



CHINA VANKE CO., LTD.
ANNOUNCEMENT REGARDING MATTERS IN RELATION TO
THE GRANTING OF STOCK OPTIONS UNDER THE
A-SHARE STOCK OPTION INCENTIVE SCHEME

I. Brief introduction of the “A-Share Stock Option Incentive Scheme of China Vanke Co., Ltd.” and the completed necessary approval processes

On 21 October 2010, the twelfth meeting of the fifteenth Board (the “Board”) of directors of China Vanke Co., Ltd. (“China Vanke” or the “Company”) was held and approved the “A-Share Stock Option Incentive Scheme (Draft)”. The scheme was submitted to China Securities Regulatory Commission (“CSRC”) for filing.

The Company had made corresponding revisions to the scheme, in accordance to the instructions of related authorities including CSRC. The “A-Share Stock Option Incentive Scheme (Revised Draft)” (thereafter as the “Scheme”) was submitted to the Board and was approved via correspondence on 18 March 2011. The filing process of the Scheme was completed and CSRC has no objection to the Scheme.

The Company dispatched the notice of the first extraordinary general meeting in 2011 on 23 March 2011. On 8 April 2011, the first extraordinary general meeting of the Company was held and approved the “A-Share Stock Option Incentive Scheme (Revised Draft)”. The scheme was thereby approved.

The Scheme uses stock option as an incentive instrument. When the Company and the beneficiaries of the Scheme fulfill the granting conditions, the Company can grant stock options to the beneficiaries according to the Scheme. No stock options should be exercised during the vesting period, which is one year from the date. Thereafter, the right to exercise the stock options is dependent on the fulfillment of exercise condition by the Company and the beneficiaries of the Scheme. The Company could grant an aggregate of 110 million stock options to the beneficiaries of the Scheme. Each stock option granted confers the right to purchase one A-share of China Vanke at an exercise price within the designated exercise period. The total number of underlying 110 million shares to be issued for the stock options represents 1.0004% of the Company’s total issued share capital at the time when the Scheme was approved.

II. Conditions for the granting of stock options, and the Board's description of the fulfillment of granting conditions

1. The conditions for granting stock options

- (1) None of the following has taken place:
 - a. The financial report for the most recent financial year containing an audit report issued by a certified public accountant with an adverse opinion or disclaimer of opinion
 - b. Administrative action taken by CSRC for material breaches of rules or regulations in the most recent year;
 - c. Other situations deemed by CSRC that the Scheme should not be executed
- (2) None of the following has occurred to the beneficiaries of the Scheme:
 - a. Publicly reprimanded or declared as an “inappropriate person” by the Shenzhen Stock Exchange in the past three years;
 - b. Faced administrative action taken by CSRC for material breaches of rules or regulations in the past three years;
 - c. Restricted by “The Company Law of the People’s Republic of China” to take up the position of directors, supervisors, and senior management members;
 - d. Other situations deemed by the Board as material breaches of relevant regulations of the Company.

2. The Board's description of the fulfillment of the granting conditions

With the confirmation of the Board, China Vanke's financial reports of the most recent financial year contained no audit report with an adverse opinion or disclaimer of opinion issued by a certified public accountant; the Company did not face administrative action taken by CSRC for material breaches of rules or regulations in the most recent year; the Company did not have any other situations deemed by CSRC that the Scheme should not be executed.

With the confirmation of the Board, none of the beneficiaries of the Scheme had been publicly reprimanded or declared as an “inappropriate person” by the Shenzhen Stock Exchange in the past three years; nor did the beneficiaries of the Scheme face any administrative action taken by CSRC for material breaches of rules or regulations in the past three years; nor was restricted by The Company Law to take up positions of directors, supervisors, and senior management members; none of the beneficiaries had any other situations deemed by the Board as material breaches of relevant regulations of the Company.

In conclusion, the Board was of the opinion that the conditions for granting stock options were fulfilled. The beneficiaries of the Scheme had met the conditions of the granting of stock options under the Scheme and agreed to the granting of stock options to the beneficiaries of the Scheme.

III. The Grant Date, Beneficiaries and the Quantity of the Stock Options granted

1. Grant date: 25 April 2011
2. Stock options granted are allotted among the beneficiaries as follows:

No.	Name	Capacity	No. of stock options ('000 units)	Proportion to the total options to be granted under the Scheme
1	Wang Shi	Chairman	6,600	6.00%
2	Yu Liang	President	5,500	5.00%
3	Liu Aiming	Executive Vice President	2,200	2.00%
4	Ding Changfeng	Executive Vice President	2,200	2.00%
5	Xie Dong	Executive Vice President	2,200	2.00%
6	Zhang Jiwen	Executive Vice President	2,200	2.00%
7	Mo Jun	Executive Vice President	2,200	2.00%
8	Shirley L. Xiao	Executive Vice President	2,200	2.00%
9	Wang Wenjin	Executive Vice President	2,200	2.00%
10	Du Jing	Executive Vice President	2,100	1.91%

11	Zhou Weijun	Executive Vice President	2,000	1.82%
12	Yuan Boyin	Executive Vice President	2,000	1.82%
13	Mao Daqing	Executive Vice President	2,000	1.82%
14	Tan Huajie	Secretary of the Board	1,600	1.45%
15	Other core staff members		71,720	65.20%

The list of the beneficiaries of the Scheme is posted on the designated information disclosure website (www.cninfo.com.cn).

3. Exercise Price: The exercise price of the stock options granted is RMB 8.89.

IV. The impact of the granting of stock options under the Scheme on the financial position and operating results of the corresponding financial years

According to the “Accounting Standards for Business Enterprises No. 11 – Share-based payment”, the Scheme will have certain impact on the financial position and operating results of the Company in the corresponding financial years.

The Board has confirmed the grant date of the Scheme to be 25 April 2011, the fair value of the stock option is yet to be determined. According to the relevant estimation of the A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd., the estimated impact of the granting of stock options under the Scheme on the Company’s financial position and operating results in the corresponding financial years are as follows:

Exercise Period	2011	2012	2013
Impact on gross profit (RMB '000)	164,187.4	71,325.4	30,624
Impact on earnings per share (RMB/Share)	0.015	0.006	0.003

Note 1. The estimation of the impact to gross profit and earnings per share is based on a corporate profit tax of 25%. There may be discrepancy between the estimation and the actual tax rate.

Note 2. As the fair value of the stock options on the grant date and the number of stock options to be exercised are estimated figures, there may be discrepancies between the current estimation of the total cost of options and the total actual cost of the stock options after they are granted. The actual accounting costs shall be reassessed according to parameters such as the actual A-share share price on the grant date, volatility, risk-free rate of return, and audit report provided by certified public accountants. Investors are advised to pay attention to the above.

V. Verification of the beneficiaries list by The Supervisory Committee

After verification of the beneficiaries list, the supervisory committee is of the view that:

1. The beneficiaries of the stock options granted by the Company, are staff of the Company or its subsidiaries, and are in compliance with rules and regulations, and the requirements of normative documents under the Measures for the Administration of Equity Incentive Plans of Listed Companies (Provisional) (“Administration Measure”), Memorandum of Understanding No. 1-3 on Matters Regarding Equity Incentives (“Memorandum of Equity Incentives”), and meet the requirements of the “A-Share Stock Option Incentive Scheme of China Vanke Co., Ltd.”. They are legitimate and eligible subject of the beneficiaries of the Company’s stock options.
2. Apart from those disqualified beneficiaries due to their resignation, the list of beneficiaries of the stock options granted by the Company is consistent with designated beneficiaries in the Stock Option Incentive Scheme approved at the first extraordinary general meeting in 2011.

VI. The opinion of independent directors regarding matters relating to the granting of stock options under the Company’s Stock Option Incentive Scheme

The opinions of independent directors of the sixteenth board of directors regarding matters in relation to of the granting A-share stock Option Incentive Scheme are as follows:

1. The Board has confirmed that the grant date of Stock Option Incentive Scheme to be 25 April 2011. The grant date is in compliance with relevant laws, regulations and normative documents, including the Administration Measures, the Memorandum of Equity Incentives, “Memorandum of Business Information Disclosure No.8 – Registration regarding Stock Option Incentive” as well as the requirements of the A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd. The grant is also in compliance with the regulations governing the beneficiaries of the Scheme.
2. The beneficiaries of the Scheme are not subject to the situation that would prohibit them from being granted the stock options under the regulation of the Administration Measures, and Memorandum of Equity Incentives, as well as the “A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd.”. The qualifications of the beneficiaries of the Scheme are legitimate and valid.

VII. Conclusive Opinion in Legal Opinion Letter by Lawyer

Guangdong Shu Jin Law Firm has come up with the opinion that: the Scheme could be implemented after it was approved; the Board of the Company obtained the necessary authorisation of the general meeting regarding the granting of the stock options; the grant date, the Board's granting of stock options to the beneficiaries of the Scheme, and the beneficiaries who are granted stock options of the Scheme are in compliance with the relevant regulations including the Administration Measures, Memorandum of Equity Incentives, and the "A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd.". The granting of stock options is subject to the obligations of information disclosure, and registration with the Shenzhen Branch of China Securities Depository and Clearing Corporation.

VIII. Description of other issues

1. Directors, and senior management members of the Company who have participated in the Scheme had not involved in any trading of the Company's share within the six months before the grant date.
2. The fund for the exercise of options and income tax should be bore by the beneficiaries of the Scheme using their own financial resources. The Company undertakes that it will not provide loans or any form of financial assistance (including the provision of guarantees for their loans), to the beneficiaries for their acquisition of relevant interest under the Scheme.

IX. Documents for reference

1. The resolutions approved by the Board
2. Opinion of Supervisory Committee
3. Opinion of Independent Directors
4. Legal Opinion Letter

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 20 April 2011