November 2009	19 November 2009	100%	Property development
24.	Qingdao Vanke Property Co., Ltd. (青島萬科置業有限公司)	Qingdao	26 June 2009	26 June 2009	100%	Property development
25.	Xiamen Vanke Binhai Property Co., Ltd. (廈門市萬科濱海置業有限公司)	Xiamen	8 February 2010	8 February 2010	100%	Property Development
26.	Xiamen Vanke Centre Huxin Island Property Co., Ltd. (廈門市萬科湖心島房地產有限公司)	Xiamen	3 December 2009	3 December 2009	100%	Property development
27.	Shanghai Dijie Property Co., Ltd. (上海地傑置業有限公司)	Shanghai	2 January 2003	2 January 2003	60%[11]	Property development
28.	Shanghai Dongyuan Meishu Realty Co., Ltd. (上海東苑美墅置業有限公司)	Shanghai	22 October 2001	22 October 2001	94.1%[12]	Property development
29.	Shanghai Evergrande Real Estate Co., Ltd. (上海恒大房產股份有限公司)	Shanghai	24 September 1993	24 September 1993	90%[13]	Property development
30.	Shanghai Luolian Property Co., Ltd. (上海羅聯置業有限公司)	Shanghai	24 August 2007	24 August 2007	100%	Property development

No.	Name of subsidiaries	Place of incorporation	Date of incorporation	Commencement of business	Effective shareholding percentage of our Company as of the Latest Practicable Date	Major scope of business
31.	Shenzhen Dragon Bay Investment Development Co., Ltd. (深圳市聚龍灣投資發展有限公司)	Shenzhen	2 April 2003	2 April 2003	65%(14)	Property development
32.	Shenzhen Vanke Daolin Investment Development Co., Ltd. (深圳市萬科道霖投資發展有限公司)	Shenzhen	4 July 1997	4 July 1997	100%	Property development
33.	Shenzhen Vanke Jiuzhou Property Development Co., Ltd. (深圳市萬科九州房地產開發有限公司)	Shenzhen	18 August 2006	18 August 2006	100%	Property development
34.	Shenzhen Vanke Nancheng Property Co., Ltd. (深圳市萬科南城房地產有限公司)	Shenzhen	27 June 2005	27 June 2005	100%	Property development
35.	Shenzhen Vanke Xingye Property Development Co., Ltd. (深圳市萬科興業房地產開發有限公司)	Shenzhen	20 November 2006	20 November 2006	100%	Property development
36.	Shenzhen Vanke Evergrande Property Co., Ltd. (深圳萬科恒大物業有限公司)	Shenzhen	28 December 1992	28 December 1992	100%	Property development
37.	Shenyang Vanke Tander Real Estate Development Co., Ltd. (瀋陽萬科永達房地產開發有限公司)	Shenyang	30 March 2004	30 March 2004	49%(15)(21)	Property development
38.	Suzhou Nandu Jianwu Co., Ltd. (蘇州南都建屋有限公司)	Suzhou	15 October 2002	15 October 2002	70%(16)	Property development
39.	Tianjin Zhongtian Wanfang Investment Co., Ltd. (天津中天萬方投資有限公司)	Tianjin	16 January 2008	16 January 2008	100%	Property development and investment
40.	Vanke (Chongqing) Property Co., Ltd. (萬科 (重慶) 房地產有限公司)	Chongqing	13 June 2008	13 June 2008	100%	Property development

No.	Name of subsidiaries	Place of incorporation	Date of incorporation	Commencement of business	Effective shareholding percentage of our Company as of the Latest Practicable Date	Major scope of business
41.	Wuxi Vanke Property Co., Ltd. (無錫萬科房地產有限公司)	Wuxi	24 March 2004	24 March 2004	60%[17]	Property development
42.	Wuhan Vanke New Milestone Property Co., Ltd. (武漢萬科新里程房地產有限公司)	Wuhan	23 April 2010	23 April 2010	100%	Property development
43.	Xi'an Vanke Kaizhou Property Co., Ltd. (西安萬科愷洲置業有限公司)	Xi'an	29 December 2009	29 December 2009	55%[18]	Property development
44.	Xi'an Vanke Nantang Property Co., Ltd. (西安萬科南唐置業有限公司)	Xi'an	14 May 2010	14 May 2010	100%[19]	Property development
45.	Zhuhai Zhubin Property Development Co., Ltd. (珠海市珠賓置業發展有限公司)	Zhuhai	18 September 2006	18 September 2006	95%[20]	Property development

Notes:

(1) SASAC of Beijing Chaoyang District (北京市朝陽區人民政府國有資產監督管理委員會), a PRC governmental body and an Independent Third Party, holds the remaining 40% shareholding in Beijing Chaoyang Vanke Property Development Co., Ltd..

(2) COFCO Corp. (中糧集團有限公司), a large supplier of diversified products and services in the agricultural products and food industry which is controlled by the central government of PRC and an Independent Third Party, holds the remaining 50% shareholding in Beijing COFCO Vanke Jiarifengjing Property Development Co., Ltd..

(3) Beijing Zhuzong Real Estate Development Co., Ltd. (北京住總房地產開發有限責任公司), an Independent Third Party, primarily engaged in property development, has a 50% shareholding in Beijing Zhuzong Vanke Property Development Co., Ltd..

(4) Reco Mudan Private Limited., a subsidiary of GIC, a connected person of our Group which is primarily engaged in equity investment, holds the remaining 45% shareholding in Foshan Nanhai District Jinyulanwan Property Co., Ltd..

(5) Guangzhou Panyu Xiangxin Property Co., Ltd. was de-registered on 31 July 2013.

(6) Reco Mudan Private Limited. is a minority shareholder with a 45% shareholding in Guangzhou Wanyi Property Co., Ltd..

(7) Hainan Luobidong Industry Co., Ltd. is wholly owned by Shanghai Pangzhi Investment Management Co., Ltd. (上海龐智投資管理有限公司), in which our Company has a 65% shareholding. Shanghai Mingtai Investment and Development Co., Ltd. (上海銘泰投資發展有限公司), an Independent Third Party, primarily engaged in investment and management, holds the remaining 35% shareholding in Shanghai Pangzhi Investment Management Co., Ltd..

(8) Hangzhou Wankun Property Development Co., Ltd. was held by Zhejiang Vanke Nandu Property Co., Ltd. (浙江萬科南都房地產有限公司), a wholly-owned subsidiary of our Company and Kunhe Construction Group Co., Ltd. (坤和建設集團有限公司), an Independent Third Party, as to 51% and 49% since its incorporation. On 28 October 2013, Zhejiang Vanke Nandu Property Co., Ltd. transferred its shareholding in Hangzhou Wankun Property Development Co., Ltd. to Kunhe Construction Group Co., Ltd., as a result of which Hangzhou Wankun Property Development is no longer a subsidiary of our Company.

(9) Hunan Heshun Investment Development Co., Ltd. (湖南和順投資發展有限公司), an Independent Third Party, primarily engaged in oil business, property development, logistics and hotels, holds the remaining 30% shareholding in Hunan Heshun Property Co., Ltd..

(10) Reco Mudan Private Limited., a subsidiary of GIC (a connected person of our Company) which is primarily engaged in equity investment, holds the remaining 45% shareholding in Qingdao Vanke City Real Estate Co., Ltd..

(11) Shanghai Dijie Property Co., Ltd. ("Shanghai Dijie") was held by Shanghai Vanke Property Co., Ltd. (上海萬科房地產有限公司), a wholly-owned subsidiary of our Company and Shanghai Fudi Investment Management Co., Ltd. (上海復地投資管理有限公司), an Independent Third Party, as to 60% and 40%.

(12) World City International Inc., in which our Company holds a 54% shareholding, is the controlling shareholder of Shanghai Dongyuan Meishu Realty Co., Ltd. with a 94.1% shareholding. Shanghai Fengyun Industrial Co., Ltd. (上海楓雲實業有限公司), an Independent Third Party, primarily engaged in corporate investment and management (excluding equity investment and management), holds the remaining 5.9% shareholding in Shanghai Dongyuan Meishu Realty Co., Ltd..

(13) Shanghai Evergrande (Group) Co., Ltd. (上海恒大(集團)有限公司), an Independent Third Party, primarily engaged in property development, holds the remaining 9.7870% shareholding in Shanghai Evergrande Real Estate Co., Ltd.. Jiang Lei (江雷), an Independent Third Party, holds the remaining 0.2130% shareholding in Shanghai Evergrande Real Estate Co., Ltd..

(14) Shenzhen Jiezhan Investment Development Co., Ltd. (深圳市捷展投資發展有限公司), an Independent Third Party, primarily engaged in investment and domestic trade, holds the remaining 35% shareholding in Shenzhen Dragon Bay Investment Development Co., Ltd..

(15) Reco Ziyang Pte Ltd., a subsidiary of GIC, a connected person of our Company, which is primarily engaged in equity investment, holds the remaining 51% shareholding in Shenyang Vanke Tander Real Estate Development Co., Ltd..

(16) Suzhou Xinjianyuan Holdings Group Co., Ltd. (蘇州新建元控股集團有限公司), an Independent Third Party, primarily engaged in property development, holds the remaining 30% shareholding in Suzhou Nandu Jianwu Co., Ltd..

(17) Reco Ziyang Pte Ltd., a subsidiary of GIC, a connected person of our Company, which is primarily engaged in equity investment, holds the remaining 40% shareholding in Wuxi Vanke Property Co., Ltd..

(18) Reco Mudan Private Limited, a subsidiary of GIC, a connected person of our Company, which is primarily engaged in equity investment, holds the remaining 45% shareholding in Xi'an Vanke Kaizhou Property Co., Ltd..

(19) Xi'an Vanke Nantang Property Co., Ltd. is wholly owned by Xi'an Vanke Nanbu Property Co., Ltd. (西安萬科南部置業有限公司), in which our Company has a 85% shareholding. Shenzhen Dongxiang Investment Co., Ltd. (深圳市東祥投資有限公司), an Independent Third Party, primarily engaged in investment and consulting, holds the remaining 15% shareholding in Xi'an Vanke Nantang Property Co., Ltd..

(20) Zhuhai Xinjunjing Petrochemical Co., Ltd. (珠海市新駿景石油化工有限公司), an Independent Third Party, primarily engaged in petrochemical industry, holds the remaining 5% shareholding in Zhuhai Zhubin Property Development Co., Ltd..

(21) We owned no more than 50% shareholding in these companies as of the Latest Practicable Date. However, as we have the right to appoint the majority of the directors of these companies and half of the voting power on the board of directors of these companies and thus have the power to govern their financial and operating policies, these companies are consolidated to our accounts and classified as our subsidiaries.

REASONS FOR THE LISTING

We believe that seeking the Listing will enable us to promote our brand recognition and presence in the international market and give us the access to international capital market.

A SHARE STOCK OPTION INCENTIVE SCHEME

We adopted an A Share Stock Option Incentive Scheme at the first extraordinary general meeting of our Company of 2011 on 8 April 2011. For details of the A Share Stock Option Incentive Scheme, number of share options granted and exercised and number of outstanding share options, please refer to "Other Information — A Share Stock Option Incentive Scheme" in Appendix IX to this listing document.

LISTING ON THE SHENZHEN STOCK EXCHANGE

As advised by the PRC legal adviser, there is no material non-compliance issue during the Company's listing on the Shenzhen Stock Exchange.

OVERVIEW OF OUR BUSINESS

We are a leading residential property developer in China, primarily focused on the development, sales and management of quality residential properties. We were ranked No. 1 in China in 2011, 2012 and 2013 in terms of contracted sales, according to China Real Estate Appraisal Centre (中國房地產測評中心) and China Real Estate Information Corporation (中國房產信息集團).

With more than 25 years of experience in the property industry, we specialise in property development, sales and management with a focus on developing high quality residential properties with small- to medium- sized units targeted at the mass market. Our property development projects cover 65 major cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region in China and three overseas markets. Properties developed by us include low-rise residential units, multi-storey residential units, high-rise residential units, commercial units and mixed-use properties. For the year ended 31 December 2013, furbished units accounted for approximately 90% of the total units we delivered. Our revenue from sales of properties constitutes substantially all of our revenue. For the years ended 31 December 2011, 2012 and 2013, we recorded contracted GFA of 10,752,680 sq.m., 12,956,285 sq.m. and 14,898,901 sq.m., respectively, and contracted sales of RMB121.5 billion, RMB141.2 billion and RMB170.9 billion, respectively. For the years ended 31 December 2011, 2012 and 2013, our revenue from sales of properties amounted to RMB65.3 billion, RMB94.0 billion and RMB123.5 billion, respectively, accounting for approximately 96.5%, 97.1% and 96.9% of our total revenue, respectively.

As of 31 March 2014, we had 406 property projects in the PRC in various stages of development (including projects we develop through associates and joint ventures), of which 120 were located in the Guangshen Region, 92 in the Shanghai Region, 121 in the Beijing Region and 73 in the Chengdu Region, including GFA of 1,859,809 sq.m. of completed projects (excluding sold and recognised GFA) (with GFA of 1,484,904 sq.m. of property interests attributable to our Company), 41,118,550 sq.m. of projects under development (with GFA of 28,995,506 sq.m. of property interests attributable to our Company) and 59,726,992 sq.m. of projects held for future development (with GFA of 42,688,355 sq.m. of property interests attributable to our Company).

We abide by our principle of "building quality houses for ordinary people". Over the past decades, we have received numerous awards and recognitions from authoritative industry associations and media for our achievements. We have established a strong market position in many major cities in the PRC.

- We were ranked No.1 in the "List of Stars of the Industry (行業明星榜)" in the category of property development in 2013 by Fortune Magazine. We were ranked No. 14, No.1 and No. 1 among the "Most Admired China Enterprises (最受讚賞中國公司)" in 2013, 2012 and 2009, respectively, by Fortune Magazine.

- We were ranked one of the "Top 10 Real Estate Enterprises" in terms of comprehensive strength in the "Research Report on the Top 100 Real Estate Enterprises in China" from 2004 to 2013 (中國房地產百強企業) by the Enterprise Research Institute of Development Research Centre of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所) and the China Index Academy (中國指數研究院).

- We were selected as one of the top ten Chinese property developer enterprises from 2010 to 2013 by the China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Appraisal Centre (中國房地產測評中心).

- We were awarded "The Most Respected Enterprises Awards in China" (中國最受尊敬企業) from 2003 to 2013 by The Economic Observer (經濟觀察報社) and the Management Case Research Centre of Peking University (北京大學企業案例管理研究中心).

- We were ranked No. 1 among the "China's Top 200 Comprehensive Property Management Enterprises in 2013" by China Property Management Institute.

- Our brand was selected as a "China Property Management Top Brand of 2013" by China Index Academy (中國指數研究院) and ranked first among "China's Top 100 Property Management Enterprises of 2013".

- We were selected as one of the "Best Residential Property Developers" in 2009 and 2010 by Euromoney Magazine.

- We were ranked No. 1 in the category of property development among the "Top 500 Listed Companies of China" in 2010 and 2012 by Fortune Magazine.

- 26 of our projects have received the "Zhan Tianyou Civil Engineering Award — Excellent Residential Property" (中國土木工程詹天佑獎優秀住宅小區), a well-recognised honor in the PRC residential civil engineering field.

- Our chairman, Mr. Wang Shi, was awarded the "Economic Persons for the Year" by China Central Television in 2000.

- Our president, Mr. Yu Liang, was awarded the "Economic Persons for the Year" by China Central Television in 2012.

COMPETITIVE STRENGTHS

We believe that our success and our ability to capitalise on future growth opportunities are attributable to the following key competitive strengths:

A leading residential property developer and property management services provider in the PRC with superior brand recognition

We are a leading residential property developer in China and we believe we are one of the largest property developers worldwide. Since China Real Estate Information Corporation released its first nation-wide ranking for 2007, we have been consistently ranked as the No. 1 property developer in terms of annual contracted sales. According to China Real Estate Appraisal Centre (中國房地產測評中心) and China Real Estate Information Corporation (中國房產信息集團), we became the first property developer in China with annual contracted sales that exceeded RMB100 billion in 2010 and our annual contracted sales reached RMB170.9 billion in 2013.

Since 1984, we have provided housing to approximately 500,000 households in the PRC. As of 31 March 2014, we were providing property management services to 419 projects of various kinds with a total GFA of approximately 71.0 million sq.m. in 58 cities in China. Based on our comprehensive understanding of the needs of our customers, we provide quality products and services that allow us to gain deep trust from our customers and the public, and to develop into a highly recognisable brand, as evidenced by the various accreditations we have received over the years.

For 11 consecutive years since 2003, we have been recognised as "The Most Respected Enterprise in China" by the Economic Observer and the Management Case Research Centre of Peking University. We were consistently ranked first in terms of comprehensive strength among the "Top 10 Real Estate Enterprises" in the "Research Report on the Top 100 Real Estate Enterprises in China" from 2004 to

2013 by the Enterprise Research Institute of Development Research Centre of the State Council, the Institute of Real Estate Studies of Tsinghua University and the China Index Academy. In 2005, our "Vanke" brand became the first well-known trademark in the PRC property sector accredited by the SAIC of the PRC and we were listed as one of "Asia's Fabulous 50 Companies", an annual ranking published by Forbes to recognise the best of Asia-Pacific's biggest listed companies, in 2008, 2009, 2012 and 2013.

Diversified product lines and nationwide presence to reduce operational risks

We abide by our principle of "building quality houses for ordinary people" and offer a wide range of quality residential property products to fulfill the diverse needs of our different customer groups. Properties developed by us include low-rise residential units, multi-storey residential units, high-rise residential units, commercial units and mixed-use properties. In 2013, over 90% of our contracted sales were generated from small- to medium-sized residential units with GFA of not more than 144 sq.m.. Our focus on the mass market has enhanced our resilience against regulatory risks and policy adjustments that target the high-end and luxury segments.

Geographically, we have a diversified presence in China. As of 31 March 2014, we had 406 projects covering 65 cities in regions including the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region. Since 2005, we have adopted an organisational structure that comprises frontline departments and strategic headquarters in specified regional markets. The nationwide layout and cross-regional management have shielded us from concentrated, region-specific risks.

Prudent investment, financial control and management to sustain profitability

We follow a strict land acquisition protocol and refrain from acquiring plots excessively or over-aggressively. We exercise great cautions when we participate in land auctions, refraining from paying aggressive premiums for any parcel of land. We mainly acquire land with attributes that fit our Company's development and market position. When selecting land, we focus on factors such as price, risks and potential profitability and we mainly invest in mainstream projects that cater to the needs of the mass market. We also closely monitor acquisition opportunities and focus on the performances of major cities in order to capture any opportunities to acquire quality land and projects at reasonable prices. Our regional offices make land acquisition decisions by taking into factors such as amount of investment, equity investment interests and land premiums. The investment decisions are then filed with our headquarters which has veto rights over such decisions. The investment and decision-making committee of our management is responsible for the assessment and approval on unconventional investments on land such as non-residential projects. Any investment on land that exceeds 10% of our net assets is subject to the approval of our Board. As a result of our disciplined land acquisition strategy, we have developed a well-diversified land bank with plots purchased at reasonable prices for us to enjoy sustainable growth.

Benefiting from our prudent financial policy, we have been able to maintain a strong cash position and a healthy debt profile. As of 31 December 2013, our cash and bank deposits balance (including pledged deposits) was RMB44,365.4 million and our gearing ratio was 30.7%. Our cash level as a percentage of our total short-term debt was more than 100% at the end of each year from 2011 to 2013.

Shrewd investment and financial management have also helped us sustain profitability. Over the past 10 years from 2003 to 2013, the CAGR of our revenue has reached 35.8% and the CAGR of our net profit for the year attributable to Shareholders of our Company has reached 40.0%.

Diversified financing channels to optimise capital structure and liquidity

We tap into a variety of funding sources, including bank loans, property trusts, equity issuance and debt offerings. Our access to diverse funding sources allows us to optimise our capital structure and maintain a strong liquidity position.

We have cultivated strong relationships with both PRC and overseas banks, which have significantly improved our financing efficiency. We believe we were one of the first property developers in China that obtained direct lines of credits from headquarters of major PRC banks. We have also obtained funding outside China through offshore bank loans. For examples, we obtained US$550.0 million and US$375.0 million through offshore syndicated loans and club loans in 2010 and 2013, respectively

Our brand recognition and goodwill have enabled us to become one of the few PRC property developers with access to unsecured bank borrowings and trust financing for property development in the PRC. As of 31 December 2013, approximately 95% of our total bank borrowings and trust financing were unsecured.

In addition to obtaining banking facilities, we have also raised funds through bond and equity offerings in China. Between 2002 and 2013, we have accessed the domestic capital markets five times raising a total of over RMB23.5 billion. Furthermore, in March 2013, we issued a total of USD800.0 million 5-year fixed-rate bonds through Bestgain Real Estate Lyra Limited, our wholly-owned subsidiary. On 16 July 2013, we established the 2013 Medium Term Note Programme of USD2,000.0 million. Please refer to the section headed "Financial Information — Indebtedness" in this listing document for details.

High quality products and services to achieve customer satisfaction and a market leader in green construction

We are committed to, and have a long history of, providing quality products and services to our customers, as evidenced by our strong market recognition and various professional and governmental accreditations. For example, since 2005, 26 of our projects have received the "Zhan Tianyou Civil Engineering Awards — Excellent Residential Properties", a well-recognised honor in the PRC residential civil engineering field.

We are devoted to providing our customers with comprehensive, reliable and detail-oriented professional property management services. Our property management services are ISO9002 and ISO9001 certified. We were ranked No.1 on the "List of the Best Brands of High Quality Property Management Services" in China in each of the past four years from 2010 to 2013 by the Enterprise Research Institute of Development Research Centre of the State Council, the China Index Research Institute and the Institute of Real Estate Studies of Tsinghua University. We also founded the Vanke Club (萬客會) in 1998, which we believe was the first membership loyalty programme dedicated to maintaining and enhancing customer relations in the property industry in China.

Our efforts in striving for and ensuring high quality products and services have helped us maintain a high level of customer satisfaction. In surveys conducted by Gallup International, an international research-based management consulting firm engaged by us, the overall satisfaction rates we received from owners of our residential units in selected cities were consistently and substantially higher than the industry averages for the period from 2008 to 2011. For such customers, our brand name was the primary reason that they purchased our residential units.

We are also a market leader in promoting housing industrialisation and green technology on property development in China. In 2007, our research and development facility in Dongguan was recognised by the Ministry of Construction of the PRC as "A National Housing Industrialisation Base".

In 2011, 2.7 million sq.m. of our residential units obtained the "Three Stars Green Units" rating according to the "Evaluation Standards for Green Building", a set of green units rating standards issued by the MOHURD, accounting for 50.7% of the national total. Based on such evaluation standards, "Three Stars Green Units" are developments with high resources conservation and space efficiency that are conducive to environmental protection. In 2012, 20 of our projects with a total GFA of 1.7 million sq.m. obtained the "Three Stars Green Units" rating. In particular, the GFA of residential projects amounted to 1.2 million sq.m., accounting for 44% of the national total. In 2013, 16 of our projects with a total GFA of 1.7 million sq.m. obtained the "Three Stars Green Units" rating, with the GFA of residential projects amounted to 1.4 million sq.m., accounting for 34% of the national total.

In addition, our headquarters, Vanke Centre, is one of the very few large-scale projects worldwide that received Leadership in Energy and Environmental Design ("**LEED**") platinum certification from the U.S. Green Building Council. LEED is a green buildings verification programme that evaluates property projects based on criteria such as site sustainability, water efficiency, energy performance, waste reduction and air quality. The platinum certification is the highest level category of the programme. These accomplishments serve as a testament to our ever-improving residential property quality.

Strong corporate governance with an experienced and well recognised core management team

As one of the first listed companies in China, we strive to follow the corporate governance principles of "simple, transparent, standardised and responsible". We have a well-diversified shareholding structure which enables us to effectively avoid any conflict of interests with or among our shareholders. Our strong corporate governance is widely recognised. For examples, we were awarded the "Outstanding Investor Relations by an A-Share Listed Companies in China" by the IR Global Rankings in 2011 and the "Best Corporate Governance Award from Sample Firms in the 50 Financial Index" by CCTV in 2012. At the 2013 CCTV China Listed Companies Summit, we were awarded the title of "CCTV 50 Index — Best 10 Companies in Corporate Governance" and was once again selected as the index sample stock of "CCTV Finance and Economics 50 Indexes — 2013 Annual Sample Stocks" for our excellent performance in corporate governance. We were also listed on Fortune China's "All-Star List of 2013 Most Praised PRC Enterprises", and ranked first under the real estate developer category, and we were selected by Forbes as one of the "Asia-Pacific's Best Listed Companies" in 2013.

We have a professional, experienced and entrepreneurial management team with a proven track record in the PRC property industry. The average length of services of our core senior management in our Company is over 10 years. Our chairman, Mr. Wang Shi, and our president, Mr. Yu Liang, together with other members of our senior management, have profoundly shaped our corporate visions, ethics and management strategies. In recognition of their exceptional achievements, Mr. Wang Shi and Mr. Yu Liang were named "CCTV Economic Person of the Year", a recognition regarded as the "Oscar of China's economic circles" and given only to 10 of China's most prominent and influential business leaders each year, in 2000 and 2012, respectively.

STRATEGIES AND FUTURE PLANS

Guided by our philosophy of "Follow the Right Principles, Pursue Meticulous Management" (大道當然，精細致遠), we intend to seek sustainable growth and further strengthen our leading position in the PRC property industry by pursuing the following principal strategies:

Further strengthen our national leadership with global reach

To take advantage of the opportunities brought about by the rising urbanisation, the growth of emerging cities, as well as the mounting purchasing power of ordinary households, we aim to firmly establish ourselves and further increase our market shares in core cities where we already have presence. To optimise our resources and increase our economies of scale, we will continue to explore various cooperation opportunities, including the establishment of joint ventures, the implementation of centralised purchases and the foundation of strategic alliances with general contractors to complement each other's advantages. To gain experience in property development in mature overseas property markets, we began to develop properties in overseas markets in 2013 through cooperation with well-known local developers. We will continue to explore opportunities in overseas markets such as Hong Kong, Singapore and the United States.

Adhere to a flexible operating strategy and maintain rapid project turnovers

We will adhere to the strategy of having no excessive land reserves while maintaining our projects and land bank at a level sufficient for development in the subsequent three years. Specifically, we insist on avoiding over-priced land but investing opportunistically and timely when we acquire resources for our future projects. When replenishing our land bank, we mainly target parcels with attributes and ancillary facilities that complement our positioning in the residential property market and meet the needs and demands of our customers.

We will continue to respond to market changes timely and effectively. We aim to improve our operational efficiency and shorten the average project cycle from project procurement to the commencement of construction through standardising product promotion and optimising project flows. We follow market dynamics closely and adjust product designs sensibly to meet market demands. In addition, we will continue to establish project development relationships where we hold a minority interest. We contribute know-how from our past management experience and intellectual property, whereas such relationships allow us to enhance our flexibility and leverage the advantages of our partners.

On our financial management front, we will ensure that our liquidity is sufficient and our cash balance is adequate to cover borrowings with repayments due within one year. We are committed to maintaining a stable and sustainable debt level.

Continue to focus on the mass market and providing quality products and services to customers

We are committed to firmly abiding by our philosophy of "building quality houses for ordinary people". This includes creating a more comfortable and convenient living environment for our customers by promoting product innovation and service upgrades and enriching such ancillary services as "Fortune Depot (幸福驛站)", community food court and self-storage facilities. We will continue to broaden our ancillary services and look for opportunities such as retirement communities to cater to the developing needs of our customers. We will monitor market movements closely and study our customers' needs to improve and broaden our product offerings.

Continue to promote housing industrialisation and green construction, and to perform our corporate social responsibilities

As a leader in housing industrialisation and green construction in China, we are committed to promoting housing industrialisation by broadening its coverage and enhancing the application of industrial technology. Housing industrialisation refers to the process in which floors, stairs, interior walls, balconies and other components are prefabricated pursuant to the standards and specifications required by us at factories and assembled by the construction companies on-site. We aim to actively apply prefabrication technology on areas including precast concrete, fabricated interior walls, and interior and external walls without plaster between 2013 and 2015. For our mainstream products which construction commenced in 2013, prefabrication application in the aforementioned three areas reached 8.3%, 38.8% and 29.1%, respectively. It is our plan to continue to increase the application of prefabrication on such areas.

As a leading property developer in China, we are dedicated to carrying out our corporate social responsibilities. We will continue to undertake indemnificatory apartments projects initiated by the PRC government and will continue our support of the ‘‘Vanke Foundation’’, a national triple A foundation established by us, financing projects committed to treating serious illnesses of impoverished children and environmental protection.

OUR BUSINESS

Sale of Properties

We focus on property development and sales in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region in the PRC. Our properties include low-rise residential units, multi-storey residential units, high-rise residential units, commercial units and mixed-use properties. For the year ended 31 December 2013, furbished units accounted for approximately 90% of the total units we delivered.

For the years ended 31 December 2011, 2012 and 2013, our aggregate contracted GFA was 10,752,680 sq.m., 12,956,285 sq.m. and 14,898,901 sq.m., respectively. Such property sales generated contracted sales of RMB121.5 billion, RMB141.2 billion and RMB170.9 billion during the respective periods.

The following table sets out a summary of our contracted sales, contracted GFA and contracted ASP for the years ended 31 December 2011, 2012 and 2013.

	For The Year Ended 31 December								
	2011			2012			2013		
Regions	Contracted Sales	Contracted GFA	Contracted ASP	Contracted Sales	Contracted GFA	Contracted ASP	Contracted Sales	Contracted GFA	Contracted ASP
	(RMB million)	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB million)*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB million)*	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	36,747	3,077,834	11,939	46,816	4,128,149	11,341	52,385	4,298,851	12,186
Shanghai Region	26,277	1,848,388	14,216	32,968	2,556,891	12,894	46,046	3,396,877	13,555
Beijing Region	36,514	3,403,377	10,729	36,990	3,460,377	10,690	45,401	4,054,334	11,198
Chengdu Region	22,002	2,423,081	9,080	24,453	2,810,868	8,699	27,104	3,148,839	8,608
Total	**121,540**	**10,752,680**	**11,303**	**141,227**	**12,956,285**	**10,900**	**170,936**	**14,898,901**	**11,473**

Our contracted ASP decreased from RMB11,303 per sq.m. for the year ended 31 December 2011 to RMB10,900 per sq.m. for the year ended 31 December 2012 due to our increased proportion of property development projects in second- and third-tier cities where property prices are generally lower. Our contracted ASP increased from RMB10,900 per sq.m. for the year ended 31 December 2012 to RMB11,473 per sq.m. for the year ended 31 December 2013 due to a general increase in property market prices across China during the period.

For the years ended 31 December 2011, 2012 and 2013, our recognised GFA was approximately 5,624,259 sq.m., 8,992,957 sq.m. and 12,309,945 sq.m., respectively. For the same periods, the total recognised revenue of our properties was RMB65,313.2 million, RMB94,001.0 million and RMB123,545.8 million, respectively.

The table below sets out the geographic breakdown of our revenue from sales of properties, recognised GFA and recognised ASP for years ended 31 December 2011, 2012 and 2013.

	For The Year Ended 31 December											
	2011				2012				2013			
	Revenue		Recognised GFA	Recognised ASP	Revenue		Recognised GFA	Recognised ASP	Revenue		Recognised GFA	Recognised ASP
	(RMB'000)	*%*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB'000)*	*%*	*(sq.m.)*	*(RMB per sq.m.)*	*(RMB'000)*	*%*	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	23,413,680	35.84	1,775,145	13,190	26,728,777	28.43	2,398,703	11,143	41,618,398	33.68	3,963,547	10,500
Shanghai Region	18,552,881	28.41	1,391,878	13,329	19,428,139	20.67	1,426,061	13,624	25,188,490	20.39	1,942,960	12,964
Beijing Region	15,995,163	24.49	1,551,015	10,313	31,419,980	33.43	3,119,394	10,072	32,035,545	25.93	3,457,700	9,265
Chengdu Region	7,351,480	11.26	906,221	8,112	16,424,083	17.47	2,048,799	8,016	24,703,402	20.00	2,945,738	8,386
Total	**65,313,204**	**100.00**	**5,624,259**	**11,613**	**94,000,979**	**100.00**	**8,992,957**	**10,453**	**123,545,835**	**100.00**	**12,309,945**	**10,036**

To gain experience in property development in mature overseas property markets, we began to develop properties in overseas markets in 2013. In cooperation with well-known local developers, we currently have projects in Hong Kong, the United States and Singapore. In Hong Kong, we are collaborating with New World Development Company Limited in developing a residential property project located in Tsuen Wan. The project occupies a site area of 13,804 sq.m. and has a planned GFA of 62,711 sq.m. As of the Latest Practicable Date, we hold a 20% interest in the project. In the United States, we are collaborating with Tishman Speyer in developing the Lumina in San Francisco. The project occupies a site area of 7,026 sq.m. and has a planned GFA of 81,591 sq.m. As of the Latest Practicable Date, we hold a 71.5% interest in the project. In Singapore, we are collaborating with Keppel Land in developing The Glades, which occupies a site area of 31,882 sq.m. and has a planned GFA of 51,011sq.m. As of the Latest Practicable Date, we hold a 30% interest in the project.

Classification of Our Property Project Stages

We generally classify our property projects into the following three categories:

- Completed projects — An unfurbished property is classified as completed when the completion certificate (工程竣工驗收備案表) has been obtained whereas a furbished property is classified as completed when the completion certificate has been obtained and the outfitting has been completed.

- Projects under development — An unfurbished property is classified as under development when the required construction work commencement permit has been obtained but the completion certificate (工程竣工驗收備案表) has not been obtained. A furbished property is classified as under development when the required construction work commencement permit has been obtained but the completion certificate has not been obtained or the outfitting has not been completed.

- Projects held for future development — A property is classified as being held for future development when (i) we have obtained the relevant land use rights certificates but have not obtained the requisite construction work commencement permits or (ii) we have signed a land grant contract for the underlying parcel of land with the relevant government authorities.

As some of our projects comprise multiple-phase developments, a project under development may include different phases at different stages of completion, under development or held for future development.

The manner in which we classify our properties may be different from the classifications employed by other property developers. Each property project or project phase may require multiple land use rights certificates, construction work commencement permits, pre-sales permits and other permits and certificates, which may be issued at different times throughout the development process.

The differences between our classifications of our properties and the classifications of our properties in the property valuation report as set out in Appendix V and the consolidated financial statements as set out in Appendices I, II and III to this listing document are set forth in the table below.

Our Classification	Property Valuation Report	Consolidated Financial Statements
Completed projects *(Note)* an unfurbished property is classified as completed when the completion certificate has been obtained whereas a furbished property is classified as completed when the completion certificate has been obtained and the renovation has been completed	• Group I — Properties held by us for sale in the PRC • Group V — Properties held by us for investment in the PRC • Group VI — Properties held and occupied by us in the PRC	• Completed properties for sale • Investment property • Property, plant and equipment

Note: In addition to our PRC properties, we also have a property in Hong Kong, which is classified in the Property Valuation Report under "Group VII — Properties held by us for investment in Hong Kong" and in the consolidated financial statements under "investment property".

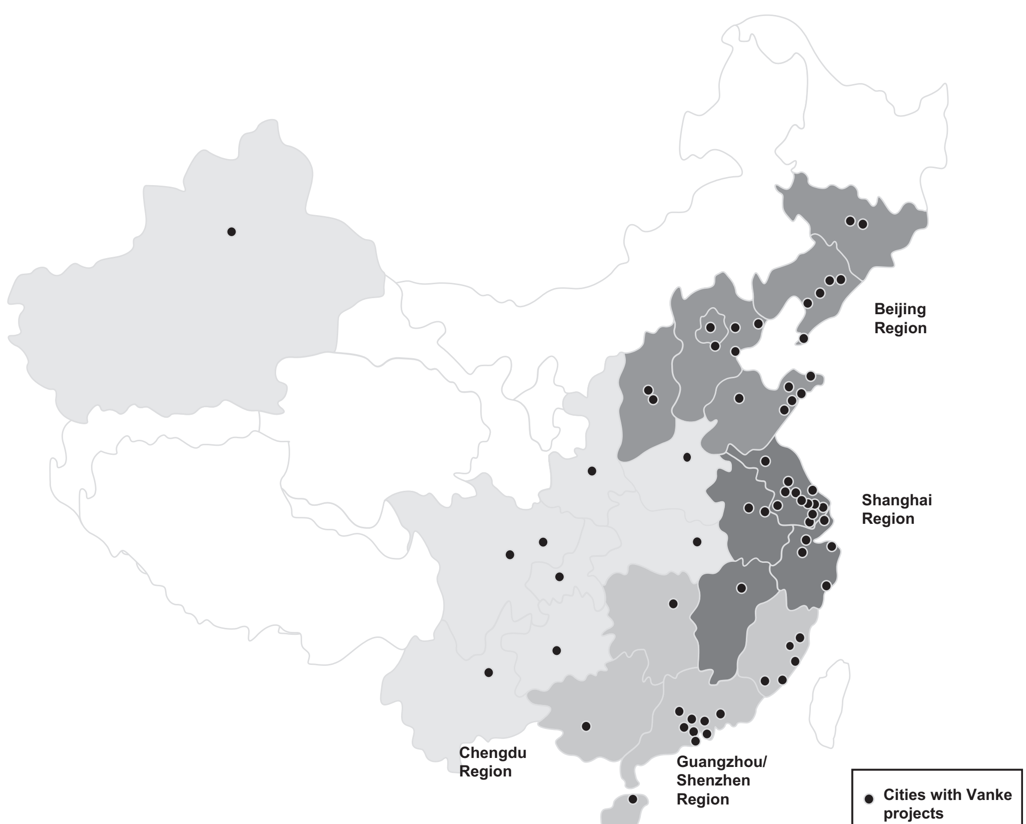
Our Classification	Property Valuation Report	Consolidated Financial Statements
Projects under development an unfurbished property is classified as under development when the required construction work commencement permit has been obtained but the completion certificate has not been obtained. A furbished property is classified as under development when the required construction work commencement permit has been obtained but the completion certificate has not been obtained or the renovation has not been completed	• Group II — Properties held by us under development in the PRC • Group V — Properties held by us for investment in the PRC	• Properties under development • Investment property • Property, plant and equipment

Our Classification	Property Valuation Report	Consolidated Financial Statements
Projects held for future development a property is considered to be held for future development when (i) we have obtained the land use rights certificates but have not obtained the requisite construction work commencement permits or (ii) we have signed a land grant contract for the underlying parcel of land with the relevant government authorities	• Group III — Properties held by us for future development in the PRC • Group IV — Properties contracted to be acquired by us in the PRC	• Properties held for development • Investment property

PRC Property portfolio summary

As of 31 March 2014, we had 406 property projects in 65 cities across China in various stages of development (including projects we develop through associates and joint ventures), of which 120 were located in the Guangshen Region, 92 in the Shanghai Region, 121 in the Beijing Region and 73 in the Chengdu Region, including GFA of 1,859,809 sq.m. of completed projects (excluding sold and recognised GFA) (with GFA of 1,484,904 sq.m. of property interests attributable to our Company), 41,118,550 sq.m. of projects under development (with GFA of 28,995,506 sq.m. of property interests attributable to our Company) and 59,726,992 sq.m. of projects held for future development (with GFA of 42,688,355 sq.m. of property interests attributable to our Company).

The map below shows the geographical locations of our projects as of 31 March 2014.



We set out below the book value, on consolidated basis, of our completed projects, projects under development and projects held for future development as of 31 March 2014:

	As of 31 March 2014			
	GFA		Book value[4]	
	(sq.m.)	%	*(RMB'000)*	%
Completed projects[1]	1,739,249	2.05	21,629,871	6.19
Projects under development[2]	34,144,279	40.15	203,059,696	58.20
Projects held for future development[3]	49,167,887	57.81	124,236,481	35.61
Total	**85,051,415**	**100.00**	**348,926,047**	**100.00**

Notes:

(1) Completed projects include completed investment properties (including the leasehold land on which our investment properties are located), and the book value of such investment properties and leasehold land amounted to RMB2,805.8 million as of 31 March 2014.

(2) Projects under development include investment properties under development (including the leasehold land on which our investment properties are located), and the book value of such investment properties and leasehold land amounted to RMB6,063.4 million as of 31 March 2014.

(3) Projects held for future development include investment properties held for future development (including the leasehold land on which our investment properties are located), and the book value of such investment properties and leasehold land amounted to RMB1,573.4 million as of 31 March 2014.

(4) The table does not include book value of properties held and occupied by us which form part of our property projects, book value of such properties held and occupied by us is booked under property, plant and equipment in our consolidated financial statements and amounted to RMB1,343.4 million as of 31 March 2014.

As of 31 March 2014, the carrying amount of our property projects accounted for 70.7% of our total assets.

The table below sets forth summary information of our property projects which were valued by the Property Valuer as of 31 March 2014, which has been extracted from the property valuation report included as Appendix V to this listing document. It should be noted that the project names used in this listing document are names we have used, or intend to use, for marketing the property projects. Some of the project names require the approval of the relevant authorities, and the relevant authorities may not approve the names we have used or intend to use as the registered names of these projects. As a result, the actual names registered with the relevant authorities may be different from the names used in this listing document and may be subject to change. Furthermore, for the avoidance of doubt, references to the development costs of property projects in this listing document, whether actual or expected, include the paid or payable (as applicable) portion of land premium for the relevant land use rights for the projects.

The following table sets forth summary information of our properties as of 31 March 2014 which were valued by our Property Valuer and set out in the property valuation report contained in Appendix V to this listing document.

Project Name			Completed					Under Development			
								Estimated Construction Schedule			
	Site Area(1)	Total planned GFA	Total GFA(3)	GFA Sold and Recognized	Saleable GFA(4)	GFA Held for investment	GFA Held for own use	Date of commencement(7)	Estimate/Actual Date of Pre-Sales(7)	Estimated Date of Completion(7)	Total GFA(5)
	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)				(sq.m)
Guangshen Region											
深圳天琴灣 (Vega Villa, Shenzhen)	253,990	30,028	19,608	4,901	14,708	—	—	October 2012	November 2015	August 2015	10,420
深圳安托山項目 (Antuoshan Project, Shenzhen)	48,804	219,967	—	—	—	—	—				—
深圳留仙洞項目 (Liuxiandong Project, Shenzhen)	394,044	1,335,510	—	—	—	—	—				—
深圳翡麗郡 (Philippe Castle, Shenzhen)	77,045	264,075	76,590	71,858	—	—	—	June 2013	September 2013	September 2015	187,485
深圳金域緹香 (Golden Paradise, Shenzhen)	104,801	323,624	174,924	127,366	—	—	—	March 2012	August 2012	June 2014	148,700
深圳第五園 (The Village, Shenzhen)	421,916	595,982	522,520	522,520	—	—	—	June 2012	September 2012	September 2014	73,462
深圳天譽 (Tianyu, Shenzhen)	62,577	355,364	75,174	65,554	—	—	—	June 2013	September 2013	March 2015	280,190
深圳萬科紅三期 (Home III, Shenzhen)	43,713	178,241	—	—	—	—	—	March 2013	October 2013	March 2015	178,241
深圳布吉水徑項目 (Shuijing Project, Buji, Shenzhen)	164,989	456,405	—	—	—	—	—	July 2012	October 2013	December 2015	130,699
深圳公園里 (Park Avenue, Shenzhen)	104,876	478,318	143,006	88,808	8,396	11,289	—	November 2012	November 2012	December 2014	95,197
深圳龍崗三館項目 (Longgangsanguan Project, Shenzhen)	66,644	250,600	—	—	—	—	—				—
惠州雙月灣 (Lunas Del Mar, Huizhou)	704,223	1,068,191	121,441	100,392	—	21,049	—	June 2012	September 2012	July 2014	121,243
東莞雙城水岸 (Watercity, Dongguan)	596,781	414,759	190,311	177,672	11,428	—	—	December 2012	January 2014	June 2015	120,400
東莞朗潤園 (Spring Dew Mansion, Dongguan)	128,144	256,287	18,777	18,289	488	—	—	December 2011	September 2012	September 2015	237,510
東莞金域松湖 (Jinyu Songhu, Dongguan)	135,049	381,000	210,781	207,109	955	—	—	August 2012	October 2013	May 2015	170,219
東莞金域華府 (King Metropolis, Dongguan)	189,934	493,827	380,159	375,315	393	—	—	June 2012	September 2013	November 2014	113,668
東莞香樹麗舍 (Xiangshu Lishe, Dongguan)	43,851	109,626	—	—	—	—	—	February 2013	September 2013	June 2015	109,626
東莞虎門萬科城 (Dream Town, Humen, Dongguan)	349,805	784,136	—	—	—	—	—				—
東莞長安萬科中心 (Chang'an Vanke Centre, Dongguan)	75,653	249,658	46,572	18,529	25,902	—	—	July 2012	November 2012	May 2017	203,086
東莞金域國際 (Jinyu International, Dongguan)	88,788	257,486	110,586	83,655	26,931	—	—	October 2012	October 2013	September 2014	146,900
廣州峰境花園 (Fengjing Huayuan, Guangzhou)	24,052	93,803	—	—	—	—	—	February 2013	November 2013	December 2016	93,803
廣州新隆沙AF020122地塊 (Land Lot AF020122, Xinlongsha, Guangzhou)	7,141	30,706	—	—	—	—	—				—
廣州東薈城 (Donghui Town, Guangzhou)	177,588	444,943	111,973	92,334	656	—	—	August 2012	December 2013	December 2016	332,970
廣州金色悦府 (Jinse Yuefu, Guangzhou)	84,226	381,835	63,591	63,591	—	—	—				—
廣州新光城市花園 (Xinguang City Garden, Guangzhou)	364,651	591,662	181,629	179,497	1,160	—	—	December 2012	December 2013	December 2016	410,033
清遠萬科城 (Dream Town, Qingyuan)	1,219,451	2,438,901	354,190	334,070	7,917	—	—	July 2011	November 2013	December 2015	336,662
清遠萬科華府 (Vanke Huafu, Qingyuan)	79,336	316,002	72,413	72,309	—	—	—	September 2011	October 2012	March 2016	243,589
佛山金域藍灣 (The Paradiso, Foshan)	221,035	564,251	344,725	339,679	4,289	—	—	March 2012	September 2012	April 2014	219,526
佛山金融C區B23-24地塊 (Land Lot B23-24 Finance District C, Foshan)	188,996	793,784	—	—	—	—	—				—
佛山金色領域廣場 (Respecte Chateau Plaza, Foshan)	47,254	354,404	—	—	—	—	—	December 2013	August 2014	May 2015	95,611
佛山繽紛四季 (Binfen Siji, Foshan)	156,840	429,527	302,655	297,295	860	—	—	December 2011	March 2014	May 2014	126,872
佛山天傲灣 (Tianaowan Project, Foshan)	30,382	74,335	58,373	28,889	29,483	—	—	February 2014	November 2019	November 2014	15,962
佛山F06項目 (F06 Project, Foshan)	113,224	452,880	—	—	—	—	—				—
佛山萬科廣場 (Vanke Plaza, Foshan)	114,429	555,819	—	—	—	—	—	March 2013	June 2013	June 2014	161,978
佛山萬科城 (Dream Town, Foshan)	337,544	776,350	296,377	288,013	6,132	—	—	December 2012	November 2013	June 2014	348,236
佛山金域國際 (Jinyu International, Foshan)	89,009	373,820	11,710	10,178	1,532	—	—	July 2012	December 2012	December 2014	245,591
珠海魅力之城 (Glamorous City, Zhuhai)	137,061	274,122	328	—	328	—	—	March 2012	March 2012	July 2016	171,459
珠海城市花園 (City Garden, Zhuhai)	63,233	189,684	51,863	51,333	—	—	—	December 2011	December 2011	September 2015	137,821
中山金色家園 (Golden Home, Zhongshan)	255,623	789,453	141,613	141,613	—	—	—	May 2013	December 2013	December 2015	174,265
中山柏悦灣 (Le Bonheur, Zhongshan)	251,900	469,359	—	—	—	—	—	May 2013	December 2013	December 2015	70,333
中山青溪路項目 (Qingxi Road Project, Zhongshan)	143,852	429,779	—	—	—	—	—				—
廈門湖心島 (Heart of Lake, Xiamen)	95,098	199,710	55,357	55,357	—	—	—	March 2011	June 2011	June 2017	74,068
廈門金域華府 (King Metropolis, Xiamen)	102,427	446,842	141,454	135,300	—	2,808	—	May 2011	July 2011	December 2017	305,388
廈門萬科廣場 (Vanke Plaza, Xiamen)	137,934	710,000	—	—	—	—	—	March 2013	July 2013	December 2016	222,670
廈門海滄萬科城 (Dream Town, Haicang, Xiamen)	189,752	517,690	—	—	—	—	—	March 2012	June 2012	December 2016	341,104
泉州萬科城 (Dream Town, Quanzhou)	136,741	478,591	—	—	—	—	—	July 2013	November 2013	January 2017	156,465
漳州萬科城 (Dream Town, Zhangzhou)	235,606	805,195	—	—	—	—	—				—
福州金域榕郡 (Jinyu Rongjun, Fuzhou)	166,736	383,296	324,098	323,853	—	—	—	August 2013	November 2013	June 2016	21,396
福州萬科廣場 (Vanke Plaza, Fuzhou)	93,360	443,107	259,347	259,047	300	—	—	January 2012	January 2014	June 2017	183,760
福州金域花園 (Jinyu Garden, Fuzhou)	25,397	130,795	—	—	—	—	—	April 2012	November 2013	December 2015	130,795
莆田萬科城 (Dream Town, Putian)	250,708	530,972	148,303	108,145	2,299	—	—	September 2012	January 2014	December 2016	382,669
長沙白鷺郡 (Heron Hill, Changsha)	100,351	298,502	—	—	—	—	—	September 2013	November 2013	November 2016	214,353
長沙金域國際 (Jiyu International, Changsha)	159,393	585,845	—	—	—	—	—				—
長沙梅溪湖 (Meixihu, Changsha)	129,323	311,937	—	—	—	—	—				—

Under Development				Held for future development			Development costs					
Pre-sold GFA(6)	Unsold GFA	GFA Held for investment	GFA Held for own use	Estimated Construction Schedule(7)	Total GFA(8)	Land Use Rights Not Yet Obtained(9)	Incurred Development costs(10)	Est. Future Development Costs(10)	Ownership interests	Total Value (Sum of Capital Value and Capital Value for reference)	Total Value Attributable	Ref. to Property Nos.
(sq.m)	*(sq.m)*	*(sq.m)*	*(sq.m)*		*(sq.m.)*	*(sq.m.)*	*(in RMB million)*	*(in RMB million)*	*(%)*	*(in RMB million)*	*(in RMB million)*	
—	10,420	—	—		—	—	1,751.2	486.0	100%	3,583.0	3,583.0	1, 83
—	—	—	—	May 2015	219,967	—	1,839.5	3,931.0	100%	2,860.0	2,860.0	249
—	—	—	—	September 2014	1,335,510	394,044	5,436.7	11,569.7	100%	5,600.0	5,600.0	351
120,335	30,661	—	—		—	—	1,310.6	278.3	100%	1,917.0	1,917.0	84
143,063	5,637	—	—		—	—	987.7	583.3	100%	1,680.0	1,680.0	85
56,667	3,933	—	—		—	—	601.5	595.3	100%	736.0	736.0	86
81,350	96,354	100,000	—		—	—	2,048.3	1,144.7	100%	2,905.0	2,905.0	87, 384
91,213	34,729	—	—		—	—	1,348.0	964.0	50%	1,846.0	923.0	88
67,238	55,664	—	—	July 2014	325,706	—	3,109.6	2,082.2	60%	3,917.0	2,350.2	89, 250
89,169	2,766	—	—	August 2014	240,115	—	3,736.0	1,629.9	65%	4,218.0	2,741.7	2, 90, 251, 385
—	—	—	—	December 2014	250,600	66,644	1,766.0	2,354.3	100%	1,779.0	1,779.0	352
90,510	7,664	—	—	July 2014	825,507	—	1,221.8	6,392.3	67%	1,821.0	1,220.1	91, 252, 386
23,220	95,946	—	—	December 2014	104,048	—	2,528.2	1,449.8	100%	3,827.0	3,827.0	3, 92, 253
153,738	83,490	—	—		—	—	865.5	743.2	51%	1,031.0	525.8	4, 93
149,985	18,917	—	—		—	—	745.2	216.3	51%	952.0	485.5	5, 94
112,181	1,487	—	—		—	—	800.8	77.4	51%	1,110.0	566.1	6, 95
31,735	73,681	—	—		—	—	620.3	161.5	51%	798.0	407.0	96
—	—	—	—	April 2014	784,136	—	3,283.4	3,181.1	60%	3,453.0	2,071.8	254
39,682	102,388	61,017	—		—	—	2,276.2	400.5	100%	2,752.0	2,752.0	7, 97, 387
103,533	36,574	—	—		—	—	999.3	89.0	100%	1,654.0	1,654.0	8, 98
4,963	83,052	—	—		—	—	1,806.5	416.6	100%	2,173.0	2,173.0	99
—	—	—	—	June 2014	30,706	7,141	621.7	434.4	100%	632.0	632.0	353
131,548	200,668	—	—		—	—	2,427.2	1,096.9	55%	3,253.0	1,789.2	9, 100
—	—	—	—	June 2014	318,244	59,720	693.6	2,565.0	100%	1,007.0	1,007.0	10, 354
129,056	260,098	—	—		—	—	3,394.9	711.7	100%	4,698.0	4,698.0	11, 101
276,743	47,898	—	—	May 2014	1,748,049	—	1,783.9	6,359.0	100%	2,057.0	2,057.0	12, 102, 255
60,410	180,626	—	—		—	—	610.0	686.1	100%	745.6	745.6	13, 103
194,328	25,198	—	—		—	—	1,228.5	522.3	55%	2,809.0	1,545.0	14, 104
—	—	—	—	August 2014	793,784	—	3,238.6	4,999.4	100%	3,541.0	3,541.0	256
—	95,611	—	—	July 2014	258,793	—	846.6	2,021.9	50%	1,054.0	527.0	105, 257
113,605	13,267	—	—		—	—	806.1	115.8	100%	1,156.0	1,156.0	15, 106
—	15,962	—	—		—	—	606.9	177.2	50%	1,179.0	589.5	16, 107
—	—	—	—	August 2014	452,880	—	1,705.2	2,604.3	50%	1,920.0	960.0	258
72,061	89,917	—	—	July 2014	393,841	—	2,567.6	3,202.4	88%	3,320.0	2,921.6	108, 259
120,637	222,617	—	—	January 2015	131,737	—	1,186.7	1,927.7	100%	1,375.0	1,375.0	17, 109, 260
47,189	198,402	—	—	August 2014	116,519	—	2,185.2	1,599.4	51%	2,871.0	1,464.2	18, 110, 261
82,124	86,535	—	—	April 2014	102,335	—	936.4	1,028.3	100%	1,125.0	1,125.0	19, 111, 262
93,436	40,091	—	—		—	—	619.2	164.9	51%	918.0	468.2	112
51,934	122,331	—	—	June 2014	473,575	—	661.3	2,432.9	100%	827.0	827.0	113, 263
30,658	39,674	—	—	June 2014	399,026	—	1,227.1	1,592.7	65%	1,413.0	918.5	114, 264
—	—	—	—	June 2014	429,779	—	625.1	1,480.3	75%	863.0	647.3	265
15,609	57,331	—	—	June 2015	70,285	—	1,871.6	1,703.8	100%	2,437.0	2,437.0	20, 115, 266
226,178	46,802	29,851	—		—	—	1,483.8	1,001.1	100%	2,473.0	2,473.0	116, 388
112,272	110,123	—	—	January 2015	487,330	—	1,716.0	3,624.3	100%	2,302.0	2,302.0	117, 267
304,285	36,087	—	—	April 2014	176,586	—	2,070.5	1,841.4	40%	3,566.0	1,426.4	118, 268
91,299	61,062	—	—	June 2014	322,126	90,307	1,291.1	2,069.7	60%	1,552.0	931.2	119, 355
—	—	—	—	July 2014	805,195	235,606	1,563.6	3,689.1	40%	1,948.0	779.2	356
9,908	11,488	—	—	June 2014	37,802	—	902.3	220.0	100%	947.0	947.0	21, 120, 269
76,425	73,941	7,079	—		—	—	2,264.9	747.1	100%	2,486.0	2,486.0	22, 121, 389
91,853	37,196	—	—		—	—	1,178.1	281.9	60%	1,911.0	1,146.6	122
338,054	41,549	—	—		—	—	2,008.1	897.9	80%	2,610.0	2,088.0	23, 123
103,057	106,949	—	—	June 2014	84,149	—	951.0	822.4	100%	1,305.0	1,305.0	124, 270
—	—	—	—	June 2014	585,845	—	1,570.4	2,223.6	51%	1,640.0	836.4	271
—	—	—	—	July 2014	311,937	129,323	1,037.6	1,445.6	100%	1,040.0	1,040.0	357

Project Name	Site Area[1]	Total planned GFA	Completed: Total GFA[3]	GFA Sold and Recognized	Saleable GFA[4]	GFA Held for investment	GFA Held for own use	Under Development — Estimated Construction Schedule: Date of commencement[7]	Estimate/Actual Date of Pre-Sales[7]	Estimated Date of Completion[7]	Total GFA[5]
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*				*(sq.m)*
長沙萬科城 (Dream Town, Changsha)	206,251	481,034	292,452	288,647	417	—	—	April 2012	September 2012	January 2015	188,582
長沙紫台 (Zitai, Changsha)	108,093	270,963	—	—	—	—	—	November 2012	October 2013	July 2016	97,977
三亞森林度假公園 (Forest Holiday Park, Sanya)	942,745	470,814	161,040	135,003	710	—	—	July 2012	March 2013	November 2015	100,996
三亞湖畔度假公園 (Lakeside Holiday Park, Sanya)	416,578	423,315	—	—	—	—	—	December 2011	October 2012	November 2014	180,331
Shanghai Region											
上海海上傳奇 (Haishang Chuanqi, Shanghai)	140,981	310,159	83,780	83,654	—	—	—	November 2012	March 2014	June 2015	89,230
上海金色城市 (Golden City, Shanghai)	264,646	549,046	296,741	296,741	—	—	—	September 2012	November 2013	June 2015	68,389
上海翡翠濱江 (Feicui Binjiang Project, Shanghai)	58,550	175,990	—	—	—	—	—	June 2011	June 2014	December 2016	175,990
上海濱江項目 (Bingjiang Project, Shanghai)	31,617	79,042	—	—	—	—	—				—
上海城花新園 (New City Garden, Shanghai)	269,476	401,070	214,336	206,205	8,131	—	—	June 2011	December 2013	December 2014	83,521
上海虹橋商務區核心區一期03號地塊南塊 (Southern portion of Land Lot No. 03, Shanghai Hongqiao Business District Core District Phase I)	32,177	110,462	—	—	—	—	—	November 2012	May 2013	May 2015	110,462
上海虹橋11號項目 (Project No. 11, Hongqiao, Shanghai)	112,864	177,885	—	—	—	—	—	April 2013	December 2013	June 2016	131,714
上海萬科城 (Dream Town, Shanghai)	210,615	501,833	—	—	—	—	—	January 2013	September 2013	June 2016	501,833
上海南站商務區地塊 (Nanzhan Business District Land Lot, Shanghai)	107,486	493,447	—	—	—	—	—	December 2013	June 2014	June 2015	105,988
上海松江商務區14# (14# Songjiang Business District, Shanghai)	57,734	143,220	—	—	—	—	—	August 2013	March 2014	November 2015	143,220
南通金域藍灣 (The Paradiso, Nantong)	99,910	218,650	118,956	117,717	1,239	—	—	April 2012	November 2012	December 2014	99,694
南通任港路地塊 (Rengang Road Land Lot, Nantong)	53,277	141,700	—	—	—	—	—	April 2013	September 2013	October 2015	141,700
南京金域藍灣 (The Paradiso, Nanjing)	272,298	545,280	294,595	280,315	14,280	—	—	November 2013	March 2014	June 2016	250,685
南京金色領域 (Respecte Chateau, Nanjing)	91,751	201,828	62,425	62,425	—	—	—	November 2012	May 2013	December 2014	139,403
南京金色半山 (Golden Hill, Nanjing)	62,291	98,694	—	—	—	—	—	March 2013	March 2014	November 2014	98,694
南京九都薈 (Jiuduhui, Nanjing)	126,058	314,741	—	—	—	—	—	January 2014	December 2013	August 2016	90,850
鎮江藍山花園 (Blue Mountain Garden, Zhenjiang)	285,683	416,285	95,628	83,317	8,716	—	—	August 2013	November 2013	November 2014	26,642
蘇州玲瓏灣 (Nimble Bay, Suzhou)	384,042	835,281	736,614	732,255	4,359	—	—	August 2012	May 2013	December 2014	98,667
蘇州金域緹香 (Golden Paradise, Suzhou)	47,177	118,027	118,027	63,332	352	33,908	20,435				—
蘇州萬科城 (Dream Town, Suzhou)	144,535	361,338	—	—	—	—	—	December 2012	December 2013	December 2015	181,891
蘇州VC小鎮 (VC Small Town, Suzhou)	138,601	415,804	—	—	—	—	—	December 2013	December 2013	September 2015	55,730
昆山魅力花園 (Glamorous Garden, Kunshan)	309,217	773,042	—	—	—	—	—	December 2012	March 2014	December 2015	314,192
無錫魅力之城 (Glamorous City, Wuxi)	962,116	1,346,963	1,042,113	1,005,008	14,740	—	—	November 2011	August 2012	June 2015	158,098
無錫金域藍灣 (The Paradiso, Wuxi)	154,468	386,170	162,875	160,657	2,131	—	—	March 2013	May 2013	June 2015	53,607
無錫信成道 (Xincheng Road, Wuxi)	154,119	385,299	36,709	32,890	1,176	—	—	April 2011	May 2013	May 2016	187,519
無錫金域緹香 (Golden Paradise,Wuxi)	224,118	620,713	285,832	266,061	11,801	—	—	June 2012	October 2012	December 2016	172,545
揚州萬科城 (Dream Town, Yangzhou)	297,139	313,970	101,636	101,071	565	—	—	January 2014	February 2014	December 2015	132,385
徐州萬科城 (Dream Town, Xuzhou)	396,349	716,021	—	—	—	—	—	March 2013	August 2013	March 2017	320,083
徐州淮海西路項目 (Huaihai West Road Project, Xuzhou)	226,775	810,587	—	—	—	—	—				—
杭州良渚文化村 (Liangzhu Cultural Village, Hangzhou)	3,108,146	2,361,628	978,606	748,937	25,858	10,783	49,634	September 2011	August 2012	October 2015	500,183
杭州北宸之光 (Beichenzhiguang, Hangzhou)	115,683	293,409	—	—	—	—	—	March 2013	March 2014	December 2016	293,409
杭州西廬 (Xilu, Hangzhou)	80,140	151,996	—	—	—	—	—	May 2013	November 2013	December 2015	151,996
杭州草莊 (Caozhuang, Hangzhou)	45,709	89,644	34,294	23,183	10,058	—	—	November 2012	March 2013	September 2014	55,350
杭州紫台 (Zitai, Hangzhou)	46,069	110,566	—	—	—	—	—	February 2013	June 2013	May 2015	110,566
杭州錢江新城 (Qinjiang New Town, Hangzhou)	21,915	76,703	—	—	—	—	—				—
杭州璞悅灣 (Puyuewan, Hangzhou)	66,521	166,204	—	—	—	—	—	July 2013	March 2014	June 2016	166,204
杭州公望 (Gongwang, Hangzhou)	517,900	208,981	82,489	81,624	865	—	—	August 2010	September 2011	December 2014	14,516
寧波雲鷺灣 (Yunluwan, Ningbo)	314,208	394,764	75,367	57,178	14,182	—	—	December 2012	November 2013	June 2014	164,608
寧波金域國際 (Jinyu International, Ningbo)	41,080	73,940	—	—	—	—	—	March 2013	June 2013	December 2014	73,940
寧波江東府 (Jiangdong Mansion, Ningbo)	66,833	133,666	—	—	—	—	—	November 2013	August 2014	December 2015	133,666
寧波公園里 (Park Avenue, Ningbo)	48,004	105,609	—	—	—	—	—	December 2013	June 2014	December 2015	105,609
溫州龍灣花園 (Longwan Golden, Wenzhou)	125,219	179,733	90,424	67,036	22,576	—	—	January 2013	January 2014	June 2015	89,309
溫州金域中央 (Jinyuzhongyang, Wenzhou)	53,765	144,939	—	—	—	—	—	April 2013	December 2013	December 2014	144,939
合肥萬科城 (Dream Town, Hefei)	107,220	375,272	116,058	77,373	1,195	—	—	November 2013	March 2014	December 2015	172,609
合肥藍山花園 (Blue Mountain Garden, Hefei)	165,584	463,635	19,684	19,412	272	—	—	March 2014	March 2014	December 2016	258,198
合肥森林公園 (Forest Park, Hefei)	516,459	1,394,439	—	—	—	—	—	November 2013	March 2014	March 2016	251,893
蕪湖萬科城 (Dream Town, Wuhu)	274,404	493,926	160,214	139,038	18,551	—	—	August 2013	December 2013	August 2015	117,998
南昌萬科城 (Dream Town, Nanchang)	299,708	417,362	69,435	69,020	415	—	—	September 2012	December 2013	June 2014	195,413
南昌海上傳奇 (Haishang Chuanqi, Nanchang)	163,213	355,802	—	—	—	—	—	July 2013	March 2014	December 2014	211,436
南昌時代廣場項目 (Times Plaza, Nanchang)	83,846	293,461	—	—	—	—	—				—
Beijing Region											
北京如園C3 (Ruyuan C3, Beijing)	33,745	79,306	43,458	41,178	2,034	—	—	August 2012	November 2012	December 2014	35,848
北京大都會 (The Metropolis, Beijing)	5,329	36,465	36,465	25,984	6,985	—	—				—

Under Development				Held for future development			Development costs					
Pre-sold GFA[(6)]	Unsold GFA	GFA Held for investment	GFA Held for own use	Estimated Construction Schedule[(7)]	Total GFA[(8)]	Land Use Rights Not Yet Obtained[(9)]	Incurred Development costs[(10)]	Est. Future Development Costs[(10)]	Ownership interests	Total Value (Sum of Capital Value and Capital Value for reference)	Total Value Attributable	Ref. to Property Nos.
(sq.m)	*(sq.m)*	*(sq.m)*	*(sq.m)*		*(sq.m.)*	*(sq.m.)*	*(in RMB million)*	*(in RMB million)*	*(%)*	*(in RMB million)*	*(in RMB million)*	
145,074	43,508	—	—		—	—	626.1	394.4	70%	808.0	565.6	24, 125
6,401	91,577	—	—	October 2014	172,986	—	718.2	1,682.0	70%	1,500.0	1,050.0	126, 272
35,514	63,026	—	—	October 2014	208,778	—	1,291.7	3,941.3	65%	2,031.0	1,320.2	25, 127, 273
50,320	119,071	—	—	September 2014	242,984	—	2,589.0	3,334.0	80%	3,417.0	2,733.6	128, 274
50,914	38,316	—	—	December 2014	137,149	—	2,135.0	1,571.6	60%	3,089.0	1,853.4	26, 129, 275
16,978	51,411	—	—	June 2014	183,916	—	1,973.1	1,561.8	60%	2,643.0	1,585.8	130, 276, 390
—	126,059	47,201	—		—	—	5,284.0	2,313.0	75%	6,692.0	5,019.0	131, 391
—	—	—	—	June 2014	79,042	—	1,207.7	1,484.8	100%	1,994.0	1,994.0	277
51,928	30,858	—	—	June 2014	103,213	—	1,357.5	813.7	51%	2,424.0	1,236.2	27, 132, 278
—	—	110,462	—		—	—	2,015.0	1,403.9	50%	2,553.0	1,276.5	392
37,883	86,225	6,653	—	June 2014	46,171	—	2,695.6	1,281.1	61%	3,345.0	2,040.5	133, 279, 393
165,093	336,740	—	—		—	—	4,691.5	2,092.7	70%	5,427.0	3,798.9	134
—	105,988	—	—	July 2014	387,459	83,933	5,893.8	7,107.4	51%	6,796.0	3,466.0	135, 358
49,329	93,891	—	—		—	—	1,262.5	640.1	60%	1,891.0	1,134.6	136
32,489	67,205	—	—		—	—	739.3	204.1	55%	845.0	464.8	28, 137
20,093	119,207	—	—		—	—	643.7	354.3	100%	709.0	709.0	138
141,729	108,956	—	—		—	—	2,336.1	3,605.7	100%	2,348.0	2,348.0	29, 139
138,020	129	—	—		—	—	1,289.6	802.1	100%	1,599.0	1,599.0	140
88,420	10,274	—	—		—	—	746.2	195.7	100%	836.0	836.0	141
17,233	73,617	—	—	June 2014	223,891	—	2,248.8	2,117.6	80%	2,684.0	2,147.2	142, 280
10,834	15,808	—	—	September 2014	294,015	—	1,136.1	1,708.5	60%	1,406.0	843.6	30, 143, 281
59,550	39,117	—	—		—	—	647.9	618.6	70%	1,264.0	884.8	31, 144
—	—	—	—		—	—	884.5	—	100%	1,196.0	1,196.0	32, 394, 403
117,788	64,103	—	—	June 2014	179,447	—	2,002.4	1,407.9	55%	2,463.0	1,354.7	145, 282
15,135	40,595	—	—	June 2014	360,074	—	2,240.6	1,820.3	51%	2,580.0	1,315.8	146, 283
231,443	82,749	—	—	June 2014	458,850	—	1,423.2	3,560.3	92%	1,915.0	1,761.8	147, 284
121,466	31,612	—	—	June 2014	146,752	—	1,351.4	1,605.4	60%	2,951.0	1,770.6	33, 148, 285
24,032	29,575	—	—	November 2014	169,688	—	958.3	1,544.4	100%	1,521.0	1,521.0	34, 149, 286
71,915	114,922	—	—	June 2014	161,071	—	2,588.5	1,206.5	100%	2,894.0	2,894.0	35, 150, 287
90,256	77,951	—	—	April 2014	162,336	—	1,671.8	1,389.3	100%	2,426.0	2,426.0	36, 151, 288
94,136	34,861	—	—	June 2014	79,949	—	1,045.9	876.7	65%	1,300.0	845.0	37, 152, 289
282,592	37,491	—	—	June 2014	395,938	—	1,014.7	3,830.5	100%	1,227.0	1,227.0	153, 290
—	—	—	—	June 2014	810,587	122,330	1,945.0	5,742.9	85%	2,216.0	1,883.6	291, 359
220,639	240,791	—	—	March 2015	882,839	—	6,171.6	9,523.2	100%	7,955.0	7,955.0	38, 154, 292, 395, 404
111,100	178,655	—	—		—	—	1,708.4	1,423.9	50%	2,074.0	1,037.0	155
22,897	126,805	—	—		—	—	1,640.9	930.7	51%	2,015.0	1,027.7	156
48,710	2,208	—	—		—	—	1,076.3	111.4	100%	1,256.0	1,256.0	39, 157
40,642	68,041	—	—		—	—	1,060.8	488.7	100%	1,321.0	1,321.0	158
—	—	—	—	September 2014	76,703	21,915	1,447.5	936.0	100%	1,816.0	1,816.0	360
28,702	134,918	—	—		—	—	1,665.7	910.7	60%	2,008.0	1,204.8	159
3,664	10,853	—	—	March 2015	111,976	—	993.2	912.2	100%	3,085.0	3,085.0	40, 160, 293
65,033	86,162	—	—	November 2014	154,789	72,580	2,844.4	1,019.1	100%	3,185.0	3,185.0	41, 161, 294, 361
53,397	16,954	—	—		—	—	760.5	86.3	55%	835.0	459.3	162
—	131,340	—	—		—	—	1,603.0	910.4	100%	1,835.0	1,835.0	163
—	102,805	—	—		—	—	1,087.1	617.2	77%	1,182.0	905.2	164
47,916	40,211	—	—		—	—	2,521.2	1,625.0	60%	2,877.0	1,726.2	42, 165
102,165	40,746	—	—		—	—	1,959.1	673.8	60%	2,591.0	1,554.6	166
134,566	37,997	—	—	April 2014	86,605	—	1,261.6	776.1	55%	1,715.0	943.3	43, 167, 295
166,502	90,906	—	—	August 2014	185,753	—	1,593.6	1,494.1	55%	2,264.0	1,245.2	44, 168, 296
201,889	40,281	—	—	May 2014	1,142,546	424,903	4,205.8	6,282.5	100%	5,555.0	5,555.0	169, 362
75,668	34,086	—	—	February 2015	215,714	—	1,176.7	1,338.8	100%	1,491.0	1,491.0	45, 170, 297
167,607	27,806	—	—	June 2014	152,514	—	1,102.2	721.9	33%	1,642.0	533.7	46, 171, 298
45,364	166,072	—	—	July 2014	144,366	—	822.5	1,358.0	50%	1,125.0	562.5	172, 299
—	—	—	—	June 2014	293,461	—	1,200.8	1,802.7	30%	1,297.0	389.1	300
31,309	4,479	—	—		—	—	1,030.5	228.6	50%	1,206.0	603.0	47, 173
—	—	—	—		—	—	617.9	—	100%	900.0	900.0	48

Project Name			Completed					Under Development			
								Estimated Construction Schedule			
	Site Area[1]	Total planned GFA	Total GFA[3]	GFA Sold and Recognized	Saleable GFA[4]	GFA Held for investment	GFA Held for own use	Date of commencement[7]	Estimate/Actual Date of Pre-Sales[7]	Estimated Date of Completion[7]	Total GFA[5]
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*				*(sq.m)*
北京北河沿甲77號 (No. 77 Beihe Yanjia, Beijing)	4,103	14,372	14,372	—	14,372	—	—				—
北京公園里005、008、009號地塊 (Land Lots 005, 008, 009 Park Avenue, Beijing)	61,717	124,579	—	—	—	—	—				—
北京金域華府 (King Metropolis, Beijing)	198,007	559,214	192,966	188,017	—	—	—	May 2012	September 2013	December 2015	199,777
北京雲灣家園 (Yunwan Jiayuan, Beijing)	61,567	157,984	23,909	20,358	—	—	—	May 2011	July 2012	May 2014	127,721
北京幸福匯 (Xingfuhui, Beijing)	71,912	137,777	35,553	32,688	82	—	—	June 2012	September 2012	April 2016	102,224
北京金域緹香 (Golden Paradise, Beijing)	65,967	156,993	—	—	—	—	—	September 2012	September 2013	December 2015	150,850
北京金域公園 (Jinyu Park, Beijing)	27,528	55,056	—	—	—	—	—	February 2012	October 2014	December 2014	55,056
北京朗潤園 (Spring Dew Mansion, Beijing)	67,650	173,215	—	—	—	—	—	July 2012	April 2013	July 2016	173,215
北京金域東郡 (Eastern Metropolis, Beijing)	57,826	144,564	—	—	—	—	—	July 2013	December 2013	May 2016	144,564
北京萬科橙 (Vanke Cheng, Beijing)	43,446	155,207	—	—	—	—	—	October 2013	March 2014	May 2016	155,207
北京首開萬科中心 (Shoukai Vanke Centre, Beijing)	41,092	122,923	—	—	—	—	—				—
天津東麗湖 (Waterfront, Tianjin)	2,708,886	1,763,059	898,212	866,539	29,711	1,962	—	September 2012	September 2012	September 2016	159,617
天津金域華府 (King Metropolis, Tianjin)	221,217	357,818	—	—	—	—	—	September 2012	December 2012	March 2016	148,847
天津四季花城 (Wonderland, Tianjin)	409,703	502,892	—	—	—	—	—	July 2013	September 2013	August 2018	243,679
天津海港城 (Harbor, Tianjin)	149,483	372,910	152,251	149,612	2,639	—	—	August 2011	February 2012	October 2016	104,438
天津東海岸 (East Coast, Tianjin)	255,311	377,516	—	—	—	—	—	February 2012	July 2012	December 2014	24,157
天津梅江柏翠園 (Park Residence, Meijiang, Tianjin)	62,205	124,410	—	—	—	—	—	May 2013	May 2014	April 2016	61,969
瀋陽萬科城 (Dream Town, Shenyang)	361,320	868,373	783,358	752,187	—	30,747	—	March 2012	September 2012	April 2014	85,015
瀋陽鹿特丹 (Rotterdam, Shenyang)	120,333	360,999	67,083	65,292	809	—	—	July 2011	March 2012	December 2016	156,538
瀋陽金域藍灣 (The Paradiso, Shenyang)	226,356	601,439	414,396	412,970	923	—	—	June 2012	March 2014	November 2014	187,043
瀋陽明天廣場 (Shenyang Tomorrow City)	199,319	597,957	89,725	65,129	3,754	—	—	April 2011	June 2012	December 2015	255,769
瀋陽柏翠園 (Park Residence, Shenyang)	83,229	290,681	121,271	109,709	10,555	—	—	July 2012	August 2012	December 2017	140,400
瀋陽春河里 (Chunheli, Shenyang)	81,379	431,232	76,484	73,673	2,087	—	—	March 2012	May 2012	December 2015	146,606
瀋陽惠斯勒小鎮 (Whistler, Shenyang)	285,599	286,141	60,703	21,641	37,555	—	—				—
瀋陽香湖盛景苑南區 (Lakeside Grand View South, Shenyang)	135,464	304,520	8,816	2,390	6,426	—	—				—
瀋陽公園大道 (Park Avenue, Shenyang)	169,774	407,374	—	—	—	—	—	May 2013	June 2013	December 2015	134,642
瀋陽假日風景 (Holiday Views, Shenyang)	200,000	475,936	—	—	—	—	—				—
撫順金域藍灣 (The Paradiso, Fushun)	300,150	1,034,003	118,909	87,744	24,743	—	—	May 2011	December 2013	April 2014	31,512
鞍山惠斯勒小鎮 (Whistler Town, Anshan)	381,994	656,902	263,494	257,708	3,452	—	—	June 2013	October 2013	October 2015	63,539
大連朗潤園 (Spring Dew Mansion, Dalian)	118,506	229,822	—	—	—	—	—	June 2012	June 2013	October 2015	229,822
大連西山項目 (Xishan Project, Dalian)	90,404	91,308	—	—	—	—	—	August 2012	July 2013	October 2016	91,308
大連藍山 (Blue Mountain, Dalian)	125,100	214,470	—	—	—	—	—	April 2013	February 2014	October 2015	134,095
大連海港城 (Habor, Dalian)	581,172	968,300	101,621	84,476	17,145	—	—	November 2011	August 2013	September 2015	196,265
大連櫻花園 (Cherry Blossom Garden, Dalian)	192,248	363,349	—	—	—	—	—	April 2012	June 2013	June 2015	105,445
大連萬科城 (Dream Town, Dalian)	284,806	620,607	—	—	—	—	—	March 2013	July 2013	August 2016	237,085
長春藍山 (Blue Mountain, Changchun)	228,670	501,678	266,931	245,289	—	20,880	—	March 2011	May 2013	December 2015	149,451
長春萬科城 (Dream Town, Changchun)	350,965	1,068,964	124,574	121,770	2,804	—	—	April 2013	November 2013	June 2016	156,225
長春柏翠園 (Park Residence, Changchun)	267,981	503,349	165,142	154,694	6,136	—	—	May 2012	July 2013	October 2015	114,422
吉林萬科城 (Dream Town, Jilin)	728,139	2,001,721	427,316	413,463	8,019	—	—	May 2012	November 2013	December 2015	358,275
青島玫瑰里 (Rose Lane, Qingdao)	330,493	540,307	—	—	—	—	—	April 2013	August 2013	September 2015	171,210
青島萬科城 (Dream Town, Qingdao)	154,607	392,904	239,482	228,862	6,327	—	—	June 2011	December 2012	December 2014	65,527
青島福州路萬科中心 (Vanke Centre, Fuzhou Road, Qingdao)	38,775	123,703	—	—	—	—	—	May 2013	November 2013	December 2016	123,703
青島紫台 (Zitai, Qingdao)	48,034	146,792	—	—	—	—	—				—
青島東郡 (Qingdao Dongjun)	196,446	430,183	—	—	—	—	—	September 2012	October 2012	June 2015	179,987
煙台海雲台 (Haiyuntai, Yantai)	311,614	444,000	113,986	89,349	15,050	—	—	October 2012	July 2013	June 2015	74,713
煙台假日風景 (Holiday Views, Yantai)	190,281	362,813	153,787	148,541	4,771	—	—	March 2012	June 2012	September 2014	63,574
煙台毓龍山 (Yulongshan, Yantai)	325,949	615,200	—	—	—	—	—	January 2013	December 2013	September 2015	108,733
濟南金域國際 (Jinyu International, Jinan)	121,806	408,346	—	—	—	—	—	May 2012	November 2012	September 2016	219,610
濟南新里程 (New Milestone, Jinan)	113,130	316,767	—	—	—	—	—				—
太原紫台 (Zitai, Taiyuan)	95,687	334,330	136,224	127,629	5,472	—	—	March 2013	July 2013	August 2014	198,106
太原藍山 (Blue Mountain, Taiyuan)	198,392	693,540	—	—	—	—	—	November 2012	May 2013	May 2015	141,521
晉中朗潤園 (Spring Dew Mansion, Jinzhong)	218,143	476,007	105,911	103,309	374	—	—	March 2013	March 2013	October 2014	218,490
Chengdu Region											
成都萬科鑽石廣場 (Vanke Diamond Plaza, Chengdu)	15,404	92,422	—	—	—	—	—	February 2012	June 2012	June 2014	92,422
成都萬科華茂廣場 (Vanke Huamao Plaza, Chengdu)	29,720	208,037	—	—	—	—	—	July 2013	July 2013	June 2016	208,037
成都金色樂府音樂廣場 (Jinse Yuefu Music Plaza, Chengdu)	152,852	759,036	—	—	—	—	—	December 2013	January 2014	November 2017	268,896
成都五龍山公園 (Wulong Mountain Garden, Chengdu)	345,168	356,503	251,541	223,652	27,889	—	—	January 2013	June 2013	December 2014	104,962
成都金域緹香 (Jinyu Tixiang, Chengdu)	111,166	329,000	—	—	—	—	—	October 2013	January 2014	August 2016	108,315
成都金色城市 (Golden City, Chengdu)	72,102	288,410	—	—	—	—	—	April 2013	August 2013	June 2016	148,388
成都金色城品 (Aureate City, Chengdu)	47,245	141,642	—	—	—	—	—	June 2013	August 2013	December 2015	141,642
成都海悅匯城 (Haiyue Huicheng, Chengdu)	104,307	524,843	206,007	195,859	10,148	—	—	July 2012	September 2013	October 2015	318,836

Under Development				Held for future development			Development costs					
Pre-sold GFA[6]	Unsold GFA	GFA Held for investment	GFA Held for own use	Estimated Construction Schedule[7]	Total GFA[8]	Land Use Rights Not Yet Obtained[9]	Incurred Development costs[10]	Est. Future Development Costs[10]	Ownership interests	Total Value (Sum of Capital Value and Capital Value for reference)	Total Value Attributable	Ref. to Property Nos.
(sq.m)	*(sq.m)*	*(sq.m)*	*(sq.m)*		*(sq.m.)*	*(sq.m.)*	*(in RMB million)*	*(in RMB million)*	*(%)*	*(in RMB million)*	*(in RMB million)*	
—	—	—	—		—	—	813.2	—	100%	1,522.0	1,522.0	49
—	—	—	—	September 2014	124,579	61,717	1,274.3	1,856.9	50%	1,313.0	656.5	363
161,057	36,685	—	—	June 2014	166,471	—	3,619.2	3,101.3	50%	4,194.0	2,097.0	50, 174, 301
115,876	141	—	—	August 2014	6,354	—	1,652.8	115.6	50%	1,793.0	896.5	175, 302
49,934	27,943	20,155	—		—	—	812.8	367.7	68%	957.9	651.4	51, 176, 396
123,577	25,415	—	—	August 2014	6,143	—	1,242.8	580.1	40%	1,728.0	691.2	177, 303
—	54,332	—	—		—	—	906.0	197.6	51%	1,075.0	548.3	178
96,008	28,614	47,931	—		—	—	2,658.2	1,235.9	50%	3,077.0	1,538.5	179, 397
6,136	137,268	—	—		—	—	1,766.9	1,164.0	50%	2,401.0	1,200.5	180
24,871	117,538	—	—		—	—	1,291.7	1,145.7	50%	1,360.0	680.0	181
—	—	—	—	August 2014	122,923	41,092	1,189.2	2,031.6	50%	1,210.0	605.0	364
95,226	64,391	—	—	March 2015	705,230	—	1,588.4	4,111.6	100%	3,392.0	3,392.0	52, 182, 304, 398
51,339	97,508	—	—	October 2015	208,971	—	1,164.7	2,219.0	51%	1,327.0	676.8	183, 305
74,255	165,067	—	—	March 2015	259,213	235,648	1,126.3	3,020.5	51%	2,518.0	1,284.2	184, 365
91,565	12,873	—	—	June 2014	116,221	46,966	1,060.7	1,932.3	51%	1,070.0	545.7	53, 185, 366
5,287	17,870	—	—	January 2015	353,359	70,245	1,037.6	2,274.9	100%	1,248.0	1,248.0	186, 306, 367
—	61,969	—	—	November 2014	62,441	—	1,005.2	1,144.1	80%	1,760.0	1,408.0	187, 307
69,949	11,632	3,434	—		—	—	639.6	110.3	49%	1,043.0	511.1	54, 188, 399
101,032	55,506	—	—	March 2015	137,378	—	1,388.8	1,132.4	100%	1,640.0	1,640.0	55, 189, 308
91,865	95,178	—	—		—	—	857.5	629.9	100%	1,139.0	1,139.0	56, 190
68,648	187,121	—	—	April 2015	252,463	—	2,121.0	2,681.9	70%	2,562.0	1,780.6	57, 191, 309
21,053	119,346	—	—	March 2015	29,010	—	1,016.2	1,132.1	55%	1,532.0	842.6	58, 192, 310
97,529	49,077	—	—	March 2015	208,142	—	3,036.0	2,839.9	82%	3,871.0	3,174.2	59, 193, 311
—	—	—	—	March 2015	225,438	—	593.9	1,457.5	70%	824.0	576.8	60, 312
—	—	—	—	March 2016	295,704	—	799.7	1,543.9	51%	888.0	452.9	61, 313
99,769	34,873	—	—	July 2014	272,732	—	1,275.2	1,941.8	100%	1,530.0	1,530.0	194, 314
—	—	—	—	May 2014	475,936	—	705.6	2,173.4	100%	792.0	792.0	315
2,965	28,547	—	—	July 2014	883,582	—	593.5	2,234.8	100%	1,137.0	1,137.0	62, 195, 316
21,313	40,618	—	—	July 2014	329,869	—	597.8	1,969.0	100%	774.0	774.0	63, 196, 317
166,204	54,530	—	—		—	—	1,091.0	527.8	100%	1,286.0	1,286.0	197
28,490	60,734	—	—		—	—	867.6	330.2	55%	1,136.0	624.8	198
46,876	87,219	—	—	July 2014	80,375	—	1,407.3	1,060.9	100%	1,574.0	1,574.0	199, 318
28,467	167,798	—	—	April 2016	670,414	241,544	1,821.7	4,423.6	55%	2,178.0	1,197.9	64, 200, 319, 368
56,058	49,387	—	—	June 2014	257,904	7,721	1,517.4	1,590.1	71%	1,786.0	1,268.1	201, 320, 369
86,406	150,678	—	—	August 2014	383,522	16,223	1,376.0	3,153.7	100%	1,617.0	1,617.0	202, 321, 370
62,523	86,928	—	—	April 2015	85,296	—	1,312.6	645.1	100%	1,611.0	1,611.0	65, 203, 322, 400
52,377	103,848	—	—	April 2015	788,165	173,714	2,137.0	4,049.5	51%	2,498.0	1,274.0	66, 204, 323, 371
28,190	84,182	—	—	August 2015	223,785	—	1,851.9	1,502.2	100%	2,584.0	2,584.0	67, 205, 324
109,522	237,866	—	—	August 2015	1,216,130	425,369	2,259.2	6,869.6	65%	2,642.0	1,717.3	68, 206, 372
30,496	101,900	38,814	—	June 2014	369,097	66,816	1,165.2	2,592.6	51%	1,652.0	842.5	207, 325, 373, 401
65,527	—	—	—	May 2014	87,895	—	743.5	415.0	55%	1,216.0	668.8	69, 208, 326
29,109	94,594	—	—		—	—	847.1	692.3	100%	1,135.0	1,135.0	209
—	—	—	—	June 2014	146,792	48,034	927.9	1,063.0	100%	969.0	969.0	374
119,942	60,045	—	—	July 2014	250,196	84,102	742.7	1,404.8	55%	930.0	511.5	210, 327, 375
18,479	56,234	—	—	July 2015	255,301	100,920	1,646.3	1,588.8	100%	1,774.0	1,774.0	70, 211, 376
56,888	3,380	—	—	January 2015	145,452	66,469	644.8	1,118.2	70%	728.0	509.6	71, 212, 377
56,315	52,418	—	—	June 2014	506,467	217,845	2,251.0	1,528.8	51%	2,621.0	1,336.7	213, 328, 378
121,926	96,929	—	—	May 2015	188,736	—	1,849.5	1,800.3	63%	2,318.0	1,460.3	214, 329
—	—	—	—	June 2014	316,767	—	981.1	1,506.9	100%	1,026.0	1,026.0	330
134,078	60,934	—	—		—	—	989.4	584.4	51%	1,633.0	832.8	72, 215
87,885	53,636	—	—	June 2014	552,019	96,656	1,747.3	2,784.1	51%	2,302.0	1,174.0	216, 331, 379
82,836	132,678	—	—	May 2014	151,606	—	834.6	726.0	51%	1,033.0	526.8	73, 217, 332
87,381	3,406	—	—		—	—	793.0	91.7	85%	1,196.0	1,016.6	218
29,747	178,290	—	—		—	—	1,038.1	942.2	51%	1,190.0	606.9	219
43,141	224,950	—	—	March 2015	490,140	29,633	3,314.4	4,934.6	60%	4,425.0	2,655.0	220, 333, 380
51,341	53,621	—	—		—	—	1,471.1	271.0	100%	1,694.0	1,694.0	74, 221
14,508	93,350	—	—	March 2015	220,685	—	921.5	1,623.0	100%	1,056.0	1,056.0	222, 334
53,751	94,329	—	—	March 2015	140,022	—	1,252.4	1,150.5	55%	1,300.0	715.0	223, 335
45,955	95,687	—	—		—	—	650.1	506.9	55%	731.0	402.1	224
267,955	48,113	—	—		—	—	1,404.8	648.3	90%	1,942.0	1,747.8	75, 225

Project Name			Completed					Under Development			
								Estimated Construction Schedule			
	Site Area[1]	Total planned GFA	Total GFA[3]	GFA Sold and Recognized	Saleable GFA[4]	GFA Held for investment	GFA Held for own use	Date of commencement[7]	Estimate/Actual Date of Pre-Sales[7]	Estimated Date of Completion[7]	Total GFA[5]
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*				*(sq.m)*
南充金潤華府 (Jinrun Huafu, Nanchong)	182,012	518,004	2,732	2,732	—	—	—	March 2013	December 2013	May 2016	151,005
武漢漢陽國際 (Hanyang International, Wuhan)	166,817	568,974	104,983	102,710	2,195	—	—	February 2012	September 2012	December 2016	268,230
武漢萬科城 (Dream Town, Wuhan)	65,901	299,337	231,798	224,385	4,404	—	—	October 2011	September 2012	December 2014	67,539
武漢嘉園 (Jiayuan, Wuhan)	67,259	324,100	—	—	—	—	—	March 2014	June 2014	June 2016	109,767
武漢錦程 (Jincheng, Wuhan)	38,286	202,620	—	—	—	—	—	January 2014	June 2014	October 2016	21,164
武漢金域藍灣 (The Paradiso, Wuhan)	213,440	533,600	229,368	224,664	1,220	—	—	March 2013	March 2014	December 2015	304,232
武漢金色城市 (Golden City, Wuhan)	273,850	896,484	446,823	425,617	11,979	—	—	May 2012	June 2012	December 2016	449,661
武漢長征村項目 (Changzheng Village Project, Wuhan)	77,387	239,083	—	—	—	—	—	December 2013	December 2013	December 2016	239,083
重慶悅府 (Palace of Pleasure, Chongqing)	137,996	376,737	215,449	211,789	1,022	—	—	May 2012	April 2013	December 2014	161,288
重慶萬科城 (Dream Town, Chongqing)	278,167	647,378	—	—	—	—	—	November 2013	January 2014	June 2016	579,473
重慶金色悅城 (Joying Gold, Chongqing)	175,000	700,000	—	—	—	—	—	April 2013	November 2013	December 2015	331,677
重慶萬科西城 (Vanke Xicheng, Chongqing)	60,276	271,207	—	—	—	—	—	May 2013	September 2013	December 2015	142,921
西安萬科城3#地 (Land Lot 3# Dream Town, Xi'an)	113,231	352,802	—	—	—	—	—	September 2013	September 2013	December 2014	263,974
西安金域華府 (King Metropolis, Xi'an)	106,667	372,461	—	—	—	—	—	July 2013	August 2013	December 2014	301,747
西安大明宮項目 (Daminggong Project, Xi'an)	69,052	221,603	—	—	—	—	—	August 2012	September 2012	June 2015	92,820
西安金色悅城 (Joying Gold, Xi'an)	193,571	664,643	—	—	—	—	—	March 2013	March 2013	June 2015	362,459
西安金域東郡 (Eastern Metropolis, Xi'an)	175,387	686,388	—	—	—	—	—				—
鄭州萬科美景龍門龍堂 (Vanke Meijing Longmen Longtang, Zhengzhou)	79,458	351,529	—	—	—	—	—	October 2013	October 2013	September 2015	134,224
鄭州萬科美景萬科城 (Vanke Meijing Dream Town, Zhengzhou)	190,319	536,293	—	—	—	—	—	November 2013	March 2014	January 2016	335,181
貴陽大都會 (Metropolis, Guiyang)	181,236	761,189	—	—	—	—	—	December 2013	December 2013	June 2016	186,258
昆明白沙潤園 (Dew Garden, Baisha, Kunming)	192,104	247,394	86,391	80,248	4,131	—	—	February 2013	December 2013	December 2014	75,676
昆明金色領域 (Respecte Chateau, Kunming)	105,484	425,545	150,270	29,631	9,780	—	—	May 2012	July 2013	September 2015	142,240
昆明魅力之城 (A Glamorous City, Kunming)	417,919	1,662,861	—	—	—	—	—	January 2013	November 2013	December 2015	343,747
烏魯木齊蘭喬聖菲 (Rancho Santa Fe, Urumqi)	159,461	148,465	—	—	—	—	—	April 2013	June 2013	October 2014	148,465
Overseas											
香港麗晶中心 (Regent Centre, Hong Kong)	9,615	61,053	61,053	—	—	61,053	—				—
Total	**40,647,461**	**85,415,257**	**17,963,592**	**16,452,058**	**591,739**	**194,479**	**70,069**				**28,287,014**

Under Development				Held for future development			Development costs					
Pre-sold GFA[6]	Unsold GFA	GFA Held for investment	GFA Held for own use	Estimated Construction Schedule[7]	Total GFA[8]	Land Use Rights Not Yet Obtained[9]	Incurred Development costs[10]	Est. Future Development Costs[10]	Ownership interests	Total Value (Sum of Capital Value and Capital Value for reference)	Total Value Attributable	Ref. to Property Nos.
(sq.m)	*(sq.m)*	*(sq.m)*	*(sq.m)*		*(sq.m.)*	*(sq.m.)*	*(in RMB million)*	*(in RMB million)*	*(%)*	*(in RMB million)*	*(in RMB million)*	
98,654	51,739	—	—	June 2014	364,267	—	1,008.2	1,825.0	60%	1,161.0	696.6	226, 336
157,481	103,961	—	—	October 2014	195,761	—	2,145.1	989.1	70%	2,297.0	1,607.9	76, 227, 337
28,089	39,450	—	—		—	—	722.0	27.5	100%	828.0	828.0	77, 228
—	109,767	—	—	February 2015	214,333	—	887.1	1,702.0	50%	1,085.0	542.5	229, 338
—	20,569	—	—	June 2014	181,456	—	756.1	1,018.8	100%	769.0	769.0	230, 339
109,386	194,847	—	—		—	—	1,564.9	717.5	100%	1,745.0	1,745.0	78, 231
248,529	195,687	—	—		—	—	1,971.2	715.0	100%	2,613.0	2,613.0	79, 232
27,061	207,338	—	—		—	—	1,032.7	546.0	100%	1,220.0	1,220.0	233
159,712	1,576	—	—		—	—	1,062.5	95.5	100%	1,469.0	1,469.0	80, 234
335,865	243,608	—	—	December 2014	67,905	—	4,479.3	1,514.4	55%	5,021.0	2,761.6	235, 340
146,199	185,478	—	—	June 2014	368,323	73,957	2,532.9	2,824.9	80%	3,022.0	2,417.6	236, 381
26,610	116,311	—	—	August 2014	128,286	28,507	897.8	1,065.4	100%	1,082.0	1,082.0	237, 382
185,876	65,561	—	—	May 2014	88,828	—	1,545.6	730.8	60%	2,116.0	1,269.6	238, 341
252,844	45,799	—	—	September 2014	70,714	—	1,283.2	1,004.7	51%	1,982.0	1,010.8	239, 342
37,805	55,015	—	—	September 2014	128,783	—	1,048.2	1,411.8	70%	1,425.0	997.5	240, 343
223,836	134,873	—	—	September 2014	302,184	—	2,101.3	2,179.0	80%	2,687.0	2,149.6	241, 344
—	—	—	—	May 2014	686,388	—	1,267.8	4,372.1	100%	1,336.0	1,336.0	345
99,717	30,109	—	—	April 2014	217,305	—	719.7	1,685.7	51%	1,237.0	630.9	242, 346
256,217	74,260	—	—	May 2014	201,112	—	1,681.0	2,056.8	51%	1,787.0	911.4	243, 347
155,764	21,557	—	—	June 2014	574,931	100,098	1,206.2	3,659.1	100%	1,379.0	1,379.0	244, 383, 402
69,693	5,168	—	—	May 2014	85,327	—	738.8	2,330.0	100%	1,058.0	1,058.0	81, 245, 348
106,849	35,391	—	—	May 2014	133,035	—	1,454.8	1,060.2	67%	1,840.0	1,232.8	82, 246, 349
149,278	10,712	—	—	June 2014	1,319,114	—	3,084.6	7,648.3	55%	3,602.0	1,981.1	247, 350
92,607	54,216	—	—		—	—	695.6	627.6	60%	1,175.0	705.0	248
—	—	—	—		—	—	809.4	—	100%	1,133.0	1,133.0	405
14,365,285	**12,741,912**	**472,597**			**39,164,651**	**3,941,722**	**303,557.4**	**331,699.8**		**390,342.5**	**294,594.2**	

Notes:

(1) The site area data above has been derived from the data contained in the land use rights certificates. Where land use rights certificates have not yet been obtained, the data has been derived from the data contained in the relevant land grant contracts. The site area information set forth above may differ from the relevant data included in the property valuation report contained in Appendix V to this listing document. This is mainly because the data set forth above represents the total site area of our projects (including site area held for sale and site area which has been sold and the proceeds from which have already been recognised as revenue), while the site area data included in the property valuation report does not reflect site area held for sale and site area which has been sold and the proceeds from which have already been recognised as revenue.

(2) The GFA data set forth above may differ from the relevant data included in the property valuation report contained in Appendix V to this listing document. This is mainly because the data set forth above does not include site area which is not taken into consideration when calculating the plot ratio or floor area ratio, such as car parks and basements, while the data in the property valuation report includes such data.

(3) Total GFA of completed projects has been calculated based on the data contained in the relevant completion certificate. Total GFA of completed projects refers to the accumulated GFA of completed areas including areas that are completed and delivered. For projects with furbished units, total GFA of completed projects does not include the GFA of completed areas which have not yet been furbished. Such GFA is categorised as projects under development.

(4) Saleable GFA of completed projects refers to the remaining area that is saleable. It differs from the "for sale" data included in the property valuation report contained in Appendix V to this listing document as it does not include completed areas which have been sold but which have not been delivered.

(5) The total GFA of projects under development has been derived from the data contained in the relevant construction work commencement permits.

(6) The pre-sold GFA data has been derived from the information in our sales data system. When the relevant pre-sales permits have been obtained and binding sales contracts have been entered into, the relevant GFA is considered sold.

(7) The date of commencement, the estimated/actual date of pre-sales and the estimated date of completion refer to the date of commencement and the estimated/actual date of pre-sales of the first phase of projects under development and the estimated date of completion of the latest phase of projects under development, respectively. The estimated construction schedule refer to the estimated construction schedule of the first phase of properties held for future development.

(8) The total GFA held for future development set forth above may differ from the relevant data included in the property valuation report contained in Appendix V to this listing document. This is because the data set forth includes both the GFA held for future sale and investment, whereas the data in the property valuation report only includes the former.

(9) "Land Use Rights Not Yet Obtained" refers to the area of land in relation to which we have entered into transfer agreements or other relevant documents with the transferors and over which we have obtained control of the land. We have paid the land premium required in relation to such "Land Use Rights Not Yet Obtained" as required upon satisfaction of the relevant conditions contained in the respective land grant contracts. We plan to pay the remaining land premiums (if any) when the relevant conditions are fulfilled as stipulated in the relevant land grant contracts so as to complete the applications for and obtain the relevant land use rights certificates.

(10) "Incurred Development Cost" refers to the actual cost incurred, i.e. the book value. "Est. Future Development Cost" refers to the cost we have estimated will be required for future development based on the development plans for the project. The cost data set forth above may differ from the relevant data included in the property valuation report contained in Appendix V to this listing document. This is mainly due to the data set forth above containing all costs relating to all projects (except for GFA which has been sold and the proceeds from which have been recognised in revenue), while the cost data included in the property valuation report includes only costs in relation to projects under development.

According to the summary information of our properties which were valued by our Property Valuer as of 31 March 2014, we expect to sell and deliver the following properties in the next five years. However, the actual properties to be sold or delivered may differ from the following estimates based on market conditions.

(i) GFA of 591,739 sq.m. of completed projects to be sold and delivered in the next two years;

(ii) GFA of 14,365,285 sq.m. of properties under development already pre-sold and expected to be delivered in the next three years; and

(iii) GFA of 12,741,912 sq.m. of properties under development to be sold and delivered in the next five years.

Our property projects are classified into seven groups in the property valuation report contained in Appendix V to this listing document. According to the property valuation report, as of 31 March 2014, properties in Group I, which are properties held by us for sale in the PRC, amounted to RMB19.0 billion, representing 3.8% our total asset as of 31 March 2014. Properties in Group II, which are properties held by us under development in the PRC, amounted to RMB233.3 billion, representing 47.1% of our total assets as of 31 March 2014. Properties in Group III, which are properties held by us for future development in the PRC, amounted to RMB86.5 billion, representing 17.5% of our total assets as of 31 March 2014. Properties in Group IV, which are properties contracted to be acquired by us in the PRC, amounted to RMB38.4 billion, representing 7.8% of our total assets as of 31 March 2014. Properties in Group V, which are properties held by us for investment in the PRC, amounted to RMB11.0 billion, representing 2.2% of our total assets as of 31 March 2014. Properties in Group VI, which are held and occupied by us in the PRC, amounted to RMB1.1 billion, representing 0.2% of our total assets as of 31 March 2014. Property in Group VII, which are held by us for investment in Hong Kong, amounted to RMB1.1 billion representing 0.2% of our total assets as of 31 March 2014.

As of 31 March 2014, the carrying amount of property interests attributable to our property activities which had not been valued by the Property Valuer was approximately RMB46.7 billion, representing 9.4% of our total assets and including 145 property projects in different development stages in the PRC. Such properties included GFA of 781,572 sq.m. of completed projects, 5,857,265 sq.m. of projects under development and 10,321,480 sq.m. of projects held for future development.

We have obtained all of the relevant land use rights certificates for our completed projects and our projects under development. As of 31 March 2014, we had not obtained land use rights certificates for a total site area of approximately 5,752,822 sq.m. with respect to projects held for future development that are included in the consolidated financial statements.

For the projects which we have entered into a land grant contract but have not obtained the relevant land use rights certificates, our PRC legal adviser, Shu Jin Law Firm, has advised us that there are no legal impediments for us to obtain the relevant land use rights certificates if we are able to perform the commercial obligations under the relevant land grant contracts, including the payment of land premiums, land development costs (if any) and relevant deed tax. As of 31 March 2014, according to the relevant land grant contracts and other agreements, we were obligated to pay aggregate land premium of RMB11.0 billion for projects under development and projects held for future development. Save for three projects, we had paid all outstanding land premium in accordance with the schedules agreed in the relevant land grant contracts. As of 31 March 2014, we had not paid the outstanding land premium for such projects as the relevant demolition work had not been completed, which was a condition precedent for payment. We are not in breach of the relevant land grant contracts and we do not expect there will be any barrier for us to obtain the relevant parcels of land. We will pay the outstanding balance when all conditions for payment are met in accordance with the terms of the relevant contract.

Our Property Projects

Major Properties

As of 31 March 2014, the following development properties had carrying amounts representing 0.5% or more of our total assets.

Guangshen Region

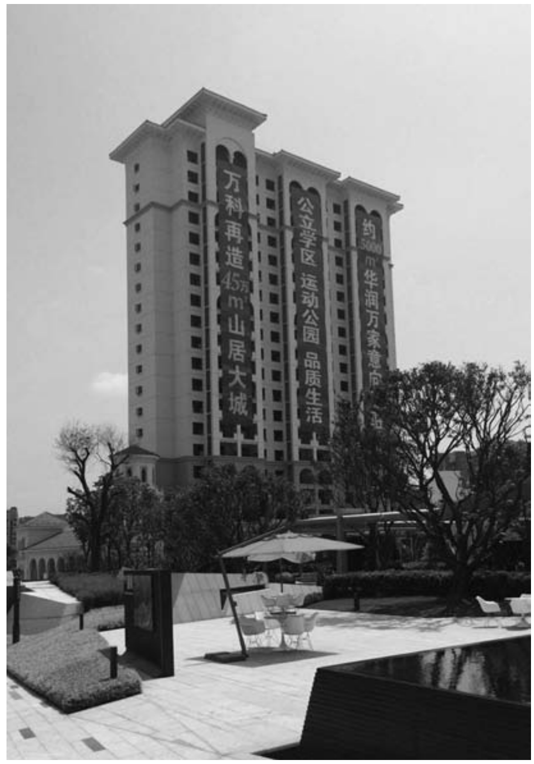
Liuxiandong Project, Shenzhen (深圳留仙洞項目)

Liuxiandong Project, Shenzhen is a commercial property project which will consist of high-end commercial buildings and service apartments. It is conveniently located at the northern side of Liuxin South Road and eastern side of Chuangke Road in Liuxiandong, Nanshan District, Shenzhen, PRC. This project occupies a total site area of 394,044 sq.m. and has a total planned GFA of approximately 1,335,510 sq.m.. As of 31 March 2014, this was still a vacant land with site area of 394,044 sq.m. and GFA of 1,335,510 sq.m. of properties held for future development.

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB5,436.7 million and RMB11,569.7 million, respectively.

We are developing this project through Shenzhen Vanke Yuncheng Commercial Co., Ltd., one of our wholly-owned subsidiaries. According to the relevant project development contract, we are entitled to 100% of the profits derived from this project. We entered into the relevant land grant contracts on 4 September 2013. As of 31 March 2014, we had paid RMB2,699.5 million of the land premium of RMB5,399.0 million. We will pay the remaining RMB2,699.5 million in accordance with the terms of the relevant agreements. As of 31 March 2014, for the properties held for future development in this project, our PRC legal adviser, Shu Jin Law Firm, confirmed that there were no legal impediments to obtaining the land use rights certificates for these properties once the land premium is paid. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Liuxiandong Project, Shenzhen as of 31 March 2014.

Shuijing Project, Buji, Shenzhen (深圳布吉水徑項目)



Shuijing Project, Buji, Shenzhen is a residential property project located at the junction of Bulong Road and Songlian Road, Longgang District, Shenzhen, Guangdong Province, PRC, close to a subway station. This project occupies a total site area of 164,989 sq.m. and has a total planned GFA of approximately 456,405 sq.m.. As of 31 March 2014, this project had (i) GFA of 130,699 sq.m. of properties under development, including GFA of 67,238 sq.m. of pre-sold properties; and (ii) GFA of 325,706 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 40,886 sq.m. and the properties held for future development occupied a site area of 124,103 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,109.6 million and RMB2,082.2 million, respectively.

We are developing this project through Shenzhen Hechenghongye Investment Development Co. Ltd., Shenzhen Wanhongjia Investment Development Co. Ltd., Shenzhen City Wanlongliang Investment Development Co. Ltd. and Shenzhen City Wanlianjia Investment Development Co. Ltd., each a subsidiary in which we hold a 60% interest. According to the relevant project development contract, we are entitled to 60% of the profits derived from this project. We entered into the relevant land grant contracts between 6 November 2007 and 26 June 2013. In accordance with the terms of the relevant land grant contracts and other agreements, we had fully paid the land premium of RMB2,589.1 million as of 31 March 2014. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Shuijing Project, Buji, Shenzhen had been obtained as of 31 March 2014.

Park Avenue, Shenzhen (深圳公園里)

Park Avenue, Shenzhen is a residential and commercial property project located on Nanwan Avenue, Longgang District, Shenzhen, Guangdong Province, PRC, close to the Shawan checkpoint. The property is in close proximity to various facilities and main thoroughfares. The surrounding environment is a residential area supported by parks, retail stores and commercial buildings. This project occupies a total site area of 104,876 sq.m. and has a total planned GFA of approximately 478,318 sq.m.. As of 31 March 2014, this project had (i) GFA of 8,396 sq.m. of properties completed and available for sale; (ii) GFA of 95,197 sq.m. of properties under development, including GFA of 89,169 sq.m. of pre-sold properties; and (iii) GFA of 240,115 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 18,975 sq.m. and the properties held for future development occupied a site area of 59,082 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,736.0 million and RMB1,629.9 million, respectively.

We are developing this project through Shenzhen Julongwan Real Estate Development Co. Ltd., a subsidiary in which we hold a 65% interest. According to the relevant project development contract, we are entitled to 65% of the profits derived from this project. We entered into the relevant land grant contracts on 31 August 2010, 11 October 2012, 31 October 2013 and 17 January 2014. In accordance with the relevant land grant contracts and other agreements, we are responsible for RMB4,053.4 million of the land premium and other relevant fees, of which we had paid RMB3,817.4 million as of 31 March 2014. We will pay the remaining RMB236.0 million in accordance with the terms of the relevant agreements. As of 31 March 2014, we had received the relevant land use rights certificates with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Park Avenue, Shenzhen had been obtained as of 31 March 2014.

Watercity, Dongguan (東莞雙城水岸)

Watercity, Dongguan is a residential property project located at No. 28 Linping Road, Daping Village, Tangxia Town, Dongguan, Guangdong Province, PRC, and is in close proximity to the Big Shield Forest Park, Fairy Lake and Mission Hills Golf Club. The property can be easily accessed from the downtown area of Shenzhen. This project occupies a total site area of 596,781 sq.m. and has a total planned GFA of approximately 414,759 sq.m.. As of 31 March 2014, this project had (i) GFA of 11,428 sq.m. of properties completed and available for sale; (ii) GFA of 120,400 sq.m. of properties under development, including GFA of 23,220 sq.m. of pre-sold properties; and (iii) GFA of 104,048 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 170,037 sq.m. and the properties held for future development occupied a site area of 135,280 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,528.2 million and RMB1,449.8 million, respectively.

We are developing this project through Dongguan City Xinwan Real Estate Development Co., Ltd., one of our wholly-owned subsidiaries. According to the relevant project development contract, we are entitled to 100% of the profits derived from this project. We entered into the relevant land grant contracts on 8 July 2006, 18 July 2006, 23 March 2007 and 12 July 2007. As of 31 March 2014, in accordance with the relevant land grant contracts and other agreements, we had fully paid the land premium of RMB3,223.7 million. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Watercity, Dongguan had been obtained as of 31 March 2014.

Dream Town, Humen, Dongguan (東莞虎門萬科城)

Dream Town, Humen, Dongguan is a residential and commercial property project located in close proximity to three highways and various metro lines in Nanpian District, Humen, Dongguan, PRC, near the junction of Xinbada Road and Jinning Avenue. This project occupies a total site area of 349,805 sq.m. and has a total planned GFA of approximately 784,136 sq.m.. As of 31 March 2014, this project had a site area of 349,805 sq.m. and GFA of 784,136 sq.m. of properties held for future development.

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,283.4 million and RMB3,181.1 million, respectively.

We are developing this project through Dongguan Wanhong Real Estate Co. Ltd., one of our subsidiaries in which we hold a 60% shareholding. According to the relevant project development contract, we are entitled to 60% of the profits derived from this project. We entered into the relevant land grant contracts between 2 September 2013 and 22 September 2013. As of 31 March 2014, we had fully paid the land premium of RMB3,140.5 million in accordance with the terms of the relevant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Dream Town, Humen, Dongguan as of 31 March 2014.

Donghui Town, Guangzhou (廣州東薈城)

Donghui Town, Guangzhou is a residential and commercial property project located at the southwest of Kaitai Avenue and northeast of Ruihe Road, Luogang District, Guangzhou, Guangdong Province, PRC, near the planned Luogang Administrative Centre. This project occupies a total site area of 177,588 sq.m. and has a total planned GFA of approximately 444,943 sq.m.. As of 31 March 2014, this project had (i) GFA of 656 sq.m. of properties completed and available for sale; and (ii) GFA of 332,970 sq.m. of properties under development, including GFA of 131,548 sq.m. of pre-sold properties. As of 31 March 2014, the properties under development in this project had a site area of 116,760 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,427.2 million and RMB1,096.9 million, respectively.

We are developing this project through Guangzhou Wanyi Real Estate Co. Ltd., a subsidiary in which we hold a 55% interest. According to the relevant project development contract, we are entitled to 55% of the profits derived from this project. We entered into the relevant land grant contracts on 24 November 2010, 1 October 2011, 22 March 2011 and 25 October 2012. As of 31 March 2014, we had fully paid the land premium of RMB2,011.9 million. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Donghui Town, Guangzhou as of 31 March 2014.

Xinguang City Garden, Guangzhou (廣州新光城市花園)

Xinguang City Garden, Guangzhou is a residential and commercial property project located at the southeast corner of Xingnan Avenue and Hanxi Avenue, Panyu District, Guangzhou, Guangdong Province, PRC, near the planned Hezhuang Station of metro line No. 7 and the central business district of Panyu New Town. It is surrounded by a residential area which is supported by retail stores. This project occupies a total site area of 364,651 sq.m. and has a total planned GFA of approximately 591,662 sq.m.. As of 31 March 2014, this project had (i) GFA of 1,160 sq.m. of properties completed and available for sale; and (ii) GFA of 410,033 sq.m. of properties under development, including GFA of 129,056 sq.m. of pre-sold properties. As of 31 March 2014, the properties under development in this project had a site area of 252,491 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,394.9 million and RMB711.7 million, respectively.

We are developing this project through Guangzhou Panyu Xiangxin Real Estate Co. Ltd. and Guangzhou Wanhe Real Estate Co. Ltd., each of which is a wholly-owned subsidiary. We acquired this project in March 2011 and are entitled to 100% of the profits derived from this project. According to the relevant acquisition agreements, the total aggregate consideration of the project is RMB3,100.0 million, of which we had paid RMB2,790.0 million as of 31 March 2014. We will pay the remaining RMB310.0 million in accordance with the terms of the relevant agreements. In addition, as of 31 March 2014, we had paid a land premium and other relevant fees of RMB186.2 million to the relevant governmental authorities. As of 31 March 2014, we had obtained the relevant land use rights certificates with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Xinguang City Garden, Guangzhou as of 31 March 2014.

Land Lot B23-24 Finance District C, Foshan (佛山金融C區B23–24地塊)

Land Lot B23-24 Finance District C, Foshan is a residential and commercial property project located in District C of the Foshan financial district. It is surrounded by various office buildings which are occupied by various international companies and top-level ancillary facilities. The project occupies a total site area of 188,996 sq.m. and has a total planned GFA of approximately 793,784 sq.m.. As of 31 March 2014, this project had a site area of 188,996 sq.m. and GFA of 793,784 sq.m. of properties held for future development.

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,238.6 million and RMB4,999.4 million, respectively.

We are developing this project through Foshan Nanhai District Wanrui Investment Co., Ltd., one of our wholly-owned subsidiaries. According to the relevant project development contract, we are entitled to 100% of the profits derived from this project. We entered into the relevant land grant contracts on 25 October 2013 and 20 November 2013. As of 31 March 2014, we had fully paid the land premium of RMB3,128.4 million in accordance with the relevant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Land Lot B23-24 Finance District C, Foshan as of 31 March 2014.

Vanke Plaza, Foshan (佛山萬科廣場)

Vanke Plaza, Foshan is a residential and commercial project conveniently located in the city centre north of Jihua 5th Road, west of Lingnan Avenue, Foshan, PRC. The project occupies a total site area of 114,429 sq.m. and has a total planned GFA of approximately 555,819 sq.m.. As of 31 March 2014, this project had (i) GFA of 161,978 sq.m. of properties under development, including GFA of 72,061 sq.m. of pre-sold properties; and (ii) GFA of 393,841 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 36,136 sq.m. and the properties held for future development occupied a site area of 78,293 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,567.6 million and RMB3,202.4 million, respectively.

We are developing this project through Foshan Vanke Central City Property Co., Ltd., a subsidiary in which we hold a 88% interest. According to the relevant project development contract, we are entitled to 88% of the profits derived from this project. We entered into the relevant land grant contracts on 27 September 2010. As of 31 March 2014, we had fully paid the land premium of RMB715.6 million. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Vanke Plaza, Foshan as of 31 March 2014.

Lakeside Holiday Park, Sanya (三亞湖畔度假公園)

Lakeside Holiday Park, Sanya is a residential and commercial project conveniently located near main sightseeing areas of Sanya, at the south of Yingbin Road, Sanya, PRC. It is located approximately 10 kilometers from Yalun Bay and eight kilometers from the First Market. The project occupies a total site area of 416,578 sq.m. and has a total planned GFA of approximately 423,315 sq.m.. As of 31 March 2014, this project had (i) GFA of 180,331 sq.m. of properties under development, including GFA of 50,320 sq.m. of pre-sold properties; and (ii) GFA of 242,984 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project, including the indemnificatory apartments constructed for the local government, occupied a site area of 131,313 sq.m., and the properties held for future development, excluding the woodland which we will not undertake development, occupied a site area of 285,266 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,589.0 million and RMB3,334.0 million, respectively.

We acquired this project in November 2010 and we are developing this project through Hainan Shibote Investment Co., Ltd., a subsidiary in which we hold a 80% interest. According to the relevant project development contract, we are entitled to 80% of the profits derived from this project. As of 31 March 2014, we had fully paid the land premium of RMB1,935.2 million. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Lakeside Holiday Park, Sanya as of 31 March 2014.

Shanghai Region

Feicui Binjiang Project, Shanghai (上海翡翠濱江)

Feicui Binjiang Project, Shanghai is a residential and commercial property project located at the southern side of Changyi Road, the northern side of Pudong Avenue and the western side of Minsheng Road, Pudong New District, Shanghai, PRC, close to the Huangpu River. The property is located near metro line No. 6 and proximate to main roads in the area. It is expected that the project will be connected to an exit of the planned metro lines No. 14 and No.18. This project occupies a site area of 58,550 sq.m. and has a total planned GFA of approximately 175,990 sq.m.. As of 31 March 2014, the project had a site area of 58,550 sq.m. and GFA of 175,990 sq.m. of properties under development.

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB5,284.0 million and RMB2,313.0 million, respectively.

This project was acquired in November 2007 and we are developing it through Shanghai Xiangda Real Estate Development Co. Ltd., a subsidiary in which we hold a 75% interest. According to the relevant project development contract, we are entitled to 75% of the profits derived from this project. We entered into the relevant supplemental agreements on 19 November 2010, 18 January 2011 and 16 December 2013. As of 31 March 2014, we had paid the land premium of RMB3,670.8 million in full in terms of the relevant agreements. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Feicui Binjiang Project, Shanghai had been obtained as of 31 March 2014.

Project No.11, Hongqiao, Shanghai (上海虹橋11號項目)

Project No.11, Hongqiao, Shanghai is a residential and commercial property project located in the centre of Hongqiao Trading Zone, west of Rongmei Road, south of Yinze Road and north of Taihong Road, Shanghai, PRC. The project occupies a total site area of 112,864 sq.m. and has a total planned GFA of approximately 177,885 sq.m.. As of 31 March 2014, the project had (i) GFA of 131,714 sq.m. of properties under development, including 37,883 sq.m. of pre-sold properties; and (ii) GFA of 46,171 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 85,002 sq.m. and the properties held for future development occupied a site area of 27,862 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,695.6 million and RMB1,281.1 million, respectively.

We are developing this project through Shanghai Wanshu Properties Co., Ltd., a subsidiary in which we hold a 61% interest. According to the relevant project development contract, we are entitled to 61% of the profits derived from this project. We entered into the relevant land grant contracts on 11 December 2012. As of 31 March 2014, we had fully paid the land premium of RMB2,032.0 million in accordance with the terms of the relevant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Project No.11, Hongqiao, Shanghai as of 31 March 2014.

Dream Town, Shanghai (上海萬科城)

Dream Town, Shanghai is a residential and commercial property project which include offices located east of Huaning Road and north of Yinchun Road in Maqiao Town, Shanghai, PRC. This project occupies a total site area of 210,615 sq.m. and has a total planned GFA of 501,833 sq.m.. As of 31 March 2014, the project had a GFA of 501,833 sq.m. of properties under development, including a GFA of 165,093 sq.m. of pre-sold properties. As of 31 March 2014, the properties under development in this project occupied a site area of 210,615 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB4,691.5 million and RMB2,092.7 million, respectively.

This project was acquired by us on 27 May 2013 and we are developing it through Shanghai Junke Investment Management Co., Ltd., a subsidiary in which we hold a 70% interest. According to the relevant project development contract, we are entitled to 70% of the profits derived from this project. As of 31 March 2014, we had paid RMB1,846.9 million of the land premium of RMB3,527.3 million. We will pay the remaining RMB1,680.4 million in accordance with the terms of the relevant contracts. As of 31 March 2014, we had obtained the relevant land use rights certificates with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Dream Town, Shanghai as of 31 March 2014.

Nanzhan Business District Land Lot, Shanghai (上海南站商務區地塊)

Nanzhan Business District Land Lot, Shanghai is a commercial property project conveniently located at the north of the Shanghai South Railway Station in Xujiahui District, at the west of Humin Road and the south of Dingan Road, Shanghai, PRC. This project occupies a total site area of 107,486 sq.m. and has a total planned GFA of approximately 493,447 sq.m.. As of 31 March 2014, this project had (i) GFA of 105,988 sq.m. of properties under development; and (ii) GFA of 387,459 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 23,553 sq.m. and the properties held for future development occupied a site area of 83,933 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB5,893.8 million and RMB7,107.4 million, respectively.

We are developing this project through Shanghai Wanjiulvhe Properties Co., Ltd., a subsidiary in which we hold a 51% interest. According to the relevant project development contract, we are entitled to 51% of the profits derived from this project. We entered into the relevant land grant contracts on 9 May 2013. As of 31 March 2014, we had paid the land premium of RMB5,431.0 million in full in accordance to the terms of the relevant contracts. As of 31 March 2014, we had yet obtained the relevant land use rights certificates for the properties held for future development with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that there were no legal impediments for us to obtain the land use rights certificates for the properties held for future development, and we had obtained all licenses, permits and certificates required up to the current stage of the development of Nanzhan Business District Land Lot, Shanghai as of 31 March 2014.

Xincheng Road, Wuxi (無錫信成道)

Xincheng Road, Wuxi is a residential and commercial property project with offices located at the south of Gaolang Road, east of Xincheng Avenue, north of Guanshan Road and west of Guanshun Road, Binhu District, Wuxi, Jiangsu Province, PRC, near a school and a park and is proximate to main roads of the area. It is surrounded by a residential area which is supported by retail stores. This project occupies a total site area of 154,119 sq.m. and has a total planned GFA of approximately 385,299 sq.m.. As of 31 March 2014, this project had (i) GFA of 1,176 sq.m. of properties completed and available for sale; (ii) GFA of 187,519 sq.m. of properties under development, including GFA of 71,915 sq.m. of pre-sold properties; and (iii) GFA of 161,071 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 75,008 sq.m. and the properties held for future development occupied a site area of 64,428 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,588.5 million and RMB1,206.5 million, respectively.

We are developing this project through Wuxi Dingan Real Estate Co. Ltd., one of our wholly-owned subsidiaries. According to the relevant project development contract, we are entitled to 100% of the profits derived from this project. We entered into the relevant land grant contracts on 22 February 2010 and 30 August 2010. As of 31 March 2014, we had paid the land premium of RMB1,900.0 million in full in accordance with the terms of the relevant land grant contract. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Xincheng Road, Wuxi as of 31 March 2014.

Liangzhu Cultural Village, Hangzhou (杭州良渚文化村)

Liangzhu Cultural Village, Hangzhou is a residential and commercial property project with a hotel located in Liangzhu Town, Hangzhou, Zhejiang Province, PRC, close to the Liangzhu Relic Reserve and 104 National Road. The property is situated at a convenient location that can be reached by several bus lines. This project occupies a site area of 3,108,146 sq.m. has a total planned GFA of approximately 2,361,628 sq.m.. As of 31 March 2014, this project had (i) GFA of 25,858 sq.m. of properties completed and available for sale; (ii) GFA of 500,183 sq.m. of properties under development, including GFA of 220,639 sq.m. of pre-sold properties; and (iii) GFA of 882,839 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 519,070 sq.m. and the properties held for future development occupied a site area of 897,595 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB6,171.6 million and RMB9,523.2 million, respectively.

We acquired this project in August 2006 and are developing this project through Zhejiang Vanke Nandu Real Estate Co. Ltd., Hangzhou Linlu Real Estate Development Co., Ltd., Hangzhou Liangzhu Cultural Village Development Co., Ltd., Zhejiang Nandu Properties Co., Ltd. and Hangzhou Changyuan Tourism Development Co., Ltd., each of which is a wholly-owned subsidiary. According to the relevant project development contract, we are entitled to 100% of the profits derived from this project. Pursuant to the relevant agreements, we had paid RMB2,314.8 million of the land premium and other relevant fees of RMB2,817.4 million as of 31 March 2014. We will pay the remaining RMB502.6 million in accordance with the terms of the relevant agreements. As of 31 March 2014, we had already obtained the relevant land use rights certificates with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Liangzhu New Town, Hangzhou as of 31 March 2014.

Yunluwan, Ningbo (寧波雲鷺灣)

Yunluwan, Ningbo is a residential and commercial property project located at the junction of Suiyuan Street and Hubin Ring Road, Jiangbei District, Ningbo, Zhejiang Province, PRC. The property is in close proximity to main roads of the area. The surrounding environment is a residential area next to an artificial lake and a middle school. This project occupies a total site area of 314,208 sq.m. and a total planned GFA of approximately 394,764 sq.m.. As of 31 March 2014, this project had (i) GFA of 14,182 sq.m. of properties completed and available for sale; (ii) GFA of 164,608 sq.m. of properties under development, including GFA of 65,033 sq.m. of pre-sold properties; and (iii) GFA of 154,789 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 138,333 sq.m. and the properties held for future development occupied a site area of 109,092 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,844.4 million and RMB1,019.1 million, respectively.

We are developing this project through Ningbo Jiangbei Vanke Estate Development Co. Ltd., one of our wholly-owned subsidiaries. According to the relevant construction development contract, we are entitled to 100% of the profits derived from this project. We entered into the relevant land grant contract on 30 October 2009. As of 31 March 2014, we had yet obtained the relevant land use rights certificates for the properties held for future development with respect to this project. We had fully paid the land premium of RMB2,049.6 million in accordance with the terms of the relevant land grant contract as of 31 March 2014. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that there were no legal impediments for us to obtain the land use rights certificates for the properties held for future development, and we had obtained all licences, permits and certificates required up to the current stage of the development of Yunluwan, Ningbo as of 31 March 2014.

Longwan Golden, Wenzhou (溫州龍灣花園)

Longwan Golden, Wenzhou is a residential property project located at the intersection of Ouhai Avenue and Longjiang Road, Longwan District, Wenzhou, Zhejiang Province, PRC, in close proximity to the main government offices of Longwan District, Wanda Square. The property is in close proximity to main roads of the area, has a good natural environment and is near a large commercial centre. This project occupies a total site area of 125,219 sq.m. and has a total planned GFA of approximately 179,733 sq.m.. As of 31 March 2014, this project had (i) GFA of 22,576 sq.m. of properties completed and available for sale; and (ii) GFA of 89,309 sq.m. of properties under development, including GFA of 47,916 sq.m. of pre-sold properties. As of 31 March 2014, the properties under development in this project occupied a site area of 68,704 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,521.2 million and RMB1,625.0 million, respectively.

We are developing this project through Wenzhou Vanke Li Tian Real Estate Development Co. Ltd., a subsidiary in which we hold a 60% interest. According to the relevant project development contract, we are entitled to 60% of the profits derived from this project. We entered into the relevant land grant contracts on 9 September 2011 and 10 November 2011. As of 31 March 2014, we had paid the land premium of RMB2,328.2 million in full in accordance with the terms of the relevant land grant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Longwan Golden, Wenzhou had been obtained as of 31 March 2014.

Forest Park, Hefei (合肥森林公園)

Forest Park, Hefei is a residential and commercial property project located at the southwest corner of Dangshan Road and Silihe Road in the Luyang District, Hefei, PRC. It is situated in a traditional residential area north of the city's Forest Park and is in close proximity to the 2nd Ring Road, a main thoroughfare of the area. This project occupies a total site area of 516,459 sq.m. and has a total planned GFA of approximately 1,394,439 sq.m.. As of 31 March 2014, this project had (i) GFA of 251,893 of properties under development, including GFA of 201,889 sq.m. of pre-sold properties; and (ii) GFA of 1,142,546 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 91,556 sq.m. and the properties held for future development occupied a site area of 424,903 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB4,205.8 million and RMB6,282.5 million, respectively.

We are developing this project through Hefei Vanke Ruixiang Real Estate Co. Ltd., one of our wholly-owned subsidiaries. According to the relevant project development contract, we are entitled to 100% of profits derived from this project. We entered into the relevant land grant contracts on 29 December 2012 and 21 January 2013. As of 31 March 2014, we had paid RMB1,953.6 million of the land premium of RMB3,302.9 million. We will pay the remaining RMB1,349.3 million in accordance with the terms of the relevant contracts. As of 31 March 2014, for the properties held for future development in this project, our PRC legal adviser, Shu Jin Law Firm, confirmed that there were no legal impediments to obtaining the land use rights certificates for these properties once the land premium is paid. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of Forest Park, Hefei as of 31 March 2014.

Beijing Region

King Metropolis, Beijing (北京金域華府)

King Metropolis, Beijing is a residential and commercial property project with offices located on Xierqi North Road, Changping District, Beijing, PRC. The property is in close proximity to main roads of the area and is surrounded by residential areas. This project occupies a total site area of 198,007 sq.m. and has a total planned GFA of approximately 559,214 sq.m.. As of 31 March 2014, this project had (i) GFA of 199,777 sq.m. of properties under development, including GFA of 161,057 sq.m. of pre-sold properties; and (ii) 166,471 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 65,951 sq.m. and the properties held for future development occupied a site area of 63,139 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,619.2 million and RMB3,101.3 million, respectively.

We are developing this project through Beijing Uni-construction Vanke Real Estate Development Co. Ltd., a subsidiary in which we hold a 50% interest. According to the relevant project development contracts, we are entitled to 50% of profits derived from this project. We entered into the relevant land grant contracts between 15 October 2010 and 1 August 2013. The land use rights of five parcels of land (including the land of this property) were contracted to be granted to Beijing Uni-construction Vanke Real Estate Development Co. Ltd. and as of 31 March 2014, the land premium of RMB3,390.0 million had been paid in full in accordance with the terms of the relevant land grant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of King Metropolis, Beijing had been obtained as of 31 March 2014.

Spring Dew Mansion, Beijing (北京朗潤園)

Spring Dew Mansion, Beijing is a residential and commercial property project with offices located north of Dongma Road of Jiugong Town, Daxing District, Beijing, PRC, near the Jiugong Subway Station and in close proximity to main roads of the area. It is surrounded by a residential area supported by street front retail stores. This project occupies a total site area of 67,650 sq.m. and has a total planned GFA of approximately 173,215 sq.m.. As of 31 March 2014, this project had GFA of 173,215 sq.m. of properties under development, including GFA of 96,008 sq.m. of pre-sold properties. As of 31 March 2014, the properties under development in this project occupied a site area of 67,650 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,658.2 million and RMB1,235.9 million, respectively.

We are developing this project through Beijing Jindi Vanke Real Estate Development Co. Ltd., a subsidiary in which we hold a 50% interest. According to the relevant project development contract, we are entitled to 50% of the profits derived from this project. We entered into the relevant land grant contracts and supplemental agreements from 30 September 2011 to 28 October 2013. The land use rights of two parcels of land (including the land of this property) were contracted to be granted to Beijing Jindi Vanke Real Estate Development Co. Ltd. and the land premium of RMB1,768.7 million had been paid in full in accordance with the terms of the relevant land grant contracts as of 31 March 2014. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that all licences, permits and certificates required up to the current stage of the development of Spring Dew Mansion, Beijing had been obtained as of 31 March 2014.

Chunheli, Shenyang (瀋陽春河里)

Chunheli, Shenyang is a residential and commercial property project with offices located at the junction of Wenyi Road and Sanhao Street, in the heart of Shenyang, Liaoning Province, PRC. This project occupies a total site area of 81,379 sq.m. and has a total planned GFA of approximately 431,232 sq.m.. As of 31 March 2014, this project had (i) GFA of 2,087 sq.m. of properties completed and available for sale; (ii) GFA of 146,606 sq.m. of properties under development, including GFA of 97,529 sq.m. of pre-sold properties; and (iii) GFA of 208,142 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 36,998 sq.m. and the properties held for future development occupied a site area of 28,047 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,036.0 million and RMB2,839.9 million, respectively.

We are developing this project through Shenyang Vanke Heng Xiang Property Co. Ltd., a subsidiary in which we hold a 82% interest. According to the relevant project development contract, we are entitled to 82% of the profits derived from this project. We entered into the relevant land grant contracts on 4 August 2011. As of 31 March 2014, we had paid the land premium of RMB2,156.5 million in full in accordance with the terms of the relevant land grant contract. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Chunheli, Shenyang as of 31 March 2014.

Chengdu Region

Jinse Yuefu Music Plaza, Chengdu (成都金色樂府音樂廣場)

Jinse Yuefu Music Plaza, Chengdu is a residential and commercial property project located on Jianshe South Branch Road, north of Shanbanqiao Road and south of Jianshe South Road, Chenghua District, Chengdu, PRC. It is in close proximity to a number of public facilities. The project occupies a site area of 152,852 sq.m. and has a total planned GFA of approximately 759,036 sq.m.. As of 31 March 2014, this project had (i) GFA of 268,896 sq.m. of properties under development, including GFA of 43,141 sq.m. of pre-sold properties; and (ii) GFA of 490,140 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 66,458 sq.m. and the properties held for future development occupied a site area of 86,394 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,314.4 million and RMB4,934.6 million, respectively.

We acquired this project in January 2013 and are developing this project through Chengdu Media Culture Properties Co., Ltd., a subsidiary in which we hold a 60% interest. According to the relevant project development contract, we are entitled to 60% of the profits derived from this project. As of 31 March 2014, we had paid the land premium of RMB2,488.6 million in full in accordance with the terms of the relevant contracts. As of 31 March 2014, we had yet obtained the relevant land use rights certificates for the properties held for future development with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that there were no legal impediments for us to obtain the land use rights certificates for the properties held for future development upon the grantor's delivery of the land and Chengdu Media Culture Properties Co., Ltd.'s payment of all relevant fees, and we had obtained all licenses, permits and certificates required up to the current stage of the development of Jinse Yuefu Music Plaza, Chengdu as of 31 March 2014.

Dream Town, Chongqing (重慶萬科城)

Dream Town, Chongqing is a residential and commercial property project located on Jinshan Avenue, Chongqing, PRC next to Zhaomushan Botanical Garden and surrounded by residential developments which are under construction and have commenced pre-sales. The area has an outstanding natural environment. It is located in Chongqing's city centre. This project occupies a total site area of 278,167 sq.m. and has a total planned GFA of approximately 647,378 sq.m.. As of 31 March 2014, this project had (i) GFA of 579,473 sq.m. of properties under development, including GFA of 335,865 sq.m. of pre-sold properties; and (ii) GFA of 67,905 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 259,062 sq.m. and the properties held for future development occupied a site area of 19,105 sq.m..

As of 31 March 2014, the development cost we had incurred and the estimated future development cost for the properties under development in this project amounted to RMB4,479.3 million and RMB1,514.4 million, respectively.

We are developing this project through Chongqing Wanxu Property Co., Ltd., a wholly-owned subsidiary of Vanke (Chongqing) Lanshan Property Co., Ltd., in which we hold a 55% equity interest. According to the relevant project development contract, we are entitled to 55% of the profits derived from this project. We entered into the relevant land grant contracts on 12 May 2011 and a supplemental contract on 23 July 2012. As of 31 March 2014, we had paid the land premium of RMB2,028.2 million in full in accordance with the terms of the relevant land grant contract. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licences, permits and certificates required up to the current stage of the development of Dream Town, Chongqing as of 31 March 2014.

Joying Gold, Chongqing (重慶金色悦城)

Joying Gold, Chongqing is a residential and commercial property project located on Fengtian Road, near an old urban area of Shapingba District, Chongqing, PRC. The area includes two renowned hospitals, and well known primary and secondary schools and has the largest number of universities in Chongqing. The project occupies a site area of 175,000 sq.m. and has a total planned GFA of approximately 700,000 sq.m.. As of 31 March 2014, this project had (i) GFA of 331,677 sq.m. of properties under development, including GFA of 146,199 sq.m. of pre-sold properties; and (ii) GFA of 368,323 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 101,043 sq.m. and the properties held for future development occupied a site area of 73,957 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB2,532.9 million and RMB2,824.9 million, respectively.

We are developing this project through Chongqing Wanzhuo Property Co. Ltd., a subsidiary in which we hold a 80% interest. According to the relevant project development contract, we are entitled to 80% of the profits derived from this project. We entered into the relevant land grant contracts on 13 November 2012. As of 31 March 2014, we had fully paid the land premium of RMB1,620.0 million. As of 31 March 2014, we had yet obtained the relevant land use rights certificates for the properties held for future development with respect to this project. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that there were no legal impediments for us to obtain the land use rights certificates for the properties held for future development upon the grantor's delivery of the Land, and we had obtained all licenses, permits and certificates required up to the current stage of the development of Joying Gold, Chongqing as of 31 March 2014.

A Glamorous City, Kunming (昆明魅力之城)

A Glamorous City, Kunming is a residential and commercial property project located north of Guangfu Road and east of Caiyun North Road, Guandu District, Kuming, PRC. It is surrounded by a residential area and is close to Wujiatang Wetland Park. The project includes three kindergartens, one primary school and one high school. In addition, there are nine nursery schools, six primary schools and six high schools in the surrounding area. The project occupies a total site area of 417,919 sq.m. and has a planned GFA of approximately 1,662,861 sq.m.. As of 31 March 2014, the project had (i) GFA of 343,747 sq.m. of properties under development, including 149,278 sq.m. of pre-sold properties; and (ii) GFA of 1,319,114 sq.m. of properties held for future development. As of 31 March 2014, the properties under development in this project occupied a site area of 70,951 sq.m. and the properties held for future development occupied a site area of 346,968 sq.m..

As of 31 March 2014, our development cost incurred and the estimated future development cost for the properties under development in this project amounted to RMB3,084.6 million and RMB7,648.3 million, respectively.

We are developing this project through Yunnan Zhewan Properties Co., Ltd., a subsidiary in which we hold a 55% interest. According to the relevant project development contract, we are entitled to 55% of the profits derived from this project. We entered into the relevant land grant contracts on 11 January 2013 and 14 January 2013. As of 31 March 2014, we had fully paid the land premium of RMB2,305.2 million in accordance to the terms of the relevant contracts. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that we had obtained all licenses, permits and certificates required up to the current stage of the development of A Glamorous City, Kunming as of 31 March 2014.

Investment Properties and Commercial Leasing

Along with our residential property projects, we also develop office buildings, commercial properties, retail shop units and car parking units. We have retained a portion of the properties we developed for rental use and/or investment. When determining whether the commercial properties will be sold or retained for investment purposes in the early stages of developing each of our projects, we take into consideration factors such as location, land use plans, regional market conditions, supporting commercial facilities, and our commercial interests. As we intend to hold these properties for long-term investment purposes, they are treated as investment properties.

As of 31 December 2011, 2012 and 2013 and 31 March 2014, the book value of our investment properties and the prepayment for leasehold land on which our investment properties are located amounted to RMB1,126.1 million, RMB2,375.2 million, RMB11,710.5 million and RMB10,442.6 million, respectively, representing 0.38%, 0.63%, 2.44% and 2.11% of our total assets in the same periods, respectively. The estimated fair value of our investment properties and the prepayment for leasehold land on which the investment properties are located amounted to RMB1,519.0 million, RMB4,080.0 million, RMB14,856.0 million and RMB13,493.0 million as of 31 December 2011, 2012 and 2013 and 31 March 2014, respectively.

Some of our retail shop units and car parking units are, or may be, located in large, multiple-use complexes. We may choose to sell the retail shop units when we believe such sales would generate a better return on our investment than rental and capital appreciation.

Property Management

We place great emphasis on property management as part of our after-sales services, and we believe that these services enhance the value of the properties we have developed and our brand image. As of 31 March 2014, we were providing property management services to 419 projects which, in aggregate, had a total GFA of approximately 71.0 million sq.m. and were located in a total of 58 cities in China. We charge management fees on a monthly or quarterly basis. In order to build customer relations, we organised the Vanke Club (萬客會), which we believe was the first membership loyalty programme in the property industry in China. Further, to provide convenience to the residents in the properties we manage, we provide ancillary services, such as community food courts, self-storage facilities and "Fortune Depot" (幸福驛站), which allows our customers to pick up shipments of online orders at the property's management centre.

In 1996, we obtained the ISO9002 certification, a quality assurance certification for service providers, in recognition of our high quality property management. We believe we were the first property management service provider in China to obtain this certification. In 2000, we obtained the ISO9001 certification with respect to our quality management system. Our property management companies have also been granted a number of awards. For example, Vanke Property Development Co., Ltd. was selected as the "No. 1 Overall Property Management Company in China" by China Real Estate Top 10 Research Team. In addition, we were ranked No. 1 on the "List of the Best Brands of High Quality Property Management Service Providers in China" by the Enterprise Research Institute of the Development Research Centre of the State Council, the China Index Research Institute and the Institute of Real Estate Studies of Tsinghua University from 2010 to 2013.

Under PRC law, property owners have the right to engage or dismiss a property management service provider with the consent of owners in aggregate holding more than 50% of the interest in the non-communal areas of the building. As of the Latest Practicable Date, none of our property management companies had been dismissed from the management of any properties.

PROPERTY DEVELOPMENT PROCESS

Our headquarters, regional offices, local offices and project companies work closely in developing our projects. Our headquarters and regional offices are responsible for making strategic decisions in relation to the development of our projects while our local offices and project companies oversee the day-to-day operations of our projects. We have established various procedures and policies to manage our property development process.

The illustration below outlines the core elements of our typical project development process.

We normally spend three to six months on site selection, market research and land acquisition, and fewer than nine months on project planning, design and financing. The period from the commencement of construction to the pre-sales of the first phase of our projects is typically around six months. It then normally takes around 19 months from pre-sales of the first phase of our developed properties and marketing to delivery of the properties in the first phase.

Site Selection and Market Research

We place great emphasis and devote significant management resources to site selection. Our headquarters, regional offices, local offices and project companies work closely on market research to identify potential targets. Our local offices and regional offices are responsible for conducting research on the potential demand for targeted properties to be developed at a target site, assessing market competition, calculating certain operational and financial ratios based on our internal benchmarks, such as the targeted internal rate of return for projects, and formulating preliminary project feasibility study reports for review by our headquarters.

We take into the following considerations in our major site selection analyses:

- our capacity to develop the site into a property that fits our growth strategies;
- the development potential in the nearby areas and cities;
- the potential demand for the planned project from surrounding areas;
- the potential competition in the region;
- the future growth potential of the area, the land appreciation potential and the potential return from the project development;
- the convenience of the site's location, including the proximity of public transportation and supporting infrastructure; and
- government development plans for the area.

Preliminary Preparation

Land Acquisition

We acquire land use rights for property development from the PRC government through public tenders, auctions or listings-for-sale in accordance with the Regulations on the Granting of State-Owned Construction Land Use Rights through Invitations to Tenders, Auctions and Listings (《招標拍賣掛牌出讓國有建設用地使用權規定》), which was promulgated on 28 September 2007 and became effective on 1 November 2007. It provides that the PRC government may only grant land use rights in respect of state-owned land for business, tourism, entertainment and residential commodity property development purposes by way of public tenders, auctions or listings-for-sale. In a public tender, the relevant authorities may assess either solely on tender prices or, alternatively, by reference to various factors including tender prices, the credit history of the bidders and the quality of the development proposals, in determining to whom such land use rights should be granted. Where land use rights are granted through public tenders, auctions or listings-for-sale, they are normally granted to the highest bidder. Please refer to the section headed "Regulatory Overview" of this listing document for further details of the applicable PRC laws and regulations. For the years ended 31 December 2011, 2012 and 2013, the proportion of land we acquired through public tenders, auctions and listings-for-sale amounted to approximately 85%, 70% and 76% of the total land acquired by us in those years in terms of site area. We also acquire land use rights in the secondary market through purchasing projects which have not been completed or acquiring project companies directly from other property developers.

Our regional offices make land acquisition decisions by taking into factors such as the amount of investment required, the other equity investment interests and the land cost. The investment decisions made by our regional offices are then passed for approval to our headquarters which can veto any decision. The investment and decision-making committee of our management is also responsible for the assessment and approval of unconventional investments, such as non-residential projects. Any investment in land that exceeds 10% of our net assets requires the approval from our Board.

During the Track Record Period, we paid land premium as required by the terms and the conditions set forth in the relevant land grant contracts. For land premium we have undertaken to pay but which was not yet due as of the Latest Practicable Date, we plan to make the relevant payments when they are due and/or the relevant conditions are satisfied.

Some of our projects require the resettlement of existing residents and the demolition of existing buildings. Where we obtain the land use rights from the PRC government, land clearance costs are usually included in the land premium. Where the resettlement and demolition costs are not included in the land premium, the amounts we are required to pay are calculated in accordance with formulae published by the relevant local authorities prior to construction. As of 31 March 2014, we had seven projects that required resettlement and demolition as well as several projects with a limited amount of outstanding resettlement and demolition work for several individual units or buildings and that resettlement and demolition is not expected to have a material adverse effect on our operations. The demolition and resettlement work and the related costs for four of the seven projects will be undertaken by the government or the parties who sold such properties to us pursuant to the relevant land acquisition agreements. The land premium paid by us included the related costs for the resettlement and demolition of these projects. For the remaining three projects, we are responsible for the resettlement and demolition work. We have entered into an aggregate of 2,047 agreements in relation to the demolition or resettlement work of these three projects, which stipulate details including the areas or structures to be demolished, the compensation and the areas for resettlement. We engaged an independent third party for the demolition work of one of these three projects prior to 2014. However, since 2014, all demolition and resettlement work relating to these three projects has been performed by us. Parties affected by the demolition work may be compensated by cash settlements, resettlement or a combination of both. As of 31 March 2014, the cost of the resettlement and demolition work performed by us was approximately RMB3,067.0 million. According to our best estimate and based on our current resettlement and demolition cost, we expect that the future resettlement and demolition cost to be paid in relation to these three projects will amount to approximately RMB484.4 million of cash payment. Such estimate may vary in the future depending on the actual conditions of the demolition or resettlement but the variation would not materially affect our operations. As of the Latest Practicable Date, the progress of the demolition and resettlement work for these projects was being undertaken in accordance with our planned schedule and there were no uncontrollable factors at this stage that would affect the cost of demolition or resettlement. During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalties with respect to our resettlement operations, and our land resettlement operations complied with all applicable laws and regulations in all material aspects.

Project Planning and Design

We maintain a dedicated in-house design team which is responsible for the overall planning and conceptual design of our development projects. We engage reputable domestic and international design consulting firms to perform detailed design work, including architectural design, landscape design, interior design and ancillary facility design. As we believe good project design significantly enhances the value and marketability of our projects, we carefully select our external design consulting firms and design plans through tender processes and based on factors such as type of property development, product location and project size.

Final project designs are determined by the product selection committees of our local offices. Such committees consist of members from our marketing and sales department, who provide input based on their assessment of the market and consumer demand, members from our finance and accounting department, who provide input based on their cost estimates and estimates of the return on investment for the project, and members from our engineering department, who provide input with regard to the technical aspects of the proposed designs. The general managers of our local offices may veto any decision. For high-end projects, non-residential projects or projects that involve substantial investment, our local offices receive guidance from our regional offices.

Construction

Appointment of Construction Companies

We outsource all of the construction work of our projects under development to external Independent Third Party construction companies. Outsourcing our construction work allows us to leverage the expertise of the construction companies and minimize certain risks, such as risks from fluctuations in the cost of raw materials. We believe that it also allows us to better focus on our business as a property developer. We maintain relationships with more than 50 construction companies, the majority of which have been working with us for more than five years. We engage such construction companies for our projects through tender processes in accordance with the Law on Tender and Bidding of the PRC (《中華人民共和國招標投標法》) and the Rules on the Tender Scope and Criteria for Construction Projects (《工程建設項目招標範圍和規模標準規定》).

In order to ensure the quality and the workmanship of our properties, we apply stringent criteria in the selection of construction companies during the bidding process. We typically assess the construction companies' professional qualifications, reputations, credentials, financial condition, experience, price quotes and technical abilities. We prefer companies which with which we have existing relationships, including large-scale state-owned construction companies, listed companies or private enterprises. For transparency purposes and to encourage construction companies to provide services and materials of high quality, as well as to encourage construction companies the adoption of and adherence to industry standards, we disclose on our website a list of construction companies we have previously engaged which we believe to provide high quality services.

Upon completion of the relevant tender processes, we generally enter into construction contacts with the winning bidders. Under such contracts, the construction companies are required to give warranties in respect of relevant quality standards and construction completion schedules and are required to provide periodic progress reports to enable us to closely monitor construction progress. The construction companies we contract are also required to pay fines in the event of delays and to bear the costs of rectifying any construction defects. In addition, we may terminate the construction contracts if the construction companies cause any material delays to the development schedules or irreparable damage to the development or any material adverse media exposure to the Company. During the Track Record Period, we were not subject to any penalty, material claim or direct loss as a result of unsatisfactory work performed by our construction contractors or to construction delays. We make payments to construction contractors in stages in accordance with the terms and conditions stipulated in the construction contracts and the percentage required at each stage varies from case to case. According to the general contract terms and conditions with our construction contractors, we generally make payments according to the construction progress on a monthly basis, and settle up to 95% of the total construction costs within six months of the completion of construction of the relevant projects. In general, we retain the remaining 5% as retention monies for approximately two years. The retention monies are used to cover any contingent expenses that are incurred as a result of construction defects. During the Track Record Period, there was no incident where these retention amounts were less than the amounts we had to pay to correct construction work defects.

Procurement

We are responsible for purchasing specific construction materials, such as elevators, pipes, coatings, flooring, kitchen appliances and sanitary wares, while general and basic construction materials such as steel, concrete mix and molds are generally procured by our construction contractors. Our construction materials are normally sourced from domestic suppliers in the PRC. We have established a centralised procurement process aimed at giving us economies of scale in production, enhancing our bargaining power, ensuring consistent construction material quality and controlling our costs. The procurement department at our headquarters manages the procurement of construction materials based on factors including our expected production schedules. We do not normally maintain construction material inventory and order these materials only on an as needed basis.

We have built stable strategic cooperation relationships with reputable suppliers and set up a stringent bidding process for the selection of suppliers. For construction materials that are particularly important to the construction of our projects, we seek tenders from various suppliers and conduct price and quality assessments. We require tender bidding for any purchase of RMB300,000 or more. In general, we seek tenders through our partner development centre, an online procurement bidding system.

We also seek to reduce exposure to price fluctuations by seeking tenders for the materials which we are responsible for purchasing. Materials such as flooring, cabinets, paint and lighting are normally purchased by way of tenders. The contracts with the winning bidders for the supply of these materials generally have a term of one to two years, and these contracts generally do not allow for price adjustments. We may allow price adjustments for certain materials where there are changes in prices that exceed 3–5% of the original prices. We are not subject to any minimum purchase commitment. We did not enter into any long-term agreements with our suppliers during the Track Record Period.

We can, to a certain extent, pass the increases in raw material costs to our customers by increasing the prices of our products. However, we still bear the risk of price fluctuations in raw materials to the extent that we are unable to increase our prices to fully cover increases in costs. Materials which we are responsible for purchasing (such as cupboards, closets, flooring, kitchen appliances and sanitary wares) account for approximately 5% of the total cost of a project. A 5% change in the cost of our materials will roughly result in a 0.25% change in the total cost of a project.

Payments are normally made in stages in accordance with the terms and conditions stipulated in the contracts and payment terms granted by our suppliers and vary depending on a number of factors, including our relationship with the suppliers and the transaction size. We are normally required to settle payment within 20–45 days of the receipt of invoice and payment details, which are normally provided to us after the products have passed our relevant quality control inspection processes and those of the construction supervision companies. Suppliers may enter into new tender bids when the relevant contractual periods expire, although some contracts may be renewed upon expiration provided that the suppliers have passed our quality assessments. Typically, we may terminate a contract if the supplier fails to supply the relevant materials in accordance with the terms of the contract, industry standards or relevant regulatory requirements.

We normally secure at least one alternate supplier of comparable quality and price for each type of raw material in order to reduce the risk of loss from supply shortages. We did not experience any shortages or delays in the supply of raw materials which had a material impact on our operations during the Track Record Period. For transparency purposes and to encourage suppliers to provide services and materials of high quality, as well as to encourage the adoption of and adherence to industry standards for suppliers, we disclose on our website a list of suppliers we have previously engaged which we believe to provide high quality services.

For the three years ended 31 December 2011, 2012 and 2013, purchases from our five largest suppliers, all of which were Independent Third Parties, amounted to RMB2.3 billion, RMB2.6 billion and RMB2.9 billion, respectively, representing 3.19%, 3.61% and 2.86% of our total purchases for those years, respectively. Our five largest suppliers primarily supplied elevators, pipes, indoor doors, flooring, ceramic tiles and waterproof materials. We have maintained long-term and stable relationships with these suppliers and have between five and 17 years of business relationships with them. For the three years ended 31 December 2011, 2012 and 2013, purchases from our single largest supplier, which was principally engaged in the supply of elevators, was RMB989.2 million, RMB1,108.0 million and RMB1,071.0 million, respectively, representing 1.35%, 1.51% and 1.06% of our total purchases, respectively. None of our Directors, their respective associates or Shareholders owning five per cent or more of the total issued share capital of the Company had an interest in any of our five largest suppliers during the Track Record Period.

Quality Control and Construction Supervision

We place great emphasis on the quality control and inspection of the construction of our properties to ensure compliance with the relevant regulations and our quality standards. We have established a standardised, professional and procedural operational system for property development and have formulated various measures for project management, cost management, procurement management and contracts management at our headquarters, regional offices, local offices and project companies.

In compliance with the relevant PRC laws and regulations, we engage certified construction supervision companies to monitor certain aspects of the construction of our projects. They conduct quality and safety control checks on all construction materials and workmanship and also monitor construction progress, work site safety and the relevant construction completion schedules. In addition to engaging external professionals, the construction team of each of our project companies closely oversees the entire construction process, paying particular attention to the quality and timetable of construction work, as well as the selection of construction materials, to ensure compliance with the applicable national quality control standards and our own stringent quality control standards. The substantial majority of the construction team of our project companies have education qualifications of bachelor degrees or above. To ensure the quality and safety of our properties, personnel from our construction department also conduct site visits from time to time. In addition, all of our properties under development are inspected quarterly by Independent Third Party professionals and prior to delivery.

We are committed to providing high quality properties to our customers and we pride ourselves in the quality of our properties. As of 31 March 2014, 26 of our projects had received the "Zhan Tianyou Civil Engineering Award", a well-recognised honor in the PRC residential civil engineering industry. In addition, some of our project companies have obtained the ISO 9001 certification with respect to their quality management systems relating to property development and sales service. Our project companies obtained such certifications by application upon passing the relevant requirements, which include demonstrating the ability to consistently provide products that meet customer requirements and applicable statutory and regulatory requirements, and enhance customer satisfaction through the effective application of systematised processes, including processes ensuring conformity to customer and applicable statutory and regulatory requirements. To enhance customer confidence in our properties, we encourage our customers to participate in the inspection of our properties upon delivery and in 2013, we began to provide our customers with a delivery inspection checklist which includes 99 areas of focus. This is aimed at assisting new property buyers to understand the most important areas requiring inspection.

During the Track Record Period, we had no disputes with respect to quality with the construction companies we engaged that had a material adverse impact on our business or financial condition. In addition, there was no material delay or failure to complete the construction of any of our projects according to planned specifications during the Track Record Period.

Research and development

We have established a research and development facility in Dongguan, Guangdong Province which is responsible for the research and development of matters including property project management, resource management and quality control. We are committed to enhancing our property development efficiency by improving our property development processes and systems, minimizing waste and improving the quality of our products. We have also made active efforts with regard to energy conservation and emission reduction and the promotion of green technology, improving our techniques in areas such as the composition of pre-cast concrete, S-I separation and low-carbon development. Our research and development facility was recognised by the Ministry of Construction of the PRC as "A National Housing Industrialisation Base" in 2007.

As a leader in housing industrialisation and green construction in China, we are committed to promoting housing industrialisation by broadening its coverage and enhancing the application of industrial technology. Housing industrialisation refers to the process in which floors, stairs, interior walls, balconies and other components are prefabricated pursuant to required standards and specifications at factories and assembled by the construction companies on-site. We aim to actively apply prefabrication technology in areas including precast concrete, fabricated interior walls, and interior and external walls without plaster between in the coming years. For our mainstream properties for which construction commenced in 2013, prefabrication application in the aforementioned three areas reached 8.3%, 38.8% and 29.1%, respectively. We aim to continue to increase the application of prefabrication for such areas.

We also collaborate with academic and research institutions to tap into their resources on research and development. We entered into two-year agreements with Harbin Institute of Technology (哈爾濱工業大學) and South China Botanical Garden, Chinese Academy of Sciences (中國科學院華南植物園), respectively, to set up post-doctorate stations at such universities. The post-doctoral candidates are jointly recruited by the universities and the Company. We have the right to elect the responsible person-in-charge and lecturer-in-charge for each project and the universities may select a co-lecturer and relevant experts. We share all copyrights resulting from our collaboration with the universities but we solely own all patents and rights to apply for patents. The universities may publish on academic journals or apply for awards upon approval from us. The universities are responsible for providing the necessary research plans, technology, resources and information facilities and we pay the universities an annual management fee and advisory fee. We may also pay subsidies to the post-doctoral candidates during the course of their studies. We have the priority but are not obligated to hire the post-doctoral candidates upon completion of the studies.

For details of our intellectual property rights, please refer to the section headed "Statutory and General Information — Further information about our Business — Our intellectual property rights" in Appendix IX to this listing document.

Our research and development are recognised as expenses at the time of incurrence. Relevant laboratory and equipment purchases are recognised as assets which are depreciated over the expected useful lives of the assets. For the years ended 31 December 2011, 2012 and 2013, our research and development expenses were RMB103.5 million, RMB100.7 million and RMB92.3 million, respectively. As of 31 March 2014, we had 31 research and development personnel, all of whom had bachelor's degrees, 14 of whom had master's degrees and five of whom had doctorate degrees.

Sales and Marketing

Sales and Marketing Plan

Our headquarters is responsible for formulating our annual sales and marketing strategies, in accordance with which the sales and marketing departments of our local offices formulate their respective sales and marketing plans. The sales and marketing personnel at our local offices conduct comprehensive and detailed market research and formulate pre-sales, sales and pricing strategies, which are then reviewed and analysed by our headquarters. The sales and marketing departments of our local offices may change the selling prices of the properties according to prevailing market conditions. Our marketing development department also establishes sales inspection teams to inspect and assess the implementation of sales and marketing plans of our local offices.

We market our properties mainly by way of newspapers, magazines and the Internet. We also began to market our properties through mobile platforms such as Wechat in 2013. For the years ended 31 December 2011, 2012 and 2013, our advertising and promotional expenses were RMB899.5 million, RMB1,156.4 million and RMB1,561.5 million, respectively. We have formulated internal guidelines to ensure that our advertising and promotional activities are in compliance with the relevant laws and regulations. All advertising and promotional activities are subject to the approval of our internal legal and customer relations personnel. We have also set out a set of internal policies, which require all projects to undergo due diligence on sales risks, with a particular emphasis on the area of early-stage sales advertising and promotions. We also provide relevant training to our sales personnel on risk management and compliance with applicable laws and regulations. In addition, we have founded the Vanke Club, a membership loyalty programme to maintain and enhance customer relations. Members are provided with certain discounts which vary according to region. For example, 1% discount to Gold card members of the Vanke Club in Shenzhen on purchases of our properties in Shenzhen.

We engage sales agents, which are engaged through tender processes, to promote the sale of our properties according to the prices set out by us. The standard service agreements we enter into with sales agents include key terms such as the scope of retention, duration of services, scope of authorisation, fees, payment, rewards and punishment and consequences upon breaches of the terms. We provide training to our sales agents to ensure that the services provided by them meet our required standards and comply with relevant regulatory requirements. During the Track Record Period, more than 80% of our properties were sold through our sales agents. We paid commissions to sales agents totaling RMB625.1 million, RMB714.2 million and RMB959.9 million, respectively, for the years ended 31 December 2011, 2012 and 2013. Payments on properties sold by our sales agents are made by our customers directly to our Company's designated accounts. Our sales agents do not receive any sales payments on our behalf. We did not have any material disputes with our sales agents during the Track Record Period and up to the Latest Practicable Date.

As a property development company, our sales are primarily affected by our property development schedule and not by seasonality.

Pricing

Our ability to price our products at desired levels has been, and will continue to be, important to our results of operations. Generally, we determine the prices of our products based on a variety of factors, such as market conditions, the competitive landscape and the prices of comparable products in the market, expected investment returns, spending patterns of target customers, cost of production and positioning of our brand. We also adjust the prices of our products during our sales of properties in the relevant projects based on the market response we experience.

Pre-sales

Pre-sales of our properties commence before the completion of a project or a project phase. Under the Law of the PRC on Urban Real Estate Administration (《中華人民共和國城市房地產管理法》) and the Measures for the Administration of Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》), certain conditions must be fulfilled before pre-sales activities of a particular property may commence, including the full payment of land premium and obtaining the relevant land use rights certificate, construction work planning permit and construction work commencement permit. Please refer to the section headed "Regulatory Overview" of this listing document for further details of the applicable PRC laws and regulations. In general, we enter into a standard contract with each of our purchasers, which specifies information such as GFA of the property to be sold, purchase price, method of payment and date of delivery of the completed property. Proceeds from pre-sales are deposited in escrow accounts and, where required by local regulation, are only used to finance construction of the relevant properties. Please refer to the sub-section headed "— Project Financing — Pre-sales Proceeds" in this section for further details. During the Track Record Period, we complied in all material respects with the legal and regulatory requirements for the pre-sales of properties.

Payment Arrangements

Generally, we require purchasers of our properties to pay a non-refundable deposit before entering into formal sale and purchase agreements. Such deposits are forfeited if the customer subsequently decides not to purchase the property. Our customers may either pay in one lump-sum payment or by mortgage financing. Customers who choose to settle the purchase price by making a lump-sum payment are typically required to fully settle the remaining balance no later than six months after the date of the execution of the relevant sale and purchase agreement. Our customers who pay by mortgage financing are required to pay a down payment of not less than 30% of the purchase price upon signing the relevant sale and purchase agreement. According to current PRC laws and regulations, first-time home purchasers may obtain a mortgage loan of up to a maximum of 70% of the purchase price with a repayment period of up to 30 years. These purchasers are required to pay the remaining balance of the portion of the purchase price that is not covered by the mortgage loan prior to the disbursement of the mortgage loan from mortgage bank.

In line with market practice in the PRC, we provide guarantees to banks with respect to the mortgage loans offered to our purchasers. Under these guarantees, we are jointly responsible for the repayment of the principal and interest of the mortgage loans by the respective purchasers. If a purchaser defaults under a mortgage loan, we are obligated to repay all principal and interest owed by the purchaser to the mortgagee bank and the mortgagee bank, upon our payment such amounts, will assign its rights under the loan and the mortgage to us, giving us the use rights to the property. These guarantees are not released until the earlier of (i) the relevant property ownership certificates being obtained and the mortgage being registered in favour of the mortgage banks, (ii) two years after the expiry date of the mortgage loan contract, or (iii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As of 31 December 2013, our outstanding guarantees in respect of mortgage loans of our customers amounted to RMB40,949 million. During the Track Record Period, we encountered 41 incidents of default by purchasers, which amounted to an aggregate default payment of approximately RMB63.9 million. We suffered an actual loss of approximately RMB3.8 million as a result of such incidents of defaults. None of these incidents of defaults, individually or in aggregate, had any material adverse impact on our business, financial conditions and results of operations.

Delivery and After-sales Services

Delivery of Properties

We closely monitor the construction progress of our properties and endeavour to deliver our properties to purchasers within the time frame stipulated in the respective sale and purchase agreements. Under current PRC laws and regulations, we are required to obtain a completion certificate prior to the delivery of properties to the purchasers. For details of the PRC laws and regulations governing delivery of properties, please refer to the section headed "Regulatory Overview" of this listing document.

We had obtained all relevant completion certificate prior to the delivery of properties to our purchasers during the Track Record Period.

Once a property development project has passed the requisite completion and acceptance inspections, we notify the purchasers in respect of the delivery on a timely basis. However, if we fail to deliver the properties to purchasers on the date of delivery stipulated in the respective sale and purchase agreement, we are obligated to pay a compensation fee of a certain percentage of the purchase price. There was no material failure to deliver properties to our customers according to agreed schedules due to our fault during the Track Record Period. For the years ended 31 December 2011, 2012 and 2013, we paid RMB0.1 million, RMB7.9 million and RMB27.8 million, respectively, to our customers as compensations for delayed deliveries as we made fine adjustments to the decorations of these properties to ensure that they met our required quality requirements.

After the delivery of properties, we are required to obtain a general property ownership certificate for each of our projects and we also offer assistance to purchasers in applying for Strata-title Building Ownership Certificate (分戶產權證) by providing the requisite information to the local title registration office.

After-sales Services

Our customer relationship department is responsible for the after-sales customer services. We provide comprehensive after-sales services, including assistance to our customers in obtaining property title certificates. We seek to ensure each customer service staff member is dedicated to providing after-sales services to each customer. Our staff members visit customers to obtain feedback within six months of the customer moving into the property and conduct a thorough examination of their units within one year after the delivery of the properties. In addition, customers may file complaints through our telephone hotlines and online system. To enhance our services and to demonstrate our transparency, we established an Internet forum for customers to provide feedback and hold discussions in 2001. We believe it was the first Internet forum initiated by a property developer in the PRC. We are dedicated to improving our customers' satisfaction and our brand image and we seek to operate by the philosophy that our customers are our long-term partners. We attend to customer complaints in a timely manner, and it is our policy to ensure that collective complaints (i.e. complaints by 10 or more customers) from our customers are responded within 24 hours. Depending on the situation, we may transfer certain complaints to our senior management to ensure our responses are in line with our brand's philosophy and image. We try our best to reasonably compensate our affected customers while abiding by the relevant laws and regulations. We also deliver the "Vanke Letter" (萬科家書) to our customers regularly, keeping them updated on the development of our projects, facilities and relevant services. We believe the provision of high quality after-sales services enhances our brand recognition and goodwill and helps to generate new sales and customer referrals for our properties.

We receive complaints from our customers with respect to our properties or the ancillary facilities of our properties from time to time, and with respect to the renovation or workmanship of our furbished units. We did not receive any material complaints from our customers during the Track Record Period.

Warranties and Returns

We provide warranties with respect to our properties in compliance with relevant regulatory requirements. In particular, we provide the following warranties, among others, for our residential properties:

- three-year warranties for defects relating to the waterproofing of property surfaces;
- one-year warranties for defects relating to the waterproofing of walls, pipes, basements, kitchens and bathrooms;
- one-year warranties with respect any peeling of wall surfaces and ceiling plasters;
- one-year warranties with respect to the cracking of flooring and sanding of a large area;
- one-year warranties with respect to the cracking of doors and windows, and damage to metal hardwares;
- one-year warranties with respect to defects relating to any sanitary wares;
- six-month warranties with respect to defects relating to lighting and switches;
- two-month warranties with respect to clogging of pipes; and
- warranties which last a season, heat supply period or cool air supply period with respect to defects relating to heating and cooling systems and equipment.

All warranty periods commence on the day of the delivery of the relevant properties. In general, the warranties we provide to our customers are in line with the warranties which our construction contractors provide to us. If the warranties provided to us by our construction contractors exceed the coverage periods mentioned above, we will also provide warranties with such longer coverage periods.

We do not provide warranties with respect to defects that are caused by third parties or improper use, defects resulting from natural disasters, equipment modified or installed after the delivery of properties, or indoor fragile items such as glass, mirrors, light bulbs and window sills.

Our construction companies are responsible for warranties in respect of relevant quality standards. In general, we retain 5% of the cost of a project as retention monies for approximately two years, which are used to cover any contingent expenses that may be incurred as a result of any construction defects. When construction defects arise and if our construction companies cannot repair the defects in a timely manner, we may repair the defects and deduct the costs incurred from the retention monies. We are only responsible for costs relating to maintenance work which no responsible third parties are identified. In the years ended 31 December 2011, 2012 and 2013, costs relating to maintenance work which no responsible third parties are identified amounted to RMB30.5 million, RMB16.9 million and RMB88.2

million, respectively. During the Track Record Period, there was no incident where the retention monies were less than the amount we had to pay to repair construction defects. We do not maintain provisions with respect to warranties.

In general, we allow for returns of our properties under the following circumstances:

- material delays in the delivery of our properties which exceed the periods (e.g. 90 days) stipulated in the relevant sales and purchase agreements;
- our failure to obtain the relevant ownership certificates within a certain period (e.g. 180 days) as stipulated in the relevant sales and purchase agreements if such failure is caused by us;
- material quality defects with respect to our properties (e.g. material structural defects);
- material discrepancies in the GFA of our properties delivered as compared to the GFA stipulated in the sales and purchase agreements;
- material changes made by us to the design of the properties which result in changes in areas such as property type, dimension and spatial orientation.

For the years ended 31 December 2011, 2012 and 2013, 1,800, 2,423 and 3,253 units were returned to us (including those returned or changed as negotiated between us and our customers), with the aggregate GFA amounting to 260,217 sq.m., 305,127 sq.m. and 381,487 sq.m., respectively. None of these returns and changes, individually or in aggregate, had a material adverse impact on our business, financial conditions and results of operations.

CUSTOMERS

We abide by our principle of "building quality houses for ordinary people". The majority of our property products are small- to medium-sized residential units with GFA of not more than 144 sq.m. In terms of number of units, 47% of our units have GFA of not more than 90 sq.m. and 45% have GFA of 90–144 sq.m. Most of our customers are individuals and our products mainly target the mass market and first-time home purchasers.

For the three years ended 31 December 2011, 2012 and 2013, revenue derived from our five largest customers, all of whom were Independent Third Parties, was RMB1,811.6 million, RMB1,885.1 million and RMB2,747.6 million, respectively, representing 2.68%, 1.95% and 2.16% of our total revenue, respectively. Our five largest customers during the Track Record Period, with whom we had an average of one to four years of working relationships, include local governments for whom we develop affordable housing and companies that are principally engaged in property investment. None of our five largest customers during the Track Record Period were our suppliers. Save as disclosed below, we did not enter into any long term agreements with our five largest customers during the Track Record Period. For the three years ended 31 December 2011, 2012 and 2013, revenue derived from our single largest customer was RMB990.2 million, RMB1,058.8 million and RMB1,189.3 million, respectively, representing 1.46%, 1.09% and 0.93% of our total revenue, respectively.

We entered into agreements with three of our five largest customers during the Track Record Period for the development of indemnificatory apartments. (1) We entered into a four-year agreement with respective to a project in Nanjing, pursuant to which the development of indemnificatory apartments commenced in December 2010. According to the agreement, 50%, 90% and 100% of the first phase of the project was completed by the end of 2011, 2012 and 2013, respectively, and 20%, 40% and 70% of the second phase of the project was completed in the end of 2011, 2012 and 2013, respectively. According to the terms of the agreement, we are paid on a cost-plus basis together with a management fee based on the actual cost audited by relevant government authorities. Payments are made in stages according to the schedule set out in the agreement and the remaining balances are to be settled within one year upon completion of the project. (2) We entered into a three-year agreement with respect to a project for the development of indemnificatory apartments in Shenzhen. In accordance with the agreement, 65% of the project was completed in 2011 and the remaining portion was completed in 2012. We were paid on a fixed cost basis pursuant to the agreement. 90% of the payment was made upon delivery and the remaining balance will be settled within 14 days after the third anniversary of the filing of the relevant completion pursuant to the terms of the agreement. (3) We entered into a three-year agreement with respect to a development of indemnificatory apartments project in Fujian. In accordance with the agreement, the first phase of the project was 44% and 82% completed by the end of 2012 and 2013, respectively, and the second phase of the project was 25% completed by the end of 2013. We have been paid on a fixed cost basis pursuant to the agreement. Payments are made in stages according to the schedule set out in the agreement. (4) In addition, we entered into a four-year agreement with one of our five largest customers during the Track Record Period for the development of resettlement housing (安置房) in Fuzhou. The project was completed and delivered to our customers as of April 2013 in accordance with the agreement. Payments were made in stages in accordance with the schedule set out in the agreement and the final balances were settled after the register of the property rights.

None of our Directors, their respective associates or Shareholders who own five per cent or more of the total issued share capital of the Company had an interest in any of our five largest customers during the Track Record Period.

PROJECT FINANCING

During the Track Record Period, we financed our projects primarily through internal cash flows, including proceeds from pre-sales and sales of our properties, bank loans, trust financing and the issuance of bonds. We also develop properties through joint ventures and associates established with our partners which allow us to leverage the development funds of our partners. Please refer to the sub-section headed "— Property Development through our Joint Ventures and Associates" in this section for further details.

Pre-sales Proceeds

We use proceeds from the pre-sales and sales of our properties to fund part of the construction costs of the relevant projects and to make interest payments on and repay our debt obligations. For the years ended 31 December 2011, 2012 and 2013, our contracted sales of properties amounted to RMB121,540.4 million, RMB141,227.4 million and RMB170,935.6 million, respectively. Pre-sales proceeds form an integral source of operating cash inflows during project development. According to the laws of the PRC, property developers may pre-sell properties under construction after certain criteria are met and pre-sales proceeds are normally required to be used for the construction of such properties. Our policy is to finance our property development with internal resources to the extent practicable so as to reduce the level of external funding required.

The use of pre-sales proceeds is regulated by local governments in many cities where we develop our property projects, such as Beijing and Guangzhou. Under the applicable rules and regulations of these local governments, such proceeds are required to be deposited into regulated accounts in banks designated by the local governments and to be primarily used for the construction and development of the relevant projects. For cities where pre-sales proceeds are not subject to such regulations, the proceeds are managed by our headquarters. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that in regions where the respective local government does not promulgate supervision regulations for pre-sales proceeds, pre-sales proceeds are centrally managed by the Group's headquarters. After the capital needs for the development of the upcoming projects have been satisfied, the remaining proceeds are used by us according to our comprehensive guideline. The centralised management method of pre-sales proceeds is in line with the objective of the supervision regulations for pre-sales proceeds and benefits the construction of property projects. As such, the centralised management method of pre-sales proceeds by the Group's headquarters in regions without supervisory regulations for pre-sales proceeds does not violate applicable laws and the risk of significant penalties resulting from inter-company lending is remote. As of the Latest Practicable Date, we had not received any notice of penalties or challenges from any relevant authorities with respect to our use of pre-sales proceeds. As advised by our PRC legal adviser, Shu Jin Law Firm, our use of pre-sales proceeds is in compliance with the requirements of the relevant local authorities.

Bank Loans

According to a guideline issued by the CBRC on 30 August 2004, no bank loan may be granted with respect to projects for which the land use rights certificates, construction land planning permits, construction work planning permits or construction work commencement permits have not been obtained. On 25 May 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Asset Investment Projects (《關於調整固定資產投資項目資本金比例的通知》). The notice stipulates a minimum capital requirement of 20% for affordable housing and ordinary commodity apartments, and a minimum capital requirement of 30% for other real estate development projects. For further details, please refer to the section headed "Regulatory Overview — Real Estate Loans" of this listing document.

Our bank loans are primarily obtained by our headquarters from major commercial banks in the PRC. As of 31 December 2011, 2012 and 2013, our total amount of bank loans amounted to RMB26,542.9 million, RMB29,042.4 million and RMB34,675.4 million, respectively, representing approximately 52.7%, 40.6% and 45.2% of our total outstanding loans and borrowings, respectively.

Trust Financing

We enter into trust financing arrangements with certain trust financing companies acting as trustees of the respective trust funds to finance our property development projects. As of 31 December 2011, 2012 and 2013, the total amount of our trust financing was RMB14,574.7 million, RMB29,943.3 million and RMB26,416.1 million, representing approximately 28.9%, 41.8% and 34.4% of our total outstanding loans and borrowings. As of 31 December 2013, we had trust financing arrangements with trust financing companies by way of credit loans. The key terms of our trust financing arrangements are summarised below:

Conditions for the trust financing arrangements:	The trust financing companies provide credit loans to us based on their evaluation of our credit and our projects under development.
Management of the project companies:	We retain the rights in respect of the day-to-day operation and management of our project companies and borrowing subsidiaries. Generally, none of the trust financing companies are involved in the day-to-day operation and management of the relevant project companies or borrowing subsidiaries and no consent from the trust financing companies is required to carry out our daily operational activities in the ordinary course of business of our project companies or borrowing subsidiaries.
Board representation:	The trust financing companies have no right to appoint directors of the board and have no voting rights on any matters of the borrowing subsidiaries.

Veto right:	Prior consent from the relevant trust financing companies is normally required to conduct shareholding restructuring, reduce the registered share capital, carry out mergers or demergers or other material matters outside of the normal course of our business or that of the relevant project companies or which may adversely affect our repayment obligations under these trust financing agreements.
Control over underlying properties:	We retain our rights to develop, manage and operate the property projects undertaken by the project companies, and are entitled to market and sell the properties without the consent of the trust financing companies.
Repayment and interest payment arrangement:	The repayment periods for our trust financing arrangements range from 12 months to 30 months. We pay the relevant interest with respect to our trust financing agreements through pre-sales proceeds and sales of our properties. Up to the Latest Practicable Date, we had made timely payment of all of our interest payment obligations under our trust financing agreements. Our PRC legal adviser, Shu Jin Law Firm, has confirmed that, as the trust financing loans are used in the construction of property projects, they meet the requirements of applicable PRC laws with respect to the use of pre-sales proceeds. Taking into consideration the nature of property development, we believe that the use of trust financing loans is reasonable and necessary for property development and does not violate the restriction that pre-sales proceeds have to be used in the construction of the respective projects.
Dividend or other profit distributions:	Under our trust financing arrangements, the trust financing companies do not have any right to require us or the relevant project companies to declare and/or pay dividends or other profit distributions to them. Up to the Latest Practicable Date, we had not paid any dividends or made other profit distributions to our trust financing companies.

Bond issuance

In March 2013, we completed the issuance of our first overseas U.S. dollar bonds. The annual coupon rate of these USD800 million bonds, due 2018, was 2.625%. In July 2013, our overseas subsidiary successfully established the USD2 billion 2013 Medium Term Notes Programme. The 2013 Medium Term Notes Programme allows us to issue medium term notes according to our capital requirements and market conditions. As of the Latest Practicable Date, we had issued SGD140 million four-year bonds, RMB1,000 million five-year bonds, RMB1,000 million three-year bonds and USD400 million five-year bonds with annual coupon rates of 3.275%, 4.5%, 4.05% and 4.5%, respectively under the 2013 Medium Term Notes Programme. We plan to issue additional notes under the 2013 Medium Term Notes Programme and to establish additional notes programmes in the future. We believe that the U.S. dollar bonds and 2013 Medium Term Notes Programme have increased our funding diversity and flexibility.

During the Track Record Period and up to the Latest Practicable Date, we had no events of default with respect to any of the material provisions of our bank loans and trust financing arrangements.

As of 31 December 2013, our estimated capital expenditure with respect to our projects under development and/or projects held for future development was approximately RMB87.0 billion, including approximately RMB76.6 billion of construction cost of property development and RMB10.4 billion of land premium. We plan to fund such capital expenditure by using our internal cash flows generated from operating activities, including proceeds from pre-sales and sales of properties, and external sources of funding such as bank loans and other borrowings. Our ability to finance our projects also depends on the economic and regulatory measures introduced by PRC central and local governments, which are often intended to stabilise the property market in China and control price increases. In particular, any decisions to raise the reserve ratio or otherwise reduce liquidity in China by the relevant authorities may limit our ability to obtain financing from commercial banks and any increase in benchmark interest rates may increase our finance costs.

Please refer to the section headed "Financial Information" for further details of our channels of financing, indebtedness and borrowings.

PROPERTY DEVELOPMENT THROUGH OUR JOINT VENTURES AND ASSOCIATES

We also develop our properties through joint ventures and associates established with our partners. Pursuant to the terms of our joint venture contracts, both our joint venture partners and we are required to provide property development funds in proportion to our respective interests in the joint venture. We work cooperatively with our joint venture partners for the development of properties and share the revenues and obligations of the joint ventures and associates in accordance with the terms of the relevant joint venture contracts. We are responsible for managing the day-to-day operations of some of our joint ventures and associates. We believe that property development through our joint ventures and associates not only helps us enter into local market but also enables us to utilise the development funds and experience of our partners.

Property development funds for our joint ventures and associates for which we are responsible for the day-to-day operations are centrally managed by our headquarters. Property development funds for such joint ventures and associates provided by our business partners and us are transferred to the funds management department of our headquarters. In addition, for such joint ventures and associates that are located in cities where the use of pre-sales proceeds is not subject to regulations, proceeds from pre-sales are transferred to and managed by our funds management department. Based on the needs of our joint ventures and associates, our funds management department may from time to time allocate funds to our joint ventures and associates.

As advised by our PRC legal adviser, Shu Jin Law Firm, the transfer of project development funds between our headquarters and joint ventures and associates do not violate applicable PRC laws and regulations. Although the General Provisions on Loans (《貸款通則》) issued by the People's Bank of China in 1997 prohibit lending activities between non-banking enterprises, as advised by our PRC legal adviser, Shu Jin Law Firm, it is unlikely that we will be subject to material penalties as a result of the allocation of property development funds between our headquarters and joint ventures and associates.

As of 31 March 2014, we had established 67 major joint ventures and associates with our partners. For the years ended 31 December 2011, 2012 and 2013 and the three months ended 31 March 2014, our joint ventures and associates recorded a profit of approximately RMB1,220.7 million, RMB1,742.2 million, RMB2,096.8 million and RMB454.5 million, respectively, of which approximately RMB644.0 million, RMB889.8 million, RMB999.4 million and RMB236.2 million was attributable to our Group. We had 32, 37, 60 and 67 major projects through our joint ventures and associates in 2011, 2012 and 2013 and as of 31 March 2014, respectively. The total planned GFA of these major properties was 10.9 million sq.m., 11.7 million sq.m., 18.9 million sq.m. and 21.2 million sq.m., respectively, with GFA attributable to us amounting to 5.1 million sq.m., 5.4 million sq.m., 8.6 million sq.m. and 9.8 million, respectively.

The following table sets forth summary information of projects developed by our joint ventures and associates as of 31 March 2014:

Project Name	Location	Equity Interest	Site Area	Total Planed GFA	Completed GFA[(1)]	GFA Under Development	GFA Held for future development
			As of 31 March 2014				
			(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
Yihaicheng, Shenzhen	Yantian	50%	137,250	354,695	55,768	298,927	—
Feilishan (翡麗山), Dongguan	Nanchang	50%	249,534	374,302	50,717	263,433	60,152
Racho Santa Fe, Guangzhou	Huadu	49%	210,252	126,172	94,119	32,053	—
Huashan Project, Guangzhou	Huadu	50%	126,941	279,270	—	—	279,270
Donghui Garden (expanding), Guangzhou	Luogang	33%	109,748	271,463	—	271,463	—
Golden Dream (金色夢想), Guangzhou	Luogang	51%	115,671	289,178	—	202,188	86,990
Crystal City, Foshan	Shunde	49%	284,036	710,092	232,872	351,330	125,890
Jinyu Gangwan (金域港灣), Zhuhai	Xiangzhou	50%	78,000	196,358	—	—	196,358
The Paradiso, Fuzhou	Minhou County	50%	213,602	687,507	—	103,643	583,864
King Metropolis, Changsha	Yuhua	60%	238,066	512,778	370,463	142,315	—
Chengji Xinyuan Project, Changsha	Yuhua	40%	351,380	960,664	57,571	191,469	711,624
Expanded Land Lot 205, Jingtou Yintai (京投銀泰205擴容地塊), Changsha	Yuhua	40%	108,857	326,572	—	—	326,572
Zhangjiang East Land Lot, Shanghai	Pudong New District	45%	79,548	216,569	—	—	216,569
Zhangjiang West Land Lot, Shanghai	Pudong New District	45%	24,756	74,269	—	—	74,269
53# Qibao, Shanghai	Minhang	50%	48,932	126,800	—	126,800	—
Firenze, Shanghai	Minhang	49%	304,830	199,071	161,898	37,173	—
Shangyuan (尚源), Shanghai	Qingpu	49%	116,524	142,858	136,829	6,029	—
Jinse Huatin, Shanghai	Songjiang	33%	67,932	108,137	108,137	—	—
Respecte Chateau (金色領域), Shanghai	Jiading	50%	90,013	180,026	73,946	106,080	—
Nimble East District, Suzhou	Industrial District	50%	104,486	179,075	—	179,075	—
Golden Milestone Project, Suzhou	Jinchang	49%	99,093	247,732	87,139	160,593	—
Jinyu Pingjiang, Suzhou	Gusu	46%	80,948	189,677	—	75,539	114,138
Liangzhu New Town, Hangzhou	Yuhang	33%	56,286	140,715	—	—	140,715
Park Avenue, Hangzhou	Jianggan	50%	68,564	150,841	—	150,841	—
Vanke Dajia Qiantang Mansion, Hangzhou	Jianggan	50%	51,945	135,057	—	135,057	—
Junwang A+D, Hangzhou	Fuyang	20%	129,874	164,845	—	—	164,845
Junwang B+C, Hangzhou	Fuyang	20%	138,233	152,231	—	—	152,231
Dream Town, Ningbo	Zhenhai	49%	226,777	491,525	138,239	216,394	136,892
Dream Town, Ningbo	Zhenhai	49%	70,795	127,431	—	—	127,431
Legend On Midtown, Wenzhou	Longwan	51%	45,864	128,396	—	128,396	—
Golden Mingjun, Hefei	Shushan	50%	107,326	401,670	401,670	—	—
King Metropolis, Hefei	Shushan	50%	115,628	412,101	203,984	124,030	84,087
Haishang Chuanqi (海上傳奇), Wuhu	Yijiang	49%	121,895	367,711	—	—	367,711
Ruyuan C1, Beijing	Haidian	50%	85,099	187,218	—	67,182	120,036
Xihuafu, Beijing	Fengtai	50%	233,209	629,170	—	374,142	255,028
Land Lots 010, 014, 015, 017, 019 Park Avenue, Beijing	Tongzhou	50%	88,767	210,738	—	16,949	193,789
Land Lot 007 Park Avenue, Beijing	Tongzhou	35%	34,657	103,971	—	—	103,971
Jinyu Vanke City, Beijing	Changping	49%	178,908	485,234	417,142	57,292	10,800
Land Lot Qiliqu (七里渠),Beijing	Changping	50%	68,944	202,777	—	—	202,777
Changyang Bandao, Beijing	Fangshan	50%	437,179	853,165	423,109	430,056	—
New Milestone, Beijing	Fangshan	20%	77,834	142,612	59,643	82,969	—
Changyang Tiandi (長陽天地), Beijing	Fangshan	38%	112,673	208,351	—	—	208,351
Changyang Bandao • Central Town (長陽半島 • 中央城)	Fangshan	35%	63,950	156,384	—	—	156,384
Gaoliying Project, Beijing	Shunyi	35%	187,830	170,568	—	—	170,568
Shunyi new city 28th block, Beijing	Shunyi	50%	22,913	41,243	—	—	41,243
Huanqingcheng, Langfang	Langfang	50%	130,045	221,077	—	—	221,077
The Paradiso, Tangshan	Lubei	40%	53,440	154,828	—	154,828	—
Jinse Yazhu (金色雅築), Tianjin	Dongli	49%	90,792	173,937	173,937	—	—
Shilinyuan (仕林苑), Tianjin	Jinnan	40%	63,582	114,474	25,251	89,223	—
Xianghushengjing (香湖勝景) North, Shenyang	Yuhong	49%	72,560	342,360	92,046	177,179	73,135

Project Name	Location	Equity Interest	Site Area	Total Planed GFA	Completed GFA[1]	GFA Under Development	GFA Held for future development
			As of 31 March 2014				
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*
Whistler (惠斯勒), Changchun	Jingyue	50%	399,715	484,714	111,629	147,740	225,345
Scupture Park Project, Changchun	Nanguan	50%	121,109	343,058	—	45,291	297,767
Qingdao Town	Development Zone	34%	933,293	702,304	63,255	167,067	471,982
Pingdu Dream Town, Qingdao	Pingdu	51%	59,308	197,931	—	101,645	96,286
Pingdu New City Project, Qingdao	Pingdu	51%	75,701	97,496	—	—	97,496
Dream Town, Jinan	Lixia	50%	191,418	478,545	—	299,033	179,512
Golden Hairong, Chengdu	Wuhou	49%	54,970	234,125	132,752	101,373	—
Jinyu Mingdi (金域名邸), Chengdu	Gaoxin	50%	48,345	145,034	—	59,774	85,260
No. 5 Park Front Boutique Apartment, Chengdu	Gaoxin	50%	87,822	263,464	—	30,483	232,981
Hankou Chuanqi (漢口傳奇), Wuhan	Jianghan	50%	42,385	228,430	—	228,430	—
Luxuriant Scenery (城花璟苑), Wuhan	East Lake High-Tech Development Zone	50%	89,665	409,600	—	156,049	253,551
Yuewan, Chongqing	Jiangbei	45%	435,499	649,158	—	297,892	351,266
Gailanxi, Chongqing	Jiangbei	50%	129,535	652,785	—	—	652,785
Ertang Project, Chongqing	Nan'an	49%	241,314	845,611	—	—	845,611
Dream Town, Guiyang	Yunyan	30%	347,872	914,893	—	347,884	567,009
Yunshangcheng, Kunming	Wuhua	23%	34,293	177,468	23,457	154,011	—
Park Avenue, Kunming	Guandu	50%	213,037	580,438	—	84,951	495,487
Total			**9,881,249**	**21,228,949**	**3,695,573**	**6,974,271**	**10,559,105**

Note:

(1) The completed GFA data referred to the accumulated completed properties as set out in our 2013 annual report. They differ from the completed projects referred to in the paragraph headed "Classification of Our Property Project Stages" in this section as they refer to properties held by us for sale in the PRC.

INVESTMENT IN PROJECTS BY EMPLOYEES OF THE GROUP

In March 2014, to align the incentives of the management with those of shareholders of the Group and to increase the incentives of the management for quality project management, the Company established an investment scheme (the "**Investment Scheme**"), pursuant to which the management team members of the Company's relevant subsidiaries owning projects and the project managers in charge of the relevant projects are required to invest in the projects using their own funds. Additionally, other employees of the Group can voluntarily choose to invest in such projects. However, the investment by such employees in aggregate may not exceed 5% of the total investment in a particular project. The Directors, Supervisors and senior management of the Company cannot participant in the Investment Scheme. As of the Latest Practicable Date, 31 projects of the Company involved in investment by the employees of the Group pursuant to the Investment Scheme.

PROPERTIES FOR OUR OWN USE

Properties for our own use mainly include offices used by our Company, staff quarters, research centres and exhibition centres and these are mainly located in Shenzhen, Beijing, Shanghai, Dongguan and Wuhan. In particular, they include four buildings, 203 units and a research park. As of 31 March 2014, of the above mentioned property interests, offices used by our Company accounted for GFA of approximately 72,258 sq.m., staff quarters accounted for GFA of approximately 36,673 sq.m. and research centres accounted for GFA of approximately 30,858 sq.m. As of 31 March 2014, the carrying amount of the properties for our own use amounted to RMB1.78 billion, representing 0.4% of our total assets. No single property interest that forms part of our non-property activities has a carrying amount of 15% or more of the value of our total assets. None of such property interests were valued by our Property Valuer.

As of 31 March 2014, we had not obtained the relevant building ownership certificate with respect to the property located at No. 63, Meilin Road, Shenzhen City (深圳市梅林路63號). The property has a total GFA of 5,940.41 sq.m. and is owned and used by us as offices and exhibition centre. We had failed to obtain the building ownership certificate because the actual GFA used by us as offices in the property was greater than the GFA for offices stated in the relevant construction work planning permit. Unless we demolish and rebuild the property, we will be unable to remedy the title defect. We purchased the land 21 years ago and the average price for industrial land was lower than that for office space. However, we are unable to estimate the difference in land cost we would have to pay if not for the title defect. As advised by our PRC legal adviser, Shu Jin Law Firm, we will not be able to sell or lease the property as a result of the title defect, and we will not be able to use the property as securities for mortgages. We also face the risk of forfeiture and we may be subject to a maximum penalty of RMB4.3 million. As the property serves an ancillary purpose to our operations, we do not consider it to be a property crucial to our operations. In the event that we are required to demolish the property, we may readily relocate our employees and exhibition centre to other self-owned properties of us. As such, we do not expect the relocation and/or demolishment to have any material adverse impact on our operations. In addition, as advised by our PRC legal adviser, Shu Jin Law Firm, the title defect is not expected to have a material adverse impact on our operations as the ownership of the relevant land use rights is clear and the property is owned by us for self-use purpose. During the Track Record Period and up to the Latest Practicable Date, we did not receive any administrative penalties with respect to the safety conditions of the property.

COMPETITION

We are a leading residential property developer in China, primarily focused on the development, sales and management of quality residential properties. We were ranked No. 1 in China in 2011, 2012 and 2013 in terms of contracted sales, according to the China Real Estate Appraisal Centre (中國房地產測評中心) and China Real Estate Information Corporation (中國房產信息集團). Our contracted sales in 2013 amounted to RMB170.9 billion, representing approximately 2.1% of the total sales of commodity units in the PRC according to the national development and sales data provided by the National Bureau of Statistics of the PRC (中華人民共和國國家統計局).

The property market in China is highly competitive and fragmented, although the market has seen an increase in concentration by key players in recent years. According to a report on the "Top 100 Real Estate Enterprises in China (中國房地產百強企業)" published by the Enterprise Research Institute of Development Research Centre of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所) and the China Index Academy (中國指數研究院), the top 100 real estate enterprises in China accounted for 29.6% of the market share in 2012 and 30.7% in 2013. There are no special barriers of entry into the property development industry. We compete with other property developers in China in terms of a number of factors, such as location, product quality, service quality, price, financial resources, brand recognition and the ability to acquire good quality land reserve. Our existing and potential competitors include major domestic property developers, and foreign developers, to a lesser extent, such as leading property developers from Hong Kong. We believe that with our solid and strong national foothold, diversified product portfolio and expertise in residential property development, we have demonstrated resiliency to market changes. Further, given our brand recognition and reputation, product creativity, credibility, quality products and services and excellent management skills in developing residential properties in the past years, we believe can react promptly to challenges in the property market in China. Please refer to the section headed "Risk Factors — Risks Relating to Our Businesses and Industry — We face intense competition" in this listing document.

AWARDS

We have received honors and awards from various organisations in the PRC in recognition of, among other things, our brand, financial results and overall reputation in the property development industry in the PRC. The table below sets forth some of the awards and honors we have received:

Year	Recipient/ Project	Honor/Award	Awarding body
2013	The Company	No.1 in the "List of Stars of the Industry (行業明星榜)" in the category of property development	Fortune Magazine
2013	The Company	No. 14 among the "Most Admired China Enterprises" (最受讚賞中國公司)	Fortune Magazine
2004–2013	The Company	"Top 10 Real Estate Enterprises" in terms of comprehensive strength in the "Research Report on the Top 100 Real Estate Enterprises in China" (中國房地產百強企業)	The Enterprise Research Institute of Development Research Centre of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所) and the China Index Academy (中國指數研究院)
2003–2013	The Company	The Most Respected Enterprises Awards in China (中國最受尊敬企業)	The Economic Observer (經濟觀察報社) and the Management Case Research Centre of Peking University (北京大學企業案例管理研究中心)
2013	The Company	No. 1 among the "China's Top 200 Comprehensive Property Management Enterprises in 2013"	China Property Management Institute (中國指數研究院)
2013	The Company	China Property Management Top Brand of 2013	China Index Academy (中國指數研究院)
2013	The Company	No.1 among "China's Top 100 Property Management Enterprises in 2013"	China Index Academy (中國指數研究院)
2010–2013	The Company	Top 10 Chinese Property Developer Enterprise	The China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Appraisal Centre (中國房地產測評中心)
2010–2013	The Company	No. 1 in the "List of the Best Brands of High Quality Property Management Services" in China	The Enterprise Research Institute of Development Research Centre of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所) and the China Index Academy (中國指數研究院)

Year	Recipient/ Project	Honor/Award	Awarding body
2013	The Company	CCTV 50 Index — Best 10 Companies in Corporate Governance	CCTV
2013	The Company	CCTV Finance and Economics 50 Indexes — 2013 Annual Sample Stocks	CCTV
2013	The Company	No. 1 under the real estate developer category in the "All-Star List of 2013 Most Praised PRC Enterprises"	Fortune China
2013	The Company	Asia-Pacific's Best Listed Companies	Forbes
2011–2013	The Company	Best Employer	Aon Hewitt
2010 and 2012	The Company	No. 1 in the category of property development among the "Top 500 Listed Companies of China"	Fortune Magazine
2009 and 2012	The Company	No. 1 among the "Most Admired China Enterprises" (最受讚賞中國公司)	Fortune Magazine
2012	The Company	Best Corporate Governance Award from Sample Firms in the 50 Financial Index	CCTV
2011	The Company	Outstanding Investor Relations by an A-Share Listed Companies in China	IR Global Rankings
2009 and 2010	The Company	Best Residential Property Developers	Euromoney Magazine

HEDGING

Some of our foreign currency financing arrangements have floating interest rates. As such, we are exposed to risks arising from interest rate fluctuations. To minimize this exposure from fluctuations in interest rates in relation to such foreign currency financing arrangements, we have entered into interest rate swap arrangements which exchange floating rates for fixed rates through Vanke Real Estate (Hong Kong). Our interest rate swap arrangements have terms that range from 2.8 years to 3.2 years. All of our interest rate swap arrangements will expire in October 2014.

As of 31 March 2014, the aggregate principle amount involved under our interest rate swap agreements was US$299.8 million. In each of the interest rate swap arrangements, we pay the bank at a fixed annual interest rate that is below 1% and in return the bank pays us at an interest rate that is indexed to the 3-month LIBOR, and the payment is settled every three months. On the basis that the 3-month LIBOR was approximately 0.23% as of 31 March 2014, the Company will suffer a loss of RMB5.4 million if the LIBOR is dropped to 0% in October 2014 when our interest rate swap arrangements expire. We believe our interest rate swap arrangements were effective in helping us hedge against interest rate fluctuations during the Track Record Period. We do not participate in hedging activities for speculative purpose. We did not suffer any significant loss as a result of our derivatives activities during the Track Record Period.

In accordance with our internal policy, all of our interest rate swap arrangements are within the duration and amount of our foreign currency financing arrangements. We have established a thorough review process to monitor our financial derivatives activities. Approvals from the responsible personnel of the investment management department and the managing director and the chief financial officer of the management department of Vanke Real Estate (Hong Kong), and in certain cases, the vice president and the executive vice president responsible for our financial matters of the Group, must be obtained before a potential derivatives arrangement may be entered into, terminated or modified. All personnel responsible for our derivatives activities have a minimum of three-year work experience and related professional qualifications in areas such as finance, financial affairs or risk management.

Please refer to the section headed "Financial Information — Indebtedness" of this listing document for further details.

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property forms an integral basis for our strong brand recognition and is of vital importance to our business. As of 31 March 2014, the Group had 15 patents, 22 trademarks and five domain names which were registered in the PRC and were material to our business, and we had three trademark which were registered in Hong Kong and were material to our business. There are currently no material trademarks pending registration. Please refer to the section headed "Statutory and General Information — Further information about our Business — Our intellectual property rights" in Appendix IX to this listing document for further details.

As of the Latest Practicable Date, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third party of any intellectual property rights owned by us, which may have a material effect on us.

INSURANCE

Property developers are not required under the applicable PRC laws and regulations to maintain insurance coverage in respect of their property development operations. Consistent with what we believe to be the industry norm for the property development industry in the PRC, we do not maintain any insurance coverage against destruction of or damage to our properties, whether they are properties under development or properties held for sale other than those over which our lending banks have securities interests or for which we are required to maintain insurance coverage under the relevant loan agreements. In addition, we maintain insurance coverage in relation to personal injuries for our employees at the engineering department and certain specialised departments. We generally do not maintain any insurance coverage in relation to personal injuries that may occur during property construction. The construction companies are responsible for quality and safety control during the course of construction and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations. To ensure construction quality and safety, we have set up a set of standards and specifications with which the construction workers must comply during property construction. We engage qualified supervision companies to oversee the construction processes. Under PRC laws, construction contractors and constructors bear civil liabilities for personal injuries arising out of construction work. However, they shall not be liable if the injury is caused by the wilful conduct of the injured person. In addition, according to our construction contracts, any liability arises from tortious acts committed on work sites will be borne by the construction companies.

Our Directors are of the view that our insurance coverage is adequate and our insurance policy is in line with the customary industry practice of property developers. However, we cannot guarantee that we have sufficient or any insurance coverage for any losses, damages or liabilities that may arise in our business operations. Please refer to the section headed "Risk Factors — Risks Relating to Our Businesses and Industry — Our current insurance coverage may not be adequate to cover all risks related to our operations" in this listing document for details.

ENVIRONMENTAL MATTERS

We are subject to a number of environmental laws and regulations including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Prevention and Control of Environmental Noise Pollution Law of the PRC (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) and the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》). Please refer to the section headed "Regulatory Overview" of this listing document for details of these environmental laws and regulations.

For the years ended 31 December 2011, 2012 and 2013, we incurred approximately RMB115.3 million, RMB114.0 million and RMB111.5 million, respectively, for compliance with applicable environmental protection rules and regulations. We expect that we will continue to incur compliance costs under applicable environmental rules and regulations at a similar level going forward. As of 31 March 2014, we had not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our properties. As advised by our PRC legal adviser, Shu Jin Law Firm, save as disclosed in the sub-section headed "Legal Proceedings and Compliance — Compliance — Administrative Penalties", during the Track Record Period and up to 31 March 2014, we were in compliance with the applicable environmental laws and regulations in all material respects and we were not subject to any administrative penalties in relation to environmental matters which would have a material impact on our operation.

Our corporate mission is to continue to improve our corporate responsibility and green credentials. We have made active efforts on energy conservation and emission reduction, and the promotion of green technology. Our housing R&D facility based in Dongguan City, Guangdong Province was recognised by the Ministry of Construction of the PRC as "The National Housing Industrialisation Base" in 2007. In 2011, 2.7 million sq.m. of our residential units obtained the "Three Stars Green Units" rating according to the "Evaluation Standards for Green Building", a set of green units rating standards issued by the MOHURD, accounting for 50.7% of the national total. Based on such evaluation standards, "Three Stars Green Units" are developments with high resources conservation and space efficiency that are conducive to environmental protection. In 2012, 20 of our projects with a total GFA of 1.7 million sq.m. obtained the "Three Stars Green Units" rating. In particular, the GFA of residential projects amounted to 1.2 million sq.m., accounting for 44% of the national total. In 2013, 16 of our projects with a total GFA of 1.7 million sq.m. obtained the "Three Stars Green Units" rating, with the GFA of residential projects amounted to 1.4 million sq.m., accounting for 34% of the national total. In addition, our headquarters, Vanke Centre, is one of the very few large-scale projects worldwide that received the LEED platinum certification from the U.S. Green Building Council. LEED is a green buildings verification programme that evaluates property projects based on criteria such as site sustainability, water efficiency, energy performance, waste reduction and air quality. The platinum certification is the highest level category of the programme. These accomplishments serve as a testament to our ever-improving residential property quality.

EMPLOYEES

We are committed to recruiting, training and retaining skilled and experienced employees throughout our operations. We intend to achieve this by offering competitive remuneration packages as well as by focusing on training and career development of our employees.

Our philosophy is to promote a "healthy and prosperous life" for our employees and encourage them to grow with us. We make great efforts to provide our employees with a dynamic work environment, active training programmes, varied career development opportunities and a fair reward system that is aligned with their long-term performances. In 2011, we established our A Share Stock Option Incentive Scheme to further align the interests of our employees and those of our shareholders. We were awarded the "Best Employer" in 2011, 2012 and 2013 by Aon Hewitt, a leading international human resources management consulting firm.

As of 31 March 2014, we had a total of 35,676 employees. The following table sets forth the total number of our full time employees by business segments as of 31 March 2014.

	Number of Employees	% of total
Property Development		
Headquarters	239[(1)]	0.7%
Beijing Region	1,918	5.4%
Guangshen Region	1,617	4.5%
Shanghai Region	1,640	4.6%
Chengdu Region	1,399	3.9%
Other	102[(2)]	0.3%
Sub-total	6,915	19.4%
Property Management	27,942	78.3%
Other	819	2.3%
Total	**35,676**	**100.0%**

Notes:

(1) Included 5 employees working in our U.S. office.

(2) Included 17 employees working in our Hong Kong office.

The following table sets forth the total number of our full time employees by functions as of 31 March 2014.

	Number of Employees	% of total
Marketing and Sales	952	2.7%
Professional Technicians		
Construction Staff	2,402	6.7%
Designer	823	2.3%
Cost Management Staff	350	1.0%
Project Development Staff	509	1.4%
Sub-total	4,084	11.4%
Management Staff	1,879	5.3%
Property Management	27,942	78.3%
Other	819	2.3%
Total	**35,676**	**100.0%**

The following table sets for the education level of our employees as of 31 March 2014.

	Number of Employees	% of total
Property Development		
Doctorate	22	0.1%
Master	1,157	3.2%
Bachelor	4,791	13.4%
College and others	945	2.6%
Sub-total	6,915	19.3%
Property Management		
Doctorate	1	0.0%
Master	99	0.3%
Bachelor	2,695	7.6%
College and others	25,147	70.5%
Sub-total	27,942	78.4%
Other		
Doctorate	—	0.0%
Master	41	0.1%
Bachelor	219	0.6%
College and others	559	1.6%
Sub-total	819	2.3%
Total	**35,676**	**100.0%**

In accordance with the relevant PRC laws and regulations, we contribute to social welfare insurance for our full-time employees in the PRC, including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. During the Track Record Period and up to the Latest Practicable Date, we were in material compliance with all statutory social insurance and housing fund obligations applicable to us under PRC laws.

According to the Interim Provisions on Labor Dispatching (《勞務派遣暫行規定》) (the "**Interim Provisions**") promulgated by the Ministry of Human Resources and Social Security of the PRC on 24 January 2014 and implemented on 1 March 2014, the number of dispatch workers used by an employer shall not exceed 10% of the total number of its employees, although a transitional period of two years is granted for dispatch already existing before the Interim Provisions became effective. As of 31 March 2014, the Company had approximately 2,875 dispatch workers, representing approximately 8% of our total number of employees.

We typically enter into one-year agreements with employment agents regarding the services of the dispatch workers. The relevant agreements stipulate the service fees, scope of services, service location and service duration with respect to the dispatch workers. We must provide the dispatch workers with a safe work environment and protective and safety equipment in accordance to the relevant agreements, and we reserve the rights to request for replacement of any dispatch workers that fail our required standards. In general, the agreements are automatically renewed upon expiry unless the relevant employment agents are notified by us approximately one month in advance. Dispatch workers enter into labor contracts with the relevant employment agencies. We do not enter into labor contracts with the dispatch workers. The employment agents are responsible for the relevant costs of the social insurance, housing funds or employee benefits relating to the dispatch employees. Although we are under no statutory obligation to make social insurance contributions in relation to the dispatch workers, we may be jointly liable for any claims brought by the dispatch workers if the employment agents fail to do so. However, we would be entitled to seek indemnification from the employment agents in such cases.

Our employees are represented by the employee committee (職委會) of our Company, members of which are elected by our employees. Branches of the employee committee exist at the headquarters level and departmental levels. The chairmen, executive members and representatives of each branch of the employee committee are elected for a term of three years. Such members may be re-elected for another term upon expiry of a term.

The employee committee is responsible for facilitating communication between employees and the Company. It handles complaints from employees, liaises between employees and management of the Company, ensures the legal rights of our employees are protected and organises activities for our employees.

During the Track Record Period and up to the Latest Practicable Date, there were no material disputes arising from the employee committee of the Company.

Labor Safety

We are subject to various PRC laws and regulations in respect of labour, insurance, accidents, health and safety, including the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work-related Injury Insurances (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Trial Procedures for Childbirth Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), Work Safety Law of the PRC (《中華人民共和國安全生產法》) and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

To reduce the potential risk of work injuries, we have implemented a comprehensive occupational health and safety system. We monitor and manage our work space according to the OHSAS 18000 standards, which are international occupational health and safety management system standards published by The Occupational Health and Safety Advisory Services Project Group. We also have full-time employee relations personnel who are responsible for matters relating to the health and safety of our employees.

We have established a set of guidelines on issues relating to occupational health and safety and we provide regular trainings to our employees on topics such as first aids and occupational health and safety to enhance the awareness and knowledge of occupational health and safety of our employees. All new employees of our construction department must attend safety training within two days of joining our Company. We also require each of our construction units to provide regular health and safety trainings to its workers, and modify the content of the trainings according to the practical needs of the construction units every three months. Employees who engage in high-risk tasks must be specifically trained with respect to the safety issues involved. In addition, we have adopted emergency plans for our facilities, laying out the responsible personnel and response procedures in the event of an emergency, and we conduct emergency drills and exercises regularly to ensure our employees can respond immediately in the event of an emergency.

We have been advised by our PRC legal adviser, Shu Jin Law Firm, that during the Track Record Period and up to the Latest Practicable Date, there was no material violation of currently applicable PRC labour and safety regulations nor were there any material employee safety issues, accidents or claims involving us.

Under the Construction Law of the People's Republic of China《中華人民共和國建築法》, construction contractors assume responsibility for the safety of construction sites. For our developments, the main contractor takes overall responsibility for the site, and the subcontractors are required to comply with the protective measures adopted by the main contractor. Under the Environmental and Hygienic Standards of Construction Work Site《建築施工現場環境與衛生標準》, a contractor is required to adopt effective occupational injuries control measures, to provide workers with necessary protective devices, and to offer regular physical examinations and trainings to workers who are exposed to the risk of occupational injuries. To our knowledge, there has been no material non-compliance with the health and safety laws and regulations by our main contractors or subcontractors during the course of their business dealings with us.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal proceedings or disputes arising in the ordinary course of our business. As of 31 March 2014, we were involved in the following litigation for disputes over amounts equal to 10% or more of the net assets of the relevant subsidiary involved:

1. On 19 January 2011, Guangzhou Vanke Real Estate Co., Ltd. (廣州市萬科房地產有限公司) ("**Guangzhou Vanke**") and Guangzhou Wanhe Property Co., Ltd. (廣州市萬合房地產有限公司) ("**Guangzhou Wanhe**"), our wholly-owned subsidiaries, entered into an equity transfer agreement with New Sun Investment Group Co., Ltd. ("**New Sun**") and Guangdong Xinguang Investment Group Co., Ltd. (廣東新光投資集團有限公司) ("**Guangdong Xinguang**") pursuant to which New Sun and Guangdong Xinguang agreed to transfer their respective shares in Guangzhou Punyu Xiangxin Real Estate Co., Ltd. (廣州市番禺向信房地產有限公司) ("**Guangzhou Punyu**") to Guangzhou Vanke and Guangzhou Wanhe for a total consideration of RMB3,100 million. Guangzhou Vanke and Guangzhou Wanhe paid 90% of the consideration upon the signing of the agreement. In December 2011, Guangzhou Wanhe requested New Sun and Guangdong Xinguang to pay for certain outstanding land premium

concerning a project owned by Guangzhou Punyu which arose before the relevant transfer of shares but such request was declined by New Sun and Guangdong Xinguang. Subsequently, requested by the relevant government department in light of the development progress of the project, Guangzhou Wanhe paid the relevant land premium and tax which in aggregate amounted to RMB186 million. In December 2012, New Sun and Guangdong Xinguang brought arbitral proceedings at the China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) ("**CIETAC**") against Guangzhou Vanke and Guangzhou Wanhe for the outstanding balance pursuant to the equity transfer agreement and damages which totaled RMB350 million. In January 2013, Guangzhou Vanke and Guangzhou Wanhe brought arbitral proceedings at the South China International Economic and Trade Arbitration Commission (華南國際經濟貿易仲裁委員會) ("**SCCIETAC**") against New Sun and Guangdong Xinguang to recover the land premium and tax of RMB186 million paid by Guangzhou Wanhe.

CIETAC issued a decision on 25 September 2013 requiring Guangzhou Vanke and Guangzhou Wanhe to pay an aggregate outstanding balance of RMB310 million for the purchase of the shares to New Sun and Guangdong Xinguang plus 0.05% interest, legal fees of RMB3.7 million, arbitral fees of RMB2.4 million and out-of-pocket expenses of RMB24,391.6. In addition, the decision stated that no deduction for the relevant land premium and tax paid by Guangzhou Vanke and Guangzhou Wanhe should be made from the award. New Sun and Guangdong Xinguang subsequently applied for the execution of the decision of CIETAC and the case has been accepted. Guangzhou Vanke and Guangzhou Wanhe have applied for the non-execution of the CIETAC decision in the Guangzhou Intermediate People's Court (廣州市中級人民法院). The execution of the decision was still pending as of the Latest Practicable Date.

Separately, SCCIETAC issued a decision stating that Guangzhou Vanke and Guangzhou Wanhe are entitled to deduct the land premiums and tax of RMB186 million from the outstanding balance for the purchase of the shares, and New Sun and Guangdong Xinguang have to pay Guangzhou Wanhe aggregate damages of RMB5.6 million, legal fees of RMB800,000 and 95% of the arbitral fees amounting to RMB1.4 million. On 7 November 2013, Guangzhou Vanke and Guangzhou Wanhe had made application to the Guangzhou Intermediate People's Court (廣州市中級人民法院) for the execution of the decision of SCCIETAC. The case was accepted by the Guangzhou Intermediate People's Court on 7 November 2013. Meanwhile, New Sun and Guangdong Xinguang had applied for the non-execution of the judgement and the case has been accepted. The execution of the decision was still pending as of the Latest Practicable Date.

2. In November 2007, Zhuhai Vanke Real Estate Co., Ltd. (珠海市萬科房地產有限公司) ("**Zhuhai Vanke**"), one of our wholly-owned subsidiaries, and Zhuhai Xinhua Construction Real Estate Co., Ltd. (珠海市新華建設房地產有限公司) ("**Zhuhai Xinhua**") entered into a transfer agreement in which Zhuhai Xinhua agreed to sell a parcel of land to Zhuhai Vanke. As the conditions precedent had yet been fulfilled, Zhuhai Vanke did not make the relevant payment and the parties agreed that Zhuhai Xinhua would temporarily enter the relevant procedures for the development of the project on behalf of Zhuhai Vanke. In the meantime, Zhuhai Vanke finalised the design for the project and obtained the relevant planning permits. In 2010, Zhuhai Xinhua entered into mortgages with respect to the project without the approval of Zhuhai Vanke and notified Zhuhai Vanke that it would not complete the sale. In August 2011, Zhuhai Xinhua initiated legal proceedings against Zhuhai Vanke to rescind the transfer agreement and for the return of the relevant planning permits for the project and the payment of damages of RMB54 million. Zhuhai Vanke counterclaimed against Zhuhai Xinhua for damages of RMB54 million, interest of RMB23 million and an addition of RMB30 million for Zhuhai Xinhua's use of Zhuhai Vanke's intellectual property rights. On 10 April 2013, the Zhuhai Intermediate Court of the PRC (珠海市中級人民法院) issued a

decision requiring that Zhuhai Xinhua return the deposit of RMB4 million to Zhuhai Vanke and reimburse Zhuhai Vanke for its upfront investment amount and interest of RMB12,181,238.27 and dismissed the other claims by the parties. Both parties have appealed against the judgment by the Zhuhai Intermediate People's Court (珠海市中級人民法院). The case was accepted by the Higher People's Court of Guangdong Province (廣東省高級人民法院) on 9 August 2013 and was heard on 12 September 2013. No judgment has been delivered with respect to this case as of the Latest Practicable Date.

3. In August 2012, Chongqing Zhonghe Yihua Real Estate Co., Ltd. (重慶中核宜華置業有限公司) ("**Chongqing Zhonghe**") entered into legal proceedings against Chongqing Yukaifa Coral Real Estate Co., Ltd. (重慶渝開發珊瑚置業有限公司) ("**Chongqing Coral**"), a subsidiary in which we hold a 51% shareholding, regarding the payment over a parcel of land. Chongqing Coral had acquired 51% of the relevant project company in 2008. According to the relevant transfer agreement, Chongqing Coral held 20 Chinese acres of planned municipal road on behalf of Chongqing Zhonghe which was not part of the land acquired by Chongqing Coral. 10.2 Chinese acres of those 20 Chinese acres of planned municipal road was subsequently expropriated by the government and the relevant compensation paid by the government for that land was RMB30 million. In the legal proceedings against Chongqing Coral, Chongqing Zhonghe demanded payment from Chongqing Coral with respect to the planned municipal road which was not expropriated by the government but was used by Chongqing Coral. As of the Latest Practicable Date, the court had not issued any decision.

4. On 31 March 2008, Jiangsu Sunan Vanke Real Estate Co., Ltd. (江蘇蘇南萬科房地產有限公司) ("**Jiangsu Sunan Vanke**"), Suzhou Huihua Investment Properties Co., Ltd. (蘇州匯華投資置業有限公司) ("**Suzhou Huihua**"), Suzhou Meitian Real Estate Development Co., Ltd. (蘇州市美田房地產開發有限公司) ("**Suzhou Meitian**") and Suzhou Jinri Real Estate Co., Ltd. (蘇州今日置業有限公司) ("**Suzhou Jinri**") entered into a share transfer agreement and a supplemental agreement pursuant to which Suzhou Meitian and Suzhou Jinri agreed to transfer their respective shares in Suzhou Huihua to Jiangsu Sunan Vanke at the original prices at which Suzhou Meitian and Suzhou Jinri had purchased the shares. In return, Suzhou Meitian and Suzhou Jinri were granted the right to purchase 8,325 sq.m. of commodity units in the project at RMB10,500 per sq.m. from Suzhou Huihua. Due to subsequent changes in planning of Suzhou Huihua, the project will now be owned by Suzhou Huihua for self-use purposes and will not be sold to any third parties. In August 2012, Suzhou Meitian entered into legal proceedings against Suzhou Huihua and Jiangsu Sunan for the damages of RMB15 million and the execution of the sales of commodity units in accordance with the relevant agreements. As of the Latest Practicable date, no judgment has been delivered with respect to this case.

As of 31 March 2014, none of our Directors were involved in the above legal or arbitral proceedings, and none of these legal proceedings, individually or in aggregate, were expected to have any material adverse effect on our business, financial conditions and results of operations.

Compliance

Regulatory Proceedings

We are subject to inspections, examinations, inquiries and audits by the PRC regulatory authorities, such as the CSRC, the MOFCOM, the SAIC, the SAFE and tax authorities and their respective local offices. There were no material irregularities or non-compliance findings identified by any PRC regulatory authorities during their inspections, examinations, inquiries and audits on us during the Track Record Period and up to the Latest Practicable Date.

Administrative Penalties

From 1 January 2011 to 31 March 2014, our major subsidiaries were subject to warnings and fines which ranged from RMB50 to RMB1.6 million, and amounted to approximately RMB9.0 million in total. These warnings and fines were mainly in relation to non-compliance with respect to the commencement of construction of properties before obtaining the requisite construction work planning permits or construction work commencement permits. During the Track Record Period, none of these administrative penalties were considered material or had any material adverse impact on our business, financial conditions and results of operations.

Having considered the facts and circumstances of the non-compliance incidents as disclosed in this section, our Directors' integrity, our measures to avoid recurrence of the non-compliance incidents and that none of the non-compliance incidents were considered material or had any material adverse impact on our business, financial conditions and results of operations, our Directors and the Sponsor are of the view that (i) we have adequate and effective internal control procedures in place in accordance with the requirements under the Hong Kong Listing Rules; and (ii) the non-compliance incidents will not affect the suitability of the Directors to act as directors of a listed issuer under Rules 3.08, 3.09 and 8.15 of the Hong Kong Listing Rules, and our suitability for listing under Rule 8.04 of the Hong Kong Listing Rules.

The following table sets forth details of our non-compliance incidents as of 31 March 2014:

Non-compliance incident	Reason for non-compliance	Legal consequences, potential maximum penalties, potential impact on our operations and financial conditions	Remedies and measures to prevent future breach and ensure ongoing compliance	Responsible person for non-compliance
Commencement of construction before obtaining the requisite construction work planning permits or construction work commencement permits with respect to 24 projects	(1) Prolonged approval processes with government authorities, which resulted in our failure to meet the timeframes regarding commencement of construction we had previously agreed on and certain preparation work such as commencement of excavation on the relevant plots before we obtained the relevant permits (2) Oversight relating to relevant regulations or negligence of the relevant employees	We received warnings and fines which ranged from RMB5,238.2 to RMB1.6 million, and amounted to approximately RMB7.6 million in total. None of these administrative penalties, individually or in aggregate, were considered material or had any material adverse impact on our business, financial conditions and results of operations.	We have paid all fines in full and have obtained all required permits for the commencement of construction of such properties. To ensure future compliance with the relevant regulations, we have tightened our supervision of our project companies. Personnel from our construction department conduct site visits and communicate with our project companies regularly to identify any areas at risk of non-compliance so as to adopt timely measures to avoid non-compliance. We have also provided training to personnel of our project companies to enhance their knowledge and awareness of relevant requirements. Commencement of projects is currently subject to the approval of the relevant local office. Majority of our personnel at the local offices who are responsible for approving the commencement of projects and ensuring future compliance have a bachelor's degree or above in property construction, property management or related areas, and have relevant industry experience.	Project managers of the relevant project companies were responsible for such incidents of non-compliance.

Non-compliance incident	Reason for non-compliance	Legal consequences, potential maximum penalties, potential impact on our operations and financial conditions	Remedies and measures to prevent future breach and ensure ongoing compliance	Responsible person for non-compliance
Construction of structures not in the scope or without the approval of the relevant planning permits with respect to six projects	Oversight relating to relevant regulations or negligence of the relevant employees which resulted in the failure to obtain the relevant planning permits with respect to the structural changes following a change in project designs	We received fines which ranged from RMB12,224 to RMB350,000, and amounted to approximately RMB1.3 million. None of these administrative penalties, individually or in aggregate, were considered material or had any material adverse impact on our business, financial conditions and results of operations.	We have paid all such fines in full. To ensure future compliance with the relevant regulations, we have tightened our supervision of our project companies. Personnel from our construction department conduct site visits and communicate with our project companies regularly to identify any areas at risk of non-compliance so as to adopt timely measures to avoid non-compliance. We have also provided training to personnel of our project companies to enhance their knowledge and awareness of relevant requirements. Majority of our personnel at our local offices who are responsible for ensuring future compliance have a bachelor's degree or above in property construction, property management or related areas, and have relevant industry experience.	Managers of relevant project companies were responsible for such incidents of non-compliance.
Commencement of construction work without obtaining the relevant environmental assessment permit with respect to one project	The relevant government authorities have yet granted us the relevant environmental assessment permit due to governmental reasons including the nearby subway maintenance and public drainage damage. We commenced construction after receiving the relevant construction work commencement permit.	We are subject to a fine in the range of RMB50,000 to RMB200,000. However, as the relevant government authorities did not grant us the relevant environmental assessment permit due to governmental reasons, it is unlikely that we will be subject to penalties. We believe the potential penalty, if any, will not have any material adverse impact on our business, financial conditions and results of operations.	We will continue to liaise with the relevant government authorities to obtain the relevant environmental assessment permit.	N/A
Incidents of non-compliance which resulted in fines below RMB20,000 with respect to six projects. Such incidents of non-compliance included late tax filings, payment of incorrect stamp duties, issuance of incorrect invoice and fire exit blockage	Oversight relating to relevant regulations or negligence of the relevant employees	We received fines which ranged from RMB50 to RMB15,000, and amounted to approximately RMB30,000. None of these administrative penalties, individually or in aggregate, were considered material or had any material adverse impact on our business, financial conditions and results of operations.	We have paid all such fines in full. To ensure future compliance with the relevant regulations, we have provided training to personnel of our local offices to enhance their knowledge and awareness of relevant requirements. Majority of our personnel at our local offices who are responsible for ensuring future compliance have a bachelor's degree or above in property construction, property management or related areas, and have relevant industry experience.	Managers of relevant local offices were responsible for such incidents of non-compliance.

Idle Land

Under relevant PRC laws and regulations, if a property developer fails to develop land according to the terms of the land grant contract, including those relating to the payment of land grant premium, demolition and resettlement costs and other fees, the designated use of land and the time for commencement and completion of the property development, the relevant PRC land bureau may issue a warning, impose a penalty and/or order the developer to forfeit its land. In particular, the land that is not developed within one year of the construction commencement date stipulated in the land grant contract, or developed but the construction has been suspended for more than one year and falls under either of the following two situations may be considered as an idle land: (1) the construction has been commenced but the area of land under construction is less than one third of the total area that should have been under construction; or (2) the invested amount is less than 25% of the total investment. However, no penalty or forfeiture may be ordered where the delay in the commencement of construction is attributable to the government or relevant departments. See the section headed "Risk Factors — We may be subject to fines or forfeit land to the PRC government if we fail to develop properties within the time and in accordance with the terms set out in the relevant land grant contracts" for further details.

The table below sets forth the projects which we did not commence construction on or before the respective construction commencement date as stated on the land grant contract or other relevant permit as of 31 March 2014. During the Track Record Period and up to the Latest Practicable Date, we did not receive any warning, penalty or order to forfeit property from any PRC authority alleging a breach by us in this regard. The idle land area of each of the projects sets forth below accounts for less than 1%, 0.5% and 0.5% of the total site area, planned GFA and capital value of our properties valued by our Property Valuer as of 31 March 2014.

Project company	Project name	Site area, planned GFA and capital value of idle area	Construction commencement date stated on the land grant contracts or other relevant permits	Expected construction commencement date	Reason for delay	Maximum penalty	Remedial actions
Hangzhou Liangzhu Cultural Village Development Co., Ltd. (杭州良渚文化村開發有限公司)	Liangzhu Cultural Village, Hangzhou (杭州良渚文化村之金色水岸項目)	The relevant idle area occupied a site area of 297,825 sq.m. with GFA of 393,637 sq.m., representing 9.6% and 16.7% of the site area and total planned GFA of the project, respectively, and 0.7% and 0.5% of the site area and total planned GFA of our properties valued by our Property Valuer as of 31 March 2014, respectively. The capital value of the relevant idle area amounted to RMB783.0 million, representing 9.8% of the capital value of the project and 0.2% of the capital value of our properties valued by our Property Valuer as of 31 March 2014.	29 December 2003, which was extended to 31 December 2013	As we are still in the process of obtaining the relevant construction work commencement permit with respect to a plot of land in the project, we are unable to formulate a concrete timetable with respect to the development of the project. However, we will commence construction on such plot of land as soon as we receive the relevant construction work commencement permit.	The relevant government authorities have yet granted us the relevant construction permit because, among other reasons, of the change in construction planning of the local government.	As advised by our PRC legal adviser, Shu Jin Law Firm, according to the relevant PRC laws and regulations, we will not be subject to penalties as the delay was caused by the relevant government authorities.	We will continue to liaise with the relevant government authorities to obtain the relevant construction work commencement permit.

Project company	Project name	Site area, planned GFA and capital value of idle area	Construction commencement date stated on the land grant contracts or other relevant permits	Expected construction commencement date	Reason for delay	Maximum penalty	Remedial actions
Xuzhou Dingshang Property Co., Ltd, (徐州鼎尚置業有限公司), Xuzhou Dingxu Property Co., Ltd. (徐州鼎旭置業有限公司), Xuzhou Dingjun Property Co., Ltd. (徐州鼎郡置業有限公司)	Huaihai West Road Project, Xuzhou (徐州淮海西路項目)	The relevant idle area occupied a site area of 90,639 sq.m. with GFA of 300,148 sq.m., representing 40.0% and 37.0% of the site area and total planned GFA of the project, respectively, and 0.2% and 0.4% of the site area and total planned GFA of our properties valued by our Property Valuer as of 31 March 2014, respectively. The capital value of the relevant idle area amounted to RMB822.0 million, representing 37.1% of the capital value of the project and 0.2% of the capital value of our properties valued by our Property Valuer as of 31 March 2014.	6 October 2012, which was extended to 6 April 2013	We have commenced construction since we have received the relevant construction work commencement permit in June.	The delay was due to (1) the prolonged duration for the demolishment work; and (2) the relevant government authorities required us to revise our development plans to satisfy its stringent internal requirements, and had therefore delayed in granting us the relevant construction work commencement permit.	As advised by our PRC legal adviser, Shu Jin Law Firm, as we have already obtained the relevant construction permits, we are not subject to forfeiture or fines with respect to idle land.	We obtained the relevant construction work planning permit and construction work commencement permit in June. We are committed to developing the project in a timely manner.
Chengdu Media Culture Properties Co., Ltd. (成都傳媒文化置業有限公司)	Jinse Yuefu Music Plaza, Chengdu (成都金色樂府音樂廣場項目)	The relevant idle area occupied a site area of 56,760 sq.m. with GFA of 283,801 sq.m., representing 37.1% and 37.4% of the site area and total planned GFA of the project, respectively, and 0.1% and 0.3% of the site area and total planned GFA of our properties valued by our Property Valuer as of 31 March 2014, respectively. The capital value of the relevant idle area amounted to RMB1,161.0 million, representing 26.2% of the capital value of the project and 0.3% of the capital value of our properties valued by our Property Valuer as of 31 March 2014.	12 April 2012	As we have yet obtained the relevant construction permit with respect to the second phase of the project, we are unable to formulate a concrete timetable with respect to the development of the project. However, we will commence construction of the second phase of the project as soon as we receive the relevant construction permit.	Due to the large scale and the complexity of the project, the time required for the construction of the first phase of the project was lengthened, and we have yet obtained the relevant construction permit for the second phase of the project.	As advised by our PRC legal adviser, Shu Jin Law Firm, based on the fact that the delay in the commencement of construction is more than two years, the parcel of land for the second phase of the project is subject to forfeiture by the relevant government authorities. However, since we are in the process of applying for the relevant extension permit and that the project is developed in stages, we believe it is unlikely that we will be subject to penalties with respect to idle land.	We are in the process of applying for the relevant extension permit from the relevant government authorities. In addition, we have developed 268,896 sq.m. of the planned GFA of 759,036 sq.m. of the project. We have also obtained the relevant construction work plannnig permit with respect to the second phase of the project. We are committed to developing the rest of the project in a timely manner.

Licenses and Permits

We have been advised by our PRC legal adviser, Shu Jin Law Firm, that save as disclosed in the paragraph headed "Legal Proceedings and Compliance — Compliance — Administrative Penalties" of this listing document, we have obtained all major permits, licenses and certificates to conduct our operations and complied with all material applicable laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date. The Company has obtained the Qualification Certificate for Real Estate Development Enterprise in the PRC (《中華人民共和國房地產開發企業資質證書》) for our operations. The license will expire on 15 September 2015. There are also certain licenses and permits of our subsidiaries which are subject to renewal. However, as advised by our PRC legal adviser, Shu Jin Law Firm, there are no expected impediments which would affect the timely renewal of the licenses and permits.

Please refer to the section headed "Regulatory Overview" for details of the material licenses and permits for our operations.

INTERNAL CONTROL, CORPORATE GOVERNANCE, RISK MANAGEMENT, FUND MANAGEMENT AND INVESTMENT MANAGEMENT

Internal Control, Corporate Governance and Risk Management

Our internal control and corporate governance system covers all major business aspects such as sales, expenses, capital, procurement, substantial investment, finance and management of subsidiaries. Our internal control and corporate governance measures mainly include controls over segregation of responsibilities, approvals and authorisations, accounting systems, assets, budgets, operating analysis and performance evaluation, and are carried out by our financial and internal control department at the Company's headquarters. It is responsible for identifying internal control effects and risks, evaluating internal control and corporate governance standards and implementing and improving our internal control and corporate governance system. Through streamlining business procedures, internal assessments, internal surveys, special seminars, self-assessments by units of the headquarters and subsidiaries, and routine inspections and specialised inspections regularly conducted by the Company and independent third parties, it ensures the effectiveness of our internal control and corporate governance system. For any internal control or corporate governance defects identified, our policies call for immediate rectification. Internal control personnel who are responsible for carrying out the day-to-day aspects with respect to our internal control system are also stationed at specialised departments at our headquarters and subsidiaries.

Further, we have set up an audit department, which is responsible for our internal auditing and supervision. To continue to enhance the quality of our internal control standards and processes, our audit department evaluates the effect and efficiency of the design and implementation of our internal control through comprehensive auditing, specialised auditing and specialised investigations. It regularly monitors key controls and procedures to assure our management and Board of Directors that the internal control system is functioning as intended. Any defects discovered in such audits and investigations are reported to our senior management, supervisory committee or Audit Committee in our Board of Directors according to the seriousness of the problems in accordance with our reporting procedures. The Audit Committee in our Board of Directors is responsible for supervising our internal audit function.

In addition, it is the responsibility of our Board of Directors to ensure that the Company maintains a sound and effective internal control and corporate governance system to safeguard our Shareholders' investment and interest and the Group's assets at all times. As one of the first listed companies in China, we strive to follow the corporate governance principles of "simple, transparent, standardised and responsible". We have a well-diversified shareholding structure which enables us to effectively avoid any conflict of interests with or among our shareholders. Our strong corporate governance is widely recognised. For examples, we were awarded the "Outstanding Investor Relations by an A-Share Listed

Companies in China" by the IR Global Rankings in 2011 and the "Best Corporate Governance Award from Sample Firms in the 50 Financial Index" by CCTV in 2012. At the 2013 CCTV China Listed Companies Summit, we were awarded the title of "CCTV 50 Index — Best 10 Companies in Corporate Governance" and was once again selected as the index sample stock of "CCTV Finance and Economics 50 Indexes — 2013 Annual Sample Stocks" for our excellent performance in corporate governance. We were also listed on Fortune China's "All-Star List of 2013 Most Praised PRC Enterprises", and ranked first under the real estate developer category, and we were selected by Forbes as one of Asia-Pacific's Best Listed Companies in 2013.

We have adopted, or expect to adopt before the Listing, a series of internal control and corporate governance policies, procedures and programmes designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control and corporate governance system include the following:

Balanced composition of our Board: It is our principle that our Board should include a balanced composition of Directors. We believe our independent non-executive Directors are of sufficient experience, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public shareholders. For detailed information, please refer to the section headed "Directors, Supervisors and Senior Management" of this listing document.

Connected transactions: We are committed to ensuring that any transaction to be proposed between us and our connected persons will comply with Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting and independent shareholders' approval requirements of the Listing Rules.

Code of conduct: Our code of conduct explicitly communicates to our employees our values, acceptable criteria for decision-making and our ground rules for behaviors.

Anit-corruption: Our anti-corruption policies provide the tools and resources necessary to enable, monitor and enforce full compliance with the relevant anti-bribery and anti-corruption laws of China and other countries where we conduct our business operations. Furthermore, we have also set up the Vanke Sunshine Web (萬科陽光網), an anti-fraud website for the public to report any unethical professional conducts or fraudulent activities of our Company. To encourage genuine reports, priorities are given to reports made in real names and persons who made such reports are awarded after the reports have been verified.

Compliance with the Listing Rules and applicable securities laws and regulations: Our various policies aim to ensure compliance with the Listing Rules and applicable securities laws and regulations, including but not limited to aspects related to corporate governance, connected transactions and securities transactions by our Directors. We have appointed CITIC Securities Corporate Finance (HK) Limited as our compliance adviser upon Listing in compliance with Rules 3A.19 and 19A.05 of the Hong Kong Listing Rules. In addition, if our independent non-executive Directors consider it necessary or desirable, we may also engage professional advisers at the cost of our Company to advise them on matters relating to ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

We aim to maintain cautious risk management strategies and to monitor external and internal risks. Our risk management includes risk identification, analysis and control, taking into consideration external factors such as macroeconomic trends, real estate policies, market competition and the supply of resources, and internal factors such as financial management, capital management, asset management, operations management and construction management. The ultimate goal of our risk management process is to bring focus and effort to the issues in our business operations that create impediments to our success. Our risk management process starts with identifying the major risks associated with our corporate strategies, goals and objectives. Based on assessments of our risks in terms of their likelihood and potential impact, we then prioritize and pair each risk with a mitigation plan. We encourage an all-embracing culture of risk management that ensures all employees are aware of and responsible for managing risks. Each of our operating departments is responsible for identifying and analyzing risks associated with its functions, preparing risk mitigation plans, measuring the effectiveness of such risk mitigation plans and reporting the status of risk management. Our audit personnel, the Audit Committee in our Board of Directors, and ultimately our Board of Directors, supervise the implementation of our risk management policy at the corporate level by bringing together our operating departments, such as our research and development, quality control and sales, to collaborate on risk issues among different functions. For details about the qualifications and experiences of the members of the Audit Committee in our Board of Directors and our Board of Directors, please refer to the section headed "Directors, Supervisors and Senior Management" in this listing document.

Funds Management

Our funds and liquidity management are centrally carried out by the funds management department at our Group headquarters. Our funds management department is responsible for the approval of the opening and cancellation of accounts of our subsidiaries. The external financing activities of our subsidiaries are arranged by the funds management department and are approved by the competent senior officers at our headquarters or at the subsidiary level, as appropriate. All proceeds from sales and pre-sales of properties (unless otherwise subject to the pre-sales regulations) are required to be transferred to our funds management department regularly for central management and all major operating expenditures are centrally settled by that department. In addition, our funds management department prepares monthly and annual funds plans to keep track of the capital condition of our subsidiaries so that timely adjustments can be made. We have also implemented a set of rules and guidelines, such as our Vanke Group Funds Management Guidelines (《萬科集團資金管理制度》) and Vanke Group Operation Manual for Funds Management (《萬科集團資金業務操作細則》), setting forth our internal requirements for funds management to enhance the effectiveness and efficiency of our funds management, thereby ensuring our financial security and reducing the cost of capital.

We are committed to maintaining a strong cash position and a healthy debt profile with strong repayment ability. Our primary concern is to safeguard the Group's overall financial security while satisfying the relevant requirements in relation to capital market ratings. We pay particular attention to the relative proportion of cash and interest-bearing liabilities, and our cash level taking into consideration the conditions of our current liabilities that are due within one year. The property industry is a capital-intensive industry and property and land transactions are exposed to cyclical fluctuations which could significantly affect the capital conditions of a property developer. To maintain a strong financial position, we adopt a conservative fund management policy and all expenditure decisions are made with reference to our operating revenue. We believe our disciplined fund management allows us to manage market risks and ensure we have sufficient funds to meet any investment opportunities. Our senior vice president, Zhu Jiusheng (祝九勝), is responsible for the fund management of the Group. Mr. Zhu has approximately 20 years of experience in the banking industry.

During the Track Record Period, we managed our surplus cash mainly through investing in notice deposits, Renminbi denominated deposit products, time deposits and other bank deposit products issued by certain licensed banks and which satisfy the requirements set out by the People's Bank of China. We believe such deposit products have low risks and offer better returns as compared to demand deposits at commercial banks in the PRC. Accordingly, we have in place a treasury and investment policy which governs our investments in such financial assets. Our treasury and investment policy includes, among other things, the following:

- investment should be undertaken only when our Group has surplus cash which are not required for our short-term working capital purposes in the following one to three months;

- the types of investment shall be limited to low risk deposit products which returns are better than those of demand deposits at commercial banks in the PRC;

- criteria for selecting investments to be considered by members of our senior management shall include, but not limited to, liquidity, risk and expected yield. The investment shall be low risk and provide reasonable return of surplus funds while maintaining liquidity; and

- investments shall be short-term only (i.e. for a period of not more than one year) in order to maintain liquidity and financial flexibility, and non-speculative in nature.

In order to further reduce risks associated with our investments in financial assets described above, we have in the past, and may continue in the future, including after the Listing, to seek investments in the PRC that provide guaranteed principal or other low risk products that will provide higher investment returns than fixed rate returns from demand deposits at commercial banks. Accordingly, we may update our treasury and investment policy from time to time in accordance with the development of our Group and the macroeconomic environment in the PRC.

Investment decisions with respect to our surplus cash are made by our investment management personnel who ensure that we have surplus cash according to our capital conditions in the following three months. Approvals from the responsible person of funds management, general manager of the funds management department and our senior vice president, Mr. Zhu Jiusheng, are required before an investment with respect to our surplus cash may be entered.

Investment Management

Our strategic investment and sales and marketing department is responsible for the management and control of our investment business, regarding which it has formulated a set of investment management requirements and guidelines, including the Vanke Group Guidelines for Development and Investment Management of New Projects (《萬科集團項目發展投資管理制度》) and the Vanke Group Guidelines for Investment and Financing Management (《萬科集團投融資管理辦法》). The strategic investment and sales and marketing department reviews the feasibility study reports on proposed investment plans prepared by our local offices, provides its guidance and decides whether such investment proposal needs to be submitted for review to the investment and decision-making committee of our senior management. The investment and decision-making committee of our senior management is responsible for the assessment and approval of unconventional land investments such as non-residential projects. Any investment on land that exceeds 10% of our net assets is subject to the approval of our Board.

The key process points in our risk management include:

Identify: We identify current and emerging risks in our business operations and categorise those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. We establish four risk categories, including strategic risks, financial risks, operating risks and legal risks.

Assess: We assess and prioritize risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, we prioritize risks in terms of likelihood and impact severity.

Mitigate: Based on our assessment of (i) the probability and impact severity of the risks and (ii) cost and benefit of the mitigation plans, we choose the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.

Measure: We measure our risk management by determining if changes have been implemented and if changes are effective. In the event of any weakness in control, we follow up by adjusting our risk management measures and reporting material issues to our Board of Directors.

EVENTS SUBSEQUENT TO THE TRACK RECORD PERIOD

The following table sets out our contracted sales, contracted GFA and contracted ASP for the three months ended 31 March 2014.

Regions	Contracted Sales	Contracted GFA	Contracted ASP
	(RMB million)	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	14,983	1,076,765	13,915
Shanghai Region	19,295	1,329,329	14,515
Beijing Region	12,492	924,716	13,509
Chengdu Region	7,461	819,216	9,108
Total	**54,231**	**4,150,026**	**13,068**

The table below sets out the geographic breakdown of our revenue from sales of properties, recognised GFA and recognised ASP for the three months ended 31 March 2014.

	Revenue		Recognised GFA	Recognised ASP
	(RMB'000) *(unaudited)*	%	*(sq.m.)*	*(RMB per sq.m.)*
Guangshen Region	3,464,325	40.37	306,642	11,298
Shanghai Region	2,930,335	34.15	181,984	16,102
Beijing Region	530,344	6.18	51,974	10,204
Chengdu Region	1,655,926	19.30	186,443	8,882
Total	**8,580,930**	**100.00**	**727,043**	**11,803**

According to our management accounts, we recorded a contracted GFA of 6.5 million sq.m. with a contracted sales amount of RMB81.5 billion in the first five months in 2014, representing an increase of approximately 7.0% and 16.2% compared to the first five months in 2013.

Our Directors have confirmed that, since 31 December 2013 and up to the date of this listing document, there had been no material adverse change in our financial position or prospects and no event had occurred that would materially and adversely affect the information shown in the consolidated financial statements in Appendices I, II and III to this listing document.

For details relating to our recent acquisitions subsequent to the Track Record Period, please refer to the section headed "Financial Information — Recent Acquisitions" in this listing document.

AUSTERITY MEASURES ON THE PROPERTY MARKET BY THE PRC GOVERNMENT

On 20 February 2013, the State Council announced that it would implement a series of policies to limit property speculation. Such policies include setting pricing targets for newly developed properties, requiring provincial governments to impose purchase limits and credit restrictions, expanding the scope of property tax pilots, increasing the supply of land and residential units and tightening market regulations. On 1 March 2013, the General Office of the State Council further announced the Notice on Further Regulation on Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》). This notice further clarified the requirements of the State Council:

- **Improving the stabilisation mechanism for housing prices**

  According to this notice, the provincial and municipal governments shall strengthen their administration on the property market, including increasing the supply of properties and setting annual pricing targets at cities where the property prices rise too fast. The relevant departments of the State Council will strengthen the supervision on the provincial governments with respect to the price stabilisation work.

  We believe that pricing stability is conducive to the long-term development of the real estate industry of the PRC. Our operation policy is to focus on providing quality housing to our customers that can meet their requirements, instead of the dependence on rising housing prices. We also emphasize the risks of price volatility when housing prices increase too rapidly.

- **Restraining speculative investment**

  The policies require a strict implementation of purchase limits and credit restrictions and set to expand the scope of property tax pilots. The notice requires local governments to strictly implement purchase limits in place. If the property prices in any cities rise too quickly and there is yet any purchase limit policy in place, the relevant provincial governments should require such cities to adopt purchase limit policies promptly. Financial institutions are required to strictly implement credit policies with respect to down payment ratios and interest rates for mortgages and to review the backgrounds of mortgage applicants more rigorously. The local offices of the PBOC may also increase the interest rates and down payment ratios for mortgages on second properties if the property prices in any cities rise too quickly. The tax and building and construction authorities are required to work closely to impose a 20% individual income tax on the income from sales of second-hand properties.

  The policies aim to curb property speculation. We believe there still exists a rigid demand for self-use properties from first-time purchasers. Since most of our products are small- to medium-sized residential units and decorated units, they may appeal to our self-use customers more effectively. The market position of our Company may help us reduce the impacts of the restrictive measures.

- **Increasing the supply of land and ordinary commodity housing units**

  The notice also encourages the supply of land for residential purposes. The relevant authorities are required to speed up the approval processes for property developments with small to medium sized units. Financial institutions are required to prioritise the property development loan applications for projects where small- to medium sized units account for no less than 70% of the total units.

  Our products are mainly small- to medium sized ordinary commodity housing units. Of the properties we sold during the Track Record Period, approximately 90% were properties with GFA of 144 sq.m. or less. We therefore believe that an increase in the supply of land and ordinary commodity housing units will allow our Company to select plots that fit our needs and development as we acquire land for our land reserve. We believe our development strategy is in line with the government's policy regarding encouraging the development of small to medium sized residential properties.

- **Speeding up the planning and construction of affordable housing**

  We always believe that a sufficient supply of affordable housing is essential to the stability and harmony of our society and healthy development of the industry. Setting targets for the construction of affordable housing will help bring about a more stable operating environment to the real estate industry and reduce the uncertainty that results from the ups and downs of housing prices. It thus provides a steady environment to foster sustainable growth of the industry. We will continue to participate in the development of affordable housing.

- **Strengthening market regulations**

  We believe strengthened market regulations will help enhance market discipline and reduce malicious competition, which is important in creating a healthy environment of competition in the industry.

However, we may face the risks that the average selling price and the demand for properties may experience fluctuations as a result of such policies. We believe that the above policies and measures help to restrain speculative investment and establish a more stabilised property market in China. Supporting self-use demands and restrain property speculation will remain the basic directions for the macro-control policies. We will continue to follow our operating strategy of focusing on the mass market and providing quality products and services to our customers and abide by our principle of "building quality houses for ordinary people".

The following discussion should be read in conjunction with our audited consolidated financial statements as of and for the years ended 31 December 2011, 2012 and 2013, together with the accompanying notes, set forth in Appendices I, II and III to this listing document. Our consolidated financial statements have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board and audited by KPMG Huazhen (Special General Partnership), Certified Public Accountants, registered in the PRC, in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board.

The following discussion and analysis contains certain forward-looking statements that reflect our current views with respect to future events and our financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as factors that we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Factors that could cause or contribute to such differences include those described in the sections entitled "Risk Factors" and "Business".

OVERVIEW

We are a leading residential property developer in China, primarily focusing on the development, sales and management of quality residential properties. We were ranked No. 1 in China in 2011, 2012 and 2013 in terms of contracted sales, according to China Real Estate Appraisal Centre (中國房地產測評中心) and China Real Estate Information Corporation (中國房產信息集團).

With more than 25 years of experience in the property industry, we specialise in property development, sales and management with a focus on developing high quality residential properties with small-to medium-sized units targeted for the mass market. Our property development projects are located in 65 major cities in the Guangshen Region, Shanghai Region, Beijing Region and Chengdu Region. Properties developed by us include low-rise residential units, multi-story residential units, high-rise residential units, commercial units and mixed-use properties. Our revenue from sales of properties constitutes for substantially all of our revenue. For the years ended 31 December 2011, 2012 and 2013, we recorded contracted GFA of 10,752,680 sq.m., 12,956,285 sq.m. and 14,898,901 sq.m., and contracted sales of RMB121,540.4 million, RMB141,227.4 million and RMB170,935.6 million, respectively. For the years ended 31 December 2011, 2012 and 2013, our revenue from sales of properties amounted to RMB65,313.2 million, RMB94,001.0 million and RMB123,545.8 million, respectively, accounting for approximately 96.5%, 97.1% and 96.9% of our total revenue.

As of 31 March 2014, we had 406 property projects in various stages of development (including projects we developed through associates and joint ventures), of which 120 were located in the Guangshen Region, 92 in the Shanghai Region, 121 in the Beijing Region and 73 in the Chengdu Region, including GFA of 1,859,809 sq.m. of completed projects (excluding sold and recognised GFA) (with GFA of 1,484,904 sq.m. of property interests attributable to our Company), 41,118,550 sq.m. of GFA of projects under development (with GFA of 28,995,506 sq.m. of property interests attributable to our Company) and 59,726,992 sq.m. of projects held for future development (with GFA of 42,688,355 sq.m. of property interests attributable to our Company).

BASIS OF PREPARATION

In accordance with IFRSs, we have prepared our consolidated financial statements on the historical cost basis, except that financial derivatives and available-for-sale investments have been stated at their fair value. All intra-group transaction balances and unrealised profits arising from intra-group transactions have been eliminated in full in preparing the consolidated financial statements.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The following factors are the principal factors that have affected, and that we expect to continue to affect, our business, results of operations, financial conditions and prospects. The following should be read in conjunction with the section headed "Risk Factors" in this listing document.

The paces of economic growth, urbanisation and demand for real estate properties in China

Economic growth, urbanisation and rising standards of living in China have been the main driving forces behind the increasing market demand for real estate properties. These factors are in turn affected by a number of macroeconomic factors, including changes in the global economy and world markets, as well as the fiscal and monetary policies of the PRC government. The paces of economic growth, urbanisation and rising living standards in China are expected to continue to significantly affect the number of potential property buyers and the pricing and profitability of residential properties, and, in turn, our performance and results of operations. If there is a downturn in the global economy, the PRC economy or in any of the property markets in which we have operations, or a decrease in the pace of urbanisation, our financial conditions and results of operations may be materially and adversely affected.

The regulatory environment and measures affecting the property industry in China

PRC governmental policies and measures regarding property development and related industries have a direct impact on our business and results of operations. From time to time, the PRC government adjusts its macroeconomic control policies to encourage or restrict development in the private property sector through regulating, among other things, the supply of land, pre-sales of properties, land usage, plot ratios, bank financing and taxation. In recent years, in response to rising property prices across the country, the PRC government has implemented a series of measures with a view to controlling prices in the real estate market. Various administrative bodies have introduced policies and measures to discourage speculation and impose more stringent requirements on property developers. These measures require, among other things, higher minimum down payments from purchasers, new restrictions on the purchase of properties, that a minimum portion of investment in property projects be devoted to affordable and commodity housing and increases in bank lending rates for mortgage financing. A substantial portion of our customers make down payments and rely on mortgage financing to purchase our properties. Accordingly, regulations or measures adopted by the PRC government that are intended to increase down payment requirements, restrict the ability of purchasers to obtain mortgages, limit their ability to resell their properties or increase the cost of mortgage financing may decrease market demand for our properties and adversely affect our results of operations. Measures taken by the PRC government to control the money supply, credit availability and fixed assets investment also have a direct impact on our business and results of operations. Furthermore, the PRC government may introduce initiatives which may affect our access to capital and the means by which we can finance our property development.

Our ability to acquire suitable land for future development

Our success and continuing growth will largely depend on our ability to acquire quality land at prices that can generate reasonable returns. As the PRC economy continues to grow rapidly and demand for residential properties remains strong, we expect that competition among property developers for land will continue to intensify. In addition, the application of public tender, auction and listing-for-sale practices with respect to the grant of state-owned land use rights is also likely to increase competition for land and land acquisition costs. The increasingly fierce competition in China for land for development may adversely affect our ability to acquire sufficient land for development and increase our land acquisition costs.

Access to capital and cost of financing

Bank loans and borrowings from financial institutions, bonds and advances from non-controlling shareholders of our subsidiaries are important funding sources for our property development. As of 31 December 2011, 2012 and 2013, the amount of our outstanding current and non-current bank loans and borrowings from financial institutions and bonds payable in aggregate was RMB50,392.6 million, RMB71,593.4 million and RMB76,705.8 million, respectively. We expect our mix of funding sources to remain relatively stable in the future. Our access to capital and cost of financing will be affected by the prevailing interest rates on bank loans, which is linked to the PBOC benchmark lending rates, the restrictions imposed by the PRC government on bank lending for property development, and the general conditions of the domestic and global capital markets. Our interest cost on interest-bearing borrowings amounted to RMB4,208.2 million, RMB5,782.3 million and RMB6,574.8 million for the years ended 31 December 2011, 2012 and 2013, respectively. In addition, any potential increase in interest rates may result in additional interest costs for us, especially in newly raised loans.

During the Track Record Period, we also financed some of our projects through trust financing. Compared with bank loans, trust financing offers greater flexibility in terms of availability, but financing costs under these trust financing arrangements are generally higher than those under bank loans. If we are unable to enter into such trust financing arrangements on favourable terms in the future, or at all, our results of operations and financial condition may be adversely affected.

Timing of property development

The development of property projects requires significant time. It may take several months, years, or even longer, after the start of development before pre-sales of properties in that development begin. We do not recognise any revenue until properties have been sold, completed and ready for delivery to our customers. Due to fluctuations in market demand, the revenue we recognise in a particular period may also be affected by market conditions at the time a particular property project is pre-sold or sold. Moreover, delays in construction, regulatory approval or other processes may adversely affect the timetable of our projects and, therefore, our recognition of revenue from our projects.

Pre-sales of properties

Pre-sales of properties constitute one of the most important sources of our operating cash flows during our project development process. PRC law allows us to pre-sell properties before their completion upon satisfaction of certain pre-conditions but requires us to use the pre-sales proceeds to finance the particular project that has been presold. Please refer to the paragraphs headed "Business — Property Development Process — Sales and Marketing" in this listing document for additional details. The amount and timing of cash inflows from pre-sales are affected by a number of factors, including the development schedules of our projects, restrictions on pre-sales imposed by the PRC government, the availability and affordability of mortgage financing for our purchasers, market demand for our properties subject to pre-sales and the number of our properties available for pre-sales. In addition, reduced cash flows from pre-sales of our properties will likely increase our reliance on external financing, which may increase our costs and may impact our ability to finance our continuing property development.

LAT

Our property development is subject to LAT in respect of the appreciated value of the related land and improvements on such land. LAT applies to both domestic and foreign investors engaged in real estate development in China and is levied on properties sold at progressive rates ranging from 30% to 60% on the appreciation of land value. During the Track Record Period, we paid RMB3,413.7 million, RMB4,685.5 million and RMB4,901.1 million for LAT for the years ended 31 December 2011, 2012 and 2013, respectively. We make provisions for LAT by reference to our sales recognised and in accordance with our estimates of the LAT which will be payable under relevant PRC laws and regulations. For the years ended 31 December 2011, 2012 and 2013, we made LAT provisions of RMB3,705.4 million, RMB4,825.0 million and RMB3,414.9 million, respectively. As of the Latest Practicable Date, we had made full provisions and/or all payments for LAT in compliance with the relevant LAT laws and regulations in China as interpreted and enforced by the relevant local tax authorities. LAT liabilities are subject to determination by the tax authorities upon the completion of the property development projects and may be different from the amounts that were initially recorded, and any such differences may impact our profits after tax and deferred tax provision in the periods in which such taxes are finalised with the relevant tax authorities. For further information on PRC regulations relating to LAT, please see "Appendix VIII — Taxation and Foreign Exchange — Taxation of our Company — PRC taxation — Land Appreciation Tax" in this listing document.

Land acquisition and construction costs

Our results of operations are affected by land acquisition and construction costs, which are the most significant components of our cost of sales. In recent years, land premiums have increased notably in major cities in China. The construction costs have also increased in recent years mainly due to the increase in the fees required by construction contractors reflecting increases in labour costs and costs of raw materials, thus increasing our cost of sales and overall project costs. If we cannot sell our properties at increased prices sufficient to offset increases in costs, our profitability will be adversely affected.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRSs requires our management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The relevant estimates or underlying assumptions made in the past have been generally in line with actual results during the Track Record Period. We are of the view that the underlying estimates or underlying assumptions are not likely to have material changes in the future.

Judgments made by our management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 to the consolidated financial statements contained in Appendices I, II and III to this listing document.

The selection of critical accounting policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing our financial statements. We believe the following critical accounting policies involve the most significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Sale of properties

Revenue arising from the sale of properties is recognised upon the signing of the sale and purchase agreement and the receipt of the deposits and confirmation of arrangement of settlement of remaining sales proceeds or the achievement of status ready for hand-over to our customers as stipulated in the sale and purchase agreement, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are presented as "Receipts in advance" under "Trade and other payables" in our consolidated financial statements.

Provision of services

Revenue from services is recognised when services are rendered.

Contract revenue

When the outcome of a construction contract can be estimated reliably:

- revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred as of the relevant date bear to the estimated total contract costs for the contract; and

- revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the relevant period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred as of the relevant date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent that the contract costs incurred are likely to be recoverable.

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividends

Dividend income from investments is recognised when the shareholder's right to receive a payment is established.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions related to the grants. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Property Development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

Properties held for development and property under development

The cost of properties held for development and properties under development consists of specifically identified costs, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overhead and borrowing costs capitalised. Net realisable value represents the estimated selling price less estimated cost of completion and the costs to be incurred in selling the property.

Properties held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present state.

Investment Properties

Investment properties consist of land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include property that is being constructed or developed for future use as investment property. Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated to write off to the cost of an investment property, less its residual value of 0% to 4%, if any, using the straight-line method over their estimated useful lives of 12.5 to 40 years. Both the useful life and residual value, if any, are reviewed annually.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred. The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the reporting period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

RESULTS OF OPERATIONS

The table below sets forth selected items from our consolidated statements of profit or loss for the years indicated.

	For The Year Ended 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Revenue	67,709,396	96,859,914	127,453,765
Cost of sales	(43,249,418)	(65,454,228)	(92,814,352)
Gross profit	24,459,978	31,405,686	34,639,413
Other revenue	820,643	1,008,346	741,218
Other net income	138,306	200,521	66,246
Distribution costs	(2,556,775)	(3,056,378)	(3,864,714)
Administrative expenses	(2,666,722)	(2,845,761)	(3,089,148)
Other operating expenses	(97,004)	(165,250)	(149,678)
Profit from operations	20,098,426	26,547,164	28,343,337
Finance costs	(1,252,354)	(1,739,414)	(1,495,502)
Share of profits less losses of associates	397,783	570,657	511,614
Share of profits less losses of joint ventures	246,205	319,130	487,784
Profit before taxation	19,490,060	25,697,537	27,847,233
Income tax	(7,890,454)	(10,034,949)	(9,549,684)
Profit for the year	11,599,606	15,662,588	18,297,549
Attributable to:			
Equity shareholders of our Company	9,624,875	12,551,182	15,118,549
Non-controlling interests	1,974,731	3,111,406	3,179,000

DESCRIPTION OF SELECTED LINE ITEMS OF STATEMENTS OF PROFIT OR LOSS

Revenue

We derive our revenue primarily from sales of properties, construction contracts and property management and related services earned during the year. Revenue from sales of properties constitutes substantially all of our revenue. The following table sets forth our revenue by sources for the years indicated.

	For The Year Ended 31 December					
	2011		2012		2013	
	Amount *(RMB'000)*	% of Total *(%)*	Amount *(RMB'000)*	% of Total *(%)*	Amount *(RMB'000)*	% of Total *(%)*
Revenue						
Sales of properties	65,313,204	96.46	94,000,979	97.05	123,545,835	96.93
Construction contracts	1,324,755	1.96	1,415,632	1.46	1,431,580	1.12
Property management and related services	540,406	0.80	807,186	0.83	1,384,676	1.09
Others	531,031	0.78	636,117	0.66	1,091,674	0.86
Total	**67,709,396**	**100.00**	**96,859,914**	**100.00**	**127,453,765**	**100.00**

Sale of properties

Revenue from the sale of properties is only recognised after the properties have been sold to purchasers and after satisfying the requirements for delivery as stipulated in the sale and purchase agreements in such period.

Consistent with industry practice, we typically enter into sales contracts with purchasers while the properties are still under development but after satisfying the conditions for pre-sales in accordance with PRC laws and regulations. Please refer to the paragraphs headed "Business — Property Development Process — Sales and Marketing" in this listing document for more details. Before the criteria for the recognition of sales of properties are met, payments received from purchasers are recorded as "Receipts in advance" under "Trade and other payables" in our consolidated financial statements.

The following table sets forth a breakdown of our revenue recognised from sales of properties, recognised GFA and recognised ASP by region for the years indicated.

	For The Year Ended 31 December											
	2011				2012				2013			
	Revenue *(RMB'000)*	*%*	Recognised GFA *(sq.m.)*	Recognised ASP *(RMB per sq.m.)*	Revenue *(RMB'000)*	*%*	Recognised GFA *(sq.m.)*	Recognised ASP *(RMB per sq.m.)*	Revenue *(RMB'000)*	*%*	Recognised GFA *(sq.m.)*	Recognised ASP *(RMB per sq.m.)*
Guangshen Region	23,413,680	35.84	1,775,145	13,190	26,728,777	28.43	2,398,703	11,143	41,618,398	33.68	3,963,547	10,500
Shanghai Region	18,552,881	28.41	1,391,878	13,329	19,428,139	20.67	1,426,061	13,624	25,188,490	20.39	1,942,960	12,964
Beijing Region	15,995,163	24.49	1,551,015	10,313	31,419,980	33.43	3,119,394	10,072	32,035,545	25.93	3,457,700	9,265
Chengdu Region	7,351,480	11.26	906,221	8,112	16,424,083	17.47	2,048,799	8,016	24,703,402	20.00	2,945,738	8,386
Total	**65,313,204**	**100.00**	**5,624,259**	**11,613**	**94,000,979**	**100.00**	**8,992,957**	**10,453**	**123,545,835**	**100.00**	**12,309,945**	**10,036**

The table below sets forth a sensitivity analysis for our Recognised ASP, illustrating, for the years indicated, their impact on our profit before taxation if our Recognised ASP had been 5% higher or lower, assuming all other variables were held constant.

	For The Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Increase/(decrease) in profit before taxation			
If Recognised ASP had been 5% higher	3,265,660	4,700,049	6,177,292
As a percentage of profit before taxation	16.76%	18.29%	22.18%
If Recognised ASP had been 5% lower	(3,265,660)	(4,700,049)	(6,177,292)
As a percentage of profit before taxation	(16.76%)	(18.29%)	(22.18%)

Construction contracts

Our revenue from construction contracts represents revenue from construction contracts that are specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. Our revenue from construction contracts are mainly from the construction of affordable housing for the local government. As part of our social responsibilities, we are committed to constructing affordable housing. For the years ended 31 December 2011, 2012 and 2013, the revenue from our construction contracts amounted to RMB1,324.8 million, RMB1,415.6 million and RMB1,431.6 million, respectively, and our gross profit from construction contracts was RMB16.4 million, RMB42.4 million and RMB40.4 million, respectively.

Property management and related services

Our revenue from property management and related services mainly represents revenue generated from property management and related services we provide to the owners of properties we manage. This revenue is recognised over the period when our property management and related services are rendered.

Others

We also generate rental income from our properties and management fees from joint ventures and associates.

Cost of Sales

Our cost of sales primarily consists of the costs we incurred directly in relation to our property development activities and our property management operations. For the years ended 31 December 2011, 2012 and 2013, our cost of sales was RMB43,249.4 million, RMB65,454.2 million and RMB92,814.4 million, respectively, representing approximately 63.9%, 67.6% and 72.8% of our revenue for the respective year.

The following table sets forth information in relation to our cost of sales for the years indicated.

	For The Year Ended 31 December					
	2011		2012		2013	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
Cost of property sales						
— Construction costs	20,504,162	47.41	32,807,471	50.12	46,041,928	49.60
— Land acquisition costs	15,618,335	36.11	21,805,286	33.31	31,517,567	33.96
— Others	5,216,432	12.06	8,615,005	13.16	12,594,571	13.57
Sub total	41,338,929	95.58	63,227,762	96.59	90,154,066	97.13
Cost of construction contracts	1,308,403	3.03	1,373,189	2.10	1,391,144	1.50
Cost of property management and related services	450,321	1.04	724,800	1.11	1,163,558	1.25
Others	151,765	0.35	128,477	0.20	105,584	0.12
Total	43,249,418	100.00	65,454,228	100.00	92,814,352	100.00

During the Track Record Period, our average land acquisition cost per sq.m. was RMB2,707, RMB2,790 and RMB3,516. Our average land acquisition cost per sq.m. remained stable in 2011 and 2012 and increased by approximately 26.0% from 2012 to 2013, mainly due to an increase in land acquisition in first tier cities and areas with developed or relatively developed ancillary facilities. In 2013, the proportion of our investment in first tier cities increased from 20.0% in 2012 to 32.0% in 2013 whilst the proportion of our investment in areas with developed or relatively developed ancillary facilities increased from 74.0% in 2012 to 85.0% in 2013.

Cost of Property Sales

Cost of property sales mainly includes construction costs, land acquisition costs and other costs. We recognise the cost of property sales for a given period to the extent that revenue from such properties has been recognised in such period.

Construction costs

Construction costs represent costs for the design and construction of a project, primarily consisting of payments to our contractors, including those responsible for civil engineering, construction, landscaping, equipment installation and interior decoration, as well as infrastructure construction costs and design costs. Our construction costs are affected by a number of factors, such as changes in the price of construction materials, the location and type of properties under construction and investments in ancillary facilities.

The table below sets forth a sensitivity analysis for our construction costs, illustrating, for the years indicated, their impact on our profit before taxation if our construction costs had been 5% higher or lower, assuming all other variables were held constant.

	For The Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Increase/(decrease) in profit before taxation			
If construction costs had been 5% higher	(1,025,208)	(1,640,374)	(2,302,096)
As a percentage of profit before taxation	(5.26%)	(6.38%)	(8.27%)
If construction costs had been 5% lower	1,025,208	1,640,374	2,302,096
As a percentage of profit before taxation	5.26%	6.38%	8.27%

Land acquisition costs

Land acquisition costs represent costs relating to acquisition of the rights to occupy, use and develop land, and primarily include land premium incurred in connection with land grants from the PRC government or land obtained by transfer, cooperative arrangement, corporate acquisition or otherwise. Our land acquisition costs are affected by a number of factors, such as our method of acquisition, the location of the underlying property, market conditions, the project's plot ratios, the designated use of the underlying property and changes in PRC policies and regulations. We may also be required to pay demolition and resettlement costs.

The table below sets forth a sensitivity analysis for our land acquisition costs, illustrating, for the years indicated, their impact on our profit before taxation if our land acquisition costs had been 5% higher or lower, assuming all other variables were held constant.

	For The Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Increase/(decrease) in profit before taxation			
If land acquisition costs had been 5% higher	(780,917)	(1,090,264)	(1,575,878)
As a percentage of profit before taxation	(4.01%)	(4.24%)	(5.66%)
If land acquisition costs had been 5% lower	780,917	1,090,264	1,575,878
As a percentage of profit before taxation	4.01%	4.24%	5.66%

As land acquisition costs vary by location and as we recognize land acquisition costs only when properties satisfy the requirements for delivery, our total land acquisition costs per sq.m. vary from period to period due to differences in the composition of the total GFA delivered by project. For example, a significant proportion of our total properties delivered in a certain period may be in locations with relatively low land acquisition costs, resulting in relatively low total land acquisition costs per sq.m. for that period, while, in another period, a significant proportion of our total GFA delivered may be in locations with relatively high land acquisition costs, resulting in relatively high total land acquisition costs per sq.m. for that period. As the by location composition of our properties completed and delivered in future periods will vary from past periods, the above sensitivity analysis is for reference only and investors should not unduly rely upon it.

Others

Our other costs mainly include capitalised interest expenses, indirect development costs and costs for other ancillary facilities.

Cost of Construction Contracts

Cost of construction contracts mainly includes construction costs, installation costs and costs for infrastructure and ancillary facilities. We recognise the cost of construction contracts for a given period to the extent that revenue from such construction contracts has been recognised in such period.

Cost of Property Management and Related Services

Cost of property management and related services primarily includes staff costs associated with our property management companies and other costs associated with the management of the properties and provision of related services.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. Our gross profit for the years ended 31 December 2011, 2012 and 2013 was RMB24,460.0 million, RMB31,405.7 million and RMB34,639.4 million, respectively. Our gross profit margin for the years ended 31 December 2011, 2012 and 2013 was 36.1%, 32.4% and 27.2%, respectively.

The Directors believe that the gross profit margin of the Company will be stable in the near future. As indicated by the slight increase in our contracted price in 2013 as compared to that in 2012, from RMB10,900 per sq.m. in 2012 to RMB11,473 per sq.m. in 2013, our property prices have stabilised in 2013 despite the slight decrease in recognised ASP that year, which was primarily attributable to the fact that a majority of the properties which satisfied the requirements for delivery in 2013 were pre-sold in 2011 and 2012 when the market experienced price decreases following the downturn in the PRC property market in 2011. In addition, we exercise great cautions when we participate in land auctions and follow a strict land acquisition protocol. We refrain from acquiring plots excessively or over-aggressively and we refrain from paying aggressive premiums for any parcel of land, so as to maintain our land acquisition cost at a reasonable level. Our average land acquisition cost per sq.m. remained stable in 2011 and 2012 and increased in 2013, which was mainly due to an increase in land acquisition in first tier cities and areas with developed or relatively developed ancillary facilities in 2013. The property prices in such cities and locations are generally higher and as such, we do not expect the increase in our land acquisition cost in 2013 to have any material adverse impact on our gross profit margin in the near future.

Distribution Costs

Our distribution costs primarily consist of advertising and promotional expenses, commission to sales agents, and other costs related to selling and marketing activities of the Group. For the years ended 31 December 2011, 2012 and 2013, our distribution costs were RMB2,556.8 million, RMB3,056.4 million and RMB3,864.7 million, respectively, representing approximately 3.8%, 3.2% and 3.0% of our revenue for the respective years.

The following table sets forth our distribution costs for the years indicated.

	For The Year Ended 31 December		
	2011	2012	2013
	Amount *(RMB'000)*	Amount *(RMB'000)*	Amount *(RMB'000)*
Distribution costs			
Advertising and promotional expenses	899,481	1,156,355	1,561,487
Commission to sales agents	625,104	714,242	959,901
Others	1,032,190	1,185,781	1,343,326
Total	2,556,775	3,056,378	3,864,714

Administrative Expenses

Our administrative expenses primarily consist of staff costs, office administrative costs and other costs related to the administrative activities of the Group. For the years ended 31 December 2011, 2012 and 2013, our administrative expenses were RMB2,666.7 million, RMB2,845.8 million and RMB3,089.1 million, respectively, representing approximately 3.9%, 2.9% and 2.4% of our revenue for the respective year.

The following table sets forth our administrative expenses for the years indicated.

	For The Year Ended 31 December		
	2011	2012	2013
	Amount *(RMB'000)*	Amount *(RMB'000)*	Amount *(RMB'000)*
Administrative expenses			
Staff costs and office administrative costs	2,207,023	2,316,481	2,503,610
Depreciation, amortisation, rental expenses and property tax	332,090	437,012	447,409
Others	127,609	92,268	138,129
Total	2,666,722	2,845,761	3,089,148

Other Revenue

Our other revenue consists of interest income and dividend income.

The following table sets forth a breakdown of our other revenue for the years indicated.

	For The Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Other revenue			
Interest income	801,677	981,158	739,813
Dividend income	18,966	27,188	1,405
Total	820,643	1,008,346	741,218

Other Net Income

Our other net income consists of (i) forfeited deposits and compensation from customers, (ii) gain on disposals of subsidiaries, (iii) net exchange gain/loss, (iv) net gain/loss on disposals of property, plant and equipment, (v) gain/loss on disposals of other investments, (vi) net realised and unrealised loss on financial derivatives, and (vii) other sundry income.

The following table sets forth a breakdown of our other net income for the years indicated.

	For The Year Ended 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Other net income			
Forfeited deposits and compensation from customers	27,777	68,154	60,698
Gain on disposals of subsidiaries	35,395	33,180	4,645
Net exchange gain/(loss)	29,370	58,951	(49,716)
Net gain/(loss) on disposal of property, plant and equipment	2,901	(4,671)	(4,475)
Gain/(loss) on disposals of other investments	881	(16,201)	(1,539)
Net realised and unrealised loss on financial derivatives	(2,869)	(8,719)	(572)
Other sundry income	44,851	69,827	57,205
Total	138,306	200,521	66,246

Other Operating Expenses

Our other operating expenses consist of (i) provision for doubtful debts, (ii) compensation to customers, (iii) donations, and (iv) other sundry expenses.

The following table sets forth a breakdown of our other operating expenses for the years indicated.

	For The Year Ended 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Other operating expenses			
Provision for doubtful debts	64,627	83,818	67,202
Compensation to customers	11,132	15,780	35,460
Donations	5,530	48,907	10,086
Other sundry expenses	15,715	16,745	36,930
	97,004	165,250	149,678

Finance Costs

Our finance costs mainly consist of interest on interest-bearing borrowings less interest expense capitalised into inventories and construction in progress.

The following table sets forth our finance costs for the years indicated.

	For The Year Ended 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Interest on interest-bearing borrowings	4,208,214	5,782,312	6,574,831
Less: Interest expense capitalised into inventories and construction in progress	(2,955,860)	(4,042,898)	(5,079,329)
Total	1,252,354	1,739,414	1,495,502

Income Tax

Our income tax expenses for a given year or period include payments and provisions made for corporate income tax and LAT. During the Track Record Period and up to the Latest Practicable Date, we have paid all applicable taxes when due and there are no matters in dispute or unresolved with any relevant tax authorities.

Corporate income tax

According to EIT Law, our PRC subsidiaries are generally subject to a corporate income tax at the rate of 25%. For the years ended 31 December 2011, 2012 and 2013, our effective corporate income tax rate was 26.6%, 25.7% and 24.7% respectively, remaining relatively stable.

LAT

Under PRC laws and regulations, our property developments are subject to LAT in respect of the appreciated value of the related land and improvements on such land. LAT applies to both domestic and foreign investors in real estate development in the PRC and is levied on properties for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value. Certain exemptions are available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant tax laws). Whether a property qualifies for the ordinary residential property exemption is determined by the local government. Historically, sales of higher-end properties and commercial properties have had higher appreciation values, and have had therefore generally subject to higher LAT rates. On 28 December 2006, the SAT issued the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題的通知》), which took effect on 1 February 2007. Such notice provides further clarification regarding the settlement of LAT. Local provincial tax authorities can formulate their own implementation rules according to the notice and local conditions. On 12 May 2009, the SAT issued the Regulations of Land Appreciation Tax Settlement Administration (《土地增值稅清算管理規程》), effective on 1 June 2009, which further clarifies the specific conditions and procedures for the settlement of LAT. We make provisions for LAT by reference to our sales recognised and in accordance with our estimates of the LAT which will be payable under relevant PRC laws and regulations, but only prepay 1.0% to 5.0% of the pre-sales proceeds each year as required by the local tax authorities under prevailing market practice. During the Track Record Period, we paid RMB3,413.7 million, RMB4,685.5 million and RMB4,901.1 million for LAT for the years ended 31 December 2011, 2012 and 2013. For 2011, 2012 and 2013, we made LAT provisions of RMB3,705.4 million, RMB4,825.0 million and

RMB3,414.9 million, respectively. Please refer to "Taxation and Foreign Exchange — Taxation of our Company — PRC taxation — Land Appreciation Tax" in Appendix VIII to this listing document for more details on the PRC regulations on LAT.

Profit for the Year

For the years ended 31 December 2011, 2012 and 2013, we had a profit of RMB11,599.6 million, RMB15,662.6 million and RMB18,297.5 million, respectively. The profit attributable to equity Shareholders of our Company was RMB9,624.9 million, RMB12,551.2 million and RMB15,118.5 million, respectively, for the years ended 31 December 2011, 2012 and 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Year ended 31 December 2013 compared to Year ended 31 December 2012

Revenue

Our revenue was RMB127,453.8 million in 2013, representing an increase of RMB30,593.9 million, or approximately 31.6%, from RMB96,859.9 million in 2012. The increase was mainly attributable to the increase in the revenue from our sale of properties from RMB94,001.0 million in 2012 to RMB123,545.8 million in 2013. The increase in the revenue from our sale of properties was mainly due to the increase in our total recognised GFA of properties, which satisfied the requirements for delivery, by 3,316,988 sq.m., or approximately 36.9%, from 8,992,957 sq.m. in 2012 to 12,309,945 sq.m. in 2013. Our recognised ASP of properties decreased by 4.0% from RMB10,453 per sq.m. in 2012 to RMB10,036 per sq.m. in 2013.

Compared with 2012, our revenue from construction contracts was relatively stable, increasing by RMB16.0 million, or approximately 1.1%, from RMB1,415.6 million in 2012 to RMB1,431.6 million in 2013.

Our revenue from property management and related services was RMB1,384.7 million, representing an increase of RMB577.5 million, or approximately 71.5%, from RMB807.2 million in 2012, primarily due to the increase in the number of properties we managed from 317 in 2012 to 411 in 2013 and the increase in average management fees we charged to owners of these properties.

Our other revenue, mainly including rental income from our properties and management fees from joint ventures and associates, amounted to RMB1,091.7 million in 2013, representing an increase of RMB455.6 million, or approximately 71.6%, from RMB636.1 million in 2012, primarily due to the increase in the joint ventures and associates we established to develop property projects.

Cost of sales

Our cost of sales was RMB92,814.4 million in 2013, representing an increase of RMB27,360.2 million, or approximately 41.8%, from RMB65,454.2 million in 2012. This increase was in line with the increase in our recognised GFA from 8,992,957 sq.m. in 2012 to 12,309,945 sq.m. in 2013 and was also attributable to (i) increases in our land acquisition and construction costs in line with general industry trends and (ii) an increase in our recognised sales of furbished units, the costs of which are higher than unfurbished units. Among others, our construction costs increased by RMB13,234.4 million, or 40.3% from RMB32,807.5 million in 2012 to RMB46,041.9 million in 2013. Our land acquisition costs increased by RMB9,712.3 million, or 44.5% from RMB21,805.3 million in 2012 to RMB31,517.6 million in 2013.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB3,233.7 million, or approximately 10.3%, from RMB31,405.7 million in 2012 to RMB34,639.4 million in 2013. Our gross profit margin decreased from 32.4% in 2012 to 27.2% in 2013. The decrease in our gross profit margin was due to our cost of sales increasing more significantly from 2012 to 2013 than our revenue. This was primarily due to (i) increases in our land acquisition and construction costs in line with general industry trends, (ii) a greater proportion of our recognised sales coming from furbished units, which have lower profit margins than unfurbished units and (iii) a lower overall recognised ASP in 2013 as compared to that in 2012, which was in turn primarily due to a high proportion of our properties, which satisfied the requirements for delivery, in 2013 coming from properties which were pre-sold at the end of 2011 and in 2012 when the market experienced price decreases.

Distribution costs

Our distribution costs were RMB3,864.7 million in 2013, representing an increase of RMB808.3 million, or approximately 26.4%, from RMB3,056.4 million in 2012. This increase was primarily attributable to (i) an increase in our advertising and promotional expenses, and (ii) an increase in our commission to sales agents, in line with the increase in our contracted sale of properties.

Administrative expenses

Our administrative expenses were RMB3,089.1 million in 2013, representing an increase of RMB243.3 million, or approximately 8.5%, from RMB2,845.8 million in 2012. The increase was primarily due to the increase in our staff costs and office administrative costs, which was mainly attributable to the increase in the number of our employees from 31,019 in 2012 to 35,330 in 2013.

Finance costs

Our finance costs were RMB1,495.5 million in 2013, representing a decrease of RMB243.9 million, or approximately 14.0%, from RMB1,739.4 million in 2012. This decrease resulted from the increase in our interest on interest-bearing borrowings from RMB5,782.3 million in 2012 to RMB6,574.8 million in 2013 due to new borrowings and corporate bonds issued in 2013, outpaced by the increase in the interest expense capitalised into inventories and construction in progress from RMB4,042.9 million in 2012 to RMB5,079.3 million in 2013, which was primarily due to the increase in properties under construction from GFA of 26,163,292 in 2012 to GFA of 31,617,949 sq.m. in 2013, which resulted in an increase in interest expenses qualified for capitalisation.

Income tax

Our income tax expense was RMB9,549.7 million in 2013, representing a decrease of RMB485.2 million, or approximately 4.8%, from RMB10,034.9 million in 2012. This decrease was primarily due to a decrease in our required provisions for LAT in 2013. The decrease in our required provisions for LAT was mainly attributable to a decrease in the average LAT rates applicable to our projects. Due to the factors resulting in the decrease in our gross profit margin in 2013 as described above, the profit margins for some of our property projects decreased as well, which resulted in the decrease of the LAT rates applicable to our property projects.

Profit for the year and net profit margin

Our profit for the year was RMB18,297.5 million in 2013, representing an increase of RMB2,634.9 million, or approximately 16.8%, from RMB15,662.6 million in 2012. Our net profit margin decreased from 16.2% in 2012 to 14.4% in 2013 which was due primarily to the factors which caused our gross profit margin to decrease but those factors were partially offset by cost control measures we adopted to control our distribution costs and administrative expenses.

Year ended 31 December 2012 compared to Year ended 31 December 2011

Revenue

Our revenue was RMB96,859.9 million in 2012, representing an increase of RMB29,150.5 million, or approximately 43.1%, from RMB67,709.4 million in 2011. The increase was mainly attributable to the increase in the revenue from our sale of properties from RMB65,313.2 million in 2011 to RMB94,001.0 million in 2012, which was mainly due to the increase in our total recognised GFA in 2012. Our total recognised GFA increased by 3,368,698 sq.m., or approximately 59.9%, from 5,624,259 sq.m. in 2011 to 8,992,957 sq.m. in 2012. Our recognised ASP of properties decreased by 10.0% from RMB11,613 per sq.m. in 2011 to RMB10,453 per sq.m. in 2012. The decrease of our recognised ASP was primarily attributable to (i) the decrease in the proportion of projects, which satisfied the requirements for delivery, in 2012 in first-tier cities, which generally have higher recognised ASP, which was due to our business expansion into second-and third-tier cities and (ii) the downturn in the PRC property market since 2011, which affected the price of our properties sold in late 2011 and satisfied the requirements for delivery in 2012.

Our revenue from construction contracts was RMB1,415.6 million in 2012, representing an increase of RMB90.8 million, or approximately 6.9%, from RMB1,324.8 million in 2011.

Our revenue from property management and related services was RMB807.2 million in 2012, representing an increase of RMB266.8 million, or approximately 49.4%, from RMB540.4 million in 2011, due to the increase in the number of properties we managed from 259 in 2011 to 317 in 2012 and the increase in the average management fees we charged to owners of these properties.

Cost of sales

Our cost of sales was RMB65,454.2 million in 2012, representing an increase of RMB22,204.8 million, or approximately 51.3%, from RMB43,249.4 million in 2011. This increase was in line with the increase in our recognised GFA and was also attributable to (i) increases in our land acquisition and construction costs in line with general industry trends and (ii) an increase in our recognised sales of furbished units, the costs of which are higher than unfurbished units. Among others, our construction costs increased by 60.0% from RMB20,504.2 million in 2011 to RMB32,807.5 million in 2012 and our land acquisition costs recognised as cost of sales increased by 39.6%, from RMB15,618.3 million in 2011 to RMB21,805.3 million in 2012.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB6,945.7 million, or approximately 28.4%, from RMB24,460.0 million in 2011 to RMB31,405.7 million in 2012. Our gross profit margin decreased from 36.1% in 2011 to 32.4% in 2012. The decrease of our gross profit margin, from 36.1% in 2011 to 32.4% in 2012, was mainly attributable to (i) the decrease of our recognised ASP, especially in the Guangshen Region, from RMB11,613 per sq.m. in 2011 to RMB10,453 per sq.m. in 2012, and (ii) a greater proportion of our recognised sales coming from furbished units in 2012, which have relatively lower profit margins than unfurbished units.

Distribution costs

Our distribution costs were RMB3,056.4 million in 2012, representing an increase of RMB499.6 million, or approximately 19.5%, from RMB2,556.8 million in 2011. This increase was primarily attributable to an increase in the advertising and promotional expenses, from RMB899.5 million in 2011 to RMB1,156.4 million in 2012, reflecting our increased contracted sales of properties.

Administrative expenses

Our administrative expenses were RMB2,845.8 million in 2012, representing an increase of RMB179.1 million, or approximately 6.7%, from RMB2,666.7 million in 2011. This increase was primarily due to the increase in our staff costs and office administrative costs, which was mainly attributable to the increase in the number of employees from 27,951 in 2011 to 31,019 in 2012.

Finance costs

Our finance costs were RMB1,739.4 million in 2012, representing an increase of RMB487.0 million, or approximately 38.9%, from RMB1,252.4 million in 2011. This increase was primarily attributable to the increase in the interest on interest-bearing borrowings from RMB4,208.2 million in 2011 to RMB5,782.3 million in 2012, which was primarily due to the increase in our average bank and other borrowing balances outstanding, partially offset by an increase in interest expenses capitalised into inventories, from RMB2,955.9 million in 2011 to RMB4,042.9 million in 2012.

Income tax

Our income tax expenses were RMB10,034.9 million in 2012, representing an increase of RMB2,144.4 million, or approximately 27.2%, from RMB7,890.5 million in 2011. This increase was primarily due to the increase in our profit as a result of the growth of sales of properties.

Profit for the year and net profit margin

Our profit for the year was RMB15,662.6 million in 2012, representing an increase of RMB4,063.0 million, or approximately 35.0%, from RMB11,599.6 million in 2011. The decrease of our net profit margin, from 17.1% in 2011 to 16.2% in 2012, was due primarily to the factors which caused our gross profit margin to decrease but those factors were partially offset by cost control measures we adopted to control our distribution costs and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

Property development requires substantial capital investment for land acquisition and construction. To date we have funded our operations principally from cash generated from our operations, mainly including proceeds from pre-sales and sales of our properties, as well as bank loans and borrowings from financial institutions and corporate bonds.

Cash Flow

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	For the Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Selected cash flow statement data			
Net cash generated from operating activities	3,389,424	3,725,959	1,923,869
Net cash used in investing activities	(5,652,567)	(2,453,453)	(7,954,417)
Net cash generated from/(used in) financing activities	806,859	16,285,510	(2,057,646)
Effect of foreign exchange rate change	(26,539)	(51,904)	(27,881)
Net (decrease)/increase in cash and cash equivalents	(1,482,823)	17,506,112	(8,116,075)
Cash and cash equivalent at the beginning of the year	35,096,935	33,614,112	51,120,224
Cash and cash equivalents at the end of the year	33,614,112	51,120,224	43,004,149

Net cash generated from operating activities

In 2013, our net cash generated from operating activities was RMB1,923.9 million. This net cash generated from operating activities was mainly attributable to (i) cash received from customers of RMB153,437.1 million in connection with our contracted sales of properties, and (ii) cash generated from other operating activities of RMB22,239.7 million, mainly including amounts from associates and joint ventures, which increased significantly compared to 2012 as we had more property projects developed through our associates and joint ventures and thus received more development funds from them for centralised cash management by our headquarters, partially offset by (i) cash paid to suppliers of RMB128,657.0 million primarily consisting of land premiums and construction fees paid to the construction contractors, (ii) cash used in other operating activities of RMB20,409.3 million, mainly including amounts contributed to associates and joint ventures for development, (iii) cash paid for other taxes of RMB9,419.3 million, (iv) cash paid for PRC corporate income tax and Hong Kong profits tax of RMB6,893.6 million, and (v) cash paid for LAT of RMB4,901.1 million.

In 2012, our net cash generated from operating activities was RMB3,726.0 million. This net cash generated from operating activities was mainly attributable to (i) cash received from customers of RMB116,108.8 million in connection with our contracted sales of properties, and (ii) cash generated from other operating activities of RMB5,480.6 million, partially offset by (i) cash paid to suppliers of RMB87,323.7 million primarily consisting of land premium and construction fees paid to the construction contractors, (ii) cash used in other operating activities of RMB9,549.4 million, (iii) cash paid for other taxes of RMB7,723.7 million, (iv) cash paid for PRC corporate income tax and Hong Kong profits tax of RMB5,672.4 million, and (v) cash paid for LAT of RMB4,685.5 million.

In 2011, our net cash generated from operating activities was RMB3,389.4 million. This net cash generated from operating activities was mainly attributable to (i) cash received from customers of RMB103,648.9 million in connection with our contracted sales of properties, and (ii) cash generated from other operating activities of RMB6,894.7 million, partially offset by (i) cash paid to suppliers of RMB84,918.2 million primarily including land premium and construction fees paid to the construction contractors, (ii) cash paid for PRC corporate income tax of RMB6,304.6 million, (iii) cash paid for other taxes of RMB4,979.9 million, (iv) cash paid for LAT of RMB3,413.7 million, (v) cash paid to and for employees of RMB2,480.8 million, and (vi) cash used in other operating activities of RMB5,056.9 million.

Net cash used in investing activities

In 2013, our net cash used in investing activities was RMB7,954.4 million. This net cash used in investing activities was mainly attributable to (i) investment in associates and joint ventures of RMB3,159.8 million as a result of the increase in associates and joint ventures we established, (ii) investment in other investments of RMB2,575.1 million mainly relating to our equity investment in Huishang Bank Corporation Limited (Hong Kong Stock Code: 3698), (iii) acquisitions of property, plant and equipment and investment properties of RMB2,439.4 million as a result of the increase in investment properties, and (iv) acquisitions of subsidiaries, net of cash acquired of RMB1,058.9 million, partially offset by (i) proceeds from disposals of interests in subsidiaries of RMB746.4 million, (ii) dividends received of RMB734.5 million from associates and joint ventures, and (iii) interest received of RMB425.2 million.

In 2012, our net cash used in investing activities was RMB2,453.5 million. This net cash used in investing activities was mainly attributable to (i) cash paid for acquisition of subsidiaries, net of cash acquired of RMB2,537.1 million, (ii) investment in associates and joint ventures of RMB488.5 million, and (iii) cash paid for acquisitions of property, plant and equipment of RMB150.7 million, partially offset mainly by (i) interest received of RMB554.0 million and (ii) dividends received of RMB167.2 million.

In 2011, our net cash used in investing activities was RMB5,652.6 million. This net cash used in investing activities was mainly attributable to (i) cash paid for acquisition of subsidiaries, net of cash acquired of RMB3,865.7 million, (ii) net cash outflow from disposals of subsidiaries of RMB985.5 million, (iii) investment in associates and joint ventures of RMB790.0 million, (iv) cash paid for acquisition of additional interest in subsidiaries of RMB405.1 million, and (v) cash paid for acquisition of property, plant and equipment of RMB261.6 million, partially offset mainly by (i) interest received of RMB427.5 million, (ii) proceeds from disposal of investments of RMB207.9 million, and (iii) dividends received of RMB18.8 million.

Net cash generated from/used in financing activities

In 2013, our net cash used in financing activities was RMB2,057.6 million. Our net cash used in financing activities was mainly attributable to (i) repayment of bank loans and borrowings from financial institutions of RMB48,430.3 million, and (ii) dividends and interest paid of RMB8,755.5 million, partially offset by (i) proceeds from bank loans, borrowings from financial institutions and corporate bonds of RMB51,944.6 million and (ii) contributions from non-controlling interests of RMB3,183.5 million.

In 2012, our net cash generated from financing activities was RMB16,285.5 million. The net cash generated from financing activities was mainly attributable to proceeds from bank loans and borrowings from financial institutions of RMB47,477.3 million, partially offset by (i) repayments of bank loans and borrowings from financial institutions of RMB26,864.4 million, and (ii) cash paid for dividends and interest of RMB7,318.5 million.

In 2011, our net cash generated from financing activities was RMB806.9 million. The net cash generated from financing activities was mainly attributable to proceeds from loans and borrowings of RMB23,574.6 million, partially offset by (i) repayments of loans and borrowings of RMB19,974.6 million, and (ii) cash paid for dividends and interest of RMB6,698.0 million.

Working Capital

Our estimated contracted capital expenditure with respect to the Group's projects under development and/or projects held for future development as of 31 December 2013 is approximately RMB87.0 billion, including approximately RMB76.6 billion for construction costs for property development and RMB10.4 billion for land premium.

We plan to finance our capital expenditure primarily through cash generated from our operations, mainly including proceeds from pre-sales and sales of our properties, as well as bank loans and borrowings from financial institutions and corporate bonds. Proceeds from pre-sales form an integral source of our operating cash inflows. We may pre-sell properties after certain criteria are met and proceeds from pre-sales are regulated by local governments in some cities where we develop our property projects, such as Beijing and Guangzhou. Under the applicable rules and regulations of these local governments, such pre-sales proceeds shall be deposited into regulated accounts in banks designated by the local governments or us and primarily used for the construction and development of the relevant projects. For cities where proceeds from pre-sales are not subject to such regulations, proceeds from pre-sales are managed by our headquarters. Our bank loans are primarily provided by major commercial banks in the PRC. Historically, we also financed some of our projects with trust financing and corporate bonds. Please refer to the section headed "Business — Project Financing" in this listing document for more details.

Taking into account our cash generated from our operations, presently available bank loans and other borrowings, our Directors are satisfied, after due and careful inquiry, that we have sufficient available working capital for our present requirements for at least the 12 months following the date of this listing document.

SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

Net Current Assets

The following table sets forth the breakdown of our current assets and current liabilities as of the dates indicated.

	As of 31 December			As of 30 April
	2011	2012	2013	2014
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
Current assets				
Inventories	208,661,350	253,622,152	329,731,930	341,112,317
Trade and other receivables	40,071,647	56,988,250	68,218,739	82,903,180
Cash and cash equivalents	33,614,112	51,120,224	43,004,149	42,912,462
Pledged deposits	625,403	1,171,318	1,361,261	1,191,211
Financial derivatives	—	—	—	3,223
Total current assets	282,972,512	362,901,994	442,316,079	468,122,393
Current liabilities				
Trade and other payables	168,893,596	215,529,570	287,930,076	310,571,746
Loans and borrowings	23,570,276	35,557,359	32,624,307	29,354,760
Current taxation	8,243,247	8,720,876	8,355,764	7,472,579
Financial derivatives	17,042	25,761	11,687	4,445
Total current liabilities	200,724,161	259,833,566	328,921,834	347,403,530
Net current assets	82,248,351	103,068,378	113,394,245	120,718,863

Our net current assets were RMB82,248.4 million, RMB103,068.4 million, RMB113,394.2 million and RMB120,718.9 million as of 31 December 2011, 2012 and 2013 and 30 April 2014, respectively. Our net current assets increased by RMB20,820.0 million, or approximately 25.3%, from RMB82,248.4 million as of 31 December 2011 to RMB103,068.4 million as of 31 December 2012 and further increased by RMB10,325.8 million, or approximately 10.0%, to RMB113,394.2 million as of 31 December 2013 primarily as a result of the increase in our inventories and trade and other payables, both due to the expansion of our property development operations. Our net current assets increased by RMB7,324.7 million, or approximately 6.5%, from RMB113,394.2 million as of 31 December 2013 to RMB120,718.9 million as of 30 April 2014.

Trade and Other Receivables

The following table sets forth our trade and other receivables as of the dates indicated.

	As of 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Trade debtors	1,470,067	1,886,549	3,078,970
Prepayments	20,116,219	33,373,612	28,653,665
Other debtors	8,286,197	10,784,562	18,146,944
Amounts due from associates	6,026,183	5,642,821	5,827,704
Amounts due from joint ventures	4,128,234	3,465,502	10,840,669
Gross amount due from customers for contract work	44,747	1,835,204	1,670,787
Total	40,071,647	56,988,250	68,218,739

Trade Debtors

Trade debtors mainly represent the outstanding purchase price from purchasers of our properties and amounts from our customers, mainly local governments in relation to construction contracts business. The purchase price of properties sold is payable by each purchaser in accordance with the terms of relevant sales and purchase agreement. Our customers may either settle the outstanding amounts in one lump-sum payment or by mortgage financing. With respect to our construction contracts business, we record revenue according to the progress of the construction work, which is mainly for affordable housing. Before the progress of the construction work reaches the benchmarks for recording revenue, any cost and expense with respect to the construction work done are recorded as gross amount due from customers for contract work.

The balance of our trade debtors was RMB1,470.1 million, RMB1,886.5 million and RMB3,079.0 million as of 31 December 2011, 2012 and 2013. The increase in our trade debtors during the Track Record Period was mainly due to (i) the increase in the total GFA satisfying the requirements for delivery and (ii) the progress of our construction work.

Our trade debtors turnover days were 7.7 days, 6.3 days and 7.1 days, respectively, in 2011, 2012 and 2013. We calculate our trade debtors turnover days by averaging the trade debtors as of the beginning and as of the end of a particular year, dividing such average by the revenue during the year, and then multiplying the result by 365.

The table below sets forth a summary of the age of our trade debtors, based on the date our trade debtors recognised, as of the dates indicated.

	As of 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Within one year	1,315,122	1,653,991	2,650,005
One to two years	128,307	154,308	264,508
Two to three years	17,560	55,874	143,763
Over three years	9,078	22,376	20,694
Total	1,470,067	1,886,549	3,078,970

As of 30 April 2014, approximately RMB1,106.6 million (unaudited), or 35.9% of our trade debtors as of 31 December 2013 had been subsequently settled.

Prepayments

Our prepayments were RMB20,116.2 million, RMB33,373.6 million and RMB28,653.7 million as of 31 December 2011, 2012 and 2013. Prepayments mainly represent deposits with respect to land tenders, land premium paid to relevant governments after winning the biddings in tenders for land use rights but before signing the relevant land grant contracts and prepayments for leasehold land.

Our prepayments increased by RMB13,257.4 million, or 65.9%, from RMB20,116.2 million as of 31 December 2011 to RMB33,373.6 million as of 31 December 2012, mainly due to the increase in the portion of land premium we prepaid to relevant governments. The decrease of our prepayments by RMB4,719.9 million, or approximately 14.1%, from RMB33,373.6 million as of 31 December 2012 to RMB28,653.7 million as of 31 December 2013, reflected the fact that we had less land acquisitions in December 2013 as compared to December 2012.

Other debtors

Other debtors mainly represent development funds we contribute into the joint development projects with our business partners. The balance of our other debtors was RMB8,286.2 million, RMB10,784.6 million and RMB18,146.9 million as of 31 December 2011, 2012 and 2013. During the Track Record Period, the increase in our other debtors was mainly due to the number of our joint development projects increasing from 32 of GFA of 5.1 million sq.m. in 2011 to 37 of GFA of 5.4 million in 2012 and further to 60 of GFA of 8.6 million sq.m. in 2013.

For details of the amounts due from associates and joint ventures, please see paragraphs under "— Related Party Transactions — Balances with Related Parties" in this section.

Trade and Other Payables

The following table sets out the breakdown of our trade and other payables as of the dates indicated.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Receipts in advance	111,075,180	130,989,093	155,518,071
Trade creditors and bills payable	29,777,063	49,838,127	78,742,359
Other payable and accruals	24,464,680	31,839,905	40,804,149
Amounts due to joint ventures	2,680,299	1,919,788	10,346,141
Amounts due to associates	869,836	907,773	2,519,356
Gross amount due to customers for contract work	26,538	34,884	—
Total	168,893,596	215,529,570	287,930,076

Receipts in advance

Receipts in advance mainly represent the deposits and pre-sales proceeds received for properties sold but not yet recognised. Our receipts in advance were RMB111,075.2 million, RMB130,989.1 million and RMB155,518.1 million as of 31 December 2011, 2012 and 2013. The increase in our receipts in advance during the Track Record Period was generally in line with the increase in our contracted sales from RMB121.5 billion in 2011 to RMB141.2 billion in 2012 and further to RMB170.9 billion in 2013.

Trade creditors and bills payable

Our trade creditors and bills payable mainly consist of payables to third parties, such as suppliers, construction contractors and sales agents. Our trade creditors and bills payable were RMB29,777.1 million, RMB49,838.1 million and RMB78,742.4 million as of 31 December 2011, 2012 and 2013. The increase in our trade creditors and bills payable was generally in line with the expansion of our property development operations during the Track Record Period.

The table below sets forth a summary of the age of our trade creditors and bills payable as of the dates indicated.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current or repayable on demand	29,477,063	49,387,127	78,195,359
Due after one year	300,000	451,000	547,000
Total	29,777,063	49,838,127	78,742,359

Our trade creditors and bills payable turnover days were 197.1 days, 222.0 days and 252.8 days, respectively, in 2011, 2012 and 2013. We calculate our trade creditors and bills payable turnover days by averaging the total trade creditors and bills payable as of the beginning and as of the end of a particular year, dividing such average by our cost of sales for the year, and then multiplying the result by 365. Our trade creditors and bills payable turnover days increased during the Track Record Period, mainly because we increasingly used commercial bills to pay to our suppliers. According to the general contract terms and conditions with our construction contractors, we generally make payments according to the construction progress on a monthly basis, and settle up to 95% of the total construction fees six months after the completion of construction of relevant projects. In general, we keep the remaining 5% as retention monies for approximately two years. The retention monies are used to cover any contingent expenses that are incurred as a result of any construction defects.

As of 30 April 2014, approximately RMB16,313.2 million (unaudited), or 20.7% of our trade creditors and bills payable as of 31 December 2013 had been settled.

Other payable and accruals

Other payable and accruals mainly represent development funds our business partners contributed into joint development projects. The balance of our other payable and accruals was RMB24,464.7 million, RMB31,839.9 million and RMB40,804.1 million as of 31 December 2011, 2012 and 2013. During the Track Record Period, the increase in our other payable and accruals was mainly due to the number of our joint development projects increasing from 32 of GFA of 5.1 million sq.m. in 2011 to 37 of GFA of 5.4 million in 2012 and further to 60 of GFA of 8.6 million sq.m. in 2013.

For details of the amounts due to associates and joint ventures, please see paragraphs under "— Related Party Transactions — Balances with Related Parties" in this section.

Our Directors are not aware of any material defaults in payment of trade and other payables during the Track Record Period and up to the Latest Practicable Date.

Inventories

The table below sets forth the breakdown of our inventories as of the dates indicated.

	As of 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Properties under development	138,330,541	160,676,827	187,280,382
Properties held for development	62,985,176	76,733,826	124,374,532
Completed properties for sale	7,239,386	15,993,829	17,717,311
Others	106,247	217,670	359,705
Total	208,661,350	253,622,152	329,731,930

The value of our properties under development increased by RMB22,346.3 million, from RMB138,330.5 million as of 31 December 2011 to RMB160,676.8 million as of 31 December 2012 and further increased by RMB26,603.6 million to RMB187,280.4 million as of 31 December 2013. The increase in the value of our properties under development during the Track Record Period was mainly due to the increase in the number of our properties under development and construction progress of our projects.

The value of our properties held for development increased by RMB13,748.6 million, from RMB62,985.2 million as of 31 December 2011 to RMB76,733.8 million as of 31 December 2012 and further increased by RMB47,640.7 million to RMB124,374.5 million as of 31 December 2013. During the Track Record Period, the increase in the value of our properties held for development was mainly attributable to the increase in our land reserves for our property development activities in the PRC.

The analysis of the amount of inventories recognised as expenses and included in consolidated statements of profit or loss is as follows:

	For The Year Ended 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Carrying amount of inventories sold	41,236,819	63,195,149	90,137,365
Reversal of write-down of inventories	—	—	(7,048)
Total	41,236,819	63,195,149	90,130,317

The reversal of write-down of inventories made in 2013 arose due to an increase in the estimated net realisable value of certain properties as a result of recovery in certain regional property markets.

Completed properties for sale consist of our completed properties remaining unsold or sold but not yet delivered as of the end of each reporting period. As of 31 December 2011, 2012 and 2013, our completed properties for sale amounted to RMB7,239.4 million, RMB15,993.8 million and RMB17,717.3 million, respectively. As of 30 April 2014, approximately RMB8,521.8 million (unaudited), or 48.1% of our completed properties for sale as of 31 December 2013 had been sold.

Pledged Deposits

Our pledged deposits include special guarantee deposits for property development required by the government and guarantee deposits with respect to construction and mortgages, but exclude proceeds from pre-sales which are subject to pre-sales regulations as such proceeds can still be used by us in accordance with the pre-sales regulations. As of 31 December 2011, 2012 and 2013, our pledged deposits amounted to RMB625.4 million, RMB1,171.3 million and RMB1,361.3 million, respectively.

Other Financial Assets

Our other financial assets represent our available-for-sale securities. The following table sets forth our available-for-sale securities as of the dates indicated.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Available-for-sale securities			
Equity securities			
— Unlisted	519,026	81,215	110,680
— Listed in the PRC	4,764	4,764	1,302
— Listed in Hong Kong	—	—	2,460,264
	523,790	85,979	2,572,246

The significant increase in our available-for-sale securities as of 31 December 2013 was mainly due to our investment as a cornerstone investor in the Hong Kong initial public offering of Huishang Bank Corporation Limited (Hong Kong stock code: 3698) ("**Huishang Bank**") in November 2013. We hope to enhance our cooperation with Huishang Bank through such investment so as to further strengthen our competitiveness by exploring more financing channels and providing more convenient financial services to our customers and business partners.

Huishang Bank provides mortgages to our purchasers of properties and we provide guarantees for such mortgages. In addition, we introduce to Huishang Bank some of our suppliers as its loan customers. Such suppliers are subject to Huishang Bank's own credit assessment and loan approval requirements. Save for the aforementioned business which are all conducted in the ordinary course of business of us and Huishang Bank, as of the Latest Practicable Date, we did not have any cooperation and financing arrangements with Huishang Bank as a result of our investment in it.

RELATED PARTY TRANSACTIONS

Balances with Related Parties

Balances with related parties were mainly related to our funding arrangements with our business partners as a result of our joint development properties. Our headquarters centrally manages property development funds for our associates and joint ventures for which we are responsible for management of the day-to-day operations. Property development funds for such associates and joint ventures provided by our business partners are transferred to the funds management department of our headquarters for centralised cash management. In addition, for such associates and joint ventures that are located in cities where the use of pre-sales proceeds is not subject to regulations, proceeds from pre-sales are transferred to and managed by our funds management department of our headquarters. Based on the needs of our associates and joint ventures, our funds management department of our headquarters may from time to time allocate funds to our associates and joint ventures. As advised by our PRC legal adviser, Shu Jin Law Firm, the transfer of property development funds between our headquarters and associates and joint ventures are not in violation of applicable PRC laws and regulations. Although the General Provisions on Loans (《貸款通則》) issued by the People's Bank of China in 1997 prohibit lending activities between non-banking enterprises, as advised by our PRC legal adviser, Shu Jin Law Firm, it is unlikely that we will be subject to material penalties as a result of the allocation of property development funds between our headquarters and joint ventures and associates.

Balances of our amounts due from related parties at of 31 December 2011, 2012, and 2013 are set forth as below.

	As of 31 December		
	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Amounts due from related parties			
— Amounts due from associates	6,026,183	5,642,821	5,827,704
— Amounts due from joint ventures	4,128,234	3,465,502	15,209,798
Total	10,154,417	9,108,323	21,037,502

The amounts due from associates and joint ventures as of 31 December 2011, 2012 and 2013 were RMB10,154.4 million, RMB9,108.3 million and RMB21,037.5 million, respectively, of which RMB5,625 million, RMB5,713 million and RMB8,487 million as of 31 December 2011, 2012 and 2013, were interest bearing at market rates, unsecured and repayable on demand. The interest income from these associates and joint ventures amounted to RMB331 million, RMB384 million and RMB537 million for the year ended 31 December 2011, 2012 and 2013, respectively. The remaining amounts due from associates and joint ventures were unsecured, interest free and repayable on demand.

Balances of our amounts due to related parties as of 31 December 2011, 2012 and 2013 are set forth as below.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Amounts due to related parties			
— Amounts due to associates	869,836	907,773	2,519,356
— Amounts due to joint ventures	2,680,299	1,919,788	10,346,141
Total	3,550,135	2,827,561	12,865,497

The amounts due to associates and joint ventures as of 31 December 2011, 2012 and 2013 were RMB3,550.1 million, RMB2,827.6 million and RMB12,865.5 million, respectively, of which RMB1,230 million, RMB959 million and RMB1,123 million as of 31 December 2011, 2012 and 2013, were interest bearing at market rates, unsecured and repayable on demand. The interest expenses to these associates and joint ventures amounted to RMB64 million, RMB74 million and RMB53 million, respectively, for the year ended 31 December 2011, 2012 and 2013. The remaining amounts due to associates and joint ventures were unsecured, interest free and repayable on demand.

The balance of our amounts due to/from related parties as of 31 December 2012 decreased slightly as compared to the balance as of 31 December 2011, while the balance of our amounts due to/from related parties as of 31 December 2013 increased significantly as compared to the balance as of 31 December 2012 due to the increase in property projects developed through our associates and joint ventures, the number of which increased from 37 of GFA of 5.4 million sq.m. in 2012 to 60 of GFA of 8.6 million sq.m. in 2013.

Loan from a Related Party

As of 31 December 2011, 2012 and 2013, we had loan balances from CR Trust, a subsidiary of CRC, which was RMB1,000 million, RMB5,100 million and RMB4,100 million, respectively. The interest incurred with respect to these loans for the years ended 31 December 2011, 2012 and 2013 were RMB5.3 million, RMB370.8 million and RMB390.3 million, respectively. The interest on these loans were not higher than the interest rates on other trust loans we borrowed during the year from Independent Third Parties. These loans were unsecured and repayable according to the contract.

Financial Guarantees Issued

As of 31 December 2011, 2012 and 2013, we provided certain guarantees to secure the loans borrowed by certain of our associates, which amounted to RMB1,650 million, RMB427 million and RMB146 million, respectively.

Our Directors do not consider it probable that a claim will be made against us under any of these guarantees. Accordingly, we did not recognise any deferred income in this respect.

With respect to the related party transactions as set out in the consolidated financial statements in Appendices I, II and III to this listing document, our Directors confirm that these transactions were conducted on normal commercial terms and/or on terms not less favourable than terms available from Independent Third Parties, which are considered fair, reasonable and in the interest of our Shareholders as a whole and would not distort our results of operations during the Track Record Period or make the results of operations not reflective of our future performance.

CAPITAL COMMITMENTS

The table below sets forth our commitments for land and development costs for our properties under development as of the dates indicated.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Construction and development contracts	32,200,196	45,734,215	76,575,250
Land grant agreements	7,963,627	20,991,522	10,440,577
Total	40,163,823	66,725,737	87,015,827

The following table sets forth the total future minimum lease payments as of the dates indicated.

	As of 31 December		
	2011	2012	2013
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Within one year	31,478	45,839	62,148
After one year but within two years	18,877	39,489	85,137
After two years but within three years	16,407	33,241	63,750
After three years	80,223	41,087	27,399
Total	146,985	159,656	238,434

INDEBTEDNESS

The following table sets forth a breakdown of our loans and borrowing as of the dates indicated.

	As of 31 December			As of 30 April
	2011	2012	2013	2014
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
Current				
Secured				
— Bank loans	1,636,415	3,358,380	1,353,026	1,550,091
— Borrowings from financial institutions	1,600,000	2,690,400	—	—
— Bonds payable	—	2,985,306	—	—
	3,236,415	9,034,086	1,353,026	1,550,091
Guaranteed				
— Borrowing from a financial institution	—	—	320,000	—
Unsecured				
— Bank loans	11,946,031	10,247,981	8,945,619	8,205,146
— Borrowings from financial institutions	8,387,830	13,378,980	22,005,662	19,599,523
— Bonds payable	—	2,896,312	—	—
	20,333,861	26,523,273	30,951,281	27,804,669
	23,570,276	35,557,359	32,624,307	29,354,760
Non-current				
Secured				
— Bank loans	4,635,821	5,055,824	1,763,364	1,626,351
— Borrowings from financial institutions	3,062,067	—	—	—
— Bonds payable	2,960,450	—	—	—
	10,658,338	5,055,824	1,763,364	1,626,351
Guaranteed				
— Bank loans	—	190,000	—	—
— Borrowing from a financial institution	320,000	320,000	—	—
	320,000	510,000	—	—
Unsecured				
— Bank loans	8,324,630	10,190,210	22,613,347	25,608,190
— Borrowings from financial institutions	4,629,444	20,280,036	12,306,417	21,932,900
— Bonds payable	2,889,947	—	7,398,392	7,483,380
	15,844,021	30,470,246	42,318,156	55,024,470
	26,822,359	36,036,070	44,081,520	56,650,821

Note:

(1) Our trust financing was included in the borrowings from financial institutions.

Our outstanding current and non-current bank loans, borrowings from financial institutions and bonds payable in aggregate amounted to RMB50,392.6 million, RMB71,593.4 million, RMB76,705.8 million and RMB86,005.6 million as of 31 December 2011, 2012 and 2013 and 30 April 2014, respectively.

Our secured bank loans are secured by certain inventories and investment properties or by pledges over the shares of certain of our subsidiaries. Our secured other borrowings are pledged by the shares of certain of our subsidiaries. Our guaranteed borrowings are guaranteed by a third party with nil consideration as we provided counter guarantees to the third party.

During the Track Record Period, we entered into interest rate swap agreements to hedge the risks associated with the fluctuations of the interest rates of our foreign currency loans. As of 31 December 2011, 2012 and 2013 and 30 April 2014, the fair value of our interest rate swaps was approximately RMB17.0 million, RMB25.8 million, RMB11.7 million and RMB4.4 million, respectively, which was recorded under our current liabilities. During the Track Record Period, we did not suffer any significant losses from our interest rate swap agreements, which also had no material impact on our financial results. For further details of our interest rate swaps, please refer to the paragraphs headed "Business — Hedging" in this listing document.

We are subject to certain restrictive covenants in our loan and financing agreements with certain banks and trust financing companies. Our loan agreements with certain banks contain cross-default clauses. If any cross-default occurs, such banks will be entitled to accelerate repayment of all or any part of the loans from such banks and to take action against all or any of the security for such indebtedness. Under some of these agreements our operating subsidiaries are restricted from making any dividends to their shareholders or have undertaken not to carry out any merger, restructuring, spin-off, reduction of registered share capital, material asset transfer, liquidation, change in shareholding or management structure or establishment of any joint venture without the lenders' prior consent.

Our trust financing agreements generally contain certain covenants under which we undertake not to conduct shareholding restructuring, reduce registered share capital, or enter into merger or demerger which may have materially and adverse effect on our normal business operation or our repayment obligations, transfer all or part of the liabilities under such trust financing agreements without obtaining the prior consent of the relevant trust financing companies or misuse proceeds from such loans.

We issued two series of corporate bonds (one series of secured bonds and one series of unsecured bonds), with the aggregate principal amount of RMB5,900 million in 2008, both of which were due and settled in 2013. The secured corporate bonds and the unsecured corporate bonds bear a fixed interest rate of 5.5% and 7% per annum, respectively.

On 4 March 2013, we announced the issuance of five-year USD denominated fixed-rate bonds of USD800 million at a coupon rate of 2.625% through our wholly-owned subsidiary, Bestgain Real Estate Limited ("Bestgain Real Estate"). The bonds were listed on the Hong Kong Stock Exchange on 14 March 2013. All payment obligations in relation to the bonds were unconditionally and irrevocably guaranteed by Vanke Real Estate (Hong Kong). In addition, each of Bestgain Real Estate and Vanke Real Estate (Hong Kong) has undertaken that, from the issue date of the bonds and for so long as any bonds are outstanding, Vanke Real Estate (Hong Kong) shall at all times maintain its total equity at not less than RMB2,000,000,000 or its equivalent. Further, Bestgain Real Estate shall not, and Vanke Real Estate (Hong Kong) and our Company will procure that Bestgain Real Estate will not, carry on any business activity other than in connection with the bonds.

On 16 July 2013, we established the 2013 Medium Term Note Programme of USD2,000 million. As of the Latest Practicable Date, we had issued from the 2013 Medium Term Note Programme (i) a corporate bond of SGD140 million at par with a four-year term and a fixed rate of 3.275% per annum payable in arrears semi-annually, which was listed on the Singapore Stock Exchange on 6 November

2013, (ii) a corporate bond of RMB1,000 million at par with a five-year term and a fixed rate of 4.5% per annum payable in arrears semi-annually, which was listed on the Hong Kong Stock Exchange on 5 December 2013, (iii) a corporate bond of RMB1,000 million at par with a three-year term and a fixed rate of 4.05% per annum payable in arrears semi-annually, which was listed on the Hong Kong Stock Exchange on 17 December 2013 and (iv) a corporate bond of USD400 million with a five-year term and a fixed rate of 4.5% per annum payable in arrears semi-annually, which was listed on the Hong Kong Stock Exchange on 5 June 2014. Vanke Real Estate (Hong Kong) has unconditionally and irrevocably guaranteed the corporate bonds issued under the 2013 Medium Term Note Programme. We plan to offer additional notes under the 2013 Medium Term Note Programme and to set up additional medium term note programmes in the future based on our financing needs and market conditions.

According to China Chengxin Credit Rating Co., Ltd. (中誠信證券評估有限公司), a rating company approved by CSRC and the People's Bank of China to provide credit rating in the securities market and credit market, at the time of issuing the corporate bonds in 2008, our Company's credit rating was AA+, which was raised to AAA on 6 April 2011. On 4 March 2013, our Company was given a BBB+ by Standard & Poor's Ratings Services ("Standard & Poor's") and Fitch Ratings Ltd., and Baa2 by Moody's Investors Service Inc., three globally recognised credit rating agencies, making us the highest-rated company among Chinese property developers. At the same time, Standard & Poor's also assigned a cnA+ long-term Greater China regional scale rating to us. Up to the Latest Practicable Date, there was no change to our Company's credit ratings.

During the Track Record Period and up to the Latest Practicable Date, there was no breach of any of the above restrictive covenants in any material respect contained in our loan and financing agreements and our undertakings to corporate bonds holders and no material defaults in the payment of our bank loans, borrowings from financial institutions and bonds payable. Our Listing is not subject to any consent or approval of any banks, bond holders or trust financing providers.

The table below sets forth a breakdown of our non-current interest-bearing borrowings and bonds payable as of the dates indicated.

	As of 31 December			As of 30 April
	2011	**2012**	**2013**	**2014**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
After one year but within two years	19,865,824	27,286,992	17,207,875	20,337,372
After two years but within five years	6,956,535	8,749,078	26,873,645	36,313,449
	26,822,359	36,036,070	44,081,520	56,650,821

We confirm that there has not been any material change in our indebtedness position since 30 April 2014.

As of 30 April 2014, being the latest practicable date for the purpose of this indebtedness statement, except as disclosed in the section headed "- Indebtedness" in this listing document, we did not have outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits.

CONTINGENT LIABILITIES

Mortgage Guarantees

We provide guarantees to banks to secure the mortgage arrangements of purchasers of our properties. As of 31 December 2013, our outstanding guarantees to the banks amounted to RMB40,949 million, including guarantees of RMB40,860 million which will be terminated upon the completion of the transfer procedures with the purchasers in respect of the legal title of the properties, and guarantees of RMB89 million which will be terminated upon the full repayment of mortgage loans by the purchasers to the banks.

Our Directors do not consider it probable that we will sustain a loss under these guarantees as the banks have the right to sell the property and recover the outstanding loan balances from the sale proceeds if the property purchasers default payment obligations. We have not recognised any deferred income in respect of these guarantees as their fair value is considered to be minimal by the Directors.

Financial Guarantees Issued

As of 31 December 2011, 2012 and 2013, we provided certain guarantees to secure the loans borrowed by certain of our associates, which amounted to RMB1,650 million, RMB427 million and RMB146 million, respectively.

Our Directors do not consider it probable that a claim will be made against us under any of these guarantees. Accordingly, we did not recognise any deferred income in this respect.

Legal Contingencies

In the normal course of business, we are involved in lawsuits and other proceedings. While the outcomes of such contingences, lawsuits or other proceedings cannot be determined at present, our management believes that any resulting liabilities will not, individually or in the aggregate, have a material adverse effect on our financial position or results of operations.

As of the Latest Practicable Date, we had no other material contingent liabilities other than those disclosed in this listing document.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities described above, we have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

MARKET RISKS

We are exposed to various types of market risks from our use of financial instruments, in the normal course of our operations, mainly including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Our credit risk is primarily attributable to our cash and cash equivalents, pledged deposits, trade and other receivables and other financial assets. We have a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged deposits held by us are mainly deposited in financial institutions such as commercial banks which have sound reputations and financial conditions. Our management does not foresee any significant credit risks from these cash and cash equivalents and pledged deposits. We set deposit limits based on the financial institutions' credit risks.

In respect of trade receivables, credit risk is minimized as we normally receive full payment from buyers before the transfer of property ownership.

In respect of amounts due from associates and joint ventures, we facilitate their capital demand by assessing and closely monitoring their financial condition and profitability.

In respect of other receivables due from third parties, we review the exposure and manage them based on the need of operation.

As of 31 December 2013, 23.5% of our total trade receivables were due from our five largest trade debtors.

Except for the financial guarantees given by our Group as set forth in "— Contingent liabilities" in this listing document, we did not provide any other guarantees which would expose us to material credit risks.

Liquidity Risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. We regularly monitor our liquidity requirements and our compliance with lending covenants to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and long terms.

The tables below show the contractual maturities as of the dates indicated of our non-derivative financial liabilities and derivate financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at 31 December) and the earliest date we are required to pay:

	As of 31 December 2013				
	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	More than one year but less than two years	More than two years but less than five years
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Bank loans and other borrowings from financial institutions	69,307,435	77,401,937	36,114,292	20,645,220	20,642,425
Bonds payable	7,398,392	8,621,772	235,472	235,472	8,150,828
Trade creditors and accruals	135,898,318	137,098,856	135,668,157	921,047	509,652
Financial derivatives	11,687	11,687	11,687	—	—
Accrued interest	291,244	291,244	291,244	—	—
Other non-current liabilities	42,955	42,955	—	—	42,955
Total	212,950,031	223,468,451	172,320,852	21,801,739	29,345,860

	As of 31 December 2012				
	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	More than one year but less than two years	More than two years but less than five years
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Bank loans and other borrowings from financial institutions	65,711,812	75,554,883	34,959,538	30,443,032	10,152,313
Bonds payable	5,881,618	6,145,333	6,145,333	—	—
Trade creditors and accruals	88,061,192	88,174,864	86,786,154	994,105	394,605
Financial derivatives	25,761	25,761	25,761	—	—
Accrued interest	649,688	649,688	649,688	—	—
Other non-current liabilities	15,678	15,678	—	—	15,678
Total	160,345,749	170,566,207	128,566,474	31,437,137	10,562,596

	As of 31 December 2011				
	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	More than one year but less than two years	More than two years but less than five years
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Bank loans and other borrowings from financial institutions	44,542,238	49,385,740	26,075,856	15,112,360	8,197,524
Bonds payable	5,850,397	6,513,333	368,000	6,145,333	—
Trade creditors and accruals	61,684,798	61,728,874	61,025,998	461,086	241,790
Financial derivatives	17,042	17,042	17,042	—	—
Accrued interest	272,299	272,299	272,299	—	—
Other non-current liabilities	11,798	11,798	—	—	11,798
Total	112,378,572	117,929,086	87,759,195	21,718,779	8,451,112

Interest Rate Risk

Our interest rate risk results primarily from our cash and bank loans and borrowings from financial institutions. Cash and bank loans and borrowings from financial institutions issued at variable rates expose us to cash flow interest rate risk.

As of 31 December 2013, it is estimated that a general increase/decrease of 50 basis points in the interest rates of our cash and bank loans and borrowings from financial institutions, with all other variables held constant, would have decreased/increased our profit after tax and total equity by approximately RMB59 million.

As of 31 December 2012, it is estimated that a general increase/decrease of 50 basis points in the interest rates of our cash and bank loans and borrowings from financial institutions, with all other variables held constant, would have decreased/increased our profit after tax and total equity by approximately RMB81 million.

As of 31 December 2011, it is estimated that a general increase/decrease of 50 basis points in the interest rates of our cash and bank loans and borrowings from financial institutions, with all other variables held constant, would have decreased/increased our profit after tax and total equity by approximately RMB50 million.

The sensitivity analysis above assumes that the changes in interest rates would have occurred as of the dates indicated and had been applied to all of our floating rate loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation.

Currency Risk

We are exposed to foreign currency risk primarily with respect to our cash and cash equivalents, available-for-sale securities, trade and other receivables and borrowings which are denominated in United States Dollars, Hong Kong Dollars, Singapore Dollars and Japanese Yen.

During the Track Record Period, we maintained some foreign currency cash balances to support our operations in overseas markets. Our cash and cash equivalents denominated in foreign currencies were as follows:

	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
United States Dollars	967,212	1,305,831	1,234,916
Hong Kong Dollars	12,681	333,206	403,784
Singapore Dollars	—	—	5,810
Japanese Yen	1,384	—	—

The table below sets forth our available-for-sale securities denominated in foreign currencies during the Track Record Period.

	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Hong Kong Dollars	—	—	2,460,264

The table below sets forth our trade and other receivables denominated in foreign currencies during the Track Record Period.

	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Hong Kong Dollars	—	—	574,382
Singapore Dollars	—	—	284,005

During the Track Record Period, we also had loans and borrowings denominated in foreign currencies in order to diversify our financing channels. Our loans and borrowings denominated in foreign currencies were as follows:

	2011	**2012**	**2013**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
United States Dollars	4,503,506	3,972,044	6,928,847
Hong Kong Dollars	—	—	869,930
Singapore Dollars	—	—	666,862
Renminbi	—	—	1,989,317

Based on the assumption that Hong Kong Dollars continue to be pegged to United States Dollars, our management estimated that with a 3% appreciation/depreciation of United States Dollars/Hong Kong Dollars against Renminbi, our profit would be increased/decreased RMB51 million and our equity would have decreased/increased by approximately RMB94 million for 2013 and that with a 10% appreciation/depreciation of United States Dollars/Hong Kong Dollars against Renminbi would not have had a material effect on our profit for both 2011 and 2012 and our equity would be decreased/increased by approximately RMB522 million for 2012 as compared to RMB370 million for 2011. Our management estimated that with a 3% appreciation/depreciation of the Singapore Dollars against the Renminbi would have had no impact on our profit and our equity would have decreased/increased by approximately RMB12 million for 2013. Our management estimated that the change in exchange rate of Japanese Yen would not have material impact on the Group's profit and equity for 2011.

The above analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the relevant reporting period and that all other variables remained constant.

LISTING EXPENSES

Our listing expenses mainly consist of professional fees to be paid to the Sole Sponsor, the property valuer, legal advisers and reporting accountant, etc. for their services rendered in relation to the Listing. As of 31 December 2013, we had incurred listing expenses of approximately RMB11.9 million, which were recorded as administrative expenses in our consolidated financial statements for 2013. The total amount of listing expenses is estimated to be approximately RMB52.2 million. Our Directors do not expect that the listing expenses to be incurred after the Track Record Period will have a material adverse impact on our financial results for the year ended 31 December 2014.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

Our Board of Directors is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders' general meeting for approval. Our dividend distributions are based on our distributable profit, taking into consideration our financial condition, business planning, return to our Shareholders, our capital requirements, our finance costs and the external financing environment. Under the Company Law and our Articles of Association, all of our Shareholders holding the same class of Shares have equal rights to dividends and other distributions proportionate to their shareholdings. We paid cash dividends in the amount of RMB1,429.4 million, RMB1,981.4 million and RMB4,516.1 million for 2011, 2012 and 2013, respectively, representing RMB0.13, RMB0.18 and RMB0.41 per share. Pursuant to our Articles of Association, the total profit distributed in the form of cash dividends for the last three years shall not be less than 30% of the average annual distributable profit of the Company for the previous three years. Dividends paid in prior periods may not be indicative of future dividend payments. We cannot guarantee when, if and in what form dividends will be paid in the future.

As of 31 December 2013, the distributable reserves of our Company were RMB4,971.8 million.

KEY FINANCIAL RATIOS

	Year Ended 31 December		
	2011	**2012**	**2013**
Gross profit margin (%)(1)	36.1	32.4	27.2
Net profit margin (%)(2)	17.1	16.2	14.4
Return on equity (%)(3)	19.8	21.5	21.5
Current ratio (times)(4)	1.41	1.40	1.34
Gearing ratio (%)(5)	23.8	23.5	30.7
Interest coverage ratio (times)(6)	5.32	5.14	4.97

Notes:

(1) Gross profit margin for the years ended 31 December 2011, 2012 and 2013 were calculated based on our gross profit of respective years divided by our revenue of respective years and multiplied by 100%.

(2) Net profit margin for the years ended 31 December 2011, 2012 and 2013 were calculated based on our profit of respective years divided by our revenue of respective years and multiplied by 100%.

(3) Return on equity for each of the year ended 31 December 2011, 2012 and 2013 were calculated based on our net profit attributable to our Shareholders of the respective years divided by the average equity attributable to our Shareholders as of the end of the respective years and multiplied by 100%.

(4) Current ratios as of 31 December 2011, 2012 and 2013 were calculated based on our total current assets as of the respective dates divided by our total current liabilities as of the respective dates.

(5) Gearing ratios as of 31 December 2011, 2012 and 2013 were calculated as net debt divided by total equity of the Company as of the respective dates. Net debt was calculated as total bank loans, borrowings from financial institutions and bonds payable less cash and cash equivalents and pledged deposits as of the respective dates.

(6) Interest coverage ratio for each of the years ended 31 December 2011, 2012 and 2013 were calculated based on our profit for the year before income tax expenses, adding back finance costs, depreciation and amortisation, and capitalised finance costs recognised as cost of sales in the Company's consolidated financial statements, divided by our interest on interest- bearing borrowings which includes capitalised interest as of the respective years.

Gross profit margin

Our gross profit margin was 36.1%, 32.4% and 27.2% in 2011, 2012 and 2013, respectively. Our gross profit margin decreased from 36.1% in 2011 to 32.4% in 2012, mainly due to (i) the decrease of our recognised ASP from RMB11,613 per sq.m. in 2011 to RMB10,453 per sq.m. in 2012 as a result of the downturn in PRC property market since 2011, which affected the price of our properties sold in late 2011 and satisfied the requirements for delivery in 2012, and (ii) a greater proportion of our recognised sales from furbished units in 2012, which have relatively lower profit margins than unfurbished units. Our gross profit margin further decreased to 27.2% in 2013, due to (i) increases in our land acquisition and construction costs in line with general industry trends, (ii) the decrease of our recognised ASP further to RMB10,036 per sq.m., and (iii) increased proportion of recognised sales from furbished units in 2013.

Net profit margin

Our net profit margin was 17.1%, 16.2% and 14.4% in 2011, 2012 and 2013 respectively. Our net profit margin decreased during the Track Record Period, which was due primarily to the factors which caused our gross profit margin to decrease but those factors were partially offset by the decrease of administrative expenses and distribution costs as percentage of our revenue resulted from the cost control measures we adopted and our improved operating efficiency.

Return on Equity

Our return on equity was 19.8%, 21.5% and 21.5% for the year ended 31 December 2011, 2012 and 2013, respectively. The increases in our return on equity from 19.8% in 2011 to 21.5% in 2012 were mainly attributable to the increases in our net profit. Our return on equity remained stable in 2013.

Current Ratio

Our current ratio was 1.41, 1.40 and 1.34 as of 31 December 2011, 2012 and 2013. Our current ratio remained stable as of 31 December 2011 and 2012. Our current ratio decreased from 1.40 as of 31 December 2012 to 1.34 as of 31 December 2013, mainly due to the increase in our current liabilities mainly attributable to the increase in (i) receipts in advance from contracted sales which had not been recognised and (ii) trade and bills payables, outpaced the increase in our current assets, mainly attributed to the increase in our properties held for development.

Gearing Ratio

Our gearing ratio was 23.8%, 23.5% and 30.7% as of 31 December 2011, 2012 and 2013, respectively. Our gearing ratio remained relatively stable from 2011 to 2012. The increase in gearing ratio from 2012 to 2013 was mainly attributable to the increase in interest bearing debts, including the issuance the five-year USD denominated fixed-rate bonds on 4 March 2013 and the 2013 Medium Term Note Programme. Our gearing ratio remained at a reasonable level.

Interest Coverage Ratio

Our interest coverage ratio remained relatively stable and was 5.32, 5.14 and 4.97 for the years ended 31 December 2011, 2012 and 2013, respectively.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Hong Kong Listing Rules had the Shares been listed on the Hong Kong Stock Exchange on that date.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, since 31 December 2013 and up to the date of this listing document, there had been no material adverse change in our financial position or prospects and no event had occurred that would materially and adversely affect the information shown in the consolidated financial statements in Appendices I, II and III to this listing document.

ACCOUNTING STANDARDS FOR THE CONSOLIDATED FINANCIAL INFORMATION AFTER THE LISTING

After the Listing, our consolidated financial information for our H Shareholders will be prepared in accordance with the IFRS, while our consolidated financial information for our A Shareholders will be prepared in accordance with China Accounting Standards for Business Enterprises. Our consolidated financial information for a year ended 31 December to be prepared in accordance with IFRS will be audited by KPMG, certified public accountants, registered in Hong Kong and our consolidated financial information for a year ended 31 December to be prepared in accordance with China Accounting Standards for Business Enterprises will be audited by KPMG Huazhen (Special General Partnership), certified public accountants, registered in the PRC. If there is any change in the accounting standards we adopt or a change in our auditors, we will inform our Shareholders and relevant authorities as soon as practicable in accordance with applicable laws, regulations and listing rules.

PROPERTY INTERESTS AND PROPERTY VALUATION

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, has valued our property interests as of 31 March 2014 and is of the opinion that the aggregate value of our property interests as of such date was RMB390,342 million. The full text of the letter and summary disclosure of values with regard to such property interests are set forth in the property valuation report contained in Appendix V to this listing document.

The statement below shows the reconciliation of the aggregate value of certain properties as reflected in the consolidated financial statement as of 31 December 2013 as set out in Appendix III to this listing document with the valuation of these properties as of 31 March 2014 as set out in the property valuation report contained in Appendix V to this listing document.

	RMB (million)	*RMB (million)*
Valuation of properties as of 31 March 2014 as set out in the property valuation report contained in Appendix V to this listing document		390,342
Net book value of the following properties as of 31 December 2013 as set out in Appendix III to this listing document:		
— Hotel and other buildings held for own use	1,896	
— Leasehold land prepayment	368	
— Construction in progress	914	
— Investment properties [Note]	11,710	
— Properties held for development	124,375	
— Properties under development	187,280	
— Completed properties for sale	17,717	
Net book value as of 31 December 2013	344,260	
Movement for the period from 1 January 2014 to 31 March 2014	7,791	
Property activities interests exempted from valuation	(46,713)	
Non-property activities related property interests exempted from valuation	(1,781)	
Net book value as of 31 March 2014		303,557
Net valuation surplus		86,785

Note: including the leasehold land on which our investment properties are located.

RECENT ACQUISITIONS

As of the Latest Practicable Date, our Company had acquired or was in the process of acquiring shareholding in the following companies subsequent to the Track Record Period, all of which are or will be or be deemed to be our subsidiaries.

The following table sets forth the basic information about these acquisitions:

No.	Name of the Acquired Company	Location	Major Business Scope of the Acquired Company	Status of the Project	Site Area of the Land Acquired (sq.m.)	Date of Completion of the Acquisition	Shareholding before the Acquisition	Shareholding after the Acquisition	Consideration (app.)	Basis of the Consideration	Reasons for the Acquisition
(A)	Dalian Hezhong Real Estate Development Co., Ltd (大連合眾房地產開發有限公司)	Dalian	Property development and sale	For future development	39,223	17 April 2014	0%	100%	RMB10 million	Determined based on the value of the property involved estimated by the parties with reference to the price of comparable properties located in the same area	Development of new projects
(B)	Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司)	Guangzhou	Investment management, property management, lease and consultant	For future development	26,667	31 March 2014	0%	70%	RMB186.7 million	Determined based on the value of the property involved estimated by the parties with reference to the price of comparable properties located in the same area	Development of new projects
(C)	**Radiant Group**			For future development	650	28 April 2014	0%	100%	HK$220.0 million	Determined based on the value of the property as assessed by an Independent Third Party	Development of new projects
(i)	— Radiant Merit Limited	British Virgin Islands	Investment								
(ii)	— Charm Shine Limited[(1)]	Hong Kong	Property development								
(iii)	— Honour Vantage Limited[(1)]	British Virgin Islands	Investment								
(iv)	— Kong Fortune Investment Limited[(1)]	Hong Kong	Property development								
(D)	Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司) ("Nanchang Metro")	Nanchang	Property development and operation, property management	For future development	83,846	19 February 2014	0%	30%[(2)]	RMB41.0 million	Determined based on the value of the property involved estimated by the parties with reference to the price of comparable properties located in the same area	Development of new projects

No.	Name of the Acquired Company	Location	Major Business Scope of the Acquired Company	Status of the Project	Site Area of the Land Acquired (sq.m.)	Date of Completion of the Acquisition	Shareholding before the Acquisition	Shareholding after the Acquisition	Consideration (app.)	Basis of the Consideration	Reasons for the Acquisition
(E)	Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司)	Shanghai	Investment and assets management, property development, etc.	For future development	43,876	13 March 2014	0%	60%	RMB127.2 million	According to the published price on Shanghai United Assets and Equity Exchange (上海聯合產權交易所)	Development of new projects
(F)	Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司)	Shenzhen	Property development and equity investment	For future development	60,603	7 March 2014	0%	90%	RMB72 million	Determined based on the value of the property involved estimated by the parties with reference to the price of comparable properties located in the same area	Development of new projects
(G)	Zhengzhou Meijing Property Co., Ltd. (鄭州美景置業有限公司)	Zhengzhou	Property development, sales and lease	For future development	—	3 March 2014	0%	51%	RMB100 million	Determined based on the value of the acquired company's assets as estimated by the parties	Development of new projects

Note:

(1) Honour Vantage Limited, Charm Shine Limited and Kong Fortune Investment Limited were wholly-owned subsidiaries of Radiant Merit Limited.

(2) Jiangxi Vanke Yida Property Investment Co., Ltd. (江西萬科益達置業投資有限公司) ("Jiangxi Yida"), in which we have 50% equity interest, acquired 60% equity interest in Nanchang Metro. Although we only hold 50% equity interest in Jiangxi Yida, we have the right to appoint the majority of the directors and half of the voting power on the board of directors of Jiangxi Yida and thus have the power to make its financial and operating decisions. As a result, both Jiangxi Yida and Nanchang Metro are classified as our subsidiaries.

Given that our interests in the above acquired companies were immaterial to our Group and we have genuine difficulties in obtaining the historical financial information from the previous owner and/or management of each of the above subsidiaries who allowed only limited access to historical books and records of such acquired companies, we have applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements of Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules in relation to our acquisition of the shareholdings in these companies. As an alternative disclosure, the key financial figures of these acquired companies for the relevant years are set out below.

(A) Dalian Hezhong Real Estate Development Co., Ltd (大連合眾房地產開發有限公司)

	Year Ended 31 December	
	2012(1)	**2013(2)**
	RMB'000	*RMB'000*
Operating income	—	—
Operating profit	—	—
Net profit for the year	—	—
Net assets	10,000	10,000
Total assets	35,650	16,593

Notes:

(1) The key financial figures for the year ended 31 December 2012 of Dalian Hezhong Real Estate Development Co., Ltd (大連合眾房地產開發有限公司) are extracted from its audited financial statements prepared by local accounting firm based on China Accounting Standards for Business Enterprises (CASBE).

(2) The key financial figures for the year ended 31 December 2013 of Dalian Hezhong Real Estate Development Co., Ltd (大連合眾房地產開發有限公司) are extracted from its management accounts.

(B) Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司)

	Year Ended 31 December	
	2012(1)	**2013(1)**
	RMB'000	*RMB'000*
Operating income	2,415	1,131
Operating profit	518	14
Net profit for the year	498	3
Net assets	14,538	14,502
Total assets	112,596	159,191

Note:

(1) The key financial figures of Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司) are extracted from its audited financial statements prepared by local accounting firm based on CASBE.

(C)(i) Radiant Merit Limited[1]

	Year Ended 31 December
	2013[2]
	in HKD
Revenue	—
Profit before taxation	(34,440)
Net profit for the year	(34,440)
Net assets	(34,432)
Total assets	8

Notes:

(1) Radiant Merit Limited was incorporated in the British Virgin Islands on 3 July 2013.

(2) The key financial figures of Radiant Merit Limited are extracted from its audited financial statements prepared by local accounting firm based on Hong Kong Financial Reporting Standards ("HKFRs").

(C)(ii) Charm Shine Limited[1]

	Year Ended 31 December	
	2012[2]	2013[2]
	HKD'000	*HKD'000*
Revenue	51	953
Profit before taxation	(27,891)	51,651
Net profit for the year	(27,891)	51,651
Net assets	(27,891)	23,761
Total assets	98,949	469,151

Notes:

(1) Charm Shine Limited is a wholly-owned subsidiary of Radiant Merit Limited.

(2) The key financial figures of Charm Shine Limited are extracted from its audited financial statements prepared by local accounting firm based on HKFRS.

(C)(iii) Honour Vantage Limited[1]

	Year Ended 31 December	
	2012[2]	2013[2]
	in HKD	*in HKD*
Revenue	—	—
Profit before taxation	(4,680)	(152,695)
Net profit for the year	(4,680)	(152,695)
Net assets	(4,672)	(157,367)
Total assets	97,591	100,001

Note:

(1) Honour Vantage Limited is a wholly-owned subsidiary of Radiant Merit Limited.

(2) The key financial figures of Honour Vantage Limited are extracted from its audited financial statements prepared by local accounting firm based on HKFRS.

(C)(iv) Kong Fortune Investment Limited[1]

	Year Ended 31 December	
	2012[2]	2013[2]
	HKD'000	*HKD'000*
Revenue	2,617	691
Profit before taxation	40,484	210,588
Net profit for the year	39,877	209,959
Net assets	(29,281)	180,777
Total assets	162,401	376,349

Note:

(1) Kong Fortune Investment Limited is a wholly-owned subsidiary of Rediant Merit Limited.

(2) The key financial figures of Kong Fortune Investment Limited are extracted from its audited financial statements prepared by local accounting firm based on HKFRS.

(D) Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司)[1]

	Year Ended 31 December
	2013[2]
	RMB'000
Operating income	—
Operating profit	—
Net profit for the year	—
Net assets	50,000
Total assets	1,239,757

Notes:

(1) Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司) was incorporated in the PRC on 15 October 2013.

(2) The key financial figures of Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司) was extracted from management accounts.

(E) Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司)[1]

	Year Ended 31 December
	2013[2]
	RMB'000
Operating income	—
Operating profit	—
Net profit for the year	—
Net assets	10,000
Total assets	387,200

Note:

(1) Shanghai Zixin Investment Development Co., Ltd. (上海資賢投資發展有限公司) was incorporated in the PRC on 22 February 2013.

(2) The key financial figures of Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司) are extracted from its management accounts.

(F) Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司)

	Year Ended 31 December	
	2012[1]	2013[1]
	RMB'000	*RMB'000*
Operating income	—	—
Operating profit	(2)	(0.8)
Net profit for the year	(2)	(0.8)
Net assets	7,998	7,997
Total assets	8,003	31,417

Note:

(1) The key financial figures of Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司) are extracted from its management accounts.

(G) Zhengzhou Meijing Property Co., Ltd. (鄭州美景置業有限公司)

	Year Ended 31 December	
	2012[1]	2013[2]
	RMB'000	*RMB'000*
Operating income	—	—
Operating profit	(4,777)	(1,284)
Net profit for the year	(4,786)	(1,315)
Net assets	91,249	89,935
Total assets	292,241	800,246

Notes:

(1) The key financial figures for the year ended 31 December 2012 are extracted from audited financial statements prepared based on CASBE.

(2) The key financial figures for the year ended 31 December 2013 are extracted from management accounts.

For the acquisition of Radiant Group, the Company engaged DTZ Debenham Tie Leung Limited, an independent valuer, to conduct a valuation of the property held by Radiant Group. According to the valuation report of DTZ Debenham Tie Leung Limited, the fair value of the property held by Radiant Group was HK$860 million.

Our Company did not engage in any valuer to conduct valuation for the acquisition of Dalian Hezhong Real Estate Development Co., Ltd. (大連合眾房地產開發有限公司), Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司), Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司), Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司), Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司) and Zhengzhou Meijing Property Co., Ltd. (鄭州美景置業有限公司). The considerations of Dalian Hezhong Real Estate Development Co., Ltd. (大連合眾房地產開發有限公司), Guangzhou Tengchuang Trade Co., Ltd. (廣州市騰創貿易有限公司), Nanchang Metro Times Real Estate Co., Ltd. (南昌地鐵時代置業有限公司) and Shenzhen Wanjiangcheng Investment Development Co., Ltd. (深圳萬疆城投資發展有限公司) were determined based on the assets value of the property assets estimated by the parties with reference to the price of comparable properties located in the same area. For the acquisition of Shanghai Zixian Investment Development Co., Ltd. (上海資賢投資發展有限公司), the consideration was determined based on the published price of Shanghai Zixian Investment Development Co., Ltd. on the Shanghai United Assets and Equity Exchange (上海聯合產權交易所). The consideration of Zhengzhou Meijing Property Co., Ltd. (鄭州美景置業有限公司) was determined based on the value of the acquired company's assets as estimated by the parties. Therefore, the fair values for the abovementioned acquired assets are not available. Our Company takes the view that the considerations of these acquisitions were all concluded through arm length negotiations.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial information set out in Appendix IV to this listing document, the "Financial Information" section of this listing document and our consolidated financial statements set out in Appendices I, II and III to this listing document, together with the accompanying notes. Our unaudited condensed consolidated financial information set out in Appendix IV to this listing document have been prepared in accordance with the measurement basis under IFRS.

Our historical results of operations and financial condition as of and for the three months ended 31 March 2014 do not necessarily indicate our results of operations or financial condition expected for any future periods, nor do they necessarily indicate our expected annual results of operations or year-end financial condition for 2014.

The following discussions and analysis may contain certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as factors that we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Factors that could cause or contribute to such differences include those described in the sections entitled "Risk Factors" and "Business" in this listing document.

PREPARATION AND INCLUSION OF QUARTERLY FINANCIAL STATEMENTS IN THE LISTING DOCUMENT

Hong Kong Stock Exchange Guidance Letter GL1-06 and Listing Decision LD54-4 provide, among others, that if the unaudited interim or quarterly financial statements will be included in the listing document, such interim or quarterly financial statements must be either (i) reviewed by an independent auditor in accordance with Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants or the International Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by International Auditing and Assurance Standards Board, and a copy of the auditor's interim or quarterly review report must be provided in the listing document; or (ii) presented in a separate part of the accountants' report in a manner conforming with applicable PRC accounting rules and regulations.

We have obtained a consent from the Hong Kong Stock Exchange that our Company will not be required to have its quarterly financial statements for the three months ended 31 March 2014 audited or reviewed for the purpose of inclusion in the listing document. The reasons are as follows:

(i) our Company has published its unaudited consolidated financial information of the Group for the three months ended 31 March 2014 together with the same period comparative figures of the prior year ("**Quarterly Results**") on the Shenzhen Stock Exchange on 29 April 2014 in accordance with China Accounting Standards for Business Enterprises (CASBE) and the measurement basis under IFRS, an accounting standard acceptable to the Hong Kong Stock Exchange under Rule 4.11 of the Hong Kong Listing Rules and relevant PRC laws, regulations and Shenzhen Listing Rules. The publication of the Quarterly Results has provided the latest financial information of the Group to investors. The reproduction of such Quarterly Results in the listing document will also provide the same financial information of the Group to potential investors after the Listing.

(ii) Due to the extremely tight listing timetable, it is too onerous and unduly burdensome to require the Quarterly Results being audited or reviewed by the Company's reporting accountants. According to the Shenzhen Listing Rules, the Quarterly Results are required to be published within one month since the end of the reporting period. Such an audit or review work, if being conducted, is expected to take more than one month and will incur significant additional costs. If the reporting accountants are required to conduct audit or review work, the Quarterly Results may not be published within one month as required under the Shenzhen Listing Rules. Accordingly, it might substantially delay the proposed listing timetable and may result in potential breach of the Shenzhen Listing Rules, which is not in line with the interests of the Company and its Shareholders as a whole.

(iii) The Quarterly Results are not required to be audited or reviewed for the purpose of publication on the Shenzhen Stock Exchange. Given that the Listing is to be conducted by way of introduction and there is no offering or fund raising from any new investor, thus the audit and review is not necessary for the purpose of the Listing.

(iv) As required by the Shenzhen Listing Rules and relevant PRC laws and regulations, the Company is required to make an announcement where there is any material change (over 50%) in expectations to its financial position and prospects.

(v) The Company is already listed on the Shenzhen Stock Exchange and has already complied with, and will continue to comply with, the stringent regulatory requirements in the PRC with respect to the disclosure of its financial information. The Company takes the view that the Hong Kong Stock Exchange would be satisfied with the current regulatory and supervisory regime applicable to the Company, in particular, taking into consideration that the CSRC with the authority to supervise our auditors and reporting accountants is a member of International Organisation of Securities Commissions ("**IOSCO**") and has signed arrangements with the SFC for mutual assistance.

(vi) Our reporting accountants, KPMG Huazhen (Special General Partnership), has provided a private comfort letter to the Company and the Sole Sponsor with respect to the Quarterly Results based on certain agreed upon factual finding procedures in accordance with International Standards on Related Services 4400, "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information", a comparable standard to that required by the Hong Kong Institute of Certified Public Accountants. Such agreed upon procedures are set out as follows:

- Compare the unaudited consolidated quarterly financial information of the Company for the three months ended 31 March 2014 set out in Appendix IV in this listing document with that included in the quarterly report of the Company for the three months ended 31 March 2014 published on the Shenzhen Stock Exchange;

- Check the mathematical accuracy of the consolidated statement of financial position as of 31 March 2014, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement of our Company for the three months ended 31 March 2014 and its comparative information; and

- Agree the consolidated statement of financial position as of 31 March 2014, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2014 to the consolidation spreadsheets for the three months ended 31 March 2014 prepared by the officials of the Company having responsibility for financial and accounting matters with our accounting records.

Accordingly, our Company is not required to have its Quarterly Results for the three months ended 31 March 2014 audited or reviewed for the purpose of inclusion in this listing document. Alternatively, our Company has reproduced in this listing document its published unaudited consolidated financial information of our Group for the three months ended 31 March 2014 together with comparative figure of prior year which were prepared in accordance with the measurement basis under IFRS.

SUMMARY OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND THE THREE MONTHS ENDED 31 MARCH 2013

The table below sets forth selected items from our consolidated statements of profit or loss for the periods indicated.

	For The Three Months Ended 31 March	
	2013	**2014**
	(RMB'000) *(unaudited)*	*(RMB'000)* *(unaudited)*
Revenue	13,195,692	9,007,858
Cost of sales	(8,807,186)	(5,704,523)
Gross Profit	4,388,506	3,303,335
Other revenue	157,093	77,153
Other net income	18,804	536,924
Distribution costs	(623,399)	(710,555)
Administrative expenses	(589,614)	(681,143)
Other operating expenses	(29,625)	(52,555)
Profit from operations	3,321,765	2,473,159
Finance costs	(444,480)	(252,494)
Share of profits less losses of associates	(4,564)	246,802
Share of profits less losses of joint ventures	39,612	(10,617)
Profit before taxation	2,912,333	2,456,850
Income tax	(1,122,964)	(818,520)
Profit for the period	1,789,369	1,638,330
Attributable to:		
Equity shareholders of our Company	1,613,904	1,529,479
Non-controlling interests	175,465	108,851

The following discussion compares the major components of our results of operations for the three month periods ended 31 March 2013 and 2014.

Revenue. Our revenue was RMB9,007.9 million for the three months ended 31 March 2014, representing a decrease of RMB4,187.8 million, or approximately 31.7%, from RMB13,195.7 million for the same period in 2013. The decrease in our revenue was mainly due to a decrease in our recognised GFA from 1,234,269 sq.m. for the three months ended 31 March 2013 to 727,043 sq.m. for the three months ended 31 March 2014, which was partially offset by an increase in our recognized ASP from RMB10,170 for the three months ended 31 March 2013 to RMB11,803 for the three months ended 31

March 2014. The decrease in our recognised GFA was primarily due to the delivery timetables of our projects as we had less GFA satisfying the requirements for delivery in the three months ended 31 March 2014 as compared to the three months ended 31 March 2013.

Cost of sales. Our cost of sales was RMB5,704.5 million for the three months ended 31 March 2014, representing a decrease of RMB3,102.7 million, or approximately 35.2%, from RMB8,807.2 million for the same period in 2013. This decrease was also due to the decrease in our recognised GFA and was in line with the decrease in our revenue.

Gross profit and gross profit margin. As a result of the foregoing, our gross profit decreased by RMB1,085.2 million, or approximately 24.7%, from RMB4,388.5 million for the three months ended 31 March 2013 to RMB3,303.3 million for the same period in 2014. Our gross profit margin increased from 33.3% for the three months ended 31 March 2013 to 36.7% for the same period in 2014, which was mainly due to a higher proportion of our revenue coming from sales of properties in first-tier cities, which generally have higher profit margins than our properties developed in other locations.

Distribution costs. Our distribution costs were RMB710.6 million for the three months ended 31 March 2014, representing an increase of RMB87.2 million, or approximately 14.0%, from RMB623.4 million for the same period in 2013. This increase was primarily attributable to an increase in our advertising and promotional expenses and commission to sales agents, which in turn was due to an increase in our contracted sales from approximately RMB43.7 billion for the three months ended 31 March 2013 to approximately RMB54.2 billion for the three months ended 31 March 2014.

Administrative expenses. Our administrative expenses were RMB681.1 million for the three months ended 31 March 2014, representing an increase of RMB91.5 million, or approximately 15.5%, from RMB589.6 million for the same period in 2013. This increase was primarily due to the increase in our staff costs and office administrative costs, which, in turn, was mainly attributable to increases in our total number of employees and subsidiaries as a result of the expansion of our business operations.

Other net income. Our other net income was RMB536.9 million for the three months ended 31 March 2014, representing an increase of RMB518.1 million, or approximately 2,755.9%, from RMB18.8 million for the same period in 2013. This was primarily attributable to the increased income from the sale of portions of our equity interests in certain projects to business partners, which was in relation to our seeking to increase our property development participation via associates or joint ventures.

Finance costs. Our finance costs were RMB252.5 million for the three months ended 31 March 2014, representing a decrease of RMB192.0 million, or approximately 43.2%, from RMB444.5 million for the same period in 2013. This decrease was primarily due to our being able to capitalize a greater proportion of our interest expense into inventories and construction in progress.

Income tax. Our income tax was RMB818.5 million for the three months ended 31 March 2014, representing a decrease of RMB304.5 million, or approximately 27.1%, from RMB1,123.0 million for the same period in 2013. This decrease was primarily due to the decrease in our profit before taxation.

Profit for the period and net profit margin. Our profit for the period was RMB1,638.3 million for the three months ended 31 March 2014, representing a decrease of RMB151.1 million, or approximately 8.4%, from RMB1,789.4 million for the same period in 2013. Our net profit margin increased from 13.6% for the three months ended 31 March 2013 to 18.2% for the three months ended 31 March 2014, which was due primarily to (i) the increase in our gross profit margin, (ii) the increase in our other net income, and (iii) an increase in the share of profit from our associates.

ASSETS AND LIABILITIES

The table below sets forth the breakdown of our current assets and liabilities as of the dates indicated. For a detailed discussion of our current assets and liabilities as of 31 December 2011, 2012 and 2013, please refer to "Financial Information — Selected Statement of Financial Position Items — Net Current Assets" in this listing document.

	As of 31 December 2013	As of 31 March 2014
	(RMB'000)	*(RMB'000)* *(unaudited)*
Current assets		
Inventories	329,731,930	338,824,720
Trade and other receivables	68,218,739	81,681,629
Cash and cash equivalents	43,004,149	36,391,132
Pledged deposits	1,361,261	1,134,686
Total current assets	442,316,079	458,032,167
Current liabilities		
Trade and other payables	287,930,076	305,541,768
Loans and borrowings	32,624,307	27,907,709
Current taxation	8,355,764	7,892,087
Financial derivatives	11,687	10,336
Total current liabilities	328,921,834	341,351,900
Net current assets	113,394,245	116,680,267

Our net current assets increased by RMB3,286.1 million, or approximately 2.9%, from RMB113,394.2 million as of 31 December 2013 to RMB116,680.3 million as of 31 March 2014. The increase in our net current assets was primarily attributable to the increase in our trade and other receivables and the increase in our inventories.

Trade and other receivables. The balance of our trade and other receivables was RMB81,681.6 million as of 31 March 2014, representing an increase of RMB13,462.9 million, or approximately 19.7%, from RMB68,218.7 million as of 31 December 2013, which was primarily due to the increase in development funds we contributed into associates and joint ventures as a result of the increase in projects we developed through associates and joint ventures.

Trade and other payables. The balance of our trade and other payables was RMB305,541.8 million as of 31 March 2014, representing an increase of RMB17,611.7 million, or approximately 6.1%, from RMB287,930.1 million as of 31 December 2013. This increase was mainly attributable to the increase in our receipts in advance, which was generally in line with the increase in our contracted sales.

Inventories. Our inventories were RMB338,824.7 million as of 31 March 2014, representing an increase of RMB9,092.8 million, or approximately 2.8%, from RMB329,731.9 million as of 31 December 2013, primarily due to the increase in the properties under development and properties held for development.

CONNECTED PERSONS

The following list sets out certain parties who will become our connected persons upon Listing and the nature of their connection with our Group:

1. **CR Trust** is a subsidiary of CRC, our existing substantial shareholder and is therefore its associate and our connected person under Rule 14A.11(4) of the Hong Kong Listing Rules.

2. **CR Vanguard** is a subsidiary of CRC, our existing substantial shareholder and is therefore its associate and our connected person under Rule 14A.11(4) of the Hong Kong Listing Rules.

3. **Huawei Xincheng** is a limited partnership managed by a general partner, Huawei Yongsheng which is held by Harvest Capital Ltd. and CR Trust as to 51% and 49%, respectively. Harvest Capital Ltd. is a wholly-owned subsidiary of our substantial shareholder CRC and CR Trust is a subsidiary of CRC. Thus, Huawei Yongsheng is a subsidiary of CRC and therefore its associate and our connected person under Rule 14A.11(4) of the Hong Kong Listing Rules. By virtue of Chapter 14A of the Hong Kong Listing Rules, Huawei Xincheng is an associate of Huawei Yongsheng and thus our connected person.

4. **Shanghai Hutong** is a non-wholly-owned subsidiary of our Company and is held by our wholly-owned subsidiary Shanghai Vanke Investment Management Co., Ltd. (上海萬科投資管理有限公司) and Huawei Xincheng as to 61% and 39%, respectively. Huawei Xincheng is a connected person of our Company (other than at the level of subsidiaries). Thus, Shanghai Hutong is our connected person under Rule 14A.11(5) of the Hong Kong Listing Rules.

Accordingly, the following transactions between each of the above connected persons of our Company, on one hand, and our Group, on the other hand, will constitute continuing connected transactions of our Group upon Listing under Chapter 14A of the Hong Kong Listing Rules.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following is a summary of the continuing connected transactions of our Group as of the Latest Practicable Date, which are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules, namely:

- leasing of properties by our Group to CR Vanguard;
- provision of loans by CR Trust to our Group;
- provision of loans by Huawei Xincheng to our Group; and
- provision of loans by our Group to Shanghai Hutong.

Leasing of Properties by Our Group to CR Vanguard

Parties: Our Group (as the lessor)

CR Vanguard (as the lessee)

Particulars of the transaction: It is expected that after completion of the Listing, our Group may from time to time lease to CR Vanguard and/or its subsidiaries certain properties, such as supermarket. CR Vanguard and/or its subsidiary will enter into separate lease agreements with the relevant member of our Group, setting out the specific terms and conditions of such continuing connected transaction.

Historical figures: For the three financial years ended 31 December 2011, 2012, 2013 and for three months ended 31 March 2014, the revenues generated in connection with our leasing of properties to CR Vanguard and/or its subsidiaries were approximately RMB1.9 million, RMB2.1 million, RMB3.3 million and RMB1.9 million, respectively.

Implications under the Hong Kong Listing Rules: Our Directors are of the view that these leases have been entered into on normal commercial terms where each applicable percentage ratio (except the profits ratio), calculated according to Rule 14.07 of the Hong Kong Listing Rules, will, as the Directors currently expect, be less than 0.1% on an annual basis. Therefore, by virtue of Rule 14A.33(3) of the Hong Kong Listing Rules, these leases are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Provision of Loans by CR Trust to our Group

Parties: Our Group (as the borrower)

CR Trust (as the lender)

Particulars of the transaction: Our Group has obtained certain loans from CR Trust to support the development and to increase the operating efficiency of certain of our projects. The table below sets out the relevant information in respect of the loans obtained by our Group from CR Trust for the three financial years ended 31 December 2011, 2012, 2013 and three months ended 31 March 2014:

Date of loan	**Lending period**	**Amount**	**Annual interest rate**	**Interest paid as of 31 March 2014**	**Security**
	(year)	*(RMB million)*	*(%)*	*(RMB million)*	
14 December 2011	2	1,000	11.2[(1)]	224	Nil
24 February 2012	2	1,000	10.6[(1)]	215.2	Nil
15 March 2012	2	1,000	10.5[(1)]	210.6	Nil
21 March 2012	2	1,000	10.5[(1)]	210.8	Nil
21 November 2012	1.5	1,100	6.8[(1)]	100.1	Nil

Note:

1. These were determined in accordance with market practice, namely on an individual case basis and considering many factors, particularly market liquidity (which was relatively low in 2011 and relatively high in the second half of 2012). Also, such loans generally have more flexibility than bank loans, such as with a higher loan approval rate and less restrictions on the use of the funds or the maximum loan amount. In light of the above and despite fluctuations of the interest rates, the Directors are of the view that such interest rates were based on normal commercial terms.

Outstanding loan amounts: For the three financial years ended 31 December 2011, 2012, 2013 and three months ended 31 March 2014, the aggregate outstanding amounts of loans due to CR Trust from our Group were approximately RMB1.0 billion, RMB5.1 billion, RMB4.1 billion and RMB1.1 billion, respectively.

Implications under the Hong Kong Listing Rules: Our Directors are of the view that the above loans, being a form of financial assistance (as defined under the Hong Kong Listing Rules) provided by CR Trust to our Group for our benefit, were on normal commercial terms where no security over our assets was granted in respect of such financial assistance. As such, the above loans are exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Hong Kong Listing Rules.

Provision of Loans by Huawei Xincheng to our Group

Parties: Our Group (as the borrower)

Huawei Xincheng (as the lender)

Particulars of the transaction: Our Group has obtained certain loans from Huawei Xincheng to support a property development project of Shanghai Hutong in proportion to Huawei Xincheng's equity interests in Shanghai Hutong. The table below sets out the relevant information in respect of the loans obtained by our Group from Huawei Xincheng for the three financial years ended 31 December 2011, 2012, 2013 and three months ended 31 March 2014:

Date of loan	Lending period *(year)*	Amount *(RMB million)*	Annual interest rate *(%)*	Interest paid as of 31 March 2014 *(RMB million)*	Security
30 January 2013	3	2.0	Nil[(1)]	Nil	Nil
30 January 2013	3	833.7	7.2	69.7	Nil
26 July 2013	3	32.4	7.2	1.6	Nil

Note:

1. Each of Huawei Xincheng and us has periodically injected capital into the property development project of Shanghai Hutong (based on its ongoing demand for working capital) by way of shareholders' loan and Huawei Xincheng agreed that no interest will be charged for such loan.

Outstanding loan amounts: For the financial year ended 31 December 2013 and three months ended 31 March 2014, the aggregate outstanding amounts of loans due to Huawei Xincheng from our Group were approximately RMB868.0 million and RMB712.0 million.

Implications under the Hong Kong Listing Rules: Our Directors are of the view that the above loans, being a form of financial assistance (as defined under the Hong Kong Listing Rules) provided by Huawei Xincheng to our Group for our benefit, were on normal commercial terms (or better to our Group) where no security over our assets was granted in respect of such financial assistance. As such, the above loans are exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Hong Kong Listing Rules.

Provision of Loans by our Group to Shanghai Hutong

Parties: Our Group (as the lender)

Shanghai Hutong (and its wholly-owned subsidiary) (as the borrower)

Particulars of the transaction: Our Group has provided certain loans to Shanghai Hutong (and its wholly-owned subsidiary) to support a property development project of Shanghai Hutong in proportion to our equity interests in Shanghai Hutong. The table below sets out the relevant information in respect of the loans obtained by Shanghai Hutong (and its wholly-owned subsidiary) from our Group for the three financial years ended 31 December 2011, 2012, 2013 and three months ended 31 March 2014:

Date of loan	Lending period *(year)*	Amount *(RMB million)*	Annual interest rate *(%)*	Interest paid as of 31 March 2014 *(RMB million)*	Security
30 January 2013	3	3.1	Nil[1]	Nil	Nil
30 January 2013	3	1,304.0	7.2	110.1	Nil
26 July 2013	3	50.6	7.2	2.5	Nil

Note:

1. Each of Huawei Xincheng and us has periodically injected capital into the property development project of Shanghai Hutong (based on its ongoing demand for working capital) by way of shareholders' loan and we agreed that no interest will be charged for such loan.

Outstanding loan amounts: For the financial year ended 31 December 2013 and three months ended 31 March 2014, the aggregate outstanding amounts of loans due to our Group from Shanghai Hutong (and its wholly-owned subsidiary) were approximately RMB1,357.7 million and RMB1,113.7 million.

Implications under the Hong Kong Listing Rules: Our Directors are of the view that the above loans, being a form of financial assistance (as defined under the Hong Kong Listing Rules) provided by our Group to Shanghai Hutong for its benefit in which our Company is a shareholder, were on normal commercial terms and such financial assistance is in proportion to our equity interests in Shanghai Hutong. As such, the above loans are exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3) of the Hong Kong Listing Rules.

BOARD OF DIRECTORS

Our Board of Directors is responsible for, and has general power over, the management and conduct of the business of our Company. Our Board of Directors currently consists of eleven Directors, including three executive Directors, four non-executive Directors and four independent non-executive Directors. The table below sets out certain information in respect of the members of our Board of Directors:

Name	Age	Position	Date of appointment	Date of joining our Group	Responsibilities in our Group
Mr. WANG Shi (王石)	63	— Executive Director — Chairman	1 November 1988 1 November 1988	1 November 1988	Responsible for the strategic development and daily operation management of our Company
Mr. QIAO Shibo (喬世波)	60	— Non-executive Director — Vice chairman	10 August 2010 10 August 2010	10 August 2010	Responsible for the strategic development of our Company
Mr. YU Liang (郁亮)	49	— Executive Director — President	24 May 1994 15 February 2001	10 December 1990	Responsible for the strategic development and daily operation management of our Company
Mr. SUN Jianyi (孫建一)	61	— Non-executive Director	6 June 1995	6 June 1995	Responsible for the strategic development of our Company; member of the remuneration and nomination committee
Mr. WEI Bin (魏斌)	45	— Non-executive Director	20 March 2013	20 March 2013	Responsible for the strategic development of our Company; member of the audit committee
Mr. CHEN Ying (陳鷹)	44	— Non-executive Director	20 March 2013	20 March 2013	Responsible for the strategic development of our Company; member of the investment and decision-making committee
Mr. WANG Wenjin (王文金)	48	— Executive Director — Executive vice president	28 March 2014 26 October 2007	25 November 1993	Responsible for the strategic development and daily operation management of our Company; member of the investment and decision-making committee
Mr. ZHANG Liping (張利平)	56	— Independent Non-executive Director	10 August 2010	10 August 2010	Supervising and providing independent judgment to our Board of Directors; chairman of the investment and decision-making committee and the remuneration and nomination committee
Mr. HUA Sheng (華生)	61	— Independent Non-executive Director	31 March 2011	31 March 2011	Supervising and providing independent judgment to our Board of Directors
Ms. LAW Elizabeth (羅君美)	60	— Independent Non-executive Director	31 August 2012	31 August 2012	Supervising and providing independent judgment to our Board of Directors; chairlady of the audit committee
Mr. HAI Wen (海聞)	62	— Independent Non-executive Director	28 March 2014	28 March 2014	Supervising and providing independent judgment to our Board of Directors; member of the audit committee and the remuneration and nomination committee

SUPERVISORY COMMITTEE

Our Supervisory Committee currently consists of three supervisors, including two representatives appointed by our Shareholders and one representative elected by our employees. The table below sets out certain information in respect of the members of our Supervisory Committee:

Name	Age	Position	Date of appointment	Date of joining our Group	Responsibilities in our Group
Mr. XIE Dong (解谏)	49	— Supervisor — Chairman of the Supervisory Committee	28 March 2014	4 October 1992	Examining and monitoring financial matters and supervising the Board of Directors and members of senior management in the performance of their duties
Ms. LIVASIRI Ankana	55	— Supervisor	12 June 2014	12 June 2014	Examining and monitoring financial matters and supervising the Board of Directors and members of senior management in the performance of their duties
Mr. ZHOU Qingping (周清平)	45	— Supervisor	23 March 2010	17 April 1995	Examining and monitoring financial matters and supervising the Board of Directors and members of senior management in the performance of their duties

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth certain information concerning our senior management personnel:

Name	Age	Position	Date of appointment	Date of joining our Group	Responsibilities in our Group
Mr. YU Liang (郁亮)	49	— Executive Director — President	24 May 1994 15 February 2001	10 December 1990	Responsible for overall operation management within authorisation of the Board
Mr. WANG Wenjin (王文金)	48	— Executive vice president	26 October 2007	25 November 1993	Responsible for finance and accounting work
Mr. CHEN Wei (陳瑋)	52	— Executive vice president	1 February 2014	1 February 2014	Responsible for human resources work
Mr. ZHANG Xu (張旭)	51	— Executive vice president	28 March 2014	4 November 2002	Responsible for investment and operation management
Mr. TAN Huajie (譚華杰)	41	— Secretary of the Board of Directors	6 March 2009	8 January 2001	Responsible for corporate governance, investor relations and information disclosure

DIRECTORS

Mr. WANG Shi (王石), aged 63, is our chairman and executive Director. In 1984, Mr. Wang served as the general manager of Shenzhen Exhibition Centre for Modern Science and Education Equipment (深圳現代科教儀器展銷中心), the predecessor of our Company. He became the chairman of our Company in 1988 and served as a general manager of our Company from 1988 to 1999. Mr. Wang has also been a director of Sohu.com Inc. (NASDAQ stock code: SOHU) since May 2005 and an independent non-executive director of China Resources Land Limited (Hong Kong stock code:1109) ("**CRL**") since April 1997, Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (Shenzhen stock code: 002269) from November 2007 to December 2013, and Modern Media Holdings Ltd. (Hong Kong stock code: 72) since August 2009. In January 2008, he was appointed as an independent non-executive director of Central China Real Estate Ltd. (Hong Kong stock code: 832) and resigned due to his personal commitment in July 2013. Prior to joining our Company, Mr. Wang served in various positions with the Guangzhou Railway Bureau (廣州鐵路局), the Foreign Trade and Economic Cooperation Committee of Guangdong Province (廣東省外經貿委) and Shenzhen Special Region Development Company (深圳市特區發展公司). Mr. Wang joined the PRC military force in 1968 and graduated from Lanzhou Railway College (蘭州鐵道學院) (now known as Lanzhou Jiaotong University (蘭州交通大學)) in the PRC with a major in Water Supply Studies in September 1977. Mr. Wang has been a visiting scholar of Pembroke College of the University of Cambridge in the United Kingdom since October 2013.

Mr. QIAO Shibo (喬世波), aged 60, has been our vice chairman and non-executive Director since 10 August 2010. He is currently the general manager of CRNC. He has also been a director and general manager of CRH since 2008. Mr. Qiao had previously served as a department head at the Ministry of Foreign Trade and Economic Cooperation of the PRC (對外經濟貿易合作部) (currently known as MOFCOM), the deputy general manager and then the general manager of the human resources department of CRH from July 1992 to December 1998 and the general manager and chairman of China Resources Petrochems (Group) Co. Ltd. from December 1998 to July 2001. From April 2000 to January 2003, Mr. Qiao served as a director and an assistant to the general manager of CRH, during which he also served as the deputy managing director of China Resources Enterprise, Limited (華潤創業有限公司) (Hong Kong stock code: 291) and the chairman of China Resources Machinery & Minmetals (Holdings) Co., Ltd. (華潤機械五礦(集團)有限公司). From January 2003 to December 2008, Mr. Qiao was a director and deputy general manager of CRH. During this period, he also served as the chairman of China Resources (Jilin) Bio-Chemical Co., Ltd. (吉林華潤生化股份有限公司), the chairman of the board of directors of China Resources Cement Holdings Ltd. (華潤水泥控股有限公司) (Hong Kong stock code: 1313) and the chief executive officer of China Huayuan Group Ltd. (中國華源集團有限公司). In August 2012, Mr. Qiao resigned from his role as the chairman of the board of directors, executive director and members of the executive committee and finance committee of China Resources Enterprise, Limited (Hong Kong stock code: 291). Mr. Qiao graduated from Jilin University (吉林大學) in the PRC with a bachelor's degree in Chinese Language and Literature in July 1983.

Mr. YU Liang (郁亮), aged 49, has been our executive Director since 24 May 1994 and the president of our Company since 15 February 2001. Mr. Yu joined our Company on 10 December 1990. He later served as a deputy general manager of our Company in 1996 and an executive deputy general manager and the finance manager of our Company in 1999. Mr. Yu has also been an independent non-executive director of Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (上海美特斯邦威服飾股份有限公司) (Shenzhen stock code: 002269) since January 2014. Prior to joining our Company, Mr. Yu had worked for Shenzhen Waimao Group (深圳外貿集團). Mr. Yu graduated from the Faculty of International Economics Studies of Peking University (北京大學) in the PRC with a bachelor's degree in International Economics in July 1988. He obtained a master's degree in Economics from Peking University (北京大學) in the PRC in January 1997.

Mr. SUN Jianyi (孫建一), aged 61, has been our non-executive Director since 6 June 1995 and a member of our remuneration and nomination committee since July 2005. Mr. Sun became our deputy Chairman in 1998 and was our independent non-executive Director from 2001 to 2008. He was the chairman of our remuneration and nomination committee and member of audit committee from July 2005 to April 2008. Currently, Mr. Sun is an independent non-executive director of Haichang Holdings Ltd. (海昌控股有限公司) (Hong Kong stock code: 2255), the chairman of Ping An Bank Co., Ltd. (平安銀行股份有限公司) (Shenzhen stock code: 00001) and a director of Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司) and Ping An Annuity Insurance Company of China, Ltd. (平安養老保險公司). Mr. Sun has been the executive director, executive deputy general manager and deputy chief executive officer of Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司) (Hong Kong stock code: 2318 and Shanghai stock code: 601318) since 2003 and has become its vice chairman and deputy chief executive officer since 2008. He served as an assistant to the general manager, deputy general manager, executive deputy general manager and executive director of Ping An Insurance Company of China (中國平安保險公司) between 1990 and 2003. Mr. Sun is a senior economist, certified by the Personnel Department of Guangdong Province (廣東省人事廳) in July 1999. He graduated from Zhongnan University of Finance and Economics (中南財經大學) in the PRC in December 1975 with a diploma majoring in Finance.

Mr. WEI Bin (魏斌), aged 45, has been our non-executive Director since 20 March 2013. Mr. Wei was appointed as the chief accountant of CRH with effect from 1 April 2011 and is the general manager of its finance department. He is a non-executive director of China Resources Gas Group Ltd. (Hong Kong stock code: 1193), China Resources Cement Holdings Ltd. (Hong Kong stock code: 1313), China Resources Microelectronics Ltd., China Resources Enterprises, Limited (Hong Kong stock code: 291) and CRL. He is also a director of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (Shenzhen stock code: 000999) and Shan Dong Dong-E E-Jiao Co., Ltd. (Shenzhen stock code: 000423). Mr. Wei joined CRH in 2001. He obtained the certificate of Certified Public Accountant (註冊會計師) granted by CPA Examination Committee of Ministry of Finance of the PRC (中國財政部註冊會計師考試委員會) in December 1993, certificate of Senior Auditor (高級審計師) granted by Education Department of National Audit Office of the PRC (中國審計署教育司) in September 2003, and certificate of Senior Accountant (高級會計師) granted by Beijing Personnel Bureau (北京人事局) (now known as Beijing Human Resources and Social Security Bureau (北京人力資源與社會保障局) in December 2003. Mr. Wei holds a bachelor's degree in Auditing from Zhongnan University of Economics (中南財經大學) in the PRC in July 1992 and a master's degree in Finance from Jinan University (暨南大學) in the PRC in June 2001.

Mr. CHEN Ying (陳鷹), aged 44, has been our non-executive Director since 20 March 2013. Mr. Chen joined China Resources Construction (Holdings) Ltd. in 1993 and served as a project engineer, project manager, manager of its procurement department and executive director of China Resources Construction (Holdings) Ltd. between September 1993 and March 2002. He served as a director and general manager of China Resources Land (Beijing) Co. Ltd. between March 2002 and October 2011 and a director of CRL between March 2003 and February 2006. In November 2011, Mr. Chen became a general manager of the strategy management department of CRH and a non-executive director of China Resources Cement Holdings Ltd. (Hong Kong stock code: 1313) in May 2012, China Resources Power Holdings Company Ltd. (Hong Kong stock code: 836) in June 2012, China Resources Enterprise, Ltd. (Hong Kong stock code: 291) in May 2012, China Resources Gas Group Ltd. (Hong Kong stock code: 1193) in June 2012 and CRL in June 2012. In the same year, he became a director of China Resources Pharmaceutical Group Ltd., China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (Shenzhen stock code: 000999) and China Resources Double-Crane Pharmaceutical Co., Ltd. (Shanghai stock code: 600062). Mr. Chen graduated from Tsinghua University (清華大學) in the PRC with a bachelor's degree in Architecture Management in July 1993. He obtained a master's degree in Business Administration from University of Oxford in the United Kingdom in September 2007.

Mr. WANG Wenjin (王文金), aged 48, has been our executive Director since 28 March 2014, our executive vice president since 26 October 2007 and our finance manager since 12 March 2002. After joining us on 25 November 1993, Mr. Wang became a deputy manager of the finance department in 1998 and a general manager of the same department in 1999. He became our financial director in 2004. Mr. Wang had previously worked for Anhui Optical Sophisticated Mechanic Research Centre of China Academy of Sciences (中科院安徽光學精密機械研究所). Mr. Wang became a non-practising member of the Chinese Institute of Certified Public Accountants in August 1998. He graduated from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC with a master's degree in June 1994. Mr. Wang is a non-executive Director of Vanke Property (Overseas) Limited (Hong Kong stock code: 1036).

Independent Non-executive Directors

Mr. ZHANG Liping (張利平), aged 56, has been our independent non-executive Director and the chairman of our investment and decision-making committee since 10 August 2010 and the chairman of our remuneration and nomination committee since 28 March 2014. Mr. Zhang also serves as the co-chief executive officer of the Greater China and the vice chairman of the global investment banking department of Credit Suisse. He joined Credit Suisse First Boston in September 2004. His prior experience includes working for the Ministry of Foreign Trade and Economic Cooperation of the PRC (對外經濟貿易合作部) (currently known as MOFCOM) and serving as a director of the investment banking division of Merrill Lynch, United States, managing director and head of the Greater China Region of Dresdner Bank, Germany, managing director of Pacific Concord Holdings Ltd., Hong Kong and chief executive officer of Imagi International Holdings Ltd., Hong Kong. Mr. Zhang graduated with diploma from the University of International Business and Economics (對外經濟貿易大學) (formerly known as Beijing Institute of Foreign Trade) in the PRC in July 1980. He obtained a master's degree in International Relations and International Law from St. John's University in the United States in June 1988.

Mr. HUA Sheng (華生), aged 61, has been our independent non-executive Director since 31 March 2011. Mr. Hua is a professor and PhD supervisor at Southeast University (東南大學). He is also the deputy chairman of the Beijing Returned Overseas Chinese Federation (北京市回國華僑聯合會). Mr. Hua is an author on and a proponent of the dual-track price system, state-owned assets management system and share segregation reform. The theory of "Dual-Track Price System" (體制雙軌論), of which he was in the research team, was awarded the China Economic Theory Innovation Award in November 2011 and he was awarded Sun Yefang Economic Prize in March 1987. In 1986, he became one of experts nationally recognised in China for having outstanding contributions. Mr. Hua received a doctoral degree in Economics from Wuhan University (武漢大學) in the PRC in December 2001 and he was a research fellow at the University of Cambridge in the United Kingdom.

Ms. LAW Elizabeth (羅君美), aged 60, has been our independent non-executive Director since 31 August 2012 and is the chairlady of our audit committee. Ms. Law is the executive director of Law & Partners CPA Ltd. and the proprietor of Stephen Law & Company, Certified Public Accountants. She has also served as an independent non-executive director of Sunwah Kingsway Capital Holdings Ltd. (Hong Kong stock code: 188) and Sunwah International Ltd. (Toronto stock code: SWH) since 2011. Ms. Law became an associate of the Hong Kong Society of Accountants in May 1982, a chartered professional accountant in Canada in November 2012, a chartered accountant in England and Wales in February 2006 and a fellow certified public accountant in Australia in November 2009. She is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of The Taxation Institute of Hong Kong since April 2003. Ms. Law had served as the president of The Society of Chinese Accountants and Auditors and the founding president of the Association for Women Accountants (Hong Kong) Ltd. Ms. Law was appointed as Justice of the Peace in Hong Kong in 2009 and is a member of the Chinese People's Political Consultative Conference Guangdong Committee. Ms. Law graduated from McGill University in Canada with a bachelor's degree in Accounting in May 1976.

Mr. HAI Wen (海聞), aged 62, has been appointed as our independent non-executive Director and a member of our audit committee and remuneration and nomination committee since 28 March 2014. He has been the deputy director of the administration committee of Peking University (北京大學) since October 2013, the dean of the Graduate School of Peking University at Shenzhen (北京大學深圳研究生院) from July 2008 to October 2013, the vice president of Peking University from November 2005 to October 2013 and the dean of the Peking University HSBC Business School (北京大學滙豐商學院) (formerly known as Peking University Shenzhen Business School (北京大學深圳商學院)) since October 2004. He has been the professor of China Centre for Economic Research of Peking University (北京大學中國經濟研究中心) from August 1995 to May 2008. From December 2005 to July 2008, he served as the executive deputy dean of the Graduate School of Peking University at Shenzhen. He worked as an assistant to the dean of Peking University from July 2002 to October 2005. Mr. Hai served as the deputy director of China Centre for Economic Research of Peking University from February 1995 to May 2008. Mr. Hai obtained a bachelor's degree in Economics from Peking University (北京大學) in the PRC in January 1982 and a master's degree in Economics from California State University — Long Beach in the United States in December 1983. He graduated from University of California, Davis in the United States with a doctoral degree in Economics in June 1991.

Discloseable Interest under Rule 8.10(2) of the Hong Kong Listing Rules

Scope, nature, size of business and management of CRL

CRL is a subsidiary of CRC, our substantial shareholder, and is principally engaged in the property investment and development business in the PRC. As a leading residential property developer in the PRC, our Company mainly focuses on the development, sales and management of quality residential properties. Therefore, CRL might directly or indirectly compete with our Company in terms of property development business, especially development of residential properties in the PRC. For the year ended 31 December 2013, CRL recorded sales revenue of approximately HK$71,389 million. According to CRL's result announcement for the year ended 31 December 2013, as of 28 February 2014, CRL's geographic coverage expanded to 50 cities with a total land bank of GFA of approximately 35.8 million sq.m., of which the GFA of its saleable residential land bank amounted to approximately 29.3 million sq.m., the GFA of its investment property under construction or land bank planned for investment properties amounted to approximately 6.5 million sq.m.

The board of CRL consisted of two executive directors, six non-executive directors and five independent non-executive directors. Our non-executive Directors Mr. Wei Bin and Mr. Chen Ying currently also act as non-executive directors of CRL. Pursuant to Rule 8.10(2) of the Hong Kong Listing Rules, Mr. Wei Bin and Mr. Chen Ying are interested in a business which competes or is likely to compete, either directly or indirectly, with our Group's business.

Independence of our business from CRL

We believe that we are capable of performing our business independently of, and at arm's length from CRL based on the following grounds:

(i) the day-to-day management and operations of our Group are performed by our executive Directors who concurrently hold senior management position and by other members of the senior management of our Company. Mr. Wei Bin and Mr. Chen Ying, as non-executive Directors, do not hold a position in the senior management of our Company and they do not and will not involve in the daily management and operations of our Group;

(ii) Mr. Wei Bin and Mr. Chen Ying are non-executive directors of CRL and they do not involve in the day-to-day management and operations of CRL as well;

(iii) CRC, the holding company of CRL, is only a substantial shareholder of our Company which only directly holds 14.94% and indirectly holds through its wholly-owned subsidiary, China Resources Trade Co., Ltd., 0.06% of the total issued shares of our Company as of 31 March 2014 and there is no controlling shareholder holding 30% or more of the total issued shares of our Company;

(iv) we have appointed four independent non-executive Directors, comprising over one-third of our Board in order to promote the interests of our Company and our Shareholders as a whole;

(v) apart from Mr. Wei Bin and Mr. Chen Ying, our Directors do not have any interest in a business which competes or is likely to compete, directly or indirectly, with our Group's business, and would require disclosure under Rule 8.10(2) of the Hong Kong Listing Rules;

(vi) the above information of Mr. Wei Bin and Mr. Chen Ying has been disclosed in the relevant public disclosure documents of our Company on the website of the Shenzhen Stock Exchange which is available to our Shareholders and any potential investors in our Company; and

(vii) our Company has established relevant corporate governance measures to avoid conflicts of interest between our Group and any Director. In the event that a Director (such as Mr. Wei Bin and Mr. Chen Ying) is interested in a matter to be discussed/decided at a Board meeting, he/she shall abstain from voting in relation to such matter and shall leave the meeting immediately when such matter comes up for discussion and only return after such matter has been dealt with. The arrangements strive to preclude a Director with conflict interest from participating in the deliberation of our Company or counting as part of the quorum present at the meeting.

SUPERVISORS

Mr. XIE Dong (解凍), aged 49, has been our Supervisor and chairman of our Supervisory Committee since 28 March 2014. Mr. Xie joined our Company on 4 October 1992 and has since held various positions within our Company. He became the manager of our personnel management department in 1996, the general manager and director of our human resources department in 2000 and 2001, respectively, and a deputy general manager of our Company in 2004. Mr. Xie worked as our executive vice president from March 2004 to February 2014. Mr. Xie has been an independent director of Shenzhen Hepalink Pharmaceutical Co., Ltd. (深圳海普瑞藥業股份有限公司) (Shenzhen stock code: 002399). Mr. Xie graduated from Nanjing Engineering Institution (南京工學院) in the PRC with a bachelor's degree in Wireless Electricity in July 1987. He graduated from Shanghai Jiao Tong University (上海交通大學) in the PRC with a master's degree in Business Administration in July 1997 and a doctoral degree in Administration in July 2007.

Ms. LIVASIRI, Ankana, aged 55, has been our Supervisor since 12 June 2014. Ms. Livasiri was the general manager of the legal department of CRH from July 2006 to July 2008, and has been the chief legal consultant of the legal department of CRH since August 2008. From January 2001 to July 2005, Ms. Livasiri served as the chief legal consultant of the legal and company secretary department (法律及公司秘書部) of China Resources Enterprise, Limited (華潤創業有限公司) (Hong Kong stock code: 291).

Mr. ZHOU Qingping (周清平), aged 45, has been a member of our Supervisory Committee and a general manager of our audit and supervision department since 23 March 2010. He joined our Company on 17 April 1995 and served as a finance manager of Vanke Financial Consultancy Co. Ltd. (萬科財務顧問有限公司). He became a financial controller of Chengdu Vanke Real Estate Co., Ltd. (成都萬科房地產有限公司) in 2000 and a deputy general manager of our risk management department in 2003. Mr. Zhou became a non-practising member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 1999. He graduated from Hunan University (湖南大學) (formerly known as Hunan Institute of Finance and Economics) in the PRC with a bachelor's degree in Accounting in July 1993.

Save as disclosed above, to the best knowledge and belief of our Directors, having made all reasonable enquiries, there is no additional information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules or any other matters concerning any Director or Supervisor that need to be brought to the attention of the Shareholders of the Company.

SENIOR MANAGEMENT

For details of the biography of **Mr. YU Liang (郁亮)**, please refer to the sub-section headed "— Directors" in this section above.

For details of the biography of **Mr. WANG Wenjin (王文金)**, please refer to the sub-section headed "— Directors" in this section above.

Mr. CHEN Wei (陳瑋), aged 52, joined our Company as an executive vice president on 1 February 2014. He was an external director of Shanghai Airport Authority Co., Ltd., from March 2011 to April 2014. Mr. Chen once worked in Hay Group, Inc., a global management consulting firm, from December 2000 to December 2013 with last role as global vice president. He obtained a bachelor's degree in Psychology from the East China Normal University (華東師範大學) in the PRC in July 1984 and a master's degree in Workforce Education and Development from Pennsylvania State University in the United States in December 2000. He completed the Advanced Management Programme of Harvard Business School in the United States in October 2009.

Mr. ZHANG Xu (張旭), aged 51, has been our executive vice president since 28 March 2014. He is also an executive director of Vanke Property (Overseas) Limited (Hong Kong stock code: 1036). Mr. Zhang joined our Group on 4 November 2002 and once worked as engineering director, deputy general manager, executive deputy general manager and general manager of Wuhan Vanke Property Co., Ltd. (武漢市萬科房地產有限公司). He obtained a bachelor's degree in Industrial and Civil Construction from Hefei University of Technology (合肥工業大學) in the PRC in August 1984 and the MBA from Troy University in the United States in June 2001.

Mr. TAN Huajie (譚華傑), aged 41, has served as the secretary to our Board of Directors since 6 March 2009 and has been the director of the Board office of our Company since 2008. Mr. Tan joined our Company on 8 January 2001. He was appointed as the manager of our customer relations department in 2003 and became the chief researcher and deputy director of the office of the Board of Directors of our Company in 2004. Mr. Tan graduated from the First Faculty of Mechanical Engineering of Huazhong University of Science and Technology (華中理工大學) in the PRC in July 1993.

Save as being our Directors or Supervisors or members of our senior management, they do not have any relationship with each other.

Save as disclosed above, each of the members of our Directors, Supervisors and senior management has not otherwise been a director of any listed company in the three years immediately preceding the date of this listing document.

COMPANY SECRETARY

Our company secretary is Mr. TAN Huajie. For details of the biography of Mr. Tan, please refer to the sub-section headed "— Senior Management" above in this section.

Our Company has appointed Mr. LUK, Chi Chung Peter (陸治中) as an assistant company secretary to assist Mr. Tan in compliance matters relating to the Hong Kong Listing Rules as well as other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date.

Mr. LUK, Chi Chung Peter, aged 49, was appointed as our assistant company secretary on 5 February 2013. Mr. Luk has accumulated more than 25 years of accounting experience. He joined PricewaterhouseCoopers as a staff accountant in December 1987 and was promoted to an audit supervisor in July 1992. In December 1992, he worked at Hwa Kay Thai Group as a group management accountant and was appointed as the group chief accountant in January 1994. He then joined Hon Kwok Land Investment Co. Ltd. ("**Hon Kwok**") in April 1994 as the chief accountant. He was subsequently promoted to the financial controller of Hon Kwok in October 1994, the financial controller and company secretary of Hon Kwok and its holding company, Chinney Investments, Ltd., in April 1995 and the director of finance of Hon Kwok and Chinney Investments, Ltd. in April 2002. In June 2008, Mr. Luk left Hon Kwok to join Winsor Properties Holdings Limited Group ("**Winsor**") as the chief financial officer until July 2012 when Winsor was acquired by the Company. In November 2012, Mr. Luk was re-appointed by Winsor as the chief financial officer and subsequently as the chief financial officer and company secretary in December 2013. Winsor was renamed as Vanke Property (Overseas) Limited in December 2012. Mr. Luk is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, The Taxation Institute of Hong Kong, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Mr. Luk graduated from The University of Hong Kong with a bachelor's degree in Mathematics in November 1986. He obtained a master's degree in Business Administration from the Australian Graduate School of Management in June 2001.

MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Hong Kong Listing Rules require that a listing applicant applying for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since the principal business and operations of our Group are located in the PRC, members of our senior management are and will therefore be expected to continue to be based in the PRC. None of our executive Directors are Hong Kong permanent residents or ordinarily based in Hong Kong. Our Company has applied to the Hong Kong Stock Exchange for a waiver from the strict compliance with the requirement under Rules 8.12 and 19A.15 of the Hong Kong Listing Rules. For details of the waiver, please see the paragraphs headed "Waivers from Strict Compliance with the Hong Kong Listing Rules — Management Presence" in this listing document.

BOARD COMMITTEES

Audit Committee

We have established an audit committee pursuant to our Articles of Association and a resolution of our Board of Directors. The primary duties of the audit committee include:

- proposing to the Board of Directors the appointment and replacement of external audit firms;
- supervising the implementation of our internal audit system;
- liaising between our internal audit department and external auditors;
- reviewing our financial information and related disclosures;
- reviewing our internal control system; and
- other duties conferred by the Board of Directors.

Our audit committee consists of Ms. Law Elizabeth, as chairlady, Mr. Wei Bin and Mr. Hai Wen.

Remuneration and Nomination Committee

We have established a remuneration and nomination committee pursuant to our Articles of Association and a resolution of our Board of Directors. The primary duties of the remuneration and nomination committee include:

- formulating criteria for evaluating our senior management, performing evaluations and proposing remuneration policies and plans;
- making recommendations to the Board of Directors regarding the evaluation criteria and remuneration policies of our Company;
- other duties conferred by the Board of Directors.

Our remuneration and nomination committee consists of Mr. Zhang Liping, as chairman, Mr. Hai Wen and Mr. Sun Jianyi.

Investment and Decision-making Committee

We have established an investment and decision-making committee pursuant to our Articles of Association and a resolution of our Board of Directors. Its primary duties include reviewing the long-term development strategy and material investment plans of our Company and making recommendations to the Board of Directors in these respects.

Our investment and decision-making committee consists of Mr. Zhang Liping, as chairman, Mr. Chen Ying and Mr. Wang Wenjin.

REMUNERATION POLICY

The compensation and remuneration of our Directors, Supervisors and members of the senior management are determined by our Shareholders' meetings and Board of Directors, as appropriate in the form of salaries and bonuses. We also reimburse them for expenses which are necessary and reasonably incurred in providing services to us or discharging their duties in relation to our operations. When reviewing and determining the specific remuneration packages for our Directors, Supervisors and members of the senior management, our Shareholders' meetings and Board of Directors take into consideration factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by PRC laws and regulations, we also participate in various defined contribution plans organised by relevant provincial and municipal government authorities and welfare schemes for our employees, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

COMPENSATION OF DIRECTORS AND SUPERVISORS

During the years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to our Directors and Supervisors were approximately RMB47.4 million, RMB49.3 million and RMB51.0 million, respectively.

During the years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to members of our senior management were approximately RMB66.7 million, RMB57.7 million and RMB61.4 million, respectively.

During the years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to the five highest-paid individuals in our Company were approximately RMB52.8 million, RMB54.9 million and RMB57.0 million, respectively.

We have not paid any remuneration to our Directors, Supervisors or five highest-paid individuals as an inducement to join or upon joining us or as compensation for loss of office in respect of the years ended 31 December 2011, 2012 and 2013. Except that one of our independent non-executive Directors, Mr. Hua Sheng, agreed to waive his emoluments during the Track Record Period, none of our other Directors or Supervisors has waived any emoluments during the Track Record Period.

In 2010, the Group launched the Economic Profits Bonus Plan (the "**Plan**") as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to the key performance indicator of economic profits of the Group in each corresponding year. The bonuses for employees of the project companies are capitalised as inventory of the relevant projects and the bonuses for our other employees (including our Directors, Supervisors and senior management) are expensed as our administrative expenses in the respective years. For the three financial years ended 31 December 2011, 2012 and 2013, the total amount of undistributed bonus to our Directors, Supervisors and senior management under the Plan amounted to RMB63.1 million, RMB86.8 million and RMB100.5 million, respectively.

In March 2014, the Company established a partnership scheme (the "**Partnership Scheme**") to further align the incentives of the management with those of the Shareholders and to increase the incentives of the management for quality management. On 23 April 2014, 1,320 employees of the Group (including three executive Directors, two Supervisors and three members of senior management of the Company), most of whom are participants in the Plan, voluntarily joined the Partnership Scheme and entrusted Ying'an Advisory to manage the bonus under the Plan on their behalf. Each of the 1,320 employees entered into an agreement with Ying'an Advisory pursuant to which Ying'an Advisory was appointed to manage their bonus. The undistributed bonuses under the Plan for participants in the Partnership Scheme as of 31 December 2013 have been segregated into a different account under

Ying'an Advisory as of the Latest Practicable Date and are all under the management of Ying'an Advisory pursuant to the agreement. A vesting period of three years applies to the interests in the bonus during which distribution of the interests in the bonus cannot be made. Distribution of interests in the bonus to the participants is determined with reference to the performance of each participant in the Group.

Ying'an Partnership, pursuant to its own investment decisions, purchased 211,368,362 A Shares at a consideration of approximately RMB1.78 billion, mainly including the undistributed bonuses under the Plan for participants in the Partnership Scheme as of 31 December 2013 which have been segregated into an account under Ying'an Advisory and leveraged financing, through the Shenzhen Stock Exchange from 28 May 2014 to the Latest Practicable Date, representing approximately 1.92% of the total issued share capital of the Company as of the Latest Practicable Date. Our Company did not provide any financing or guarantee to Ying'an Partnership for its purchase of A Shares on the Shenzhen Stock Exchange. Ying'an Partnership may continue to purchase A Shares of the Company through the Shenzhen Stock Exchange from time to time pursuant to its own investment decisions, and we will make announcements as necessary in accordance with applicable laws, regulations, rules or other requirements. As advised by our PRC legal adviser, Shu Jin Law Firm, there is no atypical provision contained in the Articles of Association, and the Articles of Association do not violate relevant PRC laws and regulations. The A Shares purchased by Ying'an Partnership rank pari passu with other A Shares and have the same voting, dividend, transfer and other rights and benefits as other A Shares.

The legal representative of Ying'an Advisory and Ying'an Partnership is Mr. Ding Fuyuan (丁福源), who is one of the three directors of Ying'an Advisory and served as the chairman of the Supervisory Committee of the Company from May 1994 to March 2014 (Mr. Xie Dong (解凍) succeeded Mr. Ding as the chairman of the Supervisory Committee of the Company in March 2014). The remaining two directors of Ying'an Advisory are Ms. Xiao Li (肖莉) and Mr. Zhou Weijun (周衛軍). Ms. Xiao served as a Director of the Company from April 2004 to March 2014 and an executive vice president of the Company from October 2007 to March 2014. Mr. Zhou is a director of certain subsidiaries of the Company and served as an executive vice president of the Company from March 2011 to March 2014. Accordingly, Ms. Xiao and Mr. Zhou are connected persons of the Company under the Hong Kong Listing Rules. To the best knowledge of the Company after due enquiry, save as disclosed above, the shareholders and senior management of Ying'an Advisory are Independent Third Parties of the Company pursuant to the Hong Kong Listing Rules.

Except as disclosed above, no other payments have been made or are payable, in respect of the years ended 31 December 2011, 2012 and 2013, by our Company to any of our Directors or Supervisors.

Under the arrangements currently in force, we estimate the aggregate compensation, excluding any discretionary bonuses and any bonus under the Plan, payable by our Group to our Directors and Supervisors for the year ending 31 December 2014 to be approximately RMB54.7 million.

The bonus under the Plan for 2014 has yet been determined as of the Latest Practicable Date and will be determined with reference to the financial performance of the Group in 2014. The Company does not expect the bonus for 2014 will have any material adverse impact on our financial conditions and results of operations.

A SHARE STOCK OPTION INCENTIVE SCHEME

We adopted an A Share Stock Option Incentive Scheme at the first extraordinary general meeting of our Company of 2011 on 8 April 2011, the purpose of which is to incentivise and reward eligible participants for their contribution or potential contribution to our Group. Our executive Directors, Mr. Wang Shi, Mr. Yu Liang and Mr. Wang Wenjin, and certain members of our senior management were covered under the A Share Stock Option Incentive Scheme. For details of the A Share Stock Option

Incentive Scheme and number of share options granted and exercised by our executive Directors and senior managers, please refer to "Other Information — A Share Stock Option Incentive Scheme" in Appendix IX to this listing document.

THE COMPLIANCE ADVISER

We have appointed CITIC Securities Corporate Finance (HK) Limited as our compliance adviser upon Listing in compliance with Rules 3A.19 and 19A.05 of the Hong Kong Listing Rules. Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, as our compliance adviser, CITIC Securities Corporate Finance (HK) Limited will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated to include share issues and share repurchases;
- where our business activities, developments or results deviate from any forecast, estimate or other information in the listing documents; and
- where the Hong Kong Stock Exchange makes an inquiry of us under Rule 13.10 of the Hong Kong Listing Rules.

The term of appointment will commence on the Listing Date and end on the date on which we comply with the Hong Kong Listing Rules in respect of our financial results for the first full financial year after the Listing Date.

CORPORATE GOVERNANCE CODE

As of the Latest Practicable Date and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, the Directors are not aware of any deviation from provisions in the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules.

As of the Latest Practicable Date, as far as our Directors are aware, each of the following persons has or is deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or who is directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of our Company carrying rights to vote in all circumstances at general meeting of our Company:

Name	Nature of interest	Class of shares	Number of shares	Approximate percentage of shareholding in the relevant class of Shares as of the Latest Practicable Date	Approximate percentage of shareholding in the total share capital of the Company as of the Latest Practicable Date
CRC[(1)]	Beneficial interest	A Shares	1,645,494,720	16.96%	14.94%
	Interest in controlled corporation	A Shares	6,840,570	0.07%	0.06%
CRNC[(2)]	Interest in controlled corporation	A Shares	1,652,335,290	17.03%	15.00%

Note:

(1) CRC directly held 1,645,494,720 A Shares of our Company and indirectly held 6,840,570 A Shares of our Company through its wholly-owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司).

(2) CRC is wholly-owned by CRNC, thus CRNC is deemed or taken to be interested in all the Shares which are directly and indirectly held by CRC pursuant to SFO.

SHARE STRUCTURE

As of the Latest Practical Date, our total issued 11,015,026,419 Shares, which comprised 9,700,070,951 A Shares and 1,314,955,468 B Shares, was categorised as follows:

	No. of Shares	Approximate percentage of share capital
A Shares	9,700,070,951	88.06%
B Shares	1,314,955,468	11.94%
Total	11,015,026,419	100.00%

Immediately after the completion of the Listing, without taking into account the Shares issued upon the exercise of the share options under the A Share Stock Option Incentive Scheme since the Latest Practicable Date, our total share capital would be as follows:

	No. of Shares	Approximate percentage of share capital
A Shares	9,700,070,951	88.06%
H Shares	1,314,955,468	11.94%
Total	11,015,026,419	100.00%

RANKING

The A Shares and H Shares are ordinary shares in the registered share capital of our Company in issue upon the completion of the Listing. However, unless otherwise approved by relevant authorities, H Shares could not be subscribed for by, or traded between legal or natural persons of the PRC. Domestic investors holding H Shares of our Company due to the conversion of our B Shares to H Shares can only hold or sell their H Shares but cannot purchase additional H Shares on the Hong Kong Stock Exchange. A Shares, on the other hand, can only be subscribed for by, and traded between legal or natural persons of the PRC or QFIIs or eligible foreign strategic investors, and must be traded in Renminbi. All dividends or distributions declared, paid or made in respect of our A Shares and H Shares after the Listing will rank pari passu with each other. All dividends in respect of our H Shares are to be paid by our Company in HK dollars whereas all dividends in respect of our A Shares are to be paid by our Company in Renminbi.

Our A Shares have been listed on the Shenzhen Stock Exchange since 29 January 1991. The market prices of our A Shares and H Shares may be different. Please refer to the section headed "Risk Factors" in this listing document.

Save as described above, our Shares of the same class carry the same rights and benefits and the differences between our A Shares and H Shares in relation to the dispatch of notices and financial reports to Shareholders, dispute resolution, registration of shares on different registers of shareholders, the method of share transfer and the appointment of dividend receiving agents, are all provided for in our Articles of Association and summarised in "Appendix VII — Summary of the Articles of Association" in this listing document.

CONVERSION OF OUR A SHARES INTO H SHARES

According to our Articles of Association, upon the approval of the securities regulatory authority of the State Council, holders of our domestic shares can transfer their shares to overseas investors and such shares can be listed and traded on overseas stock exchanges. The listing and trading of the transferred shares on the overseas stock exchanges shall also in all respects comply with the regulatory procedures, regulations and requirements prescribed by the relevant overseas stock exchanges. No class shareholder voting is required for the listing and trading of the transferred shares on an overseas stock exchange.

Therefore, the A Shareholders may convert their A Shares into H Shares provided such conversion have gone through any requisite internal approval process and complied with the regulations prescribed by the State Council securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant stock exchange(s) and have been approved by the State Council securities regulatory authorities, including the CSRC. The listing of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our A Shares into H Shares as disclosed above, we can apply for the listing of all or any portion of our A Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share Register. As any listing of additional Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting or voting of the Shareholders at a general meeting is required for the listing and trading of the converted Shares on the Hong Kong Stock Exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant A Shares will be withdrawn from the CSDC and we will re-register such Shares on our H Share Register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share Register will be on the condition that (a) our H Share Registrar lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share Register and the due dispatch of H Shares certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange will comply with the Hong Kong Listing Rules and the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the transferred Shares are re-registered on our H Share Register, such Shares would not be listed as H Shares.

As of the Latest Practicable Date, so far as our Directors are aware, our existing substantial shareholder does not intend to convert any of its A Shares into H Shares.

CONVENTION OF GENERAL MEETING AND CLASS MEETING

In accordance with our Articles of Association, in the event of variation or abrogation of any rights conferred on any class of Shareholders, approvals by a special resolution of Shareholders in a general meeting and by at least two thirds of the Shareholders of that class with voting rights present at a separate meeting are required.

Shareholders of the affected class, whether or not otherwise having the right to vote at the Shareholder's general meeting, shall nevertheless have the right to vote at class meetings in respect of matters provided in the Articles of Association, but interested Shareholder(s) (as defined below) shall not be entitled to vote at class meetings.

For the sole purpose of the class rights provisions of the Articles of Association, the meaning of "interested Shareholder(s)" is:

- in the case of a repurchase of Shares by offers to all Shareholders or public dealing on a stock exchange, a "interested Shareholder", alone, or acting in concert with others, having the power to elect more than half of the Board of Directors, or having the power to exercise or to control the exercise of 30% or more of the voting rights in the Company, or holding 30% or more of the issue Shares of the Company, or in any manner actually controlling the Company.

- in the case of a repurchase of Shares by an off-market contract, a Shareholder to which the proposed contract relates.

- in the case of a reorganisation of our Company, a Shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed reorganisation or who has an interest in the proposed reorganisation different from the interest of other Shareholders of that class.

For more details of class meetings, please refer to our Articles of Association, which is summarised in "Appendix VII — Summary of the Articles of Association" in this listing document.

A SHARE STOCK OPTION INCENTIVE SCHEME

On 8 April 2011, an A Share Stock Option Incentive Scheme was approved and adopted at the first extraordinary general meeting of our Company for 2011, pursuant to which the Board of Directors was authorised to grant share options to 838 eligible persons subject to their acceptance to subscribe for an aggregate of 110,000,000 A Shares, accounting for 1.0004% of the total share capital of our Company as of the approval date at nil consideration. As of 9 May 2011, being the registration date of the A Share Stock Option Incentive Scheme, due to the departure of certain grantees from the Company, our Company had granted share options to 810 eligible persons to subscribe for an aggregate of 108,435,000 A Shares, accounting for 0.9862% of our total share capital as of the registration date. The exercise price was RMB8.89 per Share, subject to changes due to payment of dividends, right issue, capital reserve, share subdivision, etc. before the exercise of the share options.

As of the Latest Practicable Date, all the share options to subscribe for an aggregate of 108,435,000 A Shares have been granted and 19,816,201 share options have been exercised, 20,249,500 share options have been forfeited and the aggregate number of the outstanding share options is 50,225,800. For more details of the A Share Stock Option Incentive Scheme and particulars of the outstanding share options, please refer to "Other Information — A Share Stock Option Incentive Scheme" in Appendix IX to this listing document.

PUBLIC FLOAT REQUIREMENTS

Rule 8.08(1)(a) of the Hong Kong Listing Rules requires that at least 25% of the issuer's total issued share capital must at all times be held by the public. Rule 8.08(1)(b) of the Hong Kong Listing Rules requires that the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital, with an expected market capitalisation at the time of listing of not less than HK$50 million. Under Rule 8.08(1)(d) of the Hong Kong Listing Rules, subject to certain criteria, the Hong Kong Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalisation at the time of listing of over HK$10 billion, where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage.

As of the Latest Practicable Date, there were 1,314,955,468 B Shares which account for approximately 11.94% of our total issued share capital. In addition, the Cash Option Providers include CRH and GIC, both of whom are our connected persons pursuant to the Hong Kong Listing Rules. As such, any B Shares to be held by them as a result of the exercise of Cash Option will not be considered as public float. Apart from the B Shares to be held by CRH and GIC, it is expected that the B Shares to be held by all the other third parties as a result of the exercise of Cash Option will be considered as public float for B Shares. CRH and GIC committed a cap amount for the purpose of providing the Cash Option which would cause the maximum number of B Shares that CRH and GIC can acquire amount to no more than approximately 3.08% of our total issued share capital. Therefore, the percentage of B Shares to be held in the public hands after the exercise of the Cash Option may fall from approximately 11.44% to approximately 8.35% of our total issued share capital. As of the Latest Practicable Date, after exercise of the Cash Option, CRH and GIC held nil and 66,366,194 B Shares, respectively, whilst a total of 1,248,589,274 B Shares were held in public hands, representing a public float percentage of approximately 11.34%.

In light of the above, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 8.08(1)(b) of the Hong Kong Listing Rules that the H Shares will account for approximately 11.94% of our total issued share capital and a lower public float percentage for H Shares of 8% (or such higher percentage as may be held by the public upon completion of the Cash Option) of our total issued share capital which is less than the 15% threshold. For the specific grounds of the waiver, please refer to the paragraph headed "Public Float" of the section headed "Waivers From Strict Compliance with the Hong Kong Listing Rules" of this listing document for more details.

DEALING IN SHARES PRIOR TO THE LISTING

According to Rule 9.09(b) of the Hong Kong Listing Rules, there must be no dealing in the securities of a new applicant for which listing is sought by any connected person of the issuer from the date which is four clear business days before the expected listing hearing date until listing is granted. In the context of a secondary listing of a widely held, publicly traded company, our Company has no control over the investment decision of our Shareholders. Our Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules which restricts such dealings in the Shares prior to the Listing. Please refer to the sub-section headed "Waivers from Strict Compliance with the Hong Kong Listing Rules — Dealings in Shares prior to Listing" in this listing document for details of the waiver.

LISTINGS

Our Company intends to convert the B Shares into H Shares which will be listed by way of introduction on the Main Board of the Hong Kong Stock Exchange. The Listing is conditional upon the Listing Committee granting the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange. Upon completion of the Listing, all B Shares in issue will be, due to the change of the listing venue, converted into H Shares and the H Shares will be listed on the Main Board of the Hong Kong Stock Exchange by way of introduction. Our Company also has A Shares which are traded on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Company had 683,504 Shareholders, of which 667,396 Shareholders were A Shareholders and 16,108 Shareholders were B Shareholders.

THE ARRANGEMENT

Based on the closing price of B Shares on 3 June 2014, being the last trading day of B Shares, of HK$12.41, the market capitalisation of the 1,314,955,468 H Shares to be held by public H Shareholders is expected to be approximately HK$16.3 billion. Based on the closing price of B Shares on 3 June 2014 of HK$12.41, the closing price of A Shares on the Latest Practicable Date of RMB8.12, and the translation of Renminbi into HK dollars at the rate of RMB0.79379 to HK$1.00, the market capitalisation of our Company's total issued Shares of 11,015,026,419 Shares was approximately HK$115.5 billion.

As of the Latest Practicable Date, there were more than 300 public beneficial B Shareholders with securities accounts opened in Hong Kong with CITIC Securities Brokerage HK or other eligible Hong Kong or overseas securities corporations holding in aggregate 952,053,622 B Shares, representing approximately 72.4% of the total number of issued B Shares and approximately 8.6% of the total number of issued Shares, who are ready to trade their H Shares on the Hong Kong Stock Exchange upon the commencement of trading of H Shares on the Listing Date. Based on the closing price of B Shares on 3 June 2014 of HK$12.41, the market capitalisation of such 952,053,622 B Shares was approximately HK$11.8 billion, which is already larger than the entire market capitalisation of a large number of Hong Kong-listed companies. Therefore, our Company expects that there will be adequate liquidity of H Shares upon the Listing.

Upon Listing, the Cash Option Providers will hold in total 307,695,173 H Shares (including nil B Share acquired by CRH, 12,091,929 B Shares acquired by GIC and 12,091,930 B Shares acquired by Value Partners upon exercise of the Cash Option by the B Shareholders). Such H Shares are not subject to any lock-up period and can be traded on the Hong Kong Stock Exchange once Listing occurs.

In addition, our Company intends to make the following announcements:

- an announcement on the websites of the Hong Kong Stock Exchange and our Company on 23 June 2014 on (i) the closing price of A Shares on 19 June 2014, 20 June 2014 and 23 June 2014 and the closing price of B Shares on 3 June 2014 (being the last trading day of B Shares), and (ii) the price per B Share payable by the Cash Option Providers to B Shareholders pursuant to the Cash Option; and

- an announcement on the websites of the Hong Kong Stock Exchange and our Company on 24 June 2014 on (i) obtaining the final listing approval in writing from the Hong Kong Stock Exchange; (ii) the closing price of A Share on 24 June 2014 and the closing price of B Shares on 3 June 2014 (being the last trading day of B Shares); and (iii) the price per B Share payable by the Cash Option Providers to B Shareholders pursuant to the Cash Option.

REGISTRATION

Our Company has established the H Share Register which is maintained by the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, whose address is Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

All the then existing issued H Shares will be registered with the H Share Registrar in the name of the CSDC two days before the Listing Date. CSDC will be the nominee H Shareholder to hold all H shares on behalf of the beneficial H Shareholders converted from the B Shares at the time of listing.

Certificates in respect of the H Shares registered on the H Share Register will, as far as practicable, and unless otherwise requested, be issued to represent the total number of H Shares held by each H Shareholder.

SHARE CERTIFICATES

Share certificates for the H Shares will be issued by the H Share Registrar.

TYPES OF INVESTORS

Investors of the H Shares are classified into three types, namely domestic investors, domestically trading overseas investors and non-domestically trading overseas investors according to the following basis:

Type of investors of H Shares	Basis for classification
Domestic investors	PRC investors who did not (i) dispose of their B Shares before the last trading day on the Shenzhen Stock Exchange; and (ii) take up the Cash Option. Their B Shares will be converted, due to the change of the listing venue, into H Shares upon the Listing, and the PRC investors can either continue to hold their H Shares or sell their H Shares via trading systems of the PRC securities companies only. Such trading systems are the same as the trading systems of the B Shares currently adopted except for (i) "purchase" orders cannot be placed; and (ii) all "sell" orders will be placed through SSSCC to CITIC Securities Brokerage HK.
Domestically trading overseas investors	Overseas investors who did not (i) dispose of their B Shares before the last trading day on the Shenzhen Stock Exchange; (ii) take up the Cash Option; and (iii) transfer their H Shares from the CSDC nominee account to their individual Hong Kong securities accounts such that their H Shares will be traded on the Main Board of the Hong Kong Stock Exchange through CITIC Securities Brokerage HK or other eligible Hong Kong securities or overseas corporations. Such overseas investors can either continue to hold their H Shares or sell their H Shares via the trading systems of the PRC securities companies only. Such trading systems are the same as the trading systems of the B Shares currently adopted except for (i) "purchase" orders cannot be placed and (ii) all "sell" orders will be placed through SSSCC to CITIC Securities Brokerage HK.

Type of investors of H Shares	Basis for classification
Non-domestically trading overseas investors	Overseas investors who did not (i) dispose of their B Shares before the last trading day on the Shenzhen Stock Exchange; and (ii) take up the Cash Option, and they agree to transfer their H Shares from the CSDC nominee account to their individual Hong Kong securities accounts with CITIC Securities Brokerage HK or other eligible Hong Kong or overseas securities corporations such that their H Shares will be traded on the Main Board of the Hong Kong Stock Exchange through CITIC Securities Brokerage HK or other eligible Hong Kong or overseas securities corporations upon the commencement of trading of the H Shares on the date of the Listing. Such overseas investors can place both "purchase" and "sell" orders through such eligible Hong Kong or overseas securities corporations.

Domestic investors and domestically trading overseas investors will be collectively referred to as investors trading through PRC securities companies. Such investors cannot buy the H Shares but can either continue to hold their H Shares or sell their H Shares.

Non-domestically trading overseas investors will be regarded as investors trading through eligible Hong Kong or overseas securities corporations. Such investors can place both "purchase" and "sell" orders through eligible Hong Kong or overseas securities corporations.

There are no differences between investors trading through the trading system of PRC securities companies and investors trading through eligible Hong Kong or overseas securities corporations in respect of their shareholder rights, entitlements and obligations except as described below:

- Under the current regulatory system of the PRC, except otherwise explicitly permitted by the relevant PRC laws and regulations and in accordance with the respective procedures, regulations and requirements, PRC individuals or enterprises are not allowed to directly invest in overseas listed securities including, but not limited to, investment through purchase, subscription, participating in placement or rights issue, etc. Since the H Shares of investors trading through PRC securities companies will be held by the CSDC, which is a company incorporated in the PRC, as the nominee upon the Listing, those investors therefore can only either continue to hold the H Shares or sell the H Shares, but cannot invest in any additional H Shares, such as by participating in a rights issue of our Company. No such restrictions apply to investors trading through eligible Hong Kong or overseas securities corporations. Before the subscription of overseas shares by domestic residents is allowed or all the H shares held by domestic residents are disposed of through the trading system of domestic securities companies, the Company shall exercise caution when dealing with material matters, such as rights issue of shares, by taking into consideration the restrictions of the trading of H shares and the fair participation and obligations of different investors.

- For other differences in rights, entitlements and obligations such as the trading hours and trading fee between the investors trading through eligible Hong Kong or overseas securities corporations and the investors trading through the PRC securities companies, please refer to the paragraph headed "Investor awareness — Comparison of trading restrictions and differences among domestic investors, domestically-trading overseas investors and non-domestically trading overseas investors upon the Listing" of this section in this listing document.

DEALINGS

Dealings in the H Shares on the Hong Kong Stock Exchange will be conducted in HK dollars. The H Shares will be traded on the Hong Kong Stock Exchange in board lots of 100 H Shares.

Trading mechanism

Investors trading through PRC securities companies can only place trading instructions in the form of "sell" orders to their relevant PRC securities companies and are not allowed to place the trading instructions in the form of "purchase" orders. Only non-domestically trading overseas investors can place the trading instructions in the form of both "sell" and "purchase" orders. When the investors trading through PRC securities companies place sell orders, the relevant PRC securities company of such investors will first check whether the investors have sufficient H Shares at the CSDC before sending the trading instructions through SSSCC to CITIC Securities Brokerage HK for execution. All trading instructions received by CITIC Securities Brokerage HK will be double-checked again with regard to the validity of the trading instructions before the instructions are sent to the Hong Kong Stock Exchange for execution. Under the trading mechanism, no short-sell order is expected to be sent to the Hong Kong Stock Exchange for execution. Apart from short-sell monitoring, CITIC Securities Brokerage HK will also handle the trading instructions in the following manner:

(i) H Shares with odd lot size (the "**Odd Lot H Shares**") will be fully disposed of in one single transaction. The available balance of the Odd Lot H Shares held by the investors after such single transaction shall be zero. The trading instructions for the Odd Lot H Shares may be given independently for execution or together with the trading instructions of the board lots of H Shares for execution. CITIC Securities Brokerage HK will coordinate the disposal of the Odd Lot H Shares to ensure that the Odd Lot H Shares will be given assured trading at a trading price equivalent to 90% of the then prevailing trading price of H Shares upon the execution of Odd Lot H Shares order.

(ii) If the number of H Shares under the trading instruction exceeds one board lot, H Shares with board lot size (the "**Board Lot H Shares**") under the trading instruction will be transferred to the Hong Kong Stock Exchange for execution. After the execution of the trading instruction of the Board Lot H Shares, CITIC Securities Brokerage HK will coordinate the disposal of the Odd Lot H Shares to ensure that the Odd Lot H Shares will be given assured trading at a trading price equivalent to 90% of the average executed trading price of the Board Lot H Shares.

(iii) All Odd Lot H Shares will be reported to the Hong Kong Stock Exchange after execution.

After the trading instruction has been executed, the executed information of H Shares held by the CSDC's securities account opened with CITIC Securities Brokerage HK will be sent to SD&C via SSSCC and then forwarded to the relevant investors' PRC securities companies. There is no material timing difference in relation to the placing of "sell" order of H Shares through the trading systems of the PRC securities companies as compared with the placing of "sell" orders of H Shares through eligible Hong Kong or overseas securities corporations.

The trading mechanism for investors trading through eligible Hong Kong or overseas securities corporations will be the same as those investors of H shares of other companies listed on the Hong Kong Stock Exchange.

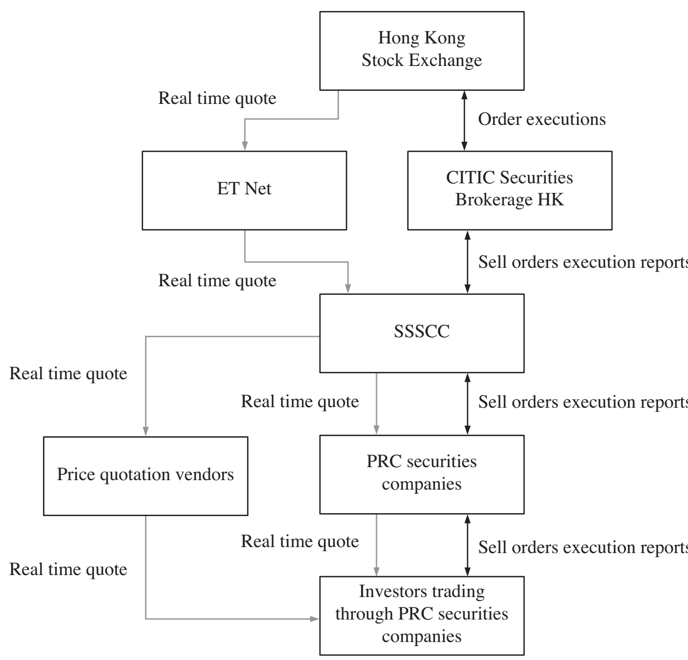
Real-time trading information

Real-time trading information in respect of the H Shares can be obtained from the following sources:

- through the PRC securities companies with upgraded system with which the PRC investors have securities accounts at no cost; or

- through service providers that provide such facilities at the PRC investors' own expense. Such service will be provided on and subject to the terms and conditions of the relevant service provider.

Set out below is a flow chart illustrating the trading mechanism and the provision of real-time trading information for the investors trading through PRC securities companies:



Transaction costs

The transaction costs of dealings in H Shares on the Hong Kong Stock Exchange will include a brokerage commission of 0.1% and CCASS stock settlement fee of 0.002% of the consideration of a transaction charged by CITIC Securities Brokerage HK, a trading fee of 0.005% charged per side of the consideration of a transaction, an SFC transaction levy of 0.003% charged per side of the consideration of a transaction and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration of the H Shares transferred.

Immediately upon the Listing, the investors trading through PRC securities companies will need to pay more fees, charges and costs than they need to pay for trading their B Shares. Please refer to the section headed "Risk Factors — Risks Relating to this Listing — Certain risks that our B Shareholders should be aware of — Risk regarding increasing transaction costs" in this listing document for details.

Investors trading through eligible Hong Kong or overseas securities corporations

In addition to the H Share Transaction Cost, the brokerage commission charged by the eligible Hong Kong or overseas securities corporations in respect of trading of H Shares on the Hong Kong Stock Exchange is freely negotiable.

Investors trading through PRC securities companies

In addition to the H Share Transaction Cost, the brokerage commission charged by CITIC Securities Brokerage HK in respect of the trading of H Shares of such kind of investors on the Hong Kong Stock Exchange is 0.1%. In addition to such brokerage commission, the brokerage commission charged by the PRC securities companies on the relevant investors is freely negotiable.

SETTLEMENT

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in H Shares on the Hong Kong Stock Exchange or any other date that HKSCC chooses.

The CCASS stock settlement fee payable by each counterparty to a trade in the Hong Kong Stock Exchange is currently 0.002% of the gross transaction value, subject to a minimum fee of HK$2 and a maximum fee of HK$100 per trade.

Investors trading through eligible Hong Kong or overseas securities corporations

Investors trading through eligible Hong Kong or overseas securities corporations must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For investors who have deposited their H Shares in their securities accounts in Hong Kong or in their designated CCASS Participant's stock accounts maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds physical share certificates, such certificates and the duly executed transfer form(s) must be delivered to his broker or custodian before the settlement date.

An investor may arrange with his broker or custodian on a settlement date in respect of his trades executed on the Hong Kong Stock Exchange. Under the General Rules of CCASS and CCASS Operational Procedures in effect from time to time, the date of settlement must not be later than the second business day following the trade date ("**T**") on which the settlement services of CCASS are open for use by CCASS Participants (T+2). For trades settled under CCASS, the General Rules of CCASS and CCASS Operational Procedures currently in effect provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

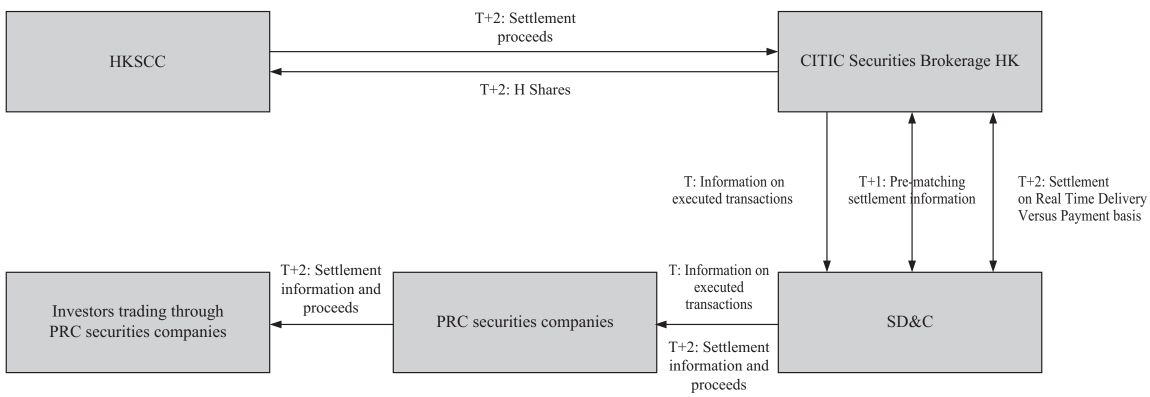
Investors trading through PRC securities companies

As mentioned above, under the General Rules of CCASS and CCASS Operational Procedures in effect from time to time, the date of settlement must not be later than the second business day following the trade date (T+2) on which the settlement services of CCASS are open for use by CCASS Participants.

Before 4:30 p.m. of T, information on the executed transactions (not including transaction costs) will be provided by CITIC Securities Brokerage HK to SD&C, and SD&C will forward such information to the PRC securities companies to update their respective clients' record on the same day. Before 9:00

a.m. of T+1, CITIC Securities Brokerage HK will provide SD&C with the information on the executed transactions (including transaction costs mentioned in the sub-section headed "— Transaction costs" above). Before noon of T+2, CITIC Securities Brokerage HK will settle with SD&C on Real Time Delivery Versus Payment basis. Settlement amount will credit to the CSDC designated bank account with Hong Kong Securities Clearing Company Limited at the same time. SD&C will transfer the settlement proceeds to the relevant PRC securities companies of the investors according to the information of executed transactions. The PRC investors will receive the settlement information and settlement proceeds on T+2.

Set out below is a flowchart illustrating the settlement mechanism for the investors trading through PRC securities companies:



Dividends

Dividends in respect of the H Shares will be declared in Renminbi and will be converted into HK dollars before being paid to the H Shareholders that carried out the trading activities on the Hong Kong Stock Exchange via the trading systems of PRC securities companies or eligible Hong Kong or overseas securities corporations.

As for the investors trading through PRC securities companies, since dividends in respect of the H Shares will be converted into HK dollars from Renminbi and be paid to the H Shareholders that carried out the trading activities on the Hong Kong Stock Exchange via the trading systems of PRC securities companies, before paying the dividends to the CSDC which holds the H Shares on behalf of the PRC investors as a nominee, our Company shall withhold 10% of the dividend according to the relevant PRC tax laws and regulations. For the investors trading through eligible Hong Kong or overseas securities corporations, as disclosed in the section headed "Risk Factors — Risks Relating to this Listing — Foreign individual holders of our H Shares are subject to PRC income tax and there are uncertainties as to the PRC tax obligations of foreign enterprises that are holders of our H Shares" in this listing document, non-PRC resident enterprise holders of our H Shares may be subject to PRC withholding tax on dividends.

General Meetings

In addition to the arrangement as stipulated in the Articles of Association of our Company, the PRC securities companies will be responsible for collecting the reply slips in respect of general meetings from their clients and forwarding the same to SD&C after the closure of register of members of our Company. SD&C will forward all the reply slips in respect of general meetings received to CCASS, and CCASS will follow the instructions as given by the PRC investors in such reply slips.

INVESTOR AWARENESS

Arrangement involving our Company and the PRC securities companies

Prior to the Listing, our Company and the PRC securities companies will cooperate to inform the investor community in the PRC of general information about our Company. Further, an announcement on the recent closing prices of A Shares and B Shares will be posted on the websites of the Hong Kong Stock Exchange and our Company on each trading day during the period from the date of this listing document to the day before the Listing Date. After the Listing, our Company and the PRC securities companies may continue to take measures to educate the PRC investors. The following measures have been or will be taken to enhance transparency of our Company:

- SD&C has informed the PRC securities companies and custodian banks the publication of the Transaction Guide and requested the PRC securities companies and custodian banks to inform the investors;
- the Transaction Guide has been published on the websites of the Shenzhen Stock Exchange, the SD&C and our Company so that the investors may have free access to it;
- information, where applicable, including among others, the closing price of (i) the A Shares as of 19 June 2014, 20 June 2014, 23 June 2014 and 24 June 2014; and (ii) B Shares as of 3 June 2014 will be disclosed on the website of the Hong Kong Stock Exchange and our Company;
- information brochures based on the Transaction Guide have been published and, together with the Transaction Guide, will be made available at various branches of the relevant PRC securities companies;
- SD&C has notified the investors about the major information of the announcement in relation to the Listing and the major information of the Transaction Guide through the electronic displays or bulletin boards etc in the branch offices of the PRC securities companies; and
- copies of this listing document will be made available during normal business hours on 23 June 2014 and 24 June 2014 at the office of CITIC Securities Corporate Finance (HK) Limited at 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong and the office of our Company's Hong Kong legal advisers, Paul Hastings, at 22/F, Bank of China Tower, 1 Garden Road, Hong Kong. In addition, electronic copies of this listing document will be disseminated through the websites of our Company, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange from 23 June 2014.

Change of custodians of investors trading through PRC securities companies

The change of custodian by domestic investors may only be made among the PRC securities companies (the "**Change of Domestic Custodian**") while the change of custodian by domestically trading overseas investors may be made among the PRC securities companies or from PRC securities companies to eligible Hong Kong or overseas securities corporations (the "**Change of Overseas Custodian**").

Change of Domestic Custodian

Prior to applying for the Change of Domestic Custodian, the domestic investor should open a cash account with the business department of a PRC securities company which the investor intends to transfer his/her H Shares to and ascertain the code number of that business department, so as to fill in the application form for the Change of Domestic Custodian.

The operational flow for the Change of Domestic Custodian is as follows:

(i) On the first business day ("**Y**"), the domestic investor should bring along his/her identification documents and fill in the application form for the Change of Domestic Custodian for H Shares in person at the business department of the PRC securities company with which he/she maintains a securities account.

(ii) After the business department of the PRC securities company with which the domestic investor maintains a securities account has verified his/her identification documents and the application form for the Change of Domestic Custodian, the application will be processed in accordance with the method of trade offer applicable to general B shares companies listed on the Shenzhen Stock Exchange and such application will be forwarded to SD&C.

(iii) On the first business day following Y, the domestic investor may enquire the balance of his/her transferred H Shares in the corresponding securities account opened with the business department of the new PRC securities company.

(iv) In the event that the trading system of the PRC securities company with which the domestic investor maintains a securities account has not been updated and is not able to process the Change of Domestic Custodian by way of trade offer applicable to general B shares companies listed on the Shenzhen Stock Exchange, SD&C will process the application by reference to the process flow for Change of Overseas Custodian.

Change of Overseas Custodian

Prior to applying for the Change of Overseas Custodian, domestically trading overseas investors should open a securities account with a securities corporation or custodian bank in Hong Kong or overseas at his/her choice and provide details of such securities account when applying for the Change of Overseas Custodian.

The process flow for the Change of Overseas Custodian is as follows:

(i) On Y day, the domestically trading overseas investor should bring along his/her identification documents and fill in the application form for the Change of Overseas Custodian for H Shares in person at the business department of the PRC securities company with which he/she maintains a securities account.

(ii) After the business department of the PRC securities company with which the domestically trading overseas investor maintains a securities account has verified his/her identification documents and the application form for Change of Overseas Custodian, the form will be signed under the seal of the business department of such PRC securities company and H Shares of the domestically trading overseas investor in relation to the Change of Overseas Custodian will be frozen, while the application for the Change of Overseas Custodian will be submitted to SD&C.

(iii) SD&C will collect all applications for the Change of Overseas Custodian from various PRC securities companies for processing.

The Change of Overseas Custodian cannot be processed in the same manner as the change of custodian by way of trade offer applicable to general B shares companies listed on the Shenzhen Stock Exchange.

Time for application for change of custodian

(i) An investor should submit his/her application to the business department of the PRC securities company with which he/she maintains a securities account before 11:00 a.m. on each common trading day of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange.

(ii) PRC securities companies should submit their applications to SD&C before 2:00 p.m. on each common trading day of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange.

Cancellation and adjustment of change of custodian

(i) The change of custodian may be cancelled on the same day of its application. The investor and the business department of the PRC securities company with which he/she maintains a securities account should sign and seal on the original application forms for the change of custodian to confirm cancellation. The process for cancellation of application is identical with that for the application of change of custodian, and the timing will be the same as the timing requirements for the application for change of custodian.

(ii) Where errors are identified after a Change of Domestic Custodian, the investor should fill in an application form for rectification of errors and the matter will be sent to SD&C for carrying out the rectification.

(iii) No rectification of securities account may be applied for after completion of a Change of Overseas Custodian.

Fees for change of custodian

The Change of Domestic Custodian is free of charge.

The Change of Overseas Custodian is subject to a handling fee of HK$50 per application and 0.002% of the aggregate closing value of the H Shares that are subject to such Change of Overseas Custodian on the previous trading day (subject to a minimum fee of HK$2), to be charged by the CSDC to the new custodian via CCASS on a delivery-versus-payment basis. A domestically trading overseas investor who submits an application form for the change between the PRC securities companies with which he/she maintains a securities account is not subject to any fees or charges.

Comparison of major differences regarding the trading of B Shares and H Shares

To facilitate investors' understanding on the differences regarding the trading of B Shares and H Shares, the following table sets out certain major differences regarding the trading of B Shares and H Shares:

Item for comparison	B Shares	H Shares
Trading dates	From Monday to Friday; market closed on Saturdays, Sundays and statutory national holidays of the PRC	From Monday to Friday; market closed on Saturdays, Sundays and public holidays of Hong Kong

Item for comparison	B Shares	H Shares
Method of placing orders and prices	Orders at market price: quotations may only be made during consecutive trading hours Limit orders: to be made according to designated prices	At-auction order: an order with no specified price and such order may only be submitted during the preopening session Limit orders: an order with specified price
Processing of trade submissions by the stock exchange trading system in the pre-trading period	9:15 a.m. – 9:20 a.m.: trade submissions are admissible and also cancellable 9:20 a.m. – 9:25 a.m.: trade submissions are admissible but no cancellations may be made 9:25 a.m. – 9:30 a.m.: trade submissions and cancellations are admitted but not processed	9:00 a.m. – 9:15 a.m.: submission, modification and cancellation of limit orders and at-auction orders acceptable 9:15 a.m. – 9:20 a.m.: only at-auction orders are acceptable; limit orders and at-auction order already put in queue cannot be modified or cancelled 9:20 a.m. – 9:28 a.m.: no input, modification and cancellation of orders are allowed. Orders will be matched in order type (at auction order first) 9:28 a.m. – 9:30 a.m.: no terminal activities are allowed
Continuous trading hours	Morning: 9:30 a.m. – 11:30 a.m. Afternoon: 1:00 p.m. – 2:57 p.m.	Morning: 9:30 a.m. – 12:00 p.m. Afternoon: 1:00 p.m. – 4:00 p.m. No afternoon sessions on Christmas Eve, New Year's Eve and Chinese New Year's Eve
Minimum trading volume for each order	100 B Shares	100 H Shares
Trading volumes below the minimum requirement for each order	B Shares with odd lot size, to be sold on a one-off basis	Odd Lot H Shares to be acquired by specialised agencies at trading prices equivalent to 85% to 90% of the then prevailing market price of H Shares or the average executed trading price of the Board Lot H Shares, where applicable, and must be sold in full in one single transaction
Minimum price fluctuation	HK$0.01	HK$0.001
Price movement limits	10%	Nil

Item for comparison	B Shares	H Shares
Day trade	Not permissible	Permissible
Settlement	T+3	T+2
Margin financing and securities lending	Nil	Yes

The differences stated above are arrived at solely by comparison between the trading of the B Shares and the H Shares, and may not be relevant to all investors of H Shares converted from B Shares. Different trading rules apply to different types of investors. For details please refer to the paragraphs headed "Types of Investors", "Comparison of trading restrictions and differences among domestic investors, domestically-trading overseas investors and non-domestically trading overseas investors upon the Listing" in this section.

Comparison of trading restrictions and differences among domestic investors, domestically-trading overseas investors and non-domestically trading overseas investors upon the Listing

Comparison among domestic investors, domestically-trading overseas investors and non-domestically trading overseas investors indicates certain trading restrictions and differences upon the Listing. Investors should find out which type of investors they belong to and fully inform themselves of the relevant restrictions and differences before dealings in the H Shares. The following table sets out major differences in trading restrictions:

	Domestic investors	Domestically-trading overseas investors	Non-domestically trading overseas investors
Stock code	299903	299903	2202
Short name of stock	萬科企業	萬科企業	萬科企業 in Chinese and China Vanke in English
Trading authorisation	Selling only; restriction on purchase		Buying and selling permissible
Trading day	Common trading day of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange		Trading day of the Hong Kong Stock Exchange
Types of buy/sell orders permitted	Limit orders		At-auction orders and limit orders
Trading hours	Morning: 9:15 a.m. – 11:30 a.m. Afternoon: 1:00 p.m. – 3:00 p.m. Afternoon: 3:00 p.m. – 4:00 p.m.: No new trading instructions may be submitted and all pending trading instructions submitted cannot be cancelled or amended but are still valid		Morning: 9:00 a.m. – 12:00 noon Afternoon: 1:00 p.m. – 4:00 p.m.

	Domestic investors	Domestically-trading overseas investors	Non-domestically trading overseas investors
Settlement time	T+2 (if T+2 is not a trading day of the Shenzhen Stock Exchange, settlement will be postponed to the next common trading day)		T+2
Day trade	Not permissible	Not permissible	Permissible
Margin financing trade	Not permissible	Not permissible	Permissible
Trading fee	The brokerage commission of 0.1% of the consideration of a H Share trading transaction charged by CITIC Securities Brokerage HK and the CCASS stock settlement fee of 0.002% of the consideration of a H Share trading transaction (subject to a minimum fee of HK$2 and maximum fee of HK$100 per trade) + B Share trading commission charged by the PRC securities company with which the investor maintained a securities account (at the same rate as that charged for the B Shares) + the H Share Transaction Cost (Please also refer to the paragraph headed "Certain risks that our B Shareholders should be aware of – Risk regarding increased transaction costs." under the section headed "Risk Factors" of this listing document for details of the risk regarding the increasing transaction costs)		The brokerage commission charged by CITIC Securities Brokerage HK or other eligible Hong Kong or overseas securities corporations and CCASS stock settlement fee of 0.002% of the consideration of a H Share trading transaction (subject to a minimum fee of HK$2 and maximum fee of HK$100 per trade) + the H Share Transaction Cost
Change of custodian	Change of Domestic Custodian permitted	Change of Domestic Custodian and Change of Overseas Custodian permitted	Change of custodian among the Hong Kong or overseas securities companies permitted

Historical trading information in respect of B Shares on the Shenzhen Stock Exchange

For the information purposes only, please see the table below in relation to high, low, period closing and period averages of our Company's trading information on the Shenzhen Stock Exchange since 1 January 2007 and to 3 June 2014, being the last trading day of B Shares:

	Historical price			
	High	**Low**	**Average close**	**Period end**
	(HK$)	*(HK$)*	*(HK$)*	*(HK$)*
2009				
January	6.70	5.85	6.21	5.99
February	7.28	5.89	6.52	6.19
March	8.32	6.00	7.16	8.10
April	8.68	7.46	8.14	8.18
May	10.07	8.18	8.96	9.75
June	11.51	9.70	10.61	11.20
July	12.53	10.51	11.58	11.10
August	11.52	8.68	10.15	9.00
September	10.74	8.81	9.91	9.74
October	10.69	9.55	10.15	9.67
November	11.20	9.35	10.31	9.90
December	10.43	9.10	9.77	9.73
2010				
January	9.75	7.77	8.71	7.89
February	8.36	7.40	7.86	8.29
March	9.25	8.22	8.86	8.91
April	9.30	7.48	8.45	7.55
May	8.01	6.50	7.14	7.92
June	8.52	7.34	7.90	8.19
July	10.25	7.80	9.11	10.15
August	10.15	8.78	9.48	9.50
September	9.99	9.31	9.70	9.81
October	11.30	9.56	10.65	11.12
November	11.25	9.19	10.50	9.80
December	10.83	9.25	10.19	9.60
2011				
January	10.35	9.48	9.93	9.67
February	9.97	9.01	9.47	9.11
March	10.55	8.52	9.63	10.20
April	11.55	10.07	11.17	11.00
May	11.05	9.50	10.14	10.70
June	10.59	9.55	10.22	10.48
July	11.09	10.21	10.74	10.75
August	10.74	8.56	9.59	10.00
September	9.60	6.01	7.69	6.75
October	8.87	6.30	7.57	8.78
November	8.80	7.00	7.96	7.40
December	7.95	6.90	7.54	7.68

	Historical price			
	High	Low	Average close	Period end
	(HK$)	*(HK$)*	*(HK$)*	*(HK$)*
2012				
January	8.50	7.15	7.90	8.48
February	10.46	7.79	8.98	10.00
March	10.10	8.44	9.33	9.21
April	10.38	8.75	9.61	10.36
May	10.47	8.95	9.80	10.16
June	10.20	9.68	9.98	10.16
July	10.50	9.49	10.10	9.97
August	9.99	9.15	9.50	9.70
September	10.05	9.01	9.56	9.75
October	10.45	9.41	9.89	10.11
November	12.00	10.13	10.90	12.00
December	12.50	11.19	12.11	12.50
2013				
January	17.03	13.75	16.01	16.91
February	16.85	14.48	15.38	15.75
March	16.10	14.40	15.03	15.00
April	16.50	14.50	15.64	15.72
May	17.10	15.43	16.53	15.60
June	15.94	11.88	14.16	13.90
July	14.16	12.60	13.62	14.10
August	15.62	13.75	14.61	15.62
September	16.05	14.05	15.02	14.19
October	15.07	13.08	14.40	13.13
November	14.25	12.55	13.45	14.25
December	14.19	11.00	12.61	12.10
2014				
January	13.13	11.70	12.23	12.76
February	12.90	10.53	12.08	11.50
March	13.51	11.20	12.60	12.90
April	13.33	12.23	12.75	12.93
May	12.78	11.50	12.03	12.20
June[Note]	12.44	12.25	12.41	12.41

Note: Only includes B Share's trading information up to 3 June 2014, being the last trading day of B Shares.

For the information purposes only, please see the table below in relation to the average daily trading volume and turnover for each period of our B Shares trading information on the Shenzhen Stock Exchange since 1 January 2007 and to 3 June 2014, being the last trading day of B Shares:

	Average daily trading volume		**Average daily turnover**
	(B Shares)	**(as% of total issued B Shares)**	**(HK$)**
2009			
January	4,427,975	0.34%	27,501,581
February	6,773,292	0.52%	44,646,438
March	6,092,273	0.46%	44,578,699
April	7,376,157	0.56%	60,111,333
May	4,817,723	0.37%	43,143,875
June	6,115,185	0.47%	64,854,668
July	6,621,547	0.50%	76,595,758
August	6,724,733	0.51%	68,462,597
September	4,732,886	0.36%	46,659,891
October	5,439,735	0.41%	55,170,684
November	5,659,719	0.43%	58,706,944
December	3,582,087	0.27%	35,301,055
2010			
January	4,841,974	0.37%	42,092,866
February	2,757,488	0.21%	21,732,000
March	3,239,474	0.25%	28,555,552
April	3,885,815	0.30%	32,679,581
May	4,219,190	0.32%	30,473,702
June	3,780,622	0.29%	29,928,237
July	4,033,445	0.31%	37,115,398
August	3,511,439	0.27%	33,330,131
September	2,391,915	0.18%	23,271,676
October	5,355,999	0.41%	56,991,889
November	3,159,684	0.24%	33,029,223
December	2,216,219	0.17%	22,685,148
2011			
January	2,635,313	0.20%	26,207,428
February	2,414,036	0.18%	22,913,156
March	2,856,042	0.22%	27,359,267
April	3,488,560	0.27%	39,182,071
May	2,349,413	0.18%	24,015,613
June	1,768,710	0.13%	18,099,358
July	2,048,291	0.16%	22,042,227
August	1,567,991	0.12%	14,961,054
September	4,230,245	0.32%	30,234,151
October	4,298,171	0.33%	32,784,026
November	2,139,728	0.16%	17,176,467
December	1,719,226	0.13%	13,003,227

	Average daily trading volume		Average daily turnover
	(B Shares)	(as% of total issued B Shares)	(HK$)
2012			
January	2,698,442	0.21%	21,496,889
February	5,366,553	0.41%	48,902,301
March	2,376,481	0.18%	22,265,151
April	2,596,557	0.20%	25,152,555
May	2,220,761	0.17%	21,739,559
June	2,195,380	0.17%	21,915,743
July	1,894,550	0.14%	19,112,253
August	2,238,832	0.17%	21,291,990
September	1,808,928	0.14%	17,311,032
October	2,071,376	0.16%	20,538,992
November	2,485,676	0.19%	27,349,031
December	2,773,771	0.21%	33,604,396
2013			
January	5,703,561	0.43%	93,023,134
February	3,709,041	0.28%	56,986,746
March	2,921,597	0.22%	43,995,469
April	2,649,712	0.20%	41,620,232
May	1,499,277	0.11%	24,628,799
June	3,049,656	0.23%	42,647,490
July	2,049,162	0.16%	27,984,144
August	1,547,852	0.12%	22,756,471
September	1,710,114	0.13%	26,476,526
October	1,399,686	0.11%	19,927,245
November	1,806,139	0.14%	24,422,606
December	2,095,169	0.16%	26,484,737
2014			
January	1,961,697	0.15%	24,281,309
February	2,861,151	0.22%	33,942,378
March	2,933,770	0.22%	37,191,420
April	2,141,499	0.16%	27,364,641
May	3,189,270	0.24%	38,666,609
June[Note]	8,397,116	0.64%	104,208,210

Note: Only includes B Share's trading information up to 3 June 2014, being the last trading day of B Shares.

Historical share prices of B Shares may not be indicative of the share price at which the H Shares will trade following completion of the Listing. Please refer to the section headed "Risk Factors — Risk Relating to this Listing — Certain risks that our B Shareholders should be aware of" in this listing document for the associated risks.

INVESTOR COMPENSATION

The SFO, which became effective from 1 April 2003, provides for the establishment of the Investor Compensation Fund (the "**Fund**"). The Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licenced intermediary or authorised financial institution in relation exchange-traded products in Hong Kong.

The objective of the Fund is to provide certain level of security to retail investors. The client of a defaulting intermediary is eligible to claim. However, the following investors (the "**Unqualified Investors**") cannot claim against the Fund:

(a) A licenced corporation

(b) An authorised financial institution

(c) A recognised exchange company, a recognised exchange controller, or a recognised clearing house

(d) An authorised automated trading services provider

(e) An authorised insurer

(f) A manager or operator of an authorised collective investment scheme

(g) A person who is authorised, licenced or exempt by a competent authority in a jurisdiction outside Hong Kong for any activity that is the same as or similar to any of the activities carried on by a person referred to in (a) to (f) above

(h) An associate of the defaulting intermediary which is a corporation

(i) An employee of the defaulting intermediary who has committed breach of trust, defalcation, fraud or misfeasance

(j) The Hong Kong Government or an overseas government

(k) A person acting as a trustee or custodian of the above persons, schemes or arrangement.

Investors trading through eligible Hong Kong or overseas securities corporations

The investors which are not classified as Unqualified Investors are eligible to claim against the Fund.

Investors trading through PRC securities companies

Given that the CSDC acts as a nominee to hold the H Shares on behalf of the PRC investors and the CSDC is a recognised clearing house in the PRC, therefore the CSDC is regarded as an Unqualified Investor and is not eligible to claim against the Fund and the investors trading through PRC securities companies of which the CSDC acts as nominee to hold the H Shares are also not able to claim against the Fund.

Based on Measures for the Administration of Securities Investor Protection Fund (證券投資者保護基金管理辦法) (the "**Administrative Measures**") issued by the CSRC effective from 1 July 2005, in the PRC, The Securities Investors Protection Fund (證券投資者保護基金) (the "**PRC Protection Fund**") is raised, managed and used by China Securities Investors Protection Fund Corporation Limited (中國證券投資者保護基金有限責任公司), a wholly state-owned company (the "**Fund Company**"), to protect the interests of securities investors by preventing and disposing of the risks of PRC securities companies. According to the Administrative Measures and other relevant regulations, only when securities companies are dissolved, closed or declared bankrupt, or compulsory supervision measures are taken such as administrative takeover and trustee operation (託管經營) by the CSRC, can the PRC Protection Fund be applied by the Fund Company to indemnify the creditors of the PRC securities companies in accordance with the relevant procedures, regulations and requirements. Investors trading through PRC securities companies can only claim against the PRC Protection Fund under the abovementioned circumstances, but cannot be compensated for other pecuniary losses as a result of default of the PRC securities companies.

The following independent auditor's report on the consolidated financial statements of the Company as of and for the year ended 31 December 2011 as set out herein is reproduced from the Company's 2011 annual report dated 13 March 2012.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA VANKE CO., LTD.
(Established as a joint stock company in the People's Republic of China with limited liability)

We have audited the accompanying consolidated financial statements of China Vanke Co., Ltd. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2011 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Huazhen
Certified Public Accountants
8th Floor, Tower E2, Oriental Plaza
1 East Chang An Avenue
Beijing, People's Republic of China
9 March 2012

The following consolidated financial statements of the Company as of and for the year ended 31 December 2011 as set out herein is reproduced from the Company's 2011 annual report dated 13 March 2012.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011
(Expressed in Renminbi Yuan)

	Note	2011 RMB'000	2010 RMB'000
Revenue	4(a)	67,709,396	47,763,550
Cost of sales		(43,249,418)	(29,528,521)
Gross profit		24,459,978	18,235,029
Other revenue	5	820,643	787,638
Other net income	6	138,306	410,591
Distribution costs		(2,556,775)	(2,079,093)
Administrative expenses		(2,666,722)	(1,881,498)
Other operating expenses	7	(97,004)	(95,864)
Profit from operations		20,098,426	15,376,803
Finance costs	8(a)	(1,252,354)	(1,125,639)
Share of profits less losses of associates	14	397,783	135,391
Share of profits less losses of jointly controlled entities	15	246,205	156,312
Profit before taxation		19,490,060	14,542,867
Income tax	9(a)	(7,890,454)	(5,703,256)
Profit for the year		11,599,606	8,839,611
Attributable to:			
Equity shareholders of the Company		9,624,875	7,283,128
Non-controlling interests		1,974,731	1,556,483
Profit for the year		11,599,606	8,839,611
Basic earnings per share (RMB)	11	0.88	0.66

The accompanying notes form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 29(c).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011
(Expressed in Renminbi Yuan)

	Note	**2011** *RMB'000*	**2010** *RMB'000*
Profit for the year		11,599,606	8,839,611
Other comprehensive income (after tax and reclassification adjustments)	*10*		
Exchange differences on translation of financial statements of overseas subsidiaries		155,644	113,411
Available-for-sale securities: net movement in the fair value reserve		27,373	(106,834)
		183,017	6,577
Total comprehensive income for the year		11,782,623	8,846,188
Attributable to:			
Equity shareholders of the Company		9,807,892	7,289,705
Non-controlling interests		1,974,731	1,556,483
Total comprehensive income for the year		11,782,623	8,846,188

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2011
(Expressed in Renminbi Yuan)

	Note	2011 RMB'000	2010 RMB'000
Non-current assets			
Property, plant and equipment	12	2,777,889	2,389,977
Investment properties	13	1,126,105	129,176
Interest in associates	14	2,160,824	1,035,876
Interest in jointly controlled entities	15	4,183,142	3,374,074
Other financial assets	16	523,790	488,565
Other non-current assets	17	463,793	1,055,993
Deferred tax assets	25(b)	2,326,242	1,643,158
		13,561,785	10,116,819
Current assets			
Inventories	18	208,661,350	133,680,569
Trade and other receivables	19	40,071,647	34,370,341
Pledged deposits	20	625,403	2,719,998
Cash and cash equivalents	21	33,614,112	35,096,935
		282,972,512	205,867,843
Current liabilities			
Loans and borrowings	22	23,570,276	16,783,691
Financial derivatives	23	17,042	15,054
Trade and other payables	24	168,893,596	106,138,344
Current taxation	25(a)	8,243,247	6,713,702
		200,724,161	129,650,791
Net current assets		82,248,351	76,217,052
Total assets less current liabilities		95,810,136	86,333,871

	Note	2011 RMB'000	2010 RMB'000
Non-current liabilities			
Loans and borrowings	*22*	26,822,359	30,611,644
Deferred tax liabilities	*25(c)*	1,104,762	1,086,104
Provisions	*26*	38,678	41,107
Other non-current liabilities	*27*	11,798	8,816
		27,977,597	31,747,671
NET ASSETS		67,832,539	54,586,200
CAPITAL AND RESERVES	*29*		
Share capital		10,995,210	10,995,210
Reserves		41,972,585	33,237,467
Total equity attributable to equity shareholders of the Company		52,967,795	44,232,677
Non-controlling interests		14,864,744	10,353,523
TOTAL EQUITY		67,832,539	54,586,200

Approved and authorised for issue by the board of directors on 9 March 2012.

Wang Shi)
Yu Liang)
) *Directors*
)
)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2011
(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Exchange reserves RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2010		10,995,210	8,789,676	—	8,737,841	276,721	(231,959)	8,808,399	37,375,888	8,032,625	45,408,513
Changes in equity for 2010:											
Profit for the year		—	—	—	—	—	—	7,283,128	7,283,128	1,556,483	8,839,611
Other comprehensive income	10	—	—	—	—	113,411	(106,834)	—	6,577	—	6,577
Total comprehensive income		—	—	—	—	113,411	(106,834)	7,283,128	7,289,705	1,556,483	8,846,188
Dividends approved in respect of the previous year	29(c)	—	—	—	—	—	—	(769,665)	(769,665)	—	(769,665)
Appropriation to statutory reserves	29(b)	—	—	—	1,849,865	—	—	(1,849,865)	—	—	—
Equity settled share-based transactions		—	—	—	—	—	468,728	(1,712)	467,016	—	467,016
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	900,024	900,024
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	1,504,670	1,504,670
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(130,267)	—	(130,267)	(305,718)	(435,985)
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(318,921)	(318,921)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(1,022,809)	(1,022,809)
Others		—	—	—	—	—	—	—	—	7,169	7,169
Balance at 31 December 2010		10,995,210	8,789,676	—	10,587,706	390,132	(332)	13,470,285	44,232,677	10,353,523	54,586,200

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Exchange reserves RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2011		10,995,210	8,789,676	—	10,587,706	390,132	(332)	13,470,285	44,232,677	10,353,523	54,586,200
Changes in equity for 2011:											
Profit for the year		—	—	—	—	—	—	9,624,875	9,624,875	1,974,731	11,599,606
Other comprehensive income	10	—	—	—	—	155,644	27,373	—	183,017	—	183,017
Total comprehensive income		—	—	—	—	155,644	27,373	9,624,875	9,807,892	1,974,731	11,782,623
Dividends approved in respect of the previous year	29(c)	—	—	—	—	—	—	(1,099,521)	(1,099,521)	—	(1,099,521)
Appropriation to statutory reserves	29(b)	—	—	—	3,061,021	—	—	(3,061,021)	—	—	—
Equity settled share-based transactions	28	—	—	106,236	—	—	—	—	106,236	—	106,236
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	3,904,944	3,904,944
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	68,806	68,806
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(79,489)	—	(79,489)	(405,068)	(484,557)
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(102,688)	(102,688)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(898,844)	(898,844)
Others		—	—	—	—	—	—	—	—	(30,660)	(30,660)
Balance at 31 December 2011		10,995,210	8,789,676	106,236	13,648,727	545,776	(52,448)	18,934,618	52,967,795	14,864,744	67,832,539

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2011
(Expressed in Renminbi Yuan)

	Note	2011 RMB'000	2010 RMB'000
Operating activities			
Cash received from customers		103,648,873	88,119,694
Cash generated from other operating activities		6,894,668	2,976,047
Cash paid to suppliers		(84,918,244)	(66,645,895)
Cash paid to and for employees		(2,480,848)	(1,848,828)
Cash paid for other taxes		(4,979,856)	(4,557,885)
Cash used in other operating activities		(5,056,898)	(10,982,177)
Cash generated from operations		13,107,695	7,060,956
PRC Corporate Income Tax ("CIT") paid		(6,304,556)	(3,030,581)
Land Appreciation Tax ("LAT") paid		(3,413,715)	(1,793,120)
Net cash generated from operating activities		3,389,424	2,237,255
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	*34*	(3,865,725)	315,779
Investment in associates and jointly controlled entities		(790,000)	(1,407,601)
Acquisitions of additional interest in subsidiaries		(405,068)	(776,247)
Acquisitions of property, plant and equipment		(261,561)	(261,939)
Net cash outflow from disposals of subsidiaries	*35*	(985,466)	(1,065,360)
Proceeds from disposal of property, plant and equipment		1,116	462
Proceeds from disposals of investments		207,894	282,454
Interest received		427,485	353,022
Dividends received		18,758	367,770
Net cash used in investing activities		(5,652,567)	(2,191,660)

	Note	2011 RMB'000	2010 RMB'000
Financing activities			
Contributions from non-controlling interests		3,904,944	1,979,021
Proceeds from loans and borrowings		23,574,576	27,070,091
Repayment of loans and borrowings		(19,974,613)	(11,985,375)
Dividends and interest paid		(6,698,048)	(4,039,207)
Net cash generated from financing activities		806,859	13,024,530
Effect of foreign exchange rate changes		(26,539)	24,035
Net (decrease)/increase in cash and cash equivalents		(1,482,823)	13,094,160
Cash and cash equivalents at 1 January		35,096,935	22,002,775
Cash and cash equivalents at 31 December		33,614,112	35,096,935

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

1 REPORTING ENTITY

China Vanke Co., Ltd. (the "Company") is a company domiciled in the People's Republic of China (the "PRC"). The consolidated financial statements of the Company for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly controlled entities. The Group's principal activities are development and sale of properties in the PRC.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale (see note 2(f));
- derivative financial instruments are measured at fair value (see note 2(g)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group.

Of these, the following developments are relevant to the Group's financial statements:

- IAS 24 (revised 2009), Related party disclosures
- Improvements to IFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The impacts of the developments are discussed below:

- IAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous period. IAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

- Improvements to IFRSs (2010) omnibus standard introduce a number of amendments to the disclosure requirements in IFRS 7, Financial instruments: Disclosures. The disclosures about the Group's financial instruments in note 30 have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity (see note 2(e)).

(e) Associates and jointly controlled entities

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a jointly controlled entity, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate (see note 2(e)).

(f) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(k)).

Investments in equity securities which are not held for trading are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(u)(v). When these investments are derecognised or impaired (see note 2(k)), the cumulative gain or loss is reclassified from equity to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. Rental income from investment properties is accounted for as described in note 2(u)(iv).

Depreciation is calculate to write off the costs of investment properties, less its residual value of 0% to 4%, if any, using the straight-line method over their estimated useful lives of 12.5 to 40 years. Both the useful life and residual value, if any, are reviewed annually.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(j)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(j).

(i) Property, plant and equipment

The following items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss (see note 2(k)):

— buildings held for own use which are situated on leasehold land classified as held under operating lease (see note 2(j)); and

— other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

	Residual value	**Useful life**
Leasehold land	0%	unexpired term of lease
Hotel and other buildings	4%	the shorter of the unexpired term of lease and 12.5–40 years
Improvements to premises	0%	5–10 years
Machinery and motor vehicles	4%	5–10 years
Other equipment	4%	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(h)) or is held for development (see note 2(l)).

(k) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates and jointly controlled entities, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in equity is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment; and

— pre-paid interests in leasehold land classified as being held under an operating lease.

If any such indication exists, the asset's recoverable amount is estimated.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Inventories

(i) Construction materials

Construction materials are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the construction materials to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

— *Property held for development and property under development*

The cost of properties held for development and properties under development comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(w)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

— *Completed property for sale*

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(m) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(x)(iii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade debtors". Amounts received before the related work is performed are presented as "Receipts in advance" under "Trade and other payables".

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(t)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based compensation reserve within equity. The fair value is measured at grant date using the Binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve). The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(t)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of properties

Revenue arising from the sale of properties is recognised upon the signing of the sale and purchase agreement and the receipt of the deposits pursuant to the sale and purchase agreement or the achievement of status ready for hand-over to customers as stipulated in the sale and purchase agreement, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are presented as "Receipts in advance" under "Trade and other payables".

(ii) Provision of services

Revenue from services is recognised when services are rendered.

(iii) Contract revenue

When the outcome of a construction contract can be estimated reliably:

— revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

— revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segments reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Estimates and judgements used in preparing the financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities mainly include those related to property development activities.

(i) Properties for sale

As explained in note 2(l), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the trade and other receivable balance, customer creditworthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual provisions would be higher than estimated.

(iii) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(iv) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(v) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after their completion, whereas, the properties are accounted for as investment properties under construction if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale, while the properties held to earn rentals and/or for capital appreciation are transferred to investment properties.

(vi) LAT

As explained in note 9(a), LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and relevant property development expenditures. Given the uncertainties of the calculation basis of land appreciation tax to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in estimates would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are development and sale of properties in the PRC.

Revenue mainly represents income from sale of properties, construction contract and property management and related services earned during the year, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	2011	**2010**
	RMB'000	*RMB'000*
Sale of properties	65,313,204	46,927,147
Construction contracts	1,324,755	193,231
Property management and related services	540,406	405,537
Others	531,031	237,635
	67,709,396	47,763,550

The Group's customer base is diversified and does not have customer with whom transactions have exceeded 10% of the Group's revenue.

(b) Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development (Beijing region/Guangshen region/Shanghai region/Chengdu region): given the importance of the property development division to the Group, the Group's property development business is segregated further into four reportable segments on a geographical basis, as the divisional managers for each of these regions report directly to the senior executive team. All the four segments mainly derive their revenue from development and sale of residential properties. The properties are mainly sold to individual customers; therefore, the Group does not have major customers. Currently the Group's activities in this regard are carried out in the PRC. Details about the specific cities covered by each region are set out in note 4(b)(i).

- Property management: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties and shopping arcades, as well as those developed by the external property developers. Currently the Group's activities in this regard are also carried out in the PRC.

Although the operating segment of property management services does not meet any of the quantitative thresholds specified in IFRS 8, Operating Segments, management believes that information about the segment would be useful to users of the consolidated financial statements.

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, other investments and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals, loans and borrowings, and the provision for the estimated losses to be borne by the Group in relation to the property management projects, but excluding deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales before sales tax generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is the profit before CIT, excluding share of profit or loss of associates or jointly controlled entities, dividend income, other income and other operating expenses, but including the provision for doubtful debts and the profit arising from the inter-segment transactions. LAT which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Real Estate Development *(note (1))*					
	Beijing region	**Guangshen region**	**Shanghai region**	**Chengdu region**	**Property management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2011						
Revenue from external customers, before sales taxes	17,061,231	25,421,017	20,777,636	7,806,280	713,346	71,779,510
Inter-segment revenue	—	94,430	—	—	716,953	811,383
Reportable segment revenue, before sales taxes	17,061,231	25,515,447	20,777,636	7,806,280	1,430,299	72,590,893
Reportable segment profit	3,504,472	6,183,992	4,568,294	1,123,944	98,913	15,479,615
Interest income	416,729	107,467	195,469	99,220	4,034	822,919
Interest expense	297,224	288,527	344,288	50,280	2	980,321
Share of profits less losses of associates and jointly controlled entities *(note (2))*	150,291	167,151	137,932	17,696	—	473,070
Reportable segment assets	88,526,568	100,481,838	80,334,997	48,708,614	1,659,635	319,711,652
Reportable segment liabilities	73,806,426	85,674,922	68,291,076	43,937,305	1,356,531	273,066,260
For the year ended 31 December 2010						
Revenue from external customers, before sales taxes	10,324,888	16,482,195	19,222,903	4,132,851	536,495	50,699,332
Inter-segment revenue	—	—	—	—	552,002	552,002
Reportable segment revenue, before sales taxes	10,324,888	16,482,195	19,222,903	4,132,851	1,088,497	51,251,334
Reportable segment profit	1,969,412	4,345,328	5,393,579	751,640	125,799	12,585,758
Interest income	297,872	90,030	137,224	53,922	2,938	581,986
Interest expense	274,297	182,362	210,000	31,513	2,319	700,491
Share of profits less losses of associates and jointly controlled entities *(note (2))*	17,016	(10,742)	196,203	7,194	—	209,671
Reportable segment assets	53,778,086	52,460,610	47,129,625	30,539,924	1,133,295	185,041,540
Reportable segment liabilities	43,475,618	40,477,189	35,914,967	25,736,417	1,019,282	146,623,473

Note (1): Beijing region represents Beijing, Tianjin, Shenyang, Anshan, Dalian, Qingdao, Changchun, Yantai, Jilin, Taiyuan, Tangshan, Langfang, Fushun, Qinhuangdao and Jinzhong.

Guangshen region represents Shenzhen, Guangzhou, Qingyuan, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Huizhou, Hainan and Putian.

Shanghai region represents Shanghai, Hangzhou, Su'nan, Ningbo, Nanjing, Zhenjiang, Nanchang, Hefei, Yangzhou, Jiaxing, Wuhu and Wenzhou.

Chengdu region represents Chengdu, Wuhan, Xi'an, Chongqing, Kunming, Guiyang and Urumqi.

Note (2): Share of profits less losses of associates and jointly controlled entities that is attributable to head office and not allocated to the respective segments is RMB171 million (2010: RMB82 million).

(ii) ***Reconciliation of reportable segment revenues, profit or loss, assets and liabilities***

	2011	**2010**
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	72,590,893	51,251,334
Elimination of inter-segment revenue	(811,383)	(552,003)
Unallocated head office and corporate revenue	3,240	14,520
Sales taxes	(4,073,354)	(2,950,301)
Consolidated revenue	67,709,396	47,763,550
Profit		
Reportable segment profit	15,479,615	12,585,758
Elimination of inter-segment profit	(282,396)	(957,133)
Share of profits less losses of associates and jointly controlled entities	643,988	291,703
Dividend income	18,966	153,595
Other net income, excluding net exchange gain	108,936	388,093
Other operating expenses, excluding provision for doubtful debts	(32,377)	(24,648)
Unallocated head office and corporate expenses	(130,849)	(496,616)
LAT	3,684,177	2,602,115
Consolidated profit before taxation	19,490,060	14,542,867
Assets		
Reportable segment assets	319,711,652	185,041,540
Elimination of inter-segment receivables	(138,381,484)	(56,191,187)
Unallocated head office and corporate assets	115,204,129	87,134,309
Consolidated total assets	296,534,297	215,984,662
Liabilities		
Reportable segment liabilities	273,066,260	146,623,473
Elimination of inter-segment payables	(124,301,269)	(55,308,571)
Unallocated head office and corporate liabilities	79,936,767	70,083,561
Consolidated total liabilities	228,701,758	161,398,463

5 OTHER REVENUE

	2011	**2010**
	RMB'000	*RMB'000*
Interest income	801,677	634,043
Dividend income	18,966	153,595
	820,643	787,638

6 OTHER NET INCOME

	2011	2010
	RMB'000	*RMB'000*
Forfeited deposits and compensation from customers	27,777	25,074
Gain on disposals of subsidiaries	35,395	80,716
Gain on disposals of equity-accounted investees	—	127,868
Gain on disposals of other investments	881	124,048
Net gain/(loss) on disposals of property, plant and equipment	2,901	(190)
Net realised and unrealised loss on financial derivatives	(2,869)	(15,054)
Net exchange gain	29,370	22,498
Other sundry income	44,851	45,631
	138,306	410,591

7 OTHER OPERATING EXPENSES

	2011	2010
	RMB'000	*RMB'000*
Provision for doubtful debts	64,627	71,216
Compensation to customers	11,132	2,819
Donations	5,530	14,419
Penalties	7,942	5,081
Other sundry expenses	7,773	2,329
	97,004	95,864

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2011	2010
	RMB'000	*RMB'000*
Interest on interest-bearing borrowings	4,208,214	3,003,034
Less: Interest expense capitalised into inventories *(note)*	(2,955,860)	(1,877,395)
	1,252,354	1,125,639

Note: The borrowing costs have been capitalised at a rate of 8.6% per annum (2010: 7.6%).

(b) Staff costs

	2011	2010
	RMB'000	*RMB'000*
Salaries, wages and other benefits	2,733,158	2,238,847
Contributions to defined contribution retirement plan	227,802	155,988
Equity-settled share-based payment expenses	106,236	—
	3,067,196	2,394,835

(c) Other items

	2011	2010
	RMB'000	*RMB'000*
Depreciation and amortisation	137,327	116,807
Impairment loss on trade and other receivables	64,627	71,216
Reversal of write-down of inventories	—	(616,667)
Cost of inventories	41,236,819	29,629,563
Operating lease charges in respect of properties	92,461	44,545
Rental income	9,766	4,342

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2011	2010
	RMB'000	*RMB'000*
Current tax		
Provision for CIT	4,842,351	3,513,649
Provision for LAT	3,705,432	2,673,808
Withholding tax	16,221	170
	8,564,004	6,187,627
Deferred tax		
Fair value adjustments arising from business combinations		
— CIT	(12,252)	(77,460)
— LAT	(21,255)	(71,693)
Accrual for LAT	(284,506)	(216,118)
Tax losses	(318,755)	(206,466)
Bad debt provision and write-down of inventories	(2,836)	148,553
Accruals for construction costs	(32,163)	(19,786)
Withholding tax	43,041	42,291
Other temporary differences	(44,824)	(83,692)
	(673,550)	(484,371)
	7,890,454	5,703,256

(i) CIT

The provision for CIT is calculated based on the estimated taxable income at the rates applicable to each company in the Group. The income tax rates applicable to the principal subsidiaries in the PRC range from 24% to 25% (2010: from 22% to 25%).

According to the CIT Law that was passed by the Standing Committee of the Tenth National People's Congress ("NPC") on 16 March 2007 and the Notice of the State Council on the Transitional Preferential Policy regarding implementation of the CIT (Guo Fa [2007] No. 39) issued on 26 December 2007, income tax rate is revised to 25% with effect from 1 January 2008. For certain enterprises that are entitled to preferential income tax rate of 15% before the implementation of the CIT Law, the income tax rate applicable will be 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, and 2012 and thereafter respectively. As at 31 December 2011 and 2010, deferred tax assets and liabilities were calculated based on the applicable income tax rates enacted by the NPC from 1 January 2008.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Withholding tax

Withholding tax is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 ranged from 5% to 10%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2011	**2010**
	RMB'000	*RMB'000*
Profit before taxation	19,490,060	14,542,867
Less: LAT	(3,684,177)	(2,602,115)
Profit before CIT	15,805,883	11,940,752
Notional tax on profit before CIT calculated at effective income tax rate of the relevant Group entities concerned	3,919,065	2,913,272
Non-taxable income	(163,254)	(102,612)
Non-deductible expenses	452,318	223,236
Effect of temporary difference not recognised	42,346	86,634
Recognition of previously unrecognised tax losses	(43,206)	(8,175)
Effect of change in tax rates on deferred tax in respect of current year temporary differences	(992)	(11,214)
CIT	4,206,277	3,101,141
LAT	3,684,177	2,602,115
Income tax expense	7,890,454	5,703,256

10 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

		2011			**2010**	
	Before-tax amount	**Tax expense**	**Net-of-tax amount**	**Before-tax amount**	**Tax benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000* *(note 25(d))*	*RMB'000*	*RMB'000*	*RMB'000* *(note 25(d))*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	155,644	—	155,644	113,411	—	113,411
Available-for-sale securities: net movement in fair value reserve	36,497	(9,124)	27,373	(135,137)	28,303	(106,834)
Other comprehensive income	192,141	(9,124)	183,017	(21,726)	28,303	6,577

(b) Components of other comprehensive income, including reclassification adjustments

	2011 *RMB'000*	2010 *RMB'000*
Available-for sale securities:		
Changes in fair value recognised during the year	27,373	(14,297)
Reclassification adjustments for amounts transferred to profit or loss:	—	(92,537)
Net movement in the fair value reserve during the year recognised in other comprehensive income	27,373	(106,834)

11 BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB9,624,875,000 (2010: RMB7,283,127,000) and the weighted average of 10,995,210,218 (2010: 10,995,210,218) shares in issue during the year.

The Group has a share option scheme which was adopted on 25 April 2011 (see note 28). The scheme gives rise to potential A Shares of the Company. The potential A Shares have no diluted effect for the year ended 31 December 2011, but may have diluted effect in future years.

12 PROPERTY, PLANT AND EQUIPMENT

	Hotel and other buildings held for own use *RMB'000*	Improvements to premises *RMB'000*	Leasehold land prepayment *RMB'000*	Machinery and motor vehicles *RMB'000*	Electronic and other equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:							
At 1 January 2010	1,403,347	70,057	82,516	114,326	187,709	593,208	2,451,163
Additions	17,805	18,674	300,863	24,635	26,836	180,659	569,472
Transfer	9,585	—	—	—	—	(9,585)	—
Disposals	(128,581)	(3,758)	—	(10,973)	(11,152)	—	(154,464)
At 31 December 2010	1,302,156	84,973	383,379	127,988	203,393	764,282	2,866,171
At 1 January 2011	1,302,156	84,973	383,379	127,988	203,393	764,282	2,866,171
Additions	15,929	39,935	71,691	62,265	46,251	289,177	525,248
Transfer	347,907	—	—	—	—	(347,907)	—
Disposals	(11,873)	(5,663)	—	(12,856)	(12,565)	—	(42,957)
At 31 December 2011	1,654,119	119,245	455,070	177,397	237,079	705,552	3,348,462
Accumulated depreciation:							
At 1 January 2010	166,177	31,212	550	71,180	119,573	—	388,692
Charge for the year	50,690	18,388	8,877	15,109	18,498	—	111,562
Written back on disposals	(1,793)	(3,679)	—	(8,588)	(10,000)	—	(24,060)
At 31 December 2010	215,074	45,921	9,427	77,701	128,071	—	476,194
At 1 January 2011	215,074	45,921	9,427	77,701	128,071	—	476,194
Charge for the year	51,204	20,505	10,169	18,055	28,779	—	128,712
Written back on disposals	(8,904)	(3,489)	—	(11,160)	(10,780)	—	(34,333)
At 31 December 2011	257,374	62,937	19,596	84,596	146,070	—	570,573
Net book value:							
At 31 December 2011	1,396,745	56,308	435,474	92,801	91,009	705,552	2,777,889
At 31 December 2010	1,087,082	39,052	373,952	50,287	75,322	764,282	2,389,977

13 INVESTMENT PROPERTIES

	2011	2010
	RMB'000	*RMB'000*
Cost:		
At 1 January	150,400	256,640
Addition	1,005,544	15,217
Disposals	—	(121,457)
At 31 December	1,155,944	150,400
Accumulated depreciation:		
At 1 January	21,224	28,497
Charge for the year	8,615	5,245
Written back on disposals	—	(12,518)
At 31 December	29,839	21,224
Net book value:		
At 31 December	1,126,105	129,176

Investment properties include those under development at the end of the reporting period with carrying amount of RMB920 million (2010: Nil).

Investment properties comprise certain commercial properties that are leased to third parties. The directors, having regard to recent market transactions of similar properties in the same location as the Group's investment properties, consider the estimated fair value of the investment properties to be RMB1,519 million (2010: RMB147 million).

(a) The analysis of net book value of investment properties is set out as follows:

	2011	2010
	RMB'000	*RMB'000*
In the PRC, held on leases of		
— Between 10 and 50 years	856,635	105,080
— Over 50 years	269,470	24,096
	1,126,105	129,176

(b) The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to twenty years. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2011	2010
	RMB'000	*RMB'000*
Within 1 year	17,815	2,737
After 1 year but within 5 years	131,176	6,212
After 5 years	271,408	5,355
	420,399	14,304

14 INTEREST IN ASSOCIATES

	2011	2010
	RMB'000	*RMB'000*
Share of net assets	2,160,824	1,035,876

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

		Proportion of ownership interest	
Name of company	**Place of incorporation and operation**	**Group's effective interest**	**Principal activity**
Beijing Jinyu Vanke Property Development Company Limited	PRC	49%	Property development
Wuhan Golf City Garden Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Chengdu Yihang Vanke Binjiang Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Hefei Yihang Vanke Real Estate Company Limited *(note1, 2)*	PRC	50%	Property development
Suzhou Zhonghang Vanke Changfeng Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Changsha Oriental City Real Estate Company Limited	PRC	20%	Property development
Foshan Shunde District Zhonghang Vanke Property Company Limited	PRC	49%	Property development
Xiamen Wantefu Property Development Company Limited	PRC	30%	Property development
Guangzhou Yinyejunrui Property Development Company Limited *(note 1)*	PRC	49%	Property development
Shanghai Jingyuan Property Development Company Limited	PRC	45%	Property development
Langfang Kuangshijiye Property Development Company Limited *(note 2)*	PRC	50%	Property development
Shanghai Vanke Changning Property Development Company Limited *(note 1)*	PRC	49%	Property development
Shanghai Chongwan Property Development Company Limited *(note 1)*	PRC	49%	Property development
Shenyang Zhongtie Vanke Langyu Property Development Company Limited *(note 2)*	PRC	51%	Property development
Chongqing Wanbin Property Development Company Limited *(note 1)*	PRC	45%	Property development
Suzhou Kejian Property Development Company Limited *(note 1)*	PRC	49%	Property development
Beijing Wuyuankesheng Property Development Company Limited	PRC	49%	Property development
Beijing Jingtouyintai Property Development Company Limited *(note 2)*	PRC	50%	Property development
Guangzhou Wanshang Property Development Company Limited	PRC	33%	Property development
Chongqing Zhonghang Vanke Yunling Property Development Company Limited *(note 1)*	PRC	45%	Property development
Chongqing Zhonghang Vanke Junjing Property Development Company Limited *(note 1)*	PRC	45%	Property development
Changchun Vanke Xizhigu Property Development Company Limited *(note 2)*	PRC	50%	Property development

Notes:

(1) Except for the equity interest held directly, the Group also hold equity interest in these associates through a jointly controlled entity.

(2) Pursuant to the voting rights in the board of directors, the Group has significant influence in these entities.

Summary financial information on associates:

	Assets	Liabilities	Equity	Revenue	Profit
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2011					
100 per cent	39,057,055	32,217,827	6,839,228	4,857,011	798,304
Group's effective interest	18,011,971	15,851,147	2,160,824	2,374,551	397,783
2010					
100 per cent	18,944,069	16,041,669	2,902,400	2,132,332	259,960
Group's effective interest	7,936,100	6,900,224	1,035,876	1,032,733	135,391

15 INTEREST IN JOINTLY CONTROLLED ENTITIES

	2011	2010
	RMB'000	*RMB'000*
Share of net assets	4,183,142	3,374,074

The following list contains only the particulars of jointly controlled entities, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

Name of company	Place of incorporation and operation	Proportion of ownership interest Group's effective interest	Principal activity
Shanghai Jialai Real Estate Development Company Limited *(note)*	PRC	49%	Property development
Zhonghang Vanke Company Limited *(note)*	PRC	40%	Property development
Dongguan Vanke Property Company Limited	PRC	50%	Property development
Changsha Lingyu Real Estate Development Company Limited *(note)*	PRC	60%	Property development
Changsha Lingyu Investment Company Limited *(note)*	PRC	60%	Property development
Beijing Zhongliang Vanke Real Estate Development Company Limited	PRC	50%	Property development
Shanghai Anhong Real Estate Investment Company Limited *(note)*	PRC	65%	Property development
Tianjin Diwan Investment Company Limited *(note)*	PRC	40%	Property development
Hangzhou Dongshang Property Development Company Limited	PRC	50%	Property development
Beijing Wanxin Investment Development Company	PRC	50%	Investment
Zhuhai Haiyu Property Development Company Limited	PRC	50%	Property development
Tianjin Songke Real Estate Company Limited *(note)*	PRC	49%	Property development
Changchun Vanke Jingcheng Real Estate Development Company Limited *(note)*	PRC	10%	Property development
Beijing Jingtou Vanke Property Development Company Limited	PRC	50%	Property development
Fuyang Yongtong Property Development Company Limited *(note)*	PRC	20%	Property development
Shanghai Wanzhicheng Property Development Company Limited	PRC	50%	Property development
Shanghai Ledu Property Development Company Limited *(note)*	PRC	33%	Property development

Name of company	Place of incorporation and operation	Proportion of ownership interest Group's effective interest	Principal activity
Wuhan Liantou Vanke Property Development Company Limited	PRC	50%	Property development
Shandong Xiaozhushan Construction Development Company Limited	PRC	34%	Tourism property development

Notes: A contractual arrangement between the Group and the counterparty of these entities establishes joint control over the financial and operating policies of these entities.

Summary financial information on jointly controlled entities — Group's effective interest

	2011 *RMB'000*	**2010** *RMB'000*
Non-current assets	1,041,349	1,007,854
Current assets	16,108,803	11,412,163
Non-current liabilities	(1,769,198)	(1,696,033)
Current liabilities	(11,197,812)	(7,349,910)
Net assets	4,183,142	3,374,074
Income	1,801,032	736,609
Expenses	(1,554,827)	(580,297)
Profit for the year	246,205	156,312

16 OTHER FINANCIAL ASSETS

	2011 *RMB'000*	**2010** *RMB'000*
Available-for-sale securities in the PRC		
Equity securities		
— Unlisted	519,026	483,801
— Listed in the PRC	4,764	4,764
	523,790	488,565

17 OTHER NON-CURRENT ASSETS

The other non-current assets mainly represent entrusted loans and prepayments for acquisitions of investees. The entrusted loans are interest bearing at market rate, unsecured and repayable after one year but within two years.

18 INVENTORIES

	2011	2010
	RMB'000	*RMB'000*
Properties held for development	62,985,176	49,314,694
Properties under development	138,330,541	78,982,068
Completed properties for sale	7,239,386	5,290,716
Others	106,247	93,091
	208,661,350	133,680,569

(a) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2011	2010
	RMB'000	*RMB'000*
In the PRC, held on lease of		
— Between 10 and 50 years	13,979,928	8,117,186
— Over 50 years	120,888,196	74,120,183
	134,868,124	82,237,369

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2011	2010
	RMB'000	*RMB'000*
Carrying amount of inventories sold	41,236,819	29,629,563
Reversal of write-down of inventories	—	(616,667)
	41,236,819	29,012,896

The reversal of write-down of inventories made in 2010 arose due to an increase in the estimated net realisable value of certain properties as a result of recovery in certain regional property markets.

The amount of properties held for development and properties under development expected to be recovered after more than one year is RMB109,070 million (2010: RMB44,150 million). All of the other inventories are expected to be recovered within one year.

19 TRADE AND OTHER RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Trade debtors	1,497,916	1,409,559
Less: allowance for doubtful debts	(27,849)	(18,994)
	1,470,067	1,390,565
Other debtors *(note (a))*	8,286,197	8,646,952
Amounts due from associates *(note (b))*	6,026,183	2,497,581
Amounts due from jointly controlled entities *(note (b))*	4,128,234	3,793,780
Prepayments *(note (c))*	20,116,219	17,838,003
Gross amount due from customers for contract work	44,747	203,460
	40,071,647	34,370,341

All of the trade and other receivables, apart from receivables of RMB845 million (2010: RMB693 million), are expected to be recovered within one year.

(a) Included in trade and other receivables are trade debtors, all of which are neither individually nor collectively considered to be impaired as at 31 December 2011, with the following ageing analysis as of the end of the reporting period:

	2011	**2010**
	RMB'000	*RMB'000*
Current	1,448,709	1,374,721
Less than 1 year past due	772	2,661
More than 1 year past due	20,586	13,183
	21,358	15,844
	1,470,067	1,390,565

The Group's credit policy is set out in note 30(a).

Trade debtors that were past due but not impaired relate to a number of independent debtors that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) The amounts due from associates and jointly controlled entities as at 31 December 2011 include an amount of RMB5,625 million which are interest bearing at market rate, unsecured and repayable on demand. The interest income from these associates and jointly controlled entities amounted to RMB331 million in 2011. The remaining amounts due from associates and jointly controlled entities are unsecured, interest free and repayable on demand.

(c) The balance includes prepayments for leasehold land of RMB10,366 million (2010: RMB11,962 million).

(d) The aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amount due from/to customers for contract work at 31 December 2011, is RMB1,518 million (2010: RMB193 million).

20 PLEDGED DEPOSITS

The balance mainly represents the guarantee deposits in respect of mortgage loans related to property sale.

21 CASH AND CASH EQUIVALENTS

	2011	**2010**
	RMB'000	*RMB'000*
Cash at bank and on hand	33,614,112	35,096,935

22 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate risk, please refer to note 30(c).

	2011	2010
	RMB'000	*RMB'000*
Current		
Secured		
— Bank loans *(note (a))*	1,636,415	875,691
— Other borrowings *(note (b))*	1,600,000	—
	3,236,415	875,691
Guaranteed		
— Bank loans *(note (a))*	—	600,000
Unsecured		
— Bank loans *(note (a))*	11,946,031	5,010,000
— Entrusted bank loan from a jointly controlled entity	—	98,000
— Other borrowings *(note (b))*	8,387,830	10,200,000
	20,333,861	15,308,000
	23,570,276	16,783,691
Non-current		
Secured		
— Bank loans *(note (a))*	4,635,821	4,926,230
— Other borrowings *(note (b))*	3,062,067	—
— Corporate bonds *(note (c))*	2,960,450	2,937,122
	10,658,338	7,863,352
Guaranteed		
— Other borrowings *(note (b))*	320,000	1,600,000
Unsecured		
— Bank loans *(note (a))*	8,324,630	11,746,440
— Other borrowings *(note (b))*	4,629,444	6,517,830
— Corporate bonds *(note (c))*	2,889,947	2,884,022
	15,844,021	21,148,292
	26,822,359	30,611,644

At 31 December, non-current interest-bearing borrowings and corporate bonds were repayable as follows:

	2011	2010
	RMB'000	*RMB'000*
After 1 year but within 2 years	19,865,824	19,850,291
After 2 years but within 5 years	6,956,535	10,761,353
	26,822,359	30,611,644

Notes:

(a) Bank loans

The secured bank loans are secured over certain properties held for development and properties under development with aggregate carrying value of RMB3,469 million (2010: RMB1,076 million) or pledged by the shares of interest in certain subsidiaries of the Group.

(b) Other borrowings

	2011	**2010**
	RMB'000	*RMB'000*
Current		
Proceeds	9,987,830	10,200,000
Non-current		
Proceeds	8,071,886	8,117,830
Transaction costs	(60,375)	—
	8,011,511	8,117,830

The secured other borrowings are pledged by the shares of interest in certain subsidiaries of the Group.

The guaranteed other borrowings are guaranteed by third party with nil consideration.

(c) Corporate bonds

	2011	
	No. 101688 Bonds	**No. 101699 Bonds**
	RMB'000	*RMB'000*
At 1 January	2,884,022	2,937,122
Transaction costs amortised	5,925	23,328
At 31 December	2,889,947	2,960,450

	2010	
	No. 101688 Bonds	**No. 101699 Bonds**
	RMB'000	*RMB'000*
At 1 January	2,878,508	2,915,228
Transaction costs amortised	5,514	21,894
At 31 December	2,884,022	2,937,122

In September 2008, the Company issued two series of corporate bonds, namely the "No. 101688 Bonds" and the "No. 101699 Bonds", amounting to RMB5,900 million. Both Bonds are listed on the Shenzhen Stock Exchange.

The No. 101688 Bonds are with no guarantee and interest bearing at 7% per annum payable in arrears on 6 September 2009, 2010 and 2011. In accordance with the terms of the No. 101688 Bonds, on 6 September 2011 the Company has the option to adjust upward the interest rate of the Bonds for the next two years by maximum of 100 basis points and each of the Bond is, at the option of the bondholder, redeemable at its par value of RMB 100 each on the same date. If not being redeemed on 6 September 2011, the Bonds are repayable on 6 September 2013 and the interest for the next two years is payable in arrears on 6 September 2012 and 2013. None of the No. 101688 Bonds were early redeemed by the bondholders on 6 September 2011.

The No. 101699 Bonds are guaranteed by the China Construction Bank Shenzhen branch and are repayable on 6 September 2013. The Bonds are interest bearing at 5.5% per annum payable in arrears on 6 September 2009, 2010, 2011, 2012 and 2013.

23 FINANCIAL DERIVATIVES

	2011	2010
	RMB'000	*RMB'000*
Interest rate swaps	17,042	15,054

24 TRADE AND OTHER PAYABLES

	2011	2010
	RMB'000	*RMB'000*
Trade creditors and bills payable	29,777,063	16,923,778
Other payables and accruals	24,464,680	12,660,984
Amounts due to associates	869,836	680,123
Amounts due to jointly controlled entities	2,680,299	1,468,262
Receipts in advance	111,075,180	74,405,197
Gross amount due to customers for contract work *(note 19(d))*	26,538	—
	168,893,596	106,138,344

Included in trade and other payables is retention payable of RMB300 million (2010: RMB262 million) which are expected to be settled after one year.

The amounts due to associates and jointly controlled entities include an amount of RMB1,230 million which are interest bearing at market rate, unsecured and repayable on demand. The interest expenses to these associates and jointly controlled entities amounted to RMB64 million in 2011. The remaining amounts due to associates and jointly controlled entities are unsecured, interest free and repayable on demand.

25 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

	2011	2010
	RMB'000	*RMB'000*
CIT	2,423,046	1,677,498
LAT	5,820,201	5,036,204
	8,243,247	6,713,702

LAT provisions have been made pursuant to Guo Shui Fa (2006) No. 187 Circular of State Administration of Taxation on Relevant Issues of Settlement and Management of Land Appreciation Tax for Real Estate Developers. The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities as at 31 December 2011 and 2010.

(b) Deferred tax assets

Deferred tax assets are attributable to the items set out below:

	2011	2010
	RMB'000	*RMB'000*
Tax losses	815,046	496,291
Bad debt provision and write-down of inventories	28,265	25,429
Accruals for construction costs	197,070	164,907
Accrual for LAT	1,076,034	791,528
Other temporary differences	209,827	165,003
	2,326,242	1,643,158

Deferred tax assets have not been recognised in respect of the following items:

	2011	2010
	RMB'000	*RMB'000*
Tax losses	778,467	913,361
Deductible temporary differences	80,653	80,904
	859,120	994,265

The tax losses expire between 2012 and 2016. The deductible temporary differences will not expire the under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(c) Deferred tax liabilities

Deferred tax liabilities are attributable to the items set out below:

	2011	2010
	RMB'000	*RMB'000*
Fair value adjustments on available-for-sale securities	9,124	—
Fair value adjustments arising from business combinations	1,010,306	1,043,813
Others	85,332	42,291
	1,104,762	1,086,104

(d) Movements in deferred taxation, net:

	2011	2010
	RMB'000	*RMB'000*
At 1 January	557,054	44,380
Net credit to profit or loss *(note 9(a))*	673,550	484,371
Net (charge)/credit to other comprehensive income *(note 10(a))*	(9,124)	28,303
At 31 December	1,221,480	557,054

26 PROVISIONS

	2011	2010
	RMB'000	*RMB'000*
Balance at 1 January	41,107	34,356
Provisions made during the year	16,272	14,351
Provisions used during the year	(18,701)	(7,600)
Balance at 31 December	38,678	41,107

The balance represents the estimated losses to be borne by the Group in relation to the property management projects.

27 OTHER NON-CURRENT LIABILITIES

The balance mainly represents the amounts that hold on behalf of the owners committees in the property management sector.

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Group has a share option scheme which was adopted on 25 April 2011 whereby the senior management and key staff of the Group are granted certain options at nil consideration to subscribe for an aggregate of 110,000,000 A Shares of the Company. The key management are granted with 33,000,000 A Shares. 40% of the options vest after one year (30% after two years and the remaining 30% after three years) from the date of grant and are then exercisable within a period of two years. Each option gives the holder the right to subscribe for one A Share of the Company.

(a) The number and weighted average exercise prices of share options are as follows:

	2011
	Number
	'000
Outstanding at the beginning of the year	—
Granted during the year	110,000
Forfeited during the year	(8,632)
Outstanding at the end of the year	101,368
Exercisable at the end of the year	—

No share options were exercised during the year.

(b) Terms of unexpired and unexercised share options at the end of the reporting period:

		2011
	Exercise price*	Number
	RMB	*'000*
25 April 2012 to 24 April 2014	8.79	40,548
25 April 2013 to 24 April 2015	8.79	30,410
25 April 2014 to 22 April 2016	8.79	30,410
		101,368

* *The original exercise price is RMB8.89. The exercise price was adjusted to RMB8.79 after declaration of dividend of RMB0.10 per share during the year in accordance with the terms and conditions of the share option scheme.*

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial model.

Fair value of share options and assumptions	**2011**
Fair value at measurement date *(RMB'000)*	294,050
Share price	RMB8.52
Exercise price	RMB8.89
Expected volatility	45%–50%
Option life	5 years
Risk-free interest rate	3.20–3.43%

The expected volatility is based on the historic volatility of the Company's A Share. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a performance condition. This condition has not been taken into account in the grant date fair value measurement of the services provided. There was no market condition associated with the share options.

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital:

	2011	**2010**
	RMB'000	*RMB'000*
Authorised, issued and fully paid:		
A Shares of RMB1 each	9,680,255	9,680,255
B Shares of RMB1 each	1,314,955	1,314,955
	10,995,210	10,995,210

Included in the A Shares are 18,426,384 shares (2010: 19,364,778 shares) with restriction to transfer.

The holders of A and B Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All A and B Shares rank equally with regard to the Company's residual assets.

There was no movement in share capital during 2010 and 2011.

(b) Nature and purpose of reserves

(i) Share-based compensation reserve

The share-based compensation reserve comprises the portion of the grant date fair value of unexercised share options that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(r)(ii).

(ii) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law, the Company is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

For the year ended 31 December 2011, the Company transferred RMB437,289,000 (2010: RMB308,311,000), being 10% of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2011, the directors proposed to transfer RMB2,623,732,000 (2010: RMB1,541,554,000), being 60% (2010: 50%) of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(v).

(iv) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners, fair value movement of available-for-sale securities and a share award scheme in prior years. The movement for the year ended 31 December 2011 mainly represents the difference between the fair value and book value of the acquirees' net assets at the dates of acquisitions of non-controlling interests and fair value movement of available-for-sale securities.

(c) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2011	**2010**
	RMB'000	*RMB'000*
Dividend to be proposed at the Company's forthcoming annual general meeting of RMB0.13 per share (2010: RMB0.10 per share)	1,429,377	1,099,521

The dividend to be proposed at the Company's forthcoming annual general meeting has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2011	**2010**
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.10 per share (2010: RMB0.07 per share)	1,099,521	769,665

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Company. Net debt is calculated as total loans and borrowings less cash and cash equivalents and pledged deposits. The gearing ratio at 31 December 2011 and 2010 is calculated as follows:

	2011	2010
	RMB'000	*RMB'000*
Loans and borrowings	50,392,635	47,395,335
Less: Cash and cash equivalents	(33,614,112)	(35,096,935)
Pledged deposits	(625,403)	(2,719,997)
Net debt	16,153,120	9,578,403
Total equity	67,832,539	54,586,200
Gearing ratio	23.8%	17.5%

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, pledged deposits, trade and other receivables and other financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low. The Group sets deposit limits against the financial institutions' credit risks.

In respect of trade receivables, credit risk is minimised as the Group normally receives full payment from buyers before the transfer of property ownership.

In respect of amounts due from associates and jointly controlled entities, the Group facilitates their capital demand by assessing and closely monitoring their financial conditions and profitability.

In respect of other receivables due from third parties, the Group reviews the exposures and manages them based on the need of operation.

At the end of the reporting period, 15.80% (2010: 27.89%) of the total trade and other receivables was due from the Group's five largest debtors.

Except for the financial guarantees given by the Group as set out in note 32, the Group does not provide any other guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	2011				
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 year	More than 2 years but less than 5 years
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank and other loans	44,542,238	49,385,740	26,075,856	15,112,360	8,197,524
Corporate bonds	5,850,397	6,513,333	368,000	6,145,333	—
Trade creditors and accruals	61,684,798	61,728,874	61,025,998	461,086	241,790
Financial derivatives	17,042	17,042	17,042	—	—
Accrued interest	272,299	272,299	272,299	—	—
Other non-current liabilities	11,798	11,798	—	—	11,798
Total	112,378,572	117,929,086	87,759,195	21,718,779	8,451,112

	2010				
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 year	More than 2 years but less than 5 years
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank and other loans	41,574,190	44,982,922	18,698,509	21,123,839	5,160,574
Corporate bonds	5,821,145	6,881,333	368,000	368,000	6,145,333
Trade creditors and accruals	33,737,807	33,737,807	33,737,807	—	—
Financial derivatives	15,054	15,054	15,054	—	—
Accrued interest	127,807	127,807	127,807	—	—
Other non-current liabilities	8,816	8,816	—	—	8,816
Total	81,284,819	85,753,739	52,947,177	21,491,839	11,314,723

(c) Interest rate risk

The Group's interest rate risk arises primarily from its cash and loans and borrowings. Cash and loans and borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest bearing borrowings are disclosed in notes 22 and 24 to the consolidated financial statements.

Sensitivity analysis

At 31 December 2011, it is estimated that a general increase/decrease of 50 basis points in interest rates of cash and loans and borrowings of the Group, with all other variables held constant, would have decreased/increased the Group's profit after tax and total equity by approximately RMB50 million (2010: RMB14 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2010.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate loans and borrowings, without taking into account the impact of interest capitalisation.

(d) Currency risk

The Group is exposed to foreign currency risk primarily on cash and cash equivalents and borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Hong Kong dollars and Japanese Yen.

Cash and cash equivalents denominated in a currency other than the functional currency of the entity to which they relate are as follows:

	2011	**2010**
	RMB'000	*RMB'000*
United States Dollars	967,212	282,660
Hong Kong Dollars	12,681	15,735
Japanese Yen	1,384	192,438

Loans and borrowings denominated in a currency other than the functional currency of the entity to which they relate are as follows:

	2011	**2010**
	RMB'000	*RMB'000*
United States Dollars	4,503,506	4,530,408

Sensitivity analysis

Based on the assumption that Hong Kong Dollars continue to be pegged to United States Dollars, management estimated that a 10% appreciation/depreciation of United States Dollars/Hong Kong Dollars against Renminbi would not have a material effect on the Group's profit and the Group's equity would be decreased/increased by approximately RMB370 million (2010: RMB377 million). Management estimated that the change in exchange rate of Japanese Yen would not have material impact on the Group's profit and equity for both 2010 and 2011.

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant.

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in IFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

31 December 2011
In millions of RMB

	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sales equity securities	—	—	436	436
	—	—	436	436
Liabilities				
Interest rate swaps	(17)	—	—	(17)
	(17)	—	—	(17)

31 December 2010
In millions of RMB

	Level 1	Level 2	Level 3	Total
Liabilities				
Interest rate swaps	(15)	—	—	(15)
	(15)	—	—	(15)

31 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2011 not provided for in the financial statements were as follows:

	2011 *RMB'000*	**2010** *RMB'000*
Construction and development contracts	32,200,196	19,939,291
Land agreements	7,963,627	19,829,659
	40,163,823	39,768,950

Commitments mainly related to land and development costs for the Group's properties under development.

(b) At 31 December 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2011 *RMB'000*	**2010** *RMB'000*
Within 1 year	31,478	24,570
After 1 year but within 2 years	18,877	20,547
After 2 year but within 3 years	16,407	9,947
After 3 years	80,223	22,906
	146,985	77,970

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

32 CONTINGENT LIABILITIES

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB25,554 million (2010: RMB20,299 million), including guarantees of RMB25,409 million (2010: RMB20,184 million) which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties, and guarantees of RMB145 million (2010: RMB115 million) which will be terminated upon full repayment of mortgage loans by buyers to the banks.

The directors do not consider it probable that the Group will sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property buyers default payment. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

In addition, the Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Reference should be made to the following notes regarding related parties:

Associates	(note 14, 19 & 24)
Jointly controlled entities	(note 15, 19 & 24)
Key management personnel	(see note (c) below)

(b) Loan from a related party

The details of the loan from a related party are as follows:

	Loan balance as at 31 December 2011	Interest incurred for the year ended 31 December 2011
	RMB'000	*RMB'000*
China Resources SZITIC Trust Co., Ltd. (the "Trust")	1,000,000	5,289

The Trust is a subsidiary of China Resources Co., Limited ("CRC"). CRC holds the largest percentage of the share of interest in the Company among all shareholders.

The loan bears interest that is not higher than other trust loans borrowed during the year from independent third parties, is unsecured and repayable on 13 December 2013.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	2011	2010
	RMB'000	*RMB'000*
Short-term employee benefits	111,379	91,208

Total remuneration is included in "staff costs" (see note 8(b)).

The Group also provides non-monetary employee benefits to the key management personnel in the form of purchase discount on sale of the Group's properties to them. Details of such transactions are as follows:

	2011	2010
	RMB'000	*RMB'000*
Sales of properties to the key management personnel	16,812	8,803
Related cost of sales	(9,677)	(4,639)
Gross profit	7,135	4,164
Estimated fair value of the properties sold to the key management personnel	18,989	8,803

All the above were approved by the Board of Directors as a kind of employment benefits to the key management personnel.

In 2010 the Group launched the Economic Profits Bonus Plan (the "Plan") as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to the key performance indicator of Economic Profits in the corresponding year. The short-term employee benefits above include the bonus distributed to the key management personnel amounting to RMB15,418,700 (2010: Nil) arising from the Plan in respect of the Economic Profits in 2010 but exclude the accrued bonus in respect of the Economic Profits in 2011 as the amount has not been determined or distributed up to the date of these consolidated financial statements.

34 ACQUISITIONS OF SUBSIDIARIES

During the year, the Group has acquired certain subsidiaries which hold property development projects. Acquisitions of these subsidiaries enable the Group to expand its land banks. Acquisitions of major subsidiaries by the Group during the year are summarised as follows:

Date of acquisition	Name of subsidiaries acquired	Percentage of equity interest acquired	Consideration
24 March 2011	Shenzhen Haixuan Investment Development Co., Ltd.	50% *(note 1)*	RMB5,000,000
9 March 2011	Wuhan Yongli Property Development Co., Ltd.	100%	RMB36,000,000
10 January 2011	Winble Capital Limited	100%	HKD1,000
1 April 2011	Guangzhou Panyu Xiangxin Property Development Co. Ltd.	100%	RMB3,100,000,000
30 June 2011	Sanya Vanke Zhongshi Property Development Co., Ltd.	70%	RMB14,000,000
24 June 2011	Shan'xi Hanbo Co., Ltd.	51%	RMB5,100,000
11 May 2011	Future Vision Investments Limited	100%	USD22,662,135
11 May 2011	Dongguan Shenghong Investment Co., Ltd.	34% *(note 1)*	RMB340,000
11 May 2011	Dongguan Zhongwan Guangda Enterprise Co., Ltd.	25% *(note 1)*	RMB250,000
14 January 2011	Glorious Profit Investment Limited	100%	HKD1
1 August 2011	Changsha Guangying Property Development Co., Ltd.	60%	RMB6,000,000
21 July 2011	Guangzhou Huangpu Wenchong Chengzhongcun Property Development Co., Ltd.	90%	RMB90,000,000
3 July 2011	Shenzhen Longgang Baotong Cable Co., Ltd.	50% *(note 1)*	RMB17,900,000
15 July 2011	Shichang Bicycle Parts (Shenzhen) Co., Ltd.	50% *(note 1)*	RMB10,000,000
12 July 2011	Shenzhen Wanhongjia Investment Development Co., Ltd.	60%	RMB600,000
28 December 2011	Dalian Guanfang Property Development Co., Ltd.	61%	RMB6,100,000
28 December 2011	Dalian Jisen Property Development Co., Ltd.	55%	RMB55,000,000

Date of acquisition	Name of subsidiaries acquired	Percentage of equity interest acquired	Consideration
27 November 2011	Jiangxi Tianxiangyuan Property Development Co., Ltd.	65%	RMB172,852,500
4 November 2011	Shenzhen Mingjue Investment Development Co., Ltd.	50%	RMB853,872,000
4 November 2011	Shenzhen Mingjue Property Development Co., Ltd.	45%	*Note 2*
25 August 2011	Urumqi Yama Xi'an Commercial and Trading Co., Ltd.	60%	RMB123,329,100
20 September 2011	Shenzhen Wanlongliang Investment Development Co., Ltd.	60%	RMB6,000,000

Note 1: Based on the voting right in the board of directors of the company, the Group controlled the company's financial and operating policies. Therefore, the company was included in the Group's consolidated scope.

Note 2: The Group acquired 45% interest in Shenzhen Mingjue Property Development Co., Ltd. (the "Project Company") by acquiring 50% interest in Shenzhen Mingjue Investment Development Co., Ltd. (the "Holding Company") that held 90% interest in the Project Company. After the acquisition, the Group's shares of interest in the Holding Company and the Project Company were 100% and 90%, respectively.

The acquisitions of these subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	Carrying amount *RMB'000*	Adjustments *RMB'000*	Recognised values on acquisitions *RMB'000*
Current assets	7,184,038	3,524,917	10,708,955
Non-current assets	323,233	—	323,233
Current liabilities	(5,617,791)	—	(5,617,791)
Non-current liabilities	(705,330)	—	(705,330)
Non-controlling interests	(59,199)	—	(59,199)
Group's share of net identifiable assets and liabilities	1,124,951	3,524,917	4,649,868

	RMB'000
Total consideration	4,649,868
Consideration to be paid subsequent to 2011	(566,201)
Consideration paid in 2011	4,083,667
Total cash and cash equivalents acquired	(807,834)
	3,275,833
Consideration paid for the acquisitions prior to 2011	589,892
Net cash outflow	3,865,725

The above subsidiaries contributed an aggregate turnover of RMB4,164 million and profit attributable to the equity shareholders of the Company of RMB961 million to the Group for the year ended 31 December 2011. Should the acquisitions had occurred on 1 January 2011, the consolidated turnover and the consolidated profit attributable to the equity shareholders of the Company for the year ended 31 December 2011 would have been RMB67,709 million and RMB9,624 million respectively.

The acquired subsidiaries' major assets are properties held for development, properties under development and/or completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties.

35 DISPOSAL OF A SUBSIDIARY

On 29 December 2011, the Group's former subsidiary, Wuhan Liantou Vanke Real Estate Company Limited ("Wuhan Liantou"), became a jointly controlled entity of the Group as the Group no longer controlled Wuhan Liantou's financial and operating policies according to the revised Article of Association.

The effect on the Group's assets and liabilities is set out below:

	RMB'000
Current assets	(2,575,570)
Interest in a jointly controlled entity	200,775
Other non-current assets	(11)
Current liabilities	874,806
Non-current liabilities	1,500,000
Net identifiable assets and liabilities	—
Cash disposed of	(985,466)
Net cash outflow	(985,466)

No significant variance between the fair value and net book value of Wuhan Liantou's net identifiable assets and liabilities was noted at the disposal date. No gain or loss was recognised on the disposal.

36 NON-ADJUSTING POST BALANCE SHEET EVENTS

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 29(c).

37 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2011

Up to date of issue of these financial statements, the IASB has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2011 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*	1 July 2011
Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*	1 July 2012
IFRS 9, *Financial instruments*	1 January 2013
IFRS 10, *Consolidated financial statements*	1 January 2013
IFRS 12, *Disclosure of interests in other entities*	1 January 2013
IFRS 13, *Fair value measurement*	1 January 2013
IAS 28, *Investments in associates and joint ventures*	1 January 2013
Revised IAS 19, *Employee benefits*	1 January 2013

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far is has concluded that the adoption of them is unlikely to result in a restatement of the Group's results of operations and financial position.

39 PRINCIPAL SUBSIDIARIES

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Principal activities
Shenzhen Vanke Real Estate Company Limited	Shenzhen	RMB600,000,000	100%	Property development
Shenzhen Vanke Xizhigu Real Estate Company Limited	Shenzhen	RMB10,000,000	60%	Property development
Shenzhen Vanke City Scenery Property Company Limited	Shenzhen	RMB120,000,000	100%	Property development
Shenzhen Vanke Xingye Property Company Limited	Shenzhen	RMB62,413,230	100%	Property development
Shenzhen Vanke Nancheng Real Estate Company Limited	Shenzhen	RMB10,000,000	100%	Property development
Shenzhen Vanke Daolin Investment Development Company Limited	Shenzhen	RMB20,000,000	100%	Property development
Huizhou Vanke Property Company Limited	Huizhou	RMB10,000,000	100%	Property development
Guangzhou Vanke Real Estate Company Limited	Guangzhou	RMB1,000,000,000	100%	Property development
Foshan Vanke Real Estate Company Limited	Foshan	RMB80,000,000	100%	Property development
Guangzhou Wanxin Property Company Limited	Guangzhou	HKD760,000,000	100%	Property development
Guangzhou Pengwan Property Company Limited *(note)*	Guangzhou	RMB200,000,000	50%	Property development
Qingyuan Hongmei Investment Company Limited	Qingyuan	RMB280,000,000	95%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB20,000,000	100%	Property development
Dongguan Xinwan Property Development Company Limited	Dongguan	RMB10,000,000	51%	Property development
Dongguan Songhuju Property Company Limited	Dongguan	RMB10,000,000	100%	Property development
Dongguan Xintong Industry Investment Company Limited	Dongguan	RMB10,000,000	51%	Property development
Foshan Nanhai District Jinyulanwan Property Company Limited	Foshan	USD190,000,000	55%	Property development
Zhuhai Vanke Real Estate Company Limited	Zhuhai	RMB10,000,000	100%	Property development
Zhuhai Zhubin Property Development Company Limited	Zhuhai	RMB109,000,000	95%	Property development
Xiamen Vanke Real Estate Company Limited	Xiamen	RMB50,000,000	100%	Property development
Fuzhou Vanke Real Estate Company Limited	Fuzhou	RMB20,000,000	100%	Property development
Hainan Vanke Property Development Company Limited	Hainan	RMB10,000,000	100%	Property development
Shanghai Vanke Investment and Management Company Limited	Shanghai	RMB204,090,000	100%	Property development
Shanghai Hengda Property Shareholding Company Limited	Shanghai	RMB141,348,200	99.8%	Property development
Shanghai Vanke Baobei Property Company Limited	Shanghai	RMB10,000,000	100%	Property development
Shanghai Meilanhuafu Property Company Limited	Shanghai	RMB700,000,000	100%	Property development
Shanghai Dijie Property Company Limited *(note)*	Shanghai	RMB20,000,000	50%	Property development
Shanghai Xiangda Real Estate Development Company Limited	Shanghai	RMB1,783,000,000	75%	Property development
Shanghai Vanke Real Estate Company Limited	Shanghai	RMB800,000,000	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Principal activities
Shanghai Luolian Property Company Limited	Shanghai	RMB470,000,000	100%	Property development
Nanjing Vanke Property Company Limited	Nanjing	RMB150,000,000	100%	Property development
Nanjing Hengyue Property Company Limited	Nanjing	RMB10,000,000	100%	Property development
Nanjing Jinyu Blue Bay Property Company Limited	Nanjing	RMB90,000,000	100%	Property development
Wuxi Vanke Real Estate Company Limited	Wuxi	RMB300,000,000	60%	Property development
Wuxi Wansheng Real Estate Development Company Limited	Wuxi	USD49,200,000	100%	Property development
Wuxi Dongcheng Real Estate Company Limited	Wuxi	USD149,400,000	100%	Property development
Jiangsu Sunan Vanke Real Estate Company Limited	Suzhou	RMB30,000,000	100%	Property development
Suzhou Vanke Zhongliang Property Company Limited	Suzhou	RMB230,000,000	51%	Property development
Suzhou Huihua Investment and Property Company Limited	Suzhou	RMB355,000,000	51%	Property development
Hangzhou Wankun Property Development Company Limited	Hangzhou	RMB350,000,000	51%	Property development
Hangzhou Vanke Property Company Limited	Hangzhou	RMB320,000,000	100%	Property development
Hangzhou Hotel Management Company Limited	Hangzhou	RMB10,000,000	100%	Property development
Hangzhou Vanke Junyuan Property Company Limited	Hangzhou	USD66,660,000	100%	Property development
Fuyang Vanke Real Estate Development Company Limited	Hangzhou	RMB300,000,000	100%	Property development
Ningbo Vanke Real Estate Company Limited	Ningbo	RMB150,000,000	100%	Property development
Ningbo Jiangbei Vanke Property Development Company Limited	Ningbo	RMB675,000,000	100%	Property development
Beijing Vanke Enterprises Shareholding Company Limited	Beijing	RMB2,000,000,000	100%	Property development
Beijing Chaoyang Vanke Property Development Company Limited	Beijing	RMB200,000,000	60%	Property development
Beijing Vanke Zhongliang Jiarifengjing Real Estate Development Company Limited *(note)*	Beijing	RMB830,000,000	50%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000,000	100%	Property development
Tianjin Wanbin Real Estate Development Company Limited	Tianjin	RMB455,000,000	60%	Property development
Tianjin Zhongtian Wanfang Investment Company Limited	Tianjin	RMB30,000,000	100%	Property development
Tianjin Vanke Xinlicheng Company Limited	Tianjin	RMB230,000,000	100%	Property development
Tianjin Wanzhu Investment Company Limited	Tianjin	RMB30,000,000	100%	Property development
Tianjin Wanfu Investment Company Limited	Tianjin	RMB192,000,000	100%	Property development
Shenyang Vanke Real Estate Development Company Limited	Shenyang	RMB100,000,000	100%	Property development
Shenyang Vanke Tianqinwan Property Company Limited	Shenyang	USD99,980,000	55%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Principal activities
Shenyang Vanke Hunnan Jinyu Property Development Company Limited	Shenyang	RMB1,022,520,258	100%	Property development
Shenyang Vanke Jinyu Blue Bay Property Development Company Limited	Shenyang	RMB578,150,000	100%	Property development
Dalian Vanke Real Estate Development Company Limited	Dalian	RMB32,000,000	100%	Property development
Dalian Vanke City Real Property Company Limited	Dalian	USD42,000,000	55%	Property development
Anshan Vanke Property Development Co., Ltd.	Anshan	USD5,172,700	100%	Property development
Changchun Vanke Real Estate Company Limited	Changchun	RMB50,000,000	100%	Property development
Qingdao Vanke Real Estate Company Limited	Qingdao	RMB20,000,000	100%	Property development
Qingdao Vanke Yinshengtai Real Estate Development Co., Ltd.	Qingdao	RMB100,000,000	80%	Property development
Qingdao Da Shan Real Estate Development Company Limited	Qingdao	RMB100,000,000	100%	Property development
Chengdu Vanke Real Estate Company Limited	Chengdu	RMB80,000,000	100%	Property development
Chengdu Vanke Guobin Property Company Limited	Chengdu	USD140,000,000	60%	Property development
Chengdu Vanke Guanghua Property Company Limited	Chengdu	USD131,428,571	100%	Property development
Chengdu Vanke Jinjiang Property Company Limited	Chengdu	RMB10,000,000	100%	Property development
Chengdu Vanke Huadong Real Estate Company Limited	Chengdu	RMB77,680,000	90%	Property development
Chengdu Vanke Chenghua Property Company Limited	Chengdu	RMB554,479,142	85%	Property development
Wuhan Vanke Real Estate Company Limited	Wuhan	RMB150,000,000	100%	Property development
Wuhan Vanke Tiancheng Real Estate Company Limited	Wuhan	USD12,100,000	55%	Property development
Wuhan Guohao Property Company Limited	Wuhan	RMB10,000,000	55%	Property development
Wuhan Wangjiadun Morden City Property Company Limited	Wuhan	RMB200,000,000	100%	Property development
Chongqing Yu Development Coral Property Company Limited	Chongqing	RMB20,000,000	51%	Property development
Hefei Vanke Property Company Limited	Hefei	RMB200,000,000	100%	Property development
Vanke (Chongqing) Real Estate Company Limited	Chongqing	RMB100,000,000	100%	Property development
Xi'an Vanke Real Estate Company Limited	Xi'an	RMB20,000,000	100%	Property development
Nantong Vanke Real Estate Company Limited	Nantong	RMB8,000,000	100%	Property development
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000,000	100%	Property development
Kunming Vanke Property Development Co., Ltd.	Kunming	RMB20,000,000	100%	Property development
Yantai Vanke Property Development Co., Ltd.	Yantai	RMB30,000,000	100%	Property development
Taiyuan Vanke Real Estate Company Limited	Taiyuan	RMB60,000,000	100%	Property development
Xinjiang Vanke Real Estate Company Limited	Urumqi	RMB100,000,000	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Principal activities
Yangzhou Wanwei Property Company Limited	Yangzhou	RMB550,000,000	65%	Property development
Jiaxing Vanke Property Development Co., Ltd.	Jiaxing	RMB100,000,000	100%	Property development
Tangshan Vanke Property Development Co., Ltd.	Tangshan	RMB200,000,000	100%	Property development
Fushun Vanke Property Development Co., Ltd.	Fushun	RMB10,000,000	100%	Property development

Note: The directors consider these entities as subsidiaries of the Group as the Group has the power to govern the financial and operating policies of these entities.

The following independent auditor's report on the consolidated financial statements of the Company as of and for the year ended 31 December 2012 as set out herein is reproduced from the Company's 2012 annual report dated 28 February 2013.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA VANKE CO., LTD.
(Established as a joint stock company in the People's Republic of China with limited liability)

We have audited the accompanying consolidated financial statements of China Vanke Co., Ltd. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2012 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Huazhen (Special General Partnership)
Certified Public Accountants
8th Floor, Tower E2, Oriental Plaza
1 East Chang An Avenue
Beijing, People's Republic of China
26 February 2013

The following consolidated financial statements of the Company as of and for the year ended 31 December 2012 as set out herein is reproduced from the Company's 2012 annual report dated 28 February 2013.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2012
(Expressed in Renminbi Yuan)

	Note	2012 RMB'000	2011 RMB'000
Revenue	4(a)	96,859,914	67,709,396
Cost of sales		(65,454,228)	(43,249,418)
Gross profit		31,405,686	24,459,978
Other revenue	5	1,008,346	820,643
Other net income	6	200,521	138,306
Distribution costs		(3,056,378)	(2,556,775)
Administrative expenses		(2,845,761)	(2,666,722)
Other operating expenses	7	(165,250)	(97,004)
Profit from operations		26,547,164	20,098,426
Finance costs	8(a)	(1,739,414)	(1,252,354)
Share of profits less losses of associates	15	570,657	397,783
Share of profits less losses of jointly controlled entities	16	319,130	246,205
Profit before taxation		25,697,537	19,490,060
Income tax	9(a)	(10,034,949)	(7,890,454)
Profit for the year		15,662,588	11,599,606
Attributable to:			
Equity shareholders of the Company		12,551,182	9,624,875
Non-controlling interests		3,111,406	1,974,731
Profit for the year		15,662,588	11,599,606
Basic earnings per share (RMB)	11	1.14	0.88

The accompanying notes form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 30(c).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012
(Expressed in Renminbi Yuan)

	Note	2012 RMB'000	2011 RMB'000
Profit for the year		15,662,588	11,599,606
Other comprehensive income (after tax and reclassification adjustments)	10		
Exchange differences on translation of financial statements of overseas subsidiaries		(104,786)	155,644
Available-for-sale securities:			
— net movement in the fair value reserve		—	27,373
— fair value reserve transferred to profit or loss		(27,373)	—
		(132,159)	183,017
Total comprehensive income for the year		15,530,429	11,782,623
Attributable to:			
Equity shareholders of the Company		12,419,023	9,807,892
Non-controlling interests		3,111,406	1,974,731
Total comprehensive income for the year		15,530,429	11,782,623

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2012
(Expressed in Renminbi Yuan)

	Note	2012 RMB'000	2011 RMB'000
Non-current assets			
Property, plant and equipment	12	3,132,540	2,777,889
Investment properties	13	1,714,136	1,126,105
Goodwill	14	201,690	—
Interest in associates	15	2,915,844	2,160,824
Interest in jointly controlled entities	16	4,043,247	4,183,142
Other financial assets	17	85,979	523,790
Other non-current assets	18	879,582	463,793
Deferred tax assets	26(b)	3,219,894	2,326,242
		16,192,912	13,561,785
Current assets			
Inventories	19	253,622,152	208,661,350
Trade and other receivables	20	56,988,250	40,071,647
Pledged deposits	21	1,171,318	625,403
Cash and cash equivalents	22	51,120,224	33,614,112
		362,901,944	282,972,512
Current liabilities			
Bank loans and borrowings from financial institutions	23	35,557,359	23,570,276
Financial derivatives	24	25,761	17,042
Trade and other payables	25	215,529,570	168,893,596
Current taxation	26(a)	8,720,876	8,243,247
		259,833,566	200,724,161
Net current assets		103,068,378	82,248,351
Total assets less current liabilities		119,261,290	95,810,136

	Note	2012 RMB'000	2011 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	23	36,036,070	26,822,359
Deferred tax liabilities	26(c)	1,027,055	1,104,762
Provisions	27	44,292	38,678
Other non-current liabilities	28	15,678	11,798
		37,123,095	27,977,597
NET ASSETS		82,138,195	67,832,539
CAPITAL AND RESERVES	30		
Share capital		10,995,553	10,995,210
Reserves		52,830,001	41,972,585
Total equity attributable to equity shareholders of the Company		63,825,554	52,967,795
Non-controlling interests		18,312,641	14,864,744
TOTAL EQUITY		82,138,195	67,832,539

Approved and authorised for issue by the board of directors on 26 February 2013.

Wang Shi)
Yu Liang)
) *Directors*
)
)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012
(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2011		10,995,210	8,789,676	—	10,587,706	390,132	(332)	13,470,285	44,232,677	10,353,523	54,586,200
Changes in equity for 2011:											
Profit for the year		—	—	—	—	—	—	9,624,875	9,624,875	1,974,731	11,599,606
Other comprehensive income	10	—	—	—	—	155,644	27,373	—	183,017	—	183,017
Total comprehensive income		—	—	—	—	155,644	27,373	9,624,875	9,807,892	1,974,731	11,782,623
Dividends approved in respect of the previous year	30(c)	—	—	—	—	—	—	(1,099,521)	(1,099,521)	—	(1,099,521)
Appropriation to statutory reserves	30(b)	—	—	—	3,061,021	—	—	(3,061,021)	—	—	—
Equity settled share-based transactions	29	—	—	106,236	—	—	—	—	106,236	—	106,236
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	3,904,944	3,904,944
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	68,806	68,806
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(79,489)	—	(79,489)	(405,068)	(484,557)
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(102,688)	(102,688)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(898,844)	(898,844)
Others		—	—	—	—	—	—	—	—	(30,660)	(30,660)
Balance at 31 December 2011		10,995,210	8,789,676	106,236	13,648,727	545,776	(52,448)	18,934,618	52,967,795	14,864,744	67,832,539

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2012		10,995,210	8,789,676	106,236	13,648,727	545,776	(52,448)	18,934,618	52,967,795	14,864,744	67,832,539
Changes in equity for 2012:											
Profit for the year		—	—	—	—	—	—	12,551,182	12,551,182	3,111,406	15,662,588
Other comprehensive income	10	—	—	—	—	(104,786)	(27,373)	—	(132,159)	—	(132,159)
Total comprehensive income		—	—	—	—	(104,786)	(27,373)	12,551,182	12,419,023	3,111,406	15,530,429
Dividends approved in respect of the previous year	30(c)	—	—	—	—	—	—	(1,429,377)	(1,429,377)	—	(1,429,377)
Appropriation to statutory reserves	30(b)	—	—	—	3,368,324	—	—	(3,368,324)	—	—	—
Equity settled share-based transactions	29	—	—	88,231	—	—	—	—	88,231	—	88,231
Share issued upon exercise of share options	30(a)	343	3,319	(692)	—	—	—	—	2,970	—	2,970
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	2,747,932	2,747,932
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	517,617	517,617
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(223,088)	—	(223,088)	(1,160,135)	(1,383,223)
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(40,000)	(40,000)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(1,728,923)	(1,728,923)
Balance at 31 December 2012		10,995,553	8,792,995	193,775	17,017,051	440,990	(302,909)	26,688,099	63,825,554	18,312,641	82,138,195

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2012
(Expressed in Renminbi Yuan)

	Note	2012 RMB'000	2011 RMB'000
Operating activities			
Cash received from customers		116,108,840	103,648,873
Cash generated from other operating activities		5,480,586	6,894,668
Cash paid to suppliers		(87,323,652)	(84,918,244)
Cash paid to and for employees		(2,908,877)	(2,480,848)
Cash paid for other taxes		(7,723,669)	(4,979,856)
Cash used in other operating activities		(9,549,370)	(5,056,898)
Cash generated from operations		14,083,858	13,107,695
PRC Corporate Income Tax ("CIT") and Hong Kong Profits Tax paid		(5,672,442)	(6,304,556)
Land Appreciation Tax ("LAT") paid		(4,685,457)	(3,413,715)
Net cash generated from operating activities		3,725,959	3,389,424
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	*35*	(2,537,053)	(3,865,725)
Investment in associates and jointly controlled entities		(488,450)	(790,000)
Acquisitions of additional interest in subsidiaries		(11,958)	(405,068)
Acquisitions of property, plant and equipment		(150,668)	(261,561)
Net cash outflow from disposals of subsidiaries	*36*	(42)	(985,466)
Proceeds from disposal of property, plant and equipment		1,533	1,116
Proceeds from disposals of investments		12,000	207,894
Interest received		554,009	427,485
Dividends received		167,176	18,758
Net cash used in investing activities		(2,453,453)	(5,652,567)

	Note	2012 *RMB'000*	2011 *RMB'000*
Financing activities			
Contributions from non-controlling interests		2,991,124	3,904,944
Proceeds from bank loans and borrowings from financial institutions		47,477,333	23,574,576
Repayment of bank loans and borrowings from financial institutions		(26,864,417)	(19,974,613)
Dividends and interest paid		(7,318,530)	(6,698,048)
Net cash generated from financing activities		16,285,510	806,859
Effect of foreign exchange rate changes		(51,904)	(26,539)
Net increase/(decrease) in cash and cash equivalents		17,506,112	(1,482,823)
Cash and cash equivalents at 1 January		33,614,112	35,096,935
Cash and cash equivalents at 31 December		51,120,224	33,614,112

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

1 REPORTING ENTITY

China Vanke Co., Ltd (the "Company") is a company domiciled in the People's Republic of China (the "PRC"). The consolidated financial statements of the Company for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly controlled entities. The Group's principal activities are development and sale of properties in the PRC.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). A summary of the significant accounting policies adopted by the Group is set out below.

IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale (see note 2(g));
- derivative financial instruments are measured at fair value (see note 2(h)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IFRS 7, Financial instrument: Disclosures — Transfers of financial assets
- Amendments to IAS 12 Income taxes — Deferred tax: Recovery of underlying assets

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to IFRS 7, Financial instrument: Disclosures

The amendments to IFRS 7 require certain disclosures to be included in the financial statements in respect of transferred financial assets that are not derecognised in their entirety and for any continuing involvement in transferred financial assets that are derecognised in their entirety, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

Amendments to IAS 12, Income taxes

Under IAS 12 deferred tax is required to be measured with reference to the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of the asset(s) in question. In this regard, the amendments to IAS 12 introduced a rebuttable presumption that the carrying amount of investment property carried at fair value under IAS 40, Investment property, will be recovered through sale. This presumption is rebutted on a property-by-property basis if the investment property in question is depreciable and is held within a business model whose objective to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments to IAS 12 did not have any impact to the Group's financial statements as the Group adopts cost model to measure its investment properties.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(p) or (q) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity (see note 2(e)).

(e) Associates and jointly controlled entities

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a jointly controlled entity, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)).

Investments in equity securities which are not held for trading are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(v)(v). When these investments are derecognised or impaired (see note 2(l)), the cumulative gain or loss is reclassified from equity to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(i) Investment property

Investment properties are buildings which are owned or held under a leasehold interest (see note 2(k)) to earn rental income and/or for capital appreciation. These include property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. Rental income from investment properties is accounted for as described in note 2(v)(iv).

Depreciation is calculate to write off the costs of investment properties, less its residual value of 0% to 4%, if any, using the straight-line method over their estimated useful lives of 12.5 to 40 years. Both the useful life and residual value, if any, are reviewed annually.

(j) Property, plant and equipment

The following items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss (see note 2(l)):

— buildings held for own use which are situated on leasehold land classified as held under operating lease (see note 2(k)); and

— other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(x)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

	Residual value	Useful life
Leasehold land	0%	unexpired term of lease
Hotel and other buildings	4%	the shorter of the unexpired term of lease and 12.5–40 years
Improvements to premises	0%	5–10 years
Machinery and motor vehicles	4%	5–10 years
Other equipment	4%	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is held for development for sale (see note 2(m)(ii)).

(l) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates and jointly controlled entities (including those recognised using the equity method (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in equity is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— pre-paid interests in leasehold land classified as being held under an operating lease; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(m) Inventories

(i) Construction materials

Construction materials are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the construction materials to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

— *Property held for development and property under development*

The cost of properties held for development and properties under development comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(x)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

— *Completed property for sale*

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(n) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(v)(iii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are presented as "Receipts in advance" under "Trade and other payables".

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(s) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based compensation reserve within equity. The fair value is measured at grant date using the Binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve). The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are no discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

— the same taxable entity; or

— different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(u)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of properties

Revenue arising from the sale of properties is recognised upon the signing of the sale and purchase agreement, the receipt of the deposits and confirmation of arrangement of settlement of remaining sales proceeds or the achievement of status ready for hand-over to customers as stipulated in the sale and purchase agreement, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are presented as "Receipts in advance" under "Trade and other payables".

(ii) Provision of services

Revenue from services is recognised when services are rendered.

(iii) Contract revenue

When the outcome of a construction contract can be estimated reliably:

— revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

— revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segments reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after their completion, whereas, the properties are accounted for as investment properties under construction if the properties are intended to be held to earn rentals and/or for capital appreciation.

(b) Sources of estimation uncertainty

Notes 14 and 31 contain information about the assumptions and their risk factors relating to goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Properties for sale

As explained in note 2(m), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the trade and other receivable balance, customer creditworthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual provisions would be higher than estimated.

(iii) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(iv) LAT

As explained in note 9(a), LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and relevant property development expenditures. Given the uncertainties of the calculation basis of land appreciation tax to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in estimates would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are development and sale of properties in the PRC.

Revenue mainly represents income from sale of properties, construction contract and property management and related services earned during the year, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Sale of properties	94,000,979	65,313,204
Construction contracts	1,415,632	1,324,755
Property management and related services	807,186	540,406
Others	636,117	531,031
	96,859,914	67,709,396

The Group's customer base is diversified and does not have customer with whom transactions have exceeded 10% of the Group's revenue.

(b) Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development (Beijing region/Guangshen region/Shanghai region/Chengdu region): given the importance of the property development division to the Group, the Group's property development business is segregated further into four reportable segments on a geographical basis, as the divisional managers for each of these regions report directly to the senior executive team. All the four segments mainly derive their revenue from development and sale of residential properties. The properties are mainly sold to individual customers; therefore, the Group does not have major customers. Currently the Group's activities in this regard are carried out in the PRC. Details about the specific cities covered by each region are set out in note 4(b)(i).

- Property management: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties and shopping arcades, as well as those developed by the external property developers. Currently the Group's activities in this regard are also carried out in the PRC.

Although the operating segment of property management services does not meet any of the quantitative thresholds specified in IFRS 8, Operating Segments, management believes that information about the segment would be useful to users of the consolidated financial statements.

(i) ***Segment results, assets and liabilities***

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, other investments and current assets in Mainland China with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals, bank loans and borrowings from financial institutions, and the provision for the estimated losses to be borne by the Group in relation to the property management projects in Mainland China, but excluding deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales before sales tax generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is the profit before CIT, excluding share of profit or loss of associates or jointly controlled entities, dividend income, other income and other operating expenses in Mainland China, but including the provision for doubtful debts and the profit arising from the inter-segment transactions. LAT which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Real estate development *(note (1))*					
	Beijing region *RMB'000*	**Guangshen region** *RMB'000*	**Shanghai region** *RMB'000*	**Chengdu region** *RMB'000*	**Property management** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2012						
Revenue from external customers, before sales taxes	33,445,567	29,018,433	21,915,412	17,521,367	974,601	102,875,380
Inter-segment revenue	—	342,277	4,886	40,000	803,223	1,190,386
Reportable segment revenue, before sales taxes	33,445,567	29,360,710	21,920,298	17,561,367	1,777,824	104,065,766
Reportable segment profit	6,856,184	6,429,262	4,545,655	3,493,131	150,944	21,475,176
Interest income	360,319	209,186	183,503	193,818	4,821	951,647
Interest expense	225,056	415,999	483,122	80,064	47	1,204,288
Share of profits less losses of associates and jointly controlled entities *(note (2))*	438,969	160,592	147,862	161,049	—	908,472
Reportable segment assets	108,538,598	122,334,248	103,775,407	69,798,669	2,905,454	407,352,376
Reportable segment liabilities	88,536,930	105,754,297	89,823,583	62,910,060	2,497,514	349,522,384

	Real estate development *(note (1))*					
	Beijing region	**Guangshen region**	**Shanghai region**	**Chengdu region**	**Property management**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2011						
Revenue from external customers, before sales taxes	17,061,231	25,421,017	20,777,636	7,806,280	713,346	71,779,510
Inter-segment revenue	—	94,430	—	—	716,953	811,383
Reportable segment revenue, before sales taxes	17,061,231	25,515,447	20,777,636	7,806,280	1,430,299	72,590,893
Reportable segment profit	3,504,472	6,183,992	4,568,294	1,123,944	98,913	15,479,615
Interest income	416,729	107,467	195,469	99,220	4,034	822,919
Interest expense	297,224	288,527	344,288	50,280	2	980,321
Share of profits less losses of associates and jointly controlled entities *(note (2))*	150,291	167,151	137,932	17,696	—	473,070
Reportable segment assets	88,526,568	100,481,838	80,334,997	48,708,614	1,659,635	319,711,652
Reportable segment liabilities	73,806,426	85,674,922	68,291,076	43,937,305	1,356,531	273,066,260

Note (1): Beijing region represents Beijing, Tianjin, Shenyang, Anshan, Dalian, Qingdao, Changchun, Yantai, Jilin, Taiyuan, Tangshan, Langfang, Fushun, Qinhuangdao and Jinzhong.

Guangshen region represents Shenzhen, Guangzhou, Qingyuan, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Huizhou, Hainan and Putian.

Shanghai region represents Shanghai, Hangzhou, Su'nan, Ningbo, Nanjing, Zhenjiang, Nanchang, Hefei, Yangzhou, Jiaxing, Wuhu and Wenzhou.

Chengdu region represents Chengdu, Wuhan, Xi'an, Chongqing, Kunming, Guiyang and Urumqi.

Note (2): Share of profits less losses of associates and jointly controlled entities that is attributable to head office and not allocated to the respective segments is RMB319 million (2011: RMB171 million).

(ii) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2012	**2011**
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	104,065,766	72,590,893
Elimination of inter-segment revenue	(1,190,386)	(811,383)
Unallocated revenue	240,865	3,240
Sales taxes	(6,256,331)	(4,073,354)
Consolidated revenue	96,859,914	67,709,396

	2012	2011
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	21,475,176	15,479,615
Elimination of inter-segment profit	(982,138)	(282,396)
Share of profits less losses of associates and jointly controlled entities	889,787	643,988
Dividend income	27,188	18,966
Other net income, excluding net exchange gain	141,570	108,936
Other operating expenses, excluding provision for doubtful debts	(81,433)	(32,377)
Unallocated expenses	(399,965)	(130,849)
LAT	4,627,352	3,684,177
Consolidated profit before taxation	25,697,537	19,490,060
Assets		
Reportable segment assets	407,352,376	319,711,652
Elimination of inter-segment receivables	(192,577,435)	(138,381,484)
Unallocated assets	164,319,915	115,204,129
Consolidated total assets	379,094,856	296,534,297
Liabilities		
Reportable segment liabilities	349,522,384	273,066,260
Elimination of inter-segment payables	(176,161,335)	(124,301,269)
Unallocated liabilities	123,595,612	79,936,767
Consolidated total liabilities	296,956,661	228,701,758

5 OTHER REVENUE

	2012	2011
	RMB'000	*RMB'000*
Interest income	981,158	801,677
Dividend income	27,188	18,966
	1,008,346	820,643

6 OTHER NET INCOME

	2012	2011
	RMB'000	*RMB'000*
Forfeited deposits and compensation from customers	68,154	27,777
Gain on disposals of subsidiaries	33,180	35,395
Net (loss)/gain on disposals of other investments	(16,201)	881
Net (loss)/gain on disposals of property, plant and equipment	(4,671)	2,901
Net realised and unrealised loss on financial derivatives	(8,719)	(2,869)
Net exchange gain	58,951	29,370
Other sundry income	69,827	44,851
	200,521	138,306

7 OTHER OPERATING EXPENSES

	2012 *RMB'000*	2011 *RMB'000*
Provision for doubtful debts	83,818	64,627
Compensation to customers	15,780	11,132
Donations	48,907	5,530
Penalties	9,273	7,942
Other sundry expenses	7,472	7,773
	165,250	97,004

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2012 *RMB'000*	2011 *RMB'000*
Interest on interest-bearing borrowings	5,782,312	4,208,214
Less: Interest expense capitalised into inventories *(note)*	(4,042,898)	(2,955,860)
	1,739,414	1,252,354

Note: The borrowing costs have been capitalised at a rate of 8.4% per annum (2011: 8.6%).

(b) Staff costs

	2012 *RMB'000*	2011 *RMB'000*
Salaries, wages and other benefits	3,433,442	2,733,158
Contributions to defined contribution retirement plan	288,473	227,802
Equity-settled share-based payment expenses	88,231	106,236
	3,810,146	3,067,196

(c) Other items

	2012 *RMB'000*	2011 *RMB'000*
Depreciation and amortisation	182,620	137,327
Impairment loss on trade and other receivables	83,818	64,627
Cost of inventories	63,195,149	41,236,819
Operating lease charges in respect of properties	85,385	92,461
Rental income from investment properties	(35,620)	(9,766)
Project management fee charged to associates and jointly controlled entities	(295,787)	(198,103)

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2012 *RMB'000*	2011 *RMB'000*
Current tax		
Provision for CIT and Hong Kong Profits Tax	6,139,443	4,842,351
Provision for LAT	4,825,002	3,705,432
Withholding tax	32,739	16,221
	10,997,184	8,564,004
Deferred tax		
Fair value adjustments arising from business combinations		
— CIT and Hong Kong Profits Tax	(19,659)	(12,252)
— LAT	(32,614)	(21,255)
Accrual for LAT	(196,761)	(284,506)
Tax losses	(214,480)	(318,755)
Bad debt provision and write-down of inventories	(9,288)	(2,836)
Accruals for construction costs	(64,613)	(32,163)
Withholding tax	(16,310)	43,041
Unrealised profits	(360,705)	(20,916)
Other temporary differences	(47,805)	(23,908)
	(962,235)	(673,550)
	10,034,949	7,890,454

(i) CIT and Hong Kong Profits Tax

The provision for CIT is calculated based on the estimated taxable income at the rates applicable to each company in the Group. The income tax rates applicable to the principal subsidiaries in the PRC are 25% (2011: from 24% to 25%).

According to the CIT Law that was passed by the Standing Committee of the Tenth National People's Congress ("NPC") on 16 March 2007 and the Notice of the State Council on the Transitional Preferential Policy regarding implementation of the CIT Law (Guo Fa [2007] No. 39) issued on 26 December 2007, income tax rate is revised to 25% with effect from 1 January 2008. For certain enterprises that are entitled to preferential income tax rate of 15% before the implementation of the CIT Law, the income tax rate applicable will be 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, and 2012 and thereafter respectively. As at 31 December 2012 and 2011, deferred tax assets and liabilities were calculated based on the applicable income tax rates enacted by the NPC from 1 January 2008.

The provision for Hong Kong Profits Tax for 2012 is calculated at 16.5% of the estimated assessable profits for the year.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Withholding tax

Withholding tax is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 ranged from 5% to 10%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2012	2011
	RMB'000	*RMB'000*
Profit before taxation	25,697,537	19,490,060
Less: LAT	(4,627,352)	(3,684,177)
Profit before CIT and Hong Kong Profits Tax	21,070,185	15,805,883
Notional tax on profit before CIT and Hong Kong Profits Tax calculated at effective income tax rate of the relevant Group entities concerned	5,266,357	3,919,065
Non-taxable income	(227,053)	(163,254)
Non-deductible expenses	280,613	452,318
Effect of temporary difference not recognised	100,682	42,346
Recognition of previously unrecognised tax losses	(13,002)	(43,206)
Effect of change in tax rates on deferred tax in respect of current year temporary differences	—	(992)
CIT and Hong Kong Profits Tax	5,407,597	4,206,277
LAT	4,627,352	3,684,177
Income tax expense	10,034,949	7,890,454

10 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2012			2011		
	Before-tax amount	**Tax expense**	**Net-of-tax amount**	**Before-tax amount**	**Tax benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000* *(note 26(d))*	*RMB'000*	*RMB'000*	*RMB'000* *(note 26(d))*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	(104,786)	—	(104,786)	155,644	—	155,644
Available-for-sale securities						
— net movement in fair value reserve	—	—	—	36,497	(9,124)	27,373
— fair value reserve reclassified to profit or loss	(36,497)	9,124	(27,373)	—	—	—
Other comprehensive income	(141,283)	9,124	(132,159)	192,141	(9,124)	183,017

(b) Components of other comprehensive income, including reclassification adjustments

	2012	2011
	RMB'000	*RMB'000*
Available-for sale securities:		
Changes in fair value recognised during the year	—	27,373
Reclassification to profit or loss:	(27,373)	—
Net movement in the fair value reserve during the year recognised in other comprehensive income	(27,373)	27,373

11 BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB12,551,182,000 (2011: RMB9,624,875,000) and the weighted average of 10,995,306,676 (2011: 10,995,210,218) shares in issue during the year.

The Group has a share option scheme which was adopted on 25 April 2011 (see note 29). The scheme gives rise to potential A shares of the Company. The potential A shares have no diluted effect for the year ended 31 December 2012 and 2011, but may have diluted effect in future years.

12 PROPERTY, PLANT AND EQUIPMENT

	Hotel and other buildings held for own use *RMB'000*	Improvements to premises *RMB'000*	Leasehold land prepayment *RMB'000*	Machinery and motor vehicles *RMB'000*	Electronic and other equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:							
At 1 January 2011	1,302,156	84,973	383,379	127,988	203,393	764,282	2,866,171
Additions	15,929	39,935	71,691	62,265	46,251	289,177	525,248
Transfer	347,907	—	—	—	—	(347,907)	—
Disposals	(11,873)	(5,663)	—	(12,856)	(12,565)	—	(42,957)
At 31 December 2011	1,654,119	119,245	455,070	177,397	237,079	705,552	3,348,462
At 1 January 2012	1,654,119	119,245	455,070	177,397	237,079	705,552	3,348,462
Additions	82,109	21,045	1,473	18,604	40,864	378,030	542,125
Transfer	32,464	—	—	—	—	(32,464)	—
Disposals	(51,375)	(2,876)	—	(10,999)	(14,713)	—	(79,963)
At 31 December 2012	1,717,317	137,414	456,543	185,002	263,230	1,051,118	3,810,624
Accumulated depreciation:							
At 1 January 2011	215,074	45,921	9,427	77,701	128,071	—	476,194
Charge for the year	51,204	20,505	10,169	18,055	28,779	—	128,712
Written back on disposals	(8,904)	(3,489)	—	(11,160)	(10,780)	—	(34,333)
At 31 December 2011	257,374	62,937	19,596	84,596	146,070	—	570,573
At 1 January 2012	257,374	62,937	19,596	84,596	146,070	—	570,573
Charge for the year	71,084	24,671	10,100	20,057	31,901	—	157,813
Written back on disposals	(26,589)	(2,620)	—	(8,245)	(12,848)	—	(50,302)
At 31 December 2012	301,869	84,988	29,696	96,408	165,123	—	678,084
Net book value:							
At 31 December 2012	1,415,448	52,426	426,847	88,594	98,107	1,051,118	3,132,540
At 31 December 2011	1,396,745	56,308	435,474	92,801	91,009	705,552	2,777,889

13 INVESTMENT PROPERTIES

	2012	2011
	RMB'000	*RMB'000*
Cost:		
At 1 January	1,155,944	150,400
Addition	1,286,081	1,005,544
Transfer	(675,300)	—
Disposals	(12,696)	—
At 31 December	1,754,029	1,155,944
Accumulated depreciation:		
At 1 January	29,840	21,224
Charge for the year	10,599	8,615
Written back on disposals	(546)	—
At 31 December	39,893	29,839
Net book value:		
At 31 December	1,714,136	1,126,105

Investment properties include those under development at the end of the reporting period with carrying amount of RMB684 million (2011: RMB920 million).

Investment properties comprise certain commercial properties that are leased to third parties. The directors, having regard to recent market transactions of similar properties in the same location as the Group's investment properties, consider the estimated fair value of the investment properties, together with leasehold land on which the investment properties located as set out in note 18, to be RMB4,080 million (2011: RMB1,519 million).

(a) The analysis of net book value of investment properties is set out as follows:

	2012	2011
	RMB'000	*RMB'000*
In the PRC, held on leases of		
— Between 10 and 50 years	686,918	856,635
— Over 50 years	124,905	269,470
	811,823	1,126,105
In Hong Kong, held on leases of		
— Over 50 years	902,313	—
	1,714,136	1,126,105

(b) The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to twenty years. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 1 year	57,496	17,815
After 1 year but within 5 years	314,671	131,176
After 5 years	454,588	271,408
	826,755	420,399

14 GOODWILL

	2012	2011
	RMB'000	*RMB'000*
Cost and carrying amount:		
At 31 December	201,690	—

Goodwill as at 31 December 2012 arose from acquisition of Vanke Property (Overseas) Limited by the Group during the year. As at year end, an impairment test was performed by comparing the goodwill with its recoverable amount and no impairment was recorded.

15 INTEREST IN ASSOCIATES

	2012	2011
	RMB'000	*RMB'000*
Share of net assets	2,915,844	2,160,824

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

		Proportion of ownership interest	
Name of company	Place of incorporation and operation	Group's effective interest	Principal activity
Beijing Jinyu Vanke Property Development Company Limited	PRC	49%	Property development
Wuhan Golf City Garden Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Shanghai Nandu Baima Real Estate Company Limited	PRC	49%	Property development
Chengdu Yihang Vanke Binjiang Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Hefei Yihang Vanke Real Estate Company Limited *(note 1, 2)*	PRC	50%	Property development
Suzhou Zhonghang Vanke Changfeng Real Estate Company Limited *(note 1)*	PRC	49%	Property development
Changsha Oriental City Real Estate Company Limited	PRC	20%	Property development
Shanghai Zunyi Property Co., Ltd	PRC	30%	Property development
Foshan Shunde District Zhonghang Vanke Property Company Limited	PRC	49%	Property development
Xiamen Wantefu Property Development Company Limited	PRC	30%	Property development
Guangzhou Yinyejunrui Property Development Company Limited *(note 1)*	PRC	49%	Property development
Shanghai Jingyuan Property Development Company Limited	PRC	45%	Property development

Name of company	Place of incorporation and operation	Proportion of ownership interest Group's effective interest	Principal activity
Langfang Kuangshijiye Property Development Company Limited *(note 2)*	PRC	50%	Property development
Shanghai Vanke Changning Property Development Company Limited *(note 1)*	PRC	49%	Property development
Ningbo Zhongwan Property Development Company Limited	PRC	49%	Property development
Shanghai Chongwan Property Development Company Limited *(note 1)*	PRC	49%	Property development
Shenyang Zhongtie Vanke Langyu Property Development Company Limited *(note 2)*	PRC	51%	Property development
Chongqing Wanbin Property Development Company Limited *(note 1)*	PRC	45%	Property development
Suzhou Kejian Property Development Company Limited *(note 1)*	PRC	49%	Property development
Beijing Wuyuankesheng Property Development Company Limited	PRC	49%	Property development
Beijing Jingtouyintai Property Development Company Limited *(note 2)*	PRC	50%	Property development
Guangzhou Wanshang Property Development Company Limited	PRC	33%	Property development
Chongqing Zhonghang Vanke Yunling Property Development Company Limited *(note 1)*	PRC	45%	Property development
Chongqing Zhonghang Vanke Junjing Property Development Company Limited *(note 1)*	PRC	45%	Property development
Changchun Vanke Xizhigu Property Development Company Limited *(note 2)*	PRC	50%	Property development
Shenzhen Vanke Binhai Property Company Limited *(note 2)*	PRC	50%	Property development

Notes:

(1) Except for the equity interest held directly, the Group also hold equity interest in these associates through a jointly controlled entity.

(2) Pursuant to the voting rights in the board of directors, the Group has significant influence in these entities.

Summary financial information on associates:

	Assets *RMB'000*	Liabilities *RMB'000*	Equity *RMB'000*	Revenue *RMB'000*	Profit *RMB'000*
2012					
100 per cent	46,329,081	38,100,386	8,228,695	9,341,384	1,155,661
Group's effective interest	20,996,384	18,080,540	2,915,844	4,602,955	570,657
2011					
100 per cent	39,057,055	32,217,827	6,839,228	4,857,011	798,304
Group's effective interest	18,011,971	15,851,147	2,160,824	2,374,551	397,783

16 INTEREST IN JOINTLY CONTROLLED ENTITIES

	2012	2011
	RMB'000	*RMB'000*
Share of net assets	4,043,247	4,183,142

The following list contains only the particulars of jointly controlled entities, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

Name of company	Place of incorporation and operation	Proportion of ownership interest Group's effective interest	Principal activity
Shanghai Jialai Real Estate Development Company Limited *(note)*	PRC	49%	Property development
Zhonghang Vanke Company Limited *(note)*	PRC	40%	Property development
Dongguan Vanke Property Company Limited	PRC	50%	Property development
Wuhan Vanke Qinganju Property Company Limited *(note)*	PRC	30%	Property development
Yunnan Vanke Chengtou Property Company Limited *(note)*	PRC	51%	Property development
Changsha Lingyu Real Estate Development Company Limited *(note)*	PRC	60%	Property development
Changsha Lingyu Investment Company Limited *(note)*	PRC	60%	Property development
Beijing Zhongliang Vanke Real Estate Development Company Limited	PRC	50%	Property development
Tianjin Diwan Investment Company Limited *(note)*	PRC	40%	Property development
Hangzhou Xiangge Investment Management Company Limited	PRC	50%	Management and consulting
Hangzhou Dongshang Property Development Company Limited	PRC	50%	Property development
Zhuhai Haiyu Property Development Company Limited	PRC	50%	Property development
Tianjin Songke Real Estate Company Limited *(note)*	PRC	49%	Property development
Beijing Jingtou Vanke Property Development Company Limited *(note)*	PRC	20%	Property development
Fuyang Yongtong Property Development Company Limited *(note)*	PRC	20%	Property development
Pingdu Vanke Property Company Limited *(note)*	PRC	51%	Property development
Fuyang Donghe Property Company Limited *(note)*	PRC	20%	Property development
Shanghai Wanzhicheng Property Development Company Limited	PRC	50%	Property development
Shanghai Ledu Property Development Company Limited *(note)*	PRC	33%	Property development
Shanghai Wanshuang Construction Technology Company Limited *(note)*	PRC	60%	Construction management consulting
Shanghai Vanke Yida Investment Management Company Limited	PRC	50%	Investment management
Chongqing Liangjiang Vanke Investment Company Limited	PRC	50%	Property development
Wuhan Liantou Vanke Property Development Company Limited	PRC	50%	Property development
Tangshan Wanrun Real Estate Company Limited *(note)*	PRC	40%	Property development
Wuhan Yayuan Vanke Property Company Limited	PRC	50%	Property development
Beijing Oriental Vanke Investment Management Company Limited	PRC	50%	Property development
Shandong Xiaozhushan Construction Development Company Limited *(note)*	PRC	34%	Tourism property development
Yunnan Zhelian Property Development Company Limited *(note)*	PRC	23%	Property development

Notes: A contractual arrangement between the Group and the counterparty of these entities establishes joint control over the financial and operating policies of these entities.

Summary financial information on jointly controlled entities — Group's effective interest

	2012	**2011**
	RMB'000	*RMB'000*
Non-current assets	1,033,392	1,041,349
Current assets	16,422,935	16,108,803
Non-current liabilities	(754,982)	(1,769,198)
Current liabilities	(12,658,098)	(11,197,812)
Net assets	4,043,247	4,183,142

	2012	**2011**
	RMB'000	*RMB'000*
Income	2,882,059	1,801,032
Expenses	(2,562,929)	(1,554,827)
Profit for the year	319,130	246,205

17 OTHER FINANCIAL ASSETS

	2012	**2011**
	RMB'000	*RMB'000*
Available-for-sale securities in the PRC		
Equity securities		
— Unlisted	81,215	519,026
— Listed in the PRC	4,764	4,764
	85,979	523,790

18 OTHER NON-CURRENT ASSETS

The other non-current assets mainly represent prepayments for acquisitions of investees and prepayment for leasehold land on which the Group's investment properties located.

Movement of prepayment for leasehold land is analysed as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Cost:		
At 1 January	—	—
Transfer	675,300	—
At 31 December	675,300	—
Accumulated amortisation:		
At 1 January	—	—
Charge for the year	14,208	—
At 31 December	14,208	—
Net book value:		
At 31 December	661,092	—

19 INVENTORIES

	2012	2011
	RMB'000	*RMB'000*
Properties held for development	76,733,826	62,985,176
Properties under development	160,676,827	138,330,541
Completed properties for sale	15,993,829	7,239,386
Others	217,670	106,247
	253,622,152	208,661,350

(a) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2012	2011
	RMB'000	*RMB'000*
In the PRC, held on lease of		
— Between 10 and 50 years	14,452,874	13,979,928
— Over 50 years	131,311,363	120,888,196
	145,764,237	134,868,124

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2012	2011
	RMB'000	*RMB'000*
Carrying amount of inventories sold	63,195,149	41,236,819

(c) The amount of properties held for development and properties under development expected to be recovered after more than one year is RMB115,592 million (2011: RMB109,070 million).

20 TRADE AND OTHER RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade debtors *(note (a))*	1,915,305	1,497,916
Less: allowance for doubtful debts	(28,756)	(27,849)
	1,886,549	1,470,067
Other debtors	10,784,562	8,286,197
Amounts due from associates *(note (b))*	5,642,821	6,026,183
Amounts due from jointly controlled entities *(note (b))*	3,465,502	4,128,234
Prepayments *(note (c))*	33,373,612	20,116,219
Gross amount due from customers for contract work *(note (d))*	1,835,204	44,747
	56,988,250	40,071,647

All of the trade and other receivables, apart from receivables of RMB1,146 million (2011: RMB845 million), are expected to be recovered within one year.

(a) As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the date the trade debtors recognised and net of allowance for doubtful debts, is as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Within 1 year	1,653,991	1,315,122
1 to 2 years	154,308	128,307
2 to 3 years	55,874	17,560
Over 3 years	22,376	9,078
	1,886,549	1,470,067

The Group's credit policy is set out in note 31(a).

Trade debtors that were past due but not impaired relate to a number of independent debtors that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) The amounts due from associates and jointly controlled entities as at 31 December 2012 include an amount of RMB5,713 million (2011: RMB5,625 million) which are interest bearing at market rate, unsecured and repayable on demand. The interest income from these associates and jointly controlled entities amounted to RMB384 million (2011: RMB331 million) in 2012. The remaining amounts due from associates and jointly controlled entities are unsecured, interest free and repayable on demand.

(c) The balance includes prepayments for leasehold land of RMB22,326 million (2011: RMB10,366 million).

(d) The aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amount due from/to customers for contract work at 31 December 2012, is RMB2,213 million (2011: RMB1,518 million).

21 PLEDGED DEPOSITS

The balance mainly represents the guarantee deposits in respect of mortgage loans related to property sale.

22 CASH AND CASH EQUIVALENTS

	2012	**2011**
	RMB'000	*RMB'000*
Cash at bank and on hand	51,120,224	33,614,112

23 BANK LOANS AND BORROWINGS FROM FINANCIAL INSTITUTIONS

This note provides information about the contractual terms of the Group's bank loans and borrowings from financial institutions. For more information about the Group's exposure to interest rate risk, please refer to note 31(c).

	2012	2011
	RMB'000	*RMB'000*
Current		
Secured		
— Bank loans *(note (a))*	3,358,380	1,636,415
— Borrowings from financial institutions *(note (b))*	2,690,400	1,600,000
— Corporate bonds *(note (c))*	2,985,306	—
	9,034,086	3,236,415
Unsecured		
— Bank loans *(note (a))*	10,247,981	11,946,031
— Borrowings from financial institutions *(note (b))*	13,378,980	8,387,830
— Corporate bonds *(note (c))*	2,896,312	—
	26,523,273	20,333,861
	35,557,359	23,570,276
Non-current		
Secured		
— Bank loans *(note (a))*	5,055,824	4,635,821
— Borrowings from financial institutions *(note (b))*	—	3,062,067
— Corporate bonds *(note (c))*	—	2,960,450
	5,055,824	10,658,338
Guaranteed		
— Bank loans *(note (a))*	190,000	—
— Borrowings from financial institutions *(note (b))*	320,000	320,000
	510,000	320,000
Unsecured		
— Bank loans *(note (a))*	10,190,210	8,324,630
— Borrowings from financial institutions *(note (b))*	20,280,036	4,629,444
— Corporate bonds *(note (c))*	—	2,889,947
	30,470,246	15,844,021
	36,036,070	26,822,359

At 31 December, non-current interest-bearing loans and borrowings and corporate bonds were repayable as follows:

	2012	**2011**
	RMB'000	*RMB'000*
After 1 year but within 2 years	27,286,992	19,865,824
After 2 years but within 5 years	8,749,078	6,956,535
	36,036,070	26,822,359

Notes:

(a) Bank loans

The secured bank loans are secured over certain properties held for development and properties under development with aggregate carrying value of RMB11,079 million (2011: RMB3,469 million) or pledged by the shares of interest in certain subsidiaries of the Group.

(b) Borrowings from financial institutions

	2012	**2011**
	RMB'000	*RMB'000*
Current		
Proceeds	16,326,322	9,987,830
Transaction costs	(256,942)	—
	16,069,380	9,987,830
Non-current		
Proceeds	20,760,429	8,071,886
Transaction costs	(160,393)	(60,375)
	20,600,036	8,011,511

The secured borrowings from financial institutions are pledged by the shares of interest in certain subsidiaries of the Group.

The guaranteed borrowings from financial institutions are guaranteed by third party with nil consideration.

(c) Corporate bonds

	2012	
	No. 101688 Bonds	**No. 101699 Bonds**
	RMB'000	*RMB'000*
At 1 January	2,889,947	2,960,450
Transaction costs amortised	6,365	24,856
At 31 December	2,896,312	2,985,306

	2011	
	No. 101688 Bonds	**No. 101699 Bonds**
	RMB'000	*RMB'000*
At 1 January	2,884,022	2,937,122
Transaction costs amortised	5,925	23,328
At 31 December	2,889,947	2,960,450

In September 2008, the Company issued two series of corporate bonds, namely the "No. 101688 Bonds" and the "No. 101699 Bonds", amounting to RMB5,900 million. Both Bonds are listed on the Shenzhen Stock Exchange.

The No. 101688 Bonds are with no guarantee and interest bearing at 7% per annum payable in arrears on 6 September 2009, 2010 and 2011. In accordance with the terms of the No. 101688 Bonds, on 6 September 2011 the Company has the option to adjust upward the interest rate of the Bonds for the next two years by maximum of 100 basis points and each of the Bond is, at the option of the bondholder, redeemable at its par value of RMB100 each on the same date. If not being redeemed on 6 September 2011, the Bonds are repayable on 6 September 2013 and the interest for the next two years is payable in arrears on 6 September 2012 and 2013. None of the No. 101688 Bonds were early redeemed by the bondholders on 6 September 2011.

The No. 101699 Bonds are guaranteed by the China Construction Bank Shenzhen branch and are repayable on 6 September 2013. The Bonds are interest bearing at 5.5% per annum payable in arrears on 6 September 2009, 2010, 2011, 2012 and 2013.

24 FINANCIAL DERIVATIVES

	2012	2011
	RMB'000	*RMB'000*
Interest rate swaps	25,761	17,042

25 TRADE AND OTHER PAYABLES

	2012	2011
	RMB'000	*RMB'000*
Trade creditors and bills payable	49,838,127	29,777,063
Other payables and accruals	31,839,905	24,464,680
Amounts due to associates	907,773	869,836
Amounts due to jointly controlled entities	1,919,788	2,680,299
Receipts in advance	130,989,093	111,075,180
Gross amount due to customers for contract work *(note 20(d))*	34,884	26,538
	215,529,570	168,893,596

Included in trade and other payables is retention payable of RMB451 million (2011: RMB300 million) which are expected to be settled after one year.

Included in other payables and accruals is amounts of RMB23,271 million (2011: RMB17,690 million) representing advance from non-controlling shareholders of subsidiaries and other parties for the respective property development projects.

The amounts due to associates and jointly controlled entities include an amount of RMB959 million (2011: RMB1,230 million) which are interest bearing at market rate, unsecured and repayable on demand. The interest expenses to these associates and jointly controlled entities amounted to RMB74 million (2011: RMB64 million) in 2012. The remaining amounts due to associates and jointly controlled entities are unsecured, interest free and repayable on demand.

26 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

	2012	2011
	RMB'000	*RMB'000*
CIT and Hong Kong Profits Tax	2,873,002	2,423,046
LAT	5,847,874	5,820,201
	8,720,876	8,243,247

LAT provisions have been made pursuant to Guo Shui Fa (2006) No. 187 Circular of State Administration of Taxation on Relevant Issues of Settlement and Management of Land Appreciation Tax for Real Estate Developers. The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities as at 31 December 2012 and 2011.

(b) Deferred tax assets

Deferred tax assets are attributable to the items set out below:

	2012	**2011**
	RMB'000	*RMB'000*
Tax losses	1,029,526	815,046
Bad debt provision and write-down of inventories	37,553	28,265
Accruals for construction costs	261,683	197,070
Accrual for LAT	1,272,795	1,076,034
Unrealised profits	381,621	20,916
Other temporary differences	236,716	188,911
	3,219,894	2,326,242

Deferred tax assets have not been recognised in respect of the following items:

	2012	**2011**
	RMB'000	*RMB'000*
Tax losses	966,124	778,467
Deductible temporary differences	89,863	80,653
	1,055,987	859,120

The tax losses expire between 2013 and 2017. The deductible temporary differences will not expire the under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(c) Deferred tax liabilities

Deferred tax liabilities are attributable to the items set out below:

	2012	**2011**
	RMB'000	*RMB'000*
Fair value adjustments on available-for-sale securities	—	9,124
Fair value adjustments arising from business combinations	958,033	1,010,306
Withholding tax	69,022	85,332
	1,027,055	1,104,762

(d) Movements in deferred taxation, net:

	2012	**2011**
	RMB'000	*RMB'000*
At 1 January	1,221,480	557,054
Net credit to profit or loss *(note 9(a))*	962,235	673,550
Net credit/(charge) to other comprehensive income *(note 10(a))*	9,124	(9,124)
At 31 December	2,192,839	1,221,480

27 PROVISIONS

	2012	2011
	RMB'000	*RMB'000*
Balance at 1 January	38,678	41,107
Provisions made during the year	12,346	16,272
Provisions used during the year	(6,732)	(18,701)
Balance at 31 December	44,292	38,678

The balance represents the estimated losses to be borne by the Group in relation to the property management projects.

28 OTHER NON-CURRENT LIABILITIES

The balance mainly represents the amounts that hold on behalf of the owners committees in the property management sector.

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Group has a share option scheme which was adopted on 25 April 2011 whereby the senior management and key staff of the Group are granted certain options at nil consideration to subscribe for an aggregate of 110,000,000 A shares of the Company. The key management personnel were granted with 33,000,000 share options. 40% of the options vest after one year (30% after two years and the remaining 30% after three years) from the date of grant and are then exercisable within a period of two years. Each option gives the holder the right to subscribe for one A share of the Company.

(a) The number and weighted average exercise prices of share options are as follows:

	2012
	Number
	'000
Outstanding at the beginning of the year	101,368
Exercised during the year	(343)
Forfeited during the year	(7,858)
Outstanding at the end of the year	93,167
Exercisable at the end of the year	38,153

The weighted average share price at the date of exercise for shares options exercised during the year was RMB9.50.

The options outstanding at 31 December 2012 had an exercise price of RMB8.66 and a weighted average remaining contractual life of 2.2 years.

No share options were exercised in 2011.

(b) Terms of unexpired and unexercised share options at the end of the reporting period:

		2012
	Exercise price*	**Number**
	RMB	*'000*
25 April 2012 to 24 April 2014	8.66	38,153
25 April 2013 to 24 April 2015	8.66	27,507
25 April 2014 to 22 April 2016	8.66	27,507
		93,167

* *The original exercise price is RMB8.89. The exercise price was adjusted to RMB8.79 after declaration of dividend of RMB0.10 per share during 2011 in accordance with the terms and conditions of the share option scheme.*

The exercise price was further adjusted to RMB8.66 after declaration of dividend of RMB0.13 per share during the year in accordance with the terms and conditions of the share option scheme.

30 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital:

	2012	2011
	RMB'000	*RMB'000*
Authorised, issued and fully paid:		
A shares of RMB1 each	9,680,598	9,680,255
B shares of RMB1 each	1,314,955	1,314,955
	10,995,553	10,995,210

Included in the A shares are 18,402,673 shares (2011: 18,426,384 shares) with restriction to transfer.

The holders of A and B shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All A and B shares rank equally with regard to the Company's residual assets.

Upon the completion of the relevant procedures for approval, the share option scheme (see note 29) entered the first exercise period on 12 July 2012. During the reporting period, there were a total of 342,900 share options exercised by 23 beneficiaries. The Company's total number of shares thus increased by 342,900 shares accordingly.

(b) Nature and purpose of reserves

(i) Share-based compensation reserve

The share-based compensation reserve comprises the portion of the grant date fair value of unexercised share options that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(s)(ii).

(ii) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law, the Company is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

For the year ended 31 December 2012, the Company transferred RMB561,387,000 (2011: 437,289,000), being 10% of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2012, the directors proposed to transfer RMB2,806,937,000 (2011: RMB2,623,732,000), being 50% (2011: 60%) of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(w).

(iv) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners, fair value movement of available-for-sale securities and a share award scheme in prior years. The movement for the year ended 31 December 2012 mainly represents the difference between the fair value and book value of the acquirees' net assets at the dates of acquisitions of non-controlling interests and fair value movement of available-for-sale securities.

(c) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2012	**2011**
	RMB'000	*RMB'000*
Dividend to be proposed at the Company's forthcoming annual general meeting of RMB0.18 per share (2011: RMB0.13 per share)	1,979,200	1,429,377

The dividend to be proposed at the Company's forthcoming annual general meeting has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2012	**2011**
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.13 per share (2011: RMB0.10 per share)	1,429,377	1,099,521

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Company. Net debt is calculated as total bank loans and borrowings from financial institutions less cash and cash equivalents and pledged deposits. The gearing ratio at 31 December 2012 and 2011 is calculated as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Bank loans and borrowings from financial institutions	71,593,429	50,392,635
Less: Cash and cash equivalents	(51,120,224)	(33,614,112)
Pledged deposits	(1,171,318)	(625,403)
Net debt	19,301,887	16,153,120
Total equity	82,138,195	67,832,539
Gearing ratio	23.5%	23.8%

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, pledged deposits, trade and other receivables and other financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low. The Group sets deposit limits against the financial institutions' credit risks.

In respect of trade receivables, credit risk is minimised as the Group normally receives full payment from buyers before the transfer of property ownership.

In respect of amounts due from associates and jointly controlled entities, the Group facilitates their capital demand by assessing and closely monitoring their financial conditions and profitability.

In respect of other receivables due from third parties, the Group reviews the exposures and manages them based on the need of operation.

At the end of the reporting period, 27.87% (2011: 15.80%) of the total trade receivables was due from the Group's five largest trade debtors.

Except for the financial guarantees given by the Group as set out in note 33, the Group does not provide any other guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	2012				
	Carrying amount	**Total contractual undiscounted cash flow**	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and borrowings from financial institutions	65,711,812	75,554,883	34,959,538	30,443,032	10,152,313
Corporate bonds	5,881,618	6,145,333	6,145,333	—	—
Trade creditors and accruals	88,061,192	88,174,864	86,786,154	994,105	394,605
Financial derivatives	25,761	25,761	25,761	—	—
Interest payable	649,688	649,688	649,688	—	—
Other non-current liabilities	15,678	15,678	—	—	15,678
Total	160,345,749	170,566,207	128,566,474	31,437,137	10,562,596

	2011				
	Carrying amount	**Total contractual undiscounted cash flow**	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and borrowings from financial institutions	44,542,238	49,385,740	26,075,856	15,112,360	8,197,524
Corporate bonds	5,850,397	6,513,333	368,000	6,145,333	—
Trade creditors and accruals	61,684,798	61,728,874	61,025,998	461,086	241,790
Financial derivatives	17,042	17,042	17,042	—	—
Interest payable	272,299	272,299	272,299	—	—
Other non-current liabilities	11,798	11,798	—	—	11,798
Total	112,378,572	117,929,086	87,759,195	21,718,779	8,451,112

(c) Interest rate risk

The Group's interest rate risk arises primarily from its cash and bank loans and borrowings from financial institutions. Cash and bank loans and borrowings from financial institutions issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest bearing borrowings are disclosed in notes 23 and 25 to the consolidated financial statements.

Sensitivity analysis

At 31 December 2012, it is estimated that a general increase/decrease of 50 basis points in interest rates of cash and bank loans and borrowings from financial institutions of the Group, with all other variables held constant, would have decreased/increased the Group's profit after tax and total equity by approximately RMB81 million (2011: RMB50 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2011.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate bank loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation.

(d) Currency risk

The Group is exposed to foreign currency risk primarily on cash and cash equivalents and borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Hong Kong dollars and Japanese Yen.

Cash and cash equivalents denominated in a currency other than the functional currency of the entity to which they relate are as follows:

	2012	**2011**
	RMB'000	*RMB'000*
United States Dollars	1,305,831	967,212
Hong Kong Dollars	333,206	12,681
Japanese Yen	—	1,384

Bank loans and borrowings from financial institutions denominated in a currency other than the functional currency of the entity to which they relate are as follows:

	2012	**2011**
	RMB'000	*RMB'000*
United States Dollars	3,972,044	4,503,506

Sensitivity analysis

Based on the assumption that Hong Kong Dollars continue to be pegged to United States Dollars, management estimated that a 10% appreciation/depreciation of United States Dollars/Hong Kong Dollars against Renminbi would not have a material effect on the Group's profit and the Group's equity would be decreased/increased by approximately RMB522 million (2011: RMB370 million).

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant.

(e) Fair values

Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in IFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

31 December 2012
In millions of RMB

	Level 1	Level 2	Level 3	Total
Liabilities				
Interest rate swaps	26	—	—	26

31 December 2011
In millions of RMB

	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sales equity securities	—	—	436	436
Liabilities				
Interest rate swaps	(17)	—	—	(17)

32 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2012 not provided for in the financial statements were as follows:

	2012	2011
	RMB'000	*RMB'000*
Construction and development contracts	45,734,215	32,200,196
Land agreements	20,991,522	7,963,627
	66,725,737	40,163,823

Commitments mainly related to land and development costs for the Group's properties under development.

(b) At 31 December 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 1 year	45,839	31,478
After 1 year but within 2 years	39,489	18,877
After 2 years but within 3 years	33,241	16,407
After 3 years	41,087	80,223
	159,656	146,985

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

33 CONTINGENT LIABILITIES

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB29,360 million (2011: RMB25,554 million), including guarantees of RMB29,269 million (2011: RMB25,409 million) which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties, and guarantees of RMB91 million (2011: RMB145 million) which will be terminated upon full repayment of mortgage loans by buyers to the banks.

The directors do not consider it probable that the Group will sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property buyers default payment. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

In addition, the Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

34 MATERIAL RELATED PARTY TRANSACTIONS

(a) Reference should be made to the following notes regarding related parties:

Associates	(note 15, 20 & 25)
Jointly controlled entities	(note 16, 20 & 25)
Key management personnel	(see note (c) below)

(b) Loans from a related party

The details of the loans from a related party are as follows:

	Loans balance As at 31 December		**Interest incurred Year ended 31 December**	
	2012	**2011**	**2012**	**2011**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
China Resources SZITIC Trust Co., Ltd. (the "Trust")	5,100,000	1,000,000	370,849	5,289

The Trust is a subsidiary of China Resources Co., Limited ("CRC"). CRC holds the largest percentage of the share of interest in the Company among all shareholders.

The loans bear interests that are not higher than other trust loans borrowed during the year from independent third parties, are unsecured and repayable in 2013 and 2014.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Short-term employee benefits	139,590	111,379

Total remuneration is included in "staff costs" (see note 8(b)).

The Group also provides non-monetary employee benefits to the key management personnel in the form of purchase discount on sale of the Group's properties to them. Details of such transactions are as follows:

	2012	**2011**
	RMB'000	*RMB'000*
Sales of properties to the key management personnel	14,859	16,812
Related cost of sales	(7,027)	(9,677)
Gross profit	7,832	7,135
Estimated fair value of the properties sold to the key management personnel	16,372	18,989

All the above were approved by the Board of Directors as a kind of employment benefits to the key management personnel.

In 2010 the Group launched the Economic Profits Bonus Plan (the "Plan") as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to the key performance indicator of Economic Profits in the corresponding year. The short-term employee benefits above include the bonus distributed to the key management personnel amounting to RMB22,041,000 (2011: 15,418,700) arising from the Plan in respect of the Economic Profits in 2011 but exclude the accrued bonus in respect of the Economic Profits in 2012 as the amount has not been determined or distributed up to the date of these consolidated financial statements.

In addition to the short-term employee benefits and the Economic Profits Bonus Plan, the key management personnel were granted certain share options by the Group in 2011. As at 31 December 2012, the outstanding options held by the key management personnel amounted to 30,900,000 (2011: 33,000,000).

35 ACQUISITIONS OF SUBSIDIARIES

During the year, the Group has acquired certain subsidiaries which hold property development projects. Acquisitions of these subsidiaries enable the Group to expand its land banks. Acquisitions of major subsidiaries by the Group during the year are summarised as follows:

Date of acquisition	Name of subsidiaries acquired	Percentage of equity interest acquired	Consideration
5 January 2012	Ouweier Air-condition (China) Co., Ltd.	65%	RMB214,500,000
9 January 2012	Xinjiang Dade Property Investment Development Co., Ltd.	100%	RMB39,220,000
16 January 2012	Credible Investment Limited	100%	USD11,962,000
23 April 2012	Wise Grow Group Limited	100%	USD34,780,000
23 April 2012	Tian Cheng (Holdings) Investments Limited	100%	USD20,633,000
23 April 2012	Bonus Plus Holdings Limited	83.67%	USD23,583,000
5 May 2012	Guiyang Henghuayuan Property Co., Ltd.	51%	RMB5,100,000
7 May 2012	Dongguan Wandu Property Co., Ltd.	100%	RMB10,000,000
15 June 2012	Changchun Vanke Jingcheng Real Estate Development Co., Ltd.	90%	RMB207,000,000
25 June 2012	Shanxi Zhongdu Property Development Co., Ltd.	75%	RMB9,500,000
10 July 2012	Dongguan Fumin Trade Co., Ltd.	51%	RMB5,100,000
11 July 2012	Guangzhou Yunwaicangchu Co., Ltd.	68%	RMB10,720,000
16 July 2012	Vanke Property (Overseas) Limited	75%	HKD1,094,520,000
20 July 2012	Jiangxi Haifan Property Co., Ltd.	100%	RMB13,000,000
27 July 2012	Shanxi Zhongkai Property Development Co., Ltd.	75%	RMB9,500,000
3 August 2012	Beijing Wanxin Investment Development Co., Ltd.	50%	RMB300,000,000
20 August 2012	Excel Right Investments Limited	100%	USD50,120,000
14 September 2012	Kunming Wanqi Property Development Co., Ltd.	67%	RMB6,700,000
25 September 2012	Qinhuangdao Tianyangxiangzhu Property Development Co., Ltd.	50% *(note 1)*	RMB2,500,000
26 September 2012	Dalian Jiuding Property Co., Ltd.	90%	RMB45,000,000
28 September 2012	Dongguan Yongye Property Development Co., Ltd.	40% *(note 1)*	RMB4,000,000
25 October 2012	Jinan Tiantai Property Co., Ltd.	63%	RMB202,090,000
30 October 2012	Dongguan Kailian Industry Investment Co., Ltd.	67%	RMB6,700,000
1 November 2012	Tianjin Binhaitianrui Investment Co., Ltd.	51%	RMB31,220,000
1 November 2012	Tianjin Junheng Investment Co., Ltd.	51%	RMB31,220,000
22 November 2012	Xuzhou Dingshang Property Co., Ltd.	85%	RMB64,550,000
22 November 2012	Xuzhou Dingxu Property Co., Ltd.	85%	RMB175,440,000
22 November 2012	Xuzhou Dingjun Property Co., Ltd.	85%	RMB92,270,000

Note 1: Based on the voting right in the board of directors of the company, the Group controlled the company's financial and operating policies. Therefore, the company was included in the Group's consolidated scope.

The acquisitions of these subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	Carrying amount *RMB'000*	Adjustments *RMB'000*	Recognised values on acquisitions *RMB'000*
Current assets	9,241,204	542,905	9,784,109
Non-current assets	2,192,585	108,548	2,301,133
Current liabilities	(6,825,809)	—	(6,825,809)
Non-current liabilities	(1,466,452)	—	(1,466,452)
Non-controlling interests	(788,503)	—	(788,503)
Group's share of net identifiable assets and liabilities	2,353,025	651,453	3,004,478
Goodwill on acquisition			201,690
Total consideration			3,206,168
Consideration to be paid subsequent to 2012			(193,013)
Consideration paid in 2012			3,013,155
Total cash and cash equivalents acquired			(496,602)
			2,516,553
Consideration paid for the acquisitions prior to 2012			20,500
Net cash outflow			2,537,053

The above subsidiaries contributed an aggregate revenue of RMB1,578 million and profit attributable to the equity shareholders of the Company of RMB138 million to the Group for the year ended 31 December 2012. Should the acquisitions had occurred on 1 January 2012, the consolidated revenue and the consolidated profit attributable to the equity shareholders of the Company for the year ended 31 December 2012 would have been RMB97,121 million and RMB12,449 million respectively.

The acquired subsidiaries' major assets are properties held for development, properties under development and/or completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties.

36 DISPOSAL OF A SUBSIDIARY

On 12 July 2012, the Group disposed of 50% equity interest in Shenzhen Vanke Binhai Property Company Limited ("Shenzhen Binhai"), which was previously wholly owned by the Group, to an independent party, at a consideration of RMB5.5 million. Subsequent to the transfer, Shenzhen Binhai became an associate of the Group.

The effect on the Group's assets and liabilities is set out below:

	RMB'000
Current assets	(3,146,158)
Interest in an associate	4,875
Other non-current assets	(83)
Current liabilities	3,136,492
Net identifiable assets and liabilities disposed of	(4,874)
Gain on disposal	(626)
Consideration to be received	5,500
Cash disposed of	(42)
Net cash outflow	(42)

No significant variance between the fair value and net book value of Shenzhen Binhai's net identifiable assets and liabilities was noted at the disposal date. No gain or loss was recognised on the disposal.

37 NON-ADJUSTING POST BALANCE SHEET EVENTS

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 30(c).

38 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2012

Up to date of issue of these financial statements, the IASB has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2012 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*	1 July 2012
IFRS 10, *Consolidated financial statements*	1 January 2013
IFRS 11, *Joint arrangements*	1 January 2013
IFRS 12, *Disclosure of interests in other entities*	1 January 2013
IFRS 13, *Fair value measurement*	1 January 2013
IAS 27, *Separate financial statements (2011)*	1 January 2013
IAS 28, *Investments in associates and joint ventures*	1 January 2013
Revised IAS 19, *Employee benefits*	1 January 2013
Annual Improvements to IFRSs 2009–2011 Cycle	1 January 2013
Amendments to IFRS 7, *Financial instruments: Disclosures — Disclosures — Offsetting financial assets and financial liabilities*	1 January 2013
Amendments to IAS 32, *Financial instruments: Presentation — Offsetting financial assets and financial liabilities*	1 January 2014
IFRS 9, *Financial instruments*	1 January 2015

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to result in a restatement of the Group's results of operations and financial position.

39 PRINCIPAL SUBSIDIARIES

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Shenzhen Vanke Real Estate Company Limited	Shenzhen	RMB600,000,000	100%	100%	Property development
Shenzhen Vanke Xizhigu Real Estate Company Limited	Shenzhen	RMB10,000,000	60%	60%	Property development
Shenzhen Vanke City Scenery Property Company Limited	Shenzhen	RMB120,000,000	100%	100%	Property development
Shenzhen Vanke Xingye Property Company Limited	Shenzhen	RMB62,413,230	100%	100%	Property development
Shenzhen Vanke Nancheng Real Estate Company Limited	Shenzhen	RMB10,000,000	100%	100%	Property development
Shenzhen Vanke Daolin Investment Development Company Limited	Shenzhen	RMB20,000,000	100%	100%	Property development
Huizhou Vanke Property Company Limited	Huizhou	RMB10,000,000	100%	100%	Property development
Guangzhou Vanke Real Estate Company Limited	Guangzhou	RMB1,000,000,000	100%	100%	Property development
Foshan Vanke Real Estate Company Limited	Foshan	RMB80,000,000	100%	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Guangzhou Wanxin Property Company Limited	Guangzhou	HKD760,000,000	100%	100%	Property development
Qingyuan Hongmei Investment Company Limited	Qingyuan	RMB280,000,000	95%	100%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB300,000,000	100%	100%	Property development
Dongguan Xinwan Property Development Company Limited	Dongguan	RMB10,000,000	51%	51%	Property development
Dongguan Songhuju Property Company Limited	Dongguan	RMB10,000,000	100%	100%	Property development
Dongguan Xintong Industry Investment Company Limited	Dongguan	RMB10,000,000	51%	51%	Property development
Foshan Nanhai District Jinyulanwan Property Company Limited	Foshan	USD190,000,000	55%	55%	Property development
Zhuhai Vanke Real Estate Company Limited	Zhuhai	RMB10,000,000	100%	100%	Property development
Zhuhai Zhubin Property Development Company Limited	Zhuhai	RMB109,000,000	95%	100%	Property development
Xiamen Vanke Real Estate Company Limited	Xiamen	RMB50,000,000	100%	100%	Property development
Fuzhou Vanke Real Estate Company Limited	Fuzhou	RMB20,000,000	100%	100%	Property development
Hainan Vanke Property Development Company Limited	Hainan	RMB10,000,000	100%	100%	Property development
Shanghai Vanke Investment and Management Company Limited	Shanghai	RMB204,090,000	100%	100%	Property development
Shanghai Hengda Property Shareholding Company Limited	Shanghai	RMB141,348,200	99.8%	100%	Property development
Shanghai Vanke Baobei Property Company Limited	Shanghai	RMB10,000,000	100%	100%	Property development
Shanghai Meilanhuafu Property Company Limited	Shanghai	RMB700,000,000	100%	100%	Property development
Shanghai Dijie Property Company Limited *(note)*	Shanghai	RMB20,000,000	50%	55%	Property development
Shanghai Xiangda Real Estate Development Company Limited	Shanghai	RMB1,783,000,000	75%	75%	Property development
Shanghai Vanke Real Estate Company Limited	Shanghai	RMB800,000,000	100%	100%	Property development
Shanghai Luolian Property Company Limited	Shanghai	RMB470,000,000	100%	100%	Property development
Nantong Vanke Real Estate Company Limited	Nantong	RMB8,000,000	100%	100%	Property development
Nanjing Vanke Property Company Limited	Nanjing	RMB150,000,000	100%	100%	Property development
Nanjing Hengyue Property Company Limited	Nanjing	RMB10,000,000	100%	100%	Property development
Nanjing Jinyu Blue Bay Property Company Limited	Nanjing	RMB90,000,000	100%	100%	Property development
Yangzhou Wanwei Property Company Limited	Yangzhou	RMB550,000	65%	66.7%	Property development
Wuxi Vanke Real Estate Company Limited	Wuxi	RMB300,000,000	60%	60%	Property development
Wuxi Wansheng Real Estate Development Company Limited	Wuxi	USD49,200,000	100%	100%	Property development
Wuxi Dongcheng Real Estate Company Limited	Wuxi	USD149,400,000	100%	100%	Property development
Jiangsu Sunan Vanke Real Estate Company Limited	Suzhou	RMB30,000,000	100%	100%	Property development
Suzhou Vanke Zhongliang Property Company Limited	Suzhou	RMB230,000,000	51%	51%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Suzhou Vanke Property Company Limited	Suzhou	USD42,500,000	100%	100%	Property development
Hangzhou Wankun Property Development Company Limited	Hangzhou	RMB350,000,000	51%	51%	Property development
Hangzhou Vanke Property Company Limited	Hangzhou	RMB320,000,000	100%	100%	Property development
Hangzhou Vanke Junyuan Property Company Limited	Hangzhou	USD455,095,000	100%	100%	Property development
Fuyang Vanke Real Estate Development Company Limited	Hangzhou	RMB300,000,000	100%	100%	Property development
Ningbo Vanke Real Estate Company Limited	Ningbo	RMB150,000,000	100%	100%	Property development
Ningbo Jiangbei Vanke Property Development Company Limited	Ningbo	RMB675,000,000	100%	100%	Property development
Hefei Vanke Property Company Limited	Hefei	RMB200,000,000	100%	100%	Property development
Wuhu Vanke Wanjia Property Company Limited	Wuhu	RMB30,000,000	100%	100%	Property development
Beijing Vanke Enterprises Shareholding Company Limited	Beijing	RMB2,000,000,000	100%	100%	Property development
Beijing Chaoyang Vanke Property Development Company Limited	Beijing	RMB200,000,000	60%	60%	Property development
Beijing Vanke Zhongliang Jiarifengjing Real Estate Development Company Limited *(note)*	Beijing	RMB830,000,000	50%	60%	Property development
Tangshan Vanke Property Development Company Limited	Tangshan	RMB200,000,000	100%	100%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000,000	100%	100%	Property development
Tianjin Wanbin Real Estate Development Company Limited	Tianjin	RMB455,000,000	60%	60%	Property development
Tianjin Zhongtian Wanfang Investment Company Limited	Tianjin	RMB30,000,000	100%	100%	Property development
Tianjin Wanzhu Investment Company Limited	Tianjin	RMB30,000,000	100%	100%	Property development
Tianjin Wanfu Investment Company Limited	Tianjin	RMB192,000,000	100%	100%	Property development
Shenyang Vanke Real Estate Development Company Limited	Shenyang	RMB100,000,000	100%	100%	Property development
Shenyang Vanke Tianqinwan Property Company Limited	Shenyang	USD99,980,000	55%	55%	Property development
Shenyang Vanke Hunnan Jinyu Property Development Company Limited	Shenyang	RMB1,022,520,000	100%	100%	Property development
Shenyang Vanke Jinyu Blue Bay Property Development Company Limited	Shenyang	RMB578,150,000	100%	100%	Property development
Fushun Vanke Property Development Company Limited	Fushun	RMB10,000,000	100%	100%	Property development
Dalian Vanke Real Estate Development Company Limited	Dalian	RMB32,000,000	100%	100%	Property development
Dalian Vanke City Real Property Company Limited	Dalian	USD42,000,000	100%	100%	Property development
Anshan Vanke Property Development Co., Ltd.	Anshan	USD5,173,000	100%	100%	Property development
Changchun Vanke Real Estate Company Limited	Changchun	RMB50,000,000	100%	100%	Property development
Yantai Vanke Property Development Company Limited	Yantai	RMB30,000,000	100%	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Taiyuan Vanke Real Estate Company Limited	Taiyuan	RMB60,000,000	100%	100%	Property development
Qingdao Vanke Real Estate Company Limited	Qingdao	RMB20,000,000	100%	100%	Property development
Qingdao Vanke Yinshengtai Real Estate Development Co., Ltd.	Qingdao	RMB100,000,000	80%	80%	Property development
Qingdao Da Shan Real Estate Development Company Limited	Qingdao	RMB100,000,000	100%	100%	Property development
Chengdu Vanke Real Estate Company Limited	Chengdu	RMB80,000,000	100%	100%	Property development
Chengdu Vanke Guobin Property Company Limited	Chengdu	USD140,000,000	60%	60%	Property development
Chengdu Vanke Guanghua Property Company Limited	Chengdu	USD131,428,571	100%	100%	Property development
Chengdu Vanke Jinjiang Property Company Limited	Chengdu	RMB10,000,000	100%	100%	Property development
Chengdu Vanke Huadong Real Estate Company Limited	Chengdu	RMB77,680,000	90%	100%	Property development
Chengdu Vanke Chenghua Property Company Limited	Chengdu	RMB554,479,142	85%	85%	Property development
Wuhan Vanke Real Estate Company Limited	Wuhan	RMB150,000,000	100%	100%	Property development
Wuhan Vanke Tiancheng Real Estate Company Limited	Wuhan	USD12,100,000	100%	100%	Property development
Wuhan Guohao Property Company Limited	Wuhan	RMB10,000,000	100%	100%	Property development
Wuhan Wangjiadun Modern City Property Company Limited	Wuhan	RMB200,000,000	100%	100%	Property development
Chongqing Yu Development Coral Property Company Limited	Chongqing	RMB20,000,000	51%	51%	Property development
Vanke (Chongqing) Real Estate Company Limited	Chongqing	RMB100,000,000	100%	100%	Property development
Xi'an Vanke Real Estate Company Limited	Xi'an	RMB20,000,000	100%	100%	Property development
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000,000	100%	100%	Property development
Kunming Vanke Property Development Co., Ltd.	Kunming	RMB20,000,000	100%	100%	Property development
Xinjiang Vanke Real Estate Company Limited	Urumchi	RMB100,000,000	100%	100%	Property development
Zhengzhou Vanke Real Estate Company Limited	Zhengzhou	RMB100,000,000	100%	100%	Property development
Xuzhou Vanke Property Development Company Limited	Xuzhou	RMB100,000,000	100%	100%	Property development
Jinan Wanzhu Property Development Co., Ltd.	Jinan	RMB10,000,000	100%	100%	Property development

Note: The directors consider these entities as subsidiaries of the Group as the Group has the power to govern the financial and operating policies of these entities.

The following independent auditor's report on the consolidated financial statements of the Company as of and for the year ended 31 December 2013 as set out herein is reproduced from the Company's 2013 annual report dated 7 March 2014.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA VANKE CO., LTD.
(Established as a joint stock company in the People's Republic of China with limited liability)

We have audited the accompanying consolidated financial statements of China Vanke Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Huazhen (Special General Partnership)
Certified Public Accountants
8th Floor, Tower E2, Oriental Plaza
1 East Chang An Avenue
Beijing, 100738, China
5 March 2014

The following consolidated financial statements of the Company as of and for the year ended 31 December 2013 as set out herein is reproduced from the Company's 2013 annual report dated 7 March 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	2013 RMB'000	2012 RMB'000
Revenue	4(a)	127,453,765	96,859,914
Cost of sales		(92,814,352)	(65,454,228)
Gross profit		34,639,413	31,405,686
Other revenue	5	741,218	1,008,346
Other net income	6	66,246	200,521
Distribution costs		(3,864,714)	(3,056,378)
Administrative expenses		(3,089,148)	(2,845,761)
Other operating expenses	7	(149,678)	(165,250)
Profit from operations		28,343,337	26,547,164
Finance costs	8(a)	(1,495,502)	(1,739,414)
Share of profits less losses of associates	15	511,614	570,657
Share of profits less losses of joint ventures	16	487,784	319,130
Profit before taxation		27,847,233	25,697,537
Income tax	9(a)	(9,549,684)	(10,034,949)
Profit for the year		18,297,549	15,662,588
Attributable to:			
Equity shareholders of the Company		15,118,549	12,551,182
Non-controlling interests		3,179,000	3,111,406
Profit for the year		18,297,549	15,662,588
Basic earnings per share (RMB)	11	1.37	1.14

The accompanying notes form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 31(c).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	2013 RMB'000	2012 RMB'000
Profit for the year		18,297,549	15,662,588
Other comprehensive income for the year (after tax and reclassification adjustments)	10		
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		65,503	(104,786)
Available-for-sale securities:			
— net movement in the fair value reserve		(16,911)	(27,373)
Other comprehensive income for the year		48,592	(132,159)
Total comprehensive income for the year		18,346,141	15,530,429
Attributable to:			
Equity shareholders of the Company		15,167,141	12,419,023
Non-controlling interests		3,179,000	3,111,406
Total comprehensive income for the year		18,346,141	15,530,429

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2013
(Expressed in Renminbi Yuan)

	Note	2013 RMB'000	2012 RMB'000
Non-current assets			
Property, plant and equipment	12	3,475,223	3,132,540
Investment properties	13	6,366,655	1,714,136
Intangible assets	14	263,487	201,690
Interest in associates	15	3,633,457	2,915,844
Interest in joint ventures	16	6,897,969	4,043,247
Other financial assets	17	2,572,246	85,979
Other non-current assets	18	10,424,440	879,582
Deferred tax assets	27(b)	3,525,262	3,219,894
		37,158,739	16,192,912
Current assets			
Inventories	19	329,731,930	253,622,152
Trade and other receivables	20	68,218,739	56,988,250
Pledged deposits	21	1,361,261	1,171,318
Cash and cash equivalents	22	43,004,149	51,120,224
		442,316,079	362,901,944
Current liabilities			
Bank loans and borrowings from financial institutions	23	32,624,307	29,675,741
Bonds payable	24	—	5,881,618
Financial derivatives	25	11,687	25,761
Trade and other payables	26	287,930,076	215,529,570
Current taxation	27(a)	8,355,764	8,720,876
		328,921,834	259,833,566
Net current assets		113,394,245	103,068,378
Total assets less current liabilities		150,552,984	119,261,290

	Note	2013 RMB'000	2012 RMB'000
Non-current liabilities			
Bank loans and borrowings from financial institutions	23	36,683,128	36,036,070
Bonds payable	24	7,398,392	—
Deferred tax liabilities	27(c)	942,209	1,027,055
Provisions	28	46,877	44,292
Other non-current liabilities	29	42,955	15,678
		45,113,561	37,123,095
NET ASSETS		105,439,423	82,138,195
CAPITAL AND RESERVES	31		
Share capital		11,014,969	10,995,553
Reserves		65,881,014	52,830,001
Total equity attributable to equity shareholders of the Company		76,895,983	63,825,554
Non-controlling interests		28,543,440	18,312,641
TOTAL EQUITY		105,439,423	82,138,195

Approved and authorised for issue by the board of directors on 5 March 2014.

Yu Liang)
Xiao Li)
) *Directors*
)
)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company									
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Share-based compensation reserve *RMB'000*	Statutory reserves *RMB'000*	Exchange reserve *RMB'000*	Other reserves *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2013		10,995,553	8,792,995	193,775	17,017,051	440,990	(302,909)	26,688,099	63,825,554	18,312,641	82,138,195
Changes in equity for 2013:											
Profit for the year		—	—	—	—	—	—	15,118,549	15,118,549	3,179,000	18,297,549
Other comprehensive income	10	—	—	—	—	65,503	(16,911)	—	48,592	—	48,592
Total comprehensive income		—	—	—	—	65,503	(16,911)	15,118,549	15,167,141	3,179,000	18,346,141
Dividends approved in respect of the previous year	31(c)(ii)	—	—	—	—	—	—	(1,981,401)	(1,981,401)	—	(1,981,401)
Appropriation to statutory reserves	31(b)(ii)	—	—	—	3,118,358	—	—	(3,118,358)	—	—	—
Equity settled share-based transactions	30	—	—	35,814	—	—	—	—	35,814	—	35,814
Shares issued upon exercise of share options	31(a)	19,416	186,612	(39,180)	—	—	—	—	166,848	—	166,848
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	6,862,893	6,862,893
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	1,593,433	1,593,433
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(317,973)	—	(317,973)	(754,027)	(1,072,000)
Disposals of interest in subsidiaries		—	—	—	—	—	—	—	—	746,922	746,922
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(56,515)	(56,515)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(1,340,907)	(1,340,907)
Balance at 31 December 2013		11,014,969	8,979,607	190,409	20,135,409	506,493	(637,793)	36,706,889	76,895,983	28,543,440	105,439,423
Balance at 1 January 2012		10,995,210	8,789,676	106,236	13,648,727	545,776	(52,448)	18,934,618	52,967,795	14,864,744	67,832,539
Changes in equity for 2012:											
Profit for the year		—	—	—	—	—	—	12,551,182	12,551,182	3,111,406	15,662,588
Other comprehensive income	10	—	—	—	—	(104,786)	(27,373)	—	(132,159)	—	(132,159)
Total comprehensive income		—	—	—	—	(104,786)	(27,373)	12,551,182	12,419,023	3,111,406	15,530,429
Dividends approved in respect of the previous year	31(c)	—	—	—	—	—	—	(1,429,377)	(1,429,377)	—	(1,429,377)
Appropriation to statutory reserves	31(b)	—	—	—	3,368,324	—	—	(3,368,324)	—	—	—
Equity settled share-based transactions	30	—	—	88,231	—	—	—	—	88,231	—	88,231
Shares issued upon exercise of share options	31(a)	343	3,319	(692)	—	—	—	—	2,970	—	2,970
Capital contribution from non-controlling interests		—	—	—	—	—	—	—	—	2,747,932	2,747,932
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	517,617	517,617
Acquisitions of additional interest in subsidiaries		—	—	—	—	—	(223,088)	—	(223,088)	(1,160,135)	(1,383,223)
Disposals of subsidiaries		—	—	—	—	—	—	—	—	(40,000)	(40,000)
Dividends declared to non-controlling interests		—	—	—	—	—	—	—	—	(1,728,923)	(1,728,923)
Balance at 31 December 2012		10,995,553	8,792,995	193,775	17,017,051	440,990	(302,909)	26,688,099	63,825,554	18,312,641	82,138,195

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	2013 RMB'000	2012 RMB'000
Operating activities			
Cash received from customers		153,437,067	116,108,840
Cash generated from other operating activities		22,239,684	5,480,586
Cash paid to suppliers		(128,656,953)	(87,323,652)
Cash paid to and for employees		(3,472,696)	(2,908,877)
Cash paid for other taxes		(9,419,274)	(7,723,669)
Cash used in other operating activities		(20,409,317)	(9,549,370)
Cash generated from operations		13,718,511	14,083,858
PRC Corporate Income Tax ("CIT") and Hong Kong Profits Tax paid		(6,893,560)	(5,672,442)
Land Appreciation Tax ("LAT") paid		(4,901,082)	(4,685,457)
Net cash generated from operating activities		1,923,869	3,725,959
Investing activities			
Acquisitions of subsidiaries, net of cash acquired	36	(1,058,942)	(2,537,053)
Investment in associates and joint ventures		(3,159,843)	(488,450)
Investment in other investments		(2,575,104)	—
Acquisitions of additional interest in subsidiaries		(819,240)	(11,958)
Acquisitions of property, plant and equipment and investment properties		(2,439,392)	(150,668)
Net cash inflow/(outflow) from disposals of subsidiaries	37	190,096	(42)
Proceeds from disposal of property, plant and equipment		1,800	1,533
Proceeds from disposals of investments		—	12,000
Proceeds from disposals of interest in subsidiaries		746,441	—
Interest received		425,245	554,009
Dividends received		734,522	167,176
Net cash used in investing activities		(7,954,417)	(2,453,453)

	Note	2013 RMB'000	2012 RMB'000
Financing activities			
Contributions from non-controlling interests	22(b)	3,183,536	2,991,124
Proceeds from bank loans, borrowings from financial institutions and bonds		51,944,563	47,477,333
Repayment of bank loans and borrowings from financial institutions		(48,430,257)	(26,864,417)
Dividends and interest paid		(8,755,488)	(7,318,530)
Net cash (used in)/generated from financing activities		(2,057,646)	16,285,510
Effect of foreign exchange rate changes		(27,881)	(51,904)
Net (decrease)/increase in cash and cash equivalents		(8,116,075)	17,506,112
Cash and cash equivalents at 1 January		51,120,224	33,614,112
Cash and cash equivalents at 31 December		43,004,149	51,120,224

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

1 REPORTING ENTITY

China Vanke Co., Ltd (the "Company") is a company domiciled in the People's Republic of China (the "PRC"). The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures. The Group's principal activities are development and sale of properties in the PRC.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). A summary of the significant accounting policies adopted by the Group is set out below.

IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale (see note 2(g));
- derivative financial instruments (see note 2(h)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*
- IFRS 11, *Joint arrangements*
- IFRS 12, *Disclosure of interests in other entities*

- IFRS 13, *Fair value measurement*
- Amendments to IFRS 7-*Disclosures — Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of other new or amended IFRSs are discussed below:

Amendments to IAS 1, Presentation of financial statements Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 11, Joint arrangements

IFRS 11, which replaces IAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under IFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under IFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of IFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 15, 16 and 40.

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the group, the group has provided those disclosures in notes 13 and 32. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the group's assets and liabilities.

Amendments to IFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32.

The adoption of the amendments does not have an impact on these financial statements because the group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7 during the periods presented.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interest, proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(q) or (r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(e)).

(e) Associates and joint ventures

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)).

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value of initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that was only date from observable markets. Cost includes attributable transaction costs.

Investments in equity securities which are not held for trading are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(m)). Dividend income from equity securities is recognised in profit or loss in accordance with the policies set out in note 2(w)(v), respectively.

When the investments are derecognised or impaired (see note 2(m)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(i) Investment property

Investment properties are buildings which are owned or held under a leasehold interest (see note 2(l)) to earn rental income and/or for capital appreciation. These include property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. Rental income from investment properties is accounted for as described in note 2(w)(iv).

Depreciation is calculate to write off the costs of investment properties, less its residual value of 0% to 4%, if any, using the straight-line method over their estimated useful lives of 12.5 to 40 years. Both the useful life and residual value, if any, are reviewed annually.

(j) Property, plant and equipment

The following items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss (see note 2(m)):

— buildings held for own use which are situated on leasehold land classified as held under operating lease (see note 2(l)); and

— other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

	Residual value	**Useful life**
Leasehold land	0%	unexpired term of lease
Hotel and other buildings	4%	the shorter of the unexpired term of lease and 12.5 – 40 years
Improvements to premises	0%	5–10 years
Machinery and motor vehicles	4%	5–10 years
Other equipment	4%	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Intangible assets

The Group recognises an infrastructure operating right arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. A public premise operating right received as consideration for providing construction services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the public premise operating right is measured at cost, which includes capitalised borrowing costs (see note 2(y)), less accumulated amortisation and impairment losses (see note 2(m)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The estimated useful life of a public premise operating right in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Public premise operating right	8 years from the date of commencement of operation

Both the period and method of amortisation are reviewed annually.

(l) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is held for development for sale (see note 2(n)(ii)).

(m) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(m)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(m)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in equity is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— pre-paid interests in leasehold land classified as being held under an operating lease; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Inventories

(i) Construction materials

Construction materials are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the construction materials to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

— *Property held for development and property under development*

The cost of properties held for development and properties under development comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(y)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

— *Completed property for sale*

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(o) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(w)(iii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are presented as "Receipts in advance" under "Trade and other payables".

(p) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(m)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(r) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(v)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based compensation reserve within equity. The fair value is measured at grant date using the Binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve). The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are no discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the ''holder'') for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(v)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of properties

Revenue arising from the sale of properties is recognised upon the signing of the sale and purchase agreement, the receipt of the deposits and confirmation of arrangement of settlement of remaining sales proceeds or the achievement of status ready for hand-over to customers as stipulated in the sale and purchase agreement, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are presented as "Receipts in advance" under "Trade and other payables".

(ii) Provision of services

Revenue from services is recognised when services are rendered.

(iii) Contract revenue

When the outcome of a construction contract can be estimated reliably:

— revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

— revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

— Revenue from service concession arrangement is recognised by reference to the stage of completion of the contract. Operation or service revenue is recognised in the period in which services are provided by the Group (see note 2(w)(ii)).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(x) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) Segments reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after their completion, whereas, the properties are accounted for as investment properties under construction if the properties are intended to be held to earn rentals and/or for capital appreciation.

(iii) Classification between subsidiaries, joint ventures and associates

The Group co-operated with certain third parties to engage in property development project through certain entities. In accordance with the respective co-operation agreements, the Group has the right to acquire certain percentage of the equity interest in these entities at a pre-determined price when certain conditions set out in these agreements are met. The Group has made judgement on the classification of these entities to subsidiaries, joint ventures or associates in accordance with the respective agreements and the involvement of the Group and the other parties in these entities. The Group will continuously evaluate the situation and accounted for in accordance with accounting policies set out in notes 2(d) and (e).

(b) Sources of estimation uncertainty

Notes 14 and 32 contain information about the assumptions and their risk factors relating to goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Properties for sale

As explained in note 2(n), the Group's properties for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in cases for properties held for development and properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for properties for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the trade and other receivable balance, customer creditworthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual provisions would be higher than estimated.

(iii) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(iv) LAT

As explained in note 9(a), LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and relevant property development expenditures. Given the uncertainties of the calculation basis of land appreciation tax to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in estimates would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are development and sale of properties in the PRC.

Revenue mainly represents income from sale of properties, construction contract and property management and related services earned during the year, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	2013	2012
	RMB'000	*RMB'000*
Sale of properties	123,545,835	94,000,979
Construction contracts	1,431,580	1,415,632
Property management and related services	1,384,676	807,186
Others	1,091,674	636,117
	127,453,765	96,859,914

The Group's customer base is diversified and does not have customer with whom transactions have exceeded 10% of the Group's revenue.

(b) Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development (Beijing region/Guangshen region/Shanghai region/Chengdu region): given the importance of the property development division to the Group, the Group's property development business is segregated further into four reportable segments on a geographical basis, as the divisional managers for each of these regions report directly to the senior executive team. All the four segments mainly derive their revenue from development and sale of residential properties. The properties are mainly sold to individual customers; therefore, the Group does not have major customers. Currently the Group's activities in this regard are carried out in the PRC. Details about the specific cities covered by each region are set out in note 4(b)(i).

- Property management: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties and shopping arcades, as well as those developed by the external property developers. Currently the Group's activities in this regard are also carried out in the PRC.

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, other investments and current assets in Mainland China with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade and other payables, accruals, bank loans and borrowings from financial institutions, and the provision for the estimated losses to be borne by the Group in relation to the property management projects in Mainland China, but excluding deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales before sales taxes generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is the profit before CIT, excluding share of profits or losses of associates or joint ventures, dividend income, other income and other operating expenses in Mainland China, but including the provision for doubtful debts and the profit arising from the inter-segment transactions. LAT which is considered directly attributable to the sale of properties is deducted from the segment profit for the review by the Group's most senior executive management.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Real estate development *(note (1))*					
	Beijing region *RMB'000*	Guangshen region *RMB'000*	Shanghai region *RMB'000*	Chengdu region *RMB'000*	Property management *RMB'000*	Total *RMB'000*
For the year ended 31 December 2013						
Revenue from external customers, before sales taxes	34,161,220	44,486,732	28,437,284	26,366,506	1,496,549	134,948,291
Inter-segment revenue	—	7,022	36,702	85,038	963,118	1,091,880
Reportable segment revenue, before sales taxes	34,161,220	44,493,754	28,473,986	26,451,544	2,459,667	136,040,171
Reportable segment profit	4,280,586	9,814,273	4,164,414	5,219,673	267,483	23,746,429
Interest income	372,694	149,186	103,289	96,673	7,480	729,322
Interest expense	512,137	307,911	270,247	40,450	27	1,130,772
Share of profits less losses of associates and joint ventures	221,971	266,008	503,324	15,905	—	1,007,208
Reportable segment assets	128,235,137	149,990,835	143,642,921	93,395,165	4,229,476	519,493,534
Reportable segment liabilities	105,186,108	127,572,661	124,097,766	83,246,700	3,634,335	443,737,570
For the year ended 31 December 2012						
Revenue from external customers, before sales taxes	33,445,567	29,018,433	21,915,412	17,521,367	974,601	102,875,380
Inter-segment revenue	—	342,277	4,886	40,000	803,223	1,190,386
Reportable segment revenue, before sales taxes	33,445,567	29,360,710	21,920,298	17,561,367	1,777,824	104,065,766
Reportable segment profit	6,856,184	6,429,262	4,545,655	3,493,131	150,944	21,475,176
Interest income	360,319	209,186	183,503	193,818	4,821	951,647
Interest expense	225,056	415,999	483,122	80,064	47	1,204,288
Share of profits less losses of associates and joint ventures	438,969	160,592	147,862	161,049	—	908,472
Reportable segment assets	108,538,598	122,334,248	103,775,407	69,798,669	2,905,454	407,352,376
Reportable segment liabilities	88,536,930	105,754,297	89,823,583	62,910,060	2,497,514	349,522,384

Note (1): Beijing region represents Beijing, Tianjin, Shenyang, Anshan, Dalian, Qingdao, Changchun, Yantai, Jilin, Taiyuan, Tangshan, Langfang, Fushun, Qinhuangdao, Jinzhong and Jinan.

Guangshen region represents Shenzhen, Guangzhou, Qingyuan, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Huizhou, Hainan, Nanning, Putian and Quanzhou.

Shanghai region represents Shanghai, Hangzhou, Su'nan, Ningbo, Nanjing, Zhenjiang, Nanchang, Hefei, Yangzhou, Jiaxing, Wuhu, Wenzhou, Nantong, Changzhou and Xuzhou.

Chengdu region represents Chengdu, Wuhan, Xi'an, Chongqing, Kunming, Guiyang, Urumqi and Zhengzhou.

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	136,040,171	104,065,766
Elimination of inter-segment revenue	(1,091,880)	(1,190,386)
Unallocated revenue	470,500	240,865
Sales taxes	(7,965,026)	(6,256,331)
Consolidated revenue	127,453,765	96,859,914
Profit		
Reportable segment profit	23,746,429	21,475,176
Elimination of inter-segment profit	(201,134)	(982,138)
Share of profits less losses of associates and joint ventures	999,398	889,787
Dividend income	1,405	27,188
Other net income, excluding net exchange difference	115,962	141,570
Other operating expenses, excluding provision for doubtful debts	(82,476)	(81,433)
Unallocated expenses	(288,574)	(399,965)
LAT	3,556,223	4,627,352
Consolidated profit before taxation	27,847,233	25,697,537

	2013	2012
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	519,493,534	407,352,376
Elimination of inter-segment receivables	(248,637,988)	(192,577,435)
Unallocated assets	208,619,272	164,319,915
Consolidated total assets	479,474,818	379,094,856
Liabilities		
Reportable segment liabilities	443,737,570	349,522,384
Elimination of inter-segment payables	(229,033,534)	(176,161,335)
Unallocated liabilities	159,331,359	123,595,612
Consolidated total liabilities	374,035,395	296,956,661

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, intangible assets, interest in associates, interest in joint ventures, other financial assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated, in the case of intangible assets, other financial assets and other non-current assets, and the location of operations, in the case of interest in associates and joint ventures.

	Revenue from external customers	
	2013	**2012**
	RMB'000	*RMB'000*
Mainland China	127,388,864	96,797,855
Hong Kong	64,901	62,059
	127,453,765	96,859,914

	Specified non-current assets	
	2013	**2012**
	RMB'000	*RMB'000*
Mainland China	29,639,228	12,054,219
Hong Kong	3,546,945	918,799
The United States of America ("USA")	447,304	—
	33,633,477	12,973,018

5 OTHER REVENUE

	2013	**2012**
	RMB'000	*RMB'000*
Interest income	739,813	981,158
Dividend income	1,405	27,188
	741,218	1,008,346

6 OTHER NET INCOME

	2013	**2012**
	RMB'000	*RMB'000*
Forfeited deposits and compensation from customers	60,698	68,154
Gain on disposals of investments	4,645	33,180
Net loss on disposals of other investments	(1,539)	(16,201)
Net loss on disposals of property, plant and equipment	(4,475)	(4,671)
Net realised and unrealised loss on financial derivatives	(572)	(8,719)
Net exchange (loss)/gain	(49,716)	58,951
Other sundry income	57,205	69,827
	66,246	200,521

7 OTHER OPERATING EXPENSES

	2013	**2012**
	RMB'000	*RMB'000*
Provision for doubtful debts	67,202	83,818
Compensation to customers	35,460	15,780
Donations	10,086	48,907
Other sundry expenses	36,930	16,745
	149,678	165,250

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2013	2012
	RMB'000	*RMB'000*
Interest on interest-bearing borrowings	6,574,831	5,782,312
Less: Interest expense capitalised into inventories and construction in progress *(note)*	(5,079,329)	(4,042,898)
	1,495,502	1,739,414

Note: The borrowing costs have been capitalised at a rate of 7.63% per annum (2012: 8.4%).

(b) Staff costs

	2013	2012
	RMB'000	*RMB'000*
Salaries, wages and other benefits	4,477,379	3,433,442
Contributions to defined contribution retirement plan	366,579	288,473
Equity-settled share-based payment expenses *(note)*	35,814	88,231
	4,879,772	3,810,146

Note: This included an amount of RMB14,810,000 (2012: RMB33,190,000) in relation to key management personnel which has not been included in employee benefits set out in note 35(c).

(c) Other items

	2013	2012
	RMB'000	*RMB'000*
Depreciation and amortisation	179,235	182,620
Impairment loss on trade and other receivables	67,202	83,818
Cost of inventories	90,130,317	63,195,149
Operating lease charges in respect of properties	88,200	85,385
Rental income from investment properties	(37,792)	(35,620)
Project management fee charged to associates and joint ventures	(490,702)	(295,787)

9 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2013	2012
	RMB'000	*RMB'000*
Current tax		
Provision for CIT and Hong Kong Profits Tax	6,476,368	6,139,443
Provision for LAT	3,414,936	4,825,002
Withholding tax	50,003	32,739
	9,941,307	10,997,184
Deferred tax		
Fair value adjustments arising from business combinations		
— CIT and Hong Kong Profits Tax	(60,538)	(19,659)
— LAT	(23,749)	(32,614)
Accrual for LAT	202,610	(196,761)
Tax losses	(584,870)	(214,480)
Bad debt provision and write-down of inventories	(9,027)	(9,288)
Accruals for construction costs	(74,778)	(64,613)
Withholding tax	(849)	(16,310)
Unrealised profits	19,006	(360,705)
Other temporary differences	140,572	(47,805)
	(391,623)	(962,235)
	9,549,684	10,034,949

(i) CIT and Hong Kong Profits Tax

The provision for CIT is calculated based on the estimated taxable income at the rates applicable to each company in the Group. The income tax rates applicable to the principal subsidiaries in the PRC are 25% (2012: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

The provision for Hong Kong Profits Tax for 2013 is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the year.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Withholding tax

Withholding tax is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 ranged from 5% to 10%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	27,847,233	25,697,537
Less: LAT	(3,556,223)	(4,627,352)
Profit before CIT and Hong Kong Profits Tax	24,291,010	21,070,185
Notional tax on profit before CIT and Hong Kong Profits Tax calculated at applicable income tax rate of the relevant Group entities concerned	6,048,745	5,266,357
Non-taxable income	(250,201)	(227,053)
Non-deductible expenses	257,656	280,613
Effect of temporary difference not recognised	45,191	100,682
Recognition of previously unrecognised tax losses	(107,930)	(13,002)
CIT and Hong Kong Profits Tax	5,993,461	5,407,597
LAT	3,556,223	4,627,352
Income tax expense	9,549,684	10,034,949

10 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2013			2012		
	Before-tax amount	**Tax expense**	**Net-of-tax amount**	**Before-tax amount**	**Tax benefit**	**Net-of-tax amount**
	RMB'000	*RMB'000* *(note 27(d))*	*RMB'000*	*RMB'000*	*RMB'000* *(note 27(d))*	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	65,503	—	65,503	(104,786)	—	(104,786)
Net movement in fair value reserve	(16,621)	(290)	(16,911)	(36,497)	9,124	(27,373)
Other comprehensive income	48,882	(290)	48,592	(141,283)	9,124	(132,159)

(b) Components of other comprehensive income, including reclassification adjustments

	2013	2012
	RMB'000	*RMB'000*
Available-for-sale securities:		
Changes in fair value recognised during the year	(16,911)	—
Reclassification to profit or loss	—	(27,373)
Net movement in the fair value reserve during the year recognised in other comprehensive income	(16,911)	(27,373)

11 BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB15,118,549,000 (2012: RMB12,551,182,000) and the weighted average of 11,012,915,706 (2012: 10,995,306,676) shares in issue during the year.

Weighted average number of shares:

	2013	2012
	RMB'000	*RMB'000*
Issued shares at 1 January	10,995,307	10,995,210
Effect of share options exercised	17,609	97
Weighted average number of shares at 31 December	11,012,916	10,995,307

The Group has a share option scheme which was adopted on 25 April 2011 (see note 30). The scheme gives rise to potential A shares of the Company. The potential A shares have no diluted effect for the year ended 31 December 2013 and 2012, but may have diluted effect in future years.

12 PROPERTY, PLANT AND EQUIPMENT

	Hotel and other buildings held for own use	Improvements to premises	Leasehold land prepayment	Machinery and motor vehicles	Electronic and other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2012	1,654,119	119,245	455,070	177,397	237,079	705,552	3,348,462
Additions	82,109	21,045	1,473	18,604	40,864	378,030	542,125
Transfer	32,464	—	—	—	—	(32,464)	—
Disposals	(51,375)	(2,876)	—	(10,999)	(14,713)	—	(79,963)
At 31 December 2012	1,717,317	137,414	456,543	185,002	263,230	1,051,118	3,810,624
At 1 January 2013	1,717,317	137,414	456,543	185,002	263,230	1,051,118	3,810,624
Additions	636,734	44,841	250	37,847	62,461	239,713	1,021,846
Transfer	377,164	—	—	—	—	(377,164)	—
Disposals	(481,232)	(53)	(54,956)	(18,520)	(9,006)	—	(563,767)
At 31 December 2013	2,249,983	182,202	401,837	204,329	316,685	913,667	4,268,703
Accumulated depreciation:							
At 1 January 2012	257,374	62,937	19,596	84,596	146,070	—	570,573
Charge for the year	71,084	24,671	10,100	20,057	31,901	—	157,813
Written back on disposals	(26,589)	(2,620)	—	(8,245)	(12,848)	—	(50,302)
At 31 December 2012	301,869	84,988	29,696	96,408	165,123	—	678,084
At 1 January 2013	301,869	84,988	29,696	96,408	165,123	—	678,084
Charge for the year	59,552	22,473	9,626	22,191	35,340	—	149,182
Written back on disposals	(6,943)	(4)	(5,762)	(14,022)	(7,055)	—	(33,786)
At 31 December 2013	354,478	107,457	33,560	104,577	193,408	—	793,480
Net book value:							
At 31 December 2013	1,895,505	74,745	368,277	99,752	123,277	913,667	3,475,223
At 31 December 2012	1,415,448	52,426	426,847	88,594	98,107	1,051,118	3,132,540

13 INVESTMENT PROPERTIES

	2013	2012
	RMB'000	*RMB'000*
Cost:		
At 1 January	1,754,029	1,155,944
Additions	4,689,801	1,286,081
Exchange adjustment	(22,484)	—
Transfer	—	(675,300)
Disposals	—	(12,696)
At 31 December	6,421,346	1,754,029
Accumulated depreciation:		
At 1 January	39,893	29,840
Charge for the year	14,798	10,599
Written back on disposals	—	(546)
At 31 December	54,691	39,893
Net book value:		
At 31 December	6,366,655	1,714,136

Investment properties include those under development at the end of the reporting period with carrying amount of RMB3,129 million (2012: RMB684 million).

Investment properties comprise certain commercial properties that are leased to third parties. The directors, having regard to recent market transactions of similar properties in the same location as the Group's investment properties, consider the estimated fair value of the investment properties, together with leasehold land on which the investment properties located as set out in note 18, to be RMB14,856 million (2012: RMB4,080 million).

The fair value of investment properties is determined by discounting a projected cash flow series associated with the properties using risk-adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rate of the respective properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value of the investment properties measured at the end of the reporting period is categorised into Level 3 valuations: Fair value measured using significant unobservable inputs, as defined in IFRS 13, *Fair value measurement*.

(a) The analysis of net book value of investment properties is set out as follows:

	2013	2012
	RMB'000	*RMB'000*
In the PRC, held on leases of		
— Between 10 and 50 years	4,714,122	686,918
— Over 50 years	777,704	124,905
	5,491,826	811,823
In Hong Kong, held on leases of		
— Over 50 years	874,829	902,313
	6,366,655	1,714,136

(b) The Group leases out investment properties and certain inventories under operating leases. The leases typically run for an initial period of two to twenty years. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Within 1 year	121,747	57,496
After 1 year but within 5 years	526,656	314,671
After 5 years	754,329	454,588
	1,402,732	826,755

14 INTANGIBLE ASSETS

	Operating right	**Goodwill**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Cost and net book value:			
At 1 January 2012	—	—	—
Additions	—	201,690	201,690
At 31 December 2012	—	201,690	201,690
At 1 January 2013	—	201,690	201,690
Additions	61,797	—	61,797
At 31 December 2013	61,797	201,690	263,487

(a) Operating right

The cost of operating rights represented the fair value of operating rights of public premise acquired, as adjusted by stage of completion as at 31 December 2013. The public premise has not yet commenced operation.

(b) Goodwill

Goodwill as at 31 December 2013 arose from acquisition of Vanke Property (Overseas) Limited by the Group in 2012. As at year end, an impairment test was performed by comparing the goodwill with its recoverable amount and no impairment was recorded.

15 INTEREST IN ASSOCIATES

	2013	**2012**
	RMB'000	*RMB'000*
Share of net assets	3,633,457	2,915,844

The following list contains only the particulars of material associates which principally affected the results or assets of the Group, and all of these associates are unlisted corporate entities whose quoted market price is not available.

Name of company	Place of incorporation and operation	Proportion of ownership interest Group's effective interest	Principal activity
Hefei Yihang Vanke Real Estate Company Limited	PRC	50%	Property development
Xiamen Wantefu Property Development Company Limited	PRC	30%	Property development
Shenzhen Vanke Binghai Property Company Limited	PRC	50%	Property development
Beijing Wanhu Real Estate Development Company Limited	PRC	49%	Property development

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Hefei Yihang Vanke Real Estate Company Limited		Xiamen Wantefu Property Development Company Limited		Shenzhen Vanke Binghai Property Company Limited		Beijing Wanhu Real Estate Development Company Limited	
	2013	2012	2013	2012	2013	2012	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Gross amounts of the associates'								
Current assets	1,808,603	2,311,651	7,273,771	5,452,924	5,381,862	4,220,931	5,352,683	—
Non-current assets	1,822	2,868	16,765	6,518	5,985	4,993	6,809	—
Current liabilities	(1,038,745)	(1,681,713)	(5,098,838)	(3,212,296)	(4,244,405)	(3,205,695)	(4,187,786)	—
Non-current liabilities	—	(80,000)	(881,910)	(915,000)	(190,132)	(35,351)	—	—
Equity	771,680	552,806	1,309,788	1,332,146	953,310	984,878	1,171,706	—
Revenue	2,230,906	1,956,667	55	—	—	—	—	—
Profit/(loss) and total comprehensive income for the year	517,936	340,318	(22,358)	(38,658)	(31,568)	(15,018)	(20,664)	—
Dividend received from the associate	(149,531)	—	—	—	—	—	—	—
Reconciled to the Group's interests in the associate								
Gross amounts of net assets of the associate	771,680	552,806	1,309,788	1,332,146	953,310	984,878	1,171,706	—
Group's effective interest	50%	50%	30%	30%	50%	50%	49%	—
Group's share of net assets of the associate	385,840	276,403	392,936	399,644	476,655	492,439	574,136	—
Elimination on consolidation	(31,555)	—	—	—	(32,568)	—	(54,229)	—
Carrying amount in the consolidated financial statements	354,285	276,403	392,936	399,644	444,087	492,439	519,907	—

Aggregate information of associates that are not individually material:

	2013 *RMB'000*	2012 *RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	1,922,242	1,747,358
Aggregate amounts of the Group's share of those associates		
Profit and total comprehensive income for the year	285,263	419,604

16 INTEREST IN JOINT VENTURES

	2013 *RMB'000*	2012 *RMB'000*
Share of net assets	6,897,969	4,043,247

Details of the group's material joint ventures, which is accounted for using the equity method in the consolidated financial statements, are as follows:

		Proportion of ownership interest	
Name of company	**Place of incorporation and operation**	**Group's effective interest**	**Principal activity**
Shanghai Jialai Real Estate Development Company Limited*	PRC	49%	Property development
Dongguan Vanke Property Company Limited	PRC	50%	Property development
Changsha Lingyu Real Estate Development Company Limited*	PRC	60%	Property development
Changsha Lingyu Investment Company Limited*	PRC	60%	Property development
Beijing COFCO Vanke Real Estate Development Company Limited	PRC	50%	Property development
201 Folsom Acquisition JV, L.P.*	USA	71.5%	Property development
Zhonghang Vanke Company Limited*	PRC	40%	Property development

* A contractual arrangement between the Group and the counterparty of these entities establishes share of control over these entities.

Summarised financial information of the material joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Shanghai Jialai Real Estate Development Company Limited		Zhonghang Vanke Company Limited		Dongguan Vanke Property Company Limited		Changsha Lingyu Real Estate Development Company Limited		Changsha Lingyu Investment Company Limited		Beijing COFCO Vanke Real Estate Development Company Limited		201 Folsom Acquisition JV, L.P.	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Gross amount of the company														
Current assets	1,889,512	2,137,749	4,714,745	4,915,197	2,182,375	1,977,841	606,525	913,405	1,683,546	1,600,055	4,738,155	7,282,082	85,777	—
Non-current assets	510	896	2,873,007	2,522,444	884	314	520	486	434	9,671	100,784	4,607	829,727	—
Current liabilities	(1,065,728)	(1,200,635)	(4,668,054)	(4,354,421)	(1,096,383)	(823,979)	(148,815)	(605,991)	(1,470,598)	(1,538,833)	(3,246,448)	(5,808,311)	(124,596)	—
Non-current liabilities	—	(74,732)	—	(620,000)	—	(71,940)	—	—	—	—	(256,457)	(449,049)	(165,308)	—
Equity	824,294	863,278	2,919,698	2,463,220	1,086,876	1,082,236	458,230	307,900	213,382	70,893	1,336,034	1,029,329	625,600	—
Included in the above assets and liabilities														
Cash and cash equivalents	182,232	314,547	1,709,196	544,060	28,591	1,152	2,961	16,668	9,614	61,296	630,568	900,093	15,839	—
Current financial liabilities (excluding trade and other payables and provisions)	—	—	(300,000)	(1,080,000)	—	—	—	—	—	—	—	(544,240)	—	—
Non current financial liabilities (excluding trade and other payables and provisions)	—	(74,732)	—	(620,000)	—	(71,940)	—	—	—	—	(256,457)	(449,049)	(165,308)	—
Revenue	857,742	726,275	—	—	165,792	473,725	421,359	736,626	786,581	—	2,751,166	2,522,221	—	—
Profit/(loss) and total comprehensive income for the year	198,492	190,437	(10,811)	(44,985)	4,640	49,103	150,330	153,431	142,489	(23,924)	329,026	215,835	(6,892)	—
Dividend received from the joint venture	(116,363)	(138,437)	(213,085)	(110,000)	—	—	—	(91,793)	—	—	—	—	—	—
Included in the above profit														
Interest income	—	—	95,355	364,751	—	—	—	—	—	—	3,529	3,492	18	—
Interest expense	—	—	(109,069)	(341,790)	—	—	—	—	—	—	(10,278)	(12,258)	—	—
Income tax (expense)/credit	(73,602)	(73,966)	—	(20,899)	572	(13,805)	(44,791)	(51,196)	(48,794)	7,896	(92,491)	(72,060)	—	—
Reconciled to the group's interest in the company														
Gross amounts of the company's net assets	824,294	863,278	2,919,698	2,463,220	1,086,876	1,082,236	458,230	307,900	213,382	70,893	1,336,034	1,029,329	625,600	—
Group's effective interest	49%	49%	40%	40%	50%	50%	60%	60%	60%	60%	50%	50%	71.5%	—
Group's share of the company's net assets	403,904	423,006	1,167,879	985,288	543,438	541,118	274,938	184,740	128,029	42,536	668,017	514,665	447,304	—
Elimination on consolidation	(24,598)	—	—	—	—	—	(1,197)	—	(17,623)	—	(14,112)	(11,161)	—	—
Carrying amount in the consolidated financial statements	379,306	423,006	1,167,879	985,288	543,438	541,118	273,741	184,740	110,406	42,536	653,905	503,504	447,304	—

Aggregate information of joint ventures that are not individually material:

	2013	2012
	RMB'000	*RMB'000*
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	3,321,990	1,363,055
Aggregate amounts of the Group's share of those joint ventures		
Profit and total comprehensive income for the year	57,250	33,635

17 OTHER FINANCIAL ASSETS

	2013	2012
	RMB'000	*RMB'000*
Available-for-sale securities		
Equity securities		
— Unlisted	110,680	81,215
— Listed in the PRC	1,302	4,764
— Listed in Hong Kong	2,460,264	—
	2,572,246	85,979

18 OTHER NON-CURRENT ASSETS

	2013	2012
	RMB'000	*RMB'000*
Entrusted loans	415,140	—
Prepayment for acquisitions	296,349	218,490
Amounts due from joint ventures *(note (a))*	4,369,129	—
Prepayment for leasehold land *(note (b))*	5,343,822	661,092
	10,424,440	879,582

Notes:

(a) Amounts due from joint ventures are unsecured, interest free and have no fixed term of repayment but are not expected to be settled within one year.

(b) Movement of prepayment for leasehold land included in other non-current assets is analysed as follows:

	2013	2012
	RMB'000	*RMB'000*
Cost:		
At 1 January	675,300	—
Transfer	—	675,300
Additions	4,697,985	—
At 31 December	5,373,285	675,300
Accumulated amortisation:		
At 1 January	14,208	—
Charge for the year	15,255	14,208
At 31 December	29,463	14,208
Net book value:		
At 31 December	5,343,822	661,092

19 INVENTORIES

	2013	2012
	RMB'000	*RMB'000*
Properties held for development	124,374,532	76,733,826
Properties under development	187,280,382	160,676,827
Completed properties for sale	17,717,311	15,993,829
Others	359,705	217,670
	329,731,930	253,622,152

(a) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2013	2012
	RMB'000	*RMB'000*
In the PRC, held on lease of		
— Between 10 and 50 years	28,636,020	14,452,874
— Over 50 years	128,300,625	131,311,363
	156,936,645	145,764,237

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2013	2012
	RMB'000	*RMB'000*
Carrying amount of inventories sold	90,137,365	63,195,149
Reversal of write-down of inventories	(7,048)	—
	90,130,317	63,195,149

(c) The amount of properties held for development and properties under development expected to be recovered after more than one year is RMB174,161 million (2012: RMB115,592 million). All of the other inventories are expected to be recovered within one year.

20 TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade debtors *(note (a))*	3,115,719	1,915,305
Less: allowance for doubtful debts	(36,749)	(28,756)
	3,078,970	1,886,549
Other debtors	18,146,944	10,784,562
Amounts due from associates *(note (b))*	5,827,704	5,642,821
Amounts due from joint ventures *(note (b))*	10,840,669	3,465,502
Prepayments *(note (c))*	28,653,665	33,373,612
Gross amount due from customers for contract work *(note (d))*	1,670,787	1,835,204
	68,218,739	56,988,250

All of the trade and other receivables, apart from receivables of RMB1,621 million (2012: RMB1,146 million), are expected to be recovered within one year.

(a) As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the date the trade debtors recognised and net of allowance for doubtful debts, is as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Within 1 year	2,650,005	1,653,991
1 to 2 years	264,508	154,308
2 to 3 years	143,763	55,874
Over 3 years	20,694	22,376
	3,078,970	1,886,549

The Group's credit policy is set out in note 32(a).

Trade debtors that were past due but not impaired relate to a number of independent debtors that have a good track record or ongoing business relationship with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) The amounts due from associates and joint ventures as at 31 December 2013 include an amount of RMB8,487 million (2012: RMB5,713 million) which are interest bearing at market rate, unsecured and repayable on demand. The interest income from these associates and joint ventures amounted to RMB537 million (2012: RMB384 million) in 2013. The remaining amounts due from associates and joint ventures are unsecured, interest free and repayable on demand.

(c) The balance includes prepayments for leasehold land of RMB15,554 million (2012: RMB22,326 million).

(d) The aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amount due from/to customers for contract work at 31 December 2013 is RMB3,645 million (2012: RMB2,213 million).

21 PLEDGED DEPOSITS

The balance mainly represents the guarantee deposits in respect of mortgage loans related to property sale.

22 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents at the end of the reporting period are analysed as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Cash at bank and on hand	43,004,149	51,120,224

(b) Major non-cash transaction

During the year, capital contributions from non-controlling interest excluded an amount of RMB3,700 million which was injected to the Group in prior years.

23 BANK LOANS AND BORROWINGS FROM FINANCIAL INSTITUTIONS

This note provides information about the contractual terms of the Group's bank loans and borrowings from financial institutions. For more information about the Group's exposure to interest rate risk, please refer to note 32(c).

	2013	**2012**
	RMB'000	*RMB'000*
Current		
Secured		
— Bank loans *(note (a))*	1,353,026	3,358,380
— Borrowings from financial institutions	—	2,690,400
	1,353,026	6,048,780
Guaranteed		
— Borrowing from a financial institution *(note (b))*	320,000	—
Unsecured		
— Bank loans *(note (a))*	8,945,619	10,247,981
— Borrowings from financial institutions	22,005,662	13,378,980
	30,951,281	23,626,961
	32,624,307	29,675,741

	2013	**2012**
	RMB'000	*RMB'000*
Non-current		
Secured		
— Bank loans *(note (a))*	1,763,364	5,055,824
Guaranteed		
— Bank loans *(note (a))*	—	190,000
— Borrowing from a financial institution *(note (b))*	—	320,000
	—	510,000
Unsecured		
— Bank loans *(note (a))*	22,613,347	10,190,210
— Borrowings from financial institutions	12,306,417	20,280,036
	34,919,764	30,470,246
	36,683,128	36,036,070

At 31 December, the above non-current interest-bearing loans and borrowings and corporate bonds were repayable as follows:

	2013	**2012**
	RMB'000	*RMB'000*
After 1 year but within 2 years	17,207,875	27,286,992
After 2 years but within 5 years	19,475,253	8,749,078
	36,683,128	36,036,070

Notes:

(a) Bank loans

The secured bank loans are secured over certain inventories and investment properties with aggregate carrying value of RMB12,528 million (2012: RMB11,079 million) or pledged by the shares of interest in certain subsidiaries of the Group.

(b) Guaranteed borrowing from a financial institution

The guaranteed borrowing from a financial institution is guaranteed by a third party with nil consideration. The borrowing is counter guaranteed by a subsidiary of the Group.

24 BONDS PAYABLE

	2013	2012
	RMB'000	*RMB'000*
Current		
No. 101688 and No.101699 Bonds *(Note (a))*	—	5,881,618
Non-current		
United States Dollar Corporate Bonds *(Note (b))*	4,742,212	—
Bonds issued under Medium Term Note Programme *(Note (c))*		
— Singapore Dollar bonds (i)	666,862	—
— Renminbi bonds (ii) and (iii)	1,989,318	—
	7,398,392	—

Notes:

(a) In September 2008, the Group issued two series of corporate bonds, namely the "No. 101688 Bonds" and the "No. 101699 Bonds", amounting to RMB5,900 million. Both Bonds were listed on the Shenzhen Stock Exchange. The bonds were due and settled during the year.

(b) On 13 March 2013, the Group issued corporate bonds of USD800 million with a 5-year term and a fixed rate 2.625% per annum payable in arrears semi-annually at issue price of 99.397 per cent. During the year, the Group repurchased such bonds with principal value of USD6,350,000.

(c) On 16 July 2013, the Group established a Medium Term Note Programme of USD2,000 million which is listed the Stock Exchange of Hong Kong. During the year, the Group has drawn down from the Medium Term Note Programme as set out below:

(i) On 6 November 2013, the Group issued corporate bond of SGD140 million at par with a 4-year term and a fixed rate of 3.275% per annum payable in arrears semi-annually.

(ii) On 4 December 2013, the Group issued corporate bond of RMB1,000 million at par with a 5-year term and a fixed rate of 4.5% per annum payable in arrears semi-annually.

(iii) On 16 December 2013, the Group issued corporate bond of RMB1,000 million at par with a 3-year term and a fixed rate of 4.05% per annum payable in arrears semi-annually.

25 FINANCIAL DERIVATIVES

	2013	2012
	RMB'000	*RMB'000*
Interest rate swaps	11,687	25,761

26 TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
Trade creditors and bills payable	78,742,359	49,838,127
Other payables and accruals	40,804,149	31,839,905
Amounts due to associates	2,519,356	907,773
Amounts due to joint ventures	10,346,141	1,919,788
Receipts in advance	155,518,071	130,989,093
Gross amount due to customers for contract work *(note 20(d))*	—	34,884
	287,930,076	215,529,570

Included in trade and other payables is an amount of RMB1,431 million (2012: RMB1,389 million), including retention payable of RMB547 million (2012: RMB451 million), which are expected to be settled after one year.

Included in other payables and accruals is amounts of RMB31,992 million (2012: RMB23,271 million) representing advance from non-controlling shareholders of subsidiaries and other parties for the respective property development projects. The balances except for an amount of RMB12,604 million (2012: RMB6,130 million) are interest bearing at market rate, are interest free, unsecured and repayable on demand.

The amounts due to associates and joint ventures include an amount of RMB1,123 million (2012: RMB959 million) which are interest bearing at market rate, unsecured and repayable on demand. The interest expenses to these associates and joint ventures amounted to RMB53 million (2012: RMB74 million) in 2013. The remaining amounts due to associates and joint ventures are unsecured, interest free and repayable on demand.

27 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

	2013	2012
	RMB'000	*RMB'000*
CIT and Hong Kong Profits Tax	2,947,326	2,873,002
LAT	5,408,438	5,847,874
	8,355,764	8,720,876

LAT provisions have been made pursuant to Guo Shui Fa (2006) No. 187 Circular of State Administration of Taxation on Relevant Issues of Settlement and Management of Land Appreciation Tax for Real Estate Developers. The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities as at 31 December 2013 and 2012.

(b) Deferred tax assets

Deferred tax assets are attributable to the items set out below:

	2013	2012
	RMB'000	*RMB'000*
Tax losses	1,613,277	1,029,526
Bad debt provision and write-down of inventories	46,580	37,553
Accruals for construction costs	336,461	261,683
Accrual for LAT	1,070,185	1,272,795
Unrealised profits	362,615	381,621
Other temporary differences	96,144	236,716
	3,525,262	3,219,894

Deferred tax assets have not been recognised in respect of the following items:

	2013	2012
	RMB'000	*RMB'000*
Tax losses	630,762	966,124
Deductible temporary differences	91,519	89,863
	722,281	1,055,987

The tax losses expire between 2014 and 2018. The deductible temporary differences will not expire the under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(c) Deferred tax liabilities

Deferred tax liabilities are attributable to the items set out below:

	2013	2012
	RMB'000	*RMB'000*
Fair value adjustments arising from business combinations and available-for-sale securities	874,036	958,033
Withholding tax *(note)*	68,173	69,022
	942,209	1,027,055

Pursuant to the Implementation Rules of the Enterprise Income Tax Law, overseas investors of foreign investment enterprises shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group recognised the deferred tax liabilities in relation to the distributable profits expected to be distributed in foreseeable future.

At 31 December 2013, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB4,410 million (2012: RMB1,951 million). Deferred tax liabilities of RMB290 million (2012: RMB98 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not distributed in the foreseeable future.

(d) Movements in deferred taxation, net:

	2013	2012
	RMB'000	*RMB'000*
At 1 January	2,192,839	1,221,480
Net credit to profit or loss *(note 9(a))*	391,623	962,235
Net (charge)/credit to other comprehensive income *(note 10(a))*	(290)	9,124
Disposal of subsidiaries	(1,119)	—
At 31 December	2,583,053	2,192,839

28 PROVISIONS

	2013	2012
	RMB'000	*RMB'000*
Balance at 1 January	44,292	38,678
Provisions made during the year	4,675	12,346
Provisions used during the year	(2,090)	(6,732)
Balance at 31 December	46,877	44,292

The balance represents the estimated losses to be borne by the Group in relation to the property management projects.

29 OTHER NON-CURRENT LIABILITIES

The balance mainly represents the amounts that hold on behalf of the owners committees in the property management sector.

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Group has a share option scheme which was adopted on 25 April 2011 whereby the senior management and key staff of the Group are granted certain options at nil consideration to subscribe for an aggregate of 110,000,000 A shares of the Company. The key management personnel were granted with 33,000,000 share options. 40% of the options vest after one year (30% after two years and the remaining 30% after three years) from the date of grant and are then exercisable within a period of two years. Each option gives the holder the right to subscribe for one A share of the Company.

On 11 May 2012, pursuant to the approval given at the Company's annual general meeting, the Company implemented profit appropriation proposal for the year 2011. Pursuant to the proposal, a cash dividend of RMB1.3 was paid for every ten existing shares held, thereby the exercising price of each option was adjusted to RMB8.66. On 16 May 2013, pursuant to the approval given at the Company's annual general meeting, the Company implemented profit appropriation proposal for 2012. Pursuant to the proposal, a cash dividend of RMB1.8 was paid for every ten existing shares held, thereby the exercising price of each option was adjusted to RMB8.48.

On 19 April 2013, the board approved the proposal for the second vesting condition accomplishment of the share option scheme. Pursuant to the approval, the second vesting period commenced from 29 May 2013.

(a) The number and weighted average exercise prices of share options are as follows:

	2013
	Number '000
Outstanding at the beginning of the year	93,167
Exercised during the year	(19,416)
Forfeited during the year	(2,813)
Outstanding at the end of the year	70,938
Exercisable at the end of the year	45,462

The weighted average share price at the date of exercise for shares options exercised during the year was RMB8.48, after adjusting for effect from declaration of dividend.

The options outstanding at 31 December 2013 had an exercise price of RMB8.48 and a weighted average remaining contractual life of 2 years.

(b) Terms of unexpired and unexercised share options at the end of the reporting period:

		2013
	*Exercise price**	*Number*
	RMB	*'000*
25 April 2012 to 24 April 2014	8.48	21,086
25 April 2013 to 24 April 2015	8.48	24,376
25 April 2014 to 22 April 2016	8.48	25,476
		70,938

* The original exercise price is RMB8.89. The exercise price was adjusted to RMB8.48 (2012: RMB8.66) after declaration of dividends since the issue of the share options in accordance with the terms and conditions of the share option scheme.

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital:

	2013	**2012**
	RMB'000	*RMB'000*
Authorised, issued and fully paid:		
A shares of RMB1 each	9,700,014	9,680,598
B shares of RMB1 each	1,314,955	1,314,955
	11,014,969	10,995,553

Included in the A shares are 23,828,261 shares (2012: 18,402,673 shares) with restriction to transfer.

The holders of A and B shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All A and B shares rank equally with regard to the Company's residual assets.

During the reporting period, the company issued 19,415,801 (2012: 342,900) A shares upon exercise of share options by 278 (2012: 23) beneficiaries under the share option scheme as set out in note 30.

(b) Nature and purpose of reserves

(i) Share-based compensation reserve

The share-based compensation reserve comprises the portion of the grant date fair value of unexercised share options that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(t)(ii).

(ii) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law, the Group is required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to equity shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

For the year ended 31 December 2013, the Company transferred RMB779,590,000 (2012: RMB561,387,000), being 10% of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

For the year ended 31 December 2013, the directors proposed to transfer RMB2,338,769,000 (2012: RMB2,806,937,000), being 30% (2012: 50%) of the Company's current year's net profit as determined in accordance with the PRC accounting rules and regulations, to this reserve.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(x).

(iv) Other reserves

Other reserves are mainly resulted from transactions with owners in their capacity as owners, fair value movement of available-for-sale securities and a share award scheme in prior years.

(c) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2013	**2012**
	RMB'000	*RMB'000*
Dividend to be proposed at the Company's forthcoming annual general meeting of RMB0.41 per share (2012: RMB0.18 per share)	4,516,137	1,979,200

The dividend to be proposed at the Company's forthcoming annual general meeting has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2013	**2012**
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.18 per share (2012: RMB0.13 per share)	1,981,401	1,429,377

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity of the Company. Net debt is calculated as total bank loans and borrowings from financial institutions less cash and cash equivalents and pledged deposits. The gearing ratio at 31 December 2013 and 2012 is calculated as follows:

	2013	2012
	RMB'000	*RMB'000*
Bank loans and borrowings from financial institutions	69,307,435	65,711,811
Bonds payable	7,398,392	5,881,618
Less: Cash and cash equivalents	(43,004,149)	(51,120,224)
Pledged deposits	(1,361,261)	(1,171,318)
Net debt	32,340,417	19,301,887
Total equity	105,439,423	82,138,195
Gearing ratio	30.7%	23.5%

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, pledged deposits, trade and other receivables and other financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and pledged deposits held by the Group are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low. The Group sets deposit limits against the financial institutions' credit risks.

In respect of trade receivables, credit risk is minimised as the Group normally receives full payment from buyers before the transfer of property ownership.

In respect of amounts due from associates and joint ventures, the Group facilitates their capital demand by assessing and closely monitoring their financial conditions and profitability.

In respect of other receivables due from third parties, the Group reviews the exposures and manages them based on the need of operation.

At the end of the reporting period, 23.49% (2012: 27.87%) of the total trade receivables was due from the Group's five largest trade debtors.

Except for the financial guarantees given by the Group as set out in note 34, the Group does not provide any other guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	2013				
	Carrying amount	**Total contractual undiscounted cash flow**	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and borrowings from financial institutions	69,307,435	77,401,937	36,114,292	20,645,220	20,642,425
Bonds payable	7,398,392	8,621,772	235,472	235,472	8,150,828
Trade creditors and accruals	135,898,318	137,098,856	135,668,157	921,047	509,652
Financial derivatives	11,687	11,687	11,687	—	—
Interest payable	291,244	291,244	291,244	—	—
Other non-current liabilities	42,955	42,955	—	—	42,955
Total	212,950,031	223,468,451	172,320,852	21,801,739	29,345,860

	2012				
	Carrying amount	**Total contractual undiscounted cash flow**	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and borrowings from financial institutions	65,711,812	75,554,883	34,959,538	30,443,032	10,152,313
Bonds payable	5,881,618	6,145,333	6,145,333	—	—
Trade creditors and accruals	88,061,192	88,174,864	86,786,154	994,105	394,605
Financial derivatives	25,761	25,761	25,761	—	—
Interest payable	649,688	649,688	649,688	—	—
Other non-current liabilities	15,678	15,678	—	—	15,678
Total	160,345,749	170,566,207	128,566,474	31,437,137	10,562,596

(c) Interest rate risk

The Group's interest rate risk arises primarily from its cash and bank loans and borrowings from financial institutions. Cash and bank loans and borrowings from financial institutions issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's interest bearing borrowings are disclosed in notes 23, 24 and 26 to the consolidated financial statements.

Sensitivity analysis

At 31 December 2013, it is estimated that a general increase/decrease of 50 basis points in interest rates of cash and bank loans and borrowings from financial institutions of the Group, with all other variables held constant, would have decreased/increased the Group's profit after tax and total equity by approximately RMB59 million (2012: RMB81 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2012.

The sensitivity analysis above assumes that the change in interest rates had occurred at the end of the reporting period and had been applied to all floating rate bank loans and borrowings from financial institutions, without taking into account the impact of interest capitalisation.

(d) Currency risk

The Group is exposed to foreign currency risk primarily on cash and cash equivalents, available-for-sale securities, trade and other receivables and borrowings which are denominated in United States Dollars, Hong Kong Dollars and Singapore Dollars.

Cash and cash equivalents denominated in foreign currencies are as follows:

	2013	**2012**
	RMB'000	*RMB'000*
United States Dollars	1,234,916	1,305,831
Hong Kong Dollars	403,784	333,206
Singapore Dollars	5,810	—

Available-for-sale securities denominated in foreign currencies are as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Hong Kong Dollars	2,460,264	—

Trade and other receivables denominated in foreign currencies are as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Hong Kong Dollars	574,382	—
Singapore Dollars	284,005	—

Bank loans and borrowings from financial institutions denominated in foreign currencies and currency other than the functional currency of the entity to which they relate are as follows:

	2013	**2012**
	RMB'000	*RMB'000*
United States Dollars	6,928,847	3,972,044
Hong Kong Dollars	869,930	—
Singapore Dollars	666,862	—
Renminbi	1,989,317	—

Sensitivity analysis

Based on the assumption that Hong Kong Dollars continue to be pegged to United States Dollars, management estimated that a 3% (2012: 10%) appreciation/depreciation of United States Dollars/Hong Kong Dollars against Renminbi, the Group's profit would be increased/decreased RMB51 million (2012: RMBNil) and the Group's equity would be decreased/increased by approximately RMB94 million (2012: RMB522 million). At the same time, management estimated that a 3% (2012: RMBNil) appreciation/depreciation of Singapore Dollars against RMB would have no effect to the profit of the Group and the Group's equity would be decreased/increased by approximately RMB12 million (2012: RMBNil).

The analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables remain constant.

(e) Fair values

(i) Financial instruments measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-levels fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical financial instruments.

- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: fair value measured using significant unobservable inputs.

31 December 2013
In millions of RMB

		Fair value measurements as at 31 December 2013 categorised into		
	Fair value at 31 December 2013	**Level 1**	**Level 2**	**Level 3**
Assets				
Available-for-sale securities	2,466	2,466	—	—
Liabilities				
Interest rate swaps	12	12	—	—

31 December 2012
In millions of RMB

		Fair value measurements as at 31 December 2012 categorised into		
	Fair value at 31 December 2012	**Level 1**	**Level 2**	**Level 3**
Liabilities				
Interest rate swaps	26	26	—	—

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 December 2012 and 2013.

33 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2013 not provided for in the financial statements were as follows:

	2013	2012
	RMB'000	*RMB'000*
Construction and development contracts	76,575,250	45,734,215
Land agreements	10,440,577	20,991,522
	87,015,827	66,725,737

Commitments mainly related to land and development costs for the Group's properties under development.

(b) At 31 December 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2013	2012
	RMB'000	*RMB'000*
Within 1 year	62,148	45,839
After 1 year but within 2 years	85,137	39,489
After 2 years but within 3 years	63,750	33,241
After 3 years	27,399	41,087
	238,434	159,656

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

34 CONTINGENT LIABILITIES

As at the end of the reporting period, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to RMB40,949 million (2012: RMB29,360 million), including guarantees of RMB40,860 million (2012: RMB29,269 million) which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties, and guarantees of RMB89 million (2012: RMB91 million) which will be terminated upon full repayment of mortgage loans by buyers to the banks.

The directors do not consider it probable that the Group will sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property buyers default payment. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

In addition, the Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

Details of the financial guarantees issued by the Group for certain associates are set out in note 35(e).

35 MATERIAL RELATED PARTY TRANSACTIONS

(a) Reference should be made to the following notes regarding related parties:

Associates	(note 15, 20 & 26)
Joint ventures	(note 16, 20 & 26)
Key management personnel	(see note (c) below)

(b) Loans from a related party

The details of the loans from a related party are as follows:

	Loans balance As at 31 December		Interest incurred Year ended 31 December	
	2013	**2012**	**2013**	**2012**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
China Resources SZITIC Trust Co., Ltd. (the "Trust")	4,100,000	5,100,000	390,250	370,849

The Trust is a subsidiary of China Resources Co., Limited ("CRC"). CRC holds the largest percentage of the share of interest in the Company among all shareholders.

The loans bear interests that are not higher than other trust loans borrowed during the year from independent third parties at the time of borrowing, are unsecured and repayable in 2014.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Short-term employee benefits	112,717	106,403
Accrued Economic Profits Bonus*	100,465	86,760

* In 2010, the Group launched the Economic Profits Bonus Plan (the "Plan") as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to the key performance indicator of Economic Profits in the corresponding year. The bonus will be fully distributed in future years.

Total remuneration is included in "staff costs" (see note 8(b)).

The Group also provides non-monetary employee benefits to the key management personnel in the form of purchase discount on sale of the Group's properties to them. Details of such transactions are as follows:

	2013	**2012**
	RMB'000	*RMB'000*
Sales of properties to the key management personnel	—	14,859
Related cost of sales	—	(7,027)
Gross profit	—	7,832
Estimated fair value of the properties sold to the key management personnel	—	16,372

All the above were approved by the Board of Directors as a kind of employment benefits to the key management personnel.

In addition to the short-term employee benefits and the Economic Profits Bonus Plan, the key management personnel were granted certain share options by the Group in 2011. As at 31 December 2013, the outstanding options held by the key management personnel amounted to 22,680,000 (2012: 30,900,000) (see notes 8(b) and 30).

(d) Disposal of interests in a subsidiary to a related party

In February 2013, the Group disposed its 39% equity interests of the Shanghai Hongqiao Project No. 11 ("Project No. 11") to Shenzhen Huawei Xincheng No. 1 Partnership Enterprise (Limited Partnership) at a consideration of RMB32 million. Shenzhen Huaxin City No. 1 Investment Partnership (Limited Partnership) is the related party of China Resources Co., Limited, the largest shareholder of the Company.

(e) Financial guarantees issued

As at 31 December 2013, the Group provided certain guarantees to secure the loans borrowed by certain associates. The outstanding guarantees amounted to RMB146 million (2012: RMB427 million). The directors do not consider it probable that a claim will be made against the Group under any of these guarantees. Accordingly, the Group did not recognise any deferred income in this respect.

36 ACQUISITIONS OF SUBSIDIARIES

During the year, the Group has acquired certain subsidiaries which hold property development projects. Acquisitions of these subsidiaries enable the Group to expand its land banks. Acquisitions of major subsidiaries by the Group during the year are summarised as follows:

Date of acquisition	Name of subsidiaries acquired	Percentage of equity interest acquired	Consideration
25 January 2013	Beijing Jingtouyangguang Real Estate Development Co., Ltd.	51%	RMB136,184,000
28 January 2013	Tangshan Ershierye Wanzhu Real Estate Development Co., Ltd.	80%	RMB40,000,000
1 January 2013	Shenzhen Shangmo Development Co., Ltd.	60%	RMB465,000,000
1 January 2013	Yantai Zhulinyuan Property Co., Ltd.	51%	RMB5,100,000
25 January 2013	Zhengzhou Meiming Technology Comprehensive Co., Ltd.	100%	RMB30,000,000
28 January 2013	Henan Meijingzhizhou Real Estate Development Co., Ltd.	100%	RMB100,000,000
5 March 2013	Beijing Mingdayuantong Investment Management Co., Ltd.	90%	RMB90,000
28 February 2013	Chengdu Chuanmeiwenhua Property Co., Ltd.	60%	RMB72,345,000
18 March 2013	Beijing Kaidexinming Real Estate Development Co., Ltd.	100%	RMB502,000,000
31 March 2013	Yunnan Zhewan Property Co., Ltd.	55%	RMB4,500,000
18 January 2013	Changsha Vanke Huanqiucun Property Co., Ltd.	80%	RMB346,930,000
1 April 2013	Hunan Baihui Investment Co., Ltd.	51%	RMB315,473,000
15 April 2013	Guiyang Chuangyuan Real Estate Development Co., Ltd.	70%	RMB52,869,000
3 May 2013	Wuhan Wanyuecheng Real Estate Development Co., Ltd.	100%	RMB10,000,000
24 April 2013	Henan Meijinghongcheng Property Co., Ltd.	51%	RMB35,777,000
3 May 2013	Zhengzhou Meidi Property Co., Ltd.	51%	RMB5,100,000
5 June 2013	Zhengzhou Hangkonggangqu Vanke Property Co., Ltd.	100%	RMB30,000,000
27 June 2013	Shandong Leshui Property Co., Ltd.	100%	RMB20,000,000
5 August 2013	Shaanxi Chicheng Real Estate Development Co., Ltd.	100%	RMB72,560,000
22 August 2013	Shaanxi Lichangyuan Real Estate Development Co., Ltd.	100%	RMB120,000,000
2 August 2013	Shaanxi Zhongshuo Real Estate Development Co., Ltd.	100%	RMB10,000,000
16 August 2013	Shenzhen Xicheng Real Estate Development Co., Ltd.	90%	RMB9,000,000
25 July 2013	Xian Qingye Real Estate Development Co., Ltd.	100%	RMB4,390,000
6 September 2013	Xian Tangan Real Estate Development Co., Ltd.	100%	RMB23,160,000
9 August 2013	Dongguan Ruiqizhuoying Industrial Investment Co., Ltd.	55%	RMB2,750,000
18 September 2013	Guangzhou Rongda Household Electrical Appliances Co., Ltd.	83%	RMB253,000,000
20 November 2013	Zhongshan Keyu Real Estate Development Co., Ltd.	75%	RMB7,500,000
8 July 2013	Charm East Limited	100%	HK$1

The acquisitions of these subsidiaries had the following combined effect on the Group's assets and liabilities upon the dates of acquisitions:

	RMB'000
Current assets	14,825,851
Non-current assets	724,282
Current liabilities	(10,191,492)
Non-current liabilities	(2,002,047)
Non-controlling interests	(682,570)
Group's share of net identifiable assets and liabilities	2,674,024
Total consideration	2,674,024
Consideration to be paid subsequent to 2013	(726,576)
Consideration paid in 2013	1,947,448
Total cash and cash equivalents acquired	(888,506)
Net cash outflow	1,058,942

The above subsidiaries contributed an aggregate revenue of RMB816 million and net profit attributable to the equity shareholders of the Company of RMB24 million to the Group for the year ended 31 December 2013. Should the acquisitions had occurred on 1 January 2013, the consolidated revenue and the consolidated profit attributable to the equity shareholders of the Company for the year ended 31 December 2013 would have been RMB127,456 million and RMB15,115 million respectively.

The acquired subsidiaries' major assets are properties held for development, properties under development and/or completed properties for sale. The directors consider that the purpose of acquiring those subsidiaries is solely to acquire the underlying properties.

37 DISPOSAL OF SUBSIDIARIES

During the year, the Group has disposed certain subsidiaries which hold property development projects. Subsequent to the disposals, these entities are no longer subsidiaries of the Group and became joint ventures or associate of the Group respectively.

The effect of such disposals on the Group's assets and liabilities is set out below:

	RMB'000
Current assets	(16,336,715)
Interest in joint ventures and associates	213,032
Other non-current assets	(374,115)
Current liabilities	16,271,741
Net identifiable assets and liabilities disposed of	(226,057)
Consideration received, satisfied in cash	230,702
Cash and cash equivalents disposed of	(40,006)
Net cash inflow	190,096

38 NON-ADJUSTING POST BALANCE SHEET EVENTS

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 31(c).

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2013

Up to date of issue of these financial statements, the IASB has issued a few of amendments and a new standard which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments and standards is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to result in a restatement of the Group's results of operations and financial position.

40 PRINCIPAL SUBSIDIARIES

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Shenzhen Vanke Real Estate Company Limited	Shenzhen	RMB600,000,000.00	100%	100%	Property development
Guangzhou Vanke Real Estate Company Limited	Guangzhou	RMB1,000,000,000.00	100%	100%	Property development
Shanghai Vanke Real Estate Company Limited	Shanghai	RMB800,000,000	100%	100%	Property development
Beijing Vanke Enterprises Shareholding Company Limited	Beijing	RMB2,000,000,000.00	100%	100%	Property development
Foshan Vanke Real Estate Company Limited	Foshan	RMB80,000,000.00	100%	100%	Property development
Dongguan Vanke Real Estate Company Limited	Dongguan	RMB300,000,000.00	100%	100%	Property development
Zhuhai Vanke Real Estate Company Limited	Zhuhai	RMB10,000,000.00	100%	100%	Property development
Xiamen Vanke Real Estate Company Limited	Xiamen	RMB50,000,000.00	100%	100%	Property development
Fuzhou Vanke Real Estate Company Limited	Fuzhou	RMB20,000,000.00	100%	100%	Property development
Hainan Vanke Property Development Company Limited	Hainan	RMB10,000,000.00	100%	100%	Property development
Nanjing Vanke Property Company Limited	Nanjing	RMB150,000,000.00	100%	100%	Property development
Jiangsu Sunan Vanke Real Estate Company Limited	Suzhou	RMB30,000,000.00	100%	100%	Property development
Ningbo Vanke Real Estate Company Limited	Ningbo	RMB150,000,000.00	100%	100%	Property development
Hefei Vanke Property Company Limited	Hefei	RMB200,000,000.00	100%	100%	Property development
Tangshan Vanke Real Estate Company Limited	Tangshan	RMB200,000,000.00	100%	100%	Property development
Tianjin Vanke Real Estate Company Limited	Tianjin	RMB390,000,000.00	100%	100%	Property development
Shenyang Vanke Real Estate Development Company Limited	Shenyang	RMB100,000,000.00	100%	100%	Property development
Dalian Vanke Real Estate Development Company Limited	Dalian	RMB32,000,000.00	100%	100%	Property development
Dalian Vanke City Property Company Limited	Dalian	USD42,000,000.00	100%	100%	Property development
Changchun Vanke Real Estate Company Limited	Changchun	RMB50,000,000.00	100%	100%	Property development
Yantai Vanke Property Development Company Limited	Yantai	RMB30,000,000.00	100%	100%	Property development
Taiyuan Vanke Real Estate Company Limited	Taiyuan	RMB60,000,000.00	100%	100%	Property development
Qingdao Vanke Real Estate Company Limited	Qingdao	RMB20,000,000.00	100%	100%	Property development
Chengdu Vanke Real Estate Company Limited	Chengdu	RMB80,000,000.00	100%	100%	Property development
Wuhan Vanke Real Estate Company Limited	Wuhan	RMB150,000,000.00	100%	100%	Property development
Vanke (Chongqing) Real Estate Company Limited	Chongqing	RMB100,000,000.00	100%	100%	Property development
Xian Vanke Enterprises Shareholding Company Limited	Xi'an	RMB20,000,000.00	100%	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Guiyang Vanke Real Estate Company Limited	Guiyang	RMB100,000,000.00	100%	100%	Property development
Kunming Vanke Property Development Co., Ltd.	Kunming	RMB20,000,000.00	100%	100%	Property development
Xinjiang Vanke Real Estate Company Limited	Urumuqi	RMB100,000,000.00	100%	100%	Property development
Zhejiang Zhenan Vanke Property Development Company Limited	Wenzhou	RMB1,300,000,000.00	100%	100%	Property development
Zhongshan Vanke Real Estate Company Limited	Zhongshan	USD12,000,000.00	100%	100%	Property development
Changsha Vanke Real Estate Development Company Limited	Changsha	RMB20,000,000.00	100%	100%	Property development
Wuhu Vanke Real Estate Company Limited	Wuhu	RMB60,000,000.00	100%	100%	Property development
Yangzhou Vanke Real Estate Company Limited	Yangzhou	RMB10,000,000.00	100%	100%	Property development
Zhengzhou Vanke Real Estate Company Limited	Zhengzhou	RMB100,000,000.00	100%	100%	Property development
Xuzhou Vanke Real Estate Company Limited	Xuzhou	RMB100,000,000.00	100%	100%	Property development
Jinan Vanke Real Estate Development Company Limited	Jinan	RMB100,000,000.00	100%	100%	Property development
Nanning Vanke Property Company Limited	Nanning	RMB10,000,000.00	100%	100%	Property development
Changzhou Vanke Property Company Limited	Changzhou	RMB500,000,000.00	100%	100%	Property development
Shenyang Vanke Hengxiang Property Company Limited	Shenyang	RMB2,500,000,000.00	82%	60%	Property development
Shanghai Wanjiu Lvhe Property Company Limited	Shanghai	RMB1,800,000,000.00	51%	51%	Property development
Shanghai Xiangda Real Estate Development Company Limited	Shanghai	RMB1,783,000,000.00	75%	75%	Property development
Shenyang Vanke Dongban Property Company Limited	Shenyang	RMB1,700,000,000.00	70%	67%	Property development
Beijing Wukuang Vanke Property Company Limited	Beijing	RMB1,544,750,000.00	49%	60%	Property development
Guangzhou Wanyi Vanke Real Estate Company Limited	Guangzhou	RMB1,050,258,000.00	55%	55%	Property development
Shenyang Vanke Hunnan Jinyu Property Company Limited	Shenyang	RMB1,022,520,000.00	100%	100%	Property development
Beijing COSCO Vanke Jiarifengjing Real Estate Development Company Limited	Beijing	RMB830,000,000.00	50%	60%	Property development
Shenzhen Shangmo Development Co., Ltd.	Shenzhen	RMB775,000,000.00	60%	60%	Property development
Guangzhou Wanxin Vanke Real Estate Company Limited	Guangzhou	HK$760,000,000.00	100%	100%	Property development
Beijing Wanxin Investment Development Company Limited	Beijing	RMB740,000,000.00	100%	100%	Project Investment
Shanghai Meilanhuafu Property Company Limited	Shanghai	RMB700,000,000.00	100%	100%	Property development
Ningbo Jiangbei Vanke Property Company Limited	Ningbo	RMB675,000,000.00	100%	100%	Property development
Hangzhou Wanhong Property Company Limited	Hangzhou	RMB650,820,000.00	51%	51%	Property development
NingboWangang Real Estate Company Limited	Ningbo	RMB603,750,000.00	100%	100%	Property development
ShenyangVanke Jinyulanwan Real Estate Company Limited	Shenyang	RMB578,150,000.00	100%	100%	Property development

Name of company	Place of establishment and operation	Paid in capital	Ownership interest	Effective interest	Principal activities
Chengdu Vanke Chenghua Property Company Limited	Chengdu	RMB554,479,000.00	85%	85%	Property development
Yangzhou Wanwei Property Company Limited	Yangzhou	RMB550,000,000.00	65%	66.7%	Property development
Beijing Zhuzong Vanke Real Estate Company Limited	Beijing	RMB550,000,000.00	50%	60%	Property development
Hefei Vanke Haozhi Real Estate Company Limited	Hefei	RMB550,000,000.00	55%	67%	Property development
Shanghai Wanshi Property Company Limited	Shanghai	RMB502,000,000.00	100%	100%	Property development
Tianjin Wanshang Property Investment Company Limited	Tianjin	RMB500,000,000.00	51%	60%	Property development
Wenzhou Vanke COSCO Property Company Limited	Wenzhou	RMB500,000,000.00	60%	60%	Property development

No individual non-controlling interest is considered material to the Group as at 31 December 2013 and 2012.

The following unaudited condensed consolidated interim financial information of the Company as of and for the three months ended 31 March 2014 as set out herein is reproduced from the Company's first quarter report dated 29 April 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the three months ended 31 March 2014
(Expressed in Renminbi Yuan)

	2014 Jan. – Mar. *RMB'000*	**2013 Jan. – Mar.** *RMB'000*
Revenue	9,007,858	13,195,692
Cost of sales	(5,704,523)	(8,807,186)
Gross profit	3,303,335	4,388,506
Other revenue	77,153	157,093
Other net income	536,924	18,804
Distribution costs	(710,555)	(623,399)
Administrative expenses	(681,143)	(589,614)
Other operating expenses	(52,555)	(29,625)
Profit from operations	2,473,159	3,321,765
Finance costs	(252,494)	(444,480)
Share of profits less losses of associates	246,802	(4,564)
Share of profits less losses of joint ventures	(10,617)	39,612
Profit before taxation	2,456,850	2,912,333
Income tax	(818,520)	(1,122,964)
Profit for the period	1,638,330	1,789,369
Attributable to:		
Equity shareholders of the Company	1,529,479	1,613,904
Non-controlling interests	108,851	175,465
Profit for the period	1,638,330	1,789,369
Basic earnings per share (RMB)	0.14	0.15

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the three months ended 31 March 2014
(Expressed in Renminbi Yuan)

	2014 Jan. – Mar. *RMB'000*	2013 Jan. – Mar. *RMB'000*
Profit for the period	1,638,330	1,789,369
Other comprehensive income (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of overseas subsidiaries	(76,228)	(4,709)
Available-for-sale securities: net movement in the fair value reserve	(56,259)	—
	(132,487)	(4,709)
Total comprehensive income for the period	1,505,843	1,784,660
Attributable to:		
Equity shareholders of the Company	1,396,992	1,609,195
Non-controlling interests	108,851	175,465
Total comprehensive income for the period	1,505,843	1,784,660

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2014
(Expressed in Renminbi Yuan)

	31 Mar. 2014	31 Dec. 2013
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	3,495,400	3,475,223
Investment properties	5,673,694	6,366,655
Intangible assets	321,695	263,487
Interest in associates	3,950,757	3,633,457
Interest in joint ventures	8,107,327	6,897,969
Other financial assets	2,560,230	2,572,246
Other non-current assets	9,648,797	10,424,440
Deferred tax assets	3,596,650	3,525,262
	37,354,550	37,158,739
Current assets		
Inventories	338,824,720	329,731,930
Trade and other receivables	81,681,629	68,218,739
Pledged deposits	1,134,686	1,361,261
Cash and cash equivalents	36,391,132	43,004,149
	458,032,167	442,316,079
Current liabilities		
Loans and borrowings	27,907,709	32,624,307
Financial derivatives	10,336	11,687
Trade and other payables	305,541,768	287,930,076
Current taxation	7,892,087	8,355,764
	341,351,900	328,921,834
Net current assets	116,680,267	113,394,245
Total assets less current liabilities	154,034,817	150,552,984

	31 Mar. 2014	31 Dec. 2013
	RMB'000	*RMB'000*
Non-current liabilities		
Loans and borrowings	43,772,083	36,683,128
Bonds payable	7,469,032	7,398,392
Deferred tax liabilities	931,567	942,209
Provisions	63,005	46,877
Other non-current liabilities	48,158	42,955
	52,283,845	45,113,561
NET ASSETS	101,750,972	105,439,423
CAPITAL AND RESERVES		
Share capital	11,014,969	11,014,969
Reserves	62,528,727	65,881,014
Total equity attributable to equity shareholders of the Company	73,543,696	76,895,983
Non-controlling interests	28,207,276	28,543,440
TOTAL EQUITY	101,750,972	105,439,423

CONSOLIDATED CASH FLOW STATEMENT

for the three months ended 31 March 2014
(Expressed in Renminbi Yuan)

	2014 Jan. – Mar. *RMB'000*	**2013 Jan. – Mar.** *RMB'000*
Cash received from sales of products	29,064,102	32,818,691
Other cash received from business operating activities	4,224,908	7,224,739
Cash generated from operating activities	33,289,010	40,043,430
Cash paid for purchasing of merchandise and services	(24,901,832)	(32,088,269)
Cash paid to employees or paid for employees	(1,666,216)	(1,628,003)
Cash paid for tax	(6,160,984)	(6,140,089)
Other cash paid for business operating activities	(6,139,108)	(2,570,330)
Cash used in operating activities	(38,868,140)	(42,426,691)
Net cash used in operating activities	(5,579,130)	(2,383,261)
Proceeds from sales of investments	4,570	31,983
Dividends received	11	78,400
Proceeds from disposal of property, plant and equipment	51	656
Proceeds from disposal of interest in subsidiaries	752,408	—
Proceeds from other investment activities	471,727	157,507
Cash generated from investing activities	1,228,767	268,546
Acquisitions of property, plant and equipment and construction in progress	(52,253)	(24,459)
Acquisitions of interest in associates, joint ventures and other investments	(1,029,217)	(121,260)
Acquisitions of subsidiaries, net of cash acquired	(483,676)	(825,065)
Other cash paid for investing activities	(865,218)	—
Cash used in investing activities	(2,430,364)	(970,784)
Net cash used in investing activities	(1,201,597)	(702,238)

	2014 Jan. – Mar. *RMB'000*	2013 Jan. – Mar. *RMB'000*
Capital injections from non-controlling interests of subsidiaries	437,772	347,700
Proceeds from loans and borrowings	16,585,767	11,116,574
Proceeds from issue of corporate bonds	—	4,944,738
Cash received from other financing activities	—	85,053
Cash generated from financing activities	17,023,539	16,494,065
Repayment of loans and borrowings	(14,321,855)	(11,872,320)
Dividend paid to equity shareholders of the Company and interest paid	(2,559,400)	(1,687,259)
Cash used in financing activities	(16,881,255)	(13,559,579)
Net cash generated from financing activities	142,284	2,934,486
Effect of foreign exchange rates	25,426	(8,339)
Net decrease in cash and cash equivalents	(6,613,017)	(159,352)
Cash and cash equivalents at 1 January	43,004,149	51,120,224
Cash and cash equivalents at 31 March	36,391,132	50,960,872

The following is the text of a letter and summary disclosure of values, prepared for the purpose of incorporation in this listing document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 31 March 2014 of the property interests of the Group. As described in section "Documents Available for Inspection" in Appendix X, a copy of full property valuation report will be made available for public inspection.

JLL®
仲量聯行

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23 June 2014

The Board of Directors
China Vanke Company Limited

Dear Sirs,

In accordance with your instructions to value the property interests held by China Vanke Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC") and Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 March 2014 (the "valuation date").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the property interests in Group I which are held by the Group for sale, property interests in Group III which are held by the Group for future development and property interests in Group IV which are contracted to be acquired by the Group by direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject properties.

For the purpose of our valuation, real estate developments for future development are those for which the Construction Works Commencement Permit(s) have not been issued, while the State-owned Land Use Rights Grant Contract have been signed; real estate developments for sale are those for which the Construction Works Certified Report(s) or Certificate(s) of Completion or Building Ownership Certificate(s)/Real Estate Title Certificate(s) have been issued by the relevant local authority, this also includes those property interests which have been contracted to be sold, but the formal assignment procedures of which have not yet been completed.

In valuing the property interests in Group II and portion of the properties in Group V which are under development, we have assumed that they will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees that expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the subject properties as at the valuation date and we did not find any material inconsistency from those of other similar developments.

For the purpose of our valuation, real estate developments under development are those for which the Construction Works Commencement Permit(s) has (have) been issued while the Construction Works Certified Report(s) or Certificate(s) of Completion of the building(s) have not been issued.

We have valued portion of the properties in Group V and the property interests in Groups VI and VII by income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have then been capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

We have attributed no commercial value to the property interests in Group IV, which have not been assigned to the Group as at the valuation date, thus the title of the properties are not vested in the Group.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any neither of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

In valuing the property interest of the Group in Hong Kong held under the Government Leases expiring before 30 June 1997, we have taken into account the stipulations contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the People's Republic of China on the question of Hong Kong and the New Territories Leases (Extension) Ordinance 1988 that such leases have been extended without premium until 30 June 2047 and that a rent of three per cent of the then ratable value is charged per annum from the date of extension.

We have not been provided with the title documents relating to the property interests but have caused searches to be made at the Hong Kong Land Registries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Shu Jin Law Firm, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out in the period between February 2014 and March 2014 by about 30 technical staff including Mr. Eddie Yiu, Mr. Arnold Gao, Mr. Aaron Lin, Mr. Peter Cao, Mr. Nash Lai, Ms. Kathy Hao, Mr. Michael Yu, Mr. York Rong, Ms. Chris Yu, Ms. Winnie Xu, Ms. Sophie Chen and etc. They are Chartered Surveyors/China Certified Real Estate Appraisers/China Qualified Land Valuers/China Certified Public Valuers and have more than 5 years' experience in the valuation of properties in the PRC and possess academic background in subjects relating to real estate valuation.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

The property interests included in our valuation comprises 195 projects of the Group of which the total book value is more than 90% of the total book value of the Group as at the valuation date. The 195 projects include 194 projects which are located in 4 economic region of the PRC and a project which is located in Hong Kong and their values as at the valuation date are summarized as follows:

Number of Projects	**Economic Region**	**Capital value in existing state as at the Valuation Date** *(RMB)*	**Capital value attributable to the Group as at the Valuation Date** *(RMB)*	**Capital value for reference (for properties without proper title certificates)* as at the Valuation Date** *(RMB)*
54	Beijing Region	78,814,907,000	56,058,545,000	11,218,000,000
50	Shanghai Region	108,071,000,000	80,765,866,000	12,287,000,000
58	Guangshen Region	108,621,583,000	86,369,203,000	12,727,000,000
32	Chengdu Region	55,293,000,000	40,537,760,000	2,177,000,000
1	Hong Kong	1,133,000,000	1,133,000,000	—
Total: 195		**351,933,490,000**	**264,864,374,000**	**38,409,000,000**

* *For properties in Group IV without proper title certificates held by the Group, we have not attributed commercial value to them. Although these properties are without proper title certificates held by the Group, we have assessed the capital value of them for reference purpose only assuming their title certificate have been obtained and they can be freely transferred by the Group and there is no legal impediment and onerous cost in obtaining the title certificates.*

In accordance with the requirements in rule 5.02B of Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, as the values of the property interests as at the valuation date are less than 5% of the total property interests, we present the property information and valuation in the format of summary disclosure.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB). The exchange rate adopted in our valuations is approximately HK$1=RMB0.81 which was approximately the prevailing exchange rate as at the valuation date.

Our summary disclosure of values is attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T.W. Yiu
MRICS MHKIS RPS (GP)
Director

Notes: Eddie T.W. Yiu is a Chartered Surveyor who has 20 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY DISCLOSURE OF PROPERTY VALUATION

Abbreviation:
—: Not Available or Not Applicable
GFA: Gross Floor Area
R: Residential
C: Commercial
H: Hotel
O: Office
CPS: Car Parking Space

Group I — Property interests held for sale by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area *(sq.m.)*	Use	Total GFA *(sq.m.)*	Total Plot Ratio Accountable Area *(sq.m.)*	Total Saleable GFA (excluding CPS) *(sq.m.)*	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
Total					**1,338,463.17**	**763,200.32**	**855,691.43**	**6,090**	**16,590**	
1	Unsold portion of Phase III of Vega Villa, Shenzhen	Guangdong	—	R	14,707.67	14,707.67	14,707.67	26	—	31 December 2069 for residential use
2	Unsold portion of Phase I of Park Avenue, Shenzhen	Guangdong	—	R,C	35,497.17	35,497.17	35,497.17	235	—	30 August 2080, 30 August 2082 for residential use and 30 August 2050 for commercial use
3	Unsold portion of Phase VI of Watercity, Dongguan	Guangdong	—	R	12,639.16	12,639.16	12,639.16	58	—	12 July 2077 for residential use
4	Unsold portion of Phase I of Spring Dew Mansion, Dongguan	Guangdong	—	R	729.88	488.36	729.88	2	—	13 April 2081 for residential use
5	Unsold portion of Phase I of Jinyu Songhu, Dongguan	Guangdong	—	C,CPS	11,507.32	955.11	955.11	4	868	6 June 2078 for residential use
6	Unsold portion of Phases I and II of King Metropolis, Dongguan	Guangdong	—	R,C	392.52	392.52	392.52	3	—	28 June 2078 and 7 February 2078 for residential use
7	Section 1 of Chang'an Vanke Centre, Dongguan	Guangdong	—	R,C	25,902.11	25,902.11	25,902.11	211	—	26 April 2080 for residential use
8	Unsold portion of Phase I of Jinyu International, Dongguan	Guangdong	—	R,C	26,931.36	26,931.36	26,931.36	18	—	30 September 2063 for residential use
9	Unsold portion of Phase I of Donghui Town, Guangzhou	Guangdong	—	R,O	1,500.15	1,500.15	1,500.15	20	—	23 November 2080 for residential use, 23 November 2050 for commercial use and 23 November 2060 for other uses
10	Unsold portion of Phase I of Jinse Yuefu, Guangzhou	Guangdong	—	CPS	3,262.50	—	—	—	261	12 April 2081 for residential use and 12 April 2051 for commercial use
11	Unsold portion of Phases I to III and portion of Phase IV of Xinguang City Garden, Guangzhou	Guangdong	—	R	1,860.74	1,860.74	1,860.74	4	—	5 April 2074 for residential use, 5 April 2044 for commercial use and 5 April 2055 for composite use
12	Unsold portion of Phases I and II-1 of Dream Town, Qingyuan	Guangdong	—	R,C,CPS	27,695.49	7,995.49	7,995.49	8	1,576	11 November 2079 for residential use
13	Unsold portion of Phase I of Vanke Huafu, Qingyuan	Guangdong	—	R	104.61	104.61	104.61	1	—	7 August 2057 for composite use
14	Unsold portion of Phases I and II of The Paradiso, Foshan	Guangdong	—	R,C,CPS	7,826.85	5,046.35	5,050.15	22	82	18 August 2079 for residential use and 18 August 2049 for commercial use
15	Unsold portion of Phase I of Binfen Siji, Foshan	Guangdong	—	R,CPS	991.45	860.00	860.00	8	5	20 February 2080 for residential use and 20 February 2050 for commercial use
16	Unsold portion of Phase I of Tianaowan Project, Foshan	Guangdong	—	R,C	29,483.36	29,483.36	29,483.36	92	—	28 February 2080 for residential use and 28 February 2050 for commercial use

Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Sold	Total Estimated Development Cost (if under development)	Development Cost incurred up to the Valuation Date (if under development)	Capital Value in existing state as at Valuation Date	Interest Attributable to the Group	Capital Value Attributable to the Group as at Valuation Date	Capital value for reference (for properties without proper title certificates) as at Valuation Date
			(sq.m.)	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*	*(RMB)*
			30,598.33	**—**	**—**	**18,968,490,000**		**15,893,593,000**	
—	December 2012	—	—	—	—	2,264,000,000	100%	2,264,000,000	—
—	June 2013	—	27,101.42	—	—	802,000,000	65%	521,300,000	—
—	September 2012	—	—	—	—	415,000,000	100%	415,000,000	—
—	September 2013	—	—	—	—	10,000,000	51%	5,100,000	—
—	September 2012	—	—	—	—	124,000,000	51%	63,240,000	—
—	July 2013	—	—	—	—	9,000,000	51%	4,590,000	—
—	December 2012	—	—	—	—	575,000,000	100%	575,000,000	—
—	November 2013	—	—	—	—	429,000,000	100%	429,000,000	—
—	June 2013	—	—	—	—	25,000,000	55%	13,750,000	—
—	December 2013	—	—	—	—	52,000,000	100%	52,000,000	—
—	May 2012	—	—	—	—	80,000,000	100%	80,000,000	—
—	June 2013	—	—	—	—	223,000,000	100%	223,000,000	—
—	October 2012	—	—	—	—	583,000	100%	583,000	—
—	September 2012	—	—	—	—	100,000,000	55%	55,000,000	—
—	June 2012	—	—	—	—	8,000,000	100%	8,000,000	—
—	December 2013	—	—	—	—	696,000,000	50%	348,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
17	Portion of Phase VI of Dream Town, Foshan	Guangdong	—	R,CPS	8,968.56	6,132.00	6,132.00	41	223	29 December 2076 for residential use and 29 December 2046 for commercial use
18	Unsold portion of Phase I of Jinyu International, Foshan	Guangdong	—	C	9,330.29	1,532.00	9,330.29	131	—	12 October 2081 for residential use and 12 October 2051 for commercial use
19	Unsold portion of Phase I of Glamorous City, Zhuhai	Guangdong	—	C	327.60	327.60	327.60	1	—	2 November 2081 for residential use and 2 November 2051 for commercial use
20	Unsold portion of Phases I and II of Heart of Lake, Xiamen	Fujian	—	CPS	756.11	—	—	—	15	16 June 2079 for residential use
21	Unsold portion of Phase II of Jinyu Rongjun, Fuzhou	Fujian	—	R,CPS	10,248.78	244.41	244.41	2	396	20 January 2078 for residential use
22	Unsold portion of Phase I of Vanke Plaza, Fuzhou	Fujian	—	C,CPS	13,284.00	300.20	300.20	1	515	25 July 2050 for commercial use
23	Unsold portion of Phase I of Dream Town, Putian	Fujian	—	R,C,CPS	42,166.74	40,158.60	40,158.60	389	160	30 October 2082 for residential use and 30 October 2052 for commercial use
24	Unsold portion of Phases I and II of Dream Town, Changsha	Hunan	—	R,C	417.12	417.12	417.12	1	—	30 April 2077 for residential use and 30 April 2047 for commercial use
25	Unsold portion of Phase I of Forest Holiday Park, Sanya	Hainan	—	R	4,017.61	4,017.61	4,017.61	55	—	15 October 2078 for residential use
26	Phase I of Haishang Chuanqi, Shanghai	Shanghai	—	R	126.28	126.28	126.28	1	—	17 December 2077 for residential use
27	Unsold portion of Phases I to IV of New City Garden, Shanghai	Shanghai	—	R,C,CPS	22,223.53	8,131.08	8,131.08	35	253	2 July 2073 for residential use
28	Unsold portion of Phase I of The Paradiso, Nantong	Jiangsu	—	R,CPS	1,239.00	1,239.00	1,239.00	8	171	28 December 2080 for residential use and 28 December 2050 for commercial use
29	Unsold portion of Phases I and II of The Paradiso, Nanjing	Jiangsu	—	R	14,279.80	14,279.80	14,279.80	16	—	6 March 2078 for residential use
30	Unsold portion of Phase I of Blue Mountain Garden, Zhenjiang	Jiangsu	—	R,C	12,310.30	12,310.30	12,310.30	66	—	25 April 2080 for residential use
31	Unsold portion of Phases I to III of Nimble Bay, Suzhou	Jiangsu	2,008.97	R	9,847.54	4,359.47	4,359.47	14	389	1 October 2072 for residential use
32	Unsold portion of Golden Paradise, Suzhou	Jiangsu	140.94	R,CPS	1,534.84	352.34	352.34	2	86	11 December 2076 for commercial use and 11 December 2046 for commercial use
33	Unsold portion of Phases I and II of Glamorous City, Wuxi	Jiangsu	—	R,CPS	33,683.13	14,739.85	14,739.85	55	1,381	7 and 8 February 2075 for residential use, 7 and 8 February 2045 for commercial use and 7 and 8 February 2055 for other uses
34	Unsold portion of Phases I and II of The Paradiso, Wuxi	Jiangsu	—	R,C,O,CPS	2,131.29	2,131.29	2,131.29	12	285	30 November 2076 for residential use, 30 November 2046 for commercial use and 30 November 2056 for composite use

Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Sold (sq.m.)	Total Estimated Development Cost (if under development) (RMB)	Development Cost incurred up to the Valuation Date (if under development) (RMB)	Capital Value in existing state as at Valuation Date (RMB)	Interest Attributable to the Group (%)	Capital Value Attributable to the Group as at Valuation Date (RMB)	Capital value for reference (for properties without proper title certificates) as at Valuation Date (RMB)
—	March 2011	—	—	—	—	103,000,000	100%	103,000,000	—
—	December 2013	—	—	—	—	483,000,000	51%	246,330,000	—
—	January 2014	—	—	—	—	5,000,000	100%	5,000,000	—
—	December 2012	—	—	—	—	6,000,000	100%	6,000,000	—
—	December 2013	—	—	—	—	111,000,000	100%	111,000,000	—
—	October 2013	—	—	—	—	177,000,000	100%	177,000,000	—
—	June 2014	—	—	—	—	362,000,000	80%	289,600,000	—
—	December 2012	—	—	—	—	8,000,000	70%	5,600,000	—
—	December 2013	—	—	—	—	92,000,000	65%	59,800,000	—
—	December 2013	—	—	—	—	5,000,000	60%	3,000,000	—
—	December 2013	—	—	—	—	239,000,000	51%	121,890,000	—
—	April 2013	—	—	—	—	21,000,000	55%	11,550,000	—
—	October 2013	—	—	—	—	71,000,000	100%	71,000,000	—
—	December 2013	—	—	—	—	137,000,000	60%	82,200,000	—
—	June 2013	—	—	—	—	120,000,000	70%	84,000,000	—
—	December 2011	—	—	—	—	16,000,000	92%	14,720,000	—
—	October 2013	—	—	—	—	202,000,000	60%	121,200,000	—
—	December 2012	—	—	—	—	40,000,000	100%	40,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area *(sq.m.)*	Use	Total GFA *(sq.m.)*	Total Plot Ratio Accountable Area *(sq.m.)*	Total Saleable GFA (excluding CPS) *(sq.m.)*	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
35	Unsold portion of Phase I of Xincheng Road, Wuxi	Jiangsu	—	R,C	1,175.55	1,175.55	1,175.55	6	—	19 September 2080 for residential use, 19 September 2050 for commercial and office uses and 19 September 2060 for other uses
36	Unsold portion of Phase I of Golden Paradise, Wuxi	Jiangsu	—	R,C,CPS	18,221.95	11,801.27	11,801.27	45	1,271	19 June 2081 for residential use, 19 June 2051 for commercial and office uses and 19 June 2061 for other uses
37	Unsold portion of Phases I and II of Dream Town, Yangzhou	Jiangsu	—	R,C,CPS	3,392.50	565.00	565.00	5	87	22 June 2081 for residential use and 22 June 2051 for commercial use
38	Unsold portion of Liangzhu Cultural Village, Hangzhou	Zhejiang	—	R,C	26,227.65	26,227.65	26,227.65	241	—	9 December 2072, 28 December 2072 and 28 April 2073 for residential uses
39	Unsold portion of Phase I of Caozhuang, Hangzhou	Zhejiang	—	R,C,CPS	16,339.47	10,057.64	10,057.64	112	117	14 September 2080 for residential use
40	Unsold portion of Phases III and IV of Gongwang, Hangzhou	Zhejiang	—	R,C	1,270.01	864.62	864.62	3	—	15 October 2071 for residential use
41	Phase I of Yunluwan, Ningbo	Zhejiang	—	R,C,CPS	105,414.72	14,181.92	14,181.92	52	111	24 December 2079 for residential use and 24 December 2049 for commercial use
42	Unsold portion of Longwan Golden, Wenzhou	Zhejiang	—	R,CPS	134,176.00	22,576.29	89,612.13	837	1,278	21 August 2081 for residential use
43	Unsold portion of Phase I of Dream Town, Hefei	Anhui	—	R,C,CPS	49,435.00	37,934.00	37,934.00	544	348	25 September 2081 for residential use
44	Unsold portion of Phase I of Blue Mountain Garden, Hefei	Anhui	—	R	272.00	272.00	272.00	2	—	7 August 2082 for residential use
45	Unsold portion of Phase I of Dream Town, Wuhu	Anhui	—	R,CPS	28,746.57	21,175.57	21,175.57	124	421	19 May 2081 for residential use
46	Phase I of Dream Town, Nanchang	Jiangxi	—	R,C,CPS	415.00	415.00	415.00	2	36	21 July 2078 for residential use and 21 July 2048 for commercial use
47	Unsold portion of Ruyuan C3, Beijing	Beijing	—	R	4,457.86	2,034.15	4,457.86	73	—	8 December 2080 for residential use
48	Unsold portion of The Metropolis, Beijing	Beijing	5,328.94	R,CPS	14,891.51	10,482.08	10,482.08	26	97	25 January 2049 for composite use
49	Unsold portion of No. 77 Beihe Yanjia, Beijing	Beijing	4,103.00	R,CPS	15,086.22	14,371.91	12,788.43	25	28	30 October 2065 for residential use, 30 October 2035 for commercial use and 30 October 2045 for car parking use
50	Phase I of King Metropolis, Beijing	Beijing	—	R,CPS	22,628.76	106.41	8,559.24	331	448	14 October 2080 for residential use, 14 October 2050 for commercial use and 14 October 2060 for composite use
51	Unsold portion of Phase I of Xingfuhui, Beijing	Beijing	—	R	82.48	82.48	82.48	1	—	6 May 2080 for residential use
52	Unsold portion of Phases I to VI of Waterfront, Tianjin	Tianjin	—	R,C,CPS	42,221.45	29,710.70	29,710.70	10	390	21 May 2073 and 22 May 2073 for residential use
53	Unsold portion of Phases I and II of Harbor, Tianjin	Tianjin	—	R,CPS	21,891.01	2,639.20	2,639.20	8	551	13 September 2080 for residential use
54	Unsold portion of Phase l of Dream Town, Shenyang	Liaoning	—	R	423.89	423.89	423.89	1	—	26 April 2055 for residential use
55	Unsold portion of Phase I of Rotterdam, Shenyang	Liaoning	—	C	1,791.40	1,791.40	1,791.40	5	—	17 March 2061 for residential use and 17 March 2051 for commercial use

Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Sold	Total Estimated Development Cost (if under development)	Development Cost incurred up to the Valuation Date (if under development)	Capital Value in existing state as at Valuation Date	Interest Attributable to the Group	Capital Value Attributable to the Group as at Valuation Date	Capital value for reference (for properties without proper title certificates) as at Valuation Date
			(sq.m.)	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*	*(RMB)*
—	May 2013	—	—	—	—	18,000,000	100%	18,000,000	—
—	December 2013	—	—	—	—	401,000,000	100%	401,000,000	—
—	December 2013	—	—	—	—	12,000,000	65%	7,800,000	—
—	June 2012	—	—	—	—	647,000,000	100%	647,000,000	—
—	October 2012	—	—	—	—	271,000,000	100%	271,000,000	—
—	March 2013	—	—	—	—	43,000,000	100%	43,000,000	—
—	April 2012	—	—	—	—	241,000,000	100%	241,000,000	—
—	December 2013	—	—	—	—	1,282,000,000	60%	769,200,000	—
—	November 2013	—	—	—	—	350,000,000	55%	192,500,000	—
November 2012	March 2014	—	—	—	—	3,000,000	55%	1,650,000	—
—	December 2013	—	—	—	—	174,000,000	100%	174,000,000	—
—	June 2013	—	—	—	—	7,000,000	33%	2,275,000	—
—	September 2013	—	—	—	—	156,000,000	50%	78,000,000	—
—	May 2013	—	3,496.91	—	—	900,000,000	100%	900,000,000	—
—	May 2013	—	—	—	—	1,522,000,000	100%	1,521,998,000	—
—	December 2012	—	—	—	—	143,000,000	50%	71,500,000	—
—	December 2012	—	—	—	—	907,000	68%	617,000	—
—	September 2013	—	—	—	—	300,000,000	100%	300,000,000	—
—	July 2005	—	—	—	—	68,000,000	51%	34,680,000	—
—	April 2012	—	—	—	—	5,000,000	49%	2,450,000	—
—	October 2013	—	—	—	—	30,000,000	100%	30,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area *(sq.m.)*	Use	Total GFA *(sq.m.)*	Total Plot Ratio Accountable Area *(sq.m.)*	Total Saleable GFA (excluding CPS) *(sq.m.)*	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
56	Unsold portion of Phase I of The Paradiso, Shenyang	Liaoning	—	R,CPS	6,182.47	1,425.62	1,425.62	6	145	5 August 2054 for residential use and 5 August 2044 for commercial use
57	Unsold portion of Phase I of Tomorrow City, Shenyang	Liaoning	—	R,C,CPS	26,622.84	24,596.44	24,596.44	236	67	27 February 2061 for residential use and 27 February 2051 for commercial use
58	Unsold portion of Phase I of Park Residence, Shenyang	Liaoning	—	R,C,CPS	12,439.47	11,562.51	11,562.51	16	18	30 December 2059 for residential use
59	Unsold portion of Phase I of Chunheli, Shenyang	Liaoning	—	R,C	2,810.35	2,810.35	2,810.35	5	—	27 February 2061 for residential use and 27 February 2051 for commercial use
60	Unsold portion of Phase I of Whistler, Shenyang	Liaoning	—	R,C	39,062.18	39,062.18	39,062.18	177	—	1 January 2080 for residential use and 1 January 2050 for commercial use
61	Unsold portion of Lakeside Grand View South, Shenyang	Liaoning	—	C	6,425.06	6,425.06	6,425.06	11	—	8 April 2061 for residential use and 8 April 2051 for commercial use
62	Unsold portion of Phase I of The Paradiso, Fushun	Liaoning	—	R,C,CPS	37,500.57	31,164.56	31,164.56	138	192	28 December 2080 for residential use and 28 December 2050 for commercial use
63	Unsold portion of Whistler Town, Anshan	Liaoning	—	R,C	3,451.71	3,451.71	3,451.71	3	—	30 March 2081, 29 June 2080 and 30 December 2079 for residential uses
64	Unsold portion of Phase I of Habor, Dalian	Liaoning	—	R,CPS	31,645.07	17,145.07	17,145.07	214	318	30 March 2081 for residential use
65	Unsold portion of basement of Phase I of Blue Mountain, Changchun	Jilin	—	CPS	2,790.47	—	—	—	85	29 July 2060 for commercial use
66	Portion of Phase I of Dream Town, Changchun	Jilin	—	R,C,CPS	4,266.29	2,803.87	2,803.87	44	46	18 March 2081 for residential use and 18 March 2051 for commercial use
67	Unsold portion of Phase I of Park Residence, Changchun	Jilin	—	R,C,CPS	9,490.50	9,026.79	9,026.79	24	16	31 March 2060 for residential and commercial uses
68	Unsold portion of Phases I and II of Dream Town, Jilin	Jilin	—	R,C,CPS	8,051.10	8,019.60	8,019.60	56	1	6 July 2080 for residential use and 6 July 2050 for commercial use
69	Unsold portion of Phase I of Dream Town, Qingdao	Shandong	—	R,C	10,620.00	10,620.00	10,620.00	27	—	4 November 2080 for residential use and 4 November 2050 for commercial use
70	Unsold portion of Phase I of Haiyuntai, Yantai	Shandong	—	R,C	20,787.00	20,787.00	20,787.00	125	—	10 December 2079 for residential use and 10 December 2049 for commercial use
71	Unsold portion of Phase I of Holiday Views, Yantai	Shandong	—	R,C,CPS	37,828.43	4,770.82	4,770.82	49	933	29 September 2080 for residential use and 29 September 2050 for commercial use
72	Unsold portion of Phase I of Zitai, Taiyuan	Shanxi	—	R,C	8,709.93	8,595.35	8,709.93	31	—	28 March 2061 for residential use and 28 March 2051 for commercial use
73	Unsold portion of Phase I of Spring Dew Mansion, Jinzhong	Shanxi	—	R,CPS	18,876.07	374.33	381.40	2	670	25 July 2081 for residential use
74	Unsold portion of Phase II of Wulong Mountain Garden, Chengdu	Sichuan	—	R	35,886.06	27,889.10	35,886.06	113	—	14 July 2080 for residential use

Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
—	August 2012	—	—	—	—	36,000,000	100%	36,000,000	—
—	December 2013	—	—	—	—	182,000,000	70%	126,490,000	—
—	December 2012	—	—	—	—	251,000,000	55%	138,050,000	—
—	September 2013	—	—	—	—	93,000,000	82%	76,260,000	—
—	December 2013	—	—	—	—	408,000,000	70%	285,600,000	—
—	December 2012	—	—	—	—	78,000,000	51%	39,780,000	—
—	October 2013	—	—	—	—	302,000,000	100%	302,000,000	—
—	December 2012	—	—	—	—	17,000,000	100%	17,000,000	—
—	March 2013	—	—	—	—	152,000,000	55%	83,600,000	—
—	October 2013	—	—	—	—	14,000,000	100%	14,000,000	—
—	December 2013	—	—	—	—	28,000,000	51%	14,280,000	—
—	December 2013	—	—	—	—	170,000,000	100%	170,000,000	—
—	December 2013	—	—	—	—	64,000,000	65%	41,600,000	—
—	December 2013	—	—	—	—	193,000,000	55%	106,150,000	—
—	December 2012	—	—	—	—	419,000,000	100%	419,000,000	—
—	December 2013	—	—	—	—	101,000,000	70%	70,700,000	—
—	December 2013	—	—	—	—	136,000,000	51%	69,360,000	—
—	October 2013	—	—	—	—	78,000,000	51%	39,780,000	—
—	December 2013	—	—	—	—	538,000,000	100%	538,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
75	Unsold portion of Haiyue Huicheng, Chengdu	Sichuan	—	R,C,O	10,148.15	10,148.15	10,148.15	13	—	6 April 2078 for residential use and 6 April 2048 for commercial use
76	Phase I of Hanyang International, Wuhan	Hubei	—	R,C,CPS	13,883.74	2,273.25	2,273.25	410	395	30 January 2082 and 15 January 2083 for residential use
77	Unsold portion of Phases I to III of Dream Town, Wuhan	Hubei	—	R,CPS	4,577.92	4,577.92	4,577.92	25	218	15 September 2078 for residential use and 15 September 2048 for commercial use
78	Unsold portion of Phases I and III of The Paradiso, Wuhan	Hubei	—	R	1,498.72	1,498.72	1,498.72	13	—	2 June 2080 for residential use
79	Phase V of Golden City, Wuhan	Hubei	—	R,C,CPS	24,269.11	12,548.58	12,548.58	352	119	2 November 2080, 7 June 2081, 7 November 2081, 5 March 2083, 22 November 2081 for residential use and 5 March 2053 for commercial use
80	Unsold portion of Phases I and II of Palace of Pleasure, Chongqing	Chongqing	—	R,C,CPS	13,619.78	3,660.00	3,660.00	5	415	30 July 2059 for residential use and 30 July 2049 for commercial use
81	Unsold portion of Phase I of Dew Garden, Baisha, Kunming	Yunnan	—	R,C,CPS	25,875.95	4,131.08	4,131.08	—	619	25 June 2078 for residential use
82	Unsold portion of Phase I of Respecte Chateau, Kunming	Yunnan	—	R,C,CPS	24,658.37	9,780.41	9,780.41	—	484	20 September 2082 for residential use and 20 September 2052 for commercial use

Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
—	June 2013	—	—	—	—	127,000,000	90%	114,300,000	—
—	December 2013	—	—	—	—	108,000,000	70%	75,600,000	—
—	September 2013	—	—	—	—	78,000,000	100%	78,000,000	—
—	October 2013	—	—	—	—	13,000,000	100%	13,000,000	—
—	December 2013	—	—	—	—	221,000,000	100%	221,000,000	—
—	December 2013	—	—	—	—	143,000,000	100%	143,000,000	—
—	November 2012	—	—	—	—	158,000,000	100%	158,000,000	—
—	November 2013	—	—	—	—	276,000,000	67%	184,920,000	—

Notes:

1. As advised by the Group, portions of the properties with a total gross floor area of approximately 30,598.33 sq.m. have been contracted to be sold to various purchasers. Such portions of the properties have not been legally and virtually transferred to purchasers and therefore have been included in our valuation. In arriving at our opinion of capital value of the properties, we have taken into account the contracted price of such portions.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   (i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the properties held for sale are legal and valid. The land premium has been fully paid up by the Group and the Group has obtained the State-owned Land Use Rights Certificates and has the rights to legally occupy, use, obtain profit, and dispose of the land use rights of the properties according to the relevant land use rights grant contract;

   (ii) In the process of developing the properties, the Group has obtained all the necessary approvals and permits according to the present development progress which included but are not limited to Construction Land Planning Permits, Construction Work Planning Permits, Construction Work Commencement Permits and Commodity Building Pre-sales Permits. The aforesaid approvals and permits are not to be revoked, revised or abolished;

   (iii) The Group legally holds the ownership rights of the properties and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the properties in accordance with the PRC laws;

   (iv) For portions of the properties which have been contracted to be sold to various parties but the relevant ownership rights have not been transferred, the Group still has the ownership rights and relevant land use rights of such sold portions and should hand over such sold portions according to the sales contracts;

   (v) Except for the land use rights of property no. 47 with a site area of approximately 18,998.96 sq.m. which have been mortgaged, the land use rights of the properties are not subject to any restrictions arising from mortgage, sequestration or other third party rights; and

   (vi) Except for the sales situation mentioned in note 2(iv) and mortgage mentioned in note 2(v), the properties (include but are not limited to buildings and car parking spaces) are neither subject to any compulsory expropriation, litigation, dispute or other situation that may have effect on the sale of the properties.

Group II — Property interests held under development by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
Total			**13,465,405.21**		**36,169,282.16**	**27,814,417.79**	**27,232,218.63**			
83	Portion of Phase III of Vega Villa, Shenzhen	Guangdong	105,744.89	R	10,420.00	10,420.00	10,420.00	—	—	31 December 2069 for residential use
84	Phases I to IV of Philippe Castle, Shenzhen	Guangdong	64,833.64	R,C	198,037.60	187,484.54	150,995.61	—	485	7 April 2081 for residential use
85	Phases I and II of Golden Paradise, Shenzhen	Guangdong	64,056.19	R,C	207,542.07	148,700.37	148,700.37	—	1,679	29 July 2079 for residential use
86	The Village, Shenzhen	Guangdong	68,216.70	R,C	91,597.47	73,461.50	60,599.49	—	1,200	17 February 2075 for residential use
87	Phase II of Tianyu, Shenzhen	Guangdong	57,452.46	R,C	194,704.00	180,190.08	177,704.12	—	2,712	21 December 2075 for residential use and 21 December 2055 for commercial use
88	Home III, Shenzhen	Guangdong	43,713.43	R,C	225,178.69	178,240.64	125,941.63	—	1,127	11 October 2082 for residential use and 11 October 2052 for commercial use
89	Phase I of Shuijing Project, Buji, Shenzhen	Guangdong	40,885.74	R,C	166,401.00	130,699.02	122,902.00	—	—	16 September 2080 and 6 July 2081 for residential and commercial uses
90	Phase II of Park Avenue, Shenzhen	Guangdong	18,975.01	R,C	116,352.66	95,196.73	91,935.01	—	497	30 August 2080, 30 August 2082 for residential use and 30 August 2050 for commercial use
91	Portion of Phase I of Lunas Del Mar, Huizhou	Guangdong	82,059.48	R,C	123,088.50	121,243.00	98,174.80	—	917	6 July 2081, 7 September 2081 and 29 December 2081 for residential use and 7 September 2051 for commercial use
92	Phases V, VI and portion of Phase IV of Watercity, Dongguan	Guangdong	170,036.75	R	120,399.79	120,399.79	119,165.69	—	—	10 July 2064 and 12 July 2077 for residential use
93	Phase II and portion of Phase I of Spring Dew Mansion, Dongguan	Guangdong	105,095.65	R,C	292,324.40	237,510.17	237,228.49	—	1,694	13 April 2081 and 1 July 2081 for residential use
94	Phase II and portion of Phase I of Jinyu Songhu, Dongguan	Guangdong	61,298.85	R,C	198,082.26	170,218.85	168,902.23	—	1,836	6 June 2078 for residential use
95	Portion of Phase II of King Metropolis, Dongguan	Guangdong	105,285.37	R,C	145,705.98	113,667.92	113,667.92	—	994	28 June 2078 for residential use
96	Xiangshu Lishe, Dongguan	Guangdong	43,850.55	R,C	128,517.89	109,626.38	105,416.38	1,110	658	27 February 2082 for residential use, 6 January 2082 for residential and commercial uses
97	Sections 2 and 4 of Chang'an Vanke Centre, Dongguan	Guangdong	47,336.64	R,C,O	237,661.31	142,069.43	142,069.43	—	585	26 April 2080 for residential use
98	Phase II and portion of Phase I of Jinyu International, Dongguan	Guangdong	25,937.90	R,C	177,472.46	146,899.56	140,106.87	—	1,288	30 September 2063 and 23 December 2079 for residential use
99	Fengjing Huayuan, Guangzhou	Guangdong	24,052.00	R,C	133,591.70	93,803.20	88,014.50	787	938	17 March 2082 for residential use, 17 March 2052 for commercial use and 17 March 2062 for public use
100	Portion of Phase I and Phases II to IV of Donghui Town, Guangzhou	Guangdong	116,760.23	R,C	453,679.25	332,970.15	332,215.45	—	3,755	23 November 2080 for residential use, 23 November 2050 for commercial use and 23 November 2060 for other uses

Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
—	**—**	**—**	**14,676,706.87**	**267,934,000,000**	**173,873,000,000**	**233,291,000,000**		**172,779,846,000**	**—**
October 2012	August 2015	November 2015	—	673,000,000	512,000,000	1,319,000,000	100%	1,319,000,000	—
June 2013	September 2015	September 2013	120,334.82	1,798,000,000	1,311,000,000	1,917,000,000	100%	1,917,000,000	—
March 2012	June 2014	August 2012	143,063.28	1,272,000,000	988,000,000	1,680,000,000	100%	1,680,000,000	—
June 2012	September 2014	September 2012	56,666.57	1,061,000,000	602,000,000	736,000,000	100%	736,000,000	—
June 2013	March 2015	September 2013	81,350.35	1,038,000,000	784,000,000	1,181,000,000	100%	1,181,000,000	—
March 2013	March 2015	October 2013	91,212.94	2,356,000,000	1,348,000,000	1,846,000,000	50%	923,000,000	—
July 2012	December 2015	October 2013	67,237.77	1,718,000,000	1,247,000,000	1,676,000,000	60%	1,005,600,000	—
November 2012	December 2014	November 2012	89,168.70	1,238,000,000	1,016,000,000	1,643,000,000	65%	1,067,950,000	—
June 2012	July 2014	September 2012	90,510.35	796,000,000	602,000,000	642,000,000	67%	430,140,000	—
December 2012	June 2015	January 2014	23,219.68	1,313,000,000	991,000,000	2,163,000,000	100%	2,163,000,000	—
December 2011	September 2015	September 2012	153,181.21	1,355,000,000	856,000,000	1,021,000,000	51%	520,710,000	—
August 2012	May 2015	October 2013	149,984.93	666,000,000	658,000,000	828,000,000	51%	422,280,000	—
June 2012	November 2014	September 2013	112,181.26	823,000,000	727,000,000	1,101,000,000	51%	561,510,000	—
February 2013	June 2015	September 2013	31,735.30	779,000,000	620,000,000	798,000,000	51%	406,980,000	—
July 2012	May 2017	November 2012	39,681.53	1,118,000,000	752,000,000	1,383,000,000	100%	1,383,000,000	—
October 2012	September 2014	October 2013	103,533.05	873,000,000	696,000,000	1,225,000,000	100%	1,225,000,000	—
February 2013	December 2016	November 2013	4,962.77	2,223,000,000	1,806,000,000	2,173,000,000	100%	2,173,000,000	—
August 2012	December 2016	December 2013	131,547.81	3,524,000,000	2,395,000,000	3,228,000,000	55%	1,775,400,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
101	Phase V and Under construction portion of Phase IV of Xinguang City Garden, Guangzhou	Guangdong	252,490.67	R,C	535,991.00	410,033.00	389,154.00	—	3,669	5 April 2074 for residential use, 5 April 2044 for commercial use and 5 April 2055 for composite use
102	Portion of Phase II-1 and Phases II-2, III and VI of Dream Town, Qingyuan	Guangdong	233,381.23	R,C	411,259.25	336,661.57	324,640.67	—	2,083	11 November 2079 for residential use
103	Phase II and Portion of Phase I of Vanke Huafu, Qingyuan	Guangdong	79,336.37	R,C	300,243.70	243,588.68	241,036.24	—	2,438	7 August 2057 for composite use
104	Portion of Phases II and III of The Paradiso, Foshan	Guangdong	88,448.00	R,C	299,767.51	219,525.84	219,525.84	—	1,926	18 August 2079 for residential use and 18 August 2049 for commercial use
105	Phase I of Respecte Chateau Plaza, Foshan	Guangdong	13,481.52	C,O	115,648.56	95,610.84	95,610.84	—	540	6 November 2052 for retail, business finance, accommodation and catering uses
106	Phase II of Binfen Siji, Foshan	Guangdong	46,326.76	R	142,598.94	126,871.94	126,871.94	—	525	20 February 2080 for residential use and 20 February 2050 for commercial use
107	Phase II of Tianaowan Project, Foshan	Guangdong	9,560.98	R,C	31,831.44	15,962.10	23,862.10	—	258	28 February 2080 for residential use and 28 February 2050 for commercial use
108	Phases II, IV and portion of Phase V of Vanke Plaza, Foshan	Guangdong	36,135.97	R,C,O	222,901.83	161,978.46	161,978.46	—	1,903	26 August 2080 for residential use and 26 August 2050 for commercial use
109	Phases III, V, VII, and portion of Phases IV and VI of Dream Town, Foshan	Guangdong	151,407.12	R,C	481,401.43	348,235.83	343,253.57	—	4,161	29 December 2076 for residential use and 29 December 2046 for commercial use
110	Portion of Phase I and Phase II of Jinyu International, Foshan	Guangdong	58,476.81	R,C	375,384.94	245,590.92	259,797.41	—	3,612	12 October 2081 for residential use and 12 October 2051 for commercial use
111	Portion of Phase I of Glamorous City, Zhuhai	Guangdong	85,893.50	R	207,972.32	171,459.39	168,660.00	—	1,644	2 November 2081 for residential use
112	City Garden, Zhuhai	Guangdong	63,233.00	R,C	180,340.41	137,821.17	133,527.00	—	—	8 January 2065 for residential use and 8 January 2045 for commercial use
113	Under construction portion of Phase II of Golden Home, Zhongshan	Guangdong	49,790.00	R,C	216,468.00	174,265.00	174,265.00	—	—	7 October 2082 and 17 December 2082 for residential, commercial and hotel uses
114	Phase I of Le Bonheur, Zhongshan	Guangdong	35,166.28	R,C	89,109.20	70,332.55	70,333.00	—	—	16 October 2068 for residential and commercial uses, 28 August 2048 for industrial use and 20 September 2057 for greening use
115	Phase III, portion of Phases IV and V of Heart of Lake, Xiamen	Fujian	35,537.00	R	91,654.00	74,068.01	72,940.00	—	—	16 June 2079 for residential use and 16 June 2049 for commercial use
116	Under construction portion of King Metropolis, Xiamen	Fujian	66,283.80	R	305,388.00	275,537.00	272,980.00	—	2,179	30 August 2080 and 22 December 2080 for residential use
117	Phase I of Vanke Plaza, Xiamen	Fujian	42,240.80	R	270,700.00	222,670.00	222,394.00	—	1,294	25 October 2082 for residential use
118	Phases I to III of Dream Town, Haicang, Xiamen	Fujian	126,334.66	R,C	426,293.00	341,103.58	340,372.00	—	—	13 October 2081 for residential and 13 October 2051 for commercial use

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December 2012	December 2016	December 2013	129,055.50	4,606,000,000	3,337,000,000	4,618,000,000	100%	4,618,000,000	—
July 2011	December 2015	November 2013	276,742.76	1,355,000,000	1,013,000,000	1,491,000,000	100%	1,491,000,000	—
September 2011	March 2016	October 2012	60,409.88	1,255,000,000	609,000,000	745,000,000	100%	745,000,000	—
March 2012	April 2014	September 2012	194,328.25	1,646,000,000	1,178,000,000	2,709,000,000	55%	1,489,950,000	—
December 2013	May 2015	August 2014	—	733,000,000	318,000,000	417,000,000	50%	208,500,000	—
December 2011	May 2014	March 2014	113,604.93	971,000,000	762,000,000	1,148,000,000	100%	1,148,000,000	—
February 2014	November 2014	November 2019	—	402,000,000	278,000,000	483,000,000	50%	241,500,000	—
March 2013	June 2014	June 2013	72,061.29	1,940,000,000	1,567,000,000	1,797,000,000	88%	1,581,360,000	—
December 2012	June 2014	November 2013	120,636.99	2,277,000,000	957,000,000	1,147,000,000	100%	1,147,000,000	—
July 2012	December 2014	December 2012	47,189.12	4,029,000,000	1,627,000,000	1,850,000,000	51%	943,500,000	—
March 2012	July 2016	March 2012	82,124.39	1,102,000,000	722,000,000	890,000,000	100%	890,000,000	—
December 2011	September 2015	December 2011	93,435.57	784,000,000	619,000,000	918,000,000	51%	468,180,000	—
May 2013	December 2015	December 2013	51,933.60	732,000,000	298,000,000	408,000,000	100%	408,000,000	—
May 2013	December 2015	December 2013	30,658.18	426,000,000	329,000,000	439,000,000	65%	285,350,000	—
March 2011	June 2017	June 2011	15,609.08	1,695,000,000	1,184,000,000	1,523,000,000	100%	1,523,000,000	—
May 2011	December 2017	July 2011	228,973.53	1,937,000,000	1,395,000,000	2,365,000,000	100%	2,365,000,000	—
March 2013	December 2016	July 2013	112,271.51	1,451,000,000	642,000,000	889,000,000	100%	889,000,000	—
March 2012	December 2016	June 2012	295,819.69	2,182,000,000	1,565,000,000	2,323,000,000	40%	929,200,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
119	Phase I of Dream Town, Quanzhou	Fujian	46,433.80	R	199,966.00	156,465.00	152,361.00	—	—	18 February 2093 for residential use and 18 February 2053 for commercial use
120	Portion of Phase III of Jinyu Rongjun, Fuzhou	Fujian	28,434.00	R	44,507.38	21,396.00	21,396.00	—	360	20 January 2078 for residential use
121	Portion of Phase II of Vanke Plaza, Fuzhou	Fujian	61,168.00	R,C	257,979.17	176,681.35	163,366.42	—	1,391	9 January 2081 and 25 July 2080 for residential use, 9 January 2051 and 25 July 2050 for commercial use
122	Jinyu Garden, Fuzhou	Fujian	25,397.00	R,C	173,811.49	130,794.55	129,049.00	—	924	29 December 2080 for residential use and 29 December 2050 for commercial use
123	Phase II and portion of Phase I of Dream Town, Putian	Fujian	184,733.91	R,C	454,167.61	382,669.08	379,602.75	—	2,409	30 October 2081 and 30 October 2082 for residential use, 30 October 2051 and 30 October 2052 for commercial use
124	Under construction portion of Heron Hill, Changsha	Hunan	73,914.80	R,C	247,245.01	214,352.91	210,006.10	—	1,456	26 July 2082 for residential use and 26 July 2052 for commercial use
125	Portion of Phase II and Phase III of Dream Town, Changsha	Hunan	70,317.41	R,C	210,952.22	188,581.98	188,581.98	—	998	30 April 2077 for residential use and 30 April 2047 for commercial use
126	Portion of Phase I of Zitai, Changsha	Hunan	39,796.64	R,C	109,408.45	97,977.66	97,977.66	—	735	14 February 2077 for residential use and 14 February 2047 for commercial use
127	Portion of Phase I, Phase II, and portion of Phase III of Forest Holiday Park, Sanya	Hainan	131,554.76	R,C	176,793.52	100,995.70	98,540.22	—	1,200	15 October 2078 for residential use
128	Phase I and portion of Phase II of Lakeside Holiday Park, Sanya	Hainan	131,312.56	R,C	234,948.60	180,330.50	169,391.09	—	1,137	21 September 2059 for residential use and 2 September 2050 for commercial use
129	Phase II of Haishang Chuanqi, Shanghai	Shanghai	44,610.00	R	112,074.80	89,229.54	89,229.54	—	523	17 December 2077 for residential use
130	Phase I of Golden City, Shanghai	Shanghai	18,371.30	C,O	81,140.67	68,388.94	68,388.94	—	420	17 December 2047 for commercial use
131	Portion of Feicui Bingjiang Project, Shanghai	Shanghai	46,716.50	R,C,O	215,276.15	128,789.10	126,058.64	—	1,712	19 September 2067 for residential use and 19 September 2037 for commercial use
132	Portion of Phase IV of New City Garden, Shanghai	Shanghai	63,720.12	R,O	87,082.83	83,521.46	82,786.46	—	—	2 July 2073 for residential use
133	Under construction portion of Project No. 11, Hongqiao, Shanghai	Shanghai	77,116.91	R,C,O	174,241.48	125,061.00	124,108.00	—	724	70 years for residential use, 40 years for commercial use and 50 years for office use
134	Dream Town, Shanghai	Shanghai	210,614.80	R,C	580,322.24	501,833.15	501,833.15	—	2,180	31 January 2075 for residential use
135	Phase I of Nanzhan Business District Land Lot, Shanghai	Shanghai	23,552.90	C,O	138,352.00	105,988.00	105,988.00	—	640	10 September 2063 for office use and 10 September 2053 for commercial use
136	14# Songjiang Business District, Shanghai	Shanghai	57,733.60	R,C	143,220.31	143,220.31	143,220.31	—	—	13 January 2083 for residential use
137	Phase II of The Paradiso, Nantong	Jiangsu	99,910.14	C,O	218,650.00	99,694.00	99,694.00	—	5,708	28 December 2080 for residential use and 28 December 2050 for commercial use
138	Rengang Road Land Lot, Nantong	Jiangsu	53,277.00	R	141,700.00	141,700.00	139,300.00	—	5,708	17 January 2083 for residential use

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July 2013	January 2017	November 2013	91,298.95	911,000,000	576,000,000	779,000,000	60%	467,400,000	—
August 2013	June 2016	November 2013	1,270.59	717,000,000	500,000,000	532,000,000	100%	532,000,000	—
January 2012	June 2017	January 2014	53,558.37	2,566,000,000	1,872,000,000	1,957,000,000	100%	1,957,000,000	—
April 2012	December 2015	November 2013	89,792.68	1,460,000,000	1,178,000,000	1,911,000,000	60%	1,146,600,000	—
September 2012	December 2016	January 2014	290,774.00	2,631,000,000	1,743,000,000	2,248,000,000	80%	1,798,400,000	—
September 2013	November 2016	November 2013	122,924.42	1,237,000,000	716,000,000	1,095,000,000	100%	1,095,000,000	—
April 2012	January 2015	September 2012	148,456.27	884,000,000	605,000,000	800,000,000	70%	560,000,000	—
November 2012	July 2016	October 2013	7,996.11	828,000,000	459,000,000	722,000,000	70%	505,400,000	—
July 2012	November 2015	March 2013	35,513.79	1,089,000,000	800,000,000	1,010,000,000	65%	656,500,000	—
December 2011	November 2014	October 2012	50,319.95	2,416,000,000	1,926,000,000	2,202,000,000	80%	1,761,600,000	—
November 2012	June 2015	March 2014	34,368.17	1,489,000,000	1,289,000,000	1,828,000,000	60%	1,096,800,000	—
September 2012	June 2015	November 2013	16,977.62	1,420,000,000	728,000,000	1,360,000,000	60%	816,000,000	—
June 2011	December 2016	June 2014	—	6,167,000,000	4,336,000,000	5,692,000,000	75%	4,269,000,000	—
June 2011	December 2014	December 2013	51,928.17	1,088,000,000	697,000,000	1,433,000,000	51%	730,830,000	—
April 2013	June 2016	December 2013	37,883.29	2,656,000,000	2,028,000,000	2,271,000,000	61%	1,385,310,000	—
January 2013	June 2016	September 2013	165,093.35	6,931,000,000	4,691,000,000	5,427,000,000	70%	3,798,900,000	—
December 2013	June 2015	June 2014	—	2,530,000,000	1,433,000,000	1,833,000,000	51%	934,830,000	—
August 2013	November 2015	March 2014	49,329.28	1,902,000,000	1,263,000,000	1,891,000,000	60%	1,134,600,000	—
April 2012	December 2014	November 2012	32,488.48	927,000,000	722,000,000	824,000,000	55%	453,200,000	—
April 2013	October 2015	September 2013	20,227.63	722,000,000	644,000,000	709,000,000	100%	709,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
139	Phases III and IV of The Paradiso, Nanjing	Jiangsu	92,989.40	R,C	347,948.07	250,685.21	250,685.21	—	4,694	6 March 2078 for residential use
140	Respecte Chateau, Nanjing	Jiangsu	66,823.00	R	201,827.63	139,402.98	138,149.04	—	1,673	4 November 2080 for residential use
141	Golden Hill, Nanjing	Jiangsu	62,291.00	R,C	143,286.24	98,694.30	98,694.30	—	947	14 August 2082 for residential use and 14 August 2052 for commercial use
142	Portion of Phase I of Jiuduhui, Nanjing	Jiangsu	55,250.70	R,C,O	314,741.00	90,850.42	90,850.42	—	3,104	20 June 2083 and 10 April 2083 for residential use, 20 June 2053 and 10 April 2053 for commercial use
143	Portion of Phase III of Blue Mountain Garden, Zhenjiang	Jiangsu	285,683.00	R,C	416,285.00	26,643.00	26,643.00	—	3,042	25 April 2080 for residential use
144	Portion of Phase III of Nimble Bay, Suzhou	Jiangsu	45,364.14	R	117,505.31	98,667.00	98,667.00	—	650	1 October 2072 for residential use
145	Portion of Phase I of Dream Town, Suzhou	Jiangsu	72,756.26	R,C	213,817.65	181,890.65	181,890.65	—	1,210	22 October 2081 for residential use
146	Portion of Phase I of VC Small Town, Suzhou	Jiangsu	18,576.75	R,C	70,850.25	55,730.25	55,730.25	—	432	20 September 2083 for residential use
147	Phase I of Glamorous Garden, Kunshan	Jiangsu	125,676.80	R	368,537.49	314,192.00	314,192.00	—	1,829	5 December 2082 for residential use and 5 December 2052 for commercial use
148	Phase III of Glamorous City, Wuxi	Jiangsu	112,927.24	R,C	223,642.28	158,098.12	153,077.91	—	2,362	20 July 2079 for residential use, 20 July 2049 for commercial use and 20 July 2059 for other uses
149	Portion of Phases II and III of The Paradiso, Wuxi	Jiangsu	21,442.80	R,C	66,621.00	53,607.00	53,607.00	—	1,011	30 November 2076 for residential use, 30 November 2046 for commercial use and 30 November 2056 for composite use
150	Under construction portion of Phase II of Xincheng Road, Wuxi	Jiangsu	75,007.53	R,C	255,235.60	187,518.97	186,837.15	—	1,693	19 September 2080 for residential use, 19 September 2050 for commercial and office uses and 19 September 2060 for other uses
151	Phase II of Golden Paradise, Wuxi	Jiangsu	62,300.18	R,C	202,333.78	172,544.81	168,207.31	—	841	19 June 2081 for residential use, 19 June 2051 for commercial and office uses and 19 June 2061 for other uses
152	Portion of Phases II to IV of Dream Town, Yangzhou	Jiangsu	110,321.00	R,C	173,278.90	132,385.20	128,996.86	—	450	22 June 2081 for residential use and 22 June 2051 for commercial use
153	Under construction portion of Dream Town, Xuzhou	Jiangsu	267,252.00	R,C	412,109.00	320,083.00	320,083.00	—	204	15 February 2083 for residential use
154	Under construction portion of Liangzhu Cultural Village, Hangzhou	Zhejiang	519,070.14	R	726,292.51	500,183.42	461,429.67	—	—	9 December 2072, 28 December 2072 and 28 April 2073 for residential use
155	Beichenzhiguang, Hangzhou	Zhejiang	115,683.00	R,C	382,309.00	293,409.00	289,755.00	—	2,398	10 March 2083 for residential use
156	Xilu, Hangzhou	Zhejiang	80,140.00	R,C	217,782.02	151,996.00	149,702.00	1,428	1,318	31 July 2083 for residential use
157	Phase II of Caozhuang, Hangzhou	Zhejiang	28,982.00	R,C	74,570.20	55,350.10	50,917.38	449	421	14 September 2080 for residential use
158	Zitai, Hangzhou	Zhejiang	46,069.00	R,C	150,458.87	110,565.60	108,683.24	1,128	950	15 April 2083 for residential use
159	Puyuewan, Hangzhou	Zhejiang	66,521.00	R,C	238,867.16	166,203.69	163,619.63	—	1,096	22 August 2083 for residential use
160	Portion of Phase IV of Gongwang, Hangzhou	Zhejiang	41,081.96	R	20,876.24	14,516.24	14,516.24	—	—	15 October 2071 for residential use

Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
November 2013	June 2016	March 2014	141,729.04	3,059,000,000	1,988,000,000	2,277,000,000	100%	2,277,000,000	—
November 2012	December 2014	May 2013	138,019.93	1,575,000,000	1,290,000,000	1,599,000,000	100%	1,599,000,000	—
March 2013	November 2014	March 2014	95,106.72	942,000,000	746,000,000	836,000,000	100%	836,000,000	—
January 2014	August 2016	December 2013	17,233.17	2,452,000,000	1,312,000,000	1,744,000,000	80%	1,395,200,000	—
August 2013	November 2014	November 2013	26,654.84	251,000,000	144,000,000	439,000,000	60%	263,400,000	—
August 2012	December 2014	May 2013	59,549.80	1,173,000,000	529,000,000	1,144,000,000	70%	800,800,000	—
December 2012	December 2015	December 2013	117,788.09	1,852,000,000	1,126,000,000	1,736,000,000	55%	954,800,000	—
December 2013	September 2015	December 2013	15,134.86	455,000,000	341,000,000	536,000,000	51%	273,360,000	—
December 2012	December 2015	March 2014	231,443.00	2,115,000,000	718,000,000	1,152,000,000	92%	1,059,840,000	—
November 2011	June 2015	August 2012	121,465.90	1,318,000,000	970,000,000	1,938,000,000	60%	1,162,800,000	—
March 2013	June 2015	May 2013	24,032.00	617,000,000	493,000,000	660,000,000	100%	660,000,000	—
April 2011	May 2016	May 2013	71,915.30	2,030,000,000	1,427,000,000	1,915,000,000	100%	1,915,000,000	—
June 2012	December 2016	October 2012	90,255.97	1,644,000,000	991,000,000	1,415,000,000	100%	1,415,000,000	—
January 2014	December 2015	February 2014	108,500.76	1,166,000,000	795,000,000	1,001,000,000	65%	650,650,000	—
March 2013	March 2017	August 2013	285,117.13	2,640,000,000	742,000,000	922,000,000	100%	922,000,000	—
September 2011	October 2015	August 2012	248,184.00	4,625,000,000	2,420,000,000	3,775,000,000	100%	3,775,000,000	—
March 2013	December 2016	March 2014	111,100.00	3,168,000,000	1,708,000,000	2,074,000,000	50%	1,037,000,000	—
May 2013	December 2015	November 2013	28,167.41	2,572,000,000	1,641,000,000	2,015,000,000	51%	1,027,650,000	—
November 2012	September 2014	March 2013	49,342.19	992,000,000	860,000,000	985,000,000	100%	985,000,000	—
February 2013	May 2015	June 2013	40,641.90	1,549,000,000	1,061,000,000	1,321,000,000	100%	1,321,000,000	—
July 2013	June 2016	March 2014	28,702.00	2,576,000,000	1,666,000,000	2,008,000,000	60%	1,204,800,000	—
August 2010	December 2014	September 2011	3,663.66	510,000,000	479,000,000	685,000,000	100%	685,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
161	Phase II of Yunluwan, Ningbo	Zhejiang	138,333.00	R,C	215,158.27	164,607.94	151,194.74	—	674	24 December 2079 for residential use and 24 December 2049 for commercial use
162	Jinyu International, Ningbo	Zhejiang	41,080.00	R,C	90,759.58	73,940.00	70,350.59	—	349	30 October 2082 for residential use
163	Jiangdong Mansion, Ningbo	Zhejiang	66,833.00	R	180,651.00	133,666.00	131,340.00	—	1,180	16 November 2082 for residential use
164	Park Avenue, Ningbo	Zhejiang	48,004.00	R,C	133,008.00	105,609.00	102,805.00	—	800	29 September 2083 for residential use
165	Under construction portion of Longwan Golden, Wenzhou	Zhejiang	68,704.32	R	133,261.83	89,309.11	88,127.26	927	1,149	21 August 2081 for residential use
166	Jinyu Zhongyang, Wenzhou	Zhejiang	53,765.00	R,C	182,378.77	144,938.57	142,911.11	1,149	820	7 June 2083 for residential use and 7 June 2053 for commercial use
167	Portion of Phases I and II of Dream Town, Hefei	Anhui	49,316.86	R,C	178,209.00	172,609.00	172,563.47	1,836	200	25 September 2081 for residential use
168	Phase II and portion of Phases I and III of Blue Mountain Garden, Hefei	Anhui	85,560.70	R,C	285,138.00	258,198.00	257,408.00	—	1,000	7 August 2082 for residential use
169	Phase I of Forest Park Project, Hefei	Anhui	91,556.01	R,C	330,673.40	251,893.40	242,170.00	2,508	3,000	29 December 2082 for residential use
170	Portion of Phase I, Phases III and IV of Dream Town, Wuhu	Anhui	58,788.00	R,C	138,491.14	117,998.00	109,754.02	—	1,081	19 May 2081 for residential use
171	Phases II and III of Dream Town, Nanchang	Jiangxi	139,400.00	R,C	242,744.83	195,413.00	195,413.00	—	1,576	21 July 2078 for residential use and 21 July 2048 for commercial use
172	Phase I of Haishang Chuanqi, Nanchang	Jiangxi	85,788.00	R	257,164.66	211,436.00	211,436.00	—	1,330	18 February 2083 for residential use
173	Under construction portion of Ruyuan C3, Beijing	Beijing	14,746.07	R,C	51,619.81	35,848.23	35,788.23	—	272	8 December 2080 for residential use
174	Phases II and III of King Metropolis, Beijing	Beijing	65,951.15	R,C,O	272,018.00	199,777.00	197,741.67	—	809	14 October 2080 for residential use, 14 October 2050 for commercial use and 14 October 2060 for composite use
175	Phase I of Yunwan Jiayuan, Beijing	Beijing	49,188.20	R	155,779.51	127,721.28	116,016.72	—	550	6 June 2080 for residential use and 6 June 2050 for commercial use
176	Under construction portion of Xingfuhui, Beijing	Beijing	57,627.73	R,C	95,735.97	82,068.51	77,876.71	—	65	6 May 2080 for residential use and 6 May 2050 for commercial use
177	Phase I of Golden Paradise, Beijing	Beijing	63,389.60	R,O	177,875.81	150,850.29	148,992.28	—	529	19 September 2081 for residential use,19 September 2051 for commercial use and 19 September 2061 for carparking use
178	Jinyu Park, Beijing	Beijing	27,527.61	R	69,637.41	55,056.00	54,332.45	—	200	12 December 2080 for residential use
179	Spring Dew Mansion, Beijing	Beijing	51,673.01	R	219,897.09	125,283.88	124,622.30	—	798	31 August 2081 for residential use, 31 August 2051 for commercial use and 31 August 2061 for composite use
180	Eastern Metropolis, Beijing	Beijing	57,825.50	R,C	209,585.93	144,563.75	143,404.21	—	1,209	14 October 2082 for residential use, 14 October 2052 for commercial use and 14 October 2062 for composite use

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December 2012	June 2014	November 2013	65,032.76	1,944,000,000	1,582,000,000	2,011,000,000	100%	2,011,000,000	—
March 2013	December 2014	June 2013	53,396.67	838,000,000	761,000,000	835,000,000	55%	459,250,000	—
November 2013	December 2015	August 2014	—	2,513,000,000	1,603,000,000	1,835,000,000	100%	1,835,000,000	—
December 2013	December 2015	June 2014	—	1,703,000,000	1,087,000,000	1,182,000,000	77%	905,176,000	—
January 2013	June 2015	January 2014	52,836.57	2,076,000,000	1,753,000,000	1,595,000,000	60%	957,000,000	—
April 2013	December 2014	December 2013	104,458.70	2,502,000,000	1,959,000,000	2,591,000,000	60%	1,554,600,000	—
November 2013	December 2015	March 2014	176,315.39	1,182,000,000	747,000,000	1,125,000,000	55%	618,750,000	—
March 2014	December 2016	March 2014	174,368.77	1,705,000,000	1,136,000,000	1,722,000,000	55%	947,100,000	—
November 2013	March 2016	March 2014	201,889.06	1,762,000,000	1,414,000,000	1,979,000,000	100%	1,979,000,000	—
August 2013	August 2015	December 2013	38,256.25	820,000,000	599,000,000	879,000,000	100%	879,000,000	—
September 2012	June 2014	December 2013	174,053.72	1,212,000,000	618,000,000	1,201,000,000	33%	390,325,000	—
July 2013	December 2014	March 2014	45,363.54	1,218,000,000	489,000,000	747,000,000	50%	373,500,000	—
August 2012	December 2014	November 2012	31,308.78	1,281,000,000	787,000,000	1,050,000,000	50%	525,000,000	—
May 2012	December 2015	September 2013	161,056.72	4,420,000,000	2,913,000,000	3,189,000,000	50%	1,594,500,000	—
May 2011	May 2014	July 2012	115,875.73	1,644,000,000	1,596,000,000	1,731,000,000	50%	865,500,000	—
June 2012	April 2016	September 2012	49,933.54	950,000,000	633,000,000	775,000,000	68%	527,000,000	—
September 2012	December 2015	September 2013	123,577.35	1,734,000,000	1,139,000,000	1,679,000,000	40%	671,600,000	—
February 2012	December 2014	October 2014	—	1,084,000,000	906,000,000	1,075,000,000	51%	548,250,000	—
July 2012	July 2016	April 2013	96,008.31	2,686,000,000	2,011,000,000	2,314,000,000	50%	1,157,000,000	—
July 2013	May 2016	December 2013	6,136.31	2,931,000,000	1,767,000,000	2,401,000,000	50%	1,200,500,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
181	Vanke Cheng, Beijing	Beijing	43,446.30	R,C	208,309.18	155,206.75	142,407.55	—	770	30 October 2082 for residential use, 30 October 2052 for commercial use and 30 October 2062 for composite use
182	Portion of Phases VI and IX of Waterfront, Tianjin	Tianjin	170,705.00	R	162,531.00	159,617.00	159,617.00	—	—	21 May 2073 and 22 May 2073 for residential use
183	Phases I and II of King Metropolis, Tianjin	Tianjin	94,578.30	R	166,368.52	148,847.47	148,847.47	—	—	10 January 2080 and 17 August 2080 for residential use
184	Under construction portion of Wonderland, Tianjin	Tianjin	174,054.90	R,C	294,684.22	243,679.24	239,321.00	—	—	14 April 2083 for residential use
185	Section 2 of Phase II of Harbor, Tianjin	Tianjin	41,722.10	R,C	129,712.64	104,437.76	104,437.76	—	722	13 September 2080 for residential use
186	Phase I of East Coast, Tianjin	Tianjin	14,126.66	R	24,157.13	24,157.13	23,157.13	—	—	31 March 2051 for residential use and 31 March 2081 for residential use
187	Under construction portion of Park Residence, Meijiang, Tianjin	Tianjin	32,987.70	R,C	86,107.35	61,969.18	61,969.18	—	—	16 April 2083 for residential use and 16 April 2053 for commercial use
188	Phase III of Dream Town, Shenyang	Liaoning	77,138.34	R,C,O	93,501.92	81,580.92	81,580.92	—	—	26 April 2055 for residential use and 26 April 2045 for commercial use
189	Phase II of Rotterdam, Shenyang	Liaoning	43,516.90	R,C	193,640.00	156,537.83	156,537.83	—	—	17 March 2061 for residential use and 17 March 2051 for commercial use
190	Phase II of The Paradiso, Shenyang	Liaoning	62,373.80	R,C	226,871.05	187,042.89	187,042.89	—	—	5 August 2054 for residential use and 5 August 2044 for commercial use
191	Portion of Phase I of Tomorrow City, Shenyang	Liaoning	85,256.27	R,C,O	300,722.77	255,768.80	255,768.80	—	—	27 February 2081 for residential use and 27 February 2051 for commercial use
192	Phase II of Park Residence, Shenyang	Liaoning	22,041.22	R,C	183,164.93	140,399.81	140,399.81	—	—	19 January 2061 for residential use
193	Phase II of Chunheli, Shenyang	Liaoning	36,998.00	R,C	179,989.79	146,606.21	146,606.21	1,168	782	27 February 2061 for residential use and 27 February 2051 for commercial use
194	Phase I of Park Avenue, Shenyang	Liaoning	58,812.00	R,C	134,642.18	134,642.18	134,642.18	—	—	26 December 2082 for residential use and 26 December 2052 for commercial use
195	Phase II of The Paradiso, Fushun	Liaoning	122,172.00	R	31,511.63	31,511.63	31,511.63	—	—	28 December 2080 for residential use and 28 December 2050 for commercial use
196	Under construction portion of Whistler Town, Anshan	Liaoning	40,546.38	R,C	65,235.53	63,539.05	61,930.17	—	—	30 March 2081, 29 June 2080 and 30 December 2079 for residential use
197	Phases I and II of Spring Dew Mansion, Dalian	Liaoning	118,505.90	R,C	239,647.00	229,822.00	220,734.49	2,354	1,884	21 March 2079 and 30 March 2082 for residential use
198	Phases I and II of Xishan Project, Dalian	Liaoning	90,404.10	R,C	113,308.00	91,308.00	89,224.23	434	538	30 July 2081 for residential use
199	Phase I of Blue Mountain, Dalian	Liaoning	78,597.77	R,C	167,256.00	134,095.00	134,095.00	—	1,075	5 July 2082 for residential use
200	Portion of Phases I and II of Habor, Dalian	Liaoning	188,087.34	R,C	222,862.91	196,265.01	196,265.01	—	712	30 March 2081 for residential use and 30 March 2051 for Ancillary use
201	Phase I of Cherry Blossom Garden, Dalian	Liaoning	48,669.40	R,C	121,845.00	105,445.00	105,445.00	1,146	917	30 July 2081 for residential use

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October 2013	May 2016	March 2014	24,870.50	2,347,000,000	1,292,000,000	1,360,000,000	50%	680,000,000	—
September 2012	September 2016	September 2012	95,226.00	1,228,000,000	501,000,000	1,122,000,000	100%	1,122,000,000	—
September 2012	March 2016	December 2012	51,339.25	1,684,000,000	649,000,000	779,000,000	51%	397,290,000	—
July 2013	August 2018	September 2013	74,254.60	2,270,000,000	561,000,000	1,244,000,000	51%	634,440,000	—
August 2011	October 2016	February 2012	108,102.50	1,024,000,000	626,000,000	744,000,000	51%	379,440,000	—
February 2012	December 2014	July 2012	5,286.68	229,000,000	156,000,000	273,000,000	100%	273,000,000	—
May 2013	April 2016	May 2014	—	1,261,000,000	538,000,000	978,000,000	80%	782,400,000	—
March 2012	April 2014	September 2012	78,435.63	552,000,000	427,000,000	698,000,000	49%	342,020,000	—
July 2011	December 2016	March 2012	111,990.59	1,276,000,000	947,000,000	1,133,000,000	100%	1,133,000,000	—
June 2012	November 2014	March 2014	111,298.80	1,465,000,000	835,000,000	1,103,000,000	100%	1,103,000,000	—
April 2011	December 2015	June 2012	73,908.96	2,105,000,000	1,288,000,000	1,799,000,000	70%	1,250,305,000	—
July 2012	December 2017	August 2012	30,409.80	1,639,000,000	787,000,000	1,163,000,000	55%	639,650,000	—
March 2012	December 2015	May 2012	117,123.61	2,114,000,000	1,702,000,000	1,978,000,000	82%	1,621,960,000	—
May 2013	December 2015	June 2013	86,278.18	1,113,000,000	599,000,000	766,000,000	100%	766,000,000	—
May 2011	April 2014	December 2013	2,964.54	196,000,000	153,000,000	170,000,000	100%	170,000,000	—
June 2013	October 2015	October 2013	23,440.53	457,000,000	205,000,000	233,000,000	100%	233,000,000	—
June 2012	October 2015	June 2013	166,203.51	1,613,000,000	1,091,000,000	1,286,000,000	100%	1,286,000,000	—
August 2012	October 2016	July 2013	28,489.77	1,188,000,000	868,000,000	1,136,000,000	55%	624,800,000	—
April 2013	October 2015	February 2014	74,846.00	1,628,000,000	990,000,000	1,194,000,000	100%	1,194,000,000	—
November 2011	September 2015	August 2013	28,466.75	1,407,000,000	1,031,000,000	1,271,000,000	55%	699,050,000	—
April 2012	June 2015	June 2013	56,057.53	759,000,000	589,000,000	774,000,000	71%	549,540,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
202	Phases I and II of Dream Town, Dalian	Liaoning	117,619.00	R,C	264,401.50	237,084.91	237,084.91	—	674	8 August 2081 for residential use
203	Portion of Phase I, Phases II and III of Blue Mountain, Changchun	Jilin	66,104.66	R,C	193,054.57	149,451.00	149,451.00	—	—	29 July 2060 for commercial and residential uses
204	Portion of Phases I and II of Dream Town, Changchun	Jilin	46,874.59	R,C	187,981.08	156,225.30	156,225.30	—	—	18 March 2081 for residential use and 18 March 2051 for commercial use
205	Phase II of Park Residence, Changchun	Jilin	63,667.42	R	158,916.50	114,421.55	112,371.53	—	—	31 March 2060 for residential and commercial uses
206	Portion of Phase II of Dream Town, Jilin	Jilin	148,073.84	R,C,O	463,441.00	358,275.00	362,388.06	—	—	5 July 2081 for residential use and 5 July 2051 for commercial use
207	Phase I of Rose Lane, Qingdao	Shandong	123,562.00	R,C	132,396.34	132,396.34	132,396.34	—	—	70 years for residential use and 40 years for commercial use
208	Phase II of Dream Town, Qingdao	Shandong	67,538.80	R,C	69,362.49	65,527.05	65,527.05	—	—	4 November 2080 for residential use and 4 November 2050 for commercial use
209	Vanke Centre, Fuzhou Road, Qingdao	Shandong	38,775.10	C,O	123,703.42	123,703.42	123,703.42	—	—	16 May 2052 for commercial use
210	Phase I of Dongjun, Qingdao	Shandong	69,000.00	R,C	220,381.61	179,987.00	179,987.00	—	—	14 July 2082 for residential use and 14 July 2052 for commercial use
211	Phase II and Section 2 of Phase III of Haiyuntai, Yantai	Shandong	84,537.30	R	74,713.00	74,713.00	74,713.00	—	—	10 December 2079 for residential use and 10 December 2049 for commercial use
212	Phase II of Holiday Views, Yantai	Shandong	36,221.84	R,C	139,839.00	63,574.00	60,268.00	—	—	29 September 2080 for residential use and 29 September 2050 for commercial use
213	Phase I of Yulongshan, Yantai	Shandong	57,204.77	R	108,733.00	108,733.00	108,733.00	—	—	15 July 2080 for residential use, 15 July 2050 for commercial and public facilities uses
214	Phase I and portion of Phase II of Jinyu International, Jinan	Shandong	47,399.00	R,C,O	293,725.52	219,610.02	218,855.00	—	2,540	6 June 2081 and 2 June 2083 for residential use, 6 June 2051 and 2 June 2052 for office and commercial uses
215	Portion of Phase I, Phases II and III of Zitai, Taiyuan	Shanxi	54,575.58	R,C	281,566.94	198,105.61	201,425.96	1,498	2,254	28 March 2061 for residential use and 28 March 2051 for commercial use
216	Phase I and portion of Phase II of Blue Mountain, Taiyuan	Shanxi	40,529.21	R,C	158,030.69	141,521.32	143,088.22	1,203	317	30 August 2063 for residential use and 30 August 2053 for retail use
217	Phase II, portion of Phases III and IV of Spring Dew Mansion, Jinzhong	Shanxi	105,655.07	R,C	271,383.25	218,489.90	215,679.20	—	1,071	25 July 2081 for residential use and 25 July 2051 for commercial use
218	Vanke Diamond Plaza, Chengdu	Sichuan	15,403.78	C,O	112,639.49	92,422.00	100,083.33	—	339	20 July 2051 for commercial use
219	Vanke Huamao Plaza, Chengdu	Sichuan	29,719.61	R,C,O	277,848.45	208,037.00	222,323.01	—	976	13 August 2082 for residential use and 13 August 2052 for commercial use
220	Under construction portion of Jinse Yuefu Music Plaza, Chendu	Sichuan	66,458.23	R,C,O	277,324.57	268,895.71	268,091.17	—	2,224	11 October 2081 for residential use and 11 October 2051 for commercial use

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March 2013	August 2016	July 2013	86,406.47	1,614,000,000	735,000,000	803,000,000	100%	803,000,000	—
March 2011	December 2015	May 2013	69,665.88	1,115,000,000	704,000,000	1,061,000,000	100%	1,061,000,000	—
April 2013	June 2016	November 2013	52,586.26	1,146,000,000	709,000,000	894,000,000	51%	455,940,000	—
May 2012	October 2015	July 2013	38,155.08	1,226,000,000	1,067,000,000	1,651,000,000	100%	1,651,000,000	—
May 2012	December 2015	November 2013	126,919.40	2,347,000,000	1,189,000,000	1,391,000,000	65%	904,150,000	—
April 2013	September 2015	August 2013	30,496.00	959,000,000	664,000,000	749,000,000	51%	381,990,000	—
June 2011	December 2014	December 2012	65,527.00	510,000,000	458,000,000	613,000,000	55%	337,150,000	—
May 2013	December 2016	November 2013	29,109.00	1,836,000,000	847,000,000	1,135,000,000	100%	1,135,000,000	—
September 2012	June 2015	October 2012	119,942.00	1,032,000,000	652,000,000	756,000,000	55%	415,800,000	—
October 2012	June 2015	July 2013	18,479.00	497,000,000	464,000,000	519,000,000	100%	519,000,000	—
March 2012	September 2014	June 2012	56,888.00	355,000,000	297,000,000	367,000,000	70%	256,900,000	—
January 2013	September 2015	December 2013	56,315.00	1,158,000,000	855,000,000	1,149,000,000	51%	585,990,000	—
May 2012	September 2016	November 2012	121,926.00	3,089,000,000	1,675,000,000	1,695,000,000	63%	1,067,850,000	—
March 2013	August 2014	July 2013	138,487.77	1,501,000,000	916,000,000	1,497,000,000	51%	763,470,000	—
November 2012	May 2015	May 2013	88,858.00	944,000,000	679,000,000	1,210,000,000	51%	617,100,000	—
March 2013	October 2014	March 2013	82,899.53	1,299,000,000	739,000,000	821,000,000	51%	418,710,000	—
February 2012	June 2014	June 2012	99,519.30	886,000,000	793,000,000	1,196,000,000	85%	1,016,600,000	—
July 2013	June 2016	July 2013	29,746.81	1,983,000,000	1,038,000,000	1,190,000,000	51%	606,900,000	—
December 2013	November 2017	January 2014	43,141.23	2,671,000,000	1,232,000,000	2,642,000,000	60%	1,585,200,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
221	Phase I of Wulong Mountain Garden, Chengdu	Sichuan	94,251.50	R,C	214,068.31	104,962.05	130,718.31	—	1,391	14 July 2080 for residential use
222	Under construction portion of Jinyu Tixiang, Chengdu	Sichuan	36,598.46	R,C	146,208.93	108,314.79	107,858.35	—	1,150	3 January 2083 for residential use and 3 January 2053 for commercial use
223	Under construction portion of Golden City, Chengdu	Sichuan	37,114.74	R,C	202,756.84	148,388.23	148,079.87	—	1,550	3 January 2083 for residential use and 3 January 2053 for commercial use
224	Aureate City, Chengdu	Sichuan	47,245.07	R,C	185,545.93	141,642.00	141,642.00	—	984	8 January 2083 for residential use and 8 January 2053 for commercial use
225	Under construction portion of Haiyue Huicheng, Chengdu	Sichuan	63,365.15	R,C,O	504,399.37	318,835.74	316,067.65	—	2,672	6 April 2078 for residential use and 6 April 2048 for commercial use
226	Phase I of Jinrun Huafu, Nanchong	Sichuan	53,010.97	R,C	207,484.96	151,004.96	150,392.96	—	1,628	1 April 2082 for residential use and 1 April 2052 for commercial use
227	Phases II and IV of Hanyang International, Wuhan	Hubei	91,254.73	R,C	314,629.00	268,229.58	261,441.58	—	1,991	30 January 2082 and 15 January 2083 for residential use
228	Portion of Phase III, Phase IV of Dream Town, Wuhan	Hubei	65,900.78	R	299,337.00	67,539.48	67,539.48	—	1,207	15 September 2078 for residential use and 15 September 2048 for commercial use
229	Under construction portion of Jiayuan, Wuhan	Hubei	22,779.44	C	147,826.68	109,767.42	109,767.42	—	1,087	28 June 2083 for residential use
230	Phase I of Jincheng, Wuhan	Hubei	4,638.28	R	22,586.00	21,164.00	20,569.00	—	—	24 July 2083 for residential use and 24 July 2053 for commercial use
231	Phases II, IV to VI of The Paradiso, Wuhan	Hubei	213,440.34	R,C	533,600.00	304,232.45	304,232.45	—	3,435	2 June 2080 for residential use
232	Phases II to IV of Golden City, Wuhan	Hubei	265,968.87	R,C,O	534,560.45	449,660.89	444,216.70	—	3,927	2 November 2080, 6 June 2081, 7 November 2081 and 22 December 2081 for residential use and 29 December 2050 for commercial use
233	Changzheng Village Project, Wuhan	Hubei	77,387.48	R,C	281,701.00	239,083.00	234,399.00	—	1,680	13 October 2083 for residential use
234	Phases III and IV and portion of Phases I and II of Palace of Pleasure, Chongqing	Chongqing	38,075.95	R,C	210,981.00	161,288.00	161,288.00	—	—	30 July 2059 for residential use and 30 July 2049 for commercial use
235	Under construction portion of Dream Town, Chongqing	Chongqing	259,061.90	R,C	755,414.22	579,473.44	579,473.44	—	1,056	31 January 2061 for residential use
236	Under construction portion of Joying Gold, Chongqing	Chongqing	101,043.00	R,C	433,210.97	331,677.31	331,677.31	—	2,332	29 October 2052 for residential and commercial uses
237	Under construction portion of Vanke Xicheng, Chongqing	Chongqing	31,769.00	R,C	185,514.26	142,921.00	142,921.00	—	—	30 January 2053 for commercial use and 30 January 2063 for residential use
238	Phase I of Land Lot 3# Dream Town, Xi'an	Shaanxi	113,231.30	R,C	317,145.40	263,974.11	251,437.53	—	1,283	29 July 2051, 29 July 2061 and 29 July 2081 for commercial, postal and residential uses
239	Phase I of King Metropolis, Xi'an	Shaanxi	106,666.80	R,C	374,928.80	301,747.00	298,642.40	—	1,986	10 May 2051 and 10 May 2081 for commercial and residential uses
240	Phase I of Daminggong Project, Xi'an	Shaanxi	69,052.27	R,C	136,005.00	92,820.00	92,820.00	—	1,358	9 October 2081 for residential use

Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
January 2013	December 2014	June 2013	51,341.10	1,090,000,000	897,000,000	1,156,000,000	100%	1,156,000,000	—
October 2013	August 2016	January 2014	14,508.00	649,000,000	380,000,000	453,000,000	100%	453,000,000	—
April 2013	June 2016	August 2013	53,750.81	1,229,000,000	654,000,000	816,000,000	55%	448,800,000	—
June 2013	December 2015	August 2013	45,955.19	1,164,000,000	650,000,000	731,000,000	55%	402,050,000	—
July 2012	October 2015	September 2013	267,954.69	1,978,000,000	1,331,000,000	1,815,000,000	90%	1,633,500,000	—
March 2013	May 2016	December 2013	98,654.15	877,000,000	497,000,000	658,000,000	60%	394,800,000	—
February 2012	December 2016	September 2012	157,480.62	2,624,000,000	1,687,000,000	1,719,000,000	70%	1,203,300,000	—
October 2011	December 2014	September 2012	28,089.04	656,000,000	628,000,000	750,000,000	100%	750,000,000	—
March 2014	June 2016	June 2014	—	841,000,000	380,000,000	449,000,000	50%	224,500,000	—
January 2014	October 2016	June 2014	—	186,000,000	114,000,000	126,000,000	100%	126,000,000	—
March 2013	December 2015	March 2014	93,494.54	2,282,000,000	1,541,000,000	1,732,000,000	100%	1,732,000,000	—
May 2012	December 2016	June 2012	248,529.31	2,686,000,000	1,810,000,000	2,392,000,000	100%	2,392,000,000	—
December 2013	December 2016	December 2013	27,060.91	1,505,000,000	1,033,000,000	1,220,000,000	100%	1,220,000,000	—
May 2012	December 2014	April 2013	310,754.11	1,127,000,000	1,042,000,000	1,326,000,000	100%	1,326,000,000	—
November 2013	June 2016	January 2014	308,346.05	5,994,000,000	4,112,000,000	4,875,000,000	55%	2,681,250,000	—
April 2013	December 2015	November 2013	146,199.34	2,501,000,000	1,782,000,000	2,228,000,000	80%	1,782,400,000	—
May 2013	December 2015	September 2013	26,609.75	1,128,000,000	603,000,000	780,000,000	100%	780,000,000	—
September 2013	December 2014	September 2013	185,876.46	1,734,000,000	1,181,000,000	1,916,000,000	60%	1,149,600,000	—
July 2013	December 2014	August 2013	252,843.53	1,788,000,000	1,186,000,000	1,878,000,000	51%	957,780,000	—
August 2012	June 2015	September 2012	37,804.95	878,000,000	731,000,000	1,018,000,000	70%	712,600,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
241	Phase I of Joying Gold, Xi'an	Shaanxi	193,571.03	R,C	437,324.20	362,459.20	358,708.32	—	2,630	6 June 2062 and 6 June 2082 for commercial and residential uses
242	Phase I of Vanke Meijing Longmen Longtang	Henan	79,457.91	R,C	153,548.31	134,224.44	129,826.13	—	621	24 May 2049 and 24 May 2079 for commercial and residential uses
243	Phase I of Vanke Meijing Dream Town, Zhengzhou	Henan	190,319.36	R,C	454,708.96	335,181.01	330,477.94	—	3,416	28 September 2053 and 28 September 2083 for commercial and residential uses
244	Portion of Phase I of Metropolis, Guiyang	Guizhou	59,873.42	R,C	200,175.10	186,257.64	177,320.56	—	2,478	12 April 2082 for residential use
245	Portion of Phase I of Dew Garden, Baisha, Kunming	Yunnan	56,404.76	R	78,226.64	75,675.64	74,860.64	—	—	25 June 2078 for residential use
246	Phase II of Respecte Chateau, Kunming	Yunnan	44,781.90	R,C	177,542.35	142,240.00	142,240.00	—	—	20 September 2082 for residential use and 20 September 2052 for commercial use
247	Under construction portion of A Glamorous City, Kunming	Yunnan	70,950.99	R,C, Education	429,035.00	343,746.00	159,989.00	—	—	11 January 2083 for residential use, 11 January 2053 for commercial use and 11 January 2063 for education use
248	Rancho Santa Fe, Urumqi	Xinjiang Uygur Autonomous Region	159,460.89	R,C	188,792.64	148,465.08	164,252.50	834	526	7 June 2063 for residential use and 7 June 2053 for commercial use

Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
March 2013	June 2015	March 2013	223,835.53	2,082,000,000	1,401,000,000	2,044,000,000	80%	1,635,200,000	—
October 2013	September 2015	October 2013	99,717.34	905,000,000	437,000,000	712,000,000	51%	363,120,000	—
November 2013	January 2016	March 2014	256,216.81	2,336,000,000	840,000,000	1,223,000,000	51%	623,730,000	—
December 2013	June 2016	December 2013	155,763.67	1,414,000,000	447,000,000	810,000,000	100%	810,000,000	—
February 2013	December 2014	December 2013	69,692.94	566,000,000	554,000,000	731,000,000	100%	731,000,000	—
May 2012	September 2015	July 2013	122,613.30	1,315,000,000	1,076,000,000	1,332,000,000	67%	892,440,000	—
January 2013	December 2015	November 2013	149,277.57	1,221,000,000	1,171,000,000	1,346,000,000	55%	740,300,000	—
April 2013	October 2014	June 2013	102,032.15	1,251,000,000	696,000,000	1,175,000,000	60%	705,000,000	—

Notes:

1. As advised by the Group, portions of the properties with a total gross floor area of approximately 14,676,706.87 sq.m. have been pre-sold to various purchasers. Such portions of the properties have not been legally and virtually transferred to purchasers and therefore have been included in our valuation. In arriving at our opinion of capital value of the properties, we have taken into account the contracted price of such portions.

2. The site area of property nos. 238 to 243 includes the land parcels of this property and property nos. 341 to 344, 346 and 347 in Group III which are held for future development by the Group in the PRC.

3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   (i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the properties held under development are legal and valid. The land premium has been fully paid up by the Group and the Group has obtained the State-owned Land Use Rights Certificates and has the rights to legally occupy, use, obtain profit, and dispose of the land use rights of the properties according to the relevant land use rights grant contracts;

   (ii) For portions of the properties which have been contracted to be pre-sold to various parties but the relevant ownership rights have not been transferred, the Group still has the ownership rights and relevant land use rights of such presold portions and should hand over such presold portions according to the pre-sale contracts;

   (iii) Except for the land use rights of property nos. 173 to 175, 178, 179 and 201 with a total site area of approximately 184,905.37 sq.m. which have been mortgaged, the land use rights of the properties are not subject to any restrictions arising from mortgage, sequestration or other third party rights;

   (iv) The Group has obtained all the necessary approvals and permits according to the present development progress which included but are not limited to Construction Land Planning Permits, Construction Work Planning Permits, Construction Work Commencement Permits and Commodity Building Pre-sales Permits in the process of developing the properties. The aforesaid approvals and permits are valid and not to be revoked, revised or abolished.

Group III — Property interests held for future development by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
Total			**13,449,391.25**			**27,655,588.74**				
249	Antuoshan Project, Shenzhen	Guangdong	48,803.90	R,C	—	219,967.00	—	—	2,370	19 May 2079 for residential and commercial uses
250	Phase II of Shuijing Project, Buji, Shenzhen	Guangdong	124,102.97	R,C	—	325,705.94	—	—	—	5 November 2077 and 16 September 2080 for residential and commercial uses
251	Phases III and IV of Park Avenue, Shenzhen	Guangdong	59,081.87	R,C	—	240,115.00	—	—	—	30 October 2083 and 16 January 2084 for residential use
252	Phases II to IV of Lunas Del Mar, Huizhou	Guangdong	507,333.10	R,C	—	825,507.00	—	—	3,956	22 March 2080, 6 July 2081, 7 September 2081 and 29 December 2081 for residential use and 7 September 2051 for commercial use
253	Phases VII and VIII of Watercity, Dongguan	Guangdong	135,280.00	R	—	104,048.00	—	—	—	10 July 2064 and 12 July 2077 for residential use
254	Dream Town, Humen, Dongguan	Guangdong	349,804.50	R,C	862,359.10	784,135.53	—	—	—	27 September 2083 for residential use and 27 September 2053 for commercial use
255	Reserved land of Dream Town, Qingyuan	Guangdong	869,712.11	R,C	1,993,365.70	1,748,049.06	—	—	—	11 November 2079, 8 June 2082 and 3 April 2083 for residential use
256	Land Lot B23–24 Finance District C, Foshan	Guangdong	188,996.30	R,C	—	793,784.46	—	—	—	24 October 2083 for residential use and 24 October 2053 for commercial use
257	Reserved land of Respecte Chateau Plaza, Foshan	Guangdong	33,772.28	C,H,O	323,954.94	258,792.66	—	—	—	6 November 2052 for retail, business finance, accommodation and catering uses
258	F06 Project, Foshan	Guangdong	113,223.93	R,C	—	452,880.01	—	—	—	14 October 2082 for residential use, 14 October 2052 for commercial use and 14 October 2062 for public use
259	Phase III, portion of Phase V and Phase VI of Vanke Plaza, Foshan	Guangdong	78,293.03	R,C,O	491,120.54	393,840.54	—	—	3,040	26 August 2080 for residential use and 26 August 2050 for commercial use
260	Phases VIII and IX of Dream Town, Foshan	Guangdong	57,277.35	R,C	167,673.70	131,737.43	—	—	1,123	29 December 2076 for residential use and 29 December 2046 for commercial use
261	Phase III of Jinyu International, Foshan	Guangdong	27,743.85	R,C,O	172,970.84	116,518.64	—	—	676	12 October 2081 for residential use and 12 October 2051 for commercial use
262	Phase II of Glamorous City, Zhuhai	Guangdong	51,167.61	R,C	134,043.36	102,335.21	—	—	1,097	2 November 2081 for residential use and 2 November 2051 for commercial use
263	Portion of Phase II of Golden Home, Zhongshan	Guangdong	135,307.14	R,C,H	561,231.00	473,575.00	—	—	—	7 October 2082 and 17 December 2082 for residential, commercial and hotel uses

Estimate Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
		—		**—**	**—**	**86,502,000,000**		**66,022,455,000**	**—**
May 2015	—	—	—	—	—	2,860,000,000	100%	2,860,000,000	—
July 2014	—	—	—	—	—	2,241,000,000	60%	1,344,600,000	—
August 2014	—	—	—	—	—	1,321,000,000	65%	858,650,000	—
July 2014	—	—	—	—	—	991,000,000	67%	663,970,000	—
September 2014	June 2016	—	—	—	—	1,249,000,000	100%	1,249,000,000	—
April 2014	—	—	—	—	—	3,453,000,000	60%	2,071,800,000	—
May 2014	—	—	—	—	—	343,000,000	100%	343,000,000	—
August 2014	—	—	—	—	—	3,541,000,000	100%	3,541,000,000	—
July 2014	—	—	—	—	—	637,000,000	50%	318,500,000	—
August 2014	—	—	—	—	—	1,920,000,000	50%	960,000,000	—
July 2014	—	—	—	—	—	1,523,000,000	88%	1,340,240,000	—
January 2015	—	—	—	—	—	125,000,000	100%	125,000,000	—
August 2014	—	—	—	—	—	538,000,000	51%	274,380,000	—
April 2014	—	—	—	—	—	230,000,000	100%	230,000,000	—
June 2014	—	—	—	—	—	419,000,000	100%	419,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
264	Phase II of Le Bonheur, Zhongshan	Guangdong	216,733.73	R,C	509,202.87	399,026.45	—	—	—	16 October 2068 for residential and commercial uses, 28 August 2048 for industrial use and 20 September 2057 for greening use
265	Qingxi Road Project, Zhongshan	Guangdong	143,851.50	R,C	535,160.53	429,778.53	—	—	—	10 August 2076 for residential and commercial uses
266	Portion of Phases IV and V, Phases VI to VIII of Heart of Lake, Xiamen	Fujian	33,469.00	R	—	70,284.97	—	—	—	16 June 2079 for residential use and 16 June 2049 for commercial use
267	Phases II to VII of Vanke Plaza, Xiamen	Fujian	95,693.20	R,C,H,O	—	487,330.00	—	—	5,387	25 October 2082 for residential use, 25 October 2062 for office use and 25 October 2052 for hotel and commercial uses
268	Phases IV and V of Dream Town, Haicang, Xiamen	Fujian	63,417.34	R,C	—	176,586.42	—	—	—	13 October 2081 for residential use and 13 October 2051 for commercial use
269	Portion of Phase III of Jinyu Rongjun, Fuzhou	Fujian	7,143.00	R,C	—	37,802.10	—	—	—	20 January 2078 for residential use and 20 January 2048 for commercial use
270	Reserved land of Heron Hill, Changsha	Hunan	26,436.20	R,C	88,356.36	84,148.91	—	—	—	26 July 2082 for residential use and 26 July 2052 for commercial use
271	Jinyuguoji, Changsha	Hunan	159,392.95	R,C	—	585,844.53	—	—	—	11 December 2079 and 7 March 2083 for residential use and 11 December 2049 for commercial use
272	Reserved land of Zitai, Changsha	Hunan	68,296.08	R,C	187,955.23	172,985.66	—	—	—	14 February 2077 for residential use and 14 February 2047 for commercial use
273	Reserved land of Forest Holiday Park, Sanya	Hainan	289,716.32	R,C	—	208,777.65	—	—	—	15 October 2078 for residential use
274	Phase III and portion of Phase II of Lakeside Holiday Park, Sanya	Hainan	285,265.85	R	—	242,984.50	—	—	—	21 September 2059 for residential use
275	Phases III and IV of Haishang Chuanqi, Shanghai	Shanghai	54,476.20	R,C	150,693.79	137,148.64	—	—	356	17 December 2077 for residential use and 17 December 2047 for commercial use
276	Reserved land of Golden City, Shanghai	Shanghai	14,509.20	R	—	35,339.93	—	—	—	17 December 2047 for commercial use, 17 December 2057 for ancillary use and 40 years for commercial use
277	Bingjiang Project, Shanghai	Shanghai	31,616.80	R,C	106,982.00	79,042.00	—	—	—	16 August 2072 for residential use and 16 August 2042 for commercial use
278	Reserved land of New City Garden, Shanghai	Shanghai	79,320.00	O	—	103,213.00	—	—	—	22 January 2076 for residential use
279	Reserved land of Project No. 11, Hongqiao, Shanghai	Shanghai	27,862.00	R	—	46,171.00	—	—	518	70 years for residential use, 40 years for commercial use and 50 years for office use
280	Phase II and Portion of Phase I of Jiuduhu, Nanjing	Jiangsu	70,808.10	R	—	223,890.58	—	—	—	20 June 2083 and 10 April 2083 for residential use, 20 June 2053 and 10 April 2053 for commercial use

Estimate Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
June 2014	—	—	—	—	—	974,000,000	65%	633,100,000	—
June 2014	—	—	—	—	—	863,000,000	75%	647,250,000	—
June 2015	—	—	—	—	—	908,000,000	100%	908,000,000	—
January 2015	—	—	—	—	—	1,413,000,000	100%	1,413,000,000	—
April 2014	—	—	—	—	—	1,243,000,000	40%	497,200,000	—
June 2014	June 2016	August 2014	—	—	—	304,000,000	100%	304,000,000	—
June 2014	—	—	—	—	—	210,000,000	100%	210,000,000	—
June 2014	—	—	—	—	—	1,640,000,000	51%	836,400,000	—
October 2014	—	—	—	—	—	778,000,000	70%	544,600,000	—
October 2014	—	—	—	—	—	929,000,000	65%	603,850,000	—
September 2014	—	—	—	—	—	1,215,000,000	80%	972,000,000	—
December 2014	December 2016	—	—	—	—	1,256,000,000	60%	753,600,000	—
June 2014	December 2016	—	—	—	—	351,000,000	60%	210,600,000	—
June 2014	—	—	—	—	—	1,994,000,000	100%	1,994,000,000	—
June 2014	—	—	—	—	—	752,000,000	51%	383,520,000	—
June 2014	—	—	—	—	—	898,000,000	61%	547,780,000	—
June 2014	—	—	—	—	—	940,000,000	80%	752,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
281	Phases IV to V and Portion of Phase III of Blue Mountain Garden, Zhenjiang	Jiangsu	111,261.40	R,C	—	294,015.00	—	—	3,042	25 April 2080 for residential use
282	Phase II and Portion of Phase I of Dream Town, Suzhou	Jiangsu	71,778.74	R,C	204,965.91	179,447.35	—	—	788	22 October 2081 for residential use
283	Portion of Phase I and Phase II of VC Small Town, Suzhou	Jiangsu	120,024.45	R	457,950.56	360,073.35	—	—	3,440	20 September 2083 for residential use
284	Phase II of Glamorous Garden, Kunshan	Jiangsu	183,540.20	R,C	561,692.16	458,850.25	—	—	—	5 December 2083 for residential use and 5 December 2053 for commercial use
285	Phase IV of Glamorous City, Wuxi	Jiangsu	104,822.82	R	157,540.68	146,751.88	146,299.98	—	328	4 March 2078 for residential use, 4 March 2048 for commercial use and 4 March 2058 for other uses
286	Phases III and IV of The Paradiso, Wuxi	Jiangsu	67,875.20	R,C	182,688.00	169,688.00	—	—	—	30 November 2076 for residential use, 30 November 2046 for commercial use and 30 November 2056 for composite use
287	Phase III and Portion of Phase II of Xincheng Road, Wuxi	Jiangsu	64,428.32	R,C	206,547.08	161,071.00	—	—	2,195	19 September 2080 for residential use, 19 September 2050 for commercial and office uses and 19 September 2060 for other uses
288	Phases III and IV of Golden Paradise, Wuxi	Jiangsu	58,613.76	R,C	162,773.30	162,336.00	—	—	613	19 June 2081 for residential use, 19 June 2051 for commercial and office uses and 19 June 2061 for other uses
289	Portion of Phases II and III of Dream Town, Yangzhou	Jiangsu	89,530.57	R,C	120,108.48	79,949.33	84,373.73	—	—	22 June 2081 for residential use and 22 June 2051 for commercial use
290	Reserved land of Dream Town, Xuzhou	Jiangsu	129,096.70	R,C	499,809.00	395,938.00	—	—	—	15 February 2083 for residential use
291	Portion of Huaihai West Road Project, Xuzhou	Jiangsu	104,445.90	R,C,O	433,473.12	330,999.65	—	—	—	29 November 2082 for residential and commercial uses
292	Reserved land of Liangzhu Cultural Village, Hangzhou	Zhejiang	897,594.58	R,C	1,209,734.68	882,838.83	—	—	—	27 November 2072, 28 April 2073, 9 December 2072, 11 December 2072 and 28 December 2072 for residential uses and 28 April 2043 for tourism use
293	Phases V to VII of Gongwang, Hangzhou	Zhejiang	226,412.52	R,C	155,205.00	111,976.00	110,598.00	—	—	15 October 2071 for residential use
294	Portion of Phase III of Yunluwan, Ningbo	Zhejiang	36,512.00	R,C	—	49,246.24	—	—	—	24 December 2079 for residential use and 24 December 2049 for commercial use
295	Portion of Phase II of Dream Town, Hefei	Anhui	24,744.17	R	117,237.95	86,604.61	—	—	1,001	25 September 2081 for residential use
296	Portion of Phase III and Phase IV of Blue Mountain Garden, Hefei	Anhui	64,749.99	R,C	248,106.00	185,753.00	—	—	1,875	7 August 2082 for residential use
297	Phase II and portion of Phase IV of Dream Town, Wuhu	Anhui	126,832.00	R	239,150.00	215,714.00	—	—	1,302	29 January 2081 for residential use
298	Phase IV of Dream Town, Nanchang	Jiangxi	107,935.20	R,C	165,790.73	152,514.00	—	—	297	21 July 2078 for residential use and 21 July 2048 for commercial use

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September 2014	—	—	—	—	—	830,000,000	60%	498,000,000	—
June 2014	December 2015	October 2014	—	—	—	727,000,000	55%	399,850,000	—
June 2014	October 2016	July 2014	—	—	—	2,044,000,000	51%	1,042,440,000	—
June 2014	December 2016	April 2015	—	—	—	763,000,000	92%	701,960,000	—
June 2014	—	—	—	—	—	811,000,000	60%	486,600,000	—
November 2014	—	—	—	—	—	821,000,000	100%	821,000,000	—
June 2014	September 2016	—	—	—	—	961,000,000	100%	961,000,000	—
April 2014	September 2016	—	—	—	—	610,000,000	100%	610,000,000	—
June 2014	December 2015	—	—	—	—	287,000,000	65%	186,550,000	—
June 2014	—	—	—	—	—	305,000,000	100%	305,000,000	—
June 2014	—	—	—	—	—	905,000,000	85%	769,250,000	—
March 2015	—	—	—	—	—	2,938,000,000	100%	2,938,000,000	—
March 2015	—	—	—	—	—	2,357,000,000	100%	2,357,000,000	—
November 2014	—	—	—	—	—	312,000,000	100%	312,000,000	—
April 2014	July 2015	—	—	—	—	240,000,000	55%	132,000,000	—
August 2014	December 2017	—	—	—	—	539,000,000	55%	296,450,000	—
February 2015	February 2019	—	—	—	—	438,000,000	100%	438,000,000	—
June 2014	—	—	—	—	—	434,000,000	33%	141,050,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
299	Phase II of Haishang Chuanqi, Nanchang	Jiangxi	77,425.00	R,C	186,007.34	144,366.00	—	—	743	18 February 2083 for residential use and 18 February 2053 for commercial use
300	Times Plaza, Nanchang	Jiangxi	838,846.00	R,C	362,351.00	293,461.00	—	—	—	11 December 2083 for residential use and 11 December 2053 for commercial use
301	Phases IV and V of King Metropolis, Beijing	Beijing	63,138.85	C,O	216,026.00	166,471.00	—	—	—	14 October 2080 for residential use, 14 October 2050 for commercial use and 14 October 2060 for composite use
302	Phase II of Yunwan Jiayuan, Beijing	Beijing	3,970.61	C	8,354.00	6,354.00	—	—	—	6 June 2080 for residential use and 6 June 2050 for commercial use
303	Phase II of Golden Paradise, Beijing	Beijing	2,577.64	C	7,032.32	6,142.32	5,974.00	—	—	19 September 2051 for commercial use
304	Portion of Phase VII of Waterfront, Tianjin	Tianjin	717,021.00	R	—	705,230.00	—	—	—	21 May 2073 and 22 May 2073 for residential use
305	Reserved land of King Metropolis, Tianjin	Tianjin	126,639.00	R	240,404.02	208,971.00	—	—	—	10 January 2080 and 17 August 2080 for residential use
306	Phase II of East Coast, Tianjin	Tianjin	170,939.64	R	261,358.54	248,358.54	—	—	—	31 March 2081 for residential use and 31 March 2051 for commercial use
307	Reserved land of Park Residence, Meijiang,Tianjin	Tianjin	29,217.30	R,C	86,373.65	62,440.82	59,965.82	—	—	16 April 2083 for residential use and 16 April 2053 for commercial use
308	Phase III of Rotterdam, Shenyang	Liaoning	84,352.40	R,C	—	137,377.58	—	—	—	17 March 2061 for residential use and 17 March 2051 for commercial use
309	Phase II of Tomorrow City, Shenyang	Liaoning	128,138.00	R,C,O	—	252,463.00	—	—	—	27 February 2081 for residential use and 27 February 2051 for commercial use
310	Phase III of Park Residence, Shenyang	Liaoning	26,293.00	R	—	29,010.03	—	—	—	19 January 2061 for residential use
311	Reserved land of Chunheli, Shenyang	Liaoning	28,047.00	R,C,O	—	208,141.87	—	—	—	27 February 2061 for residential use and 27 February 2051 for commercial use
312	Phase II of Whistler, Shenyang	Liaoning	215,679.00	R,C	—	225,438.00	—	—	—	1 January 2080 for residential use and 1 January 2050 for commercial use
313	Reserved land of Lakeside Grand View South, Shenyang	Liaoning	124,304.35	R,C	—	295,704.00	—	—	—	8 April 2061 for residential use and 8 April 2051 for commercial use
314	Reserved land of Park Avenue, Shenyang	Liaoning	110,962.00	R,C	—	272,732.00	—	—	—	26 December 2082 for residential use and 26 December 2052 for commercial use
315	Holiday Views, Shenyang	Liaoning	199,999.98	R,C	—	475,936.00	—	—	—	9 November 2083 for residential use and 9 November 2083 for commercial use
316	Phase III of The Paradiso, Fushun	Liaoning	177,978.00	R,C	—	883,582.00	—	—	—	21 September 2081 for residential use and 21 September 2051 for commercial use

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July 2014	—	—	—	—	—	378,000,000	50%	189,000,000	—
June 2014	—	—	—	—	—	1,297,000,000	30%	389,100,000	—
June 2014	June 2016	—	—	—	—	862,000,000	50%	431,000,000	—
August 2014	December 2015	—	—	—	—	62,000,000	50%	31,000,000	—
August 2014	December 2015	—	—	—	—	49,000,000	40%	19,600,000	—
March 2015	—	—	—	—	—	1,951,000,000	100%	1,951,000,000	—
October 2015	—	—	—	—	—	548,000,000	51%	279,480,000	—
January 2015	—	—	—	—	—	784,000,000	100%	784,000,000	—
November 2014	—	—	—	—	—	782,000,000	80%	625,600,000	—
March 2015	October 2017	—	—	—	—	477,000,000	100%	477,000,000	—
April 2015	December 2018	—	—	—	—	581,000,000	70%	403,795,000	—
March 2015	—	—	—	—	—	118,000,000	55%	64,900,000	—
March 2015	December 2018	—	—	—	—	1,800,000,000	82%	1,476,000,000	—
March 2015	—	—	—	—	—	416,000,000	70%	291,200,000	—
March 2016	—	—	—	—	—	810,000,000	51%	413,100,000	—
July 2014	—	—	—	—	—	764,000,000	100%	764,000,000	—
May 2014	—	—	—	—	—	792,000,000	100%	792,000,000	—
July 2014	—	—	—	—	—	665,000,000	100%	665,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
317	Reserved land of Whistler Town, Anshan	Liaoning	166,234.26	R,C	—	329,868.87	—	—	—	30 March 2081, 29 June 2080 and 30 December 2079 for residential use
318	Phase II of Blue Mountain, Dalian	Liaoning	46,502.23	R,C	93,643.00	80,375.00	—	—	475	5 July 2082 for residential use
319	Portion of Phases II to V of Habor, Dalian	Liaoning	151,540.36	R	—	241,500.00	—	—	—	30 March 2081 for residential use and 30 March 2051 for ancillary use
320	Portion of Phases II and III of Cherry Blossom Garden, Dalian	Liaoning	135,857.90	R	291,279.21	243,311.59	—	—	—	30 July 2081 for residential use
321	Portion of Phases III to VI of Dream Town, Dalian	Liaoning	150,964.00	R	369,905.08	340,401.27	—	—	—	8 August 2081 for residential use
322	Phase IV of Blue Mountain, Changchun	Jilin	50,459.00	R,C	103,001.88	85,296.00	—	—	—	29 July 2060 for commercial and residential uses
323	Portion of Phase II and Phase III of Dream Town, Changchun	Jilin	83,270.23	R,C	290,160.09	247,023.10	—	—	—	18 March 2081 for residential use and 18 March 2051 for commercial use
324	Phases III and IV of Park Residence, Changchun	Jilin	112,723.14	R,C	274,784.86	223,784.86	—	—	—	31 March 2060 for residential and commercial uses
325	Phase II of Rose Lane, Qingdao	Shandong	140,115.00	R,C	286,904.00	263,904.00	255,824.00	—	—	70 years for residential use and 40 years for commercial use
326	Phase III of Dream Town, Qingdao	Shandong	29,164.70	R,C	—	87,894.57	—	—	—	4 November 2080 for residential use and 4 November 2050 for commercial use
327	Phase II of Dongjun, Qingdao	Shandong	43,344.00	R,C	—	106,336.79	—	—	—	14 July 2082 for residential use and 14 July 2052 for commercial use
328	Phase II of Yulongshan, Yantai	Shandong	50,899.43	R,C	—	96,748.00	94,443.00	—	—	15 July 2080 for residential use, 15 July 2050 for commercial and public facilities uses
329	Portion of Phase II of Jinyu International, Jinan	Shandong	74,407.00	R,C,O	256,722.73	188,736.00	188,527.85	—	818	6 June 2081 and 2 June 2083 for residential use, 6 June 2051 and 2 June 2052 for office and commercial uses
330	New Milestone, Jinan	Shandong	113,130.00	R,C	407,565.52	316,766.67	298,298.78	—	2,882	9 March 2084 for residential use
331	Portion of Phase II and Phase III of Blue Mountain, Taiyuan	Shanxi	61,206.88	R,C	260,761.73	213,724.36	—	—	—	30 August 2063 for residential use and 30 August 2053 for commercial use
332	Portion of Phases III and V of Spring Dew Mansion, Jinzhong	Shanxi	64,347.13	C	160,706.47	151,606.47	—	—	—	25 July 2051 for commercial use
333	Reserved land of Jinse Yuefu Music Plaza, Chendu	Sichuan	56,760.22	R,C,O	—	283,801.00	—	—	5,000	11 October 2081 for residential use and 11 October 2051 for commercial use
334	Reserved land of Jinyu Tixiang, Chengdu	Sichuan	74,567.27	R,C	—	220,685.21	—	—	1,140	3 January 2083 for residential use and 3 January 2053 for commercial use
335	Reserved land of Golden City, Chengdu	Sichuan	34,987.32	R,C	171,688.52	140,021.77	139,630.13	—	882	3 January 2083 for residential use and 3 January 2053 for commercial use
336	Reserved land of Jinrun Huafu, Nanchong	Sichuan	128,042.00	R,C	—	364,267.00	—	—	1,121	30 July 2059 for residential use and 30 July 2049 for commercial use
337	Phases III, V and VI of Hanyang International, Wuhan	Hubei	66,600.14	R,C	205,950.08	195,761.10	—	—	400	30 January 2082 for residential use

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July 2014	—	—	—	—	—	524,000,000	100%	524,000,000	—
July 2014	—	—	—	—	—	380,000,000	100%	380,000,000	—
April 2016	—	—	—	—	—	270,000,000	55%	148,500,000	—
June 2014	—	—	—	—	—	982,000,000	71%	697,220,000	—
August 2014	—	—	—	—	—	735,000,000	100%	735,000,000	—
April 2015	—	—	—	—	—	185,000,000	100%	185,000,000	—
April 2015	—	—	—	—	—	494,000,000	51%	251,940,000	—
August 2015	—	—	—	—	—	763,000,000	100%	763,000,000	—
June 2014	—	—	—	—	—	659,000,000	51%	336,090,000	—
May 2014	—	—	—	—	—	410,000,000	55%	225,500,000	—
July 2014	—	—	—	—	—	84,000,000	55%	46,200,000	—
June 2014	—	—	—	—	—	236,000,000	51%	120,360,000	—
May 2015	—	—	—	—	—	623,000,000	63%	392,490,000	—
June 2014	—	—	—	—	—	1,026,000,000	100%	1,026,000,000	—
June 2014	—	—	—	—	—	398,000,000	51%	202,980,000	—
May 2014	—	—	—	—	—	134,000,000	51%	68,340,000	—
March 2015	—	—	—	—	—	1,161,000,000	60%	696,600,000	—
March 2015	—	—	—	—	—	603,000,000	100%	603,000,000	—
March 2015	—	—	—	—	—	484,000,000	55%	266,200,000	—
June 2014	—	—	—	—	—	503,000,000	60%	301,800,000	—
October 2014	September 2017	—	—	—	—	470,000,000	70%	329,000,000	—

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
338	Reserved land of Jiayuan, Wuhan	Hubei	44,479.29	R,C	267,673.32	214,332.58	—	—	—	28 June 2083 for residential use
339	Phases II and III of Jincheng, Wuhan	Hubei	33,648.00	R,C,O	232,420.00	181,456.00	181,185.00	—	—	24 July 2083 for residential use and 24 July 2053 for commercial use
340	Reserved land of Dream Town, Chongqing	Chongqing	19,105.00	R,C	83,767.00	67,905.00	—	—	1,290	31 January 2061 for residential use
341	Reserved land of Land Lot 3# Dream Town, Xi'an	Shaanxi	113,231.30	R,C	109,750.81	88,827.99	75,134.99	—	638	29 July 2051, 29 July 2061 and 29 July 2081 for commercial, postal and residential uses
342	Reserved land of King Metropolis, Xi'an	Shaanxi	106,666.80	R,C	104,282.47	70,713.77	63,953.77	—	1,128	10 May 2051 and 10 May 2081 for commercial and residential uses
343	Reserved land of Daminggong Project, Xi'an	Shaanxi	69,052.27	R,C	163,545.00	128,783.00	140,943.00	—	841	9 October 2081 for residential use
344	Reserved land of Joying Gold, Xi'an	Shaanxi	193,571.03	R,C	399,171.80	302,183.80	259,075.55	—	2,768	6 June 2082 and 18 July 2082 for residential use, 6 June 2052 and18 July 2052 for commercial use
345	Eastern Metropolis, Xi'an	Shaanxi	175,387.00	R,C	912,962.00	686,388.00	653,336.00	—	4,958	27 March 2052 and 27 March 2082 for commercial and residential uses
346	Reserved land of Vanke Meijing Longmen Longtang	Henan	79,457.91	R,C,H,O	251,554.69	217,304.56	216,060.87	—	1,378	24 May 2049 and 24 May 2079 for commercial and residential uses
347	Reserved land of Vanke Meijing Dream Town, Zhengzhou	Henan	190,319.36	R,C	248,600.40	201,112.40	162,988.20	—	1,484	28 September 2053 and 28 September 2083 for commercial and residential uses
348	Phase II of Dew Garden, Baisha, Kunming	Yunnan	40,951.68	R	—	85,327.00	83,257.00	—	—	25 June 2078 for residential use
349	Phases III to VI of Respecte Chateau, Kunming	Yunnan	37,797.00	R,C	201,333.24	133,035.00	129,133.00	—	—	20 September 2082 for residential use, 20 September 2052 for commercial use and 5 December 2062 for education use
350	Reserved land of A Glamorous City, Kunming	Yunnan	346,967.71	R,C, Education	1,712,504.00	1,319,114.00	1,317,505.00	—	—	11 January 2083 for residential use, 11 January 2053 for commercial use and 11 January 2063 for education use

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February 2015	—	—	—	—	—	636,000,000	50%	318,000,000	—
June 2014	—	—	—	—	—	643,000,000	100%	643,000,000	—
December 2014	December 2015	—	—	—	—	146,000,000	55%	80,300,000	—
May 2014	—	—	—	—	—	200,000,000	60%	120,000,000	—
September 2014	—	—	—	—	—	104,000,000	51%	53,040,000	—
September 2014	—	—	—	—	—	407,000,000	70%	284,900,000	—
September 2014	—	—	—	—	—	643,000,000	80%	514,400,000	—
May 2014	—	—	—	—	—	1,336,000,000	100%	1,336,000,000	—
April 2014	—	—	—	—	—	525,000,000	51%	267,750,000	—
May 2014	—	—	—	—	—	564,000,000	51%	287,640,000	—
May 2014	—	—	—	—	—	169,000,000	100%	169,000,000	—
May 2014	—	—	—	—	—	232,000,000	67%	155,440,000	—
June 2014	—	—	—	—	—	2,256,000,000	55%	1,240,800,000	—

Notes: 1. The site area of property nos. 341 to 344, 346 and 347 includes the land parcels of this property and property nos. 238 to 243 in Group II which are held under development by the Group in the PRC.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

(i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the properties held for future development are legal and valid. The land premium has been fully paid up by the Group and the Group has obtained the State-owned Land Use Rights Certificates and has the rights to legally occupy, use, obtain profit, and dispose of the land use rights of the properties according to the relevant land use rights grant contract; and

(ii) Except for portion of the land use rights of property nos. 302, 320 and 333 with a total site area of approximately 106,302.73 sq.m. which have been mortgaged, the land use rights of the properties are not subject to any restrictions arising from mortgage, sequestration or other third party rights.

Group IV — Property interests contracted to be acquired by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
Total			**3,941,722.16**			**11,249,210.08**				
351	Liuxiandong, Shenzhen	Guangdong	394,043.80	C,Industrial	—	1,335,510.00	693,000.00	—	7,530	3 September 2053 for industrial and commercial use
352	Longgangsanguan Project, Shenzhen	Guangdong	66,643.50	C	—	250,600.00	—	—	—	27 February 2054 for office, public greenland and commercial uses
353	Land Lot AF020122, Xinlongsha, Guangzhou	Guangdong	7,141.00	C	—	30,706.00	—	—	—	7 October 2053 for commercial use
354	Phases II and III of Jinse Yuefu, Guangzhou	Guangdong	59,720.00	R,C,O	396,966.00	318,244.00	314,768.00	—	1,922	12 April 2081 for residential use and 12 April 2051 for commercial use
355	Phase II of Dream Town, Quanzhou	Fujian	90,306.50	R,C	—	322,126.00	—	—	—	70 years for residential use and 40 years for commercial use
356	Dream Town, Zhangzhou	Fujian	235,606.37	R,C	1,001,957.00	805,195.00	—	—	—	12 November 2083 for residential use and 12 November 2053 for commercial use
357	Meixihu, Changsha	Hunan	129,322.53	R	369,810.60	311,937.42	307,369.57	—	2,287	5 September 2083 for residential use
358	Phases II and III of Nanzhan Business District Land Lot, Shanghai	Shanghai	83,933.30	C,O	552,541.00	387,459.00	427,459.00	—	—	70 years for residential use and 40 years for commercial use
359	Portion of Huaihai West Road Project, Xuzhou	Jiangsu	122,329.60	R,C,O	615,761.85	479,586.85	—	—	—	29 November 2082 for residential and commercial uses
360	Qinjiang New Town, Hangzhou	Zhejiang	21,915.00	R,C	—	76,702.50	—	—	—	12 July 2084 for residential use
361	Portion of Phase III of Yunluwan, Ningbo	Zhejiang	72,580.00	R,C	—	105,543.25	—	—	—	24 December 2079 for residential use and 24 December 2049 for commercial use
362	Reserved land of Forest Park Project, Hefei	Anhui	424,903.06	R,C	1,290,882.60	1,142,545.60	—	9,894	5,705	70 years for residential use
363	Land Lots 005, 008, 009 Park Avenue, Beijing	Beijing	61,717.00	R,C,O	175,204.62	124,578.62	124,288.62	—	910	14 May 2083 for residential use, 14 May 2053 for commercial use and 14 May 2063 for composite use
364	Shoukai Vanke Centre, Beijing	Beijing	41,092.41	C,H,O	227,904.00	122,923.00	120,523.00	—	1,736	17 June 2053 for commercial use and 17 June 2063 for composite use
365	Reserved land of Wonderland, Tianjin	Tianjin	235,648.10	R	289,780.02	259,213.00	—	—	—	14 April 2083 for residential use
366	Phase III of Harbor, Tianjin	Tianjin	46,966.20	R	126,033.22	116,221.22	—	—	—	13 September 2080 for residential use
367	Phase III of East Coast, Tianjin	Tianjin	70,245.10	C	—	105,000.00	—	—	—	40 years for commercial use
368	Reserved land of Habor, Dalian	Liaoning	241,544.20	R	—	428,913.90	—	—	—	70 years for residential use
369	Portion of Phases II and III of Cherry Blossom Garden, Dalian	Liaoning	7,721.10	R	17,469.79	14,592.88	—	—	—	30 July 2081 for residential use
370	Portion of Phases III to VI of Dream Town, Dalian	Liaoning	16,223.00	R	46,893.42	43,120.45	—	—	—	8 August 2081 for residential use

Estimate Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
		—		**—**		**—**		**—**	**38,409,000,000**
September 2014	—	—	—	—	—	—	100%	—	5,600,000,000
December 2014	—	—	—	—	—	—	100%	—	1,779,000,000
June 2014	—	—	—	—	—	—	100%	—	632,000,000
June 2014	—	—	—	—	—	—	100%	—	955,000,000
June 2014	—	—	—	—	—	—	60%	—	773,000,000
July 2014	—	—	—	—	—	—	40%	—	1,948,000,000
July 2014	—	—	—	—	—	—	100%	—	1,040,000,000
July 2014	—	—	—	—	—	—	51%	—	4,963,000,000
June 2014	—	—	—	—	—	—	85%	—	1,311,000,000
September 2014	—	—	—	—	—	—	100%	—	1,816,000,000
November 2014	—	—	—	—	—	—	100%	—	621,000,000
May 2014	June 2020	—	—	—	—	—	100%	—	3,576,000,000
September 2014	September 2017	—	—	—	—	—	50%	—	1,313,000,000
August 2014	June 2017	—	—	—	—	—	50%	—	1,210,000,000
March 2015	—	—	—	—	—	—	51%	—	1,274,000,000
June 2014	July 2016	—	—	—	—	—	51%	—	258,000,000
January 2015	—	—	—	—	—	—	100%	—	191,000,000
April 2016	—	—	—	—	—	—	55%	—	485,000,000
June 2014	—	—	—	—	—	—	71%	—	30,000,000
August 2014	—	—	—	—	—	—	100%	—	79,000,000

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Planned Number of CPS	Land Use Rights Expiry Date
371	Phases IV to VI of Dream Town, Changchun	Jilin	173,714.00	R,C	630,423.52	541,142.00	—	—	—	18 March 2081 for residential use and 18 March 2051 for commercial use
372	Phase III of Dream Town, Jilin	Jilin	425,369.43	R,C	1,446,470.00	1,216,130.00	—	—	—	70 years for residential use and 40 years for commercial use
373	Phase III of Rose Lane, Qingdao	Shandong	66,816.00	R,C	—	105,192.73	—	—	—	70 years for residential use and 40 years for commercial use
374	Zitai, Qingdao	Shandong	48,033.80	R,C	—	146,791.50	—	—	—	26 September 2083 for residential use, 15 July 2054 for commercial use
375	Phase III of Dongjun, Qingdao	Shandong	84,102.00	R,C	—	143,859.21	141,237.33	—	—	14 July 2082 for residential use and 14 July 2052 for commercial use
376	Portion of Phase III and Phase IV of Haiyuntai, Yantai	Shandong	100,920.30	R,C	—	255,301.00	229,901.00	—	—	10 December 2079 for residential use and 10 December 2049 for commercial use
377	Phase III of Holiday Views, Yantai	Shandong	66,469.00	R,C	—	145,452.00	142,589.00	—	—	29 September 2080 for residential use and 29 September 2050 for commercial use
378	Phase III of Yulongshan, Yantai	Shandong	217,845.10	R,C	551,159.00	409,719.00	380,681.00	—	—	15 July 2080 for residential use, 15 July 2050 for commercial and public facilities uses
379	Phases IV to VI of Blue Mountain, Taiyuan	Shanxi	96,655.52	R,C	412,747.58	338,294.32	—	—	—	30 August 2063 for residential use and 30 August 2053 for commercial use
380	Reserved land of Jinse Yuefu Music Plaza, Chengdu	Sichuan	29,633.05	R,C	—	206,339.29	—	—	4,185	70 years for residential use and 40 years for commercial use
381	Reserved land of Joying Gold, Chongqing	Chongqing	73,957.00	R,C	453,673.28	368,322.98	—	—	2,589	29 October 2052 for residential and commercial uses
382	Reserved land of Vanke Xicheng, Chongqing	Chongqing	28,507.00	R,C	161,694.00	128,286.00	—	—	—	30 January 2053 for commercial use 30 January 2063 for residential use
383	Reserved land of Metropolis, Guiyang	Guizhou	100,098.19	R,C	683,982.90	463,661.36	452,446.44	—	3,922	12 April 2052 for commercial use 12 April 2082 for residential use

Estimate Construction Commencement Date	Estimate Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
April 2015	—	—	—	—	—	—	51%	—	1,082,000,000
August 2015	—	—	—	—	—	—	65%	—	1,187,000,000
June 2014	—	—	—	—	—	—	51%	—	24,000,000
June 2014	—	—	—	—	—	—	100%	—	969,000,000
July 2014	—	—	—	—	—	—	55%	—	90,000,000
July 2015	—	—	—	—	—	—	100%	—	836,000,000
January 2015	—	—	—	—	—	—	70%	—	260,000,000
March 2014	—	—	—	—	—	—	51%	—	1,236,000,000
June 2015	—	—	—	—	—	—	51%	—	694,000,000
March 2015	—	—	—	—	—	—	60%	—	622,000,000
June 2014	—	—	—	—	—	—	80%	—	794,000,000
August 2014	—	—	—	—	—	—	100%	—	302,000,000
June 2014	—	—	—	—	—	—	100%	—	459,000,000

Notes:

1. We have attributed no commercial value to the properties in this Group, which have not been assigned to the Group, thus the title of the properties are not vested in the Group. For references purpose, we have assessed the capital value of them assuming their title certificate have been obtained and can be freely transferred by the Group and there is no legal impediment and onerous cost in obtaining the title certificates.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   (i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the properties contracted to be acquired by the Group are legal and valid. The land premium has been fully paid by the Group except for property no. 382 of which the demolition work has not completed and thus the land premium was partially paid; and

   (ii) There should be no legal impediment for the Group to obtain the land use rights certificates of the properties after the land premium has been fully paid up by the Group.

Group V — Property interests held for investment by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total Planned GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Leasable/ Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
Total					**1,049,047.44**	**865,869.34**	**756,915.28**			
384	A shopping mall of Tianyu, Shenzhen	Guangdong	—	C	105,000.00	100,000.00	105,000.00	—	—	21 December 2055 for commercial use
385	10 commercial units of Phase I of Park Avenue, Shenzhen	Guangdong	—	C	11,289.02	11,289.02	11,289.02	10	—	30 August 2080, 30 August 2082 for residential use and 30 August 2050 for commercial use
386	Various retail units and serviced apartments of Phase I of Lunas Del Mar, Huizhou	Guangdong	—	R,C	21,049.30	21,049.30	14,778.40	267	—	29 December 2081 for residential use and 7 September 2051 for commercial use
387	Section 3 of Chang'an Vanke Centre, Dongguan	Guangdong	—	C,CPS	115,520.64	61,016.70	74,516.70	—	1,256	26 April 2080 for residential use
388	Under construction shopping mall and retail units of King Metropolis, Xiamen	Fujian	5,057.92	C	32,659.23	32,659.23	32,659.23	—	—	30 August 2050 and 22 December 2050 for commercial use
389	Under construction retail units of Phase II of Vanke Plaza, Fuzhou	Fujian	—	C	20,074.98	7,078.98	20,074.98	—	—	5 July 2050 for commercial use
390	Under construction shopping mall, office building and apartment building for the elderly of Golden City, Shanghai	Shanghai	63,298.87	R,C	148,576.00	148,576.00	—	—	—	17 December 2047 for commercial use, 17 December 2057 for ancillary use and 40 years for commercial use
391	Under construction office building and various retail units of Feicui Bingjiang Project, Shanghai	Shanghai	11,833.40	C	53,349.55	47,200.60	53,349.55	—	—	19 September 2047 for office use and 19 September 2037 for commercial use
392	An under construction office building of Southern portion of Land Lot No. 03, Shanghai Hongqiao Business District Phase I	Shanghai	32,176.60	C,O,CPS	197,135.84	110,462.00	131,189.89	—	858	12 July 2062 for office, conference and exhibition uses and 12 July 2052 for commercial, culture and entertainment uses
393	Under construction retail units of Project No. 11, Hongqiao, Shanghai	Shanghai	7,885.09	C	6,653.00	6,653.00	6,653.00	—	—	70 years for residential use, 40 years for commercial use and 50 years for office use
394	A shopping mall of Golden Paradise, Suzhou	Jiangsu	13,563.20	C,CPS	47,708.01	33,908.01	33,908.01	144	477	11 December 2046 for commercial use
395	Various retail units and a hotel of Liangzhu Cultural Village, Hangzhou	Zhejiang	—	C	10,783.05	10,783.05	10,783.05	—	—	9 December 2072, 28 December 2072 and 28 April 2073 for residential uses
396	An under construction apartment building for the elderly of Xingfuhui, Beijing	Beijing	11,581.98	C	24,210.81	20,155.44	20,155.44	—	—	6 May 2050 for commercial use
397	An under construction shopping mall of Spring Dew Mansion, Beijing	Beijing	15,977.04	C	47,931.12	47,931.12	47,931.12	—	—	31 August 2051 for commercial use
398	Various retail units of Waterfront, Tianjin	Tianjin	—	C	1,962.00	1,962.00	1,962.00	—	—	21 May 2073 and 22 May 2073 for residential use
399	12 retail units of Phase lll of Dream Town, Shenyang	Liaoning	—	C	34,181.27	34,181.27	34,181.27	—	—	26 April 2055 for residential use and 26 April 2045 for commercial use
400	Various retail units of Phase I of Blue Mountain, Changchun	Jilin	—	C	20,879.69	20,879.69	20,879.69	12	—	29 July 2060 for commercial use
401	Various office units of 5 composite buildings under construction of Phase III of Rose Lane, Qingdao	Shandong	—	O	38,813.93	38,813.93	38,813.93	—	—	40 years for official use
402	Reserved land of Metropolis, Guiyang	Guizhou	21,263.91	C,CPS	111,270.00	111,270.00	98,790.00	—	3,922	12 April 2052 for commercial use and 12 April 2082 for residential use

Estimate/Actual Commencement Date	Estimate/Actual Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
					—	**10,988,000,000**		**8,030,080,000**	**—**
—	February 2014	—	—	—	—	1,724,000,000	100%	1,724,000,000	—
—	June 2013	—	—	—	—	452,000,000	65%	293,800,000	—
May 2011	November 2013	—	—	—	—	188,000,000	67%	125,960,000	—
December 2012	May 2014	—	—	807,000,000	720,000,000	794,000,000	100%	794,000,000	—
April 2013	December 2017	—	—	148,000,000	86,000,000	108,000,000	100%	108,000,000	—
January 2012	December 2014	—	—	393,000,000	340,000,000	352,000,000	100%	352,000,000	—
June 2014	December 2016	—	—	—	—	932,000,000	60%	559,200,000	—
June 2011	December 2015	—	—	1,430,000,000	947,000,000	1,000,000,000	75%	750,000,000	—
November 2012	May 2015	—	—	3,419,000,000	2,015,000,000	2,553,000,000	50%	1,276,500,000	—
September 2013	December 2014	—	—	330,000,000	161,000,000	176,000,000	61%	107,360,000	—
—	November 2013	—	—	—	—	610,000,000	92%	561,200,000	—
—	March 2009	—	—	—	—	114,000,000	100%	114,000,000	—
September 2011	September 2013	—	—	230,000,000	179,000,000	182,000,000	68%	123,760,000	—
November 2013	July 2016	—	—	1,209,000,000	647,000,000	763,000,000	50%	381,500,000	—
—	September 2012	—	—	—	—	19,000,000	100%	19,000,000	—
—	December 2013	—	—	—	—	340,000,000	49%	166,600,000	—
—	October 2013	—	—	—	—	351,000,000	100%	351,000,000	—
March 2013	December 2014	—	—	281,000,000	79,000,000	220,000,000	51%	112,200,000	—
—	June 2013	—	—	—	—	110,000,000	100%	110,000,000	—

Notes: 1. As advised by the Group, portions of the properties with a total leasable floor area of approximately 133,784 sq.m. have been leased to various tenants with a total monthly rent of RMB6,974,180 as at the valuation date.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

(i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the property held for investment are legal and valid. The land premium has been fully paid up by the Group and the Group has obtained the State-owned Land Use Rights Certificates and has the rights to legally occupy, use, obtain profit, and dispose of the land use rights of the property according to the relevant land use rights grant contract;

(ii) For the property no. 395, the Group has obtained the Building Ownership Certificates of the property and thus legally holds the ownership rights of the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property in accordance with the PRC laws; and

(iii) In the process of developing the properties, the Group has obtained all the necessary approvals and permits according to the present development progress which include but are not limited to Construction Land Planning Permits, Construction Work Planning Permits, Construction Work Commencement Permits and Commodity Building Pre-sales Permits. The aforesaid approvals and permits are valid and not to be revoked, revised or abolished.

Group VI — Property interests held and occupied by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Leasable/ Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Land Use Rights Expiry Date
Total					**93,882.99**	**70,068.73**	**70,068.73**			
403	A serviced apartment building of Golden Paradise, Suzhou	Jiangsu	8,174.00	C	20,434.99	20,434.99	20,434.99	—	—	11 December 2046 for commercial use
404	A hotel of Liangzhu Cultural Village, Hangzhou	Zhejiang	—	H	73,448.00	49,633.74	49,633.74	—	—	27 November 2072, 28 April 2073, 9 December 2072, 11 December 2072 and 28 December 2072 for residential uses and 28 April 2043 for tourism use

Notes: We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

(i) The State-owned Land Use Rights Grant Contracts and relevant Affiliation Agreements with respect to the properties held and occupied are legal and valid. The land premium has been fully paid up by the Group and the Group has obtained the State-owned Land Use Rights Certificates and has the rights to legally occupy, use, obtain profit, and dispose of the land use rights of the properties according to the relevant land use rights grant contract;

(ii) In the process of developing the properties, the Group has obtained all the necessary approvals and permits according to the present development progress which include but are not limited to Construction Land Planning Permits, Construction Work Planning Permits, Construction Work Commencement Permits and Commodity Building Pre-sales Permits. The aforesaid approvals and permits are valid and not be revoked, revised or abolished;

(iii) The Group legally holds the ownership rights of the properties and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the properties in accordance with the PRC laws; and

(iv) For the property no. 404, the Group has obtained the Building Ownership Certificate of the property.

Construction Commencement Date	Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Development Cost (if under development) *(RMB)*	Development Cost incurred up to the Valuation Date (if under development) *(RMB)*	Capital Value in existing state as at Valuation Date *(RMB)*	Interest Attributable to the Group *(%)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*
						1,051,000,000		**1,005,400,000**	**—**
—	November 2013	—	—	—	—	570,000,000	92%	524,400,000	—
—	March 2008	—	—	—	—	481,000,000	100%	481,000,000	—

Group VII — Property interest held for investment by the Group in Hong Kong

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Plot Ratio Accountable Area (sq.m.)	Total Leasable/ Saleable GFA (excluding CPS) (sq.m.)	Number of rooms/units	Number of CPS	Government Lease Expiry Date
Total			**—**		**61,053.23**	**61,053.23**	**61,053.23**			
405	Regent Centre, HK	Hong Kong	—	Industrial, CPS	61,053.23	61,053.23	61,053.23	—	102	30 June 2047

Notes:

1. The property comprises various portions of Regent Centre as follow:

   Tower A
   Unit G01 on Ground Floor, Units 501 to 503, 505 to 513 and 515 to 520 on 5th Floor, Units 701 to 703, 705 to 713 and 715 to 720 on 7th Floor, Units 801 to 803, 805 to 813 and 815 to 820 on 8th Floor, Units 901 to 903, 905 to 913 and 915 to 920 on 9th Floor, Units 1011 to 1012 on 10th Floor, Units 1101 to 1103, 1105 to 1113 and 1115 to 1120 on 11th Floor, Units 1218 to 1220 on 12th Floor, Units 1501 to 1510, 1513, 1515 to 1517 and 1519 to 1520 on 15th Floor, Units 1711 to 1712 and 1717 to 1719 on 17th Floor, Units 1801 to 1803, 1805 to 1813, 1815 to 1816 and 1820 to 1821 on 18th Floor, Units 1901 to 1903, 1905 to 1913 and 1915 to 1921 on 19th Floor, Units 2001 to 2003, 2005 to 2013 and 2015 to 2021 on 20th Floor, Units 2101 to 2103 and 2118 to 2121 on 21st Floor, Units 2201 to 2203, 2205 to 2213 and 2215 to 2221 on 22nd Floor, Units 2301 to 2303, 2305 to 2313 and 2315 to 2321 on 23rd Floor, Units 2506 to 2513, 2515 to 2517 and 2521 on 25th Floor and the whole of 26th Floor and 27th Floor;

   Tower B
   Units 201, 202a and 202b on 2nd Floor, Units 310 to 313 and 315 to 319 on 3rd Floor, Units 501 to 503, 511 to 513 and 515 to 520 on 5th Floor, Units 701 to 703, 705 to 713 and 715 to 720 on 7th Floor, Units 1001 to 1003, 1005 to 1013 and 1015 to 1020 on 10th Floor, Units 1301 to 1303, 1305 to 1313 and 1315 to 1320 on 13th Floor, Units 1601 to 1603, 1605 to 1613 and 1615 to 1620 on 16th Floor, Units 1701 to 1703, 1705 to 1713 and 1715 to 1720 on 17th Floor, Units 1801 to 1803, 1805 to 1813 and 1815 to 1820 on 18th Floor, Units 1901 to 1903, 1905 to 1913 and 1915 to 1921 on 19th Floor, Units 2001 to 2003, 2005 to 2013 and 2015 to 2021 on 20th Floor, Units 2101 to 2103, 2105 to 2113 and 2115 to 2121 on 21st Floor, Units 2201 to 2203, 2205 to 2213 and 2215 to 2221 on 22nd Floor, Units 2301 to 2303, 2305 to 2313 and 2315 to 2321 on 23rd Floor, Units 2501 to 2503, 2505 to 2513 and 2515 to 2521 on 25th Floor and Units 2601 to 2603, 2605 to 2613 and 2615 to 2621 on 26th Floor; and

   Vehicle Parking Spaces and Reserved Area
   Reserved Area, 25 van parking Spaces Nos. V1 to V25 on Intermediate Level 2, 8 lorry parking spaces Nos. L1 to L8 on Intermediate Level 1, 1 container lorry parking space No. C1 and 21 lorry parking spaces Nos. L1 to L21 on Ground Floor, 22 Lorry parking spaces Nos. L1 to L22 and 25 van parking spaces Nos. V1 to V25 on First Floor.

2. The registered owners of the property are either Chericourt Company Limited or WK Parking Limited except Unit G01 on Ground Floor of Tower A registered under Winsor Properties Financial Limited and 26th Floor of Tower A registered under Access Rich Limited.

3. The property comprises 47,620/71,750th equal undivider shares of and in the Remaining Portion of Lot No. 299 in Demarcation District No. 444. The property is subject to a Legal Charge and Debenture in favour of Bank of China (Hong Kong) Limited vide Memorial No. 13010702420132 dated 28 December 2013 to secure all moneys.

4. As advised by the Group, portion of the property with a total leasable floor area of approximately 633,933 sq.ft. (58,893.81 sq.m.) have been leased to various tenants for terms of 1 to 3 years with the latest expiry date on 9 March 2017.

5. The total monthly rent receivable excluding car park licence fee as at the valuation date was about HKD5,457,000 exclusive of management fees.

6. The car parking spaces were let on monthly and hourly basis. The total income derived from the car parking spaces during the 1st quarter of 2014 was about HKD1,827,000.

	Construction Commencement Date	Completion Date	Estimate/Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Development Cost (if under development)	Development Cost incurred up to the Valuation Date (if under development)	Capital Value in existing state as at Valuation Date	Interest Attributable to the Group	Capital Value Attributable to the Group as at Valuation Date	Capital value for reference (for properties without proper title certificates) as at Valuation Date
				(sq.m.)	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*	*(RMB)*
							1,133,000,000		**1,133,000,000**	**—**
	—	December 1996	—	—	—	—	1,133,000,000	100%	1,133,000,000	—

Summary of Projects

Abbreviation:

AV: Accommodation Value (RMB/sq.m.) for bare lands of the project
GDV: Gross Development Value (RMB) as completed for property under construction of the project
MCP-R: Market Comparable Price (RMB/sq.m.) for residential
MCP-C: Market Comparable Price (RMB/sq.m.) for commercial
MCP-O: Market Comparable Price (RMB/sq.m.) for office
MCP-CPS: Market Comparable Price (RMB/space) for car parking space
Rent-C: Market Monthly Rent (RMB/sq.m.) for commercial
Rent-O: Market Monthly Rent (RMB/sq.m.) for office
CR: Capitalization Rate

Project No.	Project Name	Photo	Brief Description of the Project	Ref. to Property Nos.	Capital Value in existing state as at Valuation Date *(RMB)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*	Valuation Parameter
					351,933,490,000	**264,864,374,000**	**38,409,000,000**	
1	Vega Villa, Shenzhen		The project is located on the reef rock between Dameisha and Xiaomeisha, the eastern coast of Yantian District. 270 degrees seascape of the eastern coast endows the project with excellent natural and landscape resources. It is a top-level villa project developed by 3 phases. Phases I and II are sold out. Portion of Phase III is completed and held for sale whilst the remaining portion of Phase III is under construction.	1, 83	3,583,000,000	3,583,000,000	—	GDV: 2,179,000,000 MCP-R: 200,000–230,000
2	Antuoshan Project, Shenzhen		The project is located at northeast corner of Antuo Hill Road and Qiaoxiang 5th Road, Futian District. It is at the north of a number of high-end residential developments of Qiaoxiang area next to Antuo Hill. The project is well-served with public transportation with a metro station on the south and an arterial road on the north. The project is planned to be developed into an urban residential and commercial community and is currently a bare land.	249	2,860,000,000	2,860,000,000	—	AV: 8,600–14,600

Project No.	Project Name	Photo	Brief Description of the Project	Ref. to Property Nos.	Capital Value in existing state as at Valuation Date (RMB)	Capital Value Attributable to the Group as at Valuation Date (RMB)	Capital value for reference (for properties without proper title certificates) as at Valuation Date (RMB)	Valuation Parameter
3	Liuxiandong, Shenzhen		The project is located at the northern side of Liuxin South Road, eastern side of Chuangke Road, the core area of Liuxiandong Headquarter Base. It is close to Liuxiandong Industrial Zone and Bao'an Park. The project is planned to be developed into an urban complex with office, residential, commercial and landscape components. The project is currently a bare land.	351	—	—	5,600,000,000	AV: 3,600–5,600 for industrial, 9,000–13,600 for commercial
4	Philippe Castle, Shenzhen		The project is located at the northeast corner of Xinsha Road and Huanzhen Road, Shajing Street, western part of Bao'an District. With an arterial road and an expressway to its east, the project is served with good traffic infrastructure which will be developed in to an urban complex community by 4 phases. The project is currently under construction.	84	1,917,000,000	1,917,000,000	—	GDV: 3,175,000,000 MCP-R: 10,500–17,800 MCP-C: 18,000–103,200 MCP-CPS: 80,000–100,000
5	Golden Paradise, Shenzhen		The project is located at the junction of Danzi Avenue and Longping Road, Pingshan New District. The project is near the district administration centre and next to Pingshan Experimental School. It is planned to be developed into a residential and commercial community by 2 phases. The project is currently under construction.	85	1,680,000,000	1,680,000,000	—	GDV: 1,944,000,000 MCP-R: 8,600–17,300 MCP-C: 18,200–65,700

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6	The Village, Shenzhen		The project is located at the northwest corner of Nanping Expressway and Banxuegang Avenue, Longgang District. It is well-served by public facilities and transportation. The project is planned to be developed into a residential development served with retail stores and a kindergarten. The project is currently under construction.	86	736,000,000	736,000,000	—	GDV: 1,695,000,000 MCP-R: 20,000–27,000 MCP-C: 28,000–34,000 MCP-CPS: 100,000–150,000
7	Tianyu, Shenzhen		The project is located at the southeast corner of Longxiang Avenue and Jixiang Road, near Jixiang Metro Station. The surrounding environment is a residential area supported by retail stores. The project is planned to be developed into a complex with residential apartments, shopping malls and office buildings by 4 phases. Phase I is completed and sold out, Phase II is currently under construction whilst Phases III and IV are in the process of land acquisition.	87, 384	2,905,000,000	2,905,000,000	—	GDV: 2,303,000,000 MCP-R: 22,000–24,000 MCP-CPS: 65,000–80,000 Rent-C: 100–150 CR: 6% for commercial
8	Home III, Shenzhen		The project is located at the junction of Jinlong Road and Huikang Road, Longgang District. It is near the Baigelong Metro Station and is well-served by public transportation. The project is planned to be developed into a residential and commercial community and is currently under construction.	88	1,846,000,000	923,000,000	—	GDV: 2,729,000,000 MCP-R: 18,000–25,000 MCP-C: 30,000–45,000 MCP-CPS: 100,000–120,000

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9	Shuijing Project, Buji, Shenzhen		The project is located at the junction of Bulong Road and Songlian Road, Longgang District. It is near Shangshuijing Metro station and Yinhu Golf Training Field. The project is planned to be developed into a residential community by 2 phases. Phase I is currently under construction whilst Phase II is a bare land.	89, 250	3,917,000,000	2,350,200,000	—	GDV: 3,002,000,000 AV: 4,000–6,000 MCP-R: 23,000–26,000 MCP-C: 18,000–40,000 MCP-CPS: 60,000–80,000
10	Park Avenue, Shenzhen		The project is located at Zhangfu Road, Longgang District. It is well-served with public facilities and transportation. The surrounding environment is a residential area supported by parks, retail stores and commercial buildings. The project is planned to be developed into a residential and commercial community by 4 phases. Phase I is completed and held for sale and investment, Phase II is currently under construction whilst Phases III and IV are bare lands.	2, 90, 251, 385	4,218,000,000	2,741,700,000	—	GDV: 2,124,000,000 AV: 3,500–6,000 MCP-R: 22,000–24,000 MCP-C: 30,000–50,000 MCP-CPS: 80,000–100,000 Rent-C: 150–200 CR: 6% for commercial
11	Longgangsanguan Project, Shenzhen		Shenzhen Longgangsanguan is located at northwest corner of Longgang Avenue and Longcheng Avenue in Longgang District. It is close to Shenzhen Longgang People's Government, Longcheng Square, and Longgang Botanical Garden. It is near Longcheng Square Metro station. The project is planned to be developed into an urban complex comprising apartments, commercials and offices. The project is currently a bare land.	352	—	—	1,779,000,000	AV: 6,200–8,000

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12	Lunas Del Mar, Huizhou		The project is located at the seaside of Xunliao Bay, southern cape of Nianping Peninsula, close to Pinghai Town of Huizhou City. Being sandwiched by the 2 coast lines, the project possesses excellent seascape and environment. It will be developed into a low-density resort estate by 4 phases. Phase I is currently under construction whilst Phases II to IV are bare lands.	91, 252, 386	1,821,000,000	1,220,070,000	—	GDV: 985,000,000 AV: 800–1,500 MCP-R: 5,700–19,600 MCP-C: 8,000–25,000 Rent-C: 25–45 CR: 5% for commercial
13	Watercity, Dongguan		The project is located in Daping Village, Tangxia Town, lying on the border of Dongguan and Shenzhen. Surrounded by Big Shield Forest Park, Fairy Lake and Mission Hills Golf Club, the project possesses decent environment and landscape resources and will be developed into a low-density, high-end residential community. The development includes villas, town houses and high-rise apartments and is planned to be developed by 8 phases. Phases I to III and portion of Phase IV are sold out, the remaining portion of Phase IV, and the whole of Phases V and VI are currently under construction whilst Phases VII and VIII are bare lands.	3, 92, 253	3,827,000,000	3,827,000,000	—	GDV: 3,199,000,000 AV: 6,500–8,500 MCP-R: 16,000–45,000
14	Spring Dew Mansion, Dongguan		The project is located at Huanshi East Road, Shitanpu Community, Tangxia Town. It is well-served by public transportation and is surrounded by stores, schools and Liyutang Reservoir. The project is planned to be developed into an urban complex comprising townhouses, apartments and retail buildings by 2 phases. Portion of Phase I is completed and held for sale whilst Phase II and the remaining portion of Phase I are currently under construction.	4, 93	1,031,000,000	525,810,000	—	GDV: 1,654,000,000 MCP-R: 7,500–12,500 MCP-C: 13,000–17,000 MCP-CPS: 80,000–100,000

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15	Jinyu Songhu, Dongguan		The project is located at Gongye North Road of High-tech Technology Park and is well-served by public transportation. It is surrounded by a residential area. The project is planned to be developed into a residential development comprising high-rise residential buildings and retail units. Portion of Phase I is completed and held for sale whilst Phase II and the remaining portion of Phase I are currently under construction.	5, 94	952,000,000	485,520,000	—	GDV: 1,692,000,000 MCP-R: 8,900–9,000 MCP-C: 18,000–21,500 MCP-CPS: 70,000–120,000
16	King Metropolis, Dongguan		The project is located at No. 21 Hongtu Avenue, near the administrative and commercial centre of Dongguan and is well-served by public transportation. The surrounding environment is a residential area. The project is planned to be developed into a residential development comprising high-rise residential buildings and retail stores. Phase I and portion of Phase II are completed and held for sale whilst the remaining portion of Phase II is currently under construction.	6, 95	1,110,000,000	566,100,000	—	GDV: 1,418,000,000 MCP-R: 11,000–12,300 MCP-C: 32,000 MCP-CPS: 100,000
17	Xiangshu Lishe, Dongguan		The project is located at No. 62 Hongtu Avenue, Nancheng District. It is surrounded by residential communities and close to the newly developing zone in Dongguan. The project is planned to be developed into a residential community served with commercial facilities, a kindergarten and a swimming pool by 2 phases. Phase I is sold out whilst Phase II is currently under construction.	96	798,000,000	406,980,000	—	GDV: 1,364,000,000 MCP-R: 11,000–13,000 MCP-C: 25,000–35,000 MCP-CPS: 90,000–110,000

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18	Dream Town, Humen, Dongguan		The project is located at the junction of Xinbada Road and Jinning Avenue in Humen Town of Dongguan City. It is close to Jinggang'ao Expressway and is well served by surrounding facilities. The project is planned to be developed into a residential community which includes townhouses and high-rise residential building and will be served with commercial facilities and a kindergarten. The project is currently a bare land.	254	3,453,000,000	2,071,800,000	—	AV: 4,000–5,000
19	Chang'an Vanke Centre, Dongguan		The project is located at the south of Changqing Road, near the centre of Chang'an Town and the planned Light Rail Station. The surrounding environment is a residential area. The project is planned to be developed into a composite development comprising residential buildings, retail units, shopping malls and office buildings. The project is divided into 4 sections in one phase. Section 1 is completed and held for sale, whilst Sections 2 and 4 are currently under construction and Section 3 is held for investment.	7, 97, 387	2,752,000,000	2,752,000,000	—	GDV: 2,040,000,000 MCP-R: 12,000–14,700 MCP-C: 34,600–46,800 MCP-O: 14,000–16,000 MCP-CPS: 65,000–90,000
20	Jinyu International, Dongguan		The project is located at Guantai Road, Santun Village of Houjie Town. It is near the Chenwu Station of Line R2 of light rail and is well-served by public transportation. The surrounding environment is a residential and industrial area. The project is planned to be developed into a residential development comprising high-rise residential buildings and retail units and shopping malls by 2 phases. Portion of Phase I is sold out, Phase II and the remaining portion of Phase I are currently under construction.	8, 98	1,654,000,000	1,654,000,000	—	GDV: 1,663,000,000 MCP-R: 8,600–8,800 MCP-C: 16,800–23,000 MCP-CPS: 61,500–85,000

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21	Fengjing Huayuan, Guangzhou		The project is located at the west of Baiyun Avenue, near Metro Line 2. It is close to Baiyunshan Scenic Area and Guangzhou Gymnasium, and is well-served with public transportation and facilities. The project is planned to be developed into a residential and commercial community and is currently under construction.	99	2,173,000,000	2,173,000,000	—	GDV: 3,678,000,000 MCP-R: 34,000–40,000 MCP-C: 32,000–40,000 MCP-CPS: 330,000–380,000
22	Land Lot AF020122, Xinlongsha, Guangzhou		The project is located at the northwest corner of Zhujiang Tunnel and Fangcun Avenue, Liwan District. It is close to Fangcun Metro Station and well-served with public facilities. The surrounding environment is a residential area with schools, hospitals and Zuiguan Park. It is planned to be developed into a commercial development and is currently a bare land.	353	—	—	632,000,000	AV: 18,000–24,000
23	Donghui Town, Guangzhou		The project is located at the southwest of Kaitai Avenue and the northeast of Ruihe Road, near the planned Luogang Administrative Centre. The surrounding environment is a residential area. The project is planned to be developed by 4 phases. Phase I was partially completed and held for sale, the remaining portion of Phase I and Phases II to IV are currently under construction.	9, 100	3,253,000,000	1,789,150,000	—	GDV: 5,907,000,000 MCP-R: 14,000–18,000 MCP-C: 42,500–44,500 MCP-O: 14,500–17,000 MCP-CPS: 200,000–250,000

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24	Jinse Yuefu, Guangzhou		The project is located at the north of Dashadi East Road, Huangpu District. It is well-served by public facilities and transportation along the Metro Line 5. The project is planned to be developed by 3 phases comprising residential, commercial and office buildings. Phase I is completed and held for sale whilst Phases II and III are bare lands.	10, 354	52,000,000	52,000,000	955,000,000	AV: 2,500–3,500 MCP-CPS: 180,000–220,000
25	Xinguang City Garden, Guangzhou		The project is located at the southeast corner of Xingnan Avenue and Hanxi Avenue, near the planned CBD of Panyu New Town. The surrounding environment is a residential area supported with schools, hospitals and retail stores. The project is planned to be developed into a large-scale composite community by 5 phases. Phases I to III and portion of Phase IV are completed whilst the remaining portion of Phases IV and V are currently under construction.	11, 101	4,698,000,000	4,698,000,000	—	GDV: 8,056,000,000 MCP-R: 17,000–22,000 MCP-C: 28,000–40,000 MCP-CPS: 150,000–200,000
26	Dream Town, Qingyuan		The project is located at Shijiao Town of Qingyuan City, near 235 Provincial Highway and close to Huadu District of Guangzhou City. The project is located in the rural area hence the public facilities is poor and need further improvement. The project is planned to be developed into a large-scale residential community by multiple phases and will be served with living facilities such as retail, shopping mall and school etc. Phase I and portion of Phase II-1 were completed whist the remaining portion of Phase II-1 and Phases II-2 and III are currently under construction. Phase II-3 and the following phases are bare lands.	12, 102, 255	2,057,000,000	2,057,000,000	—	GDV: 1,948,000,000 AV: 200–300 MCP-R: 41,000–55,000 MCP-C: 12,000–15,000 MCP-CPS: 60,000–90,000

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27	Vanke Huafu, Qingyuan		The project is located at No. 31 Yinquan South Road in Qingyuan City. The project is planned to be developed into a residential community by 2 phases and will be served with a kindergarten. Portion of Phase I is completed and held for sale whist the remaining portion of Phase I and the whole Phase II are currently under construction.	13, 103	745,583,000	745,583,000	—	GDV: 1,866,000,000 MCP-R: 6,500–7,000 MCP-C: 17,000–25,000 MCP-CPS: 80,000–100,000
28	The Paradiso, Foshan		The project is located at No. 11 East Ring Road, the junction of Donghuan Road and Foshan 1st Ring Highway, near the Pingsheng Bridge and Jihua East Road. The project is well-served by public transportation and facilities. On the eastern side of the project, a 40-acre wetland park is being planned. The project is planned to be developed into a large residential community serviced with retail and shopping mall by 3 phases. Phase I and portion of Phase II are completed and held for sale whist the remaining portion of Phase II and Phase III are currently under construction.	14, 104	2,809,000,000	1,544,950,000	—	GDV: 3,006,000,000 MCP-R: 9,400–11,000 MCP-C: 14,000–43,000 MCP-CPS: 265,000–400,000
29	Land Lot B23–24 Finance District C, Foshan		The project is located at the east of Foshan First Ring Road, south of Haiba Road in Foshan Financial District. It is surrounded by residential and commercial communities. The project is planned to be developed into a residential and commercial development and is currently a bare land.	256	3,541,000,000	3,541,000,000	—	AV: 3,600–4,700

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30	Respecte Chateau Plaza, Foshan		The project is located at the northeast corner of Foping Road and Guilan Road in Guicheng Street of Nanhai District. The subject area is known as Qiandeng Lake Financial Tech Zone. The project is served by adequate commercial facilities and convenient public traffic facilities with reasonable walking distance to Chong Lei Gang Station of Metro Line 1 and the station of Metro Line 6 in planning. The project is planned to be developed into a city complex by 3 phases including retail, apartment, office and hotel. Phase I comprises 2 tower buildings which are currently under construction and Phases II and III are bare lands.	105, 257	1,054,000,000	527,000,000	—	GDV: 1,190,000,000 AV: 2,300–3,500 MCP-C: 20,000–26,000 MCP-O: 10,000–12,500 MCP-CPS: 160,000–200,000
31	Binfen Siji, Foshan		This project is located at No. 3 Fochen Road, Chencun Town. It is far away from the city centre but is close to the HSR station of Guangzhou. The surrounding environment is a residential area with retail stores. The project is planned to be developed into a residential and commercial development by 3 phases. Phase I is completed and held for sale whilst Phases II is currently under construction.	15, 106	1,156,000,000	1,156,000,000	—	GDV: 1,377,000,000 MCP-R: 9,000–10,700 MCP-CPS: 165,000–190,000
32	Tianaowan Project, Foshan		The project is located at the north side of Desheng River and is close to the Shunde Government. It is well-supported by public facilities and transportation with good landscape. The project is planned to be developed into a high-end development comprising 3 residential buildings and a shopping mall by 2 phases. Phase I is completed and held for sale whilst Phase II is currently under construction.	16, 107	1,179,000,000	589,500,000	—	GDV: 587,000,000 MCP-R: 21,000–24,000 MCP-C: 15,000–40,000 MCP-CPS: 173,000–195,000

Project No.	Project Name	Photo	Brief Description of the Project	Ref. to Property Nos.	Capital Value in existing state as at Valuation Date *(RMB)*	Capital Value Attributable to the Group as at Valuation Date *(RMB)*	Capital value for reference (for properties without proper title certificates) as at Valuation Date *(RMB)*	Valuation Parameter
33	F06 Project, Foshan		The project is located at the south of Desheng Middle Road, in the Desheng Business District, which is the core area of Shunde. It is near Shengfeng Mountain and Desheng River, which is a friendly environment to develop. The area is also served with Deshun No.1 Middle School and Jia Xin Xi Shan Primary school to provide its residents convenience of living and education. The project is currently a bare land.	258	1,920,000,000	960,000,000	—	AV: 3,500–4,700
34	Vanke Plaza, Foshan		The project is located at the northwest corner of Jihua 5th Road and Lingnan Avenue in the city centre. The project is planned to be developed into a city complex comprising a landmark office building, various high-end service apartments and a fashionable shopping mall by 6 phases. Phase I is completed whilst Phases II, IV and portion of Phase V are currently under construction. Phase III, Phase VI and the remaining portion of Phase V are bare lands.	108, 259	3,320,000,000	2,921,600,000	—	GDV: 2,826,000,000 AV: 4,100–5,000 MCP-R: 13,000–15,000 MCP-C: 15,300–54,000 MCP-O: 12,800–15,300 MCP-CPS: 159,000–185,000
35	Dream Town, Foshan		The project is located at No. 55 Yanjiang Road, in a relatively remote district named Nanzhuang. It enjoys nice natural resources with Shunde Waterway nearby. The project is planned to be developed into a residential and commercial development by 9 phases. Phases I, II and portion of Phase IV are completed and sold out. Portion of Phase VI is completed and held for sale. Phase III, the remaining portion of Phase IV, Phase V, the remaining portion of Phase VI and Phase VII are currently under construction whilst Phases VIII and IX are currently bare lands.	17, 109, 260	1,375,000,000	1,375,000,000	—	GDV: 3,349,000,000 AV: 900–1,100 MCP-R: 7,300–8,500 MCP-C: 11,600–37,600 MCP-CPS: 140,000–165,000

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36	Jinyu International, Foshan		The project is located at the west of Guilan Road and the south of Foping Road, Nanhai District. It is close to Leigang Park and the surrounding environment is a residential area with retail stores. The project is planned to be developed into a complex comprising residential, office and commercial buildings by 3 phases. Portion of Phase I is completed and held for sale. The remaining portion of Phase I and the whole Phase II are currently under construction whilst Phase III is a bare land.	18, 110, 261	2,871,000,000	1,464,210,000	—	GDV: 4,719,000,000 AV: 4,200–5,300 MCP-R: 13,500–16,500 MCP-C: 20,000–59,000 MCP-CPS: 160,000–180,000
37	Glamorous City, Zhuhai		The project is located at No. 26 Baijiao South Road, east of Baijiao Technology Park, Baijiao Town of Doumen District. The surrounding environment is a residential area served with retail stores and public facilities. It is planned to be developed into a residential and commercial development by 2 phases. Portion of Phase I is completed and held for sale, the remaining portion of Phase I is currently under construction whilst Phase II is a bare land.	19, 111, 262	1,125,000,000	1,125,000,000	—	GDV: 1,320,000,000 AV: 2,000–3,000 MCP-R: 7,000–9,000 MCP-CPS: 70,000–90,000
38	City Garden, Zhuhai		The project is located at the junction of Huayang Road and Hongyang Road, Sanzhao Town of Jinwan District. It is near Caotang Bay, Zhuhai International Airport and Liesheng Ecological Leisure Park. The project is planned to be developed into a residential community. The project is currently under construction.	112	918,000,000	468,180,000	—	GDV: 1,433,000,000 MCP-R: 7,000–9,000 MCP-C: 15,000–20,000 MCP-CPS: 100,000–110,000

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39	Golden Home, Zhongshan		The project is located at Dongfu Road, near the People's Government of Dongfeng Town. It is surrounded by residential communities and is well-served with public facilities and transportation. The project is planned to be developed into an urban complex by 2 phases. Phase I is completed and sold out, portion of Phase II is currently under construction and the remaining portion of Phase II is a bare land.	113, 263	827,000,000	827,000,000	—	GDV: 1,202,000,000 AV: 1,000–1,500 MCP-R: 5,500–6,500 MCP-C: 7,000–9,000 MCP-CPS: 70,000–90,000
40	Le Bonheur, Zhongshan		The project is located at the south of Boai 7th Road, Gonghua Village, Huoju District. It is near Agile Golf and Country Club which served with good natural landscape. It is planned to be developed into a residential and commercial development by 2 phases. Phase I is under construction whilst Phase II is a bare land.	114, 264	1,413,000,000	918,450,000	—	GDV: 762,000,000 AV: 1,500–2,500 MCP-R: 7,000–9,000 MCP-C: 12,000–23,000
41	Qingxi Road Project, Zhongshan		The project is located at No. 88 Qingxi Road, east of Qijiang River. It is surrounded by residential communities and well-served with public facilities and transportation. It is close to Yixian Lake Park and Shiqi River. The project is planned to be developed into a residential community. It is currently a bare land.	265	863,000,000	647,250,000	—	AV: 1,500–2,500

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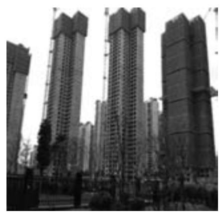
42	Heart of Lake, Xiamen		The project is located at the south of Hubian Reservoir and the north of Lvling Road, Huli District. The environment is a residential area well-served by public transportation and facilities. The project is planned to be developed into an urban high-end residential community by 8 phases. Phases I and II are completed and held for sale, Phase III, portion of Phases IV and V are currently under construction whilst the remaining portion of Phases IV and V, and Phases VI to VIII are bare lands.	20, 115, 266	2,437,000,000	2,437,000,000	—	GDV: 3,512,000,000 AV: 12,000–14,000 MCP-R: 35,000–70,000 MCP-CPS: 200,000–400,000
43	King Metropolis, Xiamen		The project is located at the north of Xinlin East Road, Jimei District, near Xinlin Bridge. The surrounding environment is a residential area. It is close to Yuemeichi Park and Xinglin Bridge. The project is planned to be developed into a large-scale residential and commercial development and is well-served by public transportation. The project is currently under construction.	116, 388	2,473,000,000	2,473,000,000	—	GDV: 3,382,000,000 MCP-R: 13,000–18,000 MCP-C: 25,000–35,000 MCP-CPS: 160,000–250,000
44	Vanke Plaza, Xiamen		The project is located at the northeast corner of Shengguo Road and Jimei North Avenue, near Xiamen North Station. The project is planned to be developed into a city complex comprising residential, commercial, office and hotel buildings by 7 phases. Phase I is currently under construction whilst Phases II to VII are bare lands.	117, 267	2,302,000,000	2,302,000,000	—	GDV: 3,671,000,000 AV: 2,000–3,500 MCP-R: 11,000–17,000

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45	Dream Town, Haicang, Xiamen		The project is located at the northwest corner of Wengjiao Road and Xinyang Bridge, Haicang District. It is close to Orient Golf Country Club and the surrounding environment is a residential area. The project is planned to be developed into a large-scale residential and commercial development. Phases I to III are currently under construction whilst Phases IV to V are bare lands.	118, 268	3,566,000,000	1,426,400,000	—	GDV: 4,093,000,000 AV: 5,000–7,000 MCP-R: 11,000–13,000 MCP-C: 25,000–35,000 MCP-CPS: 110,000–130,000
46	Dream Town, Quanzhou		The project is located at the north of Binjiang Road, near high-speed rail station. It is surrounded by residential communities and well-served with public facilities and transportation. The project is planned to be developed into an urban high-end residential community by 2 phases. Phase I is currently under construction and Phase II is a bare land.	119, 355	779,000,000	467,400,000	773,000,000	GDV: 1,909,000,000 AV: 2,000–3,000 MCP-R: 10,000–12,000 MCP-CPS: 90,000–100,000
47	Dream Town, Zhangzhou		The project is located at Xiangcheng District, near Zhangzhou Normal University and Jiulong River. It is well-served with public facilities and transportation. The project is planned to be developed into a residential community. The project is currently a bare land.	356	—	—	1,948,000,000	AV: 2,000–3,000

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48	Jinyu Rongjun, Fuzhou		The project is located at the east of Fufei North Road and the north of Nanping Road. It is near Qinting Lake and well-served by public transportation. The surrounding environment is a residential area. The project is planned to be developed into a residential development comprising high-rise residential buildings and townhouses with retail units by 3 phases. Phase I is sold out. Phase II is completed and held for sale. 14 blocks of Phase III are currently under construction and the remaining Blocks 18 and 19 of Phases III are currently bare lands.	21, 120, 269	947,000,000	947,000,000	—	GDV: 1,034,100,000 AV: 7,200–8,400 MCP-R: 41,500–43,000 MCP-CPS: 300,000
49	Vanke Plaza, Fuzhou		The project is located at the east of Baima Road, near Xiyang Road Metro Station. The surrounding environment is a residential area supported by retail stores, hospitals and schools. The project is planned to be developed into an urban complex comprising high-rise residential and commercial buildings and office buildings by 2 phases. Phase I is completed and held for sale whilst Phase II is currently under construction.	22, 121, 389	2,486,000,000	2,486,000,000	—	GDV: 2,150,000,000 AV: 3,500–4,700 MCP-R: 20,000–24,000 MCP-C: 75,000–85,000 MCP-CPS: 280,000–300,000
50	Jinyu Garden, Fuzhou		The project is located at the north of Jiangbin Avenue, within the Minjiang North CBD of Fuzhou City. The surrounding environment is a commercial and office area. The project is planned to be developed into a residential development comprising 2 super high-rise residential buildings with retail units. The project is currently under construction.	122	1,911,000,000	1,146,600,000	—	GDV: 3,221,000,000 MCP-R: 22,000–23,000 MCP-C: 28,000–55,000 MCP-CPS: 340,000–370,000

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51	Dream Town, Putian		The project is located at the west of Yingbin Avenue and the north of reconstructed Mulanxi Watercourse. The traffic is not sufficiently convenient. The surrounding environment is an industrial area which will be developed into a new town known as Yuhu New Town. The project is planned to be developed into a residential development comprising high-rise residential buildings, sub high-rise residential buildings and garden houses with retail units by 2 phases. Portion of Phase I is currently for sale whilst Phase II and portion of Phase I are currently under construction.	23, 123	2,610,000,000	2,088,000,000	—	GDV: 3,583,000,000 MCP-R: 8,000–8,400 MCP-C: 21,000–27,000 MCP-CPS: 65,000–85,000
52	Heron Hill, Changsha		The project is located at the east of Pingtang Avenue, south of Jinjianghe Road and west of Xiangjiang River. It is in the core area of Yanghu Zone, Yuelu District. The surrounding environment is a newly planned development zone. The project is planned to be developed into a residential community by multiple phases. Phase I is currently under construction and the remaining phases are bare lands.	124, 270	1,305,000,000	1,305,000,000	—	GDV: 1,953,000,000 AV: 2,200–2,800 MCP-R: 6,700–10,300 MCP-C: 15,000–20,000
53	Jinyuguoji, Changsha		The project is located at the west of Xiaoxiang North Road and the north of Bianzhouwei Road. The surrounding environment is a residential area with schools and hospitals. It is close to Xiangjiang River and Xiangjiang No. 2 Bridge. Served by decent riverview and transportation, the project is planned to be developed into a high-quality residential community in north Changsha and is currently a bare land.	271	1,640,000,000	836,400,000	—	AV: 2,500–3,000

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54	Meixihu, Changsha		The project is located at the eastern side of Meixihu, the largest natural landscape lake in West Changsha. It is near Yuelu Mountain and Xianjia Lake. Served by decent waterview and zoning plan, the project is planned to be developed into a residential community in West Changsha and is currently a bare land.	357	—	—	1,040,000,000	AV: 3,000–3,500
55	Dream Town, Changsha		The project is located at the southeast corner of Furong North Road and Fuyuan Road, Kaifu District. The project is surrounded by several large-scale residential developments and will be developed into an urban complex community by 3 phases. Phase I and portion of Phase II are completed and held for sale. The remaining portion of Phase II and the whole Phase III are currently under construction.	24, 125	808,000,000	565,600,000	—	GDV: 1,353,000,000 MCP-R: 5,100–8,700 MCP-C: 23,300–34,000 MCP-CPS: 50,000–65,000
56	Zitai, Changsha		The project is located at the east of Xiangjiang River, alongside Xiangjiang South Road, south of Nanjiao Park. Served by decent riverview and landscape, the project is planned to be developed into a high-quality residential community in south Changsha by multiple phases. Portion of Phase I is under construction whilst the remaining phases are bare lands.	126, 272	1,500,000,000	1,050,000,000	—	GDV: 1,400,000,000 AV: 4,300–5,300 MCP-R: 11,900–18,200

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57	Forest Holiday Park, Sanya		The project is located at the northern side of Sanya City, near Qiongzhou College Sanya Campus. Sitting at the back of Baopo Mountain and with artificial lake in the front, the project is served with good environmental resources and is planned to be developed into a large-scale, low density resort community by multiple phases. Portion of Phase I has been completed and held for sale, the remaining portion of Phase I, whole Phase II and portion of Phase III are currently under construction whilst the remaining phases are bare lands.	25, 127, 273	2,031,000,000	1,320,150,000	—	GDV: 1,988,000,000 AV: 5,500–6,500 MCP-R: 15,100–34,800 MCP-C: 25,000–30,000
58	Lakeside Holiday Park, Sanya		The project is located at the south of Yingbin Road, in the north of Sanya urban area and next to a reservoir. It is planned to be developed into a residential and commercial community comprises hotel, decorated apartment and retail shops by 3 phases. Phase I and portion of Phase II are currently under construction whilst the remaining portion of Phase II and the whole Phase III are bare lands.	128, 274	3,417,000,000	2,733,600,000	—	GDV: 3,486,000,000 AV: 5,200–6,500 MCP-R: 16,500–27,000 MCP-C: 28,000–32,000
59	Haishang Chuanqi, Shanghai		The project is located at the southeast corner of Middle Ring Road and Hunan Road. It is close to a Metro station which is under construction along Yuqiao Road. The project is surrounded by a residential area with Sanlin Park and Fundazzle Children's Paradise nearby. The project is planned to be developed by 4 phases. Phase I is completed and held for sale. Phase II is currently under construction whilst Phases III and IV are bare lands.	26, 129, 275	3,089,000,000	1,853,400,000	—	GDV: 3,405,000,000 AV: 11,300–11,500 for residential, 3,400–5,800 for commercial MCP-R: 32,000–41,000 MCP-CPS: 90,000–110,000

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60	Golden City, Shanghai		The project is located at the southeast corner of Middle Ring Road and Hunan Road. It is close to a Metro station which is under construction along Yuqiao Road. The project is surrounded by a residential area with Sanlin Park and Fundazzle Children's Paradise nearby. It is planned to be developed into a commercial, office and residential complex by 4 phases. Phase I is currently under construction whilst Phases II to IV are bare lands.	130, 276, 390	2,643,000,000	1,585,800,000	—	GDV: 2,141,000,000 AV: 11,320–11,480 for residential, 5,800–9,700 for commercial MCP-C: 40,000–50,000 MCP-O: 25,000–30,000 MCP-CPS: 80,000–100,000
61	Feicui Bingjiang Project, Shanghai		The project is located at the south of Changyi Road and the north of Pudong Avenue. It is near Metro Line 6 and Huangpu River and is well-served with public transportation. The project is planned to be developed into a residential and commercial community. The project is currently under construction.	131, 391	6,692,000,000	5,019,000,000	—	GDV: 10,343,000,000 MCP-R: 60,000–65,000 MCP-C: 55,000–65,000 MCP-O: 50,000–60,000 MCP-CPS: 350,000–400,000
62	Binjiang Project, Shanghai		The project is located at the north of Changyi Road and the east of Pudong Avenue. It is near Metro Line 6 and Huangpu River and is served with public transportation. The project is planned to be developed into a residential and commercial community. The project is currently a bare land.	277	1,994,000,000	1,994,000,000	—	AV: 22,000–27,000

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63	New City Garden, Shanghai		The project is located at the west of Zhongchun Road, east of Huabao Road. It is close to Qibao Old Town and a Metro station. The surrounding environment is a newly developed residential area. The project is planned to be developed by 5 phases. Portion of Phases I to IV are completed and held for sale, portion of Phase IV is currently under construction whilst the remaining portion of Qibao International is a bare land.	27, 132, 278	2,424,000,000	1,236,240,000	—	GDV: 2,163,000,000 AV: 12,000–16,000 for residential, 6,800–7,500 for commercial MCP-R: 32,000–34,000 MCP-C: 27,000–30,000 MCP-O: 28,000–31,000 MCP-CPS: 95,000–100,000
64	Southern portion of Land Lot No. 03, Shanghai Hongqiao Business District Core District Phase I		The project is located at west of Shenhong Road and the east of Shenchang Road in the centre area of Hongqiao Trading Zone. It is close to Shanghai Hongqiao Railway and Hongqiao Airport Terminal 2. The project is planned to be developed into an urban complex and is currently under construction.	392	2,553,000,000	1,276,500,000	—	GDV: 5,704,000,000 Rent-C: 230–250 Rent-O: 190–200 CR: 6% for commercial, 5% for office
65	Project No. 11, Hongqiao, Shanghai		The project is located at the west of Rongmei Road, the south of Yinze Road and the north of Taihong Road, in the centre of Hongqiao Trading Zone. It is close to various universities and parks. The project is planned to be developed into a residential community. Portion of the project is currently under construction whilst the remaining portion is a bare land.	133, 279, 393	3,345,000,000	2,040,450,000	—	GDV: 4,545,000,000 AV: 15,000–20,000 MCP-R: 34,000–37,000 MCP-C: 33,000–36,000 MCP-O: 30,000–32,000 MCP-CPS: 80,000–100,000

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66	Dream Town, Shanghai		The project is located at the east of Huaning Road and the north of Yinchun Road in Maqiao Town. It is about 10 minutes drive to Minhang Metro station. The surrounding environment is a newly developed residential area. The project is planned to be developed into an urban complex and is currently under construction.	134	5,427,000,000	3,798,900,000	—	GDV: 9,954,000,000 MCP-R: 18,000–20,000 MCP-C: 25,000–30,000 MCP-CPS: 80,000–100,000
67	Nanzhan Business District Land Lot, Shanghai		The project is located at the west of Humin Road, the south of Dingan Road, the east and the north of public green facility in Xujiahui District. It is close to South Shanghai Railway Station. The project is planned to be developed into an urban complex by 3 phases. Phase I is currently under construction whilst Phases II and III are bare lands.	135, 358	1,833,000,000	934,830,000	4,963,000,000	GDV: 3,895,000,000 AV: 13,000–16,000 MCP-C: 45,000–60,000 MCP-O: 28,000–38,000
68	14# Songjiang Business District, Shanghai		The project is located at the south of Yinze Road and the east of Guangxin Road, Songjiang Business District. It is near Shanghai MTR Line 9. The project is planned to be developed into a residential and commercial development and is currently under construction.	136	1,891,000,000	1,134,600,000	—	GDV: 3,173,000,000 MCP-R: 20,000–23,000 MCP-C: 26,000–30,000

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69	The Paradiso, Nantong		The project is located at the east of North Street and the north of Yongyi Road, Gangzha District. It is near Nantong Beiyi New City and is well served by commercial facilities. The project is planned to be developed by 2 phases. Phase I is completed and held for sale whilst Phase II is currently under construction.	28, 137	845,000,000	464,750,000	—	GDV: 1,350,000,000 MCP-R: 8,300–8,500 MCP-C: 17,000–18,000 MCP-O: 75,00–8,800 MCP-CPS: 60,000–80,000
70	Rengang Road Land Lot, Nantong		The project is located at the south of Rengang Road and the west of ZhanSheng River, Chongchuan District. It is near Nantong New City and is well served by commercial facilities. The project is planned to be developed by 2 phases. The project is currently under construction.	138	709,000,000	709,000,000	—	GDV: 1,260,000,000 AV: 2,200–2,600 MCP-R: 8,300–8,500 MCP-CPS: 60,000–80,000
71	The Paradiso, Nanjing		The project is located at Qingshuiting East Road, near Xiaolongwan Metro Station and Fangshan Scenic Area. The surrounding environment is a residential area with public facilities and retail stores. The project is planned to be developed into a large-scale residential and commercial community by 4 phases. Phases I and II are completed and held for sale. Phases III and IV are currently under constriction.	29, 139	2,348,000,000	2,348,000,000	—	GDV: 3,747,000,000 MCP-R: 16,000–18,800 MCP-C: 28,000–30,000 MCP-CPS: 100,000–120,000

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72	Respecte Chateau, Nanjing		The project is located at the west of Hudong North Road, the east of Shoujing Road, the south of Jingtian Road and north of Wangyue Road in Qixia District. The project is close to Qixiashan Scenic Area and is well-served by public transportation. The project is planned to be developed by 2 phases and is currently under construction.	140	1,599,000,000	1,599,000,000	—	GDV: 1,873,000,000 MCP-R: 13,000–14,000 MCP-CPS: 90,000–100,000
73	Golden Hill, Nanjing		The project is located at the west of Caiba Road and the south of Yanshan Avenue, Pukou District. It is near Laoshan National Forest Park and subway Line 10. The project is planned to be developed into a residential and commercial development and is currently under construction.	141	836,000,000	836,000,000	—	GDV: 1,211,000,000 MCP-R: 11,000–13,000 MCP-C: 20,000–24,000 MCP-CPS: 60,000–70,000
74	Jiuduhui, Nanjing		The project is located at the east of Software Valley Station Road, the west of Zhandong Road, north of Zhanqian Road and the south of Zhanqian 3rd Road, near Nanjing south railway station. The project is surrounded by a residential area served by commercial facilities, office and public transportation. The project is planned to be developed by 2 phases. Portion of Phase I is currently under construction whilst the remaining portion of Phase I and the whole Phase II are currently bare lands.	142, 280	2,684,000,000	2,147,200,000	—	GDV: 550,000,000 AV: 13,000–15,000 MCP-R: 19,000–22,000 MCP-C: 30,000–35,000 MCP-O: 20,000–23,000 MCP-CPS: 90,000–100,000

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75	Blue Mountain Garden, Zhenjiang		The project is located at Jiuhuashan Road, next to Zhenjiang Nanshan Mountain Scenic Area. The project is planned to be developed into a residential development by 5 phases. Phase II is sold out. Phase I is completed and held for sale. Portion of Phase III is under construction whilst the remaining portion of Phase III, Phases IV and V are bare lands.	30, 143, 281	1,406,000,000	843,600,000	—	GDV: 628,000,000 AV: 3,600–4,200 MCP-R: 11,000–13,000 MCP-C: 14,000–16,000 MCP-CPS: 80,000–90,000
76	Nimble Bay, Suzhou		The project is located at the north of Xiandai Avenue and the west of Linglong Street, Wuzhong District. It is near Jinji Lake with good natural landscape. It is planned to be developed into a residential and commercial development by 3 phases. Phases I, II and portion of Phase III are completed whilst the remaining portion of Phase III is under construction.	31, 144	1,264,000,000	884,800,000	—	GDV: 2,060,000,000 AV: 5,200–6,000 MCP-R: 25,000–32,000 MCP-CPS: 150,000–200,000
77	Golden Paradise, Suzhou		The project is located at the south of Jinjihu Road and the east of Donghuan Road. The surrounding environment is a residential area. 2 remaining unsold residential units and 86 remaining unsold carpark spaces are completed and held for sale, a shopping mall is held for investment whilst a hotel is held and occupied by the Group.	32, 394, 403	1,196,000,000	1,100,320,000	—	MCP-R: 30,000–32,000 MCP-C: 30,000–40,000 MCP-CPS: 100,000–120,000 Rent-C: 120–150 CR: 4.5% for commercial

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78	Dream Town, Suzhou		The project is located at the south of Gusu Road and the east of Lingshan Road, Wuzhong district. It is close to Xujiang River. The project is planned to be developed into a residential and commercial development by 2 phases. Portion of Phase I is currently under construction whilst the remaining portion of Phase I and the whole Phase II are bare lands.	145, 282	2,463,000,000	1,354,650,000	—	GDV: 2,000,000,000 AV: 4,300–4,900 MCP-R: 11,000–12,000 MCP-C: 18,000–23,000 MCP-CPS: 35,000–45,000
79	VC Small Town, Suzhou		The project is located at the north of Anyuan Road and the east of Yuyao Road of Xiangcheng District. It is surrounded by residential communities, close to a river and Yuanhe Park. The project is planned to be developed into a residential and commercial development by 2 phases. Portion of Phase I is currently under construction whilst the remaining portion of Phase I and the whole Phase II are bare lands.	146, 283	2,580,000,000	1,315,800,000	—	GDV: 687,000,000 AV: 5,400–7,600 MCP-R: 12,000–13,000 MCP-C: 20,000–25,000 MCP-CPS: 35,000–50,000
80	Glamorous Garden, Kunshan		The project is located at the south of Binjiang Road and the east of Jishan Road, Kunshan City. It is near Shanghai MTR Line 11. The project is planned to be developed into a residential and commercial development by 2 phases. Phase I is currently under construction whilst Phase II is a bare land.	147, 284	1,915,000,000	1,761,800,000	—	GDV: 3,262,000,000 AV: 1,700–1,800 MCP-R: 8,500–10,500 MCP-CPS: 35,000–50,000

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81	Glamorous City, Wuxi		The project is located at the east of Lihu Avenue, the south of Zhouxin West Road, north of Gaolang Road and the west of Hubin Road, Tai Lake New District. The project is planned to be developed by 4 phases. Portion of Phases I and II are completed and held for sale, Phase III is currently under construction whilst Phase IV is a bare land.	33, 148, 285	2,951,000,000	1,770,600,000	—	GDV: 2,067,000,000 AV: 3,900–5,600 MCP-R: 12,000–14,000 MCP-C: 22,000–25,000 MCP-CPS: 45,000–55,000
82	The Paradiso, Wuxi		The project is located at the northeast corner of Hubin Road and Liangxi Road. It is close to Liangxi River and Huishan Forest Park. The project is planned to be developed into a high-end city complex by 4 phases. Phase I and portion of Phase II are completed and held for sale, the remaining portion of Phase II and portion of Phase III are currently under construction whilst the remaining portion of Phase III and Phase IV are bare lands.	34, 149, 286	1,521,000,000	1,521,000,000	—	GDV: 998,000,000 AV: 3,800–4,300 MCP-R: 18,000–21,000 MCP-C: 20,000–30,000 MCP-O: 16,000–20,000 MCP-CPS: 70,000–90,000
83	Xincheng Road, Wuxi		The project is located at the south of Gaolang Road, the east of Xincheng Avenue, the north of Guanshan Road and west of Guanshun Road, Binhu District. It is near Wuxi Taihu Gezhi Middle School, Jinkui Park and is well-served with public transportation. The project is planned to be developed into a high-end residential community served with retail units and shopping mall by 3 phases. Phase I is completed and held for sale, portion of Phase II is currently under construction whilst the remaining portion of Phase II and the whole Phase III are bare lands.	35, 150, 287	2,894,000,000	2,894,000,000	—	GDV: 2,661,000,000 AV: 3,900–5,600 MCP-R: 12,000–13,000 MCP-C: 22,000–25,000 MCP-CPS: 40,000–60,000

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84	Golden Paradise, Wuxi		The project is located at the junction of Changjiang North Road and Hongyuan Road. The surrounding environment is a residential area. The project is planned to be developed into a residential and commercial development by 3 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phases III and IV are bare lands.	36, 151, 288	2,426,000,000	2,426,000,000	—	GDV: 1,953,000,000 AV: 2,700–2,800 MCP-R: 10,000–11,500 MCP-C: 25,000–35,000 MCP-CPS: 90,000–110,000
85	Dream Town, Yangzhou		The project is located at the junction of Yangzijiang Road and Yinghua Avenue. It is close to Slender West Lake and Shugang Xifeng Park. It is planned to be developed into a residential and commercial development by 4 phases. Phases I and portion of Phase II are completed and held for sale, the remaining portion of Phase II, portion of Phases III and IV are under construction whilst the remaining portion of Phases III and IV are bare lands.	37, 152, 289	1,300,000,000	845,000,000	—	GDV: 1,688,000,000 AV: 2,600–3,500 MCP-R: 10,000–16,000 MCP-C: 15,000–19,000 MCP-CPS: 70,000–90,000
86	Dream Town, Xuzhou		The project is located at the east of Pinshan Road and the west of Tianqi Road, Gulou District. It is surrounded by a residential area and close to Shahu Mountain. The project is planned to be developed into a city complex, which comprises residential apartments and commercial facilities. The project is partially currently under construction whilst the remaining portion is a bare land.	153, 290	1,227,000,000	1,227,000,000	—	GDV: 2,509,000,000 AV: 800–900 MCP-R: 6,000–7,500 MCP-C: 15,000–18,000 MCP-CPS: 70,000–130,000

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87	Huaihai West Road Project, Xuzhou		The project is located at Huaihai Road Extension, close to Yunlong Lake, Gulou District. It is near Yunlong Lake with good landscape. It is expected to prosper local commercial activities and residential environment once Huihai Extension Project is implemented. The project consists of three parcels of land which are separated by roads. All of them are currently bare lands.	291, 359	905,000,000	769,250,000	1,311,000,000	AV: 1,800–2,400
88	Liangzhu Cultural Village, Hangzhou		Hangzhou Liangzhu New Town is located at Liangzhu Town, close to Liangzhu Relic Reserve and 104 National Road. It is planned to be developed into a large-scale residential, commercial and tourism development. 8 projects of Vanke are planned to be developed known as Bai Lu Jun, Qi Xian Jun, Golden Shore, Yu Niao Liu Su, Sui Yuan Jia Shu, Tang Qian, Qiu He Fang and Tan Mei Li. The 8 projects are partially completed and held for sale, partially under construction, partially held for investment, partially held and occupied by the Group and remaining parts are bare lands.	38, 154, 292, 395, 404	7,955,000,000	7,955,000,000	—	GDV: 5,212,000,000 AV: 1,500–5,500 for residential, 1,300–2,000 for tourism MCP-R: 9,000–50,000 MCP-CPS: 30,000–150,000 Rent-C: 3–90 CR: 4.5%-5.0% for commercial, 10% for hotel
89	Beichenzhiguang, Hangzhou		The project is located at the west of Tongyi Road and the south of Tongyun Road, Liangzhu Street, Yuhang District. The surrounding environment is a residential area with retail stores. The project is planned to be developed into a residential community and is currently under construction.	155	2,074,000,000	1,037,000,000	—	GDV: 4,545,000,000 MCP-R: 15,000–19,000 MCP-C: 25,000–30,000 MCP-CPS: 120,000–140,000

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90	Xilu, Hangzhou		The project is located at the northwest corner of Wenyi West Road and Chongyi Road in Hangzhou City. It is located in the Xixi residential area and is close to Xixi Wetland Park. The project is planned to be developed into a residential community and will be served with commercials and a kindergarten. The project is currently under construction.	156	2,015,000,000	1,027,650,000	—	GDV: 3,893,000,000 MCP-R: 17,000–32,000 MCP-C: 31,000–37,000 MCP-CPS: 120,000–180,000
91	Caozhuang, Hangzhou		The project is located at the east of Airport Road and the west of Tongxie Road, Jianggan District. It is well-served with public transportation and facilities. The surrounding environment is a residential area supported by retail stores and a public park. The project is planned to be developed by 2 phases. Phase I is completed and held for sale whilst Phase II is currently under construction.	39, 157	1,256,000,000	1,256,000,000	—	GDV: 1,285,000,000 MCP-R: 21,000–27,000 MCP-C: 33,000–38,000 MCP-CPS: 140,000–180,000
92	Zitai, Hangzhou		The project is located at the junction of Desheng Road and Beitang Road in Jianggan District of Hangzhou City. It is surrounded by residential communities and is served with convenient traffic. The project is planned to be developed into a residential community served with retail units. The project is currently under construction.	158	1,321,000,000	1,321,000,000	—	GDV: 2,209,000,000 MCP-R: 20,000–25,000 MCP-C: 27,000–32,000 MCP-CPS: 70,000–90,000

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93	Qinjiang New Town, Hangzhou		The project is located at No. 478 Hanghai Road, in a newly developed CBD zone of Qianjiang New Town in Hangzhou. It is close to Qiantang River and Jinghang Canal. The surrounding environment is a residential area. It is planned to be developed into a residential and commercial complex and is currently a bare land.	360	—	—	1,816,000,000	AV: 17,000–22,000
94	Puyuewan, Hangzhou		The project is located at Binwen Road, the south of Qiantangjiang Bridge, Binjiang District. It is near Qiantang River. The surrounding environment is a residential area. The project is planned to be developed into a residential community and is currently under construction.	159	2,008,000,000	1,204,800,000	—	GDV: 3,754,000,000 MCP-R: 18,000–23,000 MCP-C: 25,000–35,000 MCP-CPS: 120,000–140,000
95	Gongwang, Hangzhou		The project is located at Jiangbin East Avenue, Huanggongwang Village, Dongzhou Street, Fuyang County-level City, the north to Huanggongwang Forest Park and the south to Fuchun River branch. The project possesses decent environmental and landscape resources and will be developed into a low-density, high-end residential community. The product line includes villas and high-rise apartments. It is planned to be developed by 7 phases. Phases I and II are sold out, Phase III and portion of Phase IV are completed and held for sale, the remaining portion of Phase IV is currently under construction whilst Phases V to VII are bare lands.	40, 160, 293	3,085,000,000	3,085,000,000	—	GDV: 805,000,000 AV: 7,500–9,500 MCP-R: 52,000–61,000

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96	Yunluwan, Ningbo		The project is located at the junction of Suiyuan Street and Hubin Ring Road, near Sunhu Lake. The project is surrounded by a residential area and is close to Cicheng Middle School. The project is planned to be developed into a residential community by 3 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phase III is a bare land.	41, 161, 294, 361	2,564,000,000	2,564,000,000	621,000,000	GDV: 2,137,000,000 AV: 4,700–6,000 MCP-R: 11,000–18,000 MCP-C: 23,000–28,000 MCP-CPS: 70,000–100,000
97	Jinyu International, Ningbo		The project is located at the junction of Chengxin Road and Zicheng Road, Xiaying Street, Yinzhou District. It is near Jinxian Main Road, East Songjiang Road and Qianhu Road. The project is about 1 kilometer to Wangda Square and served with public facilities and transportation. The project is currently under construction.	162	835,000,000	459,250,000	—	GDV: 1,155,000,000 MCP-R: 15,000–18,000 MCP-C: 28,000–32,000 MCP-CPS: 100,000–120,000
98	Jiangdong Mansion, Ningbo		The project is located at the south of Yaoai Road, the east of Ningxu Road and the west of Xurong Road. It is only about 1 kilometer to Sanjiangkou and about 3.5 kilometer to East New City with convenient public facilities and transportation. The project is planned to be developed into a high-end residential community. The project is currently under construction.	163	1,835,000,000	1,835,000,000	—	GDV: 3,227,000,000 MCP-R: 19,000–23,000 MCP-C: 35,000–45,000 MCP-CPS: 120,000–150,000

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99	Park Avenue, Ningbo		The project is located at the south of Mingzhu Road and the east of Canghai Road. It is only about 3 kilometers to several supermarkets and shopping malls, is served with schools, retail stores and public facilities and public transportation. The project is planned to be developed into a residential community. The project is currently under construction.	164	1,182,000,000	905,176,000	—	GDV: 1,978,000,000 MCP-R: 16,000–20,000 MCP-C: 25,000–35,000 MCP-CPS: 100,000–120,000
100	Longwan Golden, Wenzhou		The project is located at the junction of Ouhai Avenue and Longjiang Road, Longwan District. It is close to district government, Wanda Square and Huangshi Mountain. It is well-served by public transportation and nature environment. The project is planned to be developed into a residential community. Southern lot of the project (Site A-09) is completed and held for sale whilst northern lot (Site A-02) is currently under construction.	42, 165	2,877,000,000	1,726,200,000	—	GDV: 2,877,000,000 MCP-R: 23,000–40,000
101	Jinyuzhongyang, Wenzhou		The project is located at Ouhai Avenue, Ouhai District. It is close to Sanyang Wetland, and a Metro station is under construction along Ouhai road. The project is also close to Wenzhou MIXC which is under construction. The project is planned to be developed into a residential community with retail facilities which is currently under construction.	166	2,591,000,000	1,554,600,000	—	GDV: 2,591,000,000 MCP-R: 25,000–28,000 MCP-C: 37,000–42,000

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102	Dream Town, Hefei		The project is located at the southwest corner of Wuhan Road and Sichuan Road, Binhu New District. The surrounding environment is a newly-developed residential area. It is well-served by public transportation and a Metro station is under construction along Huizhou Avenue. The project is planned to be developed by 2 phases. Portion of Phase I is completed and held for sale. The remaining portion of Phase I and portion of Phase II are currently under construction whilst the remaining portion of Phase II is a bare land.	43, 167, 295	1,715,000,000	943,250,000	—	GDV: 1,871,000,000 AV: 2,400–2,900 MCP-R: 7,000–9,000 MCP-C: 15,000–25,000
103	Blue Mountain Garden, Hefei		The project is located at the southeast corner of Luzhou Avenue and Ziyun Road, Binhu New District. The surrounding environment is a newly-developed residential area. It is well-served by public transportation and a Metro station is under construction along Luzhou Avenue. The project is planned to be developed by 4 phases. Portion of Phase I is completed and held for sale, The remaining portion of Phase I, the whole Phase II and portion of Phase III are currently under construction whilst the remaining portion of Phase III and Phase IV are bare lands.	44, 168, 296	2,264,000,000	1,245,200,000	—	GDV: 4,552,000,000 AV: 2,900–4,400 MCP-R: 8,500–9,800 MCP-C: 15,000–25,000 MCP-CPS: 90,000–110,000
104	Forest Park, Hefei		The project is located at the southwest corner of Dangshan Road and Silihe Road, Luyang District. It is surrounded by a traditional residential area and is close to Hefei Botanical Garden. The project is planned to be developed into a residential and commercial community by multiple phases. Phase I is currently under construction whilst other Phases are bare lands.	169, 362	1,979,000,000	1,979,000,000	3,576,000,000	GDV: 2,564,000,000 AV: 2,900–4,400 MCP-R: 8,000–9,500 MCP-C: 15,000–25,000 MCP-CPS: 90,000–110,000

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105	Dream Town, Wuhu		The project is located at the northeast corner of Chizhushan Road and Zhongjiang Avenue, Jiujiang District. The surrounding environment is a newly-developed residential area. The project is planned to be developed by 4 phases. Portion of Phases I is completed and held for sale. The remaining portion of Phase I, Phase III and portion of Phase IV are currently under construction whilst Phases II and the remaining portion of Phase IV are bare lands.	45, 170, 297	1,491,000,000	1,491,000,000	—	GDV: 988,000,000 AV: 1,560–2,000 MCP-R: 5,500–14,000 MCP-C: 15,000–25,000 MCP-CPS: 60,000–80,000
106	Dream Town, Nanchang		The project is located at the south of Shunwai Road, the east of Yueguanghu Road, the west of Guangyang Road and the north of Tianxiang 1st Road. It is near 3 public parks with good landscape served with schools, retail stores and public facilities and transportation. The project is planned to be developed into a residential and commercial development by 4 phases. Phase I is completed and held for sale. Phases II and III are currently under construction whilst Phases IV is a bare land.	46, 171, 298	1,642,000,000	533,650,000	—	GDV: 1,929,000,000 AV: 2,700–3,500 MCP-R: 8,000–12,000 MCP-C: 14,000–21,000 MCP-CPS: 70,000–120,000
107	Haishang Chuanqi, Nanchang		The project is located at the east of Huichang Road and the south of Chengdong Road, High-tech District. It is in the core area of North Aixi Lake Road served with commercial areas, business and public facilities and public transportation. The project is planned to be developed into a residential and commercial development by 2 phases. Phase I is currently under construction whilst Phase II is a bare land.	172, 299	1,125,000,000	562,500,000	—	GDV: 2,515,000,000 AV: 1,800–2,500 MCP-R: 9,000–13,000 MCP-C: 14,000–21,000 MCP-CPS: 70,000–120,000

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108	Times Plaza, Nanchang		The project is located at the south of Xiangjiang Road, the east of Fenghuang Road, the west of Diezihu Road and the north of Lushan Road.It is close to "Red valley beach CBD" and has good supporting facilities.The project is planned to be developed into a residential and commercial development by 3 phases. Phases I to III are currently bare lands.	300	1,297,000,000	389,100,000	—	AV: 3,700–4,700
109	Ruyuan C3, Beijing		The project is located at Xibeiwang Town, Haidian District. It is close to Baiwangshan Forest Park and is surrounded by a residential area with retail stores and public park. The project is planned to be developed into an urban residential community. Portion of the project is completed and held for sale whilst the remaining portion is currently under construction.	47, 173	1,206,000,000	603,000,000	—	GDV: 1,701,000,000 MCP-R: 25,000–52,000
110	The Metropolis, Beijing		The project is located at the southeast corner of Guomao Bridge on East 3rd Ring Road, close to Beijing Guomao CBD. The project is a reconstruction of an office building. It had been refitted into a commercial and residential building. The project is completed and held for sale.	48	900,000,000	900,000,000	—	MCP-R: 62,000–108,000 MCP-CPS: 300,000–330,000

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111	No. 77 Beihe Yanjia, Beijing		The project is located at Dongcheng District, close to Beijing Palace Museum. The project is a reconstruction of an old building. It had been refitted into a high-grade residential building. The project is completed and held for sale.	49	1,522,000,000	1,521,998,000	—	MCP-R: 110,000–150,000
112	Land Lots 005, 008, 009 Park Avenue, Beijing		The project is located at Taihu of Tongzhou District. It is near Jingjin Expressway served with public transportation and facilities. The project is planned to be developed into a city complex which comprises commercial, office and residential, and is currently a bare land.	363	—	—	1,313,000,000	AV: 9,500–13,000
113	King Metropolis, Beijing		The project is located at the north of Xi'erqi North Road, between G6 Jingzang Expressway and G7 Jingxin Expressway, Changping District. It is surrounded by a residential area and close to Zhongguancun Software Park and Qinghe Bay Golf. The project is planned to be developed by 5 phases. Phase I has been completed. Only a residential unit and several underground car parking spaces and storerooms in Phase I are available for sale, Phases II and III are currently under construction whilst Phases IV and V are bare lands.	50, 174, 301	4,194,000,000	2,097,000,000	—	GDV: 5,464,000,000 AV: 10,000–13,500 MCP-R: 31,500–33,500 MCP-C: 40,000–42,000 MCP-O: 27,000–29,000 MCP-CPS: 150,000–170,000

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114	Yunwan Jiayuan, Beijing		The project is located at the west of Changzhou Road, the east of Jiner Road and the north of Weiwu Road in Changyang Town, Fangshan District. It is next to Changyang Metro station and Changyang Sports Park. The surrounding environment is a high-density residential area. The project is planned to be developed into an urban residential community by 2 phases. Phase I is currently under construction whilst Phase II is a bare land.	175, 302	1,793,000,000	896,500,000	—	GDV: 1,813,000,000 AV: 9,500–10,000 MCP-R: 17,000–18,500 MCP-CPS: 120,000–140,000
115	Xingfuhui, Beijing		The project is located at centre of Doudian Town, Fangshan District. The surrounding environment is a residential area with retails and a supermarket. The project is planned to be developed into an urban residential community by 2 phases. Portion of Phase I is completed and held for sale whilst the remaining portion of Phase I and Phase II are currently under construction.	51, 176, 396	957,907,000	651,377,000	—	GDV: 1,059,000,000 AV: 4,000–6,000 MCP-R: 13,000–14,000 MCP-CPS: 90,000–100,000 Rent-C: 70–80 CR: 4.5% for commercial, 8–9% for elderly apartment
116	Golden Paradise, Beijing		The project is located at Changyang Town, Fangshan District. It is near Daotian Metro Station, forest park and 2 golf clubs. The surrounding environment is a residential area well-served with public facilities and public transportation. The project is planned to be developed into an urban residential community by 2 phases. Phase I is currently under construction whilst Phase II is a bare land.	177, 303	1,728,000,000	691,200,000	—	GDV: 2,648,000,000 AV: 8,000–12,000 MCP-R: 25,000–27,000 MCP-O: 18,000–20,000 MCP-CPS: 150,000

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117	Jinyu Park, Beijing		The project is located at the south of Jingliang Road and the north of Mengniu River, Changyang Town, Fangshan District and is well-served by public transportation. It is within easy walking distance to Metro stations. The project is surrounded by a friendly environment such as wetland and forest parks and a golf club. It is planned to be developed into an urban residential community and is currently under construction.	178	1,075,000,000	548,250,000	—	GDV: 1,502,000,000 MCP-R: 26,500–28,500 MCP-CPS: 120,000–140,000
118	Spring Dew Mansion, Beijing		The project is located at the north of Dongma Road of Jiugong Town, Daxing District. It is close to Jiugong Metro Station and Liangshui River. The project is planned to be developed into an urban residential community by 2 phases. Phases I and II are currently under construction.	179, 397	3,077,000,000	1,538,500,000	—	GDV: 3,333,000,000 MCP-R: 25,000–29,000 MCP-C: 16,500–19,000 MCP-O: 17,000–19,000 MCP-CPS: 140,000–160,000 Rent-C: 120–150 CR: 6.5% for commercial
119	Eastern Metropolis, Beijing		The project is located at the south of Huangyi Road in Yizhuang. It is near No. 104 National Road and Jingkai Expressway. The project is planned to be developed into a residential development and is currently under development.	180	2,401,000,000	1,200,500,000	—	GDV: 4,739,000,000 MCP-R: 34,000–35,000 MCP-C: 40,000–41,000 MCP-CPS: 110,000–130,000

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120	Vanke Cheng, Beijing		The project is located at the northeast corner of Daxing Biological Medicine Base, Beizang Town, Daxing District. It is near Jingkai Expressway served with public transportation and facilities. The project is planned to be developed into a residential development and is currently under development.	181	1,360,000,000	680,000,000	—	GDV: 2,715,000,000 MCP-R: 20,000–22,000 MCP-C: 40,000–50,000 MCP-CPS: 140,000–150,000
121	Shoukai Vanke Centre, Beijing		The project is located at Daxing District. It is near Jingkai Expressway and is served with public transportation and facilities. The project is planned to be developed into a city complex, which comprises commercial, office and hotel. The project is currently a bare land.	364	—	—	1,210,000,000	AV: 9,000–10,000
122	Waterfront, Tianjin		The project is located at the south of Donglizhiguang Avenue, Dongli District. The project is close to Dongli-Lake Holiday Village and has been developed for about 10 years with low-density apartments, commercial and complex buildings by 9 phases. Phase VIII is completed and sold out. Phases I to V and portion of VI are completed and held for sale, the remaining portion of Phases VI and IX are currently under construction whilst portion of Phase VII is bare land.	52, 182, 304, 398	3,392,000,000	3,392,000,000	—	GDV: 1,390,000,000 AV: 2,500–3,000 MCP-R: 5,700–20,000 MCP-C: 5,000–10,000 MCP-CPS: 14,000–15,000

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123	King Metropolis, Tianjin		The project is located at the north of Jintang Road and the east of Xunhai Road, Dongli District. It is well-served by schools, hospitals, public parks and public transportation. The project is planned to be developed into a residential development by multiple phases. Phases I and II are currently under construction whilst the remaining phases are reserved as bare lands for future development.	183, 305	1,327,000,000	676,770,000	—	GDV: 1,814,000,000 AV: 2,500–3,200 MCP-R: 9,200–18,000
124	Wonderland, Tianjin		The project is located at the west of Wenyuan Road, Zhangjiawo area of Xiqing District. It is near the Campus Town and Huayuan Technical Town. The project is planned to be developed into a residential development. Portion of the project is under construction whilst the remaining portion is a bare land.	184, 365	1,244,000,000	634,440,000	1,274,000,000	GDV: 2,895,000,000 AV: 4,000–5,000 MCP-R: 8,800–16,000
125	Harbor, Tianjin		The project is located at the west of Yuejin Road, the north of Hangyun 5th Road, the east of Haibin Avenue and the south of Hangyun 6th Road, in Binhai New Area of Tianjin. It is near Taida Fashion Plaza and well served by public facilities. It is planned to be developed into a residential and commercial development by 3 phases. Phase I and portion of Phase II are completed and held for sale. The remaining portion of Phase II is under construction. Phase III is a bare land.	53, 185, 366	812,000,000	414,120,000	258,000,000	GDV: 1,146,000,000 AV: 3,500–4,000 MCP-R: 7,700–15,000 MCP-C: 9,000–28,000 MCP-CPS: 50,000–90,000

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126	East Coast, Tianjin		The project is located at the south of Neimeng Road, the west of Guanglan Road, the north of Juhua Road and the east of Ouzhou Road, Dongjiang Bonded Port Area. It is surrounded by a newly developed zone. It is planned to be developed into a residential and commercial development by 3 phases. Phase I is currently under construction whilst Phases II and III are bare lands.	186, 306, 367	1,057,000,000	1,057,000,000	191,000,000	GDV: 253,000,000 AV: 1,500–3,000 MCP-R: 8,100–14,000
127	Park Residence, Meijiang, Tianjin		The project is located at Jiefang South Road, Xiqing District. It is close to Ziyun Park and Taifeng Park and is served with public facilities and transportation. It is planned to be developed into a residential and commercial community. Portion of the project is under construction whilst the remaining portion is a bare land.	187, 307	1,760,000,000	1,408,000,000	—	GDV: 1,634,000,000 AV: 12,000–14,000 MCP-R: 23,000–27,000 MCP-C: 30,000–37,000 MCP-CPS: 90,000–110,000
128	Dream Town, Shenyang		The project is located at No. 58 West Zhangbai Road, in the core area of Heping District. It is surrounded by residential communities and well-served with public facilities and transportation. The project is planned to be developed into an urban residential and commercial complex by 3 phases. Phase I and portion of Phase II are completed and held for sale whilst the remaining portion of Phase II and Phase III are currently under construction.	54, 188, 399	1,043,000,000	511,070,000	—	GDV: 892,000,000 MCP-R: 9,000–13,000 MCP-C: 7,000–18,000 MCP-CPS: 160,000–220,000 Rent-C: 800–1,000 CR: 6%-8%

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129	Rotterdam, Shenyang		The project is located at the junction of Changbai 2nd Street and Changbai 1st Road in Changbai Island of Heping District, with convenient access to various main roads. The surrounding environment is a residential area. The project is planned to be developed into an urban residential and retail complex by 3 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phase III is a bare land.	55, 189, 308	1,640,000,000	1,640,000,000	—	GDV: 1,616,000,000 AV: 2,900–3,800 MCP-R: 6,000–11,000 MCP-C: 13,000–25,000 MCP-CPS: 100,000–150,000
130	The Paradiso, Shenyang		The project is located at No. 9 Langri Street, Hunnan New District, near Wulihe Park. It is well-served by social and commercial facilities with convenient access to various main roads. The surrounding environment is a residential area served with shopping centres and schools. The project is planned to be developed into an urban residential and retail complex by 3 phases. Phase I is completed and held for sale whilst Phase II is currently under construction.	56, 190	1,139,000,000	1,139,000,000	—	GDV: 2,287,000,000 MCP-R: 8,000–15,000 MCP-CPS: 150,000–250,000
131	Tomorrow City, Shenyang		The project is located at the west of Hunhe Road, the north of Shiji Road, the east of Xinlong Street and the south of Yuanhang West Road. It is well-served by leisure and social facilities with convenient access to Metro station, light rail and main roads. The surrounding environment is mainly residential communities and well served by hospital, shopping centres and schools. The project is planned to be developed into an urban complex by 2 phases. Portion of Phase I is completed and held for sale with the remaining portion currently under construction whilst Phase II is a bare land.	57, 191, 309	2,562,000,000	1,780,590,000	—	GDV: 3,224,000,000 AV: 2,000–2,500 MCP-R: 7,000–11,000 MCP-C: 10,000–27,000 MCP-O: 7,000–14,000 MCP-CPS: 120,000–180,000

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132	Park Residence, Shenyang		The project is located at Lane 129, Nanta Street, Dongling District. The surrounding environment is mainly high-end residential communities. The project is planned to be developed into a luxury residential community by 3 phases with club houses and high-end restaurants. Phase I is completed and held for sale, Phase II is currently under construction whilst Phase III is a bare land.	58, 192, 310	1,532,000,000	842,600,000	—	GDV: 2,854,000,000 AV: 3,900–4,500 MCP-R: 14,000–25,000 MCP-CPS: 250,000–350,000
133	Chunheli, Shenyang		The project is located at the northeast corner of Wenyi Road and Sanhao Street, well-served by business and financial facilities with convenient access to Metro stations and various main roads. The project is surrounded by high-end shopping malls, 5-star hotels and luxury apartments. The project is planned to be developed into an urban complex comprising residential units, serviced apartments, retail shops and office buildings. The project is planned to be developed by 3 phases. Phase I is completed and held for sale, Phase II is under construction and Phase III is a bare land.	59, 193, 311	3,871,000,000	3,174,220,000	—	GDV: 2,895,000,000 AV: 8,000–9,000 MCP-R: 17,000–23,000 MCP-C: 25,000–30,000 MCP-CPS: 270,000–320,000
134	Whistler, Shenyang		The project is located at No. 59 Shibo East Street, near Qipan Mountain Tourism Development Zone, the famous 5A tourist scenic spot of Shenyang. The project is mainly surrounded by high-end residential developments. The project is planned to be developed into a luxurious villa community by 2 phases. Phase I is completed and held for sale whilst Phase II is a bare land.	60, 312	824,000,000	576,800,000	—	AV: 1,700–2,000 MCP-R: 7,500–16,000 MCP-C: 15,000–20,000

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135	Lakeside Grand View South, Shenyang		The project is located at Chishan Road, Xiaozhuanwan Village, Zaohua Street, near Dingxiang Lake. It is well served by commercial, tourism facilities, public transportation and is surrounded by residential developments. The project is planned to be developed into a high-end residential and retail development by 2 phases. Phase I is completed and held for sale whilst Phase II is currently a bare land.	61, 313	888,000,000	452,880,000	—	AV: 2,000–3,000 MCP-C: 12,000–15,000
136	Park Avenue, Shenyang		The project is located at the south of Bohai Road and the west of Taihu Street of Yuhong District. It is well-served by social facilities with convenient access to main roads and the Yuhong Plaza Metro station. The project is planned to be developed into a residential and commercial community by multiple phases. Phase I is currently under construction whilst the remaining phases are bare lands.	194, 314	1,530,000,000	1,530,000,000	—	GDV: 1,511,000,000 AV: 2,500–3,000 MCP-R: 7,500–14,000 MCP-C: 20,000–28,000 MCP-CPS: 180,000–200,000
137	Holiday Views, Shenyang		The project is located in the Huanggu North Economic Development Zone. It is well-served by social facilities and has convenient access to various planned main roads. The project will be developed into a residential and commercial community. The project is currently a bare land.	315	792,000,000	792,000,000	—	AV: 1,300–1,800

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138	The Paradiso, Fushun		The project is located at the south of Shenfu Avenue, the east of Shihua 1st Street, in the centre of Shenfu New City. It is well-served by social and commercial facilities with convenient access to various main roads, with government offices and schools nearby. The project is planned to be developed into an urban residential and retail complex by 3 phases. Phase I is completed, Phase II is currently under construction whilst Phase III is currently a bare land.	62, 195, 316	1,137,000,000	1,137,000,000	—	GDV: 250,000,000 AV: 700–1,000 MCP-R: 6,000–13,000 MCP-C: 10,000–13,000 MCP-CPS: 180,000–250,000
139	Whistler Town, Anshan		The project is located at No. 202 Hunan Street, in the traditional high-end residential area of Tiedong District. It is mainly surrounded by high-end residential developments. The project is planned to be developed into a luxurious residential community with villas and high-rise apartments by 4 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phase III is a bare land.	63, 196, 317	774,000,000	774,000,000	—	GDV: 609,000,000 AV: 1,300–1,800 MCP-R: 7,500–16,500 MCP-C: 10,000–12,000 MCP-CPS: 180,000–220,000
140	Spring Dew Mansion, Dalian		The project is located at Qiange Village, Xinzhaizi Street, Ganjingzi District and is well-served by public transportation. The surrounding environment is a residential area. The project is planned to be developed into an urban residential community by 2 phases. Phases I and II are currently both under construction.	197	1,286,000,000	1,286,000,000	—	GDV: 2,249,000,000 MCP-R: 9,500–12,000 MCP-C: 15,000–25,000 MCP-CPS: 90,000–110,000

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141	Xishan Project, Dalian		The project is located at Liushu Village, Hongqi Street, Ganjingzi District. The project is supported by various facilities such as the retail stores, high schools and universities. It is proposed to be developed by 2 phases. Phases I and II are currently under construction.	198	1,136,000,000	624,800,000	—	GDV: 2,048,000,000 MCP-R: 11,000–26,000 MCP-C: 16,000–25,000 MCP-CPS: 90,000–110,000
142	Blue Mountain, Dalian		The project is located at Ganjingzi District of Dalian City. The locality of the project is well-served by public facilities and convenient traffic. The project is planned to be developed into a residential and commercial development by 2 phases. Phase I is currently under construction and Phase II is a bare land.	199, 318	1,574,000,000	1,574,000,000	—	GDV: 2,669,000,000 AV: 4,500–5,600 MCP-R: 16,000–17,000 MCP-C: 25,000–35,000 MCP-CPS: 100,000–130,000
143	Habor, Dalian		The project is located at Changdianbao Section of Binhai Road, Puwan New District. The surrounding area is currently undeveloped. However, certain supporting facilities have been proposed, in the locality such as high-speed railway, premium universities, prestigious hospitals and a cross-water bridge leading to city centre. The project is planned to be developed into a residential development by 5 phases. Portion of Phase I is completed and held for sale, the remaining portion of Phase I and portion of Phase II are currently under construction whilst the remaining portion of Phase II, Phases III to V are bare lands.	64, 200, 319, 368	1,693,000,000	931,150,000	485,000,000	GDV: 1,905,000,000 AV: 1,000–1,300 MCP-R: 7,500–18,000 MCP-C: 8,000–20,000 MCP-CPS: 70,000–80,000

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144	Cherry Blossom Garden, Dalian		The project is located at the north of Lvshun South Road, Longwangtang Street, High-tech District. The project is adjacent to a cherry orchard scenic site which enhances the ecological environment around the project. It is planned to be developed by 3 phases. Phase I is currently under construction, whilst Phases II and III are bare lands.	201, 320, 369	1,756,000,000	1,246,760,000	30,000,000	GDV: 1,080,000,000 AV: 1,500–3,000 MCP-R: 9,000–11,000 MCP-C: 23,000–27,000 MCP-CPS: 90,000–110,000
145	Dream Town, Dalian		The project is located at No. 328 Wuyi Road, Xianjin Street, the CBD area of Jinzhou New District. The project is close to commercial area and a variety of supporting facilities such as stadium, schools, hospitals etc. It is planned to be developed into a residential community with high-rise residential buildings and retail stores by 6 phases. Phases I and II are currently under construction whilst Phases III to VI are currently bare lands.	202, 321, 370	1,538,000,000	1,538,000,000	79,000,000	GDV: 2,298,000,000 AV: 2,000–2,500 MCP-R: 8,500–9,200 MCP-C: 18,000–28,000 MCP-CPS: 90,000–110,000
146	Blue Mountain, Changchun		The project is located at No. 666 Dongsheng Street, Erdao District. The project is close to Yitong River and Xiyouji Palace. It is planned to be developed into a residential and commercial development by 4 phases. Portion of Phase I is completed and held for sale, the remaining portion of Phase I, Phases II and III are currently under construction whilst Phases IV is a bare land.	65, 203, 322, 400	1,611,000,000	1,611,000,000	—	GDV: 1,641,000,000 AV: 1,700–1,900 MCP-R: 8,000–9,700 MCP-C: 28,000–31,000 MCP-CPS: 170,000–175,000 Rent-C: 110 CR: 5% for commercial

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147	Dream Town, Changchun		The project is located at No. 55 Feihong Road, the junction of Xincheng Street and Feihong Road, Jingyue Development Zone. It is near Changchun Forest Botanical Garden and Changchun International Conference Centre. The project is planned to be developed into a large-scale residential and commercial development by 6 phases. Portion of Phase I is completed and held for sale. The remaining portion of Phase I and portion of Phase II are currently under construction, whilst the remaining portion of Phase II and Phases III to VI are bare lands.	66, 204, 323, 371	1,416,000,000	722,160,000	1,082,000,000	GDV: 1,487,000,000 AV: 2,000–2,100 MCP-R: 7,500–9,000 MCP-C: 15,000–18,000 MCP-CPS: 145,000–155,000
148	Park Residence, Changchun		The project is located in Chaoyang District, close to Fanrong Road and Nanhuxincun Middle Street. The project is planned to be developed into a residential and commercial development by 4 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phases III and IV are bare lands.	67, 205, 324	2,584,000,000	2,584,000,000	—	GDV: 2,349,000,000 AV: 3,100–3,400 MCP-R: 14,000–18,000 MCP-C: 26,900–27,300 MCP-CPS: 250,000–270,000
149	Dream Town, Jilin		The project is located at Gaoxin Zone, close to Jifeng East Road. It is planned to be developed into a large-scale residential and commercial development by 3 phases. Phase I and portion of Phase II are completed and held for sale, the remaining portion of Phase II is currently under construction whilst Phase III is reserved for future development.	68, 206, 372	1,455,000,000	945,750,000	1,187,000,000	GDV: 3,115,000,000 AV: 900–1,200 MCP-R: 6,900–8,000 MCP-C: 12,000–15,000 MCP-CPS: 139,000–174,000

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150	Rose Lane, Qingdao		The project is located at the south of Xingyang Road and the east of Changcheng Road, Chengyang District. It is near the Qingdao International Airport and well-served with public transportation. The project is planned to be developed into a residential and commercial development by 3 phases. Phase I is currently under construction whilst Phases II and III are bare lands.	207, 325, 373, 401	1,628,000,000	830,280,000	24,000,000	GDV: 1,591,000,000 AV: 1,300–2,000 MCP-R: 10,000–22,500 MCP-O: 7,500–8,500 MCP-CPS: 90,000–100,000
151	Dream Town, Qingdao		The project is located at No. 280 Tailiu Road, Shibei District. It is well served by schools, hospitals, colleges and parks with public transportation. The project is planned to be developed into a residential and commercial development by 3 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phase III is a bare land.	69, 208, 326	1,216,000,000	668,800,000	—	GDV: 920,000,000 AV: 4,200–4,800 MCP-R: 13,000–15,000 MCP-C: 20,000–23,000 MCP-CPS: 100,000–130,000
152	Vanke Centre, Fuzhou Road, Qingdao		The project is located at the north of Harbin Road, the west of planned Metro Line 3, the south of Tailiu Road and the east of Fuzhou North Road, New Shibei District. It is near Shuangling Hill with good landscape and well-served with public facilities. The project is planned to be developed into an office and commercial complex and is currently under construction.	209	1,135,000,000	1,135,000,000	—	GDV: 2,437,000,000 MCP-C: 30,000–33,000 MCP-O: 15,000–16,000 MCP-CPS: 140,000–160,000

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153	Zitai, Qingdao		The project is located at the north of Changsha Road, the east of Chongqing South Road and the west of Ningxiang Road, Shibei District. It is close to Qingdao Beilingshan Forest Park, Fushan Mountain and Fuyuan Square. The surrounding environment is a residential area served by schools, hospitals and retail stores. It is planned to be developed into a residential and commercial development. The project is currently a bare land.	374	—	—	969,000,000	AV: 5,800–6,500
154	Dongjun, Qingdao		The project is located at the south of Xingyang Road, Chengyang District. The surrounding environment is a residential area. It is planned to be developed into a residential and commercial development by 3 phases. Phase I is under construction whilst Phases II and III are currently bare lands.	210, 327, 375	840,000,000	462,000,000	90,000,000	GDV: 1,207,000,000 AV: 600–1,000 MCP-R: 5,500–7,000 MCP-C: 8,500–10,000 MCP-CPS: 80,000–90,000
155	Haiyuntai, Yantai		The project is located at the west of Haixi Road, the south of Western Coast in Zhifu Island. It is planned to be developed into a residential and commercial development by 4 phases. Phase I is completed and held for sale, Phase II and portion of Phase III are currently under construction whilst the remaining portion of Phase III and Phase IV are bare lands.	70, 211, 376	938,000,000	938,000,000	836,000,000	GDV: 578,000,000 AV: 2,100–2,600 MCP-R: 7,500–9,000 MCP-CPS: 126,000–162,000

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156	Holiday Views, Yantai		The project is located at the south of Yongda Street, and the west of Qiquan Road, Fushan District. The surrounding environment is a residential and industrial area. It is close to Paoshan Mountain and Shenhai Expressway. It is planned to be developed into a residential development by 3 phases. Phase I is completed and held for sale, Phase II is under construction whilst Phase III is currently a bare land.	71, 212, 377	468,000,000	327,600,000	260,000,000	GDV: 369,000,000 AV: 1,400–1,700 MCP-R: 5,500–7,000 MCP-C: 12,000–14,500 MCP-CPS: 50,000–70,000
157	Yulongshan, Yantai		The project is located at the south of Zhulin Road, Zhifu District. It is close to Bathing Beach, Yantai University and Yantai Tashan Tourism Scenic Area. The surrounding environment is a residential area with retail stores. It is planned to be developed into a residential development by 3 phases. Phase I is under construction, whilst Phases II and III are currently bare lands.	213, 328, 378	1,385,000,000	706,350,000	1,236,000,000	GDV: 1,432,000,000 AV: 1,900–2,600 MCP-R: 11,500–12,500 Villa 27,000–29,000 MCP-CPS: 162,000–180,000
158	Jinyu International, Jinan		The project is located at the north of Jingshi Road and is well-served by public facilities and public transportation. The surrounding environment is a residential area with offices, gymnasium, retail stores and commercial buildings. The project is planned to be developed into a residential community by 2 phases. Phase I and portion of Phase II is currently under construction whilst the remaining portion of Phase II is a bare land.	214, 329	2,318,000,000	1,460,340,000	—	GDV: 3,784,000,000 AV: 2,500–4,000 MCP-R: 8,000–15,000 MCP-C: 9,000–11,000 MCP-O: 8,000–10,000 MCP-CPS: 100,000–180,000

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159	New Milestone, Jinan		New Milestone is located at the south of Gongye North Road and the east of Aoti Middle Road of Licheng District. It is in a newly developing area of the city and close to Huashan Scenic Area, Xinfuliu Square and Jinan Licheng Library. The surrounding environment is a residential area with schools and retail stores. The project is planned to be developed into a residential community. The project is currently a bare land.	330	1,026,000,000	1,026,000,000	—	AV: 1,900–2,400
160	Zitai, Taiyuan		The project is located at No. 16 Changfeng East Street, Yingze District. The surrounding environment is a residential area with retail stores. It is planned to be developed into a residential community served with retail stores by 3 phases. The residential and commercial portion of Phase I is completed and held for sale. The underground car parking spaces of Phase I and the whole of Phases II and III are currently under construction.	72, 215	1,633,000,000	832,830,000	—	GDV: 2,639,000,000 MCP-R: 9,000–12,400 MCP-C: 8,500–28,900 MCP-CPS: 180,000–200,000
161	Blue Mountain, Taiyuan		The project is located at No. 205 Heping South Road, Wanbailin District. It is close to Xishan Changfeng Suburban Forest Park and Jinyang Lake. The surrounding environment is a residential area served with schools, hospitals and retail stores. It is planned to be developed into a large-scale residential and commercial development by 6 phases. Phase I and portion of Phase II are currently under construction whilst the remaining portion of Phase II and the whole of Phases III to VI are bare lands.	216, 331, 379	1,608,000,000	820,080,000	694,000,000	GDV: 1,500,000,000 AV: 1,500–1,900 MCP-R: 8,600–9,600 MCP-C: 20,000–21,000 MCP-CPS: 180,000–200,000

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162	Spring Dew Mansion, Jinzhong		The project is located at Wenhua Road, Yuci District. It is a part of North New Town of Jinzhong City and near Shanxi University Town. The project is planned to be developed into a large-scale residential and commercial development by 5 phases. Phase I is completed. Phase II, portion of Phase III (Vanke Square) and Phase IV are currently under construction whilst the remaining portion of Phase III and Phase V are bare lands.	73, 217, 332	1,033,000,000	526,830,000	—	GDV: 1,963,000,000 AV: 810–820 for residential, 1,900–2,000 for commercial MCP-R: 7,500–8,300 MCP-C: 8,000–28,400 MCP-CPS: 100,000–120,000
163	Vanke Diamond Plaza, Chengdu		The project is located at Jianshe Road, Chenghua District. It is near Technical University and well-served with public facilities and transportation. The project is planned to be developed into a complex with commercial buildings and loft. It is next to the commercial centre of this district. The project is currently under construction.	218	1,196,000,000	1,016,600,000	—	GDV: 1,268,000,000 MCP-C: 10,000–14,000 MCP-O: 12,000–14,000 MCP-CPS: 190,000–200,000
164	Vanke Huamao Plaza, Chengdu		The project is located at Jianshe North Road 2nd Section, Chenghua District. It is at the commercial centre of this district. There are shopping malls and plazas nearby such as SM and Ito Yokado. It is planned to be developed into a complex with commercial buildings and few residential buildings. The project is currently under construction.	219	1,190,000,000	606,900,000	—	GDV: 3,093,000,000 MCP-R: 12,000–14,000 MCP-C: 26,000–30,000 MCP-O: 13,000–14,000 MCP-CPS: 16,500–19,000

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165	Jinse Yuefu Music Plaza, Chengdu		The project is located at Jianshe South Branch Road, the north of Shanbanqiao Road and the south of Jianshe South Road, Chenghua District. It is well-served by public facilities from surrounding residential and commercial area. The project is planned to be developed into a residential complex. Portion of the project is under construction whilst the remaining portion is a bare land.	220, 333, 380	3,803,000,000	2,281,800,000	622,000,000	GDV: 4,971,000,000 AV: 3,900–4,400 for commercial, 5,100–5,900 for residential MCP-R: 12,000–14,500 MCP-C: 35,000–41,000 MCP-O: 13,000–18,000 MCP-CPS: 170,000–200,000
166	Wulong Mountain Garden, Chengdu		The project is located at the north of Chengdu Ring Road Expressway, and the west of Chengmian Expressway. It is near Wulong Mountain Park in Xindu District with elegant landscape. The project is planned to be developed into a residential community by 2 phases. Phase II is completed and held for sale whilst Phase I is currently under construction.	74, 221	1,694,000,000	1,694,000,000	—	GDV: 1,458,000,000 MCP-R: 8,200–13,600 MCP-CPS: 13,000–15,000
167	Jinyu Tixiang, Chengdu		The project is located at the junction of Rongdu Avenue and North Ring Road. The project enjoys beautiful riverside view and is close to Chengdu Botanical Garden and Tianhui Ginkgo Garden. The project is planned to be developed into a high-rise residential communities served with commercial facilities. Portion of the project is currently under construction whilst the remaining portion is a bare land.	222, 334	1,056,000,000	1,056,000,000	—	GDV: 1,074,000,000 AV: 2,300–2,900 MCP-R: 6,000–7,200 MCP-C: 18,000–20,000 MCP-CPS: 120,000–140,000

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168	Golden City, Chengdu		The project is located at the south of Yidu Avenue, the west of a planned road, Hongliu Area, Damian Town, Longquan District. The surrounding environment is a residential area with newly planned Metro line and public facilities. The project is planned to be developed into a residential community. Portion of the project is under construction whilst the remaining portion is a bare land.	223, 335	1,300,000,000	715,000,000	—	GDV: 1,642,000,000 AV: 2,200–2,630 MCP-R: 7,900–8,900 MCP-C: 17,000–18,500 MCP-CPS: 16,000–19,000
169	Aureate City, Chengdu		The project is located at the junction of Chengluo Road and East 3rd Ring Road, near Shiling Motorway Interchange, Longquan District. The project is close to Shiling Forest Park and Sichuan Normal University. It is surrounded by few residential buildings and served with Metro under development. The project is planned to be developed into a commercial and residential community and is currently under construction.	224	731,000,000	402,050,000	—	GDV: 1,519,000,000 MCP-R: 8,400–8,600 MCP-C: 17,000–19,000 MCP-CPS: 150,000–180,000
170	Haiyue Huicheng, Chengdu		The project is located at Haichang North Road. It is close to Haichang Polar Ocean World, Biqi Golf Club and Nanhu Scenic Resort. The project is planned to be developed into a complex comprising residential, commercial and office buildings. The project is partially completed and held for sale and partially under construction.	75, 225	1,942,000,000	1,747,800,000	—	GDV: 2,834,000,000 MCP-R: 6,000–7,800 MCP-C: 25,000–26,100 MCP-O: 8,000–10,000 MCP-CPS: 150,000–180,000

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171	Jinrun Huafu, Nanchong		The project is located at No. 1 Gaodu Road 3rd Section, Gaoping District, near Jialin River. It is connected to the centre of the city by Jialin River Bridge. The project is planned to be developed into a residential and commercial development by multiple phases. Phase I is currently under construction whilst the remaining phases are bare lands.	226, 336	1,161,000,000	696,600,000	—	GDV: 1,164,000,000 AV: 1,000–1,700 MCP-R: 6,000–10,000 MCP-C: 9,000–11,000 MCP-CPS: 85,000–100,000
172	Hanyang International, Wuhan		The project is located at Taojialing, Longyang Avenue, near Wangjiawan Commercial Circle and is well-served by public facilities. The project is planned to be developed into a residential community by 6 phases. Phase I is completed and held for sale, Phases II and IV are currently under construction whilst Phases III, V and VI are bare lands.	76, 227, 337	2,297,000,000	1,607,900,000	—	GDV: 2,957,000,000 AV: 2,400–2,800 MCP-R: 8,500–9,300 MCP-C: 23,100–29,000 MCP-CPS: 150,000–200,000
173	Dream Town, Wuhan		The project is located at the junction of Changqing Road and Sanhuan Road, Jianghan District. The surrounding environment is a residential area with retail stores. The project is planned to be developed by 4 phases. Phases I, II and portion of Phase III are completed and held for sale whilst the remaining portion of Phase III and the whole Phase IV are currently under construction.	77, 228	828,000,000	828,000,000	—	GDV: 815,000,000 MCP-R: 10,000–12,000 MCP-CPS: 140,000–160,000

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174	Jiayuan, Wuhan		The project is located near Guanggu Area which is a famous retail area in Wuhan. It is close to Huazhong University of Science and Technology. The project is planned to be developed into a residential and commercial community. Portion of the project is under construction whilst the remaining portion is a bare land.	229, 338	1,085,000,000	542,500,000	—	GDV: 1,136,000,000 AV: 2,800–3,500 MCP-R: 7,500–9,000 MCP-CPS: 110,000–160,000
175	Jincheng, Wuhan		The project is located at the south of Xiongchu Avenue and is in close proximity to the traditional Optic Valley CBD. The project is planned to be developed into a large-scale residential and commercial development by 3 phases. Phase I is currently under construction whist Phases II and III are bare lands.	230, 339	769,000,000	769,000,000	—	GDV: 247,000,000 AV: 3,700–3,800 MCP-R: 10,000–13,000
176	The Paradiso, Wuhan		The project is located at the junction of Sanjiaohu Road and Boxue Road, Wuhan Economic and Technological Development Zone. The surrounding environment is a residential area with retail stores, hotels and kindergartens. The project is planned to be developed into a residential community by 6 phases. Phases I and III are completed and held for sale whilst Phases II, IV to VI are currently under construction.	78, 231	1,745,000,000	1,745,000,000	—	GDV: 2,610,000,000 MCP-R: 9,000–11,000 MCP-C: 19,000–22,000 MCP-CPS: 100,000–120,000

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177	Golden City, Wuhan		The project is located at the junction of Wujindi Road and Baishazhou Bridge. The project is planned to be developed into an urban complex comprising residential apartments, supermarkets and office buildings by 5 phases. Phase V is completed and held for sale whilst Phases II to IV are currently under construction.	79, 232	2,613,000,000	2,613,000,000	—	GDV: 3,844,000,000 MCP-R: 7,000–7,500 MCP-C: 15,000–17,500 MCP-O: 7,000–7,500 MCP-CPS: 150,000–180,000
178	Changzheng Village Project, Wuhan		The project is located at the junction of Third Ring Road and Baishazhou Avenue. The surrounding environment is a residential area with universities and schools. It is close to Yangtze River and Wuhan Baishazhou Bridge. The project is planned to be developed into an urban complex comprising residential apartments and commercials by 3 phases. All phases are currently under construction.	233	1,220,000,000	1,220,000,000	—	GDV: 2,099,000,000 MCP-R: 6,000–8,000 MCP-C: 15,000–16,000 MCP-CPS: 14,500–16,000
179	Palace of Pleasure, Chongqing		The project is located at Jinkai Avenue, near Chongqing Zhaomushan Botanic Garden. It is surrounded by a number of large-scale residential developments. The project is planned to be developed into a large-scale residential and commercial community by 4 phases. Portion of Phases I and II are completed and held for sale whilst the remaining portion of Phases I and II, the whole of Phases III and IV are currently under construction.	80, 234	1,469,000,000	1,469,000,000	—	GDV: 1,695,000,000 MCP-R: 7,000–8,500 MCP-C: 25,000–35,000 MCP-CPS: 110,000–130,000

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180	Dream Town, Chongqing		The project is located at Jinshan Avenue, next to Zhaomushan Botanical Garden, surrounded by a number of large-scale residential developments which are all under construction. The area has unique natural environment in city centre, isolated but not far away from major commercial centres. The public transportation is poor at the moment, but is expected to be connected by bus lines in the near future. The project is planned to be developed into a large-scale residential community and is currently partially under construction with the remaining portion as a bare land.	235, 340	5,021,000,000	2,761,550,000	—	GDV: 6,650,000,000 AV: 3,000–3,500 MCP-R: 8,000–15,000 MCP-C: 20,000–30,000 MCP-CPS: 120,000–140,000
181	Joying Gold, Chongqing		The project is located at Fengtian Road, near an old urban area of Shapingba District, which is a major school area in Chongqing. The area has reputation of the best primary, secondary schools, universities and two best hospitals of Chongqing. Portion of the project is under construction whilst the remaining portion is a bare land.	236, 381	2,228,000,000	1,782,400,000	794,000,000	GDV: 3,257,000,000 AV: 2,500–2,800 MCP-R: 8,000–9,000 MCP-C: 21,500–23,000 MCP-CPS: 110,000–130,000
182	Vanke Xicheng, Chongqing		The project is located at Jiulongpo District, and is about 10 minutes drive to Jiulongpo commercial center Chenjiaping. It is surrounded by a few large-scale residential developments. The project is planned to be developed into a large-scale residential and commercial community. Portion of the project is is currently under construction whilst the remaining portion is a bare land.	237, 382	780,000,000	780,000,000	302,000,000	GDV: 1,288,000,000 AV: 4,000–5,000 MCP-R: 7,000–8,500 MCP-C: 15,000–25,000 MCP-CPS: 110,000–130,000

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183	Land Lot 3# Dream Town, Xi'an		The project is located in Daxue City of Chang'an District and is the north of Vanke City (Land Lot 7). The locality of the project is well-served by adequate facilities and convenient traffic. To the north of the project is near West Avenue, which is one of the main roads to access to the town centre. The 13 blocks of Phase I are currently under construction and the rest is a bare land.	238, 341	2,116,000,000	1,269,600,000	—	GDV: 2,415,000,000 AV: 2,200–2,300 MCP-R: 7,400–10,000 MCP-C: 24,000–45,000 MCP-CPS: 125,000–145,000
184	King Metropolis, Xi'an		The project is located at Fengcheng Nine Road of New Administrative Centre and close to Metro Line 2. The locality of the project is well-served by good facilities and convenient traffic and with a high ratio of landscaped area. The 26 blocks of Phase I are currently under construction and the rest is a bare land.	239, 342	1,982,000,000	1,010,820,000	—	GDV: 3,150,000,000 AV: 1,200–1,500 MCP-R: 8,200–12,000 MCP-CPS: 150,000–170,000
185	Daminggong Project, Xi'an		The project is located at the northern side of Xuanwu Road and near Da Ming Palace Ruins Park. The locality of the project is well-served by adequate facilities and convenient traffic and with a high ratio of landscaped area. 3 blocks of Phase I are currently under construction and the rest is a bare land.	240, 343	1,425,000,000	997,500,000	—	GDV: 1,507,000,000 AV: 2,200–2,600 MCP-R: 12,000–21,000 MCP-CPS: 140,000–160,000

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186	Joying Gold, Xi'an		The project is located at Zaoyuan West Road and close to Metro Line 4 which is under construction. Some old buildings surrounded the project and are currently demolished. The locality of the project is well-severed by convenient traffic. 11 blocks of the Phase I are currently under construction and the rest is a bare land.	241, 344	2,687,000,000	2,149,600,000	—	GDV: 3,081,000,000 AV: 1,800–2,000 MCP-R: 6,000–8,300 MCP-CPS: 140,000–160,000
187	Eastern Metropolis, Xi'an		The project is located at the southern side of Guang'an Road and Xinjiamiao Bridge and close to Subway Line 3 (under construction and to be completed in 2016). It is also near Chanba Ecological District. The locality of the project is well-served by adequate facilities and convenient traffic and with a high ratio of landscaped area. The project is currently a bare land.	345	1,336,000,000	1,336,000,000	—	AV: 1,400–1,800
188	Vanke Meijing Longmen Longtang, Zhengzhou		The project is located at Zhongzhou Avenue and Hanghai Road of Guancheng District. The locality is well-served by adequate facilities and convenient traffic. There are four large parks around the project and it also has river-view. 8 buildings of Phase I are currently under construction and the rest is a bare land.	242, 346	1,237,000,000	630,870,000	—	GDV: 1,656,000,000 AV: 2,200–4,000 MCP-R: 9,600–14,000 MCP-CPS: 140,000–160,000

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189	Vanke Meijing Dream Town, Zhengzhou		The project is located at Kexue Avenue of Hi-tech Development Zone. The locality is under development with many residential projects and resettlement housing projects being constructed. The project is surrounded by two universities named Zhengzhou University and Zhengzhou University of Light Industry. 13 buildings of Phase I are currently under construction and the rest is a bare land.	243, 347	1,787,000,000	911,370,000	—	GDV: 3,108,000,000 AV: 2,500–2,800 MCP-R: 6,900–11,000 MCP-O: 20,000–30,000
190	Metropolis, Guiyang		The project is located at the east of Zhujiang Road and the west of Zhuxian Village, in a newly developed area named Xiaohe District. Planned Metro line passing-by ensures great connection with public transportation. Existing retail centre of the area is within walking distance from the project with adequate public facilities and good road system. The project is planned to be developed into a residential and commercial development by multiple phases. Phase I is currently under construction whilst the remaining portion of the project are bare lands.	244, 383, 402	920,000,000	920,000,000	459,000,000	GDV: 1,953,000,000 AV: 1,000–2,000 MCP-R: 5,000–7,000 MCP-C: 20,000–40,000 MCP-CPS: 100,000–120,000
191	Dew Garden, Baisha, Kunming		The project is located at the west of Ring Expressway, Panlong District. It is close to Kunming Jindian National Forest Park with good landscape. The project is planned to be developed into a large-scale residential and commercial development by 2 phases. Phase I has five sections and is partially completed and held for sale and partially under construction whilst Phase II is a bare land.	81, 245, 348	1,058,000,000	1,058,000,000	—	GDV: 838,000,000 AV: 1,900–2,000 MCP-R: 9,000–12,000 MCP-C: 15,000–18,000 MCP-CPS: 120,000–140,000

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192	Respecte Chateau, Kunming		The project is located at Changyuan Middle Road, Wuhua District. It is close to Metro Line 3 and Mianshan Forest Ecology Park. The project is planned to be developed into a residential, commercial and education development by 6 phases. Phase I is completed and held for sale, Phase II is currently under construction whilst Phases III to VI are bare lands.	82, 246, 349	1,840,000,000	1,232,800,000	—	GDV: 1,496,000,000 AV: 1,500–1,600 MCP-R: 7,500–9,800 MCP-C: 18,000–50,000 MCP-CPS: 90,000–15,000
193	A Glamorous City, Kunming		The project is located at the north of Guangfu Road and the east of Caiyun North Road, Guandu District. It is surrounded by a residential area and close to Wujiatang Wetland Park. The project is planned to be developed into a city complex, which comprises residential apartments, commercial facilities, office buildings and educational facilities. The project is partially currently under construction with the remaining portion as bare lands.	247, 350	3,602,000,000	1,981,100,000	—	GDV: 1,550,000,000 AV: 1,400–1,500 MCP-R: 7,000–8,000 MCP-C: 16,000–30,000 MCP-CPS: 100,000–120,000
194	Rancho Santa Fe, Urumqi		The project is located at the southwest corner of the junction of Xishan Street and Huanwei South Road, Saybagh District. The locality is under development with many residential projects being constructed. The project is near Yashan Forest Park. The project is planned to be developed into a high-end residential community comprising detached villas, semi-detached villas, multi-story buildings and is currently under construction.	248	1,175,000,000	705,000,000	—	GDV: 2,012,000,000 MCP-R: 8,500–15,800 MCP-C: 14,000–20,000 MCP-CPS: 175,000–218,000

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195	Regent Centre, Hong Kong		The project is located at No. 63 Wo Yi Hop Road and No. 70 Ta Chuen Ping Street in Kwai Chung of the New Territories was completed in 1996 which included two industrial towers, named Towers A and B erecting on a 3-storey podium. Portion of the property is sold out and the remaining portion is currently rented to various parties and is held by the Group for investment.	405	1,133,000,000	1,133,000,000	—	Market monthly rent (RMB/sq.m.) for industrial: 65–140 CR: 4%-4.5% for industrial

This appendix sets out summaries of certain aspects of the PRC legal and judicial system, its arbitration system and its company and securities regulations. It also contains a summary of certain Hong Kong legal and regulatory provisions, including summaries of certain material differences between Company Law and Companies Ordinance, certain requirements of the Hong Kong Listing Rules and the Mandatory Provisions.

PRC LAWS AND REGULATIONS

The PRC legal system

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (hereinafter referred to as the "**Constitution**") and is made up of written laws, administrative regulations, local regulations and rules, autonomy regulations and separate rules and regulations of State Council departments, rules and regulations of local governments and international treaties of which the PRC government is a signatory. Court judgments do not constitute legally binding precedents, although they may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), the National People's Congress ("**NPC**") and the standing committee of the NPC (the "**Standing Committee**") are empowered to exercise the legislative power of the State. The NPC enacts and amends basic laws governing criminal offences, civil affairs, the State organs and other matters. The Standing Committee enacts and amends laws other than those that shall be formulated by the NPC, and during the period of adjournment of the NPC, the Standing Committee may partially supplement and amend the laws enacted by the NPC, but not in contradiction to the basic principles of such laws. The State Council is the highest organ of state administration and enacts administrative regulations based on the Constitution and laws. The people's congresses at the provincial level and their standing committees may, in light of the specific circumstances and actual needs of their respective administrative areas, enact local regulations, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The ministries and commissions of the State Council, the PBOC, the National Audit Office of the PRC as well as other state organs endowed with administrative functions directly of the State Council may, according to laws, administrative regulations, decisions and orders of the State Council, formulate ministerial rules within their authorities. The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the comparatively larger cities may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The people's congresses of the national autonomous regions have the power to enact autonomous regulations and separate regulations on the basis of the political, economic and cultural characteristics of the local nationalities that reside in the area.

According to the PRC Constitution, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, the Supreme Peoples's Court has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

The PRC judicial system

According to the Constitution and the Law of Organisation of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) (hereinafter referred to as the "**Law of Organisation of the People's Courts**"), the People's Courts consist of the Supreme People's Court, the local people's courts, the military courts and other special people's courts.

The local people's courts comprise of the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts are further divided into civil, criminal and administrative divisions. The intermediate people's courts have divisions similar to those of the basic people's courts, and other special divisions, such as the intellectual property division, where necessary.

The people's courts at lower levels are subject to supervision of the people's courts at higher levels. The people's procuratorates also have the power to exercise legal supervision over the litigation proceedings of people's courts at the same level or below. The Supreme People's Court is the highest judicial organ of the PRC and it has the power to supervise the trials by the people's courts at all levels.

The people's courts have adopted a "second instance as final" appellate system. A party may appeal against a judgment or ruling by the people's court of first instance to the people's court at the next higher level prior to the judgment or the ruling of the first instance becoming legally effective. The judgment or the ruling of the second instance by the people's court at the next higher level is final and legally binding. First judgments or rulings by the Supreme People's Court are final as well. However, in the case that the Supreme People's Court or the people's court at a higher level finds definite error(s) in the legally effective judgment or ruling by the people's court at a lower level, or the presiding judge of the people's court finds definite error(s) in the legally effective judgment by the court over which he/she presides, the case may then be retried in accordance with the judicial supervisory procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (hereinafter referred to as the "**Civil Procedure Law**") sets forth provisions for the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a local court in the defendant's place of domicile. The parties to a contract may, by express agreement, select a court of jurisdiction where civil actions may be brought to, provided that the court of jurisdiction is located in either the plaintiff's or the defendant's place of domicile, or the place of execution or implementation of the contract, or the place of the object of the action, and provided that the provisions of the Civil Procedure Law regarding jurisdiction by level and exclusive jurisdiction shall not be violated.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. Should the judicial system of a foreign country limits the litigation rights of PRC citizens or enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country. If any party to a civil action refuses to comply with a legally effective judgment or ruling by a people's court or an effective award by an arbitration tribunal in the PRC, the other party may apply to the people's court for the compulsory enforcement of the judgment, ruling or award. However, specific time limits are imposed on the right to apply for such compulsory enforcement. The time limit for the submission of an application for enforcement shall be two years. The suspension or termination of the time limit for the submission of an application for enforcement shall be governed by the provisions on the suspension or termination of the statute of limitation.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may directly apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognised and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country on the mutual recognition and enforcement of judgments and rulings, or if the judgment or ruling satisfies the court's examination based on the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in the violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons related to the public interests.

The Company Law, Special Regulations and Mandatory Provisions

On 29 December 1993, the Company Law was adopted by the Standing Committee of the Eighth NPC, which came into effect on 1 July 1994 and was amended for the first time on 25 December 1999, the second time on 28 August 2004 and the third time on 27 October 2005 and the fourth time on 28 December 2013. The newly amended Company Law of the PRC came into effect on 1 March 2014.

The Special Regulations were promulgated by the State Council on 4 August 1994 pursuant to Articles 85 and 155 of the Company Law.

The Mandatory Provisions were promulgated by the former Securities Commission of the State Council and the State Economic System Restructuring Commission on 27 August 1994, prescribing provisions which must be incorporated into the articles of association of joint stock limited companies to be listed overseas. Therefore, the Mandatory Provisions have been incorporated into the Articles of Association of our Company (which are summarised in Appendix VII to this listing document).

General provisions

A "joint stock limited company" (hereinafter referred to as a "**company**") is a corporate legal person incorporated under the Company Law. The registered capital of joint stock limited company is divided into equal shares. The liability of the company is limited to the full amount of its assets and the liability of its shareholders is limited to the extent of the shares held by them.

Incorporation

A company may be incorporated by promotion or public subscription.

A company may be incorporated by two to 200 promoters, but at least half of the promoters must have domiciles in the PRC. According to the Special Regulations, state-owned enterprises or enterprises with a significant proportion of state-owned assets can be restructured in accordance with the relevant regulations to become joint stock limited companies which may issue shares to overseas investors. These companies, if incorporated by promotion, may have fewer than five promoters and can issue new shares once incorporated.

A company incorporated by promotion is one with registered capital entirely subscribed for by the promoters. Where a company is incorporated by public subscription, the promoters are required to subscribe for not less than 35% of the total shares of the company, and the remaining shares can be offered to the public or specific persons.

The promoters shall convene an inaugural meeting within 30 days after the issued shares have been completely paid up, and shall give notice to all subscribers or make a public announcement of the date of the inaugural meeting 15 days prior to the meeting. The inaugural meeting may be convened only with the presence of shareholders holding shares representing more than 50% of the total issued shares of the company. Matters to be dealt with at the inaugural meeting should include adopting the draft articles of association proposed by the promoters and electing the members of the board of directors and the supervisory committee of the company. Any resolution of the meeting shall be approved by subscribers with more than half of the voting rights of those present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authorities for registration of the incorporation of the company. A company is formally established and has the qualification of a legal person once the registration has been approved by the relevant administrative bureau for industry and commerce and a business licence has been issued.

The promoters of a company shall bear joint liability for the following issues: (i) the payment of all expenses and liabilities incurred in the incorporation process if the company cannot be incorporated; (ii) the repayment of subscription monies to the subscribers together with interest at bank rates for a deposit of the same term if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the misconduct of the promoters in the course of its incorporation.

Share capital

There is no limit under the Company Law as to the percentage of shares held by an individual shareholder in a company.

If capital contribution is made in the form of non-monetary properties which are transferrable under the law by promoters of the company, valuation and verification of the properties contributed must be carried out and converted into shares.

A company may issue registered or bearer share certificates. However, share certificates issued to promoter(s) or legal person(s) shall be in the form of registered share certificates and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

The Special Regulations and the Mandatory Provisions provide that shares issued to foreign investors and listed overseas shall be issued in registered form and shall be denominated in RMB and subscribed for in foreign currency.

Pursuant to the Special Regulations and the Mandatory Provisions, shares issued to foreign investors and investors from Hong Kong, Macau and Taiwan and listed overseas are defined as overseas listed foreign shares, and those issued to investors within the PRC other than the aforementioned areas are defined as domestic shares. Qualified Foreign Institutional Investors ("**QFII**") approved by CSRC may hold domestic listed shares.

A company may offer its shares to the public overseas with approval by the securities administration authorities of the State Council. Detailed measures shall be specified by the State Council based on the Special Regulations. According to the Special Regulations, upon approval of CSRC, a company may agree, in the underwriting agreement on issuing overseas listed foreign shares, to retain not more than 15% of the aggregate amount of overseas listed foreign shares proposed to be issued less the amount of underwritten shares. The share offering price may be equal to or in excess of par value, but shall not be less than par value. The transfer of shares by shareholders shall be conducted in legally established stock exchanges or via other methods as stipulated by the State Council.

The transfer of registered share certificates by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or administrative regulations.

The transfer of bearer share certificates shall become effective upon the delivery of the share certificates to the transferee.

No modification registration shall be made to the registrar of shareholders within twenty (20) days prior to the shareholders' general meeting being held or within five (5) days prior to the record date set for the purpose of distribution of dividends.

Increase in capital

Under the Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in general meeting. Except for the above-mentioned conditions of obtaining approval at the shareholders' general meeting required by the Company Law, the Securities Law also provides for the following conditions for a company to offer new shares to the public: (i) a complete and well-operated organisation; (ii) ongoing profitability and sound financial conditions; (iii) no false records or significant irregularities in its financial statements over the last three years; and (iv) compliance with any other requirements as prescribed by the securities administration authorities of the State Council as approved by the State Council.

The public offer requires the approval of the securities administration authorities of the State Council. After payment in full for the new shares issued, a company must modify its registration with the relevant administrative bureau for industry and commerce and issue a public notice accordingly.

Reduction of capital

A company may reduce its registered capital in accordance with the following procedures stipulated by the Company Law:

— the company shall prepare a balance sheet and an inventory of assets;

— the reduction of registered capital must be approved by shareholders in the general meeting;

— the company shall inform its creditors of the reduction in capital within ten (10) days and publish an announcement of the reduction in newspapers within thirty (30) days once the resolution approving the reduction in capital being passed;

— creditors of the company may require the company to clear its debts or provide guarantees covering the debts within the statutory time limit; and

— the company must apply to the relevant administrative bureau for industry and commerce for registration of the reduction in registered capital.

Repurchase of shares

A company shall not purchase its own shares other than for the following purposes:

— to reduce the registered capital by cancelling its shares or to merge with another company holding its shares;

— to grant shares as a reward to the staff of the company;

— to purchase the company's own shares upon request of its shareholders who vote against the resolution regarding the merger or division of the company in a general meeting; or

— other purposes permitted by laws and administrative regulations.

The shares repurchased by the company as a reward to its staff shall not exceed 5% of the total number of its issued shares. Any fund for the repurchase shall be paid out of after-tax profit of the company, and the shares repurchased shall be transferred to the staff of the company within one year. The Mandatory Provisions stipulate that upon obtaining approvals from relevant regulatory authorities in accordance with the articles of association of the company, a company may, for the aforementioned purposes, repurchase its issued shares by way of a general offer to its shareholders or purchase on a stock exchange or through on-market contracts.

Transfer of shares

Shares may be transferred in accordance with the relevant laws and regulations. A shareholder shall transfer his/her shares in stock exchanges established pursuant to laws or by other means as stipulated by the State Council. Registered shares may be transferred by endorsement or in any other manner specified in applicable laws and regulations.

Shares held by the promoter(s) of a company shall not be transferred within one (1) year from the date of incorporation of the company. Shares issued by a company prior to the public offer of its shares shall not be transferred within one (1) year from the date of its shares being listed on a stock exchange. Directors, supervisors and senior management personnel of the company shall not transfer over 25% of the total shares they hold in the company each year during their term of office, and shall not transfer any share of the company held by each of them within one (1) year from the listing date.

Shareholders

Under the Company Law and the Mandatory Provisions, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;

- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;

- the right to inspect the company's articles of association, share register, counterfoil of debentures, minutes of shareholder's general meetings, resolutions of board of directors, resolutions of board of supervisors and financial statements and to make proposals or enquiries of the company's operations;

- the right to bring an action in the people's court to rescind resolutions passed by shareholder's general meetings and board of directors where the articles of associations violated by the above resolutions;

- the right to dividends and other types of interest distributed in proportion to the number of share held;

- in the event of the termination or liquidation of the company, the right to participate in the distribution of remaining assets of the company in accordance with the number of shares held; and

- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' general meeting

The shareholders' general meeting is the organ of authority of a company, which exercises its functions and powers in accordance with the Company Law. The shareholders' general meeting exercises the following functions and powers:

— to decide on operational policies and investment plans of the company;

— to elect or remove the directors and supervisors who are not representatives of the employees;

— to decide on matters relevant to remuneration of directors and supervisors;

— to review and approve reports of the board of directors;

— to review and approve reports of the supervisory committee or the supervisors;

— to review and approve annual financial budget and financial statements proposed by the company;

— to review and approve proposals for profit distribution and for recovery of losses of the company;

— to decide on increase and reduction of the registered capital of the company;

— to decide on bond issuances of the company;

— to decide on merger, division, dissolution and liquidation of the company and other issues;

— to amend the articles of association of the company; and

— other functions and powers specified in the articles of association of the company.

The annual shareholders' general meeting must be convened once a year. An extraordinary shareholders' general meeting shall be held within two months after the occurrence of any of the following circumstances:

— the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number specified in the articles of association of the company;

— the losses of the company which are not made up reach one-third of the total paid-up share capital of the company;

— as requested by a shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the company;

— when deemed necessary by the board of directors;

— as suggested by the supervisory committee; or

— other matters required by the articles of association.

The shareholders' general meeting shall be convened by the board of directors and shall be presided over by the chairman of the board of directors.

The notice to convene the shareholders' general meeting shall be dispatched to all the shareholders twenty (20) days before the general meeting pursuant to the Company Law, and forty-five (45) days pursuant to the Special Regulations and the Mandatory Provisions, stating the matters to be reviewed at the general meeting. Under the Special Regulations and the Mandatory Provisions, shareholders intending to attend are required to send written confirmations of their attendance to the company twenty (20) days before the general meeting. According to the Special Regulations, at the annual shareholders' general meeting of the company, shareholders with 5% or more of the voting rights in the company are entitled to propose to the company in writing new resolutions to be reviewed at the general meeting, which are required to be added to the agenda of the general meeting if such new resolutions are within the functions and powers of the shareholders' general meeting.

Shareholders present at the shareholders' general meeting possess one vote for each share they hold. However, the company shall have no vote for any of its own shares the company holds. Resolutions proposed at the shareholders' general meeting shall be approved by more than half of the voting rights cast by shareholders present in person (including those represented by proxies) at the general meeting, except that such resolutions as merger, division or reduction of registered capital, the issue of bonds or short-term debentures, the change in the form of the company or the amendment to the articles of association, shall be approved by shareholders with more than two-thirds of the voting rights cast by shareholders present (including those represented by proxies) at the general meeting.

A shareholder may entrust a proxy to attend a shareholders' general meeting. The proxy shall present a power of attorney issued by the shareholder to the company and shall exercise his voting rights within the authorisation scope. There is no specific provisions in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting, although the Special Regulations and the Mandatory Provisions provide that a company's annual general meeting may be convened when replies to the notice of that meeting from shareholders holding shares representing 50% of the voting rights in the company have been received twenty (20) days before the proposed date, or if that 50% level is not achieved, the company shall within five days of the last day for receipt of the replies notify shareholders again by public announcement of the matters to be considered at the meeting and the date and place of the meeting, and the annual general meeting may be held thereafter. The Mandatory Provisions require class meetings to be held in the event of a variation or derogation of the class rights of a class. Holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders for this purpose.

Directors

A company shall have a board of directors, which shall consist of five to nineteen members, and there can be staff representatives of the company. The term of office of the directors shall be provided for by the articles of association, but each term of office shall not exceed three years. The directors may hold consecutive terms upon re-election.

Meetings of the board of directors shall be convened at least twice a year. A notice of meeting shall be given to all directors at least ten days before the meeting. The board of directors may provide for a different method of giving notice and notice period for convening an interim meeting of the board of directors.

Under the Company Law, the board of directors exercises the following functions and powers:

— to convene the shareholders' general meeting and report on its work to the shareholders;

— to implement the resolutions of the shareholders' general meeting;

— to decide on the company's business plans and investment plans;

— to formulate the company's proposed annual financial budget and financial statements;

— to formulate the company's proposals for profit distribution and for recovery of losses;

— to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

— to prepare plans for the merger, division or dissolution of the company;

— to decide on the company's internal management structure;

— to appoint or dismiss the company's general manager, and based on the general manager's recommendation, to appoint or dismiss deputy general managers and financial officers of the company and to decide on their remuneration;

— to formulate the company's basic management system; and

— other functions and powers as specified in the articles of association.

In addition, the Mandatory Provisions provide that the board of directors is also responsible for formulating the proposals for amendment of the articles of association of a company.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors require the approval of more than half of all directors.

If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorisation for another director to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the company's articles of association as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such director may be relieved of that liability.

Under the Company Law, the following persons may not act as a director of a company:

— persons without capacity or restricted capacity to undertake civil liabilities;

— persons who have committed the offence of corruption, bribery, taking of property, misappropriation of property or sabotage of the social economic order, and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence; or persons who have been deprived of their political rights due to criminal offence, where less than five years have elapsed since the date of the completion of implementation of this deprivation;

— persons who are former directors, factory managers or managers of a company or enterprise that has been bankrupt and has been liquidated due to mismanagement, and who are personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

— persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of laws and who are personally liable, and less than three years have elapsed since the date of the revocation of the business license; or

— persons who have a relatively large amount of debt due and outstanding; or other circumstances under which a person is disqualified from acting as a director of a company are set out in the Mandatory Provisions (which have been incorporated in the Articles of Association, a summary of which is set out in Appendix VII to this listing document).

The board of directors shall appoint a chairman, who is elected with approval of more than half of all the directors. The chairman of the board of directors exercises the following functions and powers (including but not limited to):

— to preside over shareholders' general meetings and convene and preside over meetings of the board of directors; and

— to check on the implementation of the resolutions of the board of directors.

The legal representative of a company, in accordance with the company's articles of association, is the chairman of its board of directors. The Special Regulations provide that a company's directors, supervisors, managers and other senior management bear fiduciary duties and the duty to act diligently. They are required to faithfully perform their duties, protect the interests of the company and not to use their positions for their own benefit. The Mandatory Provisions (which have been incorporated into the Articles of Association, a summary of which is set out in Appendix VII) contains further elaborations of such duties.

Supervisors

A company shall have a supervisory committee composed of not less than three members. Each term of office of a supervisor is three years, and the supervisors may hold consecutive terms upon re-election. The supervisory committee is made up of shareholders representatives and an appropriate proportion of the company's staff representatives; and the percentage of the number of the company's staff representatives shall not be less than one-third. Directors and senior management shall not act as supervisors.

The supervisory committee exercises the following functions and powers:

— to check the financial affairs of the company;

— to supervise the directors and senior managers in the performance of their duties, and to put forward proposals on the removal of any director or senior manager who violates laws, administrative regulations, the articles of association or any resolution of the shareholders' meeting;

— to require the director or senior manager to make corrections if his act is detrimental to the interests of the company;

— to propose the convening of extraordinary shareholders' general meetings, and to convene and preside over shareholders' meetings when the board of directors fails to exercise the function of convening and presiding over shareholders' meetings;

— to put forward proposals at shareholders' general meetings;

— to initiate actions against directors or senior managers; and

— to other functions and duties as provided for by the articles of association.

The circumstances under which a person is disqualified from being a director of a company described above apply mutatis mutandis to supervisors of a company.

Managers and senior officers

A company shall have a manager who shall be appointed or removed by the board of directors. The manager is accountable to the board of directors and may exercise the following powers:

— to manage the production, operation and management of the company and arrange for the implementation of resolutions of the board of directors;

— to arrange for the implementation of the company's annual business and investment plans;

— to formulate plans for the establishment of the company's internal management structure;

— to formulate the basic management system of the company;

— to formulate the company's internal rules;

— to recommend the appointment and dismissal of deputy managers and any financial officer and appoint or dismiss other administration officers (other than those required to be appointed or dismissed by the board of directors);

— to attend board meetings as a non-voting attendant; and

— other powers conferred by the board of directors or the company's articles of association.

Other provisions of the articles of association concerning the manager's powers shall also be complied with. The manager shall be in attendance at board meetings.

According to the Company Law, senior management officers shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of directors, supervisors, managers and senior officers

Directors, supervisors, managers and other senior officers of a company are required under the Company Law to comply with the relevant laws, regulations and the company's articles of association, carry out their duties honestly and protect the interests of the company. Each director, supervisor, manager and senior officer of a company is also under a duty of confidentiality to the company and is prohibited from divulging secret information of the company unless permitted by the relevant laws and regulations or by the shareholders.

Any directors, supervisors, managers and other senior officers who contravenes any laws, regulations or the company's articles of association in the performance of his duties which results in any loss to the company shall be personally liable to the company.

Finance and accounting

A company shall establish its financial and accounting systems according to laws, administrative regulations and regulations of competent financial authorities of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited and verified as provided by law.

A company shall make available its financial statements at the company for the inspection by the shareholders at least twenty (20) days before the convening of the annual general meeting of shareholders. A company established by way of public subscription must publish its financial statements.

When distributing each year's after-tax profit, the company shall set aside 10% of its after-tax profit for the company's statutory common reserve (unless such reserve has reached 50% of the company's registered capital). After a company has made an allocation to its statutory common reserve from its after-tax profit, subject to a resolution of the shareholders' meeting or the shareholders' general meeting, the company may make an allocation to a discretionary common reserve from the after-tax profit.

If the aggregate balance of the company's statutory common reserve is not enough to make up for the losses of the company of the previous year, the current year's profit shall first be used for making good the losses before the statutory common reserve is set aside according to the provisions of the preceding paragraph.

After the losses have been made up and statutory common reserves have been set aside, the remaining profit shall be distributed to shareholders in proportion to the number of shares held by shareholders as in the case of a joint stock limited company, except as otherwise provided in the articles of association.

The capital common reserve of a joint stock limited company is made up of the premium over the nominal value of the shares of the company on issue, and other amounts required by the financial authorities of the State Council to be treated as the capital common reserve.

The company's common reserves shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company, but the capital common reserve shall not be used for making up the company's losses. Where the statutory common reserve is converted into registered capital, the balance of the statutory common reserve shall not be less than 25% of the registered capital after such conversion.

Appointment and retirement of auditors

The Special Regulations require a company to employ an independent PRC qualified accounting firm to audit the company's annual report and review and examine other financial reports.

The auditors are to be appointed for a term commencing from the close of an shareholders' annual general meeting and ending at the close of the next shareholders' annual general meeting. If a company removes or ceases to continue to appoint the auditors, it is required by the Special Regulations to give prior notice to the auditors and the auditors are entitled to make representations before the shareholders in general meeting. The appointment, removal or non re-appointment of auditors shall be decided by the shareholders at general meetings and shall be filed with the CSRC for record.

Distribution of profits

The Special Regulations provide that the dividends and other distributions to be paid to holders of overseas listed foreign shares shall be declared and calculated in Renminbi and paid in foreign currency. Under the Mandatory Provisions, the payment of foreign currency to shareholders shall be made through a receiving agent.

Amendments to articles of association

Any amendments to the company's articles of association must be made in accordance with the procedures set forth in the company's articles of association. Any amendment of provisions incorporated in the articles of association in connection with the Mandatory Provisions will only be effective after approval by the companies' approval authorities mandated by the State Council and by the CSRC, if necessary. In relation to matters involving the company's registration, the company shall modify its registration with the companies' registration authorities.

Dissolution and liquidation

A company may apply for the declaration of insolvency by reason of its inability to pay debts as they fall due. After the people's court has made a declaration of the company's insolvency, the shareholders, the relevant authorities and the relevant professionals shall form a liquidation committee to conduct the liquidation of the company.

Under the Company Law, a company shall be dissolved in any of the following events:

(i) the term of its operations stipulated in the company's articles of association has expired or events of dissolution specified in the company's articles of association have occurred;

(ii) a general meeting has resolved to dissolve the company;

(iii) the company is dissolved by reason of its merger or demerger;

(iv) the company is subject to the revocation of business license, a closure order or dismissal in accordance with laws; or

(v) in the event that the company encounters substantial difficulties in its operation and management and its continuance shall cause a significant loss, in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to the people's court for the dissolution of the company.

Provided that, the company may subsist by amending its articles of association pursuant to the company's articles of association in the event of the foregoing paragraph (i). Where the company is dissolved in the circumstances described in (i), (ii), (iv) and (v) above, a liquidation committee must be formed within fifteen (15) days from the date of dissolution. Members of the liquidation committee shall be appointed by the shareholders in a general meeting.

If a liquidation committee is not established within the stipulated period, the company's creditors can apply to the people's court for its establishment. The liquidation committee shall notify the company's creditors within ten (10) days after its establishment, and issue a public notice in the newspapers within sixty (60) days. A creditor shall lodge his claim with the liquidation committee within thirty (30) days after receiving the notification, or within forty-five (45) days of the public notice if he does not receive any notification.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

— to handle the company's assets and to prepare a balance sheet and an inventory of the assets;

— to notify creditors or issue public notices;

— to deal with and settle any outstanding business of the company;

— to pay any tax overdue;

— to settle the company's financial claims and liabilities;

— to handle the surplus assets of the company after its debts have been paid off; and

— to represent the company in civil lawsuits.

If the company's assets are sufficient to meet its liabilities, they shall be applied towards the payment of the liquidation expenses, wages owed to the employees and labor insurance expenses, tax overdue and debts of the company. Any surplus assets shall be distributed to the shareholders of the company in proportion to the number of shares held by them.

A company shall not engage in operating activities unrelated to the liquidation during the liquidation period. If the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must immediately apply to the people's court for a declaration for bankruptcy. Following such declaration, the liquidation committee shall hand over all affairs of the liquidation to the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or the relevant supervisory department for verification. Thereafter, the report shall be submitted to the company's registration authorities in order to cancel the company's registration, and a public notice of its termination shall be issued.

Members of the liquidation committee are required to discharge their duties honestly and in compliance with relevant laws. A member of the liquidation committee is liable to indemnify the company and its creditors with respect to any loss arising from his willful or material misconduct.

Overseas listing

The shares of a company shall only be listed overseas after obtaining approval from the securities regulatory and administrative authorities of the State Council and the listing must be arranged in accordance with procedures specified by the State Council.

According to the Special Regulations, a company's plan to issue overseas listed foreign shares and domestic shares which has been approved by the Securities Commission may be implemented by the board of directors of a company by way of separate issues, within 15 months after the approval is obtained from the CSRC.

Loss of share certificates

A shareholder may apply, in accordance with the relevant provision set out in the PRC Civil Procedure Law, to a people's court in the event that share certificates in registered form are either stolen or lost, for a declaration that such certificates will no longer be valid. After such a declaration has been obtained, the shareholder may apply to the company for the issue of replacement certificates.

A separate procedure regarding the loss of overseas listed and foreign invested share certificates is provided for in the Mandatory Provisions.

Suspension and Termination of listing

The new and amended Company Law has deleted provisions governing suspension and termination of listing. The new Securities Law has been amended as follows: the trading of shares of a company on a stock exchange may be suspended if so decided by the "securities administration authorities of the State Council" (replaced by "stock exchange" in the new Securities Law) under one of the following circumstances:

(i) the registered capital or shareholding distribution no longer complies with the mandatory provisions for a listed company;

(ii) the company fails to make public its financial position in accordance with the requirements or there is false information in the company's financial report that might be misleading for investors;

(iii) the company has committed a major breach of the law;

(iv) the company has incurred losses for three (3) consecutive years; or

(v) other circumstances as required by the listing rules of the relevant stock exchange(s).

Under the Securities Law, in the event that the conditions for listing are not satisfied within the period stipulated by the relevant stock exchange in the case described in (i) above, or the company has refused to rectify the situation in the case described in (ii) above, or the company fails to revert to profitability in the immediately following year in the case described in (iv) above, the relevant stock exchange shall have the right to terminate the listing of the shares of the company.

Merger and demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. In case of a merger by way of absorption, the company which is absorbed shall be dissolved. In case of a merger by the formation of a new corporation, both companies will be dissolved.

Securities law and other relevant regulations

On 22 April 1993, the State Council promulgated the Provisional Securities Regulations. These regulations deal with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settlement, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation and penalties and dispute settlement. According to these regulations, a company must obtain the approval of the Securities Commission to offer its shares outside the PRC. In addition, if a company proposes to issue Renminbi denominated ordinary shares as well as special Renminbi-denominated shares, it must comply with the Provisional Securities Regulations. Provisions of these regulations in relation to acquisitions of listed companies and disclosure of information expressly apply to listed companies in general without being limited to listed companies on any particular stock exchange.

On 25 December 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Liability Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information related to joint stock limited liability companies with domestic listed foreign shares.

The Securities Law took effect on 1 July 1999, with the first revision on 28 August 2004, second revision on 27 October 2005 and third revision on 29 June 2013, respectively. It is the first national securities law of the PRC, divided into 12 chapters and 240 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law provides for comprehensive regulation over activities in the PRC securities market. Article 238 of the Securities Law provides that a company must obtain prior approval from the State Council's regulatory authorities to list shares outside the PRC. Article 239 of the Securities Law provides that specific measures with respect to shares of companies in the PRC that are to be subscribed and traded in foreign currencies shall be separately formulated by the State Council. Currently, the issue and trading of foreign issued shares (including H Shares) are still mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and enforcement of arbitral awards

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**Arbitration Law**") was passed by the Standing Committee on 31 August 1994 and became effective on 1 September 1995. It is applicable to contract disputes and other property disputes between natural persons, legal persons and other organisations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case.

The Hong Kong Listing Rules and the Mandatory Provisions require an arbitration clause to be included in a company's articles of association and, in the case of the Hong Kong Listing Rules, also in contracts with each of the directors and supervisors, to the effect that whenever any disputes or claims arise between holders of H shares and the company; holders of H shares and the directors, supervisors, manager or other senior officers; or holders of H shares and holders of domestic shares, with respect to any disputes or claims in relation to the companies affairs or as a result of any rights or obligations arising under its articles of association, the Company Law or other relevant laws and administrative regulations, such disputes or claims shall be referred to arbitration. Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall comply with the arbitration. Disputes with respect to the definition of shareholders and disputes related to a company's register of shareholders need not be resolved by arbitration.

A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission (the "**CIETAC**") in accordance with its rules or the Hong Kong International Arbitration Centre (the "**HKIAC**") in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If the claimant elects for arbitration to be carried out at the HKIAC, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the HKIAC.

Under the Arbitration Law and PRC Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is irregularity relating to any procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award by a PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement.

Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on 10 June 1958 pursuant to a resolution of the Standing Committee passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the request for enforcement is made.

It was declared by the Standing Committee simultaneously with the accession of the PRC that (i) the PRC will only recognise and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to have arisen from contractual and non-contractual mercantile legal relations. On 18 June 1999, an arrangement was made between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. This new arrangement was approved by the Supreme People's Court of the PRC and the Hong Kong Legislative Council, and became effective on 1 February 2000. The arrangement is made in accordance with the spirit of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958. Under the arrangement, awards made by PRC arbitral authorities recognised under the Arbitration Ordinance of Hong Kong can be enforced in Hong Kong. Hong Kong arbitration awards are also enforceable in the PRC.

HONG KONG LAWS AND REGULATIONS

Summary of material differences between Companies Ordinance and Company Law

The Hong Kong law applicable to a company incorporated in Hong Kong is based on the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and supplemented by common law and rules of equity that apply to Hong Kong. Our Company, which is a joint stock limited company established in the PRC, is governed by the Company Law and all other rules and regulations promulgated pursuant to the Company Law.

Set out below is a summary of certain material differences between the Companies Ordinance and Companies (Winding Up and Miscellaneous Provisions) Ordinance applicable to a company incorporated in Hong Kong and the Company Law applicable to a joint stock limited company incorporated and existing under the Company Law. This summary is, however, not intended to be an exhaustive comparison.

Ongoing concern

Under the Companies Ordinance, a company with share capital is incorporated and will subsist as an independent body corporate after the Registrar of Companies in Hong Kong has issued a certificate of incorporation. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company's articles of association does not contain such pre-emptive provisions.

Under the Company Law, a joint stock limited company may be incorporated by promotion or public subscription.

Hong Kong law does not prescribe any minimum capital requirement for a Hong Kong company. There is no minimum monetary contribution restriction on a Hong Kong company under Hong Kong law.

Share capital

Under Hong Kong law, the authorised share capital of a Hong Kong company is the amount of share capital which the company is authorised to issue and a company is not bound to issue the entire amount of its authorised share capital. The authorised share capital may be larger than its issued share capital. Hence, the directors of a Hong Kong company may, with the prior approval of the shareholders (if required), cause the company to issue new shares. The Company Law does not provide for authorised share capital other than registered capital. The registered capital of a joint stock limited company is the amount of the issued share capital. Any increase in registered capital must be approved by the shareholders in a general meeting and, where applicable, by the relevant PRC governmental and regulatory authorities.

Under the Securities Law, a company which is authorised by the relevant securities administration authority to list its shares on a stock exchange must have a registered capital of not less than RMB3 million. Hong Kong law does not prescribe any minimum capital requirements for companies incorporated in Hong Kong.

Under the Company Law, shares may be subscribed for in the form of money or non-monetary assets that may be valued in currency and lawfully transferable. For non-monetary assets to be used as capital contributions, appraisals and verification must be carried out to ensure no overvaluation or under-valuation of the assets. There is no such restriction on a Hong Kong company under Hong Kong law.

Restrictions on shareholding and transfer of shares

Under PRC law, the domestic shares in the share capital of a joint stock limited company which are denominated and subscribed for in Renminbi may only be subscribed or traded by domestic investors of the PRC. The overseas listed foreign shares issued by a joint stock limited company which are denominated in Renminbi but subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, as well as other qualified institutions.

Under the Company Law, shares in a joint stock limited company held by its promoters cannot be transferred within one year after the date of establishment of the company. Shares in issue prior to the company's public offering cannot be transferred within one year from the listing date of the shares on the Hong Kong Stock Exchange. Shares in a joint stock limited company held by its directors, supervisors and managers and transferred each year during their term of office shall not exceed 25% of the total shares they held in the company, and shares held by them in the company cannot be transferred within one year from the listing date of the shares, and also cannot be transferred within half a year after the said personnel has left office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and officers. There are no such restrictions on shareholdings and transfers of shares under Hong Kong law.

Financial assistance for acquisition of shares

Although the Company Law does not contain any provision prohibiting or restricting a joint stock limited company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares, the Mandatory Provisions contain certain restrictions on a company and its subsidiaries providing such financial assistance similar to those under the Companies Ordinance.

Variation of class rights

The Company Law makes no specific provision relating to variation of class rights. However, the Company Law states that the State Council can promulgate regulations relating to other kinds of shares. The Mandatory Provisions contain elaborate provisions relating to the circumstances which are deemed to be variations of class rights and the approval procedures required to be followed regarding variations of class rights. These provisions have been incorporated in the Articles of Association, which are summarised in Appendix VII to this listing document.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the approval of a special resolution of the holders of the relevant class at a separate meeting; (ii) with the consent in writing of the holders representing at least 75% of the total voting rights of holders of shares in the class in question; or (iii) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Our Company (as required by the Hong Kong Listing Rules and the Mandatory Provisions) has adopted in the Articles of Association provisions protecting class rights in a similar manner to those under Hong Kong law. Holders of overseas listed foreign shares and domestic shares are defined in the Articles of Association as different classes of shareholders, provided however that the special procedures for approval by separate class shareholders shall not apply to the following circumstances: (i) the separate or simultaneous issuance of domestic shares and overseas listed foreign shares by the Company, once every 12-month period, pursuant to a Shareholders' special resolution, of not more than 20% of each of the issued domestic shares and issued overseas listed foreign shares as of the date of the Shareholders' special resolution; and (ii) upon approval by the CSRC, the transfer of shares to overseas investors by holders of domestic shares to be listed and traded in foreign markets.

Directors

The Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration made by directors of the interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits, and prohibitions against compensation for loss of office without shareholders' approval. The Company Law provides restrictions on interested directors voting on the resolution at a meeting of the board of directors when such resolution relates to an enterprise which the director is interested or connected. The Mandatory Provisions, however, contain requirements and restrictions on major dispositions and specify the circumstances under which a director may receive compensation for loss of office.

Supervisory committee

Under the Company Law, the board of directors and managers of a joint stock limited company is subject to the supervision and inspection of a supervisory committee but there is no mandatory requirement for the establishment of a supervisory committee for a company incorporated in Hong Kong. The Mandatory Provisions provide that each supervisor owes a duty, in the exercise of his powers, to act in good faith and honestly in what he considers to be in the best interests of the company and to exercise the care, diligence and skill that a reasonably prudent person would exercise under comparable circumstances.

Derivative action by minority shareholders

Hong Kong law permits minority shareholders to start a derivative action on behalf of a company against directors who have committed a breach of their fiduciary duties to the company, if such directors control a majority of votes at a shareholders' general meeting, thereby effectively preventing a company from suing the directors in breach of their duties in its own name. The Company Law gives shareholders of a joint stock limited company the right to initiate proceedings in the people's court to restrain the implementation of any resolution passed by the shareholders in a general meeting, or by the board of directors, that violates any law or infringes the lawful rights and interests of the shareholders. The Company Law also provides that the shareholder can initiate proceedings if the director or senior management of the company violates laws, administrative regulations or articles of association of the company and thus infringes the shareholder's interest. The Mandatory Provisions further provide remedies to the company against directors, supervisors and senior management in breach of their duties to the company. In addition, every director and supervisor of a joint stock limited company applying for a listing of its foreign shares on the Hong Kong Stock Exchange is required to give an undertaking in favour of the company to comply with the company's articles of association. This allows minority shareholders to act against the directors and supervisors in default.

Protection of minorities

Under Hong Kong law, a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to court to either wind up the company or make an appropriate order regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of the Hong Kong Government may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong. The Company Law provides that where any company encounters any serious difficulty in its operations or management such that the subsistence of the company will result in serious losses for the shareholders and such difficulty cannot be resolved by any other means, the shareholders holding 10% or more of the voting rights of all the issued shares of the company may plead the people's court to dissolve the company. The Mandatory Provisions, however, contain provisions to the effect that a controlling shareholder may not exercise its voting rights to relieve a director or supervisor of his duty to act honestly in the best interests of the company or to approve the expropriation by a director or supervisor of the company's assets or the individual rights of other shareholders which is prejudicial to the interests of the company's shareholders generally or certain shareholders in particular.

Notice of shareholders' meetings

Under the Company Law, notice of a shareholders' general meeting must be given not less than twenty (20) days before the meeting, or, in the case of a company having bearer shares, a public announcement of a shareholders' general meeting must be made at least thirty (30) days prior to it being held. Under the Special Regulations and the Mandatory Provisions, forty-five (45) days' written notice must be given to all shareholders and shareholders who wish to attend the meeting must reply in writing twenty (20) days before the date of the meeting. For a company incorporated in Hong Kong, the notice period for an annual general meeting is twenty-one (21) days and in any other case, if the company is a limited company at least 14 days .

Quorum for shareholders' meetings

Under Hong Kong law, the quorum for a general meeting is two members present in person or by proxy unless otherwise provided for by the articles of association of the company. For one member companies, one member will be a quorum.

The Company Law does not specify any quorum requirement for a shareholders' general meeting, but the Special Regulations and the Mandatory Provisions provide that a company's general meeting can be convened when replies to the notice of that meeting have been received from shareholders whose shares represent 50% of the voting rights in the company at least twenty (20) days before the proposed date of the meeting. If such 50% level is not achieved, the company shall within five days notify its shareholders by public announcement and the shareholders' general meeting may be held thereafter.

Voting

Under Hong Kong law, an ordinary resolution is passed by a simple majority of votes cast by members present in person or by proxy at a shareholders' general meeting and a special resolution is passed by a majority of not less than three-fourths of votes cast by members present in person or by proxy at a shareholders' general meeting. Under the Company Law, the passing of any resolution requires more than one half of the votes cast by shareholders present in person or by proxy at a shareholders' general meeting except in cases of proposed amendment to the articles of association, increase or reduction of share capital, and merger, demerger or dissolution of a joint stock limited company or changes to the company status, which require two-thirds or more of votes cast by shareholders present at a shareholders' general meeting.

Financial disclosure

A company is required under the Company Law to make available at its office for inspection by shareholders its annual balance sheet, profit and loss account, statements of changes in financial position and other relevant annexes twenty (20) days before the annual general meeting of shareholders. In addition, a company established by way of public subscription under the Company Law must publish its financial position. The annual balance sheet has to be verified by registered accountants. The Companies Ordinance requires a company to send to every shareholder a copy of its balance sheet, auditors' report and directors' report, which are to be laid before the company in its annual general meeting, not less than twenty-one (21) days before such meeting. A company is required under the PRC law to prepare its financial statements in accordance with the PRC accounting standards. The Mandatory Provisions require that the company must, in addition to preparing accounts according to the PRC standards, have its accounts prepared and audited in accordance with International Accounting Standards or Hong Kong accounting standards and its financial statements must also contain a statement of the financial effect of the material differences (if any) from the financial statements prepared in accordance with the PRC accounting standards.

The Special Regulations require that there should not be any inconsistency between the information disclosed within and outside the PRC and that, to the extent that there are differences in the information disclosed in accordance with the relevant PRC and overseas laws, regulations and requirements of the relevant stock exchanges, such differences should also be disclosed simultaneously.

Information on directors and shareholders

The Company Law gives the shareholders of a company the right to inspect its articles of association, minutes of the shareholders' general meetings and financial and accounting reports. Under the Articles of Association, Shareholders of the Company have the right to inspect and, after payments of reasonable charges, make copies of certain information on the Shareholders and on the Directors similar to that available to shareholders of Hong Kong companies under Hong Kong law.

Receiving agent

Under both the PRC and Hong Kong law, dividends once declared become debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while that under the PRC law is two years. The Mandatory Provisions require that the company should appoint a trust company registered under the Hong Kong Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) as a receiving agent to receive on behalf of holders of foreign shares dividends declared and all other monies owed by a joint stock limited company in respect of such foreign shares.

Corporate reorganisation

Corporate reorganisations involving company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company to another company in the course of being wound up voluntarily pursuant to Section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to Division 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires the sanction of the court. Under the Company Law, the merger, demerger, dissolution, liquidation or change to the forms of a company has to be approved by shareholders at the general meeting.

Arbitration of disputes

In Hong Kong, disputes between shareholders and a company incorporated in Hong Kong or its directors may be resolved through the courts. The Mandatory Provisions provide that such disputes should be submitted to arbitration at either the HKIAC or the CIETAC at the claimant's choice.

Mandatory deductions

Under the Company Law, a company shall allocate 10% of the profits to its statutory common reserve before declaring any dividends after taxation until the aggregate amount of the statutory common reserve reaches a level equivalent to 50% of the company's registered capital. After the company has made allocations to the statutory common reserve from the after-tax profits, it may, upon a resolution made by the shareholders, make further allocations from after-tax profit to the discretionary common reserve. There are no such requirements under Hong Kong law.

Remedies of a company

Under the Company Law, if a director, supervisor or manager in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or manager should be responsible to the company for such damages. In addition, such remedies of the company are similar to those available under the Hong Kong law (including rescission of the relevant contract and recovery of profits made by a director, supervisor or officer) and in compliance with the Hong Kong Listing Rules.

Dividends

Under Hong Kong law, the limitation period for an action to recover a debt (including the recovery of dividends) is six years, whereas under PRC laws, the relevant limitation period is two years. A company shall not exercise its powers to forfeit any unclaimed dividend in respect of its overseas listed foreign shares until after the expiry of the applicable limitation period.

Fiduciary duties

In Hong Kong, there is the common law concept of fiduciaries duty of directors. Under the Company Law and the Special Regulations, directors, supervisors, senior management owe a fiduciary duty towards a company and are not permitted to engage in any activities which compete with or are prejudicial to the interests of the company.

Closure of register of shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than thirty (30) days (extendable to sixty (60) days in certain circumstances) in a year, whereas the articles of association of a company provide, as required by the Company Law, that share transfers may not be registered within thirty (30) days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Hong Kong Listing Rules

The Hong Kong Listing Rules provide additional requirements which apply to an issuer incorporated in the PRC as a joint stock limited company and seeking a primary listing or whose primary listing is on the Hong Kong Stock Exchange. Set out below is a summary of such principal additional requirements which apply to our Company.

Compliance adviser

A company seeking listing on the Hong Kong Stock Exchange is required to appoint a compliance adviser acceptable to the Hong Kong Stock Exchange for the period from its listing date up to the date of the publication of its first full year's financial results, to provide the company with professional advice on continuous compliance with the Hong Kong Listing Rules and all other applicable laws, regulations, rules, codes and guidelines, and to act at all times, in addition to the company's two authorised representatives, as the principal channel of communication with the Hong Kong Stock Exchange. The appointment of the compliance adviser may not be terminated until a replacement acceptable to the Hong Kong Stock Exchange has been appointed.

If the Hong Kong Stock Exchange is not satisfied that the compliance adviser is fulfilling its responsibilities adequately, it may require the company to terminate the compliance adviser's appointment and appoint a replacement.

The compliance adviser must keep the company informed on a timely basis of changes in the Hong Kong Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to the company.

It must act as the company's principal channel of communication with the Hong Kong Stock Exchange if the authorised representatives of the company are expected to be frequently outside Hong Kong.

Accountants' report

An accountants' report for a PRC issuer will not normally be regarded as acceptable by the Hong Kong Stock Exchange unless the relevant accounts have been audited to a standard comparable to that required in Hong Kong or under International Standards on Auditing or China Auditing Standards. Such report will normally be required to conform to Hong Kong or international accounting standards or CASBE.

Process agent

Our Company is required to appoint and maintain a person authorised to accept service of process and notices on its behalf in Hong Kong throughout the period during which its securities are listed on the Hong Kong Stock Exchange and must notify the Hong Kong Stock Exchange of his appointment, the termination of his appointment and his contact particulars.

Public shareholdings

If at any time there are existing issued securities of a PRC issuer other than foreign shares which are listed on the Hong Kong Stock Exchange, the Hong Kong Listing Rules require that the aggregate amount of such foreign shares held by the public must constitute not less than 25% of the issued share capital and that such foreign shares for which listing is sought must not be less than 15% of the total issued share capital if the company has an expected market capitalisation at the time of listing of not less than HK$50,000,000. The Hong Kong Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25% if the Company has an expected market capitalisation at the time of listing of over HK$10,000,000,000.

Independent non-executive directors and supervisors

The independent non-executive directors of a PRC issuer are required to demonstrate an acceptable standard of competence and adequate commercial or professional expertise to ensure that the interests of the general body of shareholders will be adequately represented. The supervisors of a PRC issuer must have the character, expertise and integrity and be able to demonstrate a standard of competence commensurate with their position as supervisors.

Restrictions on purchase and subscription of its own securities

Subject to governmental approvals and the provisions of the Articles of Association, our Company may repurchase its own H Shares on the Hong Kong Stock Exchange in accordance with the provisions of the Hong Kong Listing Rules. Approval by way of special resolution of the holders of domestic shares and the holders of H Shares at separate class meetings conducted in accordance with the Articles of Association is required for share repurchases. In seeking approvals, our Company is required to provide information on any proposed or actual purchases of all or any of its equity securities, whether or not listed or traded on the Hong Kong Stock Exchange. The Directors must also state the consequences of any purchases which will arise under either or both of the Code on Takeovers and Mergers and any similar PRC law of which the Directors are aware, if any.

Any general mandate given to the Directors to repurchase the foreign shares must not exceed 10% of the total amount of existing issued foreign shares of the Company.

Mandatory provisions

With a view to increasing the level of protection afforded to investors, the Hong Kong Stock Exchange requires the incorporation, in the articles of association of a PRC company whose primary listing is on the Hong Kong Stock Exchange, of the Mandatory Provisions and provisions relating to the change, removal and resignation of auditors, class meetings and the conduct of the supervisory committee of the company. Such provisions have been incorporated into the Articles of Association, a summary of which is set out in Appendix VII to this listing document.

Redeemable shares

The Company must not issue any redeemable shares unless the Hong Kong Stock Exchange is satisfied that the relative rights of the holders of the foreign shares are adequately protected.

Pre-emptive rights

Except in the circumstances mentioned below, the directors of a company are required to obtain the approval by a special resolution of shareholders in general meeting, and the approvals by special resolutions of the holders of domestic shares and foreign shares (each being otherwise entitled to vote at general meetings) at separate class meetings conducted in accordance with the company's articles of association, prior to (i) authorising, allotting, issuing or granting shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares or such convertible securities; or (ii) any major subsidiary of the company making any such authorisation, allotment, issue or grant so as materially to dilute the percentage equity interest of the company and its shareholders in such subsidiary.

No such approval will be required, but only to the extent that, the existing shareholders of the company have by special resolution in general meeting given a mandate to the directors, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to authorise, allot or issue, either separately or concurrently once every 12 months, not more than 20% of the existing domestic shares and foreign shares as of the date of the passing of the relevant special resolution or of such shares that are part of the company's plan at the time of its establishment to issue domestic shares and foreign shares and which plan is implemented within 15 months from the date of approval by the CSRC; or where upon approval by securities supervision or administration authorities of State Council, the shareholders of domestic shares of the company transfer its shares to overseas investors and such shares are listed and traded in foreign markets.

Supervisors

Our Company is required to adopt rules governing dealings by its Supervisors in securities of the Company in terms no less exacting than those of the model code (set out in Appendix 10 to the Hong Kong Listing Rules) issued by the Hong Kong Stock Exchange.

Our Company is required to obtain the approval of its Shareholders at a general meeting (at which the relevant Supervisor and his associates shall not vote on the matter) prior to the Company or any of its subsidiaries entering into a service contract of the following nature with a Supervisor or proposed Supervisor of the Company or its subsidiary: (i) having a term that may exceed three years; or (ii) expressly requiring the Company to give notice of one year or above or to pay compensation or make other payments equivalent to the remuneration for one year or above.

The remuneration and appraisal committee of our Company or an independent board committee must form a view in respect of service contracts that require Shareholders' approval and advise Shareholders (other than Shareholders with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of our Company and its Shareholders as a whole and advise Shareholders on how to vote.

Amendment to the Articles of Association

Our Company is required not to permit or cause any amendment to be made to its Articles of Association which would cause the same to cease to comply with the mandatory provisions of the Hong Kong Listing Rules and the Mandatory Provisions or the Company Law.

Documents for inspection

Our Company is required to make available at a place in Hong Kong for inspection by the public and its Shareholders free of charge, and for copying by Shareholders at reasonable charges the following:

— a complete duplicate register of shareholders;

— a report showing the state of the issued share capital of the Company;

— the Company's latest audited financial statements and the reports of the Directors, auditors and Supervisors (if any) thereon;

— special resolutions of the Company;

— reports showing the number and nominal value of securities repurchased by the Company since the end of the last certificates year, the aggregate amount paid for such securities and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and H Shares);

— a copy of the latest annual return led with the SAIC or its local branches; and

— for Shareholders only, copies of minutes of meetings of Shareholders.

Receiving agents

Our Company is required to appoint one or more receiving agents in Hong Kong and pay to such agent(s) dividends declared and other monies owing in respect of the H Shares to be held, pending payment, in trust for the holders of such H Shares.

Statements in H share certificates

Our Company is required to ensure that all of its listing documents and H Share certificates include the statements stipulated below and to instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect that the acquirer of shares:

— agrees with the Company and each Shareholder of the Company, and the Company agrees with each Shareholder of the Company, to observe and comply with the Company Law, the Special Regulations, the Articles of Association and other relevant laws and administrative regulations;

— agrees with the Company, each Shareholder, Director, Supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, Supervisor, manager and officer of the Company agrees with each Shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award. Such arbitration shall be final and conclusive;

— agrees with the Company and each Shareholder of the Company that the H Shares are freely transferable by the holder thereof; and

— authorises the Company to enter into a contract on his behalf with each Director, Supervisor, manager and officer of the Company whereby each such Director and officer undertakes to observe and comply with his obligations to the Shareholders as stipulated in the Articles of Association.

Compliance with the Company Law, the Special Regulations and the Articles of Association

Our Company is required to observe and comply with the Company Law, the Special Regulations and the Articles of Association.

Contract between the Company and its Directors, officers and Supervisors

Our Company is required to enter into a contract in writing with every Director and officer containing at least the following provisions:

— an undertaking by the Director or officer to the Company to observe and comply with the Company law, the Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers and Share Repurchases and an agreement that the Company shall have the remedies provided in the Articles of Association and that neither the contract nor his office is capable of assignment;

— an undertaking by each Director or officer to the Company acting as agent for each Shareholder to observe and comply with his obligations to the Shareholders as stipulated in the Articles of Association;

- — an arbitration clause which provides that whenever any differences or claims arise from that contract, the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between the Company and its Directors or officers and between a holder of H Shares and a Director or officer of the Company, such differences or claims will be referred to arbitration at either the CIETAC in accordance with its rules or the HKIAC in accordance with its Securities Arbitration Rules, at the election of the claimant and that once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. Such arbitration will be final and conclusive;

- — if the party seeking arbitration elects to arbitrate the dispute or claim at HKIAC, then either party may apply to have such arbitration conducted in Shenzhen according to the Securities Arbitration Rules of HKIAC;

- — PRC laws shall govern the arbitration of disputes or claims referred to above, unless otherwise provided by laws or administrative regulations;

- — the award of the arbitral body is final and shall be binding on the parties thereto;

- — the agreement to arbitrate is made by the Director or officer with the Company on its own behalf and on behalf of each shareholder; and

- — any reference to arbitration shall be deemed to authorise the arbitral tribunal to conduct hearings in open session and to publish its award.

Our Company is also required to enter into a contract in writing with every Supervisor containing statements in substantially the same terms.

Subsequent listing

The Company must not apply for the listing of any of its foreign shares on a PRC stock exchange unless the Hong Kong Stock Exchange is satisfied that the relative rights of the holders of foreign shares are adequately protected.

English translation

All notices or other documents required under the Hong Kong Listing Rules to be sent by the Company to the Hong Kong Stock Exchange or to holders of H Shares are required to be in the English language, or accompanied by a certified English translation.

General

If any change in the PRC law or market practices materially alters the validity or accuracy of any of the basis upon which the additional requirements have been prepared, then the Hong Kong Stock Exchange may impose additional requirements or make listing of the equity securities of a PRC issuer, including our Company, subject to special conditions as the Hong Kong Stock Exchange considers appropriate. Whether or not any such changes in the PRC law or market practices occur, the Hong Kong Stock Exchange retains its general power under the Hong Kong Listing Rules to impose additional requirements and make special conditions in respect of our Company's listing.

Summary of material differences between Hong Kong Listing Rules and Shenzhen Listing Rules

As our A Shares are listed on the Shenzhen Stock Exchange, we are also subject to Shenzhen Listing Rules. Set out below is a summary of material differences between Hong Kong Listing Rules and Shenzhen Listing Rules:

Periodic financial reporting

There are material differences in financial reporting standards and practices regarding, for examples, industry-specific financial reporting requirements, announcement of preliminary results, form and content of periodic financial reports and post-vetting of periodic financial reports.

Classification and disclosure requirements for notifiable transactions

The method of classification of notifiable transactions under Hong Kong Listing Rules and the disclosure requirement pertaining to such transactions differ from those under the Shenzhen Listing Rules.

Connected transactions

The definition of a connected person under the Hong Kong Listing Rules and the definition of a related party under the Shenzhen Listing Rules are different. In addition, the disclosure and shareholder approval requirements for connected transactions under the Hong Kong Listing Rules and for related party transactions under the Shenzhen Listing Rules, as well as the respective exemptions are different.

Disclosure of inside information

The scope, timing and method of disclosure of inside information are different between Hong Kong Listing Rules and Shenzhen Listing Rules.

Other Legal and Regulatory Provisions

Upon our Company's listing, the provisions of the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Repurchases and such other relevant ordinances and regulations as may be applicable to companies listed on the Hong Kong Stock Exchange will apply to our Company.

Securities Arbitration Rules

The Articles of Association provide that certain claims arising from the Articles of Association or the Company Law shall be arbitrated at either the CIETAC or the HKIAC in accordance with their respective rules. The Securities Arbitration Rules of the HKIAC contain provisions allowing an arbitral tribunal to conduct a hearing in Shenzhen for cases involving the affairs of companies incorporated in the PRC and listed on the Hong Kong Stock Exchange so that PRC parties and witnesses may attend.

Where any party applies for a hearing to take place in Shenzhen, the tribunal shall, where satisfied that such application is based on bona fide grounds, order the hearing to take place in Shenzhen conditional upon all parties including witnesses and the arbitrators being permitted to enter Shenzhen for the purpose of the hearing. Where a party (other than a PRC party) or any of its witnesses or any arbitrator is not permitted to enter Shenzhen, then the tribunal shall order that the hearing be conducted in any practicable manner, including the use of electronic media. For the purpose of the Securities Arbitration Rules, a PRC party means a party domiciled in the PRC other than the territories of Hong Kong, Macau and Taiwan.

PRC Legal Matter

Shu Jin Law Firm, our legal adviser on PRC law, have furnished to us a legal opinion dated 23 June 2014 confirming that it has reviewed the summaries of relevant PRC laws and regulations as contained in this Appendix and is of the view that such summaries are correct summaries relevant to PRC laws and regulations. This letter is available for inspection as described in "Appendix X — Documents Available for Inspection." Any person wishing to have detailed advice on PRC law and the laws of any jurisdictions is recommended to seek independent legal advice.

This Appendix contains a summary of the principal provisions of the Articles of Association, which was adopted by our Shareholders in the Shareholders' general meeting held on 4 February 2013 and will become effective on the date on which our H Shares are listed on the Hong Kong Stock Exchange. The principal objective of this Appendix is to provide an overview of the Articles of Association and a copy of the full Chinese and English text of the Articles of Association is available for inspection as mentioned in the section headed "Documents Available for Inspection" in Appendix X to this listing document.

DIRECTORS AND OTHER SENIOR EXECUTIVE OFFICERS

Power to Allot and Issue Shares

There is no provision in the Articles of Association empowering the Directors to allot and issue shares.

To increase the share capital of our Company, the Board of Directors is responsible for formulating proposals for approval at a Shareholders' general meeting by way of special resolution. The plan of listing foreign shares in overseas and domestic shares which is approved by the CSRC can be arranged by the Board of Directors to be listed separately. Any such increase must be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Power to Dispose of the Assets of our Company or any Subsidiary

The Board of Directors shall not, without the prior approval of the Shareholders' general meeting, dispose of or agree to dispose of any fixed assets of our Company where the sum of the estimated value of the consideration for the proposed disposition and the aggregate amount of the consideration for all dispositions of fixed assets of our Company completed within four (4) months immediately preceding the proposed disposition exceeds 33% of value of our fixed assets as shown on the latest balance sheet placed before a Shareholder's general meeting.

The validity of a disposition by our Company of fixed assets shall not be affected by the breach of the above paragraph.

For the purpose of the Articles of Association, a disposition of fixed assets includes an act involving the transfer of an interest in assets but does not include the provision of fixed assets by way of security.

The Board of Directors shall carry its duties in compliance with the laws, regulations, the Articles of Association and resolutions passed by shareholders in general meetings.

Compensation or Payments for Loss of Office

Our Company shall, with the approval of Shareholders at a general meeting, enter into a contract in writing with each Director, Supervisor wherein his emoluments are stipulated. The aforesaid emoluments shall include:

- emoluments in respect of his service as Director, Supervisor or senior executive officer of our Company;
- emoluments in respect of his services as Director, Supervisor or senior executive officer of any of our Company's subsidiary;
- emoluments in respect of the provision of other services in connection with the management of affairs of our Company or any of its subsidiary;

- compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or Supervisor against our Company for any benefit due to him in respect of the above matters.

Contracts entered into by the Company with a Director or Supervisor of our Company in connection with emoluments, shall provide that such Director or Supervisor, in the event of a takeover of our Company and subject to the approval of Shareholders in a general meeting, has the right to receive compensation or other payments for loss of office or retirement from office. A takeover of the Company means either of the following circumstances:

- an offer is made to all Shareholders of the Company;

- an offer is made such that the offeror will become the controlling Shareholder of our Company (as defined in the Articles of Association).

If the relevant Director or Supervisor does not comply with the above requirements, any sum received by him shall belong to those persons who have sold their Shares as a result of the offer. The expenses incurred in distributing such sum pro para amongst those persons shall be borne by the relevant Director or Supervisor and shall not be paid out of the sum to be received by them.

Loans to Directors, Supervisors and Other Officers

Our Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with the making of a loan to, Directors, Supervisors and other senior executive officers of our Company and those of our holding companies or any of their respective associates. However, the following transactions are not subject to such prohibition:

- the provision by our Company of a loan or a guarantee of a loan to a company which is a subsidiary of our Company;

- the provision by our Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of our Director, Supervisor, manager and any other senior executive officer to meet expenditure incurred by him for the purposes of our Company or for the purpose of enabling him to perform its duties properly, in accordance with the terms of a service contract approved by the Shareholders in a general meeting; and

- our Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant Director, Supervisor, manager and any other senior executive officer or their respective associates on normal commercial terms, provided that the ordinary course of business of our Company includes the lending of money or the giving of guarantee.

A loan made by our Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

A guarantee provided by our Company in breach of the above prohibition shall be unenforceable against our Company, unless:

- the loan was provided to an associate of any of the Director, Supervisor and other senior executive officer of our Company or of our Company's holding companies and at the time the loan was advanced the lender did not know the relevant circumstances; or

- the collateral provided by our Company has been lawfully disposed of by the lender to a bona fide purchaser.

For these purposes, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Financial Assistance for the Acquisition of Shares in our Company or any Subsidiary

Subject to the exceptions in the Articles of Association, the Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance (as defined below) to a person who is acquiring or is proposing to acquire Shares of our Company. The said acquirer of Shares of our Company includes a person who directly or indirectly incurs any obligation (as defined below) due to the acquisition of our Shares.

The Company or its subsidiaries shall not, by any means at any time, provide any financial assistance to the said acquirer as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

The following activities shall not be deemed to be prohibited activities:

- the provision of financial assistance by our Company where the financial assistance is given in good faith in the interest of our Company, and the principal purpose of giving the financial assistance is not for the acquiring of Shares, or the giving of the financial assistance is an incidental part of some larger purpose of our Company;

- the lawful distribution of our Company's assets by way of dividends;

- the allotment of bonus Shares as dividends;

- a reduction of registered share capital, a repurchase of Shares or a reorganisation of the share capital structure of our Company effected in accordance with the Articles of Association;

- the provision of loans by our Company within its scope of business and in the ordinary course of its business (provided that the net assets of our Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits);

- the provision of money by our Company for contribution to staff and workers' share schemes (provided that the net assets of our Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).

For these purposes:

(a) "financial assistance" includes (but not limited to) the following meaning:

  - gift;

  - guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of our Company's own default) or release or waiver of any rights;

- provision of loan or any other agreement under which the obligations of our Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the novation of, or the assignment of rights arising under, such loan or agreement; or

- any other form of financial assistance given by our Company when our Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

(b) "incurring an obligation" includes the incurring of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Disclosure of Interests in Contracts with our Company or any of its Subsidiaries

Where a Director of our Company is in any way, directly or indirectly, materially interested in a contact, transaction or arrangement or proposed contract, transaction or arrangement with our Company (other than his contract of service with our Company), he shall declare the nature and extent of his interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board of Directors.

Unless the interested Director, Supervisor, President or other senior executive officer discloses his interests in accordance with the Articles of Association and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested Director is not counted in the quorum and refrains from voting, a contract, transaction or arrangement is voidable at the instance of our Company except as against a bona fide party thereto.

Where a Director, Supervisor, President or other senior executive officer of our Company gives to the Board of Directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by our Company, such notice shall be deemed for the purposes of this paragraph to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of our Company.

Remuneration

The remuneration of Directors must be approved by our Shareholders in a general meeting. Please see "Compensation or Payments for Loss of Office" above.

Appointment, Removal and Retirement

The Directors shall be elected and removed by Shareholders in general meeting (provided that Shareholders in general meeting complying with the laws and regulations and subject to claims under any contract).

The term of office of the Directors shall be three (3) years commencing from their accession and ending on the expiry of the term of the current session of the Board of Directors. The Directors are eligible for re-election.

The Board of Directors shall consist of eleven (11) Directors, of which at least one-third shall be independent non-executive Directors. The Board of Directors shall have one chairman and one to two vice chairman, who shall be elected and removed by a majority of all Directors.

The minimum length of the period for giving written notice of the intention to nominate a person for election as a Director and of his willingness to be elected shall be at least seven (7) days. The period of giving such notice shall commence after the date the Company gives notice of the general meeting by post, and shall end not later than seven (7) days before the date of the general meeting.

A person may not serve as a Director, Supervisor, Chairman or any other senior executive officer of our Company if any of the following circumstances apply:

- a person without civil or with restricted civil capacity;
- a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- a person who is a former legal representative of a company or enterprise which had its business license revoked and closed due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;
- a person who has a relatively large amount of debts due and outstanding;
- a person who is under criminal investigation or prosecution by judicial organisation for violation of the criminal law where investigation or prosecution is not yet concluded;
- a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction; or
- other persons stipulated by laws, administrative regulations or department regulations.

The validity of an act of a Director or other senior executive officer on behalf of our Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Borrowing Powers

The Articles of Association do not contain any special provision in respect of the manner in which borrowing powers may be exercised by the Directors nor do they contain any special provision in respect of the manner in which such power may arise, except for:

- provisions authorizing the Board of Directors to formulate proposals for the issuance of debentures; and

- provisions providing that the issuance of debentures must be approved by the Shareholders of the Company in a general meeting by way of a special resolution.

Duties

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which Shares are listed, each of our Directors, Supervisors and other executive officers owes a duty to each Shareholder, in exercise of the functions and powers of our Company entrusted to him:

- not to cause our Company to exceed the scope of business stipulated in its business license;
- to act honestly in the best interest of our Company;
- not to expropriate in any way the Company of its assets, including (but not limited to) opportunities beneficial to the Company;
- not to expropriate the individual rights of Shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a reorganisation of our Company submitted to Shareholders for approval in accordance with the Articles of Association.

Each of Directors, Supervisors and other senior executive officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Each of Directors, Supervisors and other senior executive officers shall carry on his duties in accordance with the principal of fiduciary and shall not put him in a position where his duty and his interests may conflict. This principal includes (but not limited to) discharging the following obligations:

- to act honestly in the best interest of our Company;
- to exercise his duties within the scope specified and not to act ultra vires;
- to exercise the discretionary vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a general meeting, not to delegate the exercise of his discretion;
- to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- except in accordance with the Articles of Association or with the informed consent of Shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with our Company;
- without the informed consent of Shareholders given in a general meeting, not to use the Company's assets in any way for his personal benefit;
- not to exploit his position to accept bribes or other illegal income or expropriate our Company's assets by any means, including (but not limited to) opportunities beneficial to the Company;
- without the informed consent of Shareholders given in a general meeting, not to accept commissions in connection with our Company's transactions;

- to abide by the Articles of Association, faithfully perform his duties, protect the interests of our Company and not to exploit his position and powers in our Company to seek his own private interests;

- without the informed consent of Shareholders given in a general meeting, not to compete with our Company in any form;

- not to misappropriate the Company's funds or lend such funds to others, not to open account in his own name or other names for the deposit of the Company's funds and not to provide guarantee for debts of the Company's Shareholders or others with our Company's funds;

- without the informed consent of Shareholders given in a general meeting, not to disclose any confidential information of our Company acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of our Company, save that disclosure of such information to the court or other governmental authorities is permitted where (i) disclosure is made under compulsion of laws; (ii) there is a requirement to the public interests to disclose; or (iii) the interests of the relevant Director, Supervisor, or other senior executive officer require disclosure.

Each Director, Supervisor and other senior executive officer shall not cause the following persons or institutions ("**associate**") to do what he is prohibited from doing:

- the spouse or minor child of that Director, Supervisor or other senior executive officer;

- a person acting in the capacity of trustee of that Director, Supervisor or other executive officer or any person referred to in the preceding paragraph;

- a person acting in the capacity of partner of that Director, Supervisor or other senior executive officer or any person referred to in the preceding two paragraphs;

- a company in which that Director, Supervisor or other senior executive officer, alone or jointly with one or more persons referred to in the preceding three paragraphs and other Director, Supervisor or other senior executive officer have a de facto controlling interest; and

- the directors, supervisors and other senior executive officers of the controlled company referred to in the preceding paragraph.

The fiduciary duties of Directors, Supervisors and other senior executive officers do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of our Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and our Company are terminated.

In addition to any rights and remedies provided by laws, administrative regulations, where a Director, Supervisor and other senior executive officer is in breach of his obligations to our Company, our Company has a right to:

- claim against such Director, Supervisor or other senior executive officer for losses incurred by our Company as a result of such breach;

- rescind any contract or transaction entered into by the Company with such Director, Supervisor or other senior executive officer or with any third party who knows or should know there is such a breach of duties by such Director, Supervisor or other senior executive officer;

- demand a surrender of the profits made by the Director, Supervisor or other senior executive officer as a result of such breach;

- recover any funds received by such Director, Supervisor or other senior executive officer which should be received by our Company, including (but not limited to) commissions; and

- demand return of the interests earned or which may have been earned by the Director, Supervisor or other senior executive officer on the funds that should have been paid to our Company.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

Our Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

Amendments to the Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approvals by the companies approving department authorised by the State Council and the CSRC. If there is any change relating to the registered particulars of our Company, application shall be made for registration of the changes in accordance with laws.

CHANG OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

Rights conferred on any class of Shareholders in the capacity of Shareholders ("**class rights**") may not be varied or abrogated unless approved by a special resolution of Shareholders in a general meeting and by holders of shares of that class at a separate meeting conducted in accordance with the Articles of Association.

The following circumstances should be deemed to be change or abrogation of the class rights of a class:

- to increase or decrease the number of Shares of such class, or increase or decrease the number of Shares of class having voting or equity rights or privileges equal or superior to those of the Shares of such class;

- to effect an exchange of all or part of the Shares of such class into Shares of another class or to effect an exchange or create a right of exchange of all or part of the Shares of another class into the Shares of such class;

- to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to Shares of such class;

- to reduce or remove a dividend preference or a liquidation preference attached to Shares of such class;

- to add, remove or reduce conversion privileges, options, voting rights, transfer or preemptive rights, or rights to acquire securities of our Company attached to Shares of such class;

- to remove or reduce rights to receive payments payable by our Company in a particular currency attached to Shares of such class;

- to create a new class of Shares having voting or equity right or privileges equal or superior to those of the Shares of such class;

- to restrict the transfer or ownership of the Shares of such class or add to such restriction;

- to allot and issue rights to subscribe for, or convert into, Shares in our Company of such class or another class;
- to increase the rights or privileges of Shares of another class;
- to reorganise our Company where the proposed reorganisation will result in different classes of Shareholders bearing a disproportionate burden of such reorganisation; and
- to vary or abrogate provisions in the Articles of Association.

Shareholders of the affected class, whether or not otherwise having the right to vote at the Shareholder's general meeting, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs two to eight, eleven and twelve above, but interested Shareholder(s) (as defined below) shall not be entitled to vote at class meetings.

Resolutions of a class of Shareholders shall be passed by votes representing two-thirds or more of the voting rights of Shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings.

Written notice of a class meeting shall be given forty-five (45) days before the date of the class meeting to notify all of the Shareholders in the share register of that class of the matters to be considered, the date and the place of the class meeting. A Shareholder who intends to attend the class meeting shall deliver his reply concerning attendance at the class meeting to our Company twenty (20) days before the date of the class meeting.

If the number of shares carrying voting rights at the meeting represented by the Shareholders who intend to attend the class meeting reaches one half or more of the voting Shares at the class meeting, our Company may hold the class meeting; if not, our Company shall within five (5) days notify the Shareholders of the class, again by public notice, of the matters to be considered, the date and the place of the class meeting. Our Company may then hold the class meeting after such publication of such notice.

Notice of class meetings need only be served on Shareholders entitled to vote thereat.

Meetings of any class of Shareholders shall be conducted in a manner as similar as possible to that of general meetings of Shareholders. The provisions of the Articles of Association relating to the manner of conducting any Shareholders' general meeting shall apply to any meeting of a class of Shareholders. Holders of domestic Shares and overseas-listed foreign Shares are deemed to be Shareholders of different class.

The special procedures for voting at meetings of a class of Shareholders shall not apply in the following circumstances (i) where our Company issues, upon the approval by a special resolution of its Shareholders in a general meeting, either separately or concurrently once ever twelve months, not more than 20% of each of its existing issued domestic Shares and overseas-listed foreign Shares, and (ii) upon approval by the CSRC, the transfer of shares to overseas investors by holders of domestic shares to be listed and traded in foreign markets.

For the purposes of the class rights provisions of the Articles of Association, the meaning of "interested Shareholder(s)" is:

- in the case of a repurchase of Shares by offers to all Shareholders or public dealing on a stock exchange, a "interested Shareholder" within the meaning of the Articles of Association;

- in the case of a repurchase of Shares by an off-market contract, a holder of the Shares to which the proposed contract relates; and
- in the case of a reorganisation of our Company, a Shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed reorganisation or who has an interest in the proposed reorganisation different from the interest of Shareholders of that class.

RESOLUTIONS — MAJORITY REQUIRED

Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one half of the voting rights represented by the Shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, votes representing two-thirds or more of the voting rights represented by the Shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

VOTING RIGHTS

The ordinary Shareholders of our Company have the right to attend or appoint a proxy to attend Shareholders' general meetings and to vote thereat. A Shareholder (including proxy) when voting at a Shareholders' general meeting may exercise voting rights in accordance with the number of Shares carrying the right to vote and each Share shall have one vote.

A resolution of Shareholders' general meeting shall vote by open ballot or any other ways approved by applicable listing rules of the stock exchange where our Shares are listed.

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such times as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

The Board of Directors shall convene an annual Shareholders' meeting once each year and within six (6) months from the close of the preceding fiscal year.

ACCOUNTS AND AUDIT

Our Company shall establish its financial and accounting system in accordance with laws, administrative regulations and provisions of relevant authorities.

The Board of Directors shall place before the Shareholders at every annual general meeting such financial report.

Our Company's financial reports shall be made available for Shareholders' inspection at our Company twenty (20) days before the date of every Shareholders' annual general meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports.

The financial statements of our Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either International Financial Reporting Standards or that of the overseas place where our Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When our Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

The Company shall not keep any other books of accounts other than those provided by laws.

NOTICE OF MEETING AND BUSINESS TO BE CONDUCTED THEREAT

The Shareholders' general meeting is the organ of authority of our Company and shall exercise its functions and powers in accordance with laws.

Except for under unusual circumstances such as crisis and otherwise, our Company shall not, without the prior approval of Shareholders given at a general meeting, enter into any contract with any person other than a Director, President and other senior executive officer whereby the management and administration of the whole or any substantial part of the business of our Company is to be handed over to such person.

Shareholders' general meetings shall be divided into annual general meetings and extraordinary general meetings.

Shareholders' extraordinary general meetings shall be convened from time to time. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months:

- when the number of Directors is less than the minimum number as required by the Company Law or less than two-thirds of the number as stipulated by the Articles of Association;
- when the unrecovered losses of our Company amount to one-thirds of its total amount of paid-in share capital;
- when required by Shareholders, separately or aggregately, holding 10% or more of the Company's shares;
- when deemed necessary by the Board of Directors;
- when required by the Board of Supervisors;
- when required by one half or more of the independent Directors and approved by the Board of Directors; or
- other situations stipulated by laws, administrative regulations, department regulations and the Articles of Association.

When our Company convenes a Shareholders' general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting to notify all the Shareholders in the register of the matters to be considered and the date and the place of the meeting. A Shareholder who intends to attend the general meeting shall deliver his reply concerning attendance at the general meeting to our Company twenty (20) days before the date of the general meeting.

When our Company convenes a Shareholders' general meeting, Shareholders, individually or in aggregate, holding 3% or more of total voting right of our Company shall have the right to propose temporary proposals and submit the written temporary proposals to our Company ten (10) days before the date of the general meeting. A supplemental notice of the shareholders' general meeting shall be given to notify the temporary proposal within two (2) days after the receipt of the temporary proposal.

A shareholders' general meeting shall not decide on those matters not stated in the notice of the meeting.

A notice of the Shareholders' general meeting shall comply with the following requirements:

- specify the date, place and time of the meeting;
- state matters to be considered and relevant proposals;
- contain conspicuously a statement that a Shareholder is entitled to attend and vote and is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Shareholder;
- list out the share registration date of Shareholders who are entitled to attend the meeting;
- state the name and telephone number of the regular contact person of the meeting;
- specify the time and place for lodging proxy forms for the relevant meeting.

Notice of a Shareholders' general meeting shall be served on the Shareholders (whether or not entitled to vote at the meeting), by delivery or prepaid airmail to their addresses as shown in the register of Shareholders. For the holders of our domestic Shares, notice of the meetings may be issued by way of public notice.

The public notice shall be published in one or more newspapers designated by the securities governing authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting. After the publication of such notice, the holders of domestic Shares shall be deemed to have received the notice of the relevant Shareholders' general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

The following matters shall be resolved by an ordinary resolution at a Shareholders' general meeting:

- work reports of the Board of Directors and Supervisory Committee;
- plans formulated by the Board of Directors for the distribution of profits and for making up losses;
- appointment or removal of the members of the Board of Directors and members of the Supervisory Committee, their remuneration and method of payment;
- annual financial budgets and final accounts;
- annual report of the Company;

- matters other than those required by laws, administrative regulations or by the Articles of Association to be adopted by special resolution.

The following matters shall be resolved by a special resolution at a Shareholders' general meeting:

- the increase or reduction of registered share capital and the issuance of any class of Shares, warrants or other similar securities of the Company;
- any purchase or sale of substantial assets or guarantee made by the Company in the most recent year at an amount in excess of 30% of the total assets of the Company;
- the demerger, merger, change in corporate form and liquidation of our Company;
- amendments to the Articles of Association;
- proposals of share incentive scheme;
- any other matters stipulated by laws, administrative regulations or the Articles of Association and considered by the Shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on our Company and should be adopted by a special resolution.

TRANSFER OF SHARES

Unless otherwise provided by laws and administrative regulations, Shares of the Company shall be free from any restrictions on the right of transfer and shall also be free from all liens.

All the fully paid-up H Shares can be freely transferred in accordance with the Articles of Association. For H Shares listed on the Hong Kong Stock Exchange, unless the requirements stipulated in the Articles of Association are met, the Board of Directors may refuse to accept any transfer documents without giving any explanation for such refusal.

The alteration and rectification of each part of the share register shall be carried out in accordance with the laws of the place where the register is maintained.

POWERS OF OUR COMPANY TO PURCHASE ITS OWN SHARES

In accordance with the provisions of the Articles of Association, our Company may reduce its registered share capital.

Our Company may, with approval according to the procedures provided in the Articles of Association, repurchase its issued Shares under the following circumstances:

- reduction of its registered share capital;
- merging with another company that holds Shares in our Company;
- awarding the employees of the Company with Shares;
- requested by any Shareholder to purchase his Shares because this Shareholder raises objections to the Company's resolution on merger or demerger made at a session of the meeting of Shareholders.

Other than circumstances mentioned above, the Company shall not repurchase its own shares.

Our Company may repurchase its shares in one of the following ways:

- make a pro rata general offer of repurchase to all of its Shareholders;
- repurchase Shares through public dealing;
- repurchase by an off-market agreement; or
- other ways provided by laws, administrative regulations and approved by relevant securities regulatory authorities of the State Council.

Where our Company repurchases its shares by an off-market agreement, the prior sanction of the Shareholders' general meeting shall be obtained in accordance with the Articles of Association. Our Company may terminate or amend the agreements reached in the aforementioned ways or waive its rights under a contract so entered into by our Company with the prior approval of the Shareholders' general meeting obtained in the same manner.

A contract to repurchase Shares includes (but not limited to) an agreement to become obliged to repurchase or an acquisition of the right to repurchase Shares of our Company. Rights of our Company under a contract to repurchase its Shares are not capable of being assigned.

Unless our Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued Shares:

- where our Company repurchases Shares of our Company at par value, payment shall be made out of book surplus distributable profits of our Company or out of proceeds of a fresh issue of Shares made for that purpose;
- where our Company repurchases Shares of our Company at a premium to its par value, payment up to the par value shall be made out of the book surplus distributable profits of our Company or out of the proceeds of a fresh issue of Shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

  (i) if the Shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of our Company; or

  (ii) if the Shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of our Company or out of the proceeds of a fresh issue of Shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by our Company on the issue of the Shares repurchased nor the current amount of our Company's capital common reserve account (including the premiums on the fresh issue);

- payment by our Company in consideration of the following shall be made out of our Company's distributable profits:

  (i) acquisition of rights to repurchase Shares of our Company;

  (ii) variation of any contract to repurchase Shares of our Company;

  (iii) release of any of our Company's obligation under any contract to repurchase Shares of our Company; and

- after our Company's registered share capital has been reduced by the total par value of the cancelled Shares in accordance with the relevant provisions, the amount deducted from the distributable profits of our Company for payment of the par value portion of the Shares repurchased shall be transferred to our Company's share premium account.

POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN OUR COMPANY

There is no provision in the Articles of Association preventing ownership of Shares in our Company by a subsidiary.

DIVIDENDS AND OTHER METHODS OF PROFIT DISTRIBUTION

The Company may distribute dividends by way of cash or Shares. Our Company shall maintain a consistent and stable profit distribution policy. Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

In relation to the receipt of dividends by Shareholders, the Company is entitled to forfeit unclaimed dividends, provided that such power shall only be exercised in accordance with relevant laws, administrative regulations, department regulations and provisions of the Hong Kong Stock Exchange and after the lapse of the required term.

The Company shall has the right to terminate sending dividend warrants to holders of overseas-listed foreign Shares, but only after a dividend warrant fails to be redeemed for two consecutive occasions, however the Company can exercise the right after the first occasion on which such a dividend warrant is returned as undelivered.

Our Company shall appoint receiving agents on behalf of the H Shares to receive on behalf of such Shareholders dividends declared and all other monies owing by our Company in respect of their H Shares. The receiving agents appointed on behalf of holders of the H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong (Cap.29).

PROXIES

Any Shareholder entitled to attend and vote at a meeting of our Company shall be entitled to appoint one or more other persons (whether a Shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall:

- have the same right as the Shareholder to speak at the meeting;
- have authority to demand or join in demanding a poll; and
- have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have right to vote on a poll.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a legal entity either under seal or under the hand of a director or attorney duly authorised. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notary certified copy of that power of attorney or other authority, shall be deposited at the residence of our Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than twenty-four (24) hours before the time for holding the meeting at which the proxy proposes to vote or the time appointed for the passing of the resolution.

If the appointer is a legal entity, its legal representative or such person as is authorised by resolution of its board of directors or other governing body to act as its representative may attend at any meeting of Shareholders of our Company as a representative of the appointer.

Any form issued to a Shareholder by the Board of Directors for use by him for appointing a proxy to attend and vote at a meeting of our Company shall be such as to enable the Shareholder, according to his intention, to instruct the proxy to vote in favour of or against each resolution dealing with business to be transacted at the meeting. Such a form shall contain a statement that in the absence of instructions by the Shareholder the proxy may vote as he thinks fit.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by our Company at its residence before the commencement of the meeting at which proxy is used.

CALLS ON SHARES AND FORFEITURE OF SHARES

There is no provision in the Articles of Association relating to the making of calls on Shares or for the forfeiture of shares.

RIGHTS OF SHAREHOLDERS (INCLUDING INSPECTION OF REGISTER)

The Shareholders of our Company shall enjoy the following rights:

- the right to dividends and other distributions in proportion to the number of Shares held;
- the right to request for, convene, preside, attend or appoint a proxy to attend a Shareholders' general meeting and to vote thereat;
- the right to request the court to repeal any content of resolutions of the Board of Directors or Shareholders' general meeting of our Company in accordance with law;
- the right to bright legal proceedings before the court and advocate relevant rights against act of damaging the interest of our Company or infringing the legitimate rights of our Shareholders in accordance with laws;
- the right of supervisory management over our Company's business operations and the rights to present proposals or to raise enquiries;
- the right to transfer, bestow or pledge his Shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:

  (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

  (ii) the right to inspect and copy, subject to payment of a reasonable charge:

    (a) all parts of the register of shareholders;

(b) the following personal particulars of each of our Company's Director, Supervisor, manager and other senior executive officer;

(1) present name and alias and any former name and alias;

(2) principal address (residence);

(3) nationality;

(4) primary and all other part-time occupations; and

(5) identification document and its number;

(c) report on the state of our Company's share capital;

(d) the Company's latest audited financial statements and reports of Board of Directors, auditors and Supervisory Committee;

(e) special resolutions of our Company;

(f) reports showing the aggregate par value, quantity, and maximum and minimum prices paid in respect of each class of Shares repurchased by our Company since the end of the previous financial year and the total expenses incurred by our Company for this purpose;

(g) a copy of the latest annual application form filed with the SAIC or other relevant authorities;

(h) counterfoil of the corporate bonds, minutes of Shareholders' general meetings, resolutions of Board of Directors and Supervisory Committee and financial statements;

- in the event of termination or liquidation of our Company, to participate in the distribution of remaining assets of our Company in accordance with the number of Shares held;
- the right to request our Company to purchase the Shares of the Shareholder who raises objection to the resolution on merger or demerger made at the Shareholders' general meeting;
- save as provided by Company Law, Securities Law and the Articles of Association, the right of Shareholders, separately or aggregately, holding 3% or more of the Company's Share to make proposals;
- other rights conferred by laws, administrative regulations and the Articles of Association.

QUORUM FOR GENERAL MEETINGS

Where the number of voting shares represented by Shareholders intending to attend the meeting amounts to more than one-half of the Company's voting shares, the Company may convene a general meeting. Otherwise, the Company shall, within five (5) days, notify Shareholders again of the issues to be considered, and of date and venue of the meeting in the form of public announcements. The Company may then convene the general meeting after such announcements.

RIGHTS OF MINORITIES IN RELATION TO FRAUD OR OPPRESSION

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which Shares of our Company are listed, a controlling Shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of the Shareholders generally or of some part of the Shareholders of our Company:

- to relieve a Director or Supervisor of his duty to act honestly in the best interest of our Company;
- to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person), of our Company's assets, including (but not limited to) opportunities beneficial to our Company; or
- to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a reorganisation submitted to Shareholders for approval in accordance with the Articles of Association.

For these purposes, a "controlling Shareholder" means a person who satisfies any one of the following conditions:

- alone, or acting in concert with others, has the power to elect more than half of the Board of Directors;
- alone, or acting in concert with others, has the power to exercise or to control the exercise of thirty percent or more of the voting rights in the Company;
- alone, or acting in concert with others, holds thirty percent or more of the issued Shares of our Company; or
- alone, or acting in concert with others, in any other manner controls our Company in fact.

See also the section headed "— Change of Rights of Existing Shares or Classes of Shares" above.

PROCEDURES ON LIQUIDATION

Our Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- a resolution for dissolution is passed by Shareholders at a general meeting;
- dissolution is necessary due to a merger or division of our Company;
- the business license is revoked or our Company is ordered to close down due to its violation of laws and administrative regulations; or
- the occurrence of any other events as stipulated by the Articles of Association; or
- where our Company suffers significant hardship in its operation or management so that the interests of the Shareholders are subject to significant losses if the Company continues to exist, which situation cannot be resolved by any other means, the Shareholders holding ten percent or more of the voting rights of all the Shareholders of the Company may petition the court to dissolve the Company.

The liquidation committee shall present a final report to the Shareholders' general meeting or the court upon the completion of the liquidation.

OTHER PROVISIONS MATERIAL TO OUR COMPANY AND OUR SHAREHOLDERS

Our Company is a joint stock limited company in perpetual existence.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating our Company's organisation and activities, and the rights and obligations between our Company and each Shareholder and among the Shareholders *inter se,* actionable by a Shareholder against the Company and vice versa and by Shareholders against each other in respect of rights and obligations concerning the affairs of the Company arising out of the Articles of Association. The Shareholders may also bright actions against the Directors, Supervisors, Chairman and other senior executive officers of the Company. For the purposes of the Articles of Association, actions include court proceedings and arbitration proceedings.

Our Company may, based on its requirements for operation and development and in accordance with the relevant provisions of laws and administrative regulations, approve an increase of share capital.

Our Company may increase its share capital in the following ways:

- public offering of Shares;
- non-public offering of Shares;
- distributing new Shares to its existing Shareholders by way of dividend issues;
- converting capital reserve to our share capital; and
- any other way permitted by laws, administrative regulations and approved by securities regulatory authorities of the State Council.

Unless otherwise provided by laws or administrative regulations, Shares of our Company are freely transferable and are not subject to any lien.

When our Company reduces its registered share capital, it must draw up a balance sheet and an inventory of assets. Our Company shall notify its creditors within ten (10) days of the date of our Company's resolution for reduction of share capital and shall publish a notice in a newspaper at least three times within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receiving the notice from our Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days of the date of the first public notice, to demand our Company to repay its debts or provide a corresponding guarantee for such debt. Our Company's registered share capital after reduction shall not be less than the statutory minimum amount.

The Shareholders of our Company shall assume the following obligations:

- to abide by the Articles of Association;
- not to abuse the Shareholders' right to damage the interest of the Company or that of other Shareholders; not to abuse the independent legal person status of the Company and the limited liability of Shareholders to damage the interest of any creditors of the Company;
- to pay subscription funds according to the number of Shares subscribed and the method of subscription;

- unless otherwise stipulated by laws and administrative regulations, not to withdraw their share capital; and

- other obligations imposed by laws, administrative regulations and the Articles of Association.

A Shareholder of the Company who abuses the shareholders' right and consequently causes any loss to the Company or other Shareholders shall bear the liability for compensation pursuant to laws; a Shareholder of the Company who abuses the independent legal person status of the Company and the limited liability of Shareholders to evade debts and seriously damage the interest of the creditors of the Company shall bear joint and several liability for the debts of the Company.

Secretary of the Board of Directors

The secretary of the Board of Directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. Directors or other senior executive officers of the Company may concurrently hold the office of the secretary of the Board of Directors.

An accountant of the accounting firm engaged by the Company may not concurrently hold the office of the secretary of the Board of Directors.

Supervisory Committee

Our Company shall have a Supervisory Committee. The Supervisory Committee shall be composed of three Supervisors. One of the members of the Supervisory Committee shall act as the chairman. The election or removal of the chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee. The chairman of the Supervisory Committee shall organise and hold the meetings of the Supervisory Committee.

The Supervisory Committee shall consist of two representatives of Shareholders, one representative of staff and workers of our Company. The representatives of Shareholders shall be elected and removed by the Shareholders' general meeting and the representative of staff and workers of our Company shall be elected and removed by the staff and workers of our Company democratically thereby.

The Supervisory Committee shall be accountable to the Shareholders' general meeting and exercise the following powers in accordance with laws:

- to check the regular reports and provide recommendations in writing;

- to examine our Company's financial activities;

- to supervise the Directors, senior executive officers in their performance of duties and to propose the removal of Directors, senior executive officers who have contravened any law, administrative regulation, our Articles of Association or resolution at Shareholders' general meetings;

- to demand rectification from a Director, senior executive officer when the acts of such person are harmful to our Company's interest and report to Shareholders' general meetings or relevant governmental authorities if necessary;

- to propose to convene a Shareholders' extraordinary general meeting and to convene and preside over the Shareholders' general meeting when the Board of Directors fails to perform its duty of convening and presiding over the Shareholders' general meeting under the Company Law;

- to make new proposals at the Shareholders' general meeting;
- to bring an action against a Director or senior executive officer according to the section 152 of the Company Law;
- to exercise other powers specified in the Articles of Association.

Board of Directors

The Board of Directors is responsible to the Shareholders' general meeting and for exercising the following powers:

- convening the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;
- implementing resolutions of the Shareholders' general meeting;
- determining the operating plans and investment proposals of our Company;
- formulating the annual financial budgets and final accounts;
- formulating our profit distribution plans and plans for recovery of losses;
- formulating proposals for increase or reduction of our registered share capital and the issue of bonds or other securities or the listing of the Company;
- formulating plans of substantial acquisition by our Company, acquisition of the Shares of our Company or merger, separation, dissolution and changes of the form of our Company;
- as conferred by the Articles of Association, determining matters concerning external investments, acquisition and sales of assets, assets mortgages, entrustment of assets, etc;
- as conferred by the Articles of Association, determining the external guarantee;
- deciding on the establishment of our internal management structure;
- appointing and removing our Company's Chairman, secretary of the Board of Directors and under the nominations of the Chairman, appointing and removing vice Chairman, chief financial officer and other senior executive officers and deciding on their remuneration, reward and punishment;
- formulating the Company's basic management system;
- formulating proposals for any amendment to our Articles of Association;
- managing the disclosure of the Company's information;
- proposing to the Shareholders' general meeting engagement or replacement of accountant's firm conducting auditing for the Company;
- reviewing the work of the Chairman and assessing the performance of the Chairman; and
- exercising such other functions and powers as conferred by laws, administrative regulations or our Articles of Association.

The passing of a resolution of the Board of Directors requires the affirmative vote of a simple majority of all Directors.

Regular meetings of the Board of Directors shall be held four times every year and convened by the chairman of the Board of Directors. Notice of a meeting shall be served on all the Directors at least fourteen (14) days before the date of the meeting.

Meetings of the Board of Directors shall be held only if six (6) or more Directors are present. Each Director shall have one vote.

Accounts and Audit

Our Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the PRC to audit our Company's annual financial statements and review our Company's other financial reports.

The term of the certified public accounting firm appointed by our Company is one year, commencing from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders.

The Shareholders in general meetings may, by an ordinary resolution, remove a certified public accounting firm before the expiration of its office.

The remuneration of a certified public accounting firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders in general meetings.

Our Company's appointment of, removal of and non-reappointment of a certified public accounting firm shall be resolved by shareholders in general meetings and be filed with the CSRC.

Where it is proposed that any resolution be passed at a Shareholders' general meeting concerning the appointment of a certified public accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the certified public accounting firm, reappointment of a retiring certified public accounting firm which was appointed by the Board of Directors to fill a casual vacancy, or removal of the certified public accounting firm before the expiration of its terms of office, the following provisions shall apply:

- A copy of the proposal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post (leaving includes leaving by removal, resignation and retirement) before notice of meeting is given to the shareholders.

- If the firm leaving its post makes representations in writing and requests our Company to notify such representations to the shareholders, our Company shall (unless the representations are received too late):

  (i) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and

  (ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

- If the firm's representations are not sent in accordance with the preceding paragraph, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.

- A certified public accounting firm which is leaving its post shall be entitled to attend:

  (i) the shareholders' general meeting at which its term of office would otherwise have expired;

  (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and

  (iii) any shareholders' general meeting convened on its resignation.

A certified accounting firm who is leaving its post has the right to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former certified public accounting firm of our Company.

Where the certified public accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of our Company.

Any certified public accounting firm may resign its office by depositing at our Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the followings:

- a statement to the effect that there is no circumstance connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of our Company; or

- a statement of any such circumstance.

Where a notice is deposited under the preceding paragraph, our Company shall within fourteen (14) days send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph two of the preceding paragraph, a copy of such statement shall be sent by mail, postage prepaid, to every shareholder who has a right to obtain financial reports of our Company at the address as recorded in the register of shareholders.

Where the certified public accounting firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of our Company, the certified public accounting firm may require the Board of Directors to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Dispute Resolution

The Company shall act according to the following principles to settle disputes:

- whenever any disputes or claims arise between holders of overseas-listed foreign Shares and our Company, holders of overseas-listed foreign Shares and our Company's Directors, Supervisors, Chairman or other senior executive officers, or holders of overseas-listed foreign Shares and holders of domestic Shares, based on our Articles of Association, or any rights or obligations conferred or imposed by the Company Law, or any other relevant laws and administrative regulations concerning the affairs of our Company, such disputes or claims shall be referred by the relevant parties to arbitration.

  Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration provided that such person is our

Company or our Shareholder, Director, Supervisor, Chairman, or other senior executive officer. Disputes in relation to the identification of Shareholders and disputes in relation to the share register need not be referred to arbitration.

- A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

  If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- If any dispute or claim of rights is referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.

- The award of an arbitration body shall be final and conclusive and binding on all parties.

TAXATION OF OUR COMPANY

PRC Taxation

Business Tax

Pursuant to the Provisional Regulations of the PRC on Business Tax (《中華人民共和國營業税暫行條例》) issued by the State Council on 13 December 1993 and as amended on 10 November 2008 and effective as of 1 January 2009 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on Business Tax (《中華人民共和國營業税暫行條例實施細則》) issued by the Ministry of Finance on 25 December 1993 and as amended on 15 December 2008 and effective as of 1 January 2009, and further revised on 28 October 2011, the tax rate on transfers of immovable properties, their superstructures and attachments is 5%.

Land Appreciation Tax

Under the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值税暫行條例) promulgated by the State Council on 13 December 1993 and its implementation rules, LAT, applies to both domestic and foreign investors, irrespective of whether they are corporate entities or individuals. LAT is payable on the appreciation in value representing the balance of the proceeds received on sales, after deducting various prescribed items. LAT is charged at progressive rates ranging from 30% to 60%. Apart from the aforementioned deductible items, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use rights and the costs of land development and the construction of new buildings or related facilities. An exemption from payment of LAT may be available if the taxpayer constructs ordinary residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC laws. If, however, the appreciation amount exceeds 20% of the sum of allowable deductions, such exemption will not be applicable and the taxpayer will be liable to LAT on the full appreciation amount, after taking account of the allowable deductions. The allowable deductions include the following items:

- the sum paid for the acquisition of land use rights;
- costs and expenses for the development of land;
- costs and expenses for the construction of new buildings and facilities, or the assessed value for used properties and buildings;
- taxes related to the transfer of real estate; and
- other deductible items as stipulated by the Ministry of Finance.

LAT is charged at progressive rates ranging from 30% to 60% of the appreciation value (i.e. the balance as described above).

Appreciation value	**LAT rates** *(%)*
For the portion	
Not exceeding 50% of allowable deductions	30
Over 50% but not more than 100% of allowable deductions	40
Over 100% but not more than 200% of allowable deductions	50
Over 200% of allowable deductions	60

An exemption from payment of LAT may be available if the taxpayer constructs ordinary standard residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC laws.

On 28 December 2006, the SAT promulgated the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題的通知》), which became effective on 1 February 2007. According to the notice, the LAT should be settled based on the property development project as a unit as approved by the relevant authority. For a project developed in stages, the LAT should be settled based on each individual stage of the project.

Urban Land use Tax

Pursuant to the Interim Regulations of the People's Republic of China on Urban and Town Land Use Tax (《中華人民共和國城鎮土地使用稅暫行條例》) enacted by the State Council on 27 September 1988 and effective as of 1 November 1988 and amended on 31 December 2006 and 4 December 2013, land use taxes in respect of urban land shall be levied according to the area of the relevant land. The annual tax shall be between RMB0.2 and RMB10 per sq.m. of urban land. However, according to the amendments to the Interim Regulations of the People's Republic of China on Urban and Town Land Use Tax on 31 December 2006, since 1 January 2007, the urban land use tax has been charged at a rate three times higher (i.e. between RMB0.6 and RMB30 per sq.m.).

PRC Deed Tax

Under the Provisional Regulations of the PRC concerning Title Deed Taxes (《中華人民共和國契稅暫行條例》) which took effect on 1 October 1997 deed tax applies to entities and individuals that accept the transfer of land use rights and building ownership within the territory of China.

The transfer of land use rights and building ownership refer to the following acts:

- assignment of the right to use state-owned land;
- transfer of land use rights, including the transfer by means of sale, gift and exchange, excluding the transfer of the right for contracted management of rural collective land;
- purchase and sale of houses;
- gift of houses; and
- exchange of houses.

According to the Implementation Rules of Provisional Regulation concerning Title Deed Taxes(《中華人民共和國契稅暫行條例細則》), a deed tax is chargeable to transferrees of land use rights and/or property ownership within the territory of China.

The rate of deed tax will, within the range of 3–5%, be determined by the PRC government agencies of provincial, autonomous region or municipal level in light of the actual conditions of the underlying properties in respective areas and shall be reported to the Ministry of Finance and the SAT.

The deed tax may be reduced or exempted under the following circumstances:

- For the acceptance of land and houses by state agencies, institutions, social organisations and military units for office, teaching, medical service, scientific research and military facilities, the deed tax will be exempted;

- For the initial purchase of state-owned residential houses by urban and township workers and staff members according to the relevant laws and regulations, the deed tax will be exempted;
- For the purchase of residential houses in replacement of houses damaged or destroyed due to force majeure, the tax may be reduced or exempted upon approval; and
- Any other types of reduction or exemption provided by the Ministry of Finance.

Reduction or exemption of deed tax will not be applicable if the relevant land or house and the change of use is no longer within the above scope, and an amount of tax equivalent to the tax reduction or exemption shall be repaid.

On 29 September 2010, Ministry of Finance, SAT and MOHURD issued a Notice on Adjustment to Deed Tax with respect to Real Estate Transactions and Preferential Policies for Personal Income Tax (《關於調整房地產交易環節契稅、個人所得稅優惠政策的通知》), which became effective on 1 October 2010. According to the notice, for individuals to purchase ordinary housing which is the only housing to the individual's family, including the purchaser, spouse and minor children, the deed tax should be halved and for individuals to purchase ordinary housing of 90 sq.m. or below which is the only housing to the individual's family, the rate of deed tax is 1%.

Income Tax

According to the EIT Law enacted by the National People's Congress on 16 March 2007 and relevant implementation rules enacted by the State Council on 6 December 2007 both effective on 1 January 2008, a uniform income tax rate of 25% will be applied towards PRC enterprises, foreign-invested enterprises and foreign enterprises which have set up production and operation facilities in the PRC. The EIT Law also permits enterprises to continue to enjoy their existing tax incentives, adjusted by certain phase-out rules, under which enterprises that were subject to an EIT rate lower than 25% prior to 1 January 2008 may continue to enjoy the lower rate and gradually transit to the new EIT rate within five years after the effective date of the EIT Law, that is 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and the new statutory EIT rate of 25% from 2012 onwards. In addition, under the phase-out rules, enterprises established before the promulgation date of the EIT Law and which were granted tax holidays (such as a two-year exemption and three years of reduction by 50% and a five-year exemptions and five years of reduction by 50%) under the then effective tax laws or regulations may continue to enjoy their tax holidays until their expiration.

According to Articles 2 and 4 of the Administrative Measures for Determination of High and New Technology Enterprises (《高新技術企業認定管理辦法》) promulgated on 14 April 2008 (Guo Ke Fa Huo [2008] No. 172) by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the new technology enterprises in the new technology fields supported by the PRC government as defined by the measures may apply for preferential tax rate pursuant to the EIT Law, the Implementation Regulations of the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》), the Law on the Administration of Tax Collection of the People's Republic of China (《中華人民共和國稅收徵收管理法》) and the Implementation Rules of the Law on the Administration of Tax Collection of the People's Republic of China (《中華人民共和國稅收徵收管理法實施細則》). Clause 2 of Article 28 of the EIT Law states that new technology enterprises supported by the PRC government shall be entitled to preferential enterprise income tax rate of 15%.

According to the EIT Law, the Implementation Rules of the PRC Enterprise Income Tax Law, the Notice on Matters Regarding Taxation Policy under the Western China Development Strategy issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs (財政部、國家稅務總局、海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知) (Cai Shui [2011] No. 58) and the Announcement on Matters Regarding Enterprise Income Tax under the Western China Development Strategy (關於深入實施西部大開發戰略有關企業所得稅問題的公告)

(Announcement of the State Administration of Taxation [2012] No. 12), certain enterprises located in the Western region shall be entitled to preferential enterprise income tax rate of 15% upon approval of the taxation authorities.

According to the Notice of the State Administration of Taxation on the Prepayment of Enterprise Income Tax of the Real Estate Development Enterprises (《關於房地產開發企業所得稅預繳問題的通知》)(Guo Shui [2008] No.299) issued by the SAT on 7 April 2008, effective on 1 January 2008 and amended on 4 January 2011, where a real estate development enterprise prepays the EIT by quarter or month based on actual profit of current year, for the incomes generated from the advance sale prior to the completion of such development projects as residential houses, commodity houses and other buildings, fixtures or supporting facilities which are developed and built by the real estate development enterprise, the tax prepayment thereof shall be calculated based on estimated profit and shall be adjusted according to the actual profit after such development projects are completed and the tax costs are settled.

The Notice of the State Administration of Taxation on Issuing the Measures for the Treatment of Enterprise Income Tax on Real Estate Development and Operation Businesses (國家稅務總局關於印發《房地產開發經營業務企業所得稅處理辦法》的通知) issued by the SAT on 6 March 2009 and effective on 1 January 2008 specifically stipulates the rules regarding tax treatment of income, cost deduction, verification of tax cost and certain items with respect to real property development enterprise according to the EIT Law and the EIT Rules.

TAXATION APPLICABLE TO SHAREHOLDERS

Dividend-related Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China (中華人民共和國個人所得稅法) (the "Individual Income Tax Law"), as amended, and its implementation rules, dividends paid to individuals by PRC companies are subject to a withholding tax at a rate of 20%. For a foreign individual shareholder who is not a PRC resident, pursuant to the SAT Notice on the Issues concerning the Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 Circular (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知) (Guo Shui Han [2011] No. 348) issued by the SAT on 28 June 2011, the receipt of dividends on H Shares of the Company is subject to a withholding tax at a rate ranging from 5% to 20% (usually 10%) depending on the applicable tax treaty between the PRC and the nation or region in which the foreign resident resides. For foreign residents of nations or regions that have not entered into a tax treaty with the PRC, the tax rate on dividends is 20%.

Enterprises

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Tax on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) which was executed on 21 August 2006 and became effective on 8 December 2006, the PRC government may impose tax on dividends paid to a Hong Kong resident including natural person and legal entity from a PRC company, but such tax shall not exceed 10% of the total sum of the dividends payable. If a Hong Kong resident holds 25% or more of equity interest in a PRC company, such tax shall not exceed 5% of the total sum of dividends payable by such PRC company. Pursuant to the Enterprise Income Tax Law of the People's Republic of China effective from 1 January 2008 and its implementation rules, a non-resident enterprise which has not established a representative office or other premises or whose established representative office or premise is not actually related to the dividends and bonus received shall be subject to a 10% enterprise income tax on its revenues derived in the PRC. Such withholding tax may be reduced or exempted pursuant to an applicable double taxation treaty.

Pursuant to the Notice on Issues concerning the Withholding and Payment of Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to Overseas Non-resident Corporate H-share Holders (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) promulgated by the SAT and became effective on 6 November 2008, a PRC resident enterprise shall withhold and pay the enterprise income tax at a uniform rate of 10% in respect of dividend distributions made for the year 2008 and beyond. Such withholding tax may be reduced or exempted pursuant to an applicable double taxation treaty.

Tax Treaties

Investors who are not PRC residents but either reside in countries which have entered into double-taxation treaties with the PRC or reside in Hong Kong or Macau Special Administrative Region of the PRC may be entitled to a reduction of the withholding tax imposed on the dividends paid to such investors by a PRC company. The PRC has signed double-taxation avoidance arrangements with Hong Kong SAR and Macau SAR respectively, and has double-taxation treaties with a number of other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore and the United Kingdom. Under each of these double taxation avoidance treaties or arrangements, the rate of withholding tax imposed by taxation authorities in the PRC may be reduced.

Share Transfer-related Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》)and its implementation rules, gains realised on the sale of equity interests shall be subject to individual income tax at a rate of 20%. Pursuant to the Notice on Continued Provisional Exemption of Individual Income Tax in respect of Income from Personal Transfers of Stocks (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) jointly issued by the Ministry of Finance and the SAT on 30 March 1998, in respect of the suspension of the collection of individual income tax on income arising from the sales of shares, gains on sales of shares by individuals are exempted from individual income tax from the time being. Individual holders of H Shares shall be subject to income tax at a rate of 20% on capital gains, unless such tax is reduced or exempted under an applicable double taxation treaty.

Enterprises

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation rules and the SAT Notice on Certain Taxation Issues relating to the Persistent Implementation of Enterprise Income Tax Law (國家稅務局關於貫徹落實企業所得稅法若干稅收問題的通知), revenue of an enterprise arising from the transfer of equity interests shall be recognised upon the transfer agreement becoming effective and the completion of formalities relating to the change in equity interests. The revenue generated from the transfer of equity interests less costs incurred for the acquisition of such equity interests shall be deemed as the income arising from the transfer of equity interests. In computing the income arising from the transfer of equity interests, an enterprise shall not deduct the amount of retained earnings of shareholders, including unallocated profit of the investee, which may be attributable to the equity interests transferred. The final computation of enterprise income tax shall be based on such income.

Tax Treaties

Overseas investors that reside in nations or regions that have entered into treaties for the avoidance of double taxation with the PRC may be entitled to exemption from any income tax imposed by the PRC tax authorities on their income arising from the sale of the shares in PRC-resident companies depending on the specific provisions as set forth in the applicable tax treaties. The PRC currently has treaties for the avoidance of double taxation with a number of countries, including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States (the treaty with the United States does not contain an exemption from any PRC tax imposed on gains arising from the sale of shares in a PRC resident enterprise). Mainland China also has an arrangement for the avoidance of double taxation with Hong Kong.

FOREIGN CURRENCY EXCHANGE

Prior to 31 December 1993, a quota system was used for the management of foreign currency. Any enterprise that used foreign currency in the normal course of its operations was required to obtain a quota from the local SAFE office before it could convert Renminbi into foreign currency through the Bank of China or other designated banks. Such conversion had to be effected at the official rate set up by SAFE on a daily basis. Renminbi could also be converted into foreign currency at swap centres. The exchange rates used by swap centres were largely determined by the demand and supply of the foreign currency and the Renminbi requirements of enterprises in the PRC. Any enterprise that wished to buy or sell foreign currency at a swap centre had to obtain an advanced approval from SAFE.

The principal regulation governing foreign currency exchange in the PRC is the Regulations for the Control of Foreign Exchange (《中華人民共和國外匯管理條例》) ("**Foreign Exchange Control Regulations**"), promulgated by the State Council in 29 January 1996, as amended in 14 January 1997 and 1 August 2008. Under these regulations, Renminbi are freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but are not freely convertible for capital expenditure such as direct investment, loans or investments in securities outside the PRC unless the approval of SAFE is obtained in advance.

Under the Foreign Exchange Control Regulations, foreign-invested enterprises in the PRC may purchase foreign currency for trade and service-related foreign exchange transactions without the approval of SAFE by providing commercial documents evidencing such transactions. They may also remit foreign currency (subject to a cap approved by SAFE) to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities which have significant administrative discretion in the enforcement of such laws may restrict or eliminate the ability of foreign-invested enterprises to purchase and remit foreign currencies in the future. See "Risk Factors — Risk factors relating to the PRC — Government control of currency conversion may adversely affect the value of your investments". In addition, foreign exchange transactions involving direct investments, loans and investments in securities outside the PRC are subject to limitations and approvals from SAFE.

On 28 January 2013, SAFE issued the Notice on Issues relating to the Foreign Exchange Control on Overseas Listing (關於境外上市外匯管理有關問題的通知), which provides that:

- SAFE and its local branches supervise, manage and inspect the business registration, account opening and using, the cross-border payment and foreign exchange of overseas listing of domestic companies;

- Domestic companies listed overseas should complete foreign exchange registration with the registered SAFE within 15 business days after the initial offering in overseas markets. Overseas listed companies are companies limited by shares incorporated in the PRC and issued shares, convertible bonds and/or other securities permitted by applicable laws and regulations which were listed on overseas stock exchange with the approval of CSRC;

- After the listing of a domestic company in overseas, its domestic shareholders when increasing or decreasing his/her shareholdings in the overseas listed shares of the domestic company according to relevant regulations, should complete the foreign exchange registration with SAFE in the place where the domestic shareholders are located;

- A domestic company should open a special account with banks in its place of incorporation for the capital exchange and transfer with respect to its initial offering (or issuing additional shares) or repurchase of shares;

- A domestic shareholder of a domestic company should open a special account with banks in his/her residence for the capital exchange and transfer with respect to increasing or decreasing his/her shareholdings of overseas listed shares of a domestic company;

- Proceeds raised in overseas offering could be transferred back to the special accounts in the PRC or deposited in the overseas special accounts and use of proceeds should be consistent with prospectus, circular and shareholders' resolution; and

- Domestic companies should submit required documents with local branches of SAFE when applying for the settlement of the special accounts in the PRC opened for overseas listing.

According to the second amendment to the Foreign Exchange Control Regulations effective on 6 August 2008, the aforesaid requirement to remit the foreign exchange income to the PRC is further eased. The amendment states that foreign exchange income may be remitted to the PRC or kept in overseas accounts under prescribed conditions and/or within prescribed time limits.

On 11 July 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (關於規範房地產市場外資准入和管理的意見) ("**Document No. 171**"). Document No. 171 provides that: (i) foreign organisations and individuals who have established FIEs are allowed to invest in and purchase non-self-resided real estate in China; branches or representative offices of foreign organisations established in China and foreign individuals who work or study in China for over a year are eligible to purchase commodity properties which match with their actual needs for self-utilisation under their names; (ii) the registered capital of a foreign-invested real estate corporation with total investments of more than US$10 million shall be no less than 50% of its total investments; (iii) a foreign-invested real estate corporate can apply for the formal FIE approval certificate and business licence only after they have paid back all the land premium and obtained the State-owned land use rights certificate; (iv) foreign investors shall pay off all the transfer price in a lump sum with their own funds if they acquire Chinese domestic real estate corporations; (v) no offshore or PRC domestic loans is allowed and the foreign exchange administration shall not approve the conversion of foreign loans into Renminbi if the foreign-invested real estate corporations have not paid their registered capital in full, or have not obtained the State-owned land use rights certificate, or their internal fund for a development project is less than 35% of the total investments; and (vi) by no means can PRC or foreign investors make any commitment in any documents to guarantee a fixed return or fixed revenue in disguised form for any party in the contract.

In accordance with the Document No. 171, MOFCOM and SAFE jointly issued a Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry (關於進一步加強、規範外商直接投資房地產業審批和監管的通知) ("**Notice No. 50**") on 23 May 2007. Under the Notice, local commercial authorities shall reinforce the approval and supervision process over foreign invested real estate enterprises, and strictly control foreign fund from investing in high-end real estate development projects. For foreign-invested company intending to engage in the property development business, the land use rights shall be obtained, or at least has entered into a pre-contract purchase agreement with the relevant land administrative authorities, land developers, or the owners of the house or other constructions, otherwise the proposed foreign-invested real estate company will not be approved by the authorities. For existing foreign-invested company who intends to expand its operations in its business operation or company who intends to engage in the operation or development of the new real estate project, they shall undertake relevant procedures with the approval authority.

Notice No. 50 strictly controls the acquisition or merger of domestic real estate enterprises by means of return investment (includes the same effective controller). It also prohibits Chinese or foreign investors in real estate joint ventures to reach any terms that aim to achieve a fixed return for either party. Once the local authority has approved the establishment of a foreign invested real estate enterprise, it shall immediately file such approval with the MOFCOM.

The local SAFE administrative authority and designated foreign exchange bank will not conduct foreign exchange purchase and settlement process for foreign-invested real estate company who fails to satisfy the MOFCOM for filing requirement or to pass the joint annual examination of foreign-invested enterprises.

The Notice on the Distribution of the List of the First Group of Foreign-Invested Real Estate Projects Filed with MOFCOM (《關於下發第一批通過商務部備案的外商投資房地產專案名單的通知》) issued by SAFE on 10 July 2007 ("**Notice No.130**"), which restricts the ability of foreign-invested real estate enterprises ("**FIREEs**")to raise funds through foreign debt, was abolished on 13 May 2013 by the Notice on Distributing the Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China and Its Supporting Documents (國家外匯管理局關於印發《外國投資者境內直接投資外匯管理規定》及配套文件的通知) which was promulgated by SAFE on 10 May 2013. However, most of the restriction measures on the foreign debt of FIREEs stipulated in the Notice 130 have been reflected in the Measures for the Administration of Foreign Debt Registration (外債登記管理辦法) ("**Notice No. 19**") issued by SAFE on 28 April 2013. According to Notice No. 19, local branches of SAFE must not register any foreign debt of a FIREE if it obtained approval certificate from competent commercial.

On 19 November 2012, SAFE issued the Notice on Further Improvement and Adjustment Regarding Foreign Exchange Management of Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (Hui Fa [2012] No. 59), in order to further improve the foreign exchange management of direct investment from 17 December 2012. Accordingly, opening of accounts, deposit, foreign exchange settlement and approval of purchase and payment of foreign exchange in relation to direct investment, approval of domestic foreign exchange transfer for the ordinary business of direct investment, approval of domestic re-investment of foreign investors, verification of capital reduction, registration of foreign exchange and verification of capital for the domestic re-investment of foreign-funded investment enterprise were cancelled.

FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation

Our predecessor Exhibition Centre for Modern Science and Education Equipment (現代科教儀器展銷中心) was incorporated in Shenzhen, Guangdong Province, the PRC under relevant PRC laws, rules and regulations on 30 May 1984 and was renamed "Shenzhen Modern Science Equipment Centre (深圳現代科儀中心) in 1987, and subsequently "Shenzhen Modern Enterprise Co., Ltd. (深圳現代企業有限公司) in 1988 (the "**Predecessor**"). In November 1988, with the approval of the "Shen Fu Ban (1988) No. 1509 Document" issued by Shenzhen Municipal People's Government, the Predecessor was restructured as a joint stock limited company and renamed as "Shenzhen Vanke Co., Ltd. (深圳市萬科企業股份有限公司)". In December 1993, our Company further changed its name to "China Vanke Co., Ltd. (萬科企業股份有限公司)". Our Company has established a place of business at 55/F, Bank of China Tower, 1 Garden Road in Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 4 March 2013. Mr. LUK, Chi Chung Peter, our assistant company secretary and alternative authorised representative has been authorised to accept service of process and notice on behalf of our Company in Hong Kong.

For the purpose of Rule 3.05 of the Hong Kong Listing Rules, our Company has appointed Mr. Wang Wenjin and Mr. Tan Huajie as its authorised representatives and Mr. LUK, Chi Chung Peter, a Hong Kong resident and the assistant company secretary of our Company, as alternative authorised representative, to act as our Company's principal channels of communication with the Hong Kong Stock Exchange. For more details, please refer to the disclosure under the paragraphs headed "Waivers from strict compliance with the Hong Kong Listing Rules — Management Presence" of this listing document.

As our Company was incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of certain provisions of the Articles of Association is set out in Appendix VII to this listing document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix VI to this listing document.

Changes in the share capital of our Company within the two years immediately preceding the date of this listing document

On 8 April 2011, our Shareholders considered and approved the A Share Stock Option Incentive Scheme in our Company's first extraordinary general meeting in 2011 to incentivise and reward certain employees of our Company for their contribution or potential contribution to our Group. As of the Latest Practicable Date, as a result of the exercise of the A Share stock options, the share capital of our Company was increased from RMB10,995,210,218 to RMB11,015,026,419. For further details of our A Share Stock Option Incentive Scheme, please refer to paragraphs under "Other Information — A Share Stock Option Incentive Scheme" in this Appendix.

As of the Latest Practicable Date, our Company had 11,015,026,419 issued Shares (including 9,700,070,951 A Shares and 1,314,955,468 B Shares).

Save as aforesaid, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this listing document.

Upon completion of the Listing without taking into account the A Shares which may be issued upon the exercise of the share options under the A Share Stock Option Incentive Scheme since the Latest Practicable Date, our Company will have 11,015,026,419 issued Shares (including 9,700,070,951 A Shares and 1,314,955,468 H Shares).

The extraordinary general meeting of the Company in relation to the Listing held on 4 February 2013

At an extraordinary general meeting of our Company held on 4 February 2013, among other things, the following resolutions were passed by the Shareholders of our Company:

(a) the Articles of Association has been approved and adopted, which shall only become effective on the Listing Date, subject to the approval of competent authorities;

(b) a detailed implementation plan in relation to relevant details of the proposed conversion of all 1,314,955,468 B Shares into H Shares and the proposed listing of H Shares on the main board of the Hong Kong Stock Exchange by way of introduction, has been approved and adopted, subject to the approval of competent authorities;

(c) the Board of Directors and its authorised representatives were authorised to deal with all relevant matters relating to the proposed conversion of all 1,314,955,468 B Shares into H Shares and the proposed listing of H Shares on the main board of the Hong Kong Stock Exchange by way of introduction; and

(d) the validity period of all relevant resolutions passed at this extraordinary general meeting of our Company in relation to the proposed conversion of all 1,314,955,468 B Shares into H Shares and the proposed listing of H Shares on the main board of the Hong Kong Stock Exchange by way of introduction shall be 18 months from the date of approval and adoption of all such relevant resolutions, being 4 February 2013.

FURTHER INFORMATION ABOUT OUR SUBSIDIARIES

Changes in the share capital of our major subsidiaries

Our major subsidiaries (for the purpose of the Hong Kong Listing Rules) as of the date of this listing document are referred to the disclosure under the heading of "History and Development — our Shareholding and Group Structure — Our Major Subsidiaries" of this listing document. The following alterations in the share capital (or registered share capital, as the case may be) of our major subsidiaries have taken place within the two years preceding the date of this listing document:

Guiyang Vanke Jingjia Property Co., Ltd. (貴陽萬科勁嘉房地產有限公司) ("Guiyang Vanke Jingjia")

On 6 March 2013, Shanghai Wanfengyoufang II Equity Investment Funds Partnership (Limited Partnership) (上海萬豐友方二期股權投資基金合夥企業(有限合夥)) ("Shanghai Wanfengyoufang II") transferred 1% equity interest in Guiyang Vanke Jingjia to Guiyang Vanke Property Co., Ltd. (貴陽萬科房地產有限公司) ("Guiyang Vanke Property").

On 21 March 2013, Guiyang Vanke Property transferred 1% equity interest in Guiyang Vanke Jingjia to Shanghai Wanfengyoufang IV Equity Investment Funds Partnership (Limited Partnership) (上海萬豐友方四期股權投資基金合夥企業(有限合夥)) ("Shanghai Wanfengyoufang IV").

On 13 January 2014, Shenzhen Jingjia Property Development Co., Ltd. (深圳市勁嘉房地產開發有限公司) transferred 49% equity interest in Guiyang Vanke Jingjia to Guiyang Vanke Property.

On 24 February 2014, Shanghai Wanfengyoufang IV transferred 1% equity interest in Guiyang Vanke Jingjia to Guiyang Vanke Property.

Hangzhou Wankun Property Development Co., Ltd. (杭州萬坤置業有限公司) ("Hangzhou Wankun")

On 28 October 2013, Zhejiang Vanke Nandu Property Co., Ltd. (浙江萬科南都房地產有限公司), a wholly-owned subsidiary of our Company, transferred its 51% shareholding in Hangzhou Wankun to Kunhe Construction Group Co., Ltd. (坤和建設集團有限公司), as a result of which Hangzhou Wankun is no longer a subsidiary of our Company.

Shanghai Dijie Property Co., Ltd. (上海地傑置業有限公司) ("Shanghai Dijie")

On 1 February 2013, Shanghai Vanke Property Co., Ltd. (上海萬科房地產有限公司) ("Shanghai Vanke Property") acquired 6.5%, 5.5%, 4.25%, 3%, 2.5%, 1.25%, 1.25% and 0.75% equity interests in Shanghai Dijie from Shanghai Jiahe Industry Co., Ltd. (上海加合實業有限公司) ("Shanghai Jiahe"), Wang Shiming, Chen Yu, Shi Juan, Qu Dabao, Ma Jianzhong, Chen Xunnan and Zheng Changgui, respectively.

On 23 December 2013, Shanghai Vanke Property acquired 6.5%, 5.5%, 4.25%, 3%, 2.5%, 1.25%, 1.25% and 0.75% equity interest in Shanghai Dijie from Shanghai Jiahe, Wang Shiming, Chen Yu, Shi Juan, Qu Dabao, Ma Jianzhong, Chen Xunnan and Zheng Changgui respectively.

On 27 December 2013, Shanghai Vanke Property transferred 40% equity interest in Shanghai Dijie to Shanghai Fudi Investment Management Co., Ltd. (上海復地投資管理有限公司).

Suzhou Nandu Jianwu Co., Ltd. (蘇州南都建屋有限公司) ("Suzhou Nandu")

On 24 September 2013, Suzhou Nandu increased its share capital from RMB300 million to RMB375 million by transfer of capital surplus reserve and the shareholding of Jiangsu Sunan Vanke Property Co., Ltd. (江蘇蘇南萬科房地產有限公司), a wholly-owned subsidiary of our Company and Suzhou Xinjianyuan Holdings Group Co., Ltd. (蘇州新建元控股集團有限公司) in Suzhou Nandu remained unchanged.

Sino-foreign joint ventures

Among the major subsidiaries of our Company, there are nine sino-foreign joint ventures or sino-foreign cooperatives in which we are interested. Details regarding these subsidiaries are set out below:

Anshan Vanke Property Development Co., Ltd. (鞍山萬科房地產開發有限公司)

Parties and equity interest:	Shenyang Vanke Property Development Co., Ltd. (瀋陽萬科房地產開發有限公司), a wholly-owned subsidiary of our Company	70%
	Tander China Investment Co., Ltd. (永達中國投資有限公司)	30%
Terms of joint venture:	31 years	
Place of incorporation:	PRC	
Date of incorporation:	7 June 1993	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	US$5,172,700	

Paid-up share capital:	US$5,172,700	

Dalian Vanke Glamour City Development Co., Ltd. (大連萬科魅力之城開發有限公司)

Parties and equity interest:	Dalian Vanke Property Co., Ltd. (大連萬科置業有限公司), a wholly-owned subsidiary of our Company	55%
	Excel Right Investment Limited (科浩投資有限公司), a wholly-owned subsidiary of our Company	45%
Terms of joint venture:	20 years	
Place of incorporation:	PRC	
Date of incorporation:	20 October 2008	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	RMB340,000,000	
Paid-up share capital:	RMB340,000,000	

Foshan Nanhai District Vanke Jinyulanwan Property Co., Ltd. (佛山市南海區萬科金域藍灣房地產有限公司)

Parties and equity interest:	Foshan Vanke Property Co., Ltd. (佛山市萬科置業有限公司), a wholly-owned subsidiary of our Company	55%
	Reco Mudan Private Limited	45%
Terms of joint venture:	20 years	
Place of incorporation:	PRC	
Date of incorporation:	14 August 2009	
Main scope of business:	Property development	
Nature:	Sino-foreign cooperative	
Registered share capital:	US$190,000,000	
Paid-up share capital:	US$190,000,000	

Guangzhou Wanyi Property Co., Ltd. (廣州市萬怡房地產有限公司)

Parties and equity interest:	Guangzhou Vanke Property Co., Ltd. (廣州市萬科房地產有限公司), a wholly-owned subsidiary of our Company	55%
	Reco Mudan Private Limited	45%
Terms of joint venture:		
Place of incorporation:	PRC	
Date of incorporation:	20 December 2010	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	US$160,000,000	
Paid-up share capital:	US$160,000,000	

Qingdao Vanke City Real Estate Co., Ltd. (青島萬科城地產有限公司)

Parties and equity interest:	Qingdao Vanke Real Estate Co., Ltd. (青島萬科房地產有限公司), a wholly-owned subsidiary of our Company	10%
	Pro Ocean Limited, a wholly-owned subsidiary of our Company	45%
	Reco Mudan Private Limited	45%
Terms of joint venture:	20 years	
Place of incorporation:	PRC	
Date of incorporation:	26 June 2009	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	US$66,660,000	
Paid-up share capital:	US$66,660,000	

Shanghai Dongyuan Meishu Realty Co., Ltd. (上海東苑美墅置業有限公司)

Parties and equity interest:	World City International Inc., a wholly-owned subsidiary of our Company	94.1%
	Shanghai Fengyun Industrial Co., Ltd. (上海楓芸實業有限公司)	5.9%
Terms of joint venture:	70 years	
Place of incorporation:	PRC	
Date of incorporation:	22 October 2001	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	RMB87,957,343	
Paid-up share capital:	RMB87,957,343	

Shenyang Vanke Tander Real Estate Development Co., Ltd. (瀋陽萬科永達房地產開發有限公司)

Parties and equity interest:	Shenyang Vanke Real Estate Development Co., Ltd. (瀋陽萬科房地產開發有限公司), a wholly-owned subsidiary of our Company	17%
	Tander China Investment Co., Ltd. (永達中國投資有限公司), a wholly-owned subsidiary of our Company	32%
	Reco Ziyang Pte Ltd.	51%
Terms of joint venture:	20 years	
Place of incorporation:	PRC	
Date of incorporation:	30 March 2004	
Main scope of business:	Property development	
Nature:	Sino-foreign joint venture	
Registered share capital:	US$24,100,000	
Paid-up share capital:	US$24,100,000	

Wuxi Vanke Property Co., Ltd. (無錫萬科房地產有限公司)

Parties and equity interest:	The Company	60%
	Reco Ziyang Pte Ltd.	40%
Terms of joint venture:	22 years	
Place of incorporation:	PRC	
Date of incorporation:	24 March 2004	
Main scope of business:	Property development	
Nature:	Sino-foreign cooperative	
Registered share capital:	RMB300,000,000	
Paid-up share capital:	RMB300,000,000	

Xi'an Vanke Kaizhou Property Co., Ltd. (西安萬科愷洲置業有限公司)

Parties and equity interest:	Xi'an Vanke Co., Ltd. (西安萬科企業有限公司), a wholly-owned subsidiary of our Company	55%
	Reco Mudan Private Limited	45%
Terms of joint venture:	20 years	
Place of incorporation:	PRC	
Date of incorporation:	29 December 2009	
Main scope of business:	Property development	
Nature:	Sino-foreign cooperative	
Registered share capital:	US$132,000,000	
Paid-up share capital:	US$132,000,000	

All transfer of shares in the above joint ventures and/or cooperatives are subject to pre-emptive rights of their respective parties as set out in the respective contracts and/or articles of association. The entitlements of parties to profits, dividends and other distributions are proportionate to their capital contribution ratios.

REPURCHASE OF SHARES BY OUR COMPANY

This section includes requirements and/or restrictions on repurchase of the Shares by the Company and also information required by the Hong Kong Stock Exchange to be included in this listing document concerning repurchase of shares.

Circumstances under which our Company can Repurchase Shares

According to the Articles of Association, our Company may, with approval according to the procedures provided therein, repurchase the issued Shares under the following circumstances:

(i) Reduction of its registered share capital;

(ii) Merging with another company that holds Shares in our Company;

(iii) Awarding the employees of the Company with Shares; and

(iv) Requested by any Shareholder to purchase his/her Shares in the event that he/she raises objections to the Company's resolution on merger or demerger made at a session of the meeting of Shareholders.

Other than circumstances mentioned above, the Company shall not repurchase its own Shares.

Relevant Legal and Regulatory Requirements

The Hong Kong Listing Rules permit a company listed on the Hong Kong Stock Exchange to repurchase its securities on the Hong Kong Stock Exchange subject to certain restrictions, the more important of which are summarised below:

Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of Shares) must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association of our Company, the Hong Kong Listing Rules and the applicable PRC laws and regulations. A listed company may not repurchase its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the foregoing, any repurchases by our Company may be made out of our Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for the purpose of the repurchase or from sums standing to the credit of our share premium account or, subject to solvency, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must have been provided for out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our Company's share premium account or, subject to the Company Law, out of capital.

Trading Restrictions

The total number of shares which a listed company may repurchase on the Hong Kong Stock Exchange or another stock exchange recognised for this purpose by the SFC under the Code on Share Buy-backs is the number of shares representing up to a maximum of 10% of the aggregate nominal value of the company's shares then in issue. In the event of repurchasing the issued Shares by our Company for awarding the employees of our Company with Shares, the number of Shares to be repurchased should not exceed 5% of the total issued Shares of our Company.

A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Hong Kong Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Hong Kong Stock Exchange.

The Hong Kong Listing Rules also prohibit a listed company from repurchasing its securities on the Hong Kong Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange. A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require.

Status of Repurchased Shares

All repurchased securities (whether effected on the Hong Kong Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed. According to our Articles of Association, our Company's repurchased Shares shall be treated as cancelled and the amount of our Company's issued Shares shall be reduced by the aggregate nominal value of the repurchased Shares accordingly.

Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Hong Kong Listing Rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules), the listed company may not repurchase its shares on the Hong Kong Stock Exchange other than in exceptional circumstances. In addition, the Hong Kong Stock Exchange may prohibit a repurchase of securities on the Hong Kong Stock Exchange if a listed company has breached the Hong Kong Listing Rules.

Reporting Requirements

Certain information relating to repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Hong Kong Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of any member of the company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the company.

Funding of Repurchases

In repurchasing securities, a listed company may only apply funds lawfully available for such purpose in accordance with the Articles of Association, the Hong Kong Listing Rules and the applicable PRC laws and regulations.

General

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Codes on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

None of our Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Hong Kong Listing Rules) currently intends to sell any Shares to us or our subsidiaries.

No connected person (as defined by the Hong Kong Listing Rules) of our Company has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of our material contracts

We have entered into the following contracts (not being contracts in the ordinary course of our business) which are or may be material to our business within the two years immediately preceding the date of this listing document:

(a) On 13 May 2012, Vanke Property (Hong Kong) Company Limited and Wing Tai Properties Limited ("**Wing Tai**") (Hong Kong stock code: 369) entered into a share sale agreement, pursuant to which Vanke Property (Hong Kong) Company Limited as purchaser agreed to acquire or procure the acquisition of not less than 191,935,845 issued ordinary shares ("**Sale Shares**") of Winsor Properties Holdings Limited ("**Winsor**") (Hong Kong stock code: 1036) from Wing Tai, representing the entire direct and indirect shareholding of Wing Tai in Winsor and approximately 73.91% of the issued share of capital of Winsor, at an aggregate consideration of HK$1,078,621,868.

(b) On 11 July 2012, our Company entered into a share transfer agreement with Beijing Office of China Huarong Asset Management Corporation (中國華融資產管理公司北京辦事處), pursuant to which, our Company agreed to acquire 50% equity interest in Beijing Wanxin Investment Development Co., Ltd. (北京萬信投資發展有限公司) at a consideration of approximately RMB300 million.

(c) On 18 January 2013, our Company and GIC entered into a deed of undertaking, pursuant to which, GIC agreed to provide cash options to B shareholders of our Company in relation to the Listing without receiving any commissions from us.

(d) On 13 March 2013, Vanke Bestgain entered into a trust deed with Vanke Real Estate (Hong Kong) and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") which included, amongst other things, relevant provisions in relation to the issuance of the US$800,000,000 2.625 per cent. guaranteed bonds due 2018 at an issue price of 99.397 per cent. (the "**Bonds**") by Vanke Bestgain, pursuant to which Vanke Bestgain acted as the issuer of the Bonds, Vanke Real Estate (Hong Kong) acted as the guarantor of the Bonds and HSBC acted as the trustee for the holders of the Bonds.

(e) On 13 March 2013, Vanke Bestgain entered into an agency agreement with Vanke Real Estate (Hong Kong) and HSBC, pursuant to which HSBC agreed to act as the registrar, the initial principal paying agent, the transfer agent, the escrow agent and any other agents as named in this agency agreement for the Bonds at a consideration of US$30,000 as the first installment, and an annual fee of US$25,000 per year for 5 years.

(f) On 13 March 2013, Vanke Bestgain, Vanke Real Estate (Hong Kong) and our Company executed a keepwell deed in favour of HSBC as the trustee for the holders of the Bonds, pursuant to which our Company undertook to directly or indirectly own or hold all outstanding shares of each of Vanke Bestgain and the Guarantor. Our Company also undertook, amongst other things, to cause Vanke Real Estate (Hong Kong) to have an aggregate total equity of at least RMB2 billion at all times and to cause Vanke Bestgain and Vanke Real Estate (Hong Kong) to have sufficient liquidity to ensure timely payment by each of them of any amounts payable in respect of the Bonds.

(g) On 13 March 2013, in relation to the issuance of Bonds, our Company executed a deed of equity interest purchase undertaking in favour of HSBC as the trustee for the holders of the Bonds pursuant to which, following an event of default, our Company is required to purchase, either by itself or through a PRC incorporated subsidiary of our Company, certain onshore equity interests held by any offshore subsidiary of Vanke Real Estate (Hong Kong), in order to assist Vanke Bestgain and Vanke Real Estate (Hong Kong) to meet any outstanding debt obligations under the Bonds in the event of default.

Our Intellectual Property Rights

As of the Latest Practicable Date, we had registered or applied for the following intellectual property rights which are material to our business.

Patents

As of the Latest Practicable Date, we had registered the following patents which are material to our business.

No	Name of Patent	Patent number	Owner	Class	Period of validity
1	Garden Villa	ZL 02 1 03734.5	China Vanke Co., Ltd.	Invention	From 15 March 2002 to 14 March 2022
2	Residential building with windmill structure	ZL200710124695.4	China Vanke Co., Ltd.	Invention	From 26 November 2007 to 25 November 2027
3	Precast concrete panel and its preparation method	ZL200810066759.4	China Vanke Co., Ltd.	Invention	From 21 April 2008 to 20 April 2028
4	Precast concrete Beam and its preparation method	ZL200810066858.2	China Vanke Co., Ltd.	Invention	From 25 April 2008 to 24 April 2028
5	Precast concrete Beam	ZL200810067079.4	China Vanke Co., Ltd.	Invention	From 5 May 2008 to 4 May 2028
6	Connecting structure, method and construction of precast concrete panel and beam	ZL200810067234.2	China Vanke Co., Ltd.	Invention	From 14 May 2008 to 13 May 2028
7	Connecting structure, method and construction of precast concrete panel and beam	ZL200810067322.2	China Vanke Co., Ltd.	Invention	From 21 May 2008 to 20 May 2028
8	Connecting structure, method and construction of precast main and auxiliary concrete beam	ZL200810142134.1	China Vanke Co., Ltd.	Invention	From 29 August 2008 to 28 August 2028
9	Concrete refuse disposal bin and its preparation method	ZL201010042851.4	Dongguan Vanke Architecture Technology Research Co., Ltd. (東莞市萬科建築技術研究有限公司)	Invention	From 20 January 2010 to 19 January 2030

No	Name of Patent	Patent number	Owner	Class	Period of validity
10	Residential building with single unit in each floor	ZL200420102842.x	China Vanke Co., Ltd.	Utility Model	From 13 December 2004 to 12 December 2014
11	Residential area with independent public transportation	ZL200420102851.9	China Vanke Co., Ltd.	Utility Model	From 13 December 2004 to 12 December 2014
12	Independent toilet	ZL200420102844.9	China Vanke Co., Ltd.	Utility Model	From 13 December 2004 to 12 December 2014
13	Designated toilet of multi-sleeping rooms	ZL200420102845.3	China Vanke Co., Ltd.	Utility Model	From 13 December 2004 to 12 December 2014
14	Residential building with small sized units	ZL201120528100.3	Dongguan Vanke Architecture Technology Research Co., Ltd. (東莞市萬科建築技術研究有限公司)	Utility Model	From 15 December 2011 to 14 December 2021
15	Duplex residential house	ZL200420102888.1	China Vanke Co., Ltd.	Utility Model	From 14 December 2004 to 13 December 2014

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which are material to our business.

No.	Trademark	Registration No.	Registrant	Class	Period of Validity	Place of registration
1	VANKE	No.1948932	China Vanke Co., Ltd.	36	From 28 October 2012 to 27 October 2022	PRC
2	万科	No.1948934	China Vanke Co., Ltd.	36	From 28 October 2012 to 27 October 2022	PRC
3	万科	No.9595275	China Vanke Co., Ltd.	36	From 14 July 2012 to 13 July 2022	PRC
4	VANKE	No.769105	China Vanke Co., Ltd.	36	From 7 October 2004 to 6 October 2014	PRC
5	万科	No.769104	China Vanke Co., Ltd.	36	From 7 October 2004 to 6 October 2014	PRC
6		No.4227121	China Vanke Co., Ltd.	36	From 21 December 2007 to 20 December 2017	PRC
7	万科	No.1949356	China Vanke Co., Ltd.	37	From 28 October 2012 to 27 October 2022	PRC

No.	Trademark	Registration No.	Registrant	Class	Period of Validity	Place of registration
8	万科	No.9595288	China Vanke Co., Ltd.	37	From 14 July 2012 to 13 July 2022	PRC
9		No.4227120	China Vanke Co., Ltd.	37	From 21 December 2007 to 20 December 2017	PRC
10	VANKE	No.777349	China Vanke Co., Ltd.	37	From 7 February 2005 to 6 February 2015	PRC
11	万科	No.778293	China Vanke Co., Ltd.	37	From 21 February 2005 to 20 February 2015	PRC
12	VANKE	No.1949360	China Vanke Co., Ltd.	37	From 28 October 2012 to 27 October 2022	PRC
13	万科	No.1971329	China Vanke Co., Ltd.	42	From 7 October 2012 to 6 October 2022	PRC
14	VANKE	No.1971332	China Vanke Co., Ltd.	42	From 28 September 2012 to 27 September 2022	PRC
15		No.4227119	China Vanke Co., Ltd.	42	From 21 December 2007 to 20 December 2017	PRC
16	万科	No.9595273	China Vanke Co., Ltd.	42	From 14 July 2012 to 13 July 2022	PRC
17	万科	No.775431	China Vanke Co., Ltd.	42	From 7 January 2005 to 6 January 2015	PRC
18	VANKE	No.775411	China Vanke Co., Ltd.	42	From 7 January 2005 to 6 January 2015	PRC
19	WONDERLAND 四季花城	No.1948278	China Vanke Co., Ltd.	36	From 28 August 2012 to 27 August 2022	PRC
20		No.302361726	China Vanke Co., Ltd.	6, 19, 36, 37, 42	From 30 August 2012 to 29 August 2022	Hong Kong
21	Vanke	No.302361735	China Vanke Co., Ltd.	6, 19, 36, 37, 42	From 30 August 2012 to 29 August 2022	Hong Kong
22	万科	No.302361744	China Vanke Co., Ltd.	6, 19, 36, 37, 42	From 30 August 2012 to 29 August 2022	Hong Kong

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which are material to our business:

No.	Domain Name	Registrant	Expiry Date
1	www.vanke.com	China Vanke Co., Ltd.	2 January 2015
2	www.vanke.cn	China Vanke Co., Ltd.	17 March 2015
3	www.vankeweekly.com	China Vanke Co., Ltd.	14 October 2015
4	www.vankeweekly.cn	China Vanke Co., Ltd.	9 March 2015
5	www.vankeoverseas.com	China Vanke Co., Ltd.	19 December 2015

FURTHER INFORMATION ABOUT DIRECTORS AND SUPERVISORS

Particulars of Service Contracts

Each of our Directors has entered into a service contract with our Company on 14 April 2014. The principal particulars of these service contracts are (a) for a term commencing from 14 April 2014 till the expiry date of the term of the Board (being our Company's 2016 annual general meeting date) and (b) are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Each of the Supervisors (other than Ms. LIVASIRI, Ankana) has entered into a service contract with our Company on 14 April 2014, and Ms. LIVASIRI, Ankana has entered into a service contract with our Company on 20 June 2014, in respect of, among others, compliance with relevant laws and regulations, observations of the Articles of Association and provision on arbitration.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Compensation of Our Directors and Supervisors

For the three financial years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to our Directors and Supervisors were approximately RMB47.4 million, RMB49.3 million and RMB51.0 million, respectively.

During the years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to members of our senior management were approximately RMB66.7 million, RMB57.7 million and RMB61.4 million, respectively.

During the years ended 31 December 2011, 2012 and 2013, the aggregate amount of remuneration paid to the five highest-paid individuals in our Company were approximately RMB52.8 million, RMB54.9 million and RMB57.0 million, respectively.

We have not paid any remuneration to our Directors, Supervisors or five highest-paid individuals as an inducement to join or upon joining us or as compensation for loss of office in respect of the years ended 31 December 2011, 2012 and 2013.

In 2010, the Group launched the Economic Profits Bonus Plan (the "**Plan**") as a supplement to the existing employee remuneration system. The bonus amount attributable to each year is determined by reference to the key performance indicator of economic profits of the Group in each corresponding year. The bonuses for employees of the project companies are capitalised as inventory of the relevant projects and the bonuses for our other employees (including our Directors, Supervisors and senior management) are expensed as our administrative expenses in the respective years. For the three financial years ended 31 December 2011, 2012 and 2013, the total amount of undistributed bonus to our Directors, Supervisors and senior management under the Plan amounted to RMB63.1 million, RMB86.8 million and RMB100.5 million, respectively.

Except as disclosed above, no other payments have been made or are payable, in respect of the years ended 31 December 2011, 2012 and 2013, by our Company to any of our Directors or Supervisors.

Under the arrangement currently in force, we estimate the aggregate compensation, excluding any discretionary bonuses and any bonus under the Plan, payable by our Group to our Directors and Supervisors for the year ending 31 December 2014 to be approximately RMB54.7 million.

Mr. Hua Sheng, one of our independent non-executive Directors, agreed to waive his emoluments during the Track Record Period. Save as disclosed above, there was no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments during the Track Record Period.

DISCLOSURE OF INTERESTS

Disclosure of the Interests and Short Positions of Our Directors, Supervisors and Chief Executive

Immediately following the completion of the Listing, without taking into account the A Shares which may be issued pursuant to the exercise of the share options under the A Share Stock Option Incentive Scheme since the Latest Practicable Date, the interests or short positions of our Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to our Company and the Hong Kong Stock Exchange once the Shares are listed, are as follows (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to our Supervisors):

Interests in our Company

Name	Title	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class(1)	Approximate percentage of shareholding in the total share capital(2)
WANG Shi	— Executive Director — Chairman	Beneficial interest	A Shares	7,617,201	0.079%	0.069%
YU Liang	— Executive Director — President	Beneficial interest	A Shares	7,306,245	0.075%	0.066%

Name	Title	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class(1)	Approximate percentage of shareholding in the total share capital(2)
SUN Jianyi	— Non-Executive Director	Beneficial interest	A Shares	692,236	0.007%	0.006%
WANG Wenjin	— Executive Director — Executive Vice President	Beneficial interest	A Shares	2,223,591	0.023%	0.020%
QIAO Shibo	— Non-executive Director	Interest of spouse	A Shares	60,000	0.0006%	0.0005%
XIE Dong	— Chairman of Supervisory Committee	Beneficial interest	A Shares	1,987,660	0.020%	0.018%
ZHOU Qingping	Supervisor	Beneficial interest	A Shares	20,000	0.0002%	0.0002%

Notes:

(1) The calculation is based on the total number of 9,700,070,951 A Shares of the Company in issue immediately following the completion of the Listing.

(2) The calculation is based on the total number of 11,015,026,419 Shares of the Company in issue immediately following the completion of the Listing.

Interests in the underlying shares of our Company

Name	Title	Nature of interest	Class of underlying shares subject to the options	Number of underlying Shares subject to the options	Approximate percentage of shareholding in the relevant class(1)	Approximate percentage of shareholding in the total share capital(2)
WANG Shi	— Executive Director — Chairman	Beneficial interest	A Shares	3,960,000	0.041%	0.036%
YU Liang	— Executive Director — President	Beneficial interest	A Shares	3,300,000	0.034%	0.030%
WANG Wenjin	— Executive Director — Executive vice president	Beneficial interest	A Shares	1,320,000	0.014%	0.012%

Notes:

(1) The calculation is based on the total number of 9,700,070,951 A Shares of the Company in issue immediately following the completion of the Listing.

(2) The calculation is based on the total number of 11,015,026,419 Shares of the Company in issue immediately following the completion of the Listing.

Disclosure of the Interests and Short Positions under the Provisions of Division 2 and Division 3 of Part XV of SFO

So far as our Directors are aware of, immediately following the completion of the Listing, without taking into account the A Shares which may be issued pursuant to the exercise of the share options under the A Share Stock Option Incentive Scheme since the Latest Practicable Date, each of the following persons (other than our Directors, Supervisors and chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or who is directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of the Company carrying rights to vote in all circumstances at general meetings of our Company:

Name	Nature of Interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class[1]	Approximate percentage of shareholding in the total share capital[2]
CRC[3]	Beneficial interest	A Shares	1,645,494,720[5]	16.96%	14.94%
	Interest in controlled corporation	A Shares	6,840,570[5]	0.07%	0.06%
CRNC[4]	Interest in controlled corporation	A Shares	1,652,335,290[5]	17.03%	15.00%

Note:

(1) The calculation is based on the total number of 9,700,070,951 A Shares of the Company in issue as of the Latest Practicable Date.

(2) The calculation is based on the total number of 11,015,026,419 Shares of the Company in issue as of the Latest Practicable Date.

(3) CRC directly held 1,645,494,720 A Shares of our Company and indirectly held 6,840,570 A Shares of our Company through its wholly owned subsidiary, China Resources Trade Co., Ltd. (中潤國內貿易有限公司).

(4) CRC is wholly owned by CRNC, thus CRNC is deemed or taken to be interested in all the Shares which are directly and indirectly held by CRC pursuant to SFO.

(5) This assumes that our existing substantial shareholders will not participate in the trading of any A Shares between the Latest Practicable Date and the Listing Date.

As of the Latest Practicable Date, so far as is known to our Directors, the following persons were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our major subsidiaries or had option in respect of such capital:

Name of Shareholder	Name of member of our Group	Approximate percentage of shareholding
SASAC of Beijing Chaoyang District (北京市朝陽區人民政府國有資產監督管理委員會)	Beijing Chaoyang Vanke Property Development Co., Ltd. (北京市朝陽萬科房地產開發有限公司)	40%
Beijing Zhuzong Real Estate Development Co., Ltd. (北京住總房地產開發有限責任公司)	Beijing Zhuzong Vanke Property Development Co., Ltd. (北京住總萬科房地產開發有限公司)	50%
COFCO Corp. (中糧集團有限公司)	Beijing COFCO Vanke Jiarifengjing Property Development Co., Ltd. (北京中糧萬科假日風景房地產開發有限公司)	50%
Reco Mudan Private Limited	Foshan Nanhai District Vanke Jinyulanwan Property Co., Ltd. (佛山市南海區萬科金域藍灣房地產有限公司)	45%
	Guangzhou Wanyi Property Co., Ltd. (廣州市萬怡房地產有限公司)	45%
	Qingdao Vanke City Real Estate Co., Ltd. (青島萬科城地產有限公司)	45%
	Xi'an Vanke Kaizhou Property Co., Ltd. (西安萬科愷洲置業有限公司)	45%
Reco Ziyang Pte Ltd.	Shenyang Vanke Tander Property Development Co., Ltd. (瀋陽萬科永達房地產開發有限公司)	51%
	Wuxi Vanke Property Co., Ltd. (無錫萬科房地產有限公司)	40%
Hunan Heshun Investment Development Co., Ltd. (湖南和順投資發展有限公司)	Hunan Heshun Property Co., Ltd. (湖南和順置業有限公司)	30%
Kunhe Construction Group Co., Ltd. (坤和建設集團有限公司)	Hangzhou Wankun Property Development Co., Ltd. (杭州萬坤置業有限公司)	49%
Shanghai Fudi Investment Management Co., Ltd. (上海復地投資管理有限公司)	Shanghai Dijie Property Co., Ltd. (上海地傑置業有限公司)	40%
Shenzhen Jiezhan Investment Development Co., Ltd. (深圳市捷展投資發展有限公司)	Shenzhen Dragon Bay Investment Development Co., Ltd. (深圳市聚龍灣投資發展有限公司)	35%

Name of Shareholder	Name of member of our Group	Approximate percentage of shareholding
Suzhou Xinjianyuan Holdings Group Co., Ltd. (蘇州新建元控股集團有限公司)	Suzhou Nandu Jianwu Co., Ltd. (蘇州南都建屋有限公司)	30%

DISCLAIMERS

Save as disclosed herein, as of the Latest Practicable Date:

(a) none of our Directors, Supervisors or the chief executive of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed. For this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors;

(b) none of our Directors, Supervisors or any of the persons whose names are listed in the paragraph headed "Consents of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this listing document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this listing document which is significant in relation to the business of our Group taken as a whole;

(d) save as disclosed in the paragraph headed "particulars of service contracts", none of our Directors or Supervisors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) none of our Directors knows of any person (not being a Director, Supervisor or chief executive of our Company) who will, immediately following completion of the Listing, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the major subsidiaries of our Company; and

(f) so far as is known to our Directors, none of our Directors, Supervisors, or their respective associates (as defined under the Hong Kong Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

A Share Stock Option Incentive Scheme

(a) Major Terms of the A Share Stock Option Incentive Scheme

The A Share Stock Option Incentive Scheme (the "**Scheme**") was approved and adopted at the first extraordinary general meeting of our Company for 2011 held on 8 April 2011. According to the Scheme, the Board of Directors was authorised to grant share options to 838 eligible persons (subject to their respective acceptance) to subscribe for an aggregate of 110,000,000 A Shares, accounting for 1.0004% of our total share capital as of the approval date at nil consideration. However, due to departure of certain employees, as of 9 May 2011, being the registration date of the Scheme, our Company has granted share options to 810 eligible persons to subscribe for an aggregate of 108,435,000 A Shares, accounting for 0.9862% of our total share capital as of the registration date. More details of the Scheme are set out below:

Date of Grant:	25 April 2011 (the "**Grant Date**")
Consideration:	Nil
Exercise price:	RMB8.89 per share *(Note 1)*
Total number:	108,435,000 (each option entitles the grantee to subscribe for one A Share)
Validity period:	5 years commencing from the Grant Date
Exercise periods:	40% of the options are exercisable from the first trading day after 12 months since the Grant Date to the last trading day within 36 months since the Grant Date; 30% of the options are exercisable from the first trading day after 24 months since the Grant Date to the last trading day within 48 months since the Grant Date; 30% of the options are exercisable from the first trading day after 36 months since the Grant Date to the last trading day within 60 months since the Grant Date;
Eligible persons:	Directors (who receive payment from our Company), senior management and key staff of our Group, excluding independent non-executive Directors, Supervisors, Shareholders holding more than 5% of the shares of our Company, and/or their respective spouse and lineal relatives.

Note 1: our Company distributed a cash dividend of RMB1.0 (inclusive of tax) for every ten Shares on 27 May 2011, RMB1.3 (inclusive of tax) for every ten Shares on 5 July 2012, RMB1.8 (inclusive of tax) for every ten Shares on 16 May 2013 and RMB4.1 (inclusive of tax) for every ten Shares on 30 May 2014 to Shareholders which was approved by the respective general meeting of our Company. Upon the implementation of the annual dividend distribution plan for 2010, 2011 and 2012, the exercise price of the 108,435,000 share options granted on 25 April 2011 under the Scheme was adjusted from RMB8.89 per share to RMB8.07 per share.

(b) Particulars of Outstanding Options

As of the Latest Practicable Date, all the options to subscribe for an aggregate of 108,435,000 A Shares under the Scheme have been granted and 19,816,201 options have been exercised, 38,392,999 options are forfeited, thus the aggregate number of the outstanding options is 50,225,800. Particulars of all the outstanding options under the Scheme as of the Latest Practicable Date are as follows:

Grantee	Title	Address	Number of options granted	Number of outstanding options as of the Latest Practicable Date	Percentage of total share capital[1]
WANG Shi	— Executive Director — Chairman	Room 101, Block 3, Haitang Avenue, Yiyuan Villa, Yinhu Road, Luohu District, Shenzhen, Guangdong Province, PRC	6,600,000	3,960,000	0.036%
YU Liang	— Executive Director — President	31/F, Block B, Yuanzhong Huayuan, Yuanling Fourth Street, Futian District, Shenzhen, Guangdong Province, PRC	5,500,000	3,300,000	0.030%
WANG Wenjin	— Executive Director — Executive Vice President	Room 702, Tingsong Building, Yangming Villa, Meigang Road, Futian District, Shenzhen, Guangdong Province, PRC	2,200,000	1,320,000	0.012%
XIE Dong	— Chairman of Supervisory Committee	2–605B, Nantian Plaza, Futian District, Shenzhen, Guangdong Province, PRC	2,200,000	0	0%
ZHANG Xu	— Executive vice president	1–2B, Huajingfeng, Zhong Hai Hua Ting, Mintian Road, Futian District, Shenzhen, Guangdong Province, PRC	750,000	450,000	0.004%
TAN Huajie	— Secretary to the Board	503, Block A, Yundongjiayuan, Shazui Road, Futian District, Shenzhen, Guangdong Province, PRC	1,600,000	960,000	0.009%
Other 804 key staff of our Group			89,585,000	40,235,800	0.365%
Total			108,435,000	50,225,800	0.456%

Note:

(1) The calculation is based on the total number of 11,015,026,419 Shares of the Company in issue as of the Latest Practicable Date.

Out of all the share options granted under the Scheme, options representing 18,850,000 A Shares were granted to Directors and senior management of our Company, and options representing 89,585,000 A Shares were granted to other 804 key staff of our Group.

As of the Latest Practicable Date, 19,816,201 options under the Scheme have been exercised and 50,225,800 options are exercisable. Considering the difference between the exercise price and A Share price of our Company, the Directors reasonably believe that there will be no material dilutive impact on earnings per share of our Company if all options are exercised. No further options will be granted under the Scheme after the Latest Practicable Date.

Save as disclosed above, there is no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option during the Track Record Period.

Personal Guarantees

Our Directors and Supervisors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

Agency Fees or Commissions Received

CITIC Securities Corporate Finance (HK) Limited, was acting as the placing agent for the placing of shares of Vanke Property (Overseas) Limited by its controlling shareholder which was completed on 24 August 2012 and CITIC Securities Corporate Finance (HK) Limited has received a commission of 0.75% of the total placing amount. Save as disclosed in this listing document, none of our Directors, Supervisors or any of the persons whose names are listed in the paragraph headed "Consents of Experts" in this Appendix had received any commissions, discounts, agency fees, brokerages or other special terms were granted within the two years preceding the date of this listing document in connection with the issue or sale of any capital of any member of our Group.

Related Party Transactions

During the two years preceding the date of this listing document, we have engaged in the material related party transactions as described in Note 35 to Appendix III to this listing document.

Estate Duty

Our Directors have been advised that no material liability for estate duty under PRC laws is likely to fall on our Group.

Litigation

As of the Latest Practicable Date, save as disclosed in "Business — Legal Proceedings and Compliance" in this listing document, no member of our Group was involved in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

The Sole Sponsor

The Sole Sponsor, namely CITIC Securities Corporate Finance (HK) Limited, has declared its independence pursuant to Rule 3A.07 of the Hong Kong Listing Rules. The total amount of fees payable to the Sole Sponsor by our Company is HK$15.0 million.

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for a listing of, and permission to deal in the Shares as mentioned in this listing document. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The PRC Financial Adviser

The PRC Financial Adviser, namely CITIC Securities Co., Ltd., has issued a financial adviser report in relation to the Implementation Plan as published on the Shenzhen Stock Exchange on 19 January 2013.

The Hong Kong Financial Adviser

In connection with the Listing, our Company has engaged CITIC Securities Corporate Finance (HK) Limited as our Hong Kong Financial Adviser. It mainly provides advisory services regarding the Listing, including analysis of equity and shareholding structure of our Company, communication with existing Shareholders and potential overseas investors, analysis on the recommendations given by all professional parties, assisting the Company in reviewing certain documents in relation to the Listing and consultation on the market response in Hong Kong capital market of the Listing. Our Company has also engaged Guotai Junan Securities (Hong Kong) Limited as our Hong Kong Financial Adviser. It mainly provides advisory services regarding the trading system in relation to the Listing as well as communication with existing Shareholders and consultation on the market response in Hong Kong capital market of the Listing.

Preliminary Expenses

Our preliminary expenses are estimated to be approximately HK$1,300,000 and are payable by our Company.

Promoter

We do not have any promoter. Save as disclosed in this listing document, within the two years immediately preceding the date of this listing document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Listing and the related transactions described in this listing document.

Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after 11 February 2006.

(b) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the Listing will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this listing document:

Name	Qualifications
CITIC Securities Corporate Finance (HK) Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
KPMG Huazhen (Special General Partnership)	Certified Public Accountants, PRC
Shu Jin Law Firm	PRC legal adviser to our Company
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer and industry consultant

Consents of Experts

Each of CITIC Securities Corporate Finance (HK) Limited, KPMG Huazhen (Special General Partnership), Shu Jin Law Firm and Jones Lang LaSalle Corporate Appraisal and Advisory Limited has given and has not withdrawn its written consent to the issue of this listing document with the inclusion of its report and/or letter and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

Bilingual Listing Document

The English language and Chinese language versions of this listing document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

(a) Save as disclosed in this listing document, within the two years immediately preceding the date of this listing document:

  (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(b) we have not issued nor agreed to issue any founder shares, management shares or deferred shares in our Company or any of our subsidiaries;

(c) save as disclosed in this listing document, none of the persons listed in the paragraph headed "consents of experts" in this Appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;

(d) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since 31 December 2013 (being the date to which the latest audited combined financial statements of our Group were made up);

(e) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this listing document;

(f) None of the Company or any of its subsidiaries has any outstanding convertible debt securities or debentures;

(g) there is no arrangement under which future dividends are waived or agreed to be waived;

(h) we currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the PRC Sino-Foreign Joint Venture Law;

(i) save as disclosed in the section of "History and Development" of this listing document, none of the equity securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought and save as disclosed in the section of "History and Development" of this listing document, we have no issued or outstanding debt securities. Save for Vanke Property (Overseas) Limited (Hong Kong stock code: 1036), a public company listed on the main board of the Hong Kong Stock Exchange, no other subsidiary of our Company is presently listed on any stock exchange or traded on any trading system; and

(j) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Paul Hasting at 22/F, Bank of China Tower, 1 Garden Road, Hong Kong during normal hours up to and including the date which is 14 days from the date of this listing document.

(i) the Articles of Association;

(ii) the audited consolidated financial statements for the year ended 31 December 2011, the text of which is set out in "Appendix I — Consolidated Financial Statements for the Year Ended 31 December 2011";

(iii) the audited consolidated financial statements for the year ended 31 December 2012, the text of which is set out in "Appendix II — Consolidated Financial Statements for the Year Ended 31 December 2012";

(iv) the audited consolidated financial statements for the year ended 31 December 2013, the text of which is set out in "Appendix III — Consolidated Financial Statements for the Year Ended 31 December 2013";

(v) the unaudited condensed consolidated financial information for the three months ended 31 March 2014, the text of which is set out in "Appendix IV — Unaudited Condensed Consolidated Financial Information for the Three Months Ended 31 March 2014";

(vi) the material contracts referred to in the section headed "Appendix IX — Statutory and General Information — Further Information about our Business — Summary of our material contracts";

(vii) the written consents referred to in the section headed "Appendix IX — Statutory and General Information — Other Information — Consents of Experts";

(viii) the service contracts referred to in the paragraphs headed "Further Information about Directors and Supervisors - Particulars of Service Contracts" in Appendix IX to this listing document;

(ix) the PRC legal opinion issued by our legal adviser on PRC law, Shu Jin Law Firm; and

(x) the Full Property Valuation Report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

In addition:

(i) Company Law can be accessed at http://www.gov.cn/flfg/2005-10/28/content_85478.htm.

Any information contained in, or that can be accessed via the above websites does not constitute or form part of this listing document.

CHINA VANKE CO., LTD.*
萬科企業股份有限公司