



China Vanke Co., Ltd.

Announcement Regarding The Guarantee Provided For A Loan For Hangzhou Heron Hill Project By Shenzhen Vanke

I. Overview of the guarantee

In order to meet the development needs of Hangzhou Heron Hill Project (杭州白鷺郡南項目), Hangzhou Liangzhu New Town Development Company Limited ("Hangzhou Liangzhu New Town"), being the operator of the said project, took out a loan of RMB1,200 million from a financial institution. Shenzhen Vanke Real Estate Co., Ltd. ("Shenzhen Vanke"), a wholly-owned subsidiary of China Vanke Co., Ltd. (the "Company"), had provided a joint liability guarantee for the said loan.

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

II. Basic information on the party being guaranteed

Name: Hangzhou Liangzhu New Town Development Company Limited

Date of establishment: 13 November 2000

Registered office: Liangzhu Town, Yuhang District, Hangzhou

Legal representative: Chen Jun

Registered capital: RMB30 million

Business scope: Property development, operation, and management

Zhejiang Vanke Nandu Real Estate Co., Ltd., a wholly-owned subsidiary of the Company, holds 100 per cent equity interests in Hangzhou Liangzhu New Town.

As at 31 March 2011, the total assets, total liabilities and net assets of Hangzhou Liangzhu New Town amounted to RMB1,572,795,500, RMB1,266,324,500 and RMB306,471,000 respectively. During the period from January to March 2011, Hangzhou Liangzhu New Town's operating income, total loss and net loss amounted to RMB660,000, RMB353,000, and RMB272,200 respectively. Hangzhou Liangzhu New Town has not provided any guarantee nor pledged, and is not involved in any litigation.

III. Main contents of the guarantee agreement

Hangzhou Liangzhu New Town took out a loan of RMB1,200 million from a financial institution. Shenzhen Vanke provided for the said loan of Hangzhou

Liangzhu New Town a joint liability guarantee. The term of the joint liability guarantee begins from the effective date of the guarantee agreement till two years after the maturity date of Hangzhou Liangzhu New Town's loan obligations under the loan agreement.

IV. Opinion of the board of directors

The objective of the guarantee provided for the relevant loan of Hangzhou Liangzhu New Town by Shenzhen Vanke is to enhance the development of Hangzhou Heron Hill Project. Hangzhou Heron Hill Project, which is under construction, is making good progress. Hangzhou Liangzhu New Town has a strong repayment capacity.

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 audited net assets attributable to the shareholders of the Company at the end of 2010. The balance of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries amounted to RMB7,281 million, and the balance of guarantees provided by the Company and its majority-owned subsidiaries for associated companies and joint ventures amounted 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, 17 June 2011