



China Vanke Co., Ltd.

Announcement Regarding A Guarantee Provided By Ningbo Vanke For A Bank Loan For Ningbo Dream Town Project

I. Overview of the guarantee

To satisfy the development needs of Ningbo Dream Town Land Lot No. 1 Project, Ningbo Zhongwan Property Co., Ltd. (寧波中萬置業有限公司) (“Ningbo Zhongwan”), being the operator of the said project, took out a loan of RMB180 million from Ningbo Zhenhai Sub-branch of Bank of China. Ningbo Vanke Property Development Ltd. (寧波萬科房地產開發有限公司) (“Ningbo Vanke”), a wholly-owned subsidiary of China Vanke Co., Ltd. (the “Company”), provided a joint liability guarantee of RMB10.5 million for the said loan according to the percentage of its shareholding.

The resolution regarding the matters in relation to the provision of the guarantee was passed at the board meeting of Ningbo Vanke, with 3 votes in favour, 0 vote against and 0 abstention. Since Ningbo Zhongwan has a gearing ratio of over 70%, the said guarantee has been considered and approved at a shareholders meeting of Ningbo Vanke.

II. Basic information on the party being guaranteed

Name of company: Ningbo Zhongwan Property Co., Ltd.

Date of establishment: 28 July 2010

Registered office: Zhaolong Road North, Shenglong Village, Zhuangshi Road, Zhenhai District, Ningbo

Legal representative: Zhou Weijun

Registered capital: RMB450,000,000

Business scope: Real estate development, property management, and design and decoration construction

Ningbo Zhongwan is a wholly-owned subsidiary of Shanghai Vanke Changning Property Co., Ltd. (上海萬科長寧置業有限公司). Ningbo Vanke and CNAC Vanke Co., Ltd. (中航萬科有限公司) (“CNAC Vanke”) hold 15 per cent and 85 per cent equity interests in Shanghai Vanke Changning Property Co., Ltd. respectively.

CNAC Vanke is a property development joint venture between the Company, AVIC International Holding Limited and Beijing Raise Science Co., Limited. The Company owns 40 per cent equity interests in it.

The key financial indicators of Ningbo Zhongwan are as follows:

Unit: RMB'000

	As at 31 December 2011	As at 31 May 2012
Total assets	2,509,790	2,913,060
Total liabilities	2,068,900	2,477,700
Of which: Total bank borrowings	14,000	48,550
Total current liabilities	2,054,900	2,429,150
Contingency items	NIL	NIL
Net assets	440,880	435,360
Operating income	0	0
Total profit	(12,080)	(6,700)
Net profit	(9,070)	(5,520)

III. Main contents of the guarantee agreement

Ningbo Zhongwan took out a loan of RMB180 million from Ningbo Zhenhai Sub-branch of Bank of China. The term of the loan is 30 months. Of the total loan amount, RMB110 million was secured by Ningbo Zhongwan with the pledge of the land lot and construction-in-progress of Ningbo Dream Town Land Lot No. 1 Project, while Ningbo Vanke and CNAC Vanke provided RMB70 million joint liability guarantee according to the percentage of their shareholding. Accordingly, Ningbo Vanke undertook to provide an RMB10.5 million guarantee. The term of the guarantee is a two-year period starting from the maturity date of the main loan obligations under the loan agreement.

IV. Opinion of the board of directors

The objective of providing a guarantee for the relevant bank loan of Ningbo Zhongwan by Ningbo Vanke is to expedite the development of Ningbo Dream Town Land Lot No. 1 Project. The project is currently under construction, with good progress and satisfactory operation, and Ningbo Zhongwan has a relatively strong debt repayment capacity. While Ningbo Vanke provides a guarantee for the relevant bank loan of Ningbo Zhongwan, CNAC Vanke also provides a joint liability guarantee for the relevant bank loan according to the percentage of its shareholding. The provision of guarantee 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 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 2012, the outstanding amount of guarantees provided by the Company was RMB15,394 million, representing 29.06% of the audited net assets attributable to the shareholders of the Company as at the end of 2011. The outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for other majority-owned subsidiaries was RMB13,628 million, and the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associated companies and joint ventures was RMB1,766 million.

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 28 June 2012