

Pricing Supplement

27 November 2013

Bestgain Real Estate Lyra Limited

**Issue of CNY1,000,000,000 4.50 per cent. Guaranteed Notes due 2018
Guaranteed by Vanke Real Estate (Hong Kong) Company Limited
under its US\$2,000,000,000
Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “Conditions”) set forth in the Offering Circular dated 16 July 2013 (the “**Offering Circular**”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer, the Guarantor, the Company and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

1	(i) Issuer:	Bestgain Real Estate Lyra Limited
	(ii) Guarantor:	Vanke Real Estate (Hong Kong) Company Limited
2	(i) Series Number:	002
	(ii) Tranche Number:	001
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:	Renminbi (CNY)
4	Aggregate Nominal Amount:	
	(i) Series:	CNY1,000,000,000
	(ii) Tranche:	Not Applicable
5	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	CNY996,000,000 (net of manager commissions and expenses)
6	(i) Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof CNY10,000
	(ii) Calculation Amount:	
7	(i) Issue Date:	4 December 2013
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	4 December 2018

9	Interest Basis:	4.50 per cent. per annum Fixed Rate
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	Date of [Board] approval for issuance of Notes and Guarantee obtained:	Not Applicable
14	Listing:	Hong Kong
		Effective date of listing of the Notes is on or about 5 December 2013
15	Method of distribution:	Non-syndicated

Provisions Relating to Interest (if any) Payable

16	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	4.50 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	4 June and 4 December in each year up to and including the Maturity Date, provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong
	(iii) Fixed Coupon Amount(s):	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/365 (Fixed)
	(vi) Determination Date(s):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
17	Floating Rate Note Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable

19 Index Linked Interest Note Provisions Not Applicable

20 Dual Currency Interest Note Provisions Not Applicable

Provisions Relating to Redemption

21 Issuer Call: Not Applicable

22 Investor Put: Not Applicable

23 Final Redemption Amount: CNY10,000 per Calculation Amount

24 Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.6): CNY10,000 per Calculation Amount

General Provisions Applicable to the Notes

25 Form of Notes: **Registered Notes:**
Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate

26 Additional Financial Centre(s) or other special provisions relating to Payment Dates: Hong Kong

27 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): No

28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

29 Details relating to Instalment Notes:

(i) Instalment Amount(s): Not Applicable

(ii) Instalment Date(s): Not Applicable

30 Redenomination applicable: Redenomination not applicable

31 Other terms or special conditions: See Appendix to this Pricing Supplement

Distribution

32 (i) If syndicated, names and addresses of Managers and commitments: Not Applicable

(ii) Date of Subscription Agreement 27 November 2013

(iii) Stabilising Manager(s) (if any): Not Applicable

33 If non-syndicated, name of relevant Dealer: The Hongkong and Shanghai Banking

	Corporation Limited
35 U.S. Selling Restrictions:	Reg. S Category 2
36 Additional selling restrictions:	Not Applicable

Operational Information

37 Any clearing system(s) other than Euroclear or Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
38 Delivery:	Delivery against payment
39 Additional Paying Agent(s) (if any):	Not Applicable
40 CMU instrument number:	HSBCFN13019
41 Common Code:	To be provided

Listing Application

This Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the US\$2,000,000,000 Medium Term Note Programme of Bestgain Real Estate Lyra Limited.

Responsibility

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:		Signed on behalf of the Guarantor:	
By:		By:	
	Duly authorised		Duly authorised

Name: Que Dongwu
Title: Director

Name: Que Dongwu
Title: Director

Appendix 1

The Offering Circular is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Offering Circular:

1. The section entitled “Capitalisation and Indebtedness” on Pages 59 to 60 of the Offering Circular shall be amended and replaced in its entirety with the following paragraphs:

“Capitalisation and Indebtedness of the Company

The following table sets forth the Company's consolidated capitalisation and indebtedness at 30 September 2013 on an actual basis and on an adjusted basis after giving effect to the issuance of the S\$140,000,000 3.275 per cent. Guaranteed Notes due 2017 issued on 6 November 2013 and the CNY1,000,000,000 4.50 per cent. Guaranteed Notes due 2018. The following table should be read in conjunction with the Company's unaudited consolidated financial information included in this Pricing Supplement.

	At 30 September 2013			
	Actual		As adjusted	
	RMB in thousands	US\$ in thousands ⁽⁵⁾	RMB in thousands	US\$ in thousands ⁽⁵⁾
Current loans and borrowings ⁽¹⁾	38,903,262	6,356,742	38,903,262	6,356,742
Long-term debt (net of current portion)				
— Non-current loans and borrowings.....	35,812,363	5,851,693	35,812,363	5,851,693
— Notes issued on 6 November 2013 ⁽²⁾ ...	-	-	681,212	111,309
— Notes to be issued ⁽²⁾	-	-	1,000,000	163,399
Total long-term debt (net of current portion)	35,812,363	5,851,693	37,493,575	6,126,401
Total equity ⁽³⁾	94,366,539	15,419,369	94,366,539	15,419,369
Total capitalisation ⁽⁴⁾	130,178,902	21,271,062	131,860,114	21,545,770

Notes:

- (1) Current loans and borrowings include the current portion of non-current loans and borrowings.
- (2) Refers to the aggregate principal amount of the Notes to be issued and the S\$140,000,000 3.275 per cent. Guaranteed Notes issued on 6 November 2013 that have not taken into account the effect of transaction costs and expenses. The amount issued on 6 November 2013 has been translated into Renminbi for convenience purpose at a rate of S\$1.00 to RMB4.8658.
- (3) Total equity includes total equity attributable to equity shareholders of the Company and non-controlling interest.
- (4) Total capitalisation equals total long-term debt (net of current portion) and total equity.
- (5) Renminbi amounts in the above table have been translated into U.S. dollars at the rate of RMB6.1200 to US\$1.00.

Except as otherwise disclosed above, there has been no material change in the consolidated capitalisation and indebtedness of the Company since 30 September 2013.

Capitalisation and Indebtedness of the Guarantor

The following table sets forth the Guarantor's consolidated capitalisation and indebtedness at 30 June 2013 on an actual basis and on an adjusted basis after giving effect to the issuance of the S\$140,000,000 3.275 per cent. Guaranteed Notes due 2017 issued on 6 November 2013 and the CNY1,000,000,000 4.50 per cent. Guaranteed Notes due 2018.

The following table should be read in conjunction with the Guarantor's unaudited consolidated financial information included in this Pricing Supplement.

At 30 June 2013				
	Actual		As adjusted	
	RMB in thousands	US\$ in thousands ⁽⁵⁾	RMB in thousands	US\$ in thousands ⁽⁵⁾
Current loans and borrowings ⁽¹⁾	-	-	-	-
Long-term debt (net of current portion)				
— Non-current bank loans and bonds payable	4,905,781	801,598	4,905,781	801,598
— Notes issued on 6 November 2013 ⁽²⁾	-	-	681,212	111,309
— Notes to be issued ⁽²⁾	-	-	1,000,000	163,399
Total long-term debt (net of current portion)	4,905,781	801,598	6,586,993	1,076,306
Total equity ⁽³⁾	9,737,727	1,591,132	9,737,727	1,591,132
Total capitalisation ⁽⁴⁾	14,463,508	2,392,730	16,324,720	2,667,438

Notes:

- (1) Current loans and borrowings include the current portion of non-current loans and borrowings.
- (2) Refers to the aggregate principal amount of the Notes to be issued and the S\$140,000,000 3.275 per cent. Guaranteed Notes issued on 6 November 2013 that have not taken into account the effect of transaction costs and expenses. The amount issued on 6 November 2013 has been translated into Renminbi for convenience purpose at a rate of S\$1.00 to RMB4.8658.
- (3) Total equity includes total equity attributable to equity shareholders of the Company and non-controlling interest.
- (4) Total capitalisation equals total long-term debt (net of current portion) and total equity.
- (5) Renminbi amounts in the above table have been translated into U.S. dollars at the rate of RMB6.1200 to US\$1.00.

Except as otherwise disclosed above, there has been no material change in the consolidated capitalisation and indebtedness of the Guarantor since 30 June 2013."

2. page 81 thereof shall be amended by inserting the following paragraphs immediately after the table:

"During the period from 1 January 2013 to 30 June 2013, we acquired 42 new projects with the aggregate of site area attributable to our equity holding of approximately 3,420,000 sq.m. and the aggregate of planned GFA of approximately 9,250,000 sq.m. Details of the projects are as follows:

City	Project	Location	Percentage of shareholding	Site Area (sq m)	Planned GFA (sq m)	GFA attributable to Vanke's equity holding (sq m)	Progress
Shenzhen	Bayifu Project	Longgang	100%	28,894	115,040	115,040	Preconstruction
Dongguan	Qifeng Road Project	Guancheng	100%	53,887	215,547	215,547	Preconstruction
Foshan	Hecheng Project, Chencun, Shunde	Shunde	100%	43,748	153,118	153,118	Preconstruction
Qingyuan	Dream Town	Qingyuan	100%	493,076	986,153	986,153	Preconstruction

Fuzhou	University City Project	Minhou	51%	213,602	679,836	346,716	Preconstruction
Quanzhou	Dream Town	Fengze	60%	46,434	162,516	97,510	Preconstruction
Changsha	Chengji Xinyuan Project	Yuhua	80%	335,796	1,007,952	806,361	Preconstruction
Changsha	Baihui Project	Yuelu	51%	159,393	505,845	257,981	Preconstruction
Shanghai	Dream Town	Minhang	100%	129,571	310,970	310,970	Under construction
Nanjing	Phase II South Railway Station Project	Yuhuatai	80%	45,022	133,261	106,609	Preconstruction
Xuzhou	Land Lot J, Huaixi Project	Quanshan	85%	11,733	22,143	18,822	Preconstruction
Nanchang	Haichuangyuan Project	Gaoxin	50%	163,213	350,094	175,047	Preconstruction
Nanchang	Xikezhan Project, Jiulonghu New District	Honggutan	50%	80,120	180,449	90,225	Preconstruction
Ningbo	Mingzhu Road Project	Gaoxin	100%	48,004	105,815	105,815	Preconstruction
Wenzhou	Jinyu Zhongyang (formerly known as Nanxian Huayuan)	Ouhai	60%	53,765	144,939	86,963	Preconstruction
Beijing	Shanglinwan Project	Fangshan	51%	27,528	55,056	28,079	Preconstruction
Beijing	Park Avenue	Tongzhou	50%	88,767	210,738	105,369	Preconstruction
Beijing	Land Lot 09, Changyang Town, Fangshan	Fangshan	69%	129,510	211,084	145,648	Preconstruction
Beijing	Yufu 77	Dongcheng	100%	4,103	15,130	15,130	Preconstruction
Beijing	Tianzhu Joying City Project	Shunyi	56%	17,985	31,051	17,389	Preconstruction
Beijing	Land Lot No 005, Taihu	Tongzhou	50%	61,717	123,434	61,717	Preconstruction
Tianjin	Jiefang South Road Project	Hexi	80%	62,205	124,410	99,528	Preconstruction
Tianjin	Wonderland	Xiqing	51%	409,701	502,892	256,475	Preconstruction
Tangshan	Ershier Project	Fenghuang New City	48%	88,848	262,552	126,025	Preconstruction
Dalian	Blue Mountain Project	Ganjingzi	100%	125,100	214,470	214,470	Preconstruction
Dalian	Chenghua East Project	Shahekou	100%	35,757	63,840	63,840	Preconstruction
Fushun	The Paradiso	Development District	100%	73,621	294,484	294,484	Preconstruction
Yantai	Liangjiacun Project	Zhifu	51%	341,943	447,139	228,041	Preconstruction
Jinan	Dream Town	Lixia	50%	191,418	478,545	239,273	Preconstruction
Jinan	Land Lot B, Jinyu International	Gaoxin	63%	89,596	291,890	183,891	Preconstruction
Taiyuan	Public Transport Company's Land Lot	Wanbolin	100%	37,060	177,415	177,415	Preconstruction
Chengdu	Music Park	Chenghua	60%	152,852	759,036	455,422	Preconstruction
Chengdu	Golden Paradise	Xindu	100%	111,166	331,161	331,161	Preconstruction
Wuhan	Chenghua Jingyuan	East Lake Development Zone	50%	89,664	410,000	205,000	Preconstruction
Wuhan	Jiayuan	East Lake Development Zone	100%	67,273	324,100	324,100	Preconstruction
Kunming	Glamorous City	Guandu	55%	417,919	1,724,080	948,244	Preconstruction

Guiyang	No 5 Park	Yunyan	70%	10,927	100,906	70,634	Preconstruction
Chongqing	Panlong Project	Jiulongpo	100%	31,769	142,960	142,960	Preconstruction
Zhengzhou	Mei Jing Longmen Dragon Hall	Guancheng	51%	79,457	353,018	180,039	Preconstruction
Zhengzhou	Meiming Technology Industrial Park	Gaoxin	51%	130,817	457,863	233,510	Preconstruction
Urumqi	Phase II of King Metropolis	New District	82%	37,364	130,776	107,236	Preconstruction
Urumqi	Rancho Santa Fe	Sayibak	60%	203,529	203,529	122,117	Preconstruction
Total				5,023,851	13,515,236	9,250,072	—

3. page 81 thereof shall be amended by replacing the first paragraph after the table with the following paragraph:

“We continue to expand our project portfolio and have acquired additional projects in the PRC since 30 June 2013. As at 30 September 2013, the GFA of our projects under planning attributable to our equity holding amounted to 45,680,000 sq.m.”
4. Pages F-2 to F-7 shall be amended and replaced with the Unaudited Financial Information for the period ended 30 September 2013 of the Company as set out in Appendix 2.
5. Page F-162 shall be amended and replace with the Unaudited Financial Information for the period ended 30 June 2013 of the Guarantor as set out in Appendix 3. The comparative information of the consolidated income statement for the six months ended 30 June 2012 of the Guarantor is not available for disclosure herein because the Guarantor is only obligated to prepare its consolidated interim financial information since the issuance of U.S.\$800,000,000 2.625 per cent. guaranteed bonds by Bestgain Real Estate Limited and guaranteed by the Guarantor on 13 March 2013.

Appendix 2

Unaudited Financial Information for the period ended 30 September 2013 of the Company

Consolidated income statement

for the three months ended 30 September 2013

	<i>2013</i> <i>Jul.–Sep.</i> RMB'000	<i>2012</i> <i>Jul.–Sep.</i> RMB'000
Revenue	20,708,147	14,297,750
Cost of sales	(15,542,231)	(9,598,753)
Gross profit	<u>5,165,916</u>	<u>4,698,997</u>
Other revenue	101,736	202,279
Other net income	22,179	49,360
Distribution costs	(890,568)	(866,554)
Administrative expenses	(759,680)	(771,378)
Other operating expenses	8,679	(71,521)
Profit from operations	<u>3,648,262</u>	<u>3,241,183</u>
Finance costs	(476,979)	(474,305)
Share of profits less losses of associates	48,346	153,432
Share of profits less losses of jointly controlled entities	73,385	50,721
Profit before taxation	<u>3,293,014</u>	<u>2,971,031</u>
Income tax	(1,151,761)	(1,360,337)
Profit for the period	<u><u>2,141,253</u></u>	<u><u>1,610,694</u></u>
Attributable to:		
Equity shareholders of the Company	1,603,914	1,354,802
Non-controlling interests	537,339	255,892
Profit for the period	<u><u>2,141,253</u></u>	<u><u>1,610,694</u></u>
Basic earnings per share (RMB)	<u><u>0.15</u></u>	<u><u>0.12</u></u>
Diluted earnings per share (RMB)	<u><u>0.15</u></u>	<u><u>0.12</u></u>

Consolidated statement of comprehensive income
for the three months ended 30 September 2013

	2013 Jul.–Sep. RMB'000	2012 Jul.–Sep. RMB'000
Profit for the period	<u>2,141,253</u>	<u>1,610,694</u>
Other comprehensive income (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of overseas subsidiaries	5,754	(54,547)
Available-for-sale securities: net movement in the fair value reserve	<u>174</u>	<u>-</u>
	<u>5,928</u>	<u>(54,547)</u>
Total comprehensive income for the period	<u>2,147,181</u>	<u>1,556,147</u>
Attributable to:		
Equity shareholders of the Company	1,609,842	1,300,255
Non-controlling interests	<u>537,339</u>	<u>255,892</u>
Total comprehensive income for the period	<u>2,147,181</u>	<u>1,556,147</u>

Consolidated income statement

for the nine months ended 30 September 2013

	2013 Jan.–Sep. RMB'000	2012 Jan.–Sep. RMB'000
Revenue	59,648,956	43,257,310
Cost of sales	(43,043,695)	(28,896,138)
Gross profit	16,605,261	14,361,172
Other revenue	461,378	597,377
Other net income	55,380	124,047
Distribution costs	(2,321,671)	(2,104,936)
Administrative expenses	(1,990,281)	(1,623,066)
Other operating expenses	(90,266)	(184,567)
Profit from operations	12,719,801	11,170,027
Finance costs	(1,155,583)	(1,262,686)
Share of profits less losses of associates	247,045	409,913
Share of profits less losses of jointly controlled entities	262,315	216,760
Profit before taxation	12,073,578	10,534,014
Income tax	(4,596,434)	(4,387,842)
Profit for the period	7,477,144	6,146,172
Attributable to:		
Equity shareholders of the Company	6,160,219	5,079,887
Non-controlling interests	1,316,925	1,066,285
Profit for the period	7,477,144	6,146,172
Basic earnings per share (RMB)	0.56	0.46
Diluted earnings per share (RMB)	0.56	0.46

Consolidated statement of comprehensive income

for the nine months ended 30 September 2013

	2013 Jan.–Sep. RMB'000	2012 Jan.–Sep. RMB'000
Profit for the period	<u>7,477,144</u>	<u>6,146,172</u>
Other comprehensive income (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of overseas subsidiaries	31,425	(127,920)
Available-for-sale securities: net movement in the fair value reserve	<u>623</u>	<u>(27,373)</u>
	<u>32,048</u>	<u>(155,293)</u>
Total comprehensive income for the period	<u>7,509,192</u>	<u>5,990,879</u>
Attributable to:		
Equity shareholders of the Company	6,192,267	4,924,594
Non-controlling interests	<u>1,316,925</u>	<u>1,066,285</u>
Total comprehensive income for the period	<u>7,509,192</u>	<u>5,990,879</u>

Consolidated statement of financial position

at 30 September 2013

	<i>30 Sep 2013</i>	<i>31 Dec 2012</i>
	RMB'000	RMB'000
Non-current assets		
Property, plant and equipment	3,433,645	3,132,540
Investment properties	2,080,347	1,714,136
Interest in associates	4,708,238	2,915,844
Interest in jointly controlled entities	4,392,218	4,043,247
Other financial assets	336,262	85,979
Other non-current assets	654,835	879,582
Goodwill	201,690	201,690
Deferred tax assets	3,855,821	3,219,894
	<u>19,663,056</u>	<u>16,192,912</u>
Current assets		
Inventories	337,823,979	253,622,152
Trade and other receivables	66,867,545	56,988,250
Pledged deposits	1,119,445	1,171,318
Cash and cash equivalents	35,944,113	51,120,224
	<u>441,755,082</u>	<u>362,901,944</u>
Current liabilities		
Loans and borrowings	38,903,262	35,557,359
Financial derivatives	13,144	25,761
Trade and other payables	285,301,077	215,529,570
Current taxation	5,945,216	8,720,876
	<u>330,162,699</u>	<u>259,833,566</u>
Net current assets	<u>111,592,383</u>	<u>103,068,378</u>
Total assets less current liabilities	<u>131,255,439</u>	<u>119,261,290</u>

Consolidated statement of financial position
at 30 September 2013(continued)

	<i>30 Sep 2013</i>	<i>31 Dec 2012</i>
	RMB'000	RMB'000
<i>Non-current liabilities</i>		
Loans and borrowings	35,812,363	36,036,070
Deferred tax liabilities	977,240	1,027,055
Provisions	61,276	44,292
Other non-current liabilities	38,021	15,678
	<u>36,888,900</u>	<u>37,123,095</u>
NET ASSETS	<u>94,366,539</u>	<u>82,138,195</u>
CAPITAL AND RESERVES		
Share capital	11,014,872	10,995,553
Reserves	<u>57,250,766</u>	<u>52,830,001</u>
Total equity attributable to equity shareholders of the Company	68,265,638	63,825,554
Non-controlling interests	<u>26,100,901</u>	<u>18,312,641</u>
TOTAL EQUITY	<u>94,366,539</u>	<u>82,138,195</u>

Consolidated cash flow statement

for the nine months ended 30 September 2013

(Expressed in Renminbi Yuan)

	2013 Jan.–Sep. RMB'000	2012 Jan.–Sep. RMB'000
Operating activities		
Cash received from customers	105,225,240	77,182,825
Cash generated from other operating activities	11,980,358	12,501,968
Cash paid to suppliers	(96,576,964)	(53,534,270)
Cash paid to and for employees	(2,873,138)	(2,445,782)
Cash paid for other taxes	(7,690,660)	(8,880,220)
Cash used in other operating activities	(13,091,837)	(22,763,230)
Cash (used in)/generated from operations	(3,027,001)	2,061,291
PRC Corporate Income Tax (“CIT”) and Hong Kong Profits Tax paid	(5,204,358)	(3,045,888)
Land Appreciation Tax (“LAT”) paid	(3,829,400)	(2,505,954)
Net cash used in operating activities	(12,060,759)	(3,490,551)
Investing activities		
Acquisitions of subsidiaries, net of cash acquired	(956,101)	(2,065,369)
Investment in associates and jointly controlled entities	(1,773,464)	(338,450)
Acquisitions of additional interest in subsidiaries	(201,915)	(12,000)
Acquisitions of other investments	(284,070)	(121,043)
Acquisitions of property, plant and equipment	(83,850)	(112,266)
Net cash flow from disposals of subsidiaries	180,699	-
Proceeds from disposals of property, plant and equipment	1,074	872
Proceeds from disposals of investments	242,441	4,000
Interest received	333,307	457,101
Dividends received	720,722	164,872
Net cash used in investing activities	(1,821,157)	(2,022,283)

Consolidated cash flow statement

for the nine months ended 30 September 2013

(Expressed in Renminbi Yuan)

	2013 Jan.–Sep. RMB'000	2012 Jan.–Sep. RMB'000
Financing activities		
Contributions from non-controlling interests	4,354,994	891,650
Proceeds from bank loans and borrowings from financial institutions	32,196,991	30,520,606
Proceeds from issuing of corporate bonds	4,850,919	-
Repayment of bank loans and borrowings from financial institutions	(35,526,887)	(21,328,939)
Dividends and interest paid	(7,127,790)	(6,030,771)
Net cash (used in)/generated from financing activities	<u>(1,251,773)</u>	<u>4,052,546</u>
Effect of foreign exchange rate changes	<u>(42,422)</u>	<u>(14,016)</u>
Net decrease in cash and cash equivalents	(15,176,111)	(1,474,304)
Cash and cash equivalents at 1 January	<u>51,120,224</u>	<u>33,614,112</u>
Cash and cash equivalents at 30 September	<u>35,944,113</u>	<u>32,139,808</u>

Appendix 3

Unaudited Financial Information for the period ended 30 June 2013 of the Guarantor

*Vanke Real Estate (Hong Kong) Company Limited
Consolidated financial statements for the six months ended 30 June 2013*

Vanke Real Estate (Hong Kong) Company Limited

**Consolidated financial statements
for the six months ended 30 June 2013
(unaudited)**

Consolidated income statement

	Six months ended 30 June 2013 RMB'000 (unaudited)
Revenue	1,191,963
Cost of sales	(897,365)
Gross profit	294,598
Other revenue	6,656
Other net income	37,132
Distribution expenses	(110,431)
Administrative expenses	(28,653)
Other operating expenses	(10,078)
Profit from operations	189,224
Finance costs	(82,849)
Share of profits less losses of associates	205,383
Share of profits less losses of jointly controlled entities	18,755
Profit before taxation	330,513
Income tax expense	(56,263)
Profit for the period	274,250
Attributable to:	
Equity shareholders of the Company	258,291
Non-controlling interests	15,959
Profit for the period	274,250
Other comprehensive income for the period	
Exchange differences on translation of financial statements of non-mainland China entities	(38,124)
Total comprehensive income for the period	236,126
Attributable to:	
Owners of the Company	220,167
Non-controlling interests	15,959
Total comprehensive income for the period	236,126

Consolidated statement of financial position

	As at 30 June 2013 RMB'000 (unaudited)
Non-current assets	
Property, plant and equipment	232,740
Interest in associates	1,441,120
Interest in jointly controlled entities	111,398
Deferred tax assets	294,358
	<u>2,079,616</u>
Current assets	
Inventories	19,334,350
Trade and other receivables	14,057,348
Pledged deposits	46,834
Cash and cash equivalents	1,690,511
	<u>35,129,043</u>
Current liabilities	
Financial derivatives	13,818
Trade and other payables	22,179,649
Current taxation	353,633
	<u>22,547,100</u>
Net current assets	<u>12,581,943</u>
Total assets less current liabilities	14,661,559
Non-current liabilities	
Bank loans	74,000
Bonds payable	4,831,781
Deferred tax liabilities	18,051
	<u>4,923,832</u>
NET ASSETS	<u>9,737,727</u>
CAPITAL AND RESERVES	
Share capital	16,578
Reserves	7,531,002
Total equity attributable to equity shareholders of the Company	7,547,580
Non-controlling interests	2,190,147
TOTAL EQUITY	<u>9,737,727</u>