



## **China Vanke Co., Ltd.**

# **Announcement Regarding the Cooperation on Shanghai Hongqiao Land Lot No. 11 Project**

### **I. About the cooperation**

To satisfy the development needs of Shanghai Hongqiao Land Lot No. 11 Project, Shanghai Vanke Investment Management Co., Ltd. (“Shanghai Vanke Investment”), a wholly-owned subsidiary of China Vanke Co., Ltd. (the “Company”), Shenzhen Huawei Yongsheng Management Co., Ltd. (深圳市華威永盛企業管理有限公司) (“Huawei Yongsheng”), and an investment partner (limited partnership) of Shenzhen Huawei Xincheng No. 1 (深圳市華威欣城一號) (“Huawei Xincheng”) entered into a cooperation agreement (“Agreement”) regarding Shanghai Hongqiao Land Lot No. 11 Project. Pursuant to the Agreement, Shanghai Vanke Investment will transfer 39 per cent equity interests of its wholly-owned subsidiary Shanghai Hutong Property Co., Ltd. (上海滬彤置業有限公司) (“Hutong Property”) to Huawei Xincheng. Hutong Property previously held 100 per cent equity interests in Shanghai Hongqiao Land Lot No. 11 Project. After the transfer of the above-mentioned equity interests, Huawei Xincheng will hold 39 per cent equity interests in Shanghai Hongqiao Land Lot No. 11 Project. The total consideration of this cooperation is approximately RMB868 million. Shanghai Hongqiao Land Lot No. 11 Project will be jointly developed by Shanghai Vanke Investment and Huawei Xincheng. Both parties will share the risks and returns of the project. Huawei Yongsheng, being a general partner of Huawei Xincheng, will provide joint liability to Shanghai Vanke Investment for all the obligations and responsibilities under the Agreement.

Harvest Capital Partners Limited and China Resources SZITIC Trust Co., Ltd., through their respective wholly-owned subsidiaries, hold 51 per cent and 49 per cent equity interests in Huawei Yongsheng respectively. China Resources Co., Ltd (“CRC”), being the Company’s single largest shareholder, holds 14.71 per cent of the Company’s total shares, and holds 100 per cent equity interests in Harvest Capital Partners Limited and 51 per cent equity interests in China Resources SZITIC Trust Co., Ltd. As such, the cooperation between Shanghai Vanke Investment, Huawei Yongsheng and Huawei Xincheng constituted a connected transaction.

At the Company’s 2011 annual general meeting, shareholders passed the resolution regarding continued cooperation with China Resources and authorized the board (the “Board”) of the Company to decide, within an amount of RMB10.59 billion, on the use of the funds under Harvest Capital Partners Limited and the trust funds under China Resources SZITIC Trust Co., Ltd., and the joint investment with Harvest Capital Partners Limited and China Resources SZITIC Trust Co., Ltd. For details, please

refer to the announcements of the Company on 30 March 2012 and 12 May 2012 respectively. The cooperation is within the scope of the authorization granted at the Company's 2011 annual general meeting.

The resolution regarding matters relating to the cooperation on Shanghai Hongqiao Land Lot No. 11 Project was submitted to the Board for consideration and voting by correspondence. The resolution was passed by the Board with 8 votes in favour, 0 vote against and 0 abstention. Qiao Shibo, Wang Yin and Jiang Wei, being connected directors, had abstained from voting on the resolution.

The said connected transaction does not constitute material assets reorganization prescribed under the "Measures for Administration of Material Assets Reorganization of Listed Companies", and therefore is not subject to approval by the relevant authorities.

## **II. Basic information on the connected party**

(1) Name of the connected party: Harvest Capital Partners Limited

Date of establishment: May 2006

Contact Address: 37th Floor, China Resources Building, Wanchai, Hong Kong

Type of company: Limited Liability Company

Business scope: Funds and assets management, and relevant business

(2) Name of the connected party: China Resources SZITIC Trust Co., Ltd.

Date of establishment: 24 August 1982

Registered office: 10th-12th Floor, Tower 3, Kerry Plaza, 1-1 Zongxinsi Road, Futian, Shenzhen

Legal representative: Jiang Wei

Registered capital: RMB2.63 billion

Type of company: Limited Liability Company

Business scope: Fiduciary of funds; trust of movable property; trust of real estate; trust of negotiable instruments; trust of any other property or property rights; to engage in investment fund business as a promoter of an investment fund or fund management company; to conduct such businesses as the reorganization, purchase and merger of enterprise assets, fund-raising for project, corporation finance and financial consultation, etc.; to conduct securities underwriting businesses upon commission as approved by the related departments under the State Council; to conduct such businesses as brokerage, consultation and credit investigation, etc.; to provide safe-keeping services upon commission and to operate the business of safety-deposit boxes; to use the existing property to conduct inter-bank deposits, inter-bank lending, lending, lease and investment; to use the existing property to provide guarantees for other parties; to engage in interbank lending and borrowing; other businesses as prescribed by law and regulations or as approved by China Banking Regulatory Commission.

China Resources Co., Limited, being the Company's single largest shareholder, holds 14.71 per cent of the Company's total shares. It holds 100 per cent equity

interests in Harvest Capital Partners Limited through its wholly-owned subsidiary and holds 51 per cent equity interests in China Resources SZITIC Trust Co. Ltd.

### **III. Main contents of the Agreement**

Shanghai Vanke Investment will transfer its 39 per cent equity interests in Hutong Property to Huawei Xincheng. The total consideration of the cooperation is approximately RMB867 million. Shanghai Vanke Investment and Huawei Xincheng will jointly develop Shanghai Hongqiao Land Lot No. 11 Project in the proportion of their respective shareholding of 61 per cent and 39 per cent. Both of them will undertake an investment amount and share the operating risk and profits of the project in the proportion of their respective shareholdings.

### **IV. Basis for the determination of the consideration**

As at 1 January 2013, Hutong Property has total assets of RMB10,037,500, total liabilities of RMB5,050,000, net assets of RMB4,987,500, no operating revenue and net loss of RMB560. Shanghai Vanke Investment has invested RMB2,034,496,700 in Shanghai Hongqiao Land Lot No. 11 Project in the pre-construction phase.

The consideration of the cooperation is determined based on the factors, including net assets of Hutong Property, the amount invested by Hutong Property in the project in the pre-construction phase and the reasonable cost of capital.

### **V. The purpose of the cooperation and the impact on the Company**

This cooperation can help speed up the development of Shanghai Hongqiao Land Lot No. 11 Project, increase the operating efficiency of the project, and is conducive to enhancing capital utilization efficiency and returns.

### **VI. The aggregate amount of connected transactions entered into with the said connected parties from the beginning of the year to the date of announcement**

From the beginning of the year to the date of this announcement, the Company did not enter into any connected transactions with Harvest Capital Partners Limited and China Resources SZITIC Trust Co., Ltd.

The accumulated amount of the connected transactions entered into between the Company and China Resources SZITIC Trust Co., Ltd. was RMB4.1 billion, which is within the scope of authorization granted through the passing of the resolution regarding cooperation with China Resources at the Company's 2011 first extraordinary general meeting and the passing of the resolution regarding continued cooperation with China Resources at the Company's 2011 annual general meeting in 2012.

## **VII. Opinion of independent directors**

All the independent directors unanimously agreed on the cooperation on Shanghai Hongqiao Land Lot No. 11 Project. They are of the opinion that the cooperation can help speed up the development of the project, enhance capital utilization efficiency and returns. Matters relating to the cooperation and relevant decision-making process are in compliance with the relative requirements of the Company Law, Securities Law, Rules Governing Listing of Stocks on Shenzhen Stock Exchange and the Articles of Association of the Company. The cooperation is in the interest of the listed company and shareholders, and does not prejudice the interests of minority shareholders and non-interested shareholders.

Board of Directors  
China Vanke Co., Ltd.

Shenzhen, 6 February 2013