



China Vanke Co., Ltd.

Announcement Regarding A Guarantee Provided By Guangzhou Vanke For A Bank Loan To Guangzhou Science City Land Lot B Project

I. Overview of the guarantee

To satisfy the development needs of Guangzhou Science City Land Lot B Project, Guangzhou Wanshang Property Development Company Limited (广州市万尚房地产有限公司) (“Guangzhou Wanshang”), being the operator of the said project, secured a loan of RMB400 million from Guangzhou Baiyun Sub-branch of China Construction Bank. Guangzhou Vanke Real Estate Co., Ltd. (广州市万科房地产有限公司) (“Guangzhou Vanke”), a wholly-owned subsidiary of China Vanke Co., Ltd. (the “Company”), provided a credit guarantee of RMB132 million for the said loan in accordance to the proportion to its equity interests.

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

II. Basic information on the principal of the guarantee

Name of company: Guangzhou Wanshang Property Development Company Limited

Date of establishment: September 2011

Registered office: Room 112, Tower 2, No. 257 Junye Road, East Section of Guangzhou Economic and Technological Development District

Legal representative: Tang Jiyang

Registered capital: RMB100,000,000

Business scope: Real estate development (excluding full site of land development, high-end hotels, villas, high-grade office buildings and international convention centers)

Guangzhou Vanke, Shenzhen China Merchants Property Development Co., Ltd. (深圳招商房地产有限公司) (“Shenzhen CM”) and Hangzhou Hanglong Property Management Co., Ltd. (杭州杭龙置业管理有限公司) (“Hanglong Property”) hold 33 per cent, 34 per cent and 33 per cent equity interests in Guangzhou Wanshang respectively.

As at 30 September 2012, the total assets, total liabilities and net assets of

Guangzhou Wanshang amounted to RMB1,335,288,400, RMB1,235,303,800 and RMB99,984,500 respectively. Guangzhou Wanshang had not generated any operating income, with a net loss of RMB79,000. Guangzhou Wanshang has not provided any guarantee nor pledged, and is not involved in any litigation.

III. Main contents of the guarantee agreement

Guangzhou Wanshang secured a loan of RMB400 million from Guangzhou Baiyun Sub-branch of China Construction Bank. The term of the loan is 36 months. Guangzhou Vanke undertook to provide an RMB132 million joint liability guarantee. 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 a guarantee for the said bank loan to Guangzhou Wanshang by Guangzhou Vanke is to expedite the development of Guangzhou Science City Land Lot B Project. The project is currently under construction, with smooth progress and satisfactory operation, and Guangzhou Wanshang has a relatively strong debt repayment capability. In conjunction with Guangzhou Vanke's provision of a guarantee for the said bank loan to Guangzhou Wanshang, other shareholders of Guangzhou Wanshang also provide a joint liability guarantee for the relevant bank loan in accordance to the proportion of their equity interests. 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 30 November 2012, the outstanding amount of guarantees provided by the Company was RMB12,299 million, representing 23.22% 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 RMB11,941 million, and the outstanding amount of guarantees provided by the Company and its majority-owned subsidiaries for associated companies and joint ventures was RMB358 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, 20 December 2012