



China Vanke Co., Ltd.

Announcement Regarding The Provision Of Guarantee For A Bank Loan For Changchun Huisili Project By Changchun Wanrun

I. Overview of the guarantee

In order to meet the development needs of Changchun Huisili Project, Changchun Vanke Xizhigu Real Estate Development Co., Ltd. ("Changchun Xizhigu"), being the operator of the said project, proposed to apply for a loan of RMB300 million from the Changchun Branch of Industrial Bank. Changchun Wanrun Real Estate Co., Ltd ("Changchun Wanrun"), a wholly-owned subsidiary of China Vanke Co., Ltd. (the "Company"), proposed to provide for the said loans a credit guarantee of RMB150 million, which is in proportion to Changchun Wanrun's equity holding in Changchun Xizhigu.

The resolution regarding the matters in relation to the provision of guarantee was passed at the board meeting of Changchun Wanrun, with 3 votes in favour, 0 vote against and 0 abstention. Since the gearing ratio of Changchun Xizhigu is over 70 per cent, the said guarantee had been considered and approved at a shareholders' meeting of Changchun Wanrun.

II. Basic information on the party being guaranteed

Name: Changchun Vanke Xizhigu Real Estate Development Co., Ltd.

Date of establishment: December 2009

Registered office: Room 101, Block 10 Lanqiao Apartment, 5555 Jingyue Street, Jingyue Development District, Changchun

Legal representative: Zhu Mingxin

Registered capital: RMB50 million

Business scope: Property development and operation, self-owned property leasing

Changchun Wanrun holds 50 per cent equity interests in Changchun Xizhigu. The remaining 50 per cent equity interests are held by Poly (Changchun) Hengfu Real Estate Development Co., Ltd.

As at 31 March 2011, the total assets, total liabilities and net assets of Changchun Xizhigu amounted to RMB1,022,988,200, RMB990,399,700 and RMB32,588,600 respectively. Changchun Xizhigu had not generated any operating income and incurred a net loss amounted to RMB17,411,400. Changchun Xizhigu has not provided any guarantee nor pledged, and is not involved in any litigation.

III. Main contents of the guarantee agreement

Changchun Xizhigu proposed to apply for a loan of RMB300 million from the Changchun Branch of Industrial Bank for a term of 36 months. Changchun Wanrun proposed to provide for the said loan of Changchun Xizhigu a guarantee of RMB150 million, which is in proportion to Changchun Wanrun's equity holding in Changchun Xizhigu. It is a joint liability guarantee. The term of the guarantee begins from the effective date of the guarantee agreement until two years after the maturity date of the loan obligations under the loan agreement.

IV. Opinion of the board of directors of Changchun Wanrun

The provision of the guarantee for the relevant bank loans to Changchun Xizhigu by Changchun Wanrun in proportion to its equity holding is to facilitate the development of Changchun Huisili Project. Changchun Huisili Project, which is currently under construction, is making good progress and operating satisfactorily. Changchun Xizhigu has a strong repayment capability. Apart from the guarantee provided by Changchun Wanrun, Poly (Changchun) Hengfu Real Estate Development Co., Ltd., being another shareholder of Changchun Xizhigu, will also provide guarantee for the said bank loans of Changchun Xizhigu in proportion to its equity holding. Therefore, the provision of guarantee is made in a fair and equal manner.

The said guarantee complies with the relevant requirements of the Company Law, the Articles of Association of the Company, and Notice Regarding the Regulation of the Provision of External Guarantees by Listed Companies (Document [2005] No. 120 issued by China Securities Regulatory Commission).

V. Aggregate amount of external guarantees and amount of overdue guarantees

As at 31 May 2011, the balance of guarantees provided by the Company was RMB8,322 million, representing 18.81 per cent of the unaudited net assets attributable to the shareholders of the Company for 2010. The balance of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries amounts to RMB7,281 million, and the balance of guarantees provided by the Company and majority-owned subsidiaries for associated companies and joint ventures amounts to RMB1,041 million. The Company and its majority-owned subsidiaries do not have any external guarantees. The Company does not have any overdue guarantees nor guarantees involved in litigation.

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 8 June 2011