



CHINA VANKE CO., LTD.
ANNOUNCEMENT REGARDING ADJUSTMENT OF THE
EXERCISE PRICE OF THE STOCK OPTIONS UNDER
A-SHARE STOCK OPTION INCENTIVE SCHEME

The resolution regarding the adjustment of the exercise price of the Company's stock options was dispatched to all the directors of China Vanke Co., Ltd. ("China Vanke" or "the Company") by email on 13 May 2011 and was reviewed by all the directors. As the beneficiaries of the A-Share Stock Option Incentive Scheme ("Scheme"), Wang Shi, Yu Liang and Shirley L. Xiao are connected directors and therefore had withdrawn from voting on the resolution. The resolution was approved with 8 votes in favour, zero against and zero abstention. The adjustment of the exercise price of the stock options under the Scheme is as follows:-

I. Implementation of the A-Share Stock Option Incentive Scheme

On 8 April 2011, the A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd. was approved at the first extraordinary general meeting in 2011 of the Company. The Scheme was thereby approved. On 18 April 2011, the resolution regarding matters in relation to the granting of stock options under the A-share Stock Option Incentive Scheme was approved at the second meeting of the sixteenth session of the board at which the grant date of the Scheme was confirmed to be 25 April 2011. On 9 May 2011, the registration of the grant of stock options was completed. The exercise price of the stock options is RMB8.89, which is subject to adjustment according to the relevant requirement of the Scheme should distribution of dividends, transfer of capital surplus reserve to share capital or other conditions occur within the validity period.

II. Adjustment of exercise price of the A-Share Stock Options

The proposal on dividend distribution of the Company for the year 2010 was approved at the 2010 Annual General Meeting of the Company. Based on the Company's existing total share capital of 10,995,210,218 shares, a cash dividend of RMB1.0 (including tax) will be paid to all the shareholders on the basis of every 10 existing shares held.

Pursuant to the resolution regarding granting the Board the authority to handle matters relating to the Company's Stock Option Incentive Scheme approved by the first extraordinary general meeting in 2011, the Board resolved to, according to the requirement of the Scheme, make corresponding adjustment of the exercise price of the A-share stock options after the proposal on dividend distribution for the year 2010 had been implemented. The formula for the adjustment is as follows:

$$P=P_0-V$$

whereas: P_0 as the exercise price before the adjustment; V as the dividend per share; P as the exercise price after the adjustment

According to the formula, the exercise price of the A-share stock options after the adjustment = $8.89-0.1 = 8.79$ RMB

The Shenzhen Branch of China Securities Depository and Clearing Corporation will implement the exercise price of the A-share stock options according to the application of the Company.

III. Conclusive Opinion in Legal Opinion Letter by Lawyer

Guangdong Shu Jin Law Firm is of the opinion that: The authorisation and approval of the adjustment of the exercise price, as well as the methods and details of the exercise price adjustment are in compliance with the relevant requirements of the Measures for the Administration of the Equity Incentive Plans of Listed Companies (Provisional) and the “A-Share Stock Option Incentive Scheme (Revised Draft) of China Vanke Co., Ltd.”.

IV. Documents for reference

1. The resolutions approved by the 2010 Annual General Meeting and the first extraordinary general meeting in 2011
2. The resolution regarding adjustment of the exercise price of the stock options approved by the sixteenth session of the Board
3. Legal Opinion Letter Regarding Exercise Price Adjustment of A-Share Stock Option of China Vanke Co., Ltd

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 21 May 2011