



China Vanke Co., Ltd.

Announcement Regarding the Guarantee Provided By Shenyang Vanke For A Loan For Shenyang Xianghu Shengjing Project

I. Overview of the guarantee

In order to meet the development needs of Shenyang Xianghu Shengjing Project (瀋陽香湖盛景項目), Shenyang Zhongtie Vanke Langyu Property Development Company Limited (瀋陽中鐵萬科朗榆置地有限公司) (“Shenyang Langyu”), being the operator of the said project, applied for a loan of RMB249 million from the Shenyang Branch of Bank of China. Shenyang Vanke Real Estate Development Co., Ltd. (“Shenyang Vanke”), a wholly-owned subsidiary of China Vanke Co., Ltd. (the “Company”), had provided a joint liability guarantee of RMB126.99 million for the said loan.

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

II. Basic information on the party being guaranteed

Name: Shenyang Zhongtie Vanke Langyu Property Development Company Limited

Date of establishment: 27 October 2010

Registered office: Zaohua Village, Zaohua Town, Yuhong District, Shenyang

Legal representative: Feng Jiping

Registered capital: RMB100 million

Business scope: Property development, sales of commodity housing, and leasing of self-owned property

Shenyang Vanke holds 51 per cent equity interest in Shenyang Langyu, while Shenyang Zhongtie Shengfeng Property Co. Ltd. (瀋陽中鐵盛豐置業有限公司) holds the remaining 49 per cent equity interests. The key financial indicators of Shenyang Langyu are as follows:

Unit: RMB '000

	As at 31 December 2010	As at 31 March 2011
Total assets	663,130	662,980
Total liabilities	563,200	563,520
Of which: Bank borrowings	0	0
Current liabilities	563,200	563,520
Contingency items	NIL	NIL
Net assets	99,930	99,460
Operating income	0	0
Total profit	(90)	(620)
Net profit	(70)	(460)

III. Main contents of the guarantee agreement

Shenyang Langyu took out a loan of RMB249 million from the Shenyang Branch of Bank of China for a term of three years. Shenyang Vanke provided for the said loan a joint liability guarantee of RMB126.99 million, which is in proportion to Shenyang Vanke's equity holdings in Shenyang Langyu. 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

The objective of providing the guarantee for the relevant bank loan of Shenyang Langyu by Shenyang Vanke is to facilitate the development of Shenyang Xianghu Shengjing Project. Shenyang Xianghu Shengjing Project is currently under construction, with good progress and satisfactory operation. Shenyang Langyu has a relatively strong repayment capacity. In addition to the guarantee provided by Shenyang Vanke, Shenyang Zhongtie Shengfeng Property Co. Ltd., being another shareholder of Shenyang Langyu, will also provide a guarantee in proportion to its equity holdings for the relevant bank loan for Shenyang Xianghu Shengjing Project. Therefore, the provision of guarantee by each party is made 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 30 June 2011, the outstanding amount of guarantees provided by the Company was RMB10,147 million, representing 22.94 per cent of the audited net assets attributable to the shareholders of the Company as at the end of 2010. The outstanding amount of guarantees

provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries was RMB8,531 million, and the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associated companies and joint ventures was RMB1,616 million. The Company and its majority-owned subsidiaries do not have any external guarantees. The Company does not have any overdue guarantees or guarantees involved in litigation.

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 5 August 2011