



China Vanke Co., Ltd.

Announcement Regarding Submission of Resolution on Continued Cooperation With China Resources to Shareholders' Meeting For Consideration

I. Overview of the cooperation

The ninth meeting (“Meeting”) of the sixteenth board (the “Board”) of directors (“Directors”) of China Vanke Co., Ltd. (“Vanke” or “the Company”) resolved to submit to a shareholders’ meeting for consideration the resolution regarding the grant of authority to the Board to determine, within the scope mentioned below, the continued cooperation with China Resources (Holdings) Co., Limited and its connected companies (collectively “China Resources”), including entering into loan agreements with China Resources Bank of Zhuhai Co., Ltd., using the trust funds under China Resources SZITIC Trust Co., Ltd. and the funds under Harvest Capital Partners Limited, and joint investment with China Resources SZITIC Trust Co., Ltd. and Harvest Capital Partners Limited.

China Resources (Holdings) Co., Limited is a wholly-owned subsidiary of China Resources Co., Limited (“CRC”), which is the single largest shareholder of the Company. The related cooperation will thus constitute connected transactions of the Company.

The resolution regarding the cooperation was considered and passed by the Board with 8 votes in favour, 0 vote against and 0 abstention. Director Qiao Shibo, Director Wang Yin and Director Jiang Wei, being connected Directors, had abstained from voting on the resolution.

At the time the resolution regarding the cooperation being considered by the shareholders’ meeting, connected shareholders of China Resources will abstain from voting on the relevant resolution.

The said connected transactions do not constitute material assets reorganization prescribed under the “Measures for Administration of Material Assets Reorganization of Listed Companies”, and therefore are not subject to approval from the relevant authorities.

II. Basic information on the connected parties

(1) China Resources Bank of Zhuhai Co., Ltd.,
Date of establishment: 23 December 1996

Registered office: CRBC Building, No. 1346, East Jiuzhou Road, Jida, Zhuhai city
Legal representative: Jiang Wei
Registered capital: RMB5,637,837,183
Type of company: joint stock limited company
Business scope: Financial businesses as approved by China Banking Regulatory Commission

(2) China Resources SZITIC Trust Co., Ltd.

Date of establishment: 24 August 1982

Registered office: 10th-12th Floor, Tower Three, Kerry Plaza, 1-1 Zhongxin Si 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, acquisition and merger of corporate assets, fund-raising for project, corporate financial management 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.

(3) Harvest Capital Partners Limited

Date of establishment: May 2006

Registered office: 37/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Type of company: Limited liability company

Business scope: Funds and assets management and other related businesses

CRC, being the Company's largest shareholder, holds 14.72 per cent of the Company's total shares as at the end of 2012, 75.33 per cent equity interests in China Resources Bank of Zhuhai Co., Ltd., and 51 per cent equity interests in China Resources SZITIC Trust Co., Ltd. China Resources (Holdings) Co., Ltd., a wholly-owned subsidiary of CRC, holds 100 per cent equity interests in Harvest Capital Partners Limited via a wholly-owned subsidiary. Cooperation between the Company and China Resources Bank of Zhuhai Co., Ltd., China Resources SZITIC Trust Co., Ltd. and Harvest Capital Partners Limited thus constitutes connected transactions.

III. Connected transactions

The Board agreed to submit to the shareholders' meeting for consideration the resolution regarding the grant of authority to the Board to determine, within the scope mentioned below, entering into loan agreements with China Resources Bank of Zhuhai Co., Ltd., using the trust funds under China Resources SZITIC Trust Co., Ltd. and the funds under Harvest Capital Partners Limited, and joint investment with China Resources SZITIC Trust Co., Ltd. and Harvest Capital Partners Limited. The aggregate amount of the new loans, capital from the funds and joint investment each year shall not be more than RMB12.7 billion (i.e. not more than 20% of the Company's audited net assets value as at the end of 2012). The granted authority is valid for two years from the passing of the relevant resolution at a shareholders meeting.

IV. Basis of price determination for the connected transactions

1. The cost of capital of the loan obtained from China Resources Bank of Zhuhai Co., Ltd., Ltd. shall not be higher than that under the terms of cooperation with other commercial banks.
2. The project company jointly established with China Resources SZITIC Trust Co., Ltd. or Harvest Capital Partners Limited shall be an equity joint venture, with each party holding the same type of shares carrying the same voting rights, while profits and risks shall be equally shared by all parties.
3. The cost of debt financing from China Resources SZITIC Trust Co., Ltd. or Harvest Capital Partners Limited shall be determined with reference to the prevailing market price and the characteristics of the projects and the terms of such financing shall not be worse than the terms obtained from an independent third party.

V. Objectives of the connected transactions and impact on the Company

The related cooperation will fully leverage China Resources' financial strengths and platform, which will enable the Company to broaden its financing channels, strengthen its ability to avert risk, accelerate its development, enhance return on assets, and create synergies to achieve a win-win situation.

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 up to the publication date of this announcement, 39 per cent equity interests in Shanghai Hongqiao Project No. 11 held by Shanghai Vanke Investment Management Co., Ltd., a wholly-owned subsidiary of the Company, was transferred to Shenzhen Huawei Xincheng No. 1 Partnership Enterprise (limited partnership), and both parties will jointly develop Shanghai Hongqiao Project No. 11. Harvest Capital Partners Limited and China Resources SZITIC Trust Co., Ltd. respectively hold 51 per cent and 49 per cent equity interests in Shenzhen Huawei Yongsheng Management Co., Ltd., which is an ordinary partner of Shenzhen Huawei

Xincheng No. 1 Partnership Enterprise (limited partnership). The total investment of Shanghai Hongqiao Project No. 11 amounted to RMB4.34 billion. Saved from the abovementioned, the Company had not been involved in other connected transactions with the related connected parties.

VII. Prior approval and independent opinion of independent directors

Independent directors of the Company had given a written prior approval before the Board's consideration of the relevant cooperation, and agreed to submit the relevant matters to the Board for consideration.

All the independent directors unanimously are of the view that the Company's financial cooperation with China Resources will enable the Company to better utilize its shareholder's resources and broaden its financing channels, which will facilitate the Company's expansion, increase its ability to avert risk and enhance return on assets. The matters regarding the cooperation and the related decision making procedure are in compliance with the relevant requirements of the Company Law, the Securities Law, the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange and Company's Articles of Association. The cooperation is in the interests of the Company and its shareholders as a whole, and does not prejudice the interests of the Company and other shareholders, especially the small and medium shareholders and non-connected shareholders.

VIII. Documents for inspection

1. Voting results of the resolution regarding the continued cooperation with China Resources at the ninth meeting of the sixteenth Board;
2. Written prior approval of the continued cooperation with China Resources from the independent Directors of the sixteenth Board;
3. Independent opinions on the resolution regarding the continued cooperation with China Resources of the independent Directors of the sixteenth Board;
4. Voting results of the resolution regarding the continued cooperation with China Resources at the thirteen meeting of the seventh Supervisory Committee.

Board of Directors
China Vanke Co., Ltd.

Shenzhen, 28 February 2013