



China Vanke Co., Ltd.

Announcement Regarding The Guarantee Provided By Beijing Vanke For A Loan For Beijing King Metropolis Project

I. Overview of the guarantee

In order to meet the development needs of Beijing King Metropolis Project (北京金域華府項目), Beijing Zhuzong Vanke Real Estate Development Co., Ltd. ("Zhuzong Vanke"), being the operator of the said project, took out a loan of RMB1,000 million from a financial institution. Beijing Vanke Co., Ltd. ("Beijing Vanke"), a wholly-owned subsidiary of China Vanke Co., Ltd. (the "Company"), had provided a guarantee of RMB500 million for the said loan according to its shareholding proportion.

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

II. Basic information on the party being guaranteed

Name: Beijing Zhuzong Vanke Real Estate Development Co., Ltd.

Date of establishment: 22 November 2010

Registered office: Room 105, Tower No. 4, Ruiqi Jiayuan, Huilongguan Town, Changping District, Beijing

Legal representative: Kong Xiangmin

Registered capital: RMB550 million

Business scope: Property development, sales of commodity housing, and property management

Zhuzong Vanke is a majority-owned subsidiary of Beijing Vanke. Beijing Vanke Co., Ltd. and Beijing Zhuzong Real Estate Development Co., Ltd. each holds 50 per cent equity interests in Zhuzong Vanke. The key financial indicators of Zhuzong Vanke are as follows:-

Unit: RMB'000

	As at 31 December 2010	As at 31 May 2011
Total assets	3,574,680	4,603,480
Total liabilities	3,524,670	4,058,120
Of which: Bank borrowings	0	0
Current liabilities	3,524,670	4,058,120

Contingency items	Nil	Nil
Net assets	50,000	545,350
Operating income	0	0
Total profit	20	-5,100
Net profit	0	-4,650

III. Main contents of the guarantee agreement

Zhuzong Vanke took out a loan of RMB1,000 million from a financial institution. Beijing Vanke provided for the said loan a guarantee according to its shareholding proportion. The term of the guarantee begins from the effective date of the guarantee agreement till the maturity date of Zhuzong Vanke 's loan obligations under the loan agreement.

IV. Opinion of the board of directors

Zhuzong Vanke is a majority-owned subsidiary of the Company. The purpose for Beijing Vanke's provision of a guarantee for the relevant loan of Zhuzong Vanke according to its shareholding proportion is to enhance the development of Beijing King Metropolis Project. Beijing King Metropolis Project, which is under construction, is making good progress, with sound operations. Zhuzong Vanke has a strong repayment capacity. While Beijing Vanke provided a guarantee for the relevant loan of Zhuzong Vanke, Beijing Zhuzong Real Estate Development Co., Ltd., being another shareholder of Zhuzong Vanke, also provided a guarantee for the said loan of Zhuzong Vanke according to its shareholding proportion. The provision of guarantee by each party is on a fair and equal basis.

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.

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 22 June 2011