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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)

2020 THIRD QUARTERLY REPORT

The board of directors (the “**Board**”) of China Vanke Co., Ltd.* (the “**Company**” or “**Vanke**”) is pleased to announce the unaudited quarterly report (the “**Quarterly Report**” or the “**Report**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the three months and nine months ended 30 September 2020, which has been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). This announcement is made pursuant to the inside information provisions set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the requirements under Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

§1 IMPORTANT NOTICE

- 1.1** The Board, the supervisory committee and the directors (the “**Director(s)**”), supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the Report, and that there is no false representation, misleading statement or material omission in the Report, and accept full legal responsibilities for the Report jointly and severally.
- 1.2** The Quarterly Report was approved at the third meeting of the nineteenth session of the Board (the “**Meeting**”) of the Company. All Directors of the Company attended the Meeting in person.
- 1.3** Mr. YU Liang, the Chairman of the Board, and Ms. HAN Huihua, an Executive Vice President and Financial Principal of the Company declare that the financial statements contained in the Quarterly Report are warranted to be true, accurate and complete.
- 1.4** The financial and accounting statements contained in the Quarterly Report of the Group have been prepared in accordance with the IFRSs and have not been audited.
- 1.5** Unless otherwise indicated, Renminbi is the reporting currency in the Quarterly Report. The “**Reporting Period**” refers to 1 July to 30 September of 2020.

- 1.6** This Report includes forward-looking statements of future plans and development strategy, which does not constitute the Group's actual undertakings to investors. Investors are advised to be aware of the risks involved, understand the differences between plans, forecasts and undertakings, and pay attention to investment risks.

§2 BASIC CORPORATE INFORMATION

2.1 Major accounting data and financial indicators

Unit: RMB'000

	As at 30 September 2020		As at 31 December 2019	Change
Total assets	1,814,537,307		1,730,003,297	4.89%
Total equity attributable to equity shareholders of the Company	202,675,005		188,058,492	7.77%
Share capital	11,617,732		11,302,143	Increase of 315,589,200 shares
	Jul. to Sep. 2020	YOY change	Jan. to Sep. 2020	YOY change
Revenue	95,141,960	12.47%	241,491,467	7.85%
Profit for the period attributable to equity shareholders of the Company	7,355,308	14.94%	19,862,827	8.89%
Net cash generated from operating activities	10,774,907	251.36%	33,380,869	1824.62%
Basic earnings per share (<i>RMB</i>)	0.633	11.82%	1.741	6.77%
Diluted earnings per share (<i>RMB</i>)	0.633	11.82%	1.741	6.77%
Weighted average return on equity	3.69%	Decreased by 0.22 percentage point	10.13%	Decreased by 1.03 percentage points

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

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

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period 371,526 (including 371,477 holders of A Shares ^(Note 1) and 49 holders of H Shares)

Total number of preference shareholders with restored voting rights at the end of the Reporting Period (if any) 0

Shareholdings of the top 10 shareholders

Name of shareholder	Classification of shareholder	Percentage of shareholdings	Total number of shares held	Number of restricted shares held	Pledged or lock-up Share status	Number of shares
Shenzhen Metro Group Co., Ltd. (“SZMC”)	Domestic state-owned legal person	27.91%	3,242,810,791	0	–	0
HKSCC NOMINEES LIMITED ^(Note 2)	Overseas legal person	16.30%	1,893,434,674	0	–	0
Hong Kong Securities Clearing Company Limited ^(Note 3)	Overseas legal person	4.91%	570,563,888	0	–	0
Guosen Securities –Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan	Others	3.93%	456,993,190	0	–	0
Central Huijin Asset Management Co., Ltd.	Domestic state-owned legal person	1.63%	189,566,000	0	–	0
CMS Wealth –CMB – De Ying No. 1 Specialised Asset Management Plan	Others	1.26%	146,255,820	0	–	0
China Securities Finance Corporation Limited	Domestic state-owned legal person	1.14%	132,669,394	0	–	0
Dajia Life Insurance Co., Ltd. – Universal Life Product	Others	0.98%	113,481,903	0	–	0
CLIC – Dividend – Personal Dividend -005L-FH002 SZ	Others	0.93%	108,159,570	0	–	0
CLIC – Traditional – Ordinary Insurance Product -005L-CT001 SZ	Others	0.74%	86,388,542	0	–	0

Shareholdings of the top 10 holders of non-restricted shares

Name of shareholder	Number of non-restricted shares held	Class of shares
SZMC	3,242,810,791	RMB-denominated Ordinary Share(s) (“ A Share(s) ”)
HKSCC NOMINEES LIMITED	1,893,434,674	Overseas-listed Foreign Share(s) (“ H Share(s) ”)
Hong Kong Securities Clearing Company Limited	570,563,888	A Share(s)
Guosen Securities – Industrial and Commercial Bank of China – Guosen Jinpeng No.1 Classified Collective Asset Management Plan	456,993,190	A Share(s)
Central Huijin Asset Management Co., Ltd.	189,566,000	A Share(s)
CMS Wealth – CMB – De Ying No. 1 Specialised Asset Management Plan	146,255,820	A Share(s)
China Securities Finance Corporation Limited	132,669,394	A Share(s)
Dajia Life Insurance Co., Ltd. – Universal Life Product	113,481,903	A Share(s)
CLIC – Dividend – Personal Dividend -005L-FH002SZ	108,159,570	A Share(s)
CLIC – Traditional – Ordinary Insurance Product -005L-CT001SZ	86,388,542	A Share(s)

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

1. “China Life Insurance Company Ltd. – Dividend – Personal Dividend -005L-FH002SZ” and “China Life Insurance Company Ltd. – Traditional – Ordinary Insurance Product005L-CT001SZ” belong to insurance products of China Life Insurance Company Ltd..
2. Save as aforesaid, it is not known to the Company as to whether there are connections or persons deemed to be acting in concert under the Measures for the Administration of the Takeover of Listed Companies among the abovementioned shareholders.

Top 10 ordinary shareholders involved in margin trading business (if any) Nil

Statements on the transaction of shares under agreements to repurchase of the top 10 holders of ordinary shares and top 10 holders of non-restricted ordinary shares during the Reporting Period (if any) Nil

Notes:

1. The “371,477 holders of A Shares” in the above table refers to the number of shareholders combining the securities margin trading credit accounts.
2. HKSCC NOMINEES LIMITED is the nominee holder of non-registered shareholders of the H Shares of the Company.
3. Hong Kong Securities Clearing Company Limited is the nominee holder of A Shares of the Company held by non-registered shareholders through the Shenzhen-Hong Kong Stock Connect.

As of 30 September 2020, the total number of shares of the Company was 11,617,732,201, including 9,724,196,533 A Shares and 1,893,535,668 H Shares.

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

☐ Applicable ☒ Not Applicable

§3 OPERATIONS DISCUSSION AND ANALYSIS

1. Property market in the third quarter

During the Reporting Period, under the positioning of “houses are for living in, not for speculation”, local governments have been committed to stabilizing land premium, housing price and expectation, while continuing to improve and implement control measures. Rules for fund monitoring and financing management of key real estate enterprises have been introduced and the financial regulation of the real estate industry have been constantly strengthened.

According to the statistics of National Bureau of Statistics, in the third quarter, the sales area of commodity housing in China increased 9.9% year-on-year and the sales amount increased by 19.5% year-on-year; from January to September, the sales area of commodity housing in China amounted to 1,170 million sq m, representing a 1.8% year-on-year decrease, with a sales amount of RMB11.6 trillion, up by 3.7% year-on-year.

In the third quarter, for the 14 cities¹ under the Company’s ongoing and focused observation, the area of commodity housing sold increased by 17.5% year-on-year. As at the end of the Reporting Period, the digestion cycle of the inventory of new housing available for sale (area with sales permits but had yet to be sold) in the above-mentioned cities was about 10 months.

¹ Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Wuhan, Dongguan, Foshan, Wuxi, Suzhou

The total investment in property development in China from January to September increased by 5.6% year-on-year, which was 3.7 percentage points higher than the growth rate of the first half of 2020. The area of new housing construction in China decreased by 3.4% year-on-year, narrowing the decline by 4.2 percentage points from the first half of 2020.

The average premium rate of the land market in the third quarter decreased slightly. According to the statistics from China Index Academy, the area of residential land in 300 cities supplied and sold in the third quarter increased by 3.8% and 6.3% year-on-year, respectively. The average residential land premium rate was 16.4%, representing a decrease of 1.3 percentage points compared to the second quarter.

2. Business development of the Group during the Reporting Period

(1) Key financial guidance

In the third quarter, the revenue of the Group amounted to RMB95.14 billion, representing a year-on-year increase of 12.5%; the net profit attributable to equity shareholders of the Company amounted to RMB7.36 billion, representing a year-on-year increase of 14.9%. The booked area of the property development business amounted to 6.752 million sq m, with a revenue of RMB84.94 billion, representing year-on-year increases of 10.9% and 15.8% respectively.

From January to September, the accumulated revenue of the Group amounted to RMB241.49 billion, representing a year-on-year increase of 7.9%; the net profit attributable to equity shareholders of the Company amounted to RMB19.86 billion, representing a year-on-year increase of 8.9%. Amongst them, the property development business booked 17.250 million sq m area, and contributed a revenue of RMB213.91 billion, representing year-on-year increases of 18.6% and 7.4% respectively.

From January to September, the estimated gross profit margin of the Group's property development and related asset operation business was 22.9%.

The Group maintained sound financial and capital positions. As of the end of September, the Group's net gearing ratio was 27.6% and the cash and cash equivalents held by the Group amounted to RMB173.05 billion, much higher than the interest-bearing liabilities due within one year of RMB85.07 billion; accounting for 14.1% of total assets, and among the interest bearing liabilities, 66.8% was long-term liabilities.

(2) Major operations

The Group has always adhered to a proactive sales strategy. During the third quarter, the Group's property development business achieved a contract sales area of 11.879 million sq m and a contract sales amount of RMB172.28 billion, representing year-on-year increases of 30.3% and 21.7% respectively. From January to September, the Group achieved an accumulated contract sales area of 32.648 million sq m and contract sales amount of RMB492.76 billion, representing year-on-year increases of 6.6% and 3.6% respectively.

As of the end of September, the resources sold but not completed for recognition in the Group's consolidated financial statements amounted to 49.131 million sq m, with a total contract amount of approximately RMB724.88 billion, representing increases of 14.6% and 19.0% respectively as compared to those at the beginning of the year.

The Group adhered to its rational investment strategies taking into account the balance between safety and development and the matching of risks and returns, and explored various potential investment opportunities. In the third quarter, the Group acquired 46 new property development projects, with a total gross floor area ("GFA") of approximately 8.513 million sq m and a planned GFA attributable to the Company's equity holding of approximately 5.722 million sq m; from January to September, the Group acquired a total of 101 new property development projects, with a total GFA of 18.323 million sq m and a planned GFA attributable to the Company's equity holding of 10.664 million sq m.

As of the end of September, the total GFA of the Group's projects under construction was approximately 112.910 million sq m, of which the GFA attributable to the Company's equity holding was approximately 66.976 million sq m; the total GFA of projects under planning was approximately 45.212 million sq m, of which the GFA attributable to the Company's equity holding was approximately 26.939 million sq m. In addition, the Group also participated in certain urban renewal projects, of which the aggregate GFA attributable to the Company's equity holding was approximately 3.305 million sq m according to current planning.

From January to September, the floor area of new construction of the Group amounted to 28.300 million sq m, and accounting for 96.9% of the floor area of new construction planned for the whole year; completed floor area was 18.046 million sq m, accounting for 54.4% of the planned floor area to be completed for the whole year.

Based on its strategic positioning of being a “city and town developer and service provider”, the Group adhered to the strategy of “co-development with cities and co-development with customers”, and developed property development and related asset operation business, property services and other businesses for the better life of people.

During the Reporting Period, Cushman & Wakefield Vanke Service, the joint venture of Vanke Service and Cushman & Wakefield officially announced its new Chinese name “萬物梁行”, and has obtained the “Annual Facility Management Team” awards from RICS China Awards 2020 at the same time. Vanke Service has continued to explore the “urban management services” and introduced urban space integration services in Jiangnan District of Wuhan and Erqi District of Zhengzhou. On October 24, it officially launched the first domestic brand-new brand emphasizing on urban service—“City Up”. Furthermore, it launched the pilot of a smart operation platform for urban services, continued to promote digital construction.

During the Reporting Period, the rental housing business of the Group had an additional 8,500 units in operation. As of the end of September, the rental housing business of the Group had accumulated approximately 135,800 units in operation. The rental housing business continued to implement standard operating procedure of the service (SOP) and explicitise the baseline standard of the service, and launched thematic activities such as service quality improvement and customer care. As of the end of the Reporting Period, mature projects (those had been unveiled for half a year or more) reached a 95.3% overall occupancy rate.

During the Reporting Period, SCPG was awarded the name of “2020 Leading Brand of China Retail Property Companies”. In August, Nanxiang In-City MEGA in Shanghai held its grand opening and has become the largest standalone shopping mall in Shanghai. The mall recorded over 3 million visits in the first month of its opening. During the Reporting Period, SCPG was entrusted to provide management services for Westlink Mall, Caohejing project and etc. in Shanghai.

During the third quarter, the Group’s logistics and warehousing services business acquired 4 new projects, with a total GFA of approximately 320,000 sq m. As of the end of September, the total GFA of logistics and warehousing services business amounted to approximately 11.06 million sq m.

§4 SIGNIFICANT EVENTS

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

Unit: RMB'000

Item	30 Sep. 2020	31 Dec. 2019	Change (+/-)	Remarks
Contract assets	5,652,083	3,444,938	64.07%	Growth in construction contracts
Other current assets	242,352	11,746,956	-97.94%	Redemption of wealth management products
Assets held for sale	1,570,346	4,252,755	-63.07%	Disposals of certain assets held for sale
Other non-current assets	14,386,737	9,107,320	57.97%	Increase in long-term project prepayment

Unit: RMB'000

Item	Jan. – Sep. 2020	Jan. – Sep. 2019	Change (+/-)	Remarks
Other net income	5,158,229	3,602,611	43.18%	Increase in disposal gain
Other operating expenses	(1,103,779)	(1,637,153)	32.58%	Decrease in provision for doubtful debt
Share of profits less losses of associates and joint ventures	2,307,807	1,099,584	109.88%	Decrease in losses from joint ventures

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

No. Description of Item

- Arrangements for payment of 2019 final dividend. The Company proposed to pay a final dividend for the year ended 31 December 2019 in cash of RMB1.016613 per share (inclusive of applicable tax) to the shareholders of the H shares of the Company whose names appear on the register of members of the H shares of the Company at the close of business on Thursday, 23 July 2020. Such payment has been completed on 14 August 2020.

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

☐ Applicable ☒ Not Applicable

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

4.4 Estimates on the operating results of the year of 2020

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

☐ Applicable ☒ Not Applicable

4.5 Investment of securities

Unit: RMB'000

Stock Code	Stock Name	Initial Investment Amount	Shareholding Percentage in the company	Book Value at the end of the Reporting Period	Gain or Loss in the year	Change of ownership interest during the Reporting Period
0267.HK	CITIC Limited	98,758	approximately 0.04%	–	(3,550)	–
Total		98,758	approximately 0.04%	–	(3,550)	–

4.6 Investment in Derivatives

Remarks on risk analysis and management of derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk, etc.)

As of the end of the Reporting Period, the Group's derivative financial instruments mainly included Cross Currency Swap (CCS) and Interest Rate Swap (IRS). The risks faced by CCS are related to exchange rate market risks and the certainty of the Group's future foreign currency debt cash flows. The risks faced by IRS are related to the interest rate market risk and the certainty of the Group's future foreign currency debt interest cash flow. The Group's control measures on derivative financial instruments are mainly reflected in: For derivatives trading, the Group strictly regulates the authorization and business operation procedures, carefully selects and determines the types and quantities of new derivative financial instruments, and strictly controls the credits level of the Group and related entities.

With regards to the change in market price or fair value of the derivatives invested during the Reporting Period, specific method, related assumptions and parameters for analysis of the fair value of derivatives should be disclosed

The fair value of IRS and CCS at the end of the Reporting Period was determined by reference to the market quotation of external financial institutions.

Remarks on whether there has been a material change in the accounting policy and accounting measurement principles for the Company's derivatives during the Reporting Period as compared with those of the previous reporting period

NIL.

Specialized opinion of the independent non-executive Directors on derivative investment and risk control of the Company

The independent non-executive Directors of the Company are of the view that the Company standardizes derivatives investment, follows the principle of prudence and mitigates possible losses associated with foreign currency loans in the event of significant change in exchange rates or interest rates via IRS, CCS and other financial derivatives, in accordance with the actual situation of business operations and the relevant regulations of the regulatory authorities. The relevant arrangements of the Company had been prudent and reasonable.

Derivative positions as at the end of the Reporting Period

Unit: RMB'000

Type of contracts	Contract amount as at the beginning of the year	Contract amount as at the end of the Reporting Period	Profit or loss during the year	Contract amount as a percentage of the Company's net assets as at the end of the Reporting Period
IRS	4,463,000	4,348,500	—	1.44%
CCS	16,089,644	15,677,362	(1,710)	5.18%
Total	20,552,644	20,025,862	(1,710)	6.62%

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

During the Reporting Period, the Company received surveys by institutional investors such as securities companies and funds, and individual investors via physical meeting, phone conference and video conference, exchanged views on the Company's daily operations, development strategies and views on changes in industry, and provided public information based on periodic reports.

Type of meeting	Time	Location	Approach	Type of investors
2020 interim results presentation	2020.8	Online	Video conference	Investors including securities companies, funds, individuals and etc
Citi meeting	2020.8	Online	Telephone conference	Investors including securities companies, funds and etc.
J.P. Morgan meeting	2020.8	Online	Telephone conference	Investors including securities companies, funds and etc.
Credit Suisse meeting	2020.8	Online	Telephone conference	Investors including securities companies, funds and etc.
Guangfa Securities meeting	2020.8	Shanghai	physical conference	Investors including securities companies, funds and etc.
CITIC Securities meeting	2020.8	Beijing	physical conference	Investors including securities companies, funds and etc.
CICC meeting	2020.8	Shenzhen, Guangzhou	physical conference	Investors including securities companies, funds and etc.
2020 Open Day activity for investors (Shanghai)	2020.9	Shanghai	physical conference	Investors including securities companies, funds and etc.
<i>Note:</i> The abovementioned meetings included one-on-one meetings, small group meetings and large group presentation. The Company received or met with investors from over 50 companies.				
Securities companies	During the Reporting Period	Chongqing, Hangzhou, Shanghai, Shenzhen, Dongguan, Xiamen, Tianjin, Nanjing, Chengdu, Sanya, Fuzhou, Xi'an, Tangshan, Jinan, Changzhou, etc.	Small Group or one-on-one	Shenwan Hongyuan, CITIC Securities, China Securities, Guangfa Securities, Orient Securities, Huatai Securities, Kai Yuan Securities, Huaan Securities, Founder Securities,, CICC, Changjiang Securities, Sinolink Securities, Ping An Securities, China Merchants Securities, Industrial Securities, Goldman Sachs, DBS, Morgan Stanley etc.
Funds and other investment companies and individual investors	During the Reporting Period	Chengdu, Nanchang, Guangzhou, Xi'an, Yantai, Nanjing, Zhengzhou, Qingdao, Wuhu, Shenzhen, Foshan, Chongqing, Guiyang, Kunming, Hefei, Changsha, Lanzhou, Wuxi, Dongguan, etc.	Small Group or one-on-one	Orient Securities Asset Management, ABC-CA Fund, CMB Wealth Management, Ping An Asset Management, Baoying Fund, BOCOM Fund, Bosera Asset Management, CEPHEI Investments, Dong Fang Hong Asset Management, Greenwoods Asset, Foresight Fund, Fidelity etc.

4.8 Illegal external guarantees

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

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

The Company has no controlling shareholder. During the Reporting Period, the Group had no capital which was non-operating attributed to the largest shareholder and its related parties.

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

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

By order of the Board
China Vanke Co., Ltd. *
YU Liang
Chairman of the Board

Shenzhen, the PRC, 29 October 2020

As at the date of this announcement, the Board of the Company comprises Mr. YU Liang, Mr. ZHU Jiusheng and Mr. WANG Haiwu as executive directors; Mr. XIN Jie, Mr. HU Guobin, Mr. TANG Shaojie and Mr. LI Qiangqiang as non-executive directors; and Mr. KANG Dian, Ms. LIU Shuwei, Mr. NG Kar Ling, Johnny and Mr. ZHANG Yichen as independent non-executive directors.

* For identification purpose only

APPENDIX I

The unaudited consolidated results of the Group for the three months ended 30 September 2020 and the comparative figures for the corresponding period in 2019 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020

	Three months ended 30 September	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	95,141,960	84,594,680
Cost of sales	<u>(69,400,492)</u>	<u>(55,640,751)</u>
Gross profit	25,741,468	28,953,929
Other net income	2,436,364	1,191,842
Selling and marketing expenses	(2,618,712)	(2,127,088)
Administrative expenses	(3,300,961)	(3,587,077)
Other operating expenses	<u>(520,741)</u>	<u>(743,234)</u>
Profit from operations	21,737,418	23,688,372
Finance costs	(2,302,363)	(2,153,824)
Share of profits less losses of associates and joint ventures	<u>595,466</u>	<u>192,146</u>
Profit before taxation	20,030,521	21,726,694
Income tax	<u>(8,588,172)</u>	<u>(12,421,954)</u>
Profit for the period	<u>11,442,349</u>	<u>9,304,740</u>
Attributable to:		
Equity shareholders of the Company	7,355,308	6,398,993
Non-controlling interests	<u>4,087,041</u>	<u>2,905,747</u>
Profit for the period	<u>11,442,349</u>	<u>9,304,740</u>
Basic earnings per share (RMB)	<u>0.63</u>	<u>0.57</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020**

	Three months ended 30 September	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve	(103,313)	123,687
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	112,028	21,936
Cash flow hedge: net movement in the hedging reserve	166,036	11,695
Other comprehensive income for the period	174,751	157,318
Total comprehensive income for the period	11,617,100	9,462,058
Attributable to:		
Equity shareholders of the Company	7,553,908	6,525,960
Non-controlling interests	4,063,192	2,936,098
Total comprehensive income for the period	11,617,100	9,462,058

The unaudited consolidated results of the Group for the nine months ended 30 September 2020 and the comparative figures for the corresponding period in 2019 are as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Nine months ended 30 September	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	241,491,467	223,914,757
Cost of sales	(169,198,064)	(144,473,960)
Gross profit	72,293,403	79,440,797
Other net income	5,158,229	3,602,611
Selling and marketing expenses	(5,803,606)	(5,313,612)
Administrative expenses	(9,608,696)	(10,626,645)
Other operating expenses	(1,103,779)	(1,637,153)
Profit from operations	60,935,551	65,465,998
Finance costs	(6,821,887)	(7,013,706)
Share of profits less losses of associates and joint ventures	2,307,807	1,099,584
Profit before taxation	56,421,471	59,551,876
Income tax	(26,349,928)	(30,961,459)
Profit for the period	30,071,543	28,590,417
Attributable to:		
Equity shareholders of the Company	19,862,827	18,240,745
Non-controlling interests	10,208,716	10,349,672
Profit for the period	30,071,543	28,590,417
Basic earnings per share (RMB)	1.74	1.63

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Nine months ended 30 September	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve	(793,070)	507,973
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	110,021	126,286
Cash flow hedge: net movement in the hedging reserve	538,278	290,505
Other comprehensive income for the period	(144,771)	924,764
Total comprehensive income for the period	29,926,772	29,515,181
Attributable to:		
Equity shareholders of the Company	19,739,488	19,133,022
Non-controlling interests	10,187,284	10,382,159
Total comprehensive income for the period	29,926,772	29,515,181

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	At 30 September 2020 <i>RMB'000</i> (Unaudited)	At 31 December 2019 <i>RMB'000</i> (Audited)
Non-current assets		
Property, plant and equipment	29,769,860	29,697,926
Intangible assets	801,162	786,279
Investment properties	100,890,041	94,521,281
Interest in associates and joint ventures	134,633,749	130,475,768
Other financial assets	2,863,512	2,923,936
Other non-current assets	14,386,737	9,107,320
Deferred tax assets	27,270,377	23,427,586
	<u>310,615,438</u>	<u>290,940,096</u>
Current assets		
Inventories and other contract costs	961,429,959	901,807,080
Contract assets	5,652,083	3,444,938
Trade and other receivables	361,977,097	351,616,877
Other current assets	242,352	11,746,956
Pledged and restricted deposits	5,899,615	6,455,944
Cash and cash equivalents	167,150,417	159,738,651
Assets held for sale	1,570,346	4,252,755
	<u>1,503,921,869</u>	<u>1,439,063,201</u>
Current liabilities		
Bank loans and borrowings from financial institutions	76,359,290	81,822,781
Bonds payable	10,010,948	13,263,025
Trade and other payables	528,979,358	542,268,303
Contract liabilities	640,625,733	577,047,227
Lease liabilities	1,555,189	1,425,644
Current taxation	60,008,579	56,783,304
	<u>1,317,539,097</u>	<u>1,272,610,284</u>
Net current assets	<u>186,382,772</u>	<u>166,452,917</u>
Total assets less current liabilities	<u>496,998,210</u>	<u>457,393,013</u>

	At 30 September 2020 <i>RMB'000</i> (Unaudited)	At 31 December 2019 <i>RMB'000</i> (Audited)
Non-current liabilities		
Bank loans and borrowings from financial institutions	121,578,170	114,319,778
Lease liabilities	21,373,303	21,277,366
Bonds payable	49,842,406	49,645,513
Deferred tax liabilities	338,962	356,175
Provisions	173,299	149,629
Other non-current liabilities	1,049,658	1,065,436
	<u>194,355,798</u>	<u>186,813,897</u>
NET ASSETS	<u>302,642,412</u>	<u>270,579,116</u>
CAPITAL AND RESERVES		
Share capital	11,617,732	11,302,143
Reserves	<u>191,057,273</u>	<u>176,756,349</u>
Total equity attributable to equity shareholders of the Company	202,675,005	188,058,492
Non-controlling interests	<u>99,967,407</u>	<u>82,520,624</u>
TOTAL EQUITY	<u>302,642,412</u>	<u>270,579,116</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

	2020 Jan-Sep RMB'000 (Unaudited)	2019 Jan-Sep RMB'000 (Unaudited)
Operating activities		
Cash generated from operations	63,740,638	32,312,773
Income tax paid	(30,359,769)	(30,578,362)
Net cash generated from operating activities	33,380,869	1,734,411
Investing activities		
Acquisitions of property, plant and equipment and investment properties	(3,470,609)	(3,461,193)
Other cash flows generated from/(used in) investing activities	9,660,182	(8,561,321)
Net cash generated from/(used in) investing activities	6,189,573	(12,022,514)
Financing activities		
Dividends and interest paid	(26,179,144)	(28,292,417)
Other cash flows used in financing activities	(5,596,700)	(41,582,352)
Net cash used in financing activities	(31,775,844)	(69,874,769)
Effect of foreign exchange rate changes	(382,832)	556,501
Net increase/(decrease) in cash and cash equivalents	7,411,766	(79,606,371)
Cash and cash equivalents at 1 January	159,738,651	175,668,164
Cash and cash equivalents at 30 September	167,150,417	96,061,793