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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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

I Interim Results

The board of directors (the **"Board"**) of China Vanke Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015 (the "**Period**" or the "**Report Period**"), which has been prepared in accordance with International Financial Reporting Standards (**IFRSs**).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 June 2015

		Six months ended 30 June	
	Note	*2015*	*2014*
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Turnover	3	47,626,142	38,509,883
Cost of sales		(34,999,141)	(28,307,345)
Gross profit		12,627,001	10,202,538
Other revenue	4	671,040	437,533
Other net income	5	141,350	862,291
Distribution costs		(1,548,692)	(1,542,286)
Administrative expenses		(1,443,052)	(1,459,481)
Other operating expenses		(64,105)	(67,102)
Profit from operations		10,383,542	8,433,493
Finance costs		(784,824)	(803,117)
Share of profits less losses of associates	6	447,228	619,200
Share of profits less losses of joint ventures		463,816	152,173
Profit before taxation	7	10,509,762	8,401,749
Income tax	8	(3,720,279)	(2,909,269)
Profit for the period		6,789,483	5,492,480
Attributable to:			
Equity shareholders of the Company		4,846,279	4,809,238
Non-controlling interests		1,943,204	683,242
Profit for the period		6,789,483	**5,492,480**
Basic and diluted earnings per share (RMB)	9	0.44	0.44

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 June 2015

	Note	Six months ended 30 June *2015* RMB'000 (Unaudited)	*2014* RMB'000 (Unaudited)
Profit for the period		6,789,483	5,492,480
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		3,251	(81,087)
Cash flow hedge: net movement in the hedging reserve		(58,099)	-
Available-for-sale securities: net movement in the fair value reserve		-	13,662
Other comprehensive income for the period		(54,848)	(67,425)
Total comprehensive income for the period		6,734,635	5,425,055
Attributable to:			
Equity shareholders of the Company		4,782,649	4,741,813
Non-controlling interests		1,951,986	683,242
Total comprehensive income for the period		6,734,635	5,425,055

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note	At 30 June *2015* RMB'000 (Unaudited)	At 31 December *2014* RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	5,239,387	4,802,910
Investment properties		5,502,194	5,072,340
Intangible assets		845,789	757,159
Interest in associates		8,974,149	7,988,683
Interest in joint ventures		13,157,137	11,244,974
Other financial assets		133,180	133,180
Other non-current assets		8,618,651	9,587,611
Deferred tax assets		4,475,623	4,016,200
		46,946,110	43,603,057
Current assets			
Inventories	11	330,545,033	314,930,234
Trade and other receivables	12	109,429,105	83,315,377
Other current assets		5,636,000	4,076,000
Pledged and restricted deposits		842,037	1,061,934
Cash and cash equivalents		43,770,525	61,653,320
		490,222,700	465,036,865
Current liabilities			
Bank loans and borrowings from financial institutions		23,774,539	22,832,358
Trade and other payables	13	349,368,398	313,966,609
Current taxation		5,824,649	8,855,063
		378,967,586	345,654,030
Net current assets		111,255,114	119,382,835
Total assets less current liabilities		**158,201,224**	**162,985,892**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
at 30 June 2015

	Note	At 30 June *2015* RMB'000 (Unaudited)	At 31 December *2014* RMB'000 (Audited)
Non-current liabilities			
Bank loans and borrowings from financial institutions		27,794,403	34,536,712
Bonds payable		11,614,242	11,612,232
Deferred tax liabilities		820,125	821,467
Provisions		89,293	53,423
Other non-current liabilities		83,304	68,441
		40,401,367	47,092,275
NET ASSETS		117,799,857	115,893,617
CAPITAL AND RESERVES			
Share capital	14	11,048,058	11,037,507
Reserves		76,224,637	77,127,063
Total equity attributable to equity shareholders of the Company		87,272,695	88,164,570
Non-controlling interests		30,527,162	27,729,047
TOTAL EQUITY		117,799,857	115,893,617

Notes:

1 Basis of preparation

China Vanke Co., Ltd is a company incorporated and domiciled in the People's Republic of China (the "**PRC**"). These condensed consolidated interim financial statements ('**interim financial statements**') as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries and the Group's interests in associates and joint ventures. The Group's principal activities are development and sale of properties in the PRC.

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") , including compliance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue by the Company's Board of Director on 14 August 2015.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements.

The preparation of an consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This announcement contains interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs.

2 Changes in accounting policies

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments are relevant to the Group's results and financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Turnover and segment reporting

The principal activities of the Group are development and sale of properties in the PRC.
The Group's turnover mainly represents income from Property development, construction contract property management and related services, and others earned during the period, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2015	*2014*
	RMB'000	RMB'000
Property development	45,628,512	37,190,134
Construction contracts	246,450	362,791
Property management and related services	1,049,418	790,223
Others	701,762	166,735
Consolidated turnover	**47,626,142**	**38,509,883**

The Group's customer base is diversified and does not have any customer with whom transaction amount have exceeded 10% of the Group's revenue.

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 result 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 principal activities in this regard are carried out in the PRC. Details about the specific cities covered by each region are set out in below.

- Property Services: this segment provides property management and related services to purchasers and tenants of the Group's own developed residential properties and commercial properties, as well as those developed by the external property developers. Currently the Group's principal activities in this regard are also carried out in the PRC.

(i) Information about revenue, profit or loss, 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 income tax assets, unallocated head office and 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, but excluding deferred income tax liabilities, unallocated head office and corporate liabilities.

Revenue is allocated to the reportable segments with reference to sales generated by those segments.

The measure used for reporting segment profit is the profit before taxation, excluding share of profits or losses of associates or joint ventures, dividend income, other net income, and other operating expenses, but including net exchange differences and provision for doubtful debts and the profit arising from the inter-segment transactions.

Inter-segment sales are priced with reference to prices charged to external parties for similar transactions.

	Property 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 six months ended 30 June 2015						
Revenue from external customers, Before sales taxes	14,076,099	12,256,419	13,783,525	8,467,557	1,213,827	49,797,427
Inter-segment revenue	-	-	-	-	278,099	278,099
Reportable segment revenue	14,076,099	12,256,419	13,783,525	8,467,557	1,491,926	50,075,526
Reportable segment profit	1,901,926	2,338,665	3,028,536	1,347,629	70,674	8,687,430
Reportable segment assets as at 30 June 2015	127,215,595	168,319,636	157,804,553	101,674,459	4,744,306	559,758,549
Reportable segment liabilities as at 30 June 2015	103,405,289	148,248,314	136,836,644	91,563,069	4,024,584	484,077,900

	Property 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 six months ended 30 June 2014						
Revenue from external customers, Before sales taxes*	7,688,862	14,314,498	10,602,626	7,435,154	879,186	40,920,326
Inter-segment revenue	-	-	-	-	300,530	300,530
Reportable segment revenue	7,688,862	14,314,498	10,602,626	7,435,154	1,179,716	41,220,856
Reportable segment profit	613,666	3,538,558	1,552,073	1,173,234	89,441	6,966,972
Reportable segment assets as at 31 December 2014	127,920,973	158,188,076	146,596,483	96,185,820	5,125,196	534,016,548
Reportable segment liabilities as at 31 December 2014	103,001,963	137,459,598	124,530,419	84,998,870	4,587,320	454,578,170

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.

* The comparative figures was adjusted to gross revenue before sales tax.

(ii) Reconciliation of reportable segment financial information

	Six months ended 30 June	
	2015	*2014*
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	50,075,526	41,220,856
Elimination of inter-segment revenue	(278,099)	(300,529)
Unallocated revenue	469,371	41,578
Sales taxes	(2,640,656)	(2,452,022)
Consolidated turnover	**47,626,142**	**38,509,883**
Profit		
Reportable segment profit	8,687,430	6,966,972
Elimination of inter-segment profit	899,144	498,117
Share of profits less losses of associates and joint ventures	911,044	771,373
Dividend income	3,638	1,958
Other net income, excluding net exchange difference	98,829	841,120
Other operating expenses, excluding provision for doubtful debts	(39,746)	(36,207)
Other unallocated expenses	(50,577)	(641,584)
Consolidated profit before taxation	**10,509,762**	**8,401,749**

	At 30 June	At 31 December
	2015	*2014*
	RMB'000	RMB'000
Assets		
Reportable segment assets	559,758,549	534,016,548
Elimination of inter-segment receivables	(243,624,250)	(247,125,912)
Unallocated assets	221,034,511	221,749,286
Consolidated total assets	**537,168,810**	**508,639,922**
Liabilities		
Reportable segment liabilities	484,077,900	454,578,170
Elimination of inter-segment payables	(225,930,793)	(224,011,930)
Unallocated liabilities	161,221,846	162,180,065
Consolidated total liabilities	**419,368,953**	**392,746,305**

4 Other revenue

	Six months ended 30 June	
	2015	*2014*
	RMB’000	RMB’000
Interest income	667,402	435,575
Dividend income from unlisted investments	3,638	1,958
	671,040	437,533

5. Other net income

	Six months ended 30 June	
	2015	*2014*
	RMB’000	RMB’000
Forfeited deposits and compensations from customers	48,736	49,596
Net gain on disposals of subsidiaries	1,008	737,579
Net gain on disposals of other investments	-	1,157
Net gain/(loss) on disposals of property, plant and equipment	403	(1,280)
Net realised and unrealised gain on financial derivatives	-	2,895
Net exchange gain	42,521	21,171
Other sundry income	48,682	51,173
	141,350	862,291

6. Share of profits less losses of associates

Share of profits less losses of associates in the reporting period amounted to RMB 447,228 thousand (six months ended 30 June 2014: RMB 619,200 thousand).

The Group hold 8% of equity interest of Huishang Bank Corporation Limited (“**Huishang Bank**”). In 2014, the Group commenced to participate in the operation activities of Huishang Bank, therefore, classified the equity investment of Huishang Bank as interest in associates, and recognised a book accounting gain of RMB202,766,000 representing negative goodwill.

7 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2015	*2014*
	RMB’000	RMB’000
Interest on interest-bearing borrowings	2,576,524	3,356,120
Less: Interest expense capitalised into inventories, investment properties and construction in progress	(1,791,700)	(2,553,003)
	784,824	803,117

(b) Staff cost

	Six months ended 30 June	
	2015	2014
	RMB’000	RMB’000
Salaries, wages and other benefits	1,799,926	1,669,194
Contributions to defined contribution retirement plan	150,821	191,520
Equity-settled share-based payment expenses	-	2,576
	1,950,747	1,863,290

(c) Other items

	Six months ended 30 June	
	2015	*2014*
	RMB’000	RMB’000
Depreciation and amortisation	402,096	203,921
Cost of inventories	33,643,827	27,167,561
Operating lease charges	20,128	15,143
Project management fee charged to associates and joint ventures	(123,753)	(25,948)

8 Income tax in the consolidated statement of profit or loss

	Six months ended 30 June	
	2015	*2014*
	RMB'000	RMB'000
Current tax		
Provision for Corporate Income Tax ("CIT") and Hong Kong Profits Tax(i)	2,472,916	1,855,865
Provision for Land Appreciation Tax("LAT")(ii)	1,771,079	1,288,205
Withholding tax(iii)	7,251	38,926
	4,251,246	3,182,996
Deferred tax		
Origination and reversal of temporary differences	(530,967)	(273,727)
	3,720,279	2,909,269

(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% (2014: 25%), except for certain subsidiaries which enjoy a preferential income tax rate.

The provision for Hong Kong Profits Tax for 2015 is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the period.

(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 ranging from 5% to 10%.

9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB 4,846,279 thousand (six months ended 30 June 2014: RMB4,809,238 thousand) and the weighted average of 11,042,783 thousand (six months ended 30 June 2014: 11,014,998 thousand) shares in issue during the interim period.

Weighted average number of shares:

	At 30 June 2015 Share'000	*At 30 June 2014* Share'000
Issued shares at 1 January	11,037,507	11,014,969
Effect of share options exercised	5,276	29
Weighted average number of shares at 30 June 2015	11,042,783	11,014,998

(b) Diluted earnings per share

The Group has a share option scheme which was adopted on 25 April 2011. The scheme gives rise to potential A shares of the Company. The potential domestic ordinary shares with a nominal value of RMB1.00（the **"A shares"**） have no diluted effect for the six months ended 30 June 2015 and the year ended 31 December 2014.

10. Property, plant and equipment

During the six months ended 30 June 2015, the Group's property, plant and equipment increased RMB 436,477 thousand (six months ended 30 June 2014: RMB 175,380 thousand). Items of property, plant and equipment with a net book value of RMB 84,180 thousand were disposed during the six months ended 30 June 2015 (six months ended 30 June 2014: RMB 64,543 thousand), resulting in a gain on disposal of RMB 403 thousand (six months ended 30 June 2014 loss: RMB 1,280 thousand).

There is no impairment recognised for property, plant and equipment as at the end of reporting period.

11. Inventories

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Properties held for development	94,692,436	95,203,710
Properties under development	212,311,030	196,522,245
Completed properties for sale	23,114,313	22,694,788
Others	427,254	509,491
	330,545,033	314,930,234

12. Trade and other receivables

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Trade debtors	1,930,651	1,927,009
Less: allowance for doubtful debts	(32,919)	(32,937)
	1,897,732	1,894,072
Other debtors	28,396,406	21,063,445
Amounts due from associates	5,979,117	6,768,972
Amounts due from joint ventures	30,319,668	21,092,046
Prepayments	40,103,349	29,433,126
Gross amount due from customers for contract work	2,732,833	3,027,311
Derivative financial instrument	-	36,405
	109,429,105	83,315,377

Trade receivables are mainly arisen from sales of properties. The proceeds in respect of sales of properties are receivable in accordance with the terms stipulated in the related sale and purchase agreements.

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:

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Within 1 year	1,325,708	1,432,014
1 to 2 years	240,469	228,877
2 to 3 years	250,503	162,626
Over 3 years	81,052	70,555
Trade debtors net of allowance for doubtful debts	1,897,732	1,894,072

13. Trade and other payables

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Trade creditors and bills payable	85,257,808	88,339,094
Other payables and accruals	35,112,821	35,214,020
Amounts due to associates	3,168,037	2,447,727
Amounts due to joint ventures	15,101,891	5,879,922
Receipts in advance	210,477,620	181,749,337
Interest payables	232,643	336,509
Derivative financial instrument	17,578	-
	349,368,398	313,966,609

As at the end of the reporting period, the ageing analysis of trade creditors and bills payables, which are included in trade and other payables, based on the invoice date is as follows:

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Current or payable on demand	84,469,217	87,760,799
Due after one year	788,591	578,295
	85,257,808	88,339,094

14. Share capital and dividends

(a) Share capital:

	At 30 June *2015* RMB'000	At 31 December *2014* RMB'000
Authorised, issued and fully paid:		
A shares of RMB1 each	9,733,103	9,722,552
the overseas-listed foreign shares(the "**H shares**") of RMB1 each	1,314,955	1,314,955
	11,048,058	11,037,507

Included in the A shares are 15,386,999 shares (31 December 2014: 15,874,479 shares) with restriction to transfer.

The holders of A and H 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 H shares rank equally with regard to the Company's residual assets.

During the reporting period, the Company issued 10,550,858 A shares (six months ended 30 June 2014: 58, 200 A Shares) upon exercise of share options under the share option scheme.

(b) Dividends

(i) No dividend has been declared in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: RMB Nil).

(ii) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.

	Six months ended 30 June	
	2015	*2014*
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved during the period, of RMB0.50 per share (2014: RMB0.41 per share)	5,520,548	4,516,137

II. Management Discussion and Analysis

Changes in market environment and analysis of such changes

During the Reporting Period, growth in the sales area of commodity residential properties in the People's Republic of China ("**PRC**") (herein this announcement "Mainland China") gradually picked up. Sales area of commodity residential properties dropped by 9.8% year on year in the first quarter before it leapt by 14.8% year on year in the second quarter, thus ending the decline in five consecutive quarters since the beginning of 2014. The sales area of commodity residential properties in the first half of the year increased by 4.5% year on year (first half of 2014: decreased by 7.8% year on year).

In the 14 major cities (Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Wuhan, Dongguan, Foshan, Wuxi, and Suzhou), which the Group has been observing on an ongoing basis, sales area of commodity residential properties began to rebound since the fourth quarter of last year. The upward trend continued into the first and second quarters of this year, which reported year-on-year increases of 5.9% and 56.7% respectively.

Meanwhile, as sales picked up, new housing supply began to slow down. In the first and second quarters of this year, the approved pre-sales area of commodity residential properties of the aforementioned 14 cities reported year-on-year decreases of 4.0% and 14.8% respectively. Affected by market adjustment, construction starts and investment activities of enterprises in general had contracted in the past year, resulting in a corresponding decline in new housing supply this year. The ratio of sales area of new residential properties to approved pre-sales area in the 14 major cities in the first half of the year increased from 0.81 in the second half of 2014 to 1.15 times. Inventory in the market had started to gradually decline. As at the end of June, the area of new housing inventories (the area of commodity residential properties with sales permit but not yet sold) in the aforementioned 14 cities decreased from 152 million sq m at the end of 2014 to 148 million sq m. The duration for the market to absorb housing inventory (calculated based on the moving average sales area of the latest three months) decreased from 11.3 months at the end of 2014 to 10.4 months.

During the reporting period, the amount of completed residential development investments in the nation increased by 2.8% year on year, representing the lowest growth rate in the last 10 years. The floor area of commodity residential properties commencing construction in Mainland China continued the year-on-year declining trend in 2014 and retreated by 17.3% in the first half of the year. In contrast to the recovery in residential sales, the development and investment of the property industry as a whole remained at a low level, indicating that additional supply would be limited for some time in future. This will, to some extent, ease the inventory pressure and help improve enterprises' profitability.

In the first half of the year, the supply and sales of land in major cities remained soft. The residential (including commercial and residential combined developments) site area supplied and sold in the abovementioned 14 cities decreased by 50.9% and 40.6% respectively. With the recovery in the sales of residential properties, competition is more intense in the land market in certain cities in the second quarter. When compared with the first quarter, the proportion of aborted auctions in the second quarter dropped from 23.1% to 13.8%, while that of land lots changed hands with a price premium increased from 29.9% to 44.2%; the ratio of land transaction price premium (the average of the actual floor area prices of site sold /the average floor area starting price of site sold) rose from 1.18 to 1.23.

Since last year, the government had been gradually stepping up its efforts in supporting healthy housing demand. In March 2015, the minimum residential property possession period, within which disposal of such properties would subject its owners to the Business Tax on the Transfer of Residential Properties Owned by Individuals, was adjusted from five years to two years. The People's Bank of China, the Ministry of Housing and Urban-Rural Development and China Banking Regulatory Commission jointly published an announcement to ease rules on loans. The minimum down payment ratio has been adjusted to not less than 40% for a second individual housing commercial loan applied for the purchase of an ordinary unit for self-occupancy by resident households owning a residential unit with outstanding mortgage loans but wish to improve their living conditions. The abovementioned adjustment in policies helps to stimulate housing demand and facilitate stable and healthy development of the market. In addition, the People's Bank of China had lowered the benchmark deposit and lending interest rates three times and had twice reduced the reserve requirement ratio. Such measures could contribute to lower housing purchasing costs and consolidate the market recovery momentum.

Review on operation management in the first half of the year
The Group realised a sales area of 9,026,000 sq m and a sales amount of RMB109.96 billion from January to June, representing year-on-year increases of 9.9% and 9.0% respectively.

By geographical breakdown, the Group realised a sales area of 2,261,000 sq m and a sales amount of RMB32.92 billion in the Guangshen Region surrounding the Pearl River Delta; a sales area of 2,343,000 sq m and a sales amount of RMB35.79 billion in the Shanghai Region surrounding the Yangtze River Delta; a sales area of 2,171,000 sq m and a sales amount of RMB23.30 billion in the Beijing Region surrounding the Bohai-Rim Region; a sales area of 2,251,000 sq m and a sales amount of RMB17.95 billion in Chengdu Region, which comprises core cities in central and western China. Cities in which sales were realised in the first half of the year included Shenzhen, Guangzhou, Dongguan, Foshan, Zhuhai, Zhongshan, Xiamen, Changsha, Fuzhou, Sanya, Nanning, Huizhou and Putian in the Guangshen Region, Shanghai, Hangzhou, Suzhou, Wuxi, Nanjing, Nanchang, Ningbo, Hefei, Yangzhou, Wenzhou, Wuhu, Xuzhou, Nantong, Zhenjiang and Changzhou in the Shanghai Region, Beijing, Tianjin, Shenyang, Dalian, Changchun, Jilin, Qingdao, Jinan, Yantai, Taiyuan, Tangshan and Anshan in the Beijing Region, and Chengdu, Wuhan, Xi'an, Zhengzhou, Chongqing, Kunming, Guiyang, Urumqi in the Chengdu Region.

From January to June, the Group realised a floor area of new construction started of 10,119,000 sq m, representing a year-on-year growth of 5.2% and accounting for 60.2% of the planned floor area of new construction started for the whole year. The Group realised a completed floor area of 5,172,000 sq m, representing a year-on-year growth of 29.9% and accounting for 32.7% of the planned floor area to be completed for the full year. According to the current status of project development, it is expected that the floor area of new construction started and the floor area to be completed for the full year will be higher than the target set at the beginning of the year.

The Group realised a booked area of 4,557,000 sq m and a booked revenue of RMB45.88 billion in the first half of the year, representing year-on-year increases of 25.5% and 22.2% respectively.

The Group realised a revenue of RMB47.63 billion, representing a year-on-year increase of 23.7%. The Group realised a net profit for the period of RMB6.79 billion, representing a year-on-year increase of 23.6%. In the past few years, the Company had intensified cooperation. Certain cooperative projects with a higher proportion of interests held by cooperative partners were booked during the reporting period. Among the Group's booked projects during the reporting period, there were over 20 projects with cooperative partners holding over 35% equity interests. The net profit generated by these projects (including minority interests) accounted for 47% of the Group's total net profit during the reporting period. Affected by this factor, the proportion of net profit attributable to minority interests increased significantly in the first half of the year. After deducting the net profit attributable to minority interests, net profit attributable to equity shareholders of the Company rose by 0.8% year-on-year to RMB4.85 billion.

As at the end of the reporting period, the Company had a total area of 19,482,000 sq m sold but not yet booked stated in the consolidated statements, as construction had yet to be completed. These unbooked resources had a contract amount of approximately RMB230.33

billion. The area and contract amount were 16.7% and 18.4% higher than those at the end of last year respectively.

During the reporting period, the Group rationally replenished project resources in accordance with the market situation and its actual development needs. In the first half of the year, the Group acquired 26 development projects, with a gross floor area (GFA) of 6,881,000 sq m, of which the GFA attributable to Vanke's equity holding amounted to approximately 5,075,000 sq m, representing a 92.2% increase from that of the same period of 2014. As at the end of the reporting period, the aggregate GFA of the Group's projects under planning attributable to Vanke's equity holding amounted to approximately 36,783,000 sq m, which was sufficient to meet the Group's development needs for over two years. In addition, the Company was also involved in certain city-redevelopment projects. According to the current planning, the aggregate GFA of these projects attributable to Vanke's equity holding at the end of the reporting period was approximately 2,708,000 sq m.

As at the end of the reporting period, the Group's inventories included RMB23.11 billion of completed properties (properties ready for sale), accounting for 6.94% of total inventories.

The Group maintained a sound financial and cash position. As at the end of the reporting period, the Group's cash and cash equivalents (including pledged and restricted deposits) amounted to RMB44.61 billion, which was much more than the sum of short-term borrowings and long-term borrowings due within one year of RMB23.77 billion. The Group's other liabilities (excluding receipts in advance that did not constitute any actual repayment obligation) accounted for 38.86% of total assets, representing a decrease of 2.59 percentage points from that at the end of 2014. The Group's net gearing ratio (interest-bearing borrowings less cash and cash equivalents, divided by net assets) was 15.76% and continued to stay at a relatively low level in the industry.

In order to accelerate the development of the property management business, the Group had set out the marketization strategy for Vanke's property service business. In the next few years, the majority of new property management projects to be undertaken by Vanke's property service business will be projects that are not developed by the Group, provided that these projects are not in direct competition with the Group's projects concurrently on sale in the market. The Group encourages Vanke's property service business to achieve rapid business growth through merger and acquisition and cooperation, and to strengthen the competitiveness of its property management services through development of more innovative property management services and enhancement of community service. The Group will also introduce business partnership scheme to its property management operations.

In addition to residential and traditional commercial properties, the Group also proactively explored consumer-oriented property, integrated property development and service extension from property business. During the reporting period, the Group set up Vanke Logistics Property Development Group Limited, which had officially acquired two logistics property projects in Guiyang and Wuhan, signifying the commencement of operations of the logistics property business.

"Financialization" is one of the Group's future development directions. During the reporting period, the Group worked with different types of players in the capital market to proactively achieve financial innovation. Penghua-Qianhai-Vanke REIT, which was established for investing in Vanke's Enterprise Dream Park in Qianhai, became the first REIT listed in China. The introduction of the relevant financial products will help the Group fully utilize its inventory resources and enhance the efficiency of capital utilisation. In future, the Group will continue to intensify cooperation with third parties, and actively explore application of various financial instruments, to fully leverage the capital market and optimize resource allocation.

Future development prospects

From a short-term perspective, the markets in major cities have bottomed out, with market confidence gradually recovered. Relatively relaxed industry and monetary policies have provided a solid foundation for market recovery. From a long-term perspective, the property industry has entered its silver age. Transformation of the economy and the enhancement of city functions have led to emergence and growth of massive new property demands. These are becoming the driving force for the industry's sustainable development.

In the next decade, "3 Quality Residence" and "Provision of integrated urban property services" will serve as the Group's business blueprint to actively push forward its business transformation and to rearchitect its organisational competitiveness. The Group will transform from a pure residential property developer to an integrated service provider emphasizing enhancement of quality of life; from a developer of real estate for immediate disposal to one who manages a diversified asset portfolio to achieve value improvement. To lay a solid foundation for the transformation, the Group will redefine its organisational competitiveness basing on institutional innovation, by transforming from a corporate management structure based on professional managers to a business partnership structure, and from a hierarchical organisation structure to a flat and parallel organisational structure.

In the second half of the year, more residential units will be delivered. The Group will strictly adhere to its "Quality First" principle and constantly strengthen its quality management and control, to offer products satisfying customer needs.

The Group will persevere with its proactive sales strategies, by seizing market opportunities at the right timing to achieve favourable growth in sales and to ensure a healthy and reasonable inventory structure. Basing upon the aforementioned, the Group will strive to improve profitability.

As the market is still in the stage of absorption housing inventory while the land premium of certain cities remains at a relatively high level, the Group will maintain a prudent investment strategy. It will maintain quality investment through rational analysis and sensible selection.

The Group will pay close attention to the liquidity environment. It will strengthen cashflow management, enhance capital utilisation efficiency, remain flexible in capturing opportunities and optimise its debt structure. Meanwhile, the Group will formulate its development strategies basing on "financialization and operation-emphasis". It will actively identify opportunities for collaboration with various institutions in the capital market, and will have attempt and study on securitization of products to provide financial support for the Group's asset management in future.

The Group will adhere to the development roadmap of "Being audacious in exploration and determined in transformation". The Group will step up efforts in exploring real estate activities such as elderly home, educational institute, resort, leasing apartments, and logistics property, as well as extension from property business to related services such as home decoration, smart home and construction standardisation.

The Company will actively explore business partnership system and promote project co-investment. Through institutional innovation, the Company can rejuvenate internal initiatives and improve management efficiency. The measures also serve to fine-tune the mechanism for interest sharing with employees and shareholders, and enhance the Company's ability to attract talents.

Management Analysis
Overall performance
In the first half of 2015, the Group's revenue was RMB47.63 billion, representing a 23.67% increase from that of the same period last year. The net profit attributable to equity shareholders was RMB4.85 billion, representing a 0.8% year on year increase. The Group's

basic earnings per share were RMB0.44, representing an increase of 0.5% from that of the same period last year.

The Group will not pay dividend or transfer capital surplus reserve to share capital for the first half of 2015.

Revenue and profit by business segment

The Group specializes in property development. Its revenue is mainly derived from the development and sale of properties. In the first half of 2015, the booked revenue derived from the property development business accounted for 96.3% of the Company's total revenue.

Unit: RMB'000

Segment	Revenue		Cost of sales		Profit margin	
	Amount	Change	Amount	Change	Value	Change
Core business	46,924,381	22.38%	34,860,990	23.49%	21.87%	-1.09 percentage points
Including: Property development	45,874,962	22.16%	33,930,659	23.15%	22.18%	-1.08 percentage points
Property Service	1,049,419	32.80%	930,331	37.48%	11.35%	-0.49 percentage points
Other businesses	701,761	320.88%	138,151	76.84%	80.31%	27.17 percentage points
Total	47,626,142	23.67%	34,999,141	23.64%	22.79%	-0.36 percentage point

Note: Land appreciation tax had been deducted from the profit margin.

In the first half of the year, the average booked price of the Group's property development business was RMB10,068 per sq m, representing a 2.6% decrease from that of the corresponding period of 2014. Gross profit margin of the Group's property development business was 22.18%, representing a 1.08 percentage point decrease from that of the same period of 2014.

Certain cooperative projects with a higher proportion of interests held by cooperative partners were booked during the first half of the year, resulting in a significant increase in the proportion of net profit attributable to minority interests. Affected by this factor, the booked net profit margin attributable to equity shareholders of the Company in the first half of the year decreased year on year to 10.13%.

Revenue and profit by region:

	Booked area (sq m)	Percentage	Revenue from core business (RMB ’000)	Percentage	Net profit (RMB ’000)	Percentage
Guangshen region	1,058,359	23.23%	11,528,859	25.13%	1,430,337.31	30.76%
Shanghai region	1,018,560	22.35%	13,002,547	28.34%	1,258,426.42	27.07%
Beijing region	1,419,608	31.15%	13,326,616	29.05%	899,491.59	19.35%
Chengdu region	1,060,208	23.27%	8,016,940	17.48%	1,060,727.47	22.82%
Total	4,556,735	**100.00%**	**45,874,962**	**100.00%**	**4,648,982.78**	**100.00%**

Note. During the reporting period, the cities in which the Group had booked projects included Shenzhen, Guangzhou, Dongguan, Foshan, Zhuhai, Zhongshan, Changsha, Xiamen, Fuzhou, Sanya, Huizhou, Qingyuan in the Guangshen Region; Shangshai, Hangzhou, Suzhou, Wuxi, Yangzhou, Hefei, Nanjing, Zhenjiang, Ningbo, Nanchang, Wuhu, Nantong, Fuyang, Jiaxing, Xuzhou in the Shanghai Region; Beijing, Tangshan, Tianjin, Shenyang, Anshan, Fushun, Dalian, Changchun, Jilin, Qingdao, Yantai, Taiyuan, Jinzhong in the Beijing Region; and Chengdu, Chongqing, Wuhan, Xi’an, Guiyang, Kunming, Urumqi in the Chengdu Region.

Distribution costs and administrative expenses

During the reporting period, the Group’s distribution costs as a percentage of sales amount was 1.41%, representing a decline of 0.12 percentage point from that of the same period last year. Administrative expenses as a percentage of sales amount was 1.31%, representing a 0.14 percentage point decrease from that of the same period last year.

Newly added projects

During the reporting period, the Group acquired 26 new projects, with a site area attributable to Vanke’s equity holding of approximately 2.002 million sq m (representing a corresponding planned GFA of approximately 5.075 million sq m). The total land premium of the projects attributable to Vanke’s equity holding amounted to approximately RMB20.22 billion, and the average price was RMB3,984 per sq m. Details of the projects are as follows:

Project name	Location	% of shareholding	Site area (sq m)	Planned GFA (sq m)	GFA attributable to the Company’s equity holding (sq m)	Progress
Zhengshun Plaza Project, Shenzhen	Luohu District	65.0%	12,841	129,990	84,494	Under construction
Lingtou Project, Guangzhou	Luogang District	100.0%	192,923	373,634	373,634	Pre-construction
Dream Town, Zhuhai	Xiangzhou District	46.7%	193,150	625,358	291,730	Pre-construction
Haixia Jinrong Street WX Land Lot, Fuzhou	Taijiang District	98.5%	41,760	105,600	104,016	Pre-construction
Land Lot G, Dream Town Putian, Fuzhou	Licheng District	70.0%	78,420	258,742	181,119	Under construction
Southern District of Dream Town, Nanning	Qingxiu District	98.2%	174,894	669,564	657,244	Pre-construction

Phase II of Future Town, Hangzhou	Yuhang District	98.8%	99,814	249,535	246,416	Pre-construction
Shijizhiguang, Hangzhou	Xiaoshan District	31.6%	123,505	244,094	77,017	Under construction
Wuyue, Jiaxing	Xiuzhou District	95.0%	26,457	39,685	37,701	Pre-construction
Puyue Mountain, Nanjing	Pukou District	96.6%	122,645	168,436	162,726	Under construction
Feicui Park, Nanjing	Jiangning District	50.1%	94,624	262,285	131,405	Under construction
Jiangwanfu, Ningbo	Yingzhou District	67.1%	38,907	97,266	65,217	Under construction
Phase II of Park Lane, Ningbo	High-tech District	46.1%	30,995	68,181	31,438	Under construction
Golden Dream, Yangzhou	Hanjiang District	70.0%	87,325	218,313	152,819	Under construction
Gongwang, Changshu	Culture District, Changshu	40.0%	82,469	197,926	79,170	Pre-construction
Jinyu International, Nanchang	Economic and Techno-logical Develop-ment Zone	69.5%	129,142	322,849	224,380	Under construction
Minhe Lane Garden, Tianjin	Dongli District	95.3%	180,880	282,481	269,176	Under construction
Zitai, Shenyang	Huanggu District	53.8%	67,720	199,883	107,577	Under construction
King Metropolis, Dalian	Ganjingzi District	95.1%	43,900	80,337	76,417	Under construction
King Metropolis, Jinan	Lixia District	37.0%	103,905	304,502	112,666	Under construction
Joying Gold, Jinan	Tianqiao District	56.0%	74,722	245,075	137,144	Under construction
King Metropolis, Taiyuan	Wanbolin District	95.1%	55,036	190,657	181,219	Pre-construction
Xinduxin, Taiyuan	Xiaodian District	99.6%	26,433	79,298	78,949	Pre-construction
Dream Town, Taiyuan	Xiaodian District	99.6%	323,776	787,952	784,485	Pre-construction

Feicuiyangfang, Chengdu	Xindu District	100.0%	65,858	118,564	118,564	Pre-construction
Dream Town, Chengdu	Pi County	55.0%	167,375	560,963	308,530	Pre-construction
Total			**2,639,476**	**6,881,170**	**5,075,253**	

As at the end of the reporting period, the total GFA of the Group's projects under planning attributable to Vanke's equity holding amounted to 36.783 million sq m.

From the end of the reporting period to the date of this announcement, the Group acquired 5 projects, with a site area attributable to Vanke's equity holding of approximately 618,000 sq m (representing a corresponding planned GFA of approximately 866,000 sq m). Details are as follows:

Project name	Location	% of shareholding	Site area (sq m)	Planned GFA (sq m)	GFA attributable to the Company's equity holding (sq m)	Progress
Anting New Town Project, Shanghai	Jiading District	40.0%	1,168,581	1,180,000	472,000	Pre-construction
Wandi Power Project, Nanchang, Wuxi	Nanchang District	95.0%	18,297	37,067	35,214	Pre-construction
Broadcasting and Television Project, Nanchang	Qingshan Lake District	50.0%	110,163	176,261	88,131	Pre-construction
Nantong Park Lane Project	Gangzha District	95.0%	65,009	210,196	199,686	Pre-construction
Sanqiao Project, Guiyang	Yunyan District	22.9%	71,834	311,941	71,372	Pre-construction
Total			**1,433,884**	**1,915,465**		-

In addition, the Group acquired 2 logistics property projects during the reporting period. Of these 2 projects, the GFA of Longli logistics project in Guiyang, in which the Company holds 50% equity interests, is approximately 101,000 sq m; while the the GFA of Yangluo logistics project in Wuhan, in which the Company holds 100% equity interests, is approximately 76,000 sq m.
Among the abovementioned projects, certain of them may be developed jointly with partners in the future. As such, the respective equity interests held by Vanke in the relevant projects may alter. The percentages of shareholdings disclosed above are for investors' reference only at current stage.

Cash and interest-bearing liabilities
As at the end of the reporting period, the Group's cash and cash equivalents (including pledged and restricted deposits) amounted to RMB44.61 billion, of which 96.14% were denominated in RMB and 3.86% were denominated in US dollars, Hong Kong dollars, and Singapore dollars.

As at the end of the reporting period, the Group's total interest-bearing borrowings amounted to RMB63.18 billion, of which 78.13% were denominated in RMB and 21.87% were denominated in foreign currencies. Among the interest-bearing borrowings, fixed rate borrowings accounted for 18.38% and floating rate borrowings accounted for 81.62%. During the reporting period, the Group's gross interest expenses amounted to RMB2,58 million, with an aggregate capitalised interest of RMB1,79 million.

As at the end of the reporting period, secured interest-bearing liabilities amounted to RMB979 million, accounting only for 1.55% of the total interest-bearing liabilities.

As at the end of the reporting period, among the interest-bearing borrowings, the interest-bearing borrowings due within one year was RMB23.77 billion, which was far lower than the Company's total cash and cash equivalents balance as at the end of the reporting period. Interest-bearing borrowings due more than one year amounted to RMB39.41 billion, accounting for 62.37% of total interest-bearing borrowings.

Of the interest-bearing borrowings, bank borrowings accounted for 45.14%, bonds payable accounted for 18.38% and other borrowings accounted for 36.48%.

The Group had a sound operation and solid financial position. During the reporting period, Standard & Poor's and Fitch Ratings continued to maintain a BBB+ ratings for the Company's long-term corporate credit rating, with ratings outlook being stable. In July, Moody's raised its credit rating on the Company from Baa2 to Baa1.

The second extraordinary general meeting in 2014 considered and approved the Company's issuance of debt financing instruments within the limit of no more than RMB15 billion. During the reporting period, the Company received a notice of acceptance of the registration of medium-term notes in the aggregate amount of RMB9 billion from National Association of Financial Market Institutional Investors. The Group will issue medium-term notes in accordance with its capital requirements and market situation and pursuant to the relevant provisions in due course.

Contingent liabilities
In accordance with industry practice, the Group will provide provisional guarantee for mortgage loans taken by purchasers of the Group's properties. As at the end of the reporting period, the aggregate provisional guarantees provided by the Group for mortgage loans taken by its customers amounted to approximately RMB61.96 billion. The Group has not suffered any material loss due to the aforesaid guarantees. The Group is of the view that it does not need to make provisions for such guarantees in the financial statements.

Risk of fluctuations in exchange rates
The Group conducts a majority of its business operations in the PRC. A large portion of revenue and expenses are denominated in Renminbi. Fluctuations in the exchange rates of Renminbi would have limited impact on the Group's operations. During the first half of 2015, fluctuations in the exchange rates of Renminbi to Hong Kong dollars and to US dollars generated an exchange loss of approximately RMB43 million for the Group.

In order to limit the risk associated with the fluctuations of exchange rate of foreign currency loan, the Group entered into non-deliverable forward ("**NDF**") contract during the reporting period to hedge a foreign currency loan of US$330 million. The change in the NDF value will not have any impact on the Group's profit and loss for the period. During the reporting period, the Group's equity reserve was reduced by RMB58.10 million due to the change in the NDF value. In respect of the term and amount of the foreign currency loan, NDF limits the risk of fluctuations of exchange rate through fixed forward exchange rate.

III Other Matters
Corporate governance

As one of the first batch of companies listed in the PRC, the Group has always abided by its corporate values: “simplicity, transparency, standardisation and responsibility”. It continues to explore ways to raise its corporate governance standard. With a foundation built on sound corporate governance, the Group has established long-standing trust and win-win relationships with its investors. The Group did not deviate from the relevant corporate governance requirements of CSRC. The Group had also strictly complied with the provisions in the Corporate Governance Code under Appendix 14 to the Listing Rules.

During the reporting period, the Company’s general meetings, board of directors, specialised committees under the board of directors and supervisory committee diligently performed their duties, thereby ensuring that the Group’s operations had complied with the relevant requirements and sustained healthy development.

The Group has stringent control and preventative measures against the misuse of inside information. During the reporting period, directors, supervisors, senior management and employees complied with the Model Code for Securities Transactions by Directors of Listed Companies under Appendix 10 to the Listing Rules and the Company’s Code for Dealing in the Company’s Securities by Staff. During the reporting period, no insider who had access to inside information had violated the rules by engaging in insider trading.

During the reporting period, the Group continued to persist in maintaining complete independence from its single largest shareholder, China Resources Co., Limited (“**CRC**”), and its connected companies in respect of business operation, staff, assets, organisation and finance, possessing a completely separate business and operational autonomy. The Group had not taken any actions that violated the code on corporate governance practices such as reporting to CRC on any undisclosed information.

As a key pilot company to implement the Basic Internal Control Norms for Enterprises and its implementation guidelines, the Group continued to adopt a pragmatic internal control approach to establish the internal control process in a systematic manner.

Staff and remuneration policies

As at 30 June 2015, there were 38,826 employees on the Group’s payroll. The average age of the employees was 30.4, and the average year of service was 3.1 years.

Among the entire workforce, there were 6,700 employees engaged in the property development division. The average age of the staff working for this division was 32.5 and the average year of service was 4.3 years. In terms of education level, 0.26% held doctoral degree, 18.46% with master’s degree, 69.00% with bachelor’s degree, 10.09% with tertiary education and 2.20% with education below tertiary level.

There were 30,700 employees engaged in property management. The average age was 29.8 and the average year of service was 2.4 years. In terms of education level, 0.3% held master’s degree, 10.4% with bachelor’s degree, 20.4% with tertiary education and 68.9% with education below tertiary level.

There were 633 employees engaged in the commercial services division. The average age was 22.2 and the average year of service was 2 years. In terms of education level, 9.8% held master’s degree, 54.0% with bachelor’s degree, 25.9% with tertiary education and 10.3% with education below tertiary level.

There were 793 employees engaged in the hotel services division. The average age was 32.4 and the average year of service was 1.8 year. In terms of education level, 1.64% held master’s degree, 18.16% with bachelor’s degree, 20.43% with tertiary education and 59.77% with education below tertiary level.

The Group’s overall remuneration system is adhered to the principle of market orientation, offering competitive salary to retain and attract high caliber persons. The salaries of the Group's senior management are determined with reference to market level as well as the Group's overall operating results. During the reporting period, the aggregate staff wages and benefits appropriated by the Group amounted to RMB1.95 billion.

People are the most valuable assets. The Group will continue to commit itself to providing development opportunities and creating a pleasant work environment for high caliber persons.

Purchase, disposal and redemption of the Company's listed securities

During the reporting period, there was no purchase, disposal or redemption of the listed securities of the Company or its subsidiaries by the Company or any of its subsidiaries.

After the reporting period but prior to the disclosure of this report, Vanke Property (Overseas) Limited (SEHK stock code 1036), the Company's subsidiary, issued a total of 129,842,644 shares by way of rights issue.

IV Audit committee review on interim results

The audit committee of the Board has reviewed the Group's unaudited interim results for the six months ended 30 June 2015 and other relevant matters.

Note: Unless otherwise specified, the currency used in the announcement refers to RMB.

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

Shenzhen, the PRC, 14 August 2015

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

** for identification purpose only*