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vanke

CHINA VANKE CO., LTD.*

萬科企業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2202)

**DISCLOSEABLE TRANSACTION
ENTERING INTO THE GUANGZHOU WANXI COOPERATIVE AGREEMENT**

On 29 June 2020 (after trading hours of the Stock Exchange), Guangzhou Vanke, a wholly-owned subsidiary of the Company, Guangzhou Wanxi, a direct wholly-owned subsidiary of Guangzhou Vanke before the completion of the Guangzhou Wanxi Cooperative Agreement, and the Investor have entered into, among other things, the Guangzhou Wanxi Cooperative Agreement.

In accordance with the Guangzhou Wanxi Cooperative Agreement, Guangzhou Vanke will transfer the Target Equity to the Investor with the price of RMB7.04 billion (equivalent to approximately HKD7.71 billion, prepaid premium of RMB3.04 billion inclusive) as Cooperation Consideration. The market value of the Target Equity has been valued by JLL Hong Kong with the valuation method of asset-based approach. The Investor will provide a shareholder loan of RMB7.04 billion to Guangzhou Wanxi to repay part of the Group's borrowings previously provided to Guangzhou Wanxi, Guangdong Trust Real Estate and Guangzhou Real Estate Branch, Guangzhou Wanxi will apply to financial institutions for a merger and acquisition loan of not more than RMB33.0 billion, of which RMB24.96 billion (equivalent to approximately HKD27.32 billion) will be used to repay the Group's borrowings previously provided to Guangzhou Wanxi, Guangdong Trust Real Estate and Guangzhou Real Estate Branch. The Group will be able to recover a total of RMB39.04 billion (equivalent to approximately HKD42.73 billion) of funds.

Upon the completion of such Cooperation, the percentage of shareholding held by the Group in Guangzhou Wanxi will be reduced from 100% to 50% and Guangzhou Wanxi will cease to be a subsidiary of the Group, and its financial results will no longer consolidate into the consolidated financial statements of the Group.

INTRODUCTION

References are made to the announcements of the Company dated 30 June 2017, 7 July 2017, 27 July 2017 and 9 January 2019, in relation to the acquisition of distressed assets package (i.e. Certain Assets of Guangdong International Trust) by Guangzhou Wanxi, an indirect wholly-owned subsidiary of the Company.

The Board is pleased to announce that, on 29 June 2020 (after trading hours of the Stock Exchange), Guangzhou Vanke, a wholly-owned subsidiary of the Company, Guangzhou Wanxi, a direct wholly-owned subsidiary of Guangzhou Vanke before the completion of the Guangzhou Wanxi Cooperative Agreement, and the Investor have entered into, among other things, the Guangzhou Wanxi Cooperative Agreement.

In accordance with the Guangzhou Wanxi Cooperative Agreement, Guangzhou Vanke will transfer the Target Equity to the Investor with the price of RMB7.04 billion (equivalent to approximately HKD7.71 billion, prepaid premium of RMB3.04 billion inclusive) as Cooperation Consideration. The market value of the Target Equity has been valued by JLL Hong Kong with the valuation method of asset-based approach. The Investor will provide a shareholder loan of RMB7.04 billion to Guangzhou Wanxi to repay part of the Group's borrowings previously provided to Guangzhou Wanxi, Guangdong Trust Real Estate and Guangzhou Real Estate Branch, Guangzhou Wanxi will apply to financial institutions for a merger and acquisition loan of not more than RMB33.0 billion, of which RMB24.96 billion (equivalent to approximately HKD27.32 billion) will be used to repay the Group's borrowings previously provided to Guangzhou Wanxi, Guangdong Trust Real Estate and Guangzhou Real Estate Branch. The Group will be able to recover a total of RMB39.04 billion (equivalent to approximately HKD42.73 billion) of funds.

Upon the completion of such cooperation, the percentage of shareholdings being held by the Group in Guangzhou Wanxi will be reduced from 100% to 50% and Guangzhou Wanxi will cease to be a subsidiary of the Group, and its financial results will no longer to be consolidated into the consolidated financial statements of the Group.

PRINCIPAL TERMS OF THE GUANGZHOU WANXI COOPERATIVE AGREEMENT

The principal terms of the Guangzhou Wanxi Cooperative Agreement are set out as below:

Date

29 June 2020 (after trading hours of the Stock Exchange)

Parties

- (a) Guangzhou Vanke;
- (b) Guangzhou Wanxi; and
- (c) the Investor.

The cooperation with Guangzhou Wanxi

In accordance with the Guangzhou Wanxi Cooperative Agreement, Guangzhou Vanke will transfer the Target Equity to the Investor at a Cooperation Consideration of RMB7.04 billion (equivalent to approximately HKD7.71 billion, prepaid premium of RMB3.04 billion inclusive). The Tianhe Software Park Project, obtained by Guangzhou Wanxi before the acquisition of Certain Assets of Guangdong International Trust, is not included in the Guangzhou Wanxi Cooperative Agreement, Guangzhou Vanke and the Investor agreed that, the remaining assets and all interests arising from the Tianhe Software Park Project are owned by Guangzhou Vanke, all its corresponding obligations are borne by Guangzhou Vanke.

Payment of the Cooperation Consideration and delivery of the Target Equity

The Investor will pay in full the Cooperation Consideration to the bank account designated by Guangzhou Vanke by the second Business Day from the date of the establishment of the Trust Scheme in accordance with the Trust Contract.

Guangzhou Vanke shall cooperate with the Investor to complete the industrial and commercial registration with the relevant PRC authorities, including to register the change of the Target Equity in the name under the Investor, completing the relevant arrangements in relation to corporate governance and completing the filing with the relevant PRC authorities), and submit the corresponding documents (the “**Industrial and Commercial Registration**”). Upon the completion of the Industrial and Commercial Registration, it is deemed to be the delivery of the Target Equity (“**Delivery of Target Equity**”).

Performance Requirement

Guangzhou Vanke and the Investor agreed that, if Guangzhou Wanxi, with all efforts, within five (5) years from the date of entering into the Guangzhou Wanxi Cooperative Agreement, strives as much as possible to obtain the approval documents of not less than 2.1098 million sq.m. of interested floor area from the related PRC authorities in respect of the Target Land (the “**Performance Requirement**”), and receive no objection from the Investor after fifteen (15) Business Days from sending notification to be Investor, then Guangzhou Vanke can recognize the transfer of the prepaid premium of RMB3.04 billion (equivalent to approximately HKD3.33 billion) into the same amount of equity premium of the Cooperation Consideration.

Exercise of Subscription Options if not meeting the Performance Requirement

If Guangzhou Wanxi fails to meet the Performance Requirement, Guangzhou Vanke may, at its discretion, exercise any of the following Subscription Options after five (5) years from the date of receipt of Investor Shareholders’ Borrowings by Guangzhou Wanxi (as defined below) (“**Exercise of Rights**”):

- (a) Guangzhou Vanke agreed to have the options in the redemption of the equity in Guangzhou Wanxi held by the Investor at the Market Fair Value or at the Adjusted Shareholders Contribution Amount by Investor, and undertake the debt of Guangzhou Wanxi held by the Investor. The proportion of shareholding in the redemption (and undertake the debt of Guangzhou Wanxi held by the Investor) shall be not less than 50% of the equity shareholding in Guangzhou Wanxi held by the Investor (i.e. 25% of the total equity in Guangzhou Wanxi); or

- (b) Guangzhou Vanke agreed that the Investor should seek to acquire the equity in Guangzhou Wanxi held by the Investor from a non-related third party(ies), and undertake the debt of Guangzhou Wanxi held by the Investor, and agree to sell the equity in Guangzhou Wanxi held by Guangzhou Vanke and the debt of Guangzhou Wanxi held by Guangzhou Vanke to a non-related third party(ies) simultaneously. The 100% equity in Guangzhou Wanxi and the consideration of the debt of Guangzhou Wanxi held by Guangzhou Vanke and the Investor shall be determined based on the Market Fair Value.

Investor Shareholders' Borrowings

The Investor has agreed to provide interest-bearing shareholders' borrowings in the amount of RMB7.04 billion ("**Investor Shareholders' Borrowings**") to Guangzhou Wanxi, which to be used for repayment of part of its shareholders' borrowings within five (5) Business Days from the date of satisfaction of the following conditions:

- 1) Guangzhou Wanxi has issued written application regarding provision of the Investor Shareholder's Borrowing to the Investor;
- 2) a registered capital of RMB8.0 billion has been paid up by Guangzhou Vanke to Guangzhou Wanxi;
- 3) Delivery of Target Equity;
- 4) Guangzhou Wanxi and the Investor have imposed joint administration on the official seal of the project companies of Guangzhou Wanxi imposed joint administration, Guangdong Trust Real Estate and Guangzhou Real Estate Branch and project companies of Certain Assets of Guangdong International Trust (if applicable) and private seal of legal representative(s);
- 5) Guangzhou Wanxi has opened a fund-pooled account;
- 6) an amount of RMB7.04 billion is successfully raised in accordance with the provisions of the Trust Contract;
- 7) the Investor has fully received the payable trust security fund in accordance with the requirements of the PRC laws and regulations towards the trust industry.

Merger and Acquisition Loan

Within three (3) months from the date of the Delivery of Target Equity, Guangzhou Wanxi will take the opportunity to apply to financial institutions for a merger and acquisition loan of not more than RMB33.0 billion (equivalent to approximately HKD36.12 billion) (the "**Merger and Acquisition Loan**"), of which RMB24.96 billion (equivalent to approximately HKD27.32 billion) will be used to repay the Group's borrowings provided to Guangzhou Wanxi, Guangdong Trust Real Estate and Guangzhou Real Estate Branch. The remaining portion of the Merger and Acquisition Loan will be used by Guangzhou Wanxi to pay part of the consideration for the acquisition of Certain Assets of Guangdong International Trust Investment Corporation.

Remedial measures for the Merger and Acquisition Loan

If the Merger and Acquisition Loan is not fully placed upon the expiration of three (3) months from the date of Delivery of Target Equity (the “**Application Period for Loans**”), 50% of the part of the funds that are outstanding will be fully funded by Part of Appointer of Trust Scheme and it will be provided to Guangzhou Wanxi within thirty (30) Business Days upon the Expiration of the Application Period for Loans. If Part of Appointer of Trust Scheme fails to provide the shortfall funds of the Merger and Acquisition Loan to Guangzhou Wanxi pursuant to the above-mentioned request, without prejudice to the settlement of the debts of the Investor’s borrowings, the Group is entitled to elect to convert all or part of the debts in Guangzhou Wanxi entitled to the Group into equity.

If Guangzhou Wanxi fails to fully repay RMB24.96 billion to Guangzhou Vanke within three (3) Business Days upon the Expiration of the Application Period for Loans, Guangzhou Wanxi shall pay interests to the Group in accordance with the outstanding amount and occupied time length from the next day of three (3) Business Days after the Expiration of Application Period for Loans until the date of fully settlement made to Guangzhou Vanke.

CORPORATE GOVERNANCE ARRANGEMENTS OF GUANGZHOU WANXI

Shareholders’ Meeting of Guangzhou Wanxi

Guangzhou Vanke and the Investor agreed to amend the Articles of Association of Guangzhou Wanxi, which require, among other things, the amendment to the Articles of Association, the resolution to increase or reduce the registered capital, and the resolution to merge, divide, dissolve or change the form of the company must be passed by two-thirds or more of the voting rights from shareholders, and other matters required to be submitted to the shareholders’ meeting for consideration in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”) or the Articles of Association of Guangzhou Wanxi shall be approved by more than one-half of the voting rights from shareholders.

The board of directors, supervisory committee and management of Guangzhou Wanxi

Upon completion of the Cooperation, the board of directors of Guangzhou Wanxi will comprise five directors. Each of Guangzhou Vanke and the Investor shall be entitled to nominate two directors, respectively. The remaining external director will be nominated by Guangzhou Vanke and jointly appointed by Guangzhou Vanke and the Investor. The chairman of Guangzhou Wanxi will be served by a director nominated by Guangzhou Vanke.

Besides specific matters, including determining the annual operation, sales, return of profits, profit creation and profit settlement plans of Guangzhou Wanxi, formulating the annual financial budget and resolution plans of Guangzhou Wanxi and adjusting the budget for the next year according to the actual situation, formulating the profit distribution and loss recovery plan, formulating plans for merger, division, dissolution or change the form of the company, formulating the amendment proposal on the articles of association, adding guarantees provided to third parties (excluding mortgage guarantee), significant external investments (such in relation to settle historical unsolved problems of Certain Assets of Guangdong International Trust excluded), external financing, significant debt settlement, material external assets disposals, transferring lands or relevant assets of Certain Assets of Guangdong International Trust to entities other than wholly-owned subsidiaries of Guangzhou Wanxi, transferring the equity of the project companies of Certain Assets of Guangdong International Trust held by Guangdong Trust Real Estate and Guangzhou Real Estate Branch to entities other than wholly-owned subsidiaries of Guangzhou Wanxi, are subject to the unanimous consent from the directors of Guangzhou Wanxi, resolutions submitted to the board of directors of Guangzhou Wanxi in accordance with the Company Laws of the PRC or the Articles of Association of Guangzhou Wanxi are subject to the approval of more than half (half inclusive) of all directors.

Guangzhou Wanxi does not have a supervisory committee and has 1 supervisor who is nominated by the Group.

The general manager of Guangzhou Wanxi (“**General Manager of Guangzhou Wanxi**”) and the financial director are held by the personnel nominated by the Group. The deputy general manager of Guangzhou Wanxi will be nominated by the General Manager of Guangzhou Wanxi and appointed by the board of Guangzhou Wanxi.

INFORMATION ON THE PARTIES IN RELATION TO THE ENTERING INTO THE GUANGZHOU WANXI COOPERATIVE AGREEMENT

Information of the Company

The Company is a property developer located in the PRC, its principal businesses are property development and property management.

Information of Guangzhou Vanke

Guangzhou Vanke is a limited liability company established in accordance with the laws of the PRC and is wholly-owned by the Company. It is principally engaged in real estate development and operation, enterprise headquarters management and construction of housing construction works.

Information of Guangzhou Wanxi

Guangzhou Wanxi is a limited liability company established in accordance with the laws of the PRC. Its operating scope includes enterprise management services (save for those involved in permitted operations), enterprise headquarters management, investment consultation services, property management and house leasing. Upon the completion of the Cooperation, Guangzhou Wanxi will be 50% equity owned by Guangzhou Vanke and the Investor, respectively.

In accordance with the audited financial statements prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, the financial position of Guangzhou Wanxi for the years ended 31 December 2018 and 2019 and the quarter ended 31 March 2020 are summarized as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the quarter ended 31 March 2020
	(audited)	(audited)	(audited)
	<i>(RMB thousand)</i>	<i>(RMB thousand)</i>	<i>(RMB thousand)</i>
Profit before deducting taxation and non-recurring gains and losses	-467,438.09	-423,395.24	-10,002.19
Profit after deducting taxation and non-recurring gains and losses	-327,424.91	-363,955.34	-7,466.47
			As at 31 March 2020
			(audited)
			<i>(RMB thousand)</i>
Total asset			19,413,922.62
Net asset			7,143,681.38

Note: The above data is audited by Baker Tilly, excluding the Tianhe Software Park Project.

In accordance with the asset-based approach applied by the independent valuer, JLL Hong Kong, as the valuation method, and conducted valuation on the market value of the 100% interests attributable to the owners in Guangzhou Wanxi, the valuation report as at the valuation base date, i.e. 31 March 2020, provided after the conduction of valuation, the valuation of the market value of 100% equity attributable to the owners of Guangzhou Wanxi is approximately RMB9.812 billion (equivalent to approximately HKD10.74 billion).

Upon the completion of the Cooperation, the percentage of shareholdings held by the Group in Guangzhou Wanxi will be reduced from 100% to 50% and Guangzhou Wanxi will cease to be a subsidiary of the Group, and its financial results will no longer consolidate into the consolidated financial statements of the Group. Based on the International Financial Accounting Standards, if the Performance Requirement under the Guangzhou Wanxi Cooperative Agreement are satisfied, the Group is expected to record an accumulative investment gain of approximately RMB3.479 billion (equivalent to approximately HKD3.81 billion) from the Cooperation, and the profit attributable to the shareholders of the Company is approximately RMB2.610 billion (equivalent to approximately HKD2.86 billion).

Investor

The Trust Scheme as mentioned in this announcement is a trust scheme with CITIC Trust as the main trustee. CITIC Trust is mainly engaged in fund trust, chattel trust, real estate trust, negotiable securities trust and other assets or property rights trust and etc.. The main principal and the beneficiary of the Investor are the Trust Scheme Investors.

Trust Scheme Investors

Members of the Trust Scheme Investors include Cinda Asset, it holds 50% of the Trust Scheme; Shenzhen Lvjinghuacheng, which holds 20% of the Trust Scheme; Shanghai Ruitang, which holds 7.5% of the Trust Scheme; Shenzhen Linzhukaiyue, which holds 7.5% of the Trust Scheme; Shenzhen Jingyang Investment, which holds 5% of the Trust Scheme; Shenzhen Qinsheng, which holds 5% of the Trust Scheme; Shenzhen Xingyuan, which holds 5% of the Trust Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Investor, the Trust Scheme Investors and their ultimate beneficial owner(s) are third parties independent to the Company and its connected persons (as defined under the Listing Rules).

REASONS AND BENEFITS FOR THE ENTERING INTO THE GUANGZHOU WANXI COOPERATION AGREEMENT

The Investor is aware of the risks and potential opportunities of the project, and it has the investment risk tolerance, as well as mutual understanding with the Group, which is conducive to the rapid promotion of the project, it can also utilize of the Investor's professional experience in distressed asset operation, city renovation and reconstruction and other aspects and introduce more integrated resources. Through the Cooperation, the Group and the Investor will jointly advance the project development to further enhance the asset value.

The Directors are of the view that the terms of the Guangzhou Wanxi Cooperation Agreement are entered into on normal commercial terms after arm's length negotiations between the parties, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As a result of the completion of such Cooperation, the percentage of equity in Guangzhou Wanxi held by the Company will be reduced from 100% to 50%, and the transaction under the Guangzhou Wanxi Cooperation Agreement will be treated as disposal of the Company in accordance with Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the Guangzhou Wanxi Cooperation Agreement exceeds 5% but is less than 25%, the entering into of the Guangzhou Wanxi Cooperation Agreement constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The exercise of the Subscription Options is subject to the discretion of Guangzhou Vanke. Pursuant to Rule 14.75(1) of the Listing Rules, in granting of Subscription Options, consideration is only given to premium for the purposes of the classification of recognised transactions. As no premium is payable on the grant of Subscription Options, such grant will not constitute a disclosable transaction of the Company.

The Company will comply with the applicable Listing Rules when it exercises the Subscription Options.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adjusted Shareholder’s Contribution Amount by Investor”	the sum of the Cooperation Consideration paid by the Investor and principal and interest of the shareholder loan provided to Guangzhou Wanxi, deducting the sum of profit distribution, principal and interest, etc., of Guangzhou Wanxi before the Exercise of Rights in Guangzhou Vanke received by the Investor, multiplying the amount calculated by the shareholding proportion of Guangzhou Wanxi repurchased by Guangzhou Vanke and the shareholding proportion of Guangzhou Wanxi held by the Investor before the Exercise of Rights by Guangzhou Vanke
“Baker Tilly”	Baker Tilly China Certified Public Accountants (Special General Partnership), a comprehensive consultation organisation established in the PRC, with securities and futures related qualifications and audit qualification for A+H Listed companies
“Board”	the board of directors of the Company
“Business Day(s)”	calendar days except Saturdays, Sundays and national holidays in the PRC

“Certain Assets of Guangdong International Trust”	the “Target Land”, the equity and gains from the rights of creditors of Guangdong Trust Real Estate and Guangzhou Real Estate Branch held by Guangdong International Trust & Investment Corporation, obtained by Guangzhou Wanxi through an open bidding on 30 June 2017, details of which may refer to the announcement of the Company dated 7 July 2017
“Cinda Asset”	China Cinda Asset Management Co., Ltd., a joint stock company established in the PRC, its shares are listed on the Hong Kong Stock Exchange (stock code: 01359, preference share stock code: 04607), its principle businesses are acquisition, entrusted operation of distressed assets of financial institutions and non-financial institutions, management, investment and disposal, etc., of distressed assets, whose de facto controller is the Ministry of Finance of the PRC
“CITIC Trust”	CITIC Trust Co., Ltd., a limited liability company established in the PRC, is a professional financial institution of operating entrusted business approved and registered through the China Banking and Insurance Regulatory Commission, has the right to commence entrusted business as trustees under the laws, and established the Trust Scheme pursuant to the laws of the PRC
“Company”	China Vanke Co., Ltd* (萬科企業股份有限公司), a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 2202) and the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002)
“Cooperation”	the transfer of Target Equity to the Investor by Guangzhou Vanke and the acquisition of Target Equity by the Investor in accordance with the Guangzhou Wanxi Cooperative Agreement
“Cooperation Consideration”	the total maximum amount of consideration of RMB7.04 billion for the transfer of the Target Equity by Guangzhou Vanke pursuant to the Guangzhou Wanxi Cooperative Agreement
“Corporate Governance Arrangements”	has the meaning as described in the paragraph “Corporate Governance Arrangements of Guangzhou Wanxi” in this announcement
“Director(s)”	the director(s) of the Company
“GFA”	the gross floor area
“Group”	the Company and its subsidiaries

“Guangdong International Trust”	Guangdong International Trust & Investment Corporation (廣東國際信託投資公司), a whole people enterprise established by Guangdong Provincial Government in the PRC on 19 March 1984, and declared bankrupt by the High People’s Court on 16 January 1999
“Guangdong Trust Real Estate”	formerly known as Guangdong Trust Real Estate Development Corporation (廣東省信託房產開發公司), a whole people enterprise established by Guangdong International Trust in the PRC on 10 June 1987, currently has renamed Guangdong Trust Real Estate Development Co., Ltd.* (廣東省信託房產有限開發公司), and restructured and converted into a limited liability company in August 2019
“Guangzhou Real Estate Branch”	Guangzhou real estate branch of Guangdong International Trust Investment Corporation* (廣東國際信託投資公司廣州房地產分公司), a whole people enterprise established in the PRC on 15 July 1988, currently has renamed as Guangzhou Guangxin Real Estate Co., Ltd. (廣州廣信地產有限公司), and restructured and converted into a limited liability company in December 2019
“Guangzhou Vanke”	Guangzhou Vanke Real Estate Co., Ltd., a wholly-owned subsidiary of the Company
“Guangzhou Wanxi”	Guangzhou Wanxi Enterprise Management Co., Ltd.
“Guangzhou Wanxi Cooperative Agreement”	among other things, the “Cooperative Agreement between CITIC Trust Co., Ltd. (representing CITIC Trust and Guangzhou Wanxi Equity Investment Collective Fund Trust Scheme) and Guangzhou Vanke Enterprises Co., Ltd. in relation to Guangzhou Wanxi Enterprises Management Co., Ltd.” entered into by Guangzhou Vanke, Guangzhou Wanxi and the Investor on 29 June 2020 (after trading hours of the Stock Exchange)
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Investor”	CITIC Trust (representing the Trust Scheme)
“JLL Hong Kong”	Jones Lang LaSalle Corporate Appraisal Advisory Limited, a company incorporated in Hong Kong with limited liability with qualifications for securities and futures assessment and relevant qualifications for providing listing and financial valuation services to global capital markets such as the United Kingdom, the United States, Japan, Hong Kong and Singapore
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Market Fair Value”	the valuation obtained according to methods generally accepted in the market, including but not limited to, appointing independent third-party asset appraisal company to adopt appropriate fair value methods, such as market approach or hypothetical development method, to conduct valuation on the equity of Guangzhou Wanxi
“Part of Appointer of Trust Scheme”	Shenzhen Lvjinghuacheng, Shanghai Ruitang, Shenzhen Linzhukaiyue, Shenzhen Jingyang Investment, Shenzhen Xingyuan and Shenzhen Qinsheng
“Parties”	collectively referred as, Guangzhou Vanke, Guangzhou Wanxi and the Investor
“PRC”	The People’s Republic of China, for solely purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Ruitang”	Shanghai Ruitang Enterprise Management Co., Ltd.* (上海瑞塘企業管理有限公司), a limited liability company established in the PRC and holding 7.5% of the Trust Scheme
“Shareholder(s)”	shareholders of the Company
“Shenzhen Jingyang Investment”	Shenzhen Jingyang Investment Development Co., Ltd.* (深圳市景陽投資發展有限公司), a limited liability company established in the PRC and holding 5% of the Trust Scheme
“Shenzhen Linzhukaiyue”	Shenzhen Linzhukaiyue Investment Development Co., Ltd.* (深圳市琳珠凱粵投資有限公司), a limited liability company established in the PRC and holding 7.5% of the Trust Scheme
“Shenzhen Lvjinghuacheng”	Shenzhen Lvjinghuacheng Industrial Development Co., Ltd.* (深圳市綠景華城實業發展有限公司), a limited liability company established in the PRC and holding 20% of the Trust Scheme
“Shenzhen Qinsheng”	Shenzhen Qinsheng Enterprise Management Co., Ltd.* (深圳勤升企業管理有限公司), a limited liability company established in the PRC and holding 5% of the Trust Scheme
“Shenzhen Xingyuan”	Shenzhen Xingyuan Enterprise Management Co., Ltd.* (深圳市興遠企業管理有限公司), a limited liability company established in the PRC and holding 5% of the Trust Scheme
“Sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Option”	has the relevant meaning as described in the paragraph “Exercise of subscription options if not meeting the Performance Requirement” in this announcement
“Target Land”	21 lands owned by Guangdong Trust Real Estate and Guangzhou Real Estate Branch, mainly located in Liwan District and Yuexiu District, Guangzhou, the estimated development area of the corresponding interests is approximately 2,109,800 sq.m. (subject to the final planning)
“Target Equity”	Guangzhou Vanke will transfer its 50% equity in Guangzhou Wanxi to the Investor and the corresponding shareholders rights and obligations in accordance with the Guangzhou Wanxi Cooperative Agreement
“Tianhe Software Park Project”	project acquired and development by Guangzhou Wanxi before acquired Certain Assets of Guangdong International Trust
“Trust Contract”	Trust contract for CITIC Trust • Guangzhou Wanxi Equity Investment Collective Fund Trust Scheme, entered between the Trust Scheme Investors and CITIC Trust for the establishment of the Trust Scheme
“Trust Scheme”	CITIC Trust • Guangzhou Wanxi Equity Investment Collective Fund Trust Scheme (中信信託 • 廣州萬溪股權投資集合資金信託計劃), is a trust scheme with CITIC Trust as the main trustee, and the Trust Scheme Investors as the beneficiary
“Trust Scheme Investors”	Cinda Asset, Shenzhen Lvjinghuacheng, Shanghai Ruitang, Shenzhen Linzhukaiyue, Shenzhen Jingyang Investment, Shenzhen Xingyuan and Shenzhen Qinsheng
“%”	per cent

By order of the Board
China Vanke Co., Ltd.*
Zhu Xu
Company Secretary

Shenzhen, the PRC, 29 June 2020

As at the date of this announcement, the Board of the Company comprises Mr. YU Liang, Mr. WANG Wenjin and Mr. ZHANG Xu as executive Directors; Mr. LIN Maode, Mr. CHEN Xianjun and Mr. SUN Shengdian as non-executive Directors; and Mr. KANG Dian, Ms. LIU Shuwei, Mr. NG Kar Ling, Johnny and Mr. LI Qiang as independent non-executive Directors.

For the purpose of this announcement, the conversion of RMB against HKD or HKD against RMB is based on the exchange rate of RMB1.00 equivalent to HKD1.09456. Such exchange rate is used for illustrative purposes only and does not constitute a representation that any amount has been, could be or will be converted at that rate or at any other rate or at all.

** for identification purpose only*