



## China Vanke Co., Ltd.

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

### I. Overview of the guarantee

In order to meet the development needs of Hangzhou Western Heron Hill Project (杭州白鷺郡西項目), Hangzhou Linlu Real Estate Development Co., Ltd. (杭州林廬房地產開發有限公司) ("Hangzhou Linlu"), being the operator of the said project, took out a loan of RMB803 million from a financial institution. Shenzhen Vanke Real Estate Co., Ltd. ("Shenzhen Vanke"), a wholly-owned subsidiary of China Vanke Co., Ltd. (the "Company"), 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.

### II. Basic information on the party being guaranteed

Name: Hangzhou Linlu Real Estate Development Co., Ltd.

Date of establishment: 4 November 2001

Registered office: Liangzhu Town, Yuhang District, Hangzhou

Legal representative: Chen Jun

Registered capital: RMB170 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 Linlu.

As at 30 June 2011, the total assets, total liabilities and net assets of Hangzhou Linlu amounted to RMB403,268,200, RMB221,249,100 and RMB182,019,100 respectively. During the period from January to June 2011, Hangzhou Linlu's operating income, total profit and net profit amounted to RMB653,000, RMB251,700, and RMB188,800 respectively. Hangzhou Linlu has not provided any guarantee nor pledged, and is not involved in any litigation.

### III. Main contents of the guarantee agreement

Hangzhou Linlu took out a loan of RMB803 million from a financial institution. Shenzhen Vanke provided a joint liability guarantee for the said loan of Hangzhou Linlu. 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 Linlu'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 Linlu by Shenzhen Vanke is to facilitate the development of Hangzhou Western Heron Hill Project. Hangzhou Western Heron Hill Project, which is under construction, is making good progress. Hangzhou Linlu 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 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 at the end of 2010. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries amounted to RMB9,031 million, and the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associated companies and joint ventures amounted to RMB1,116 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, 9 August 2011