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If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vanke Overseas Investment Holding Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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萬科海外投資控股有限公司

VANKE OVERSEAS INVESTMENT HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01036)

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
LITHIUM REAL ESTATE (JERSEY) LIMITED**

Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 7 to 14 of this circular.

The Disposal has been approved by written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

25 February 2022

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DEFINITIONS

In this circular, unless the context requires otherwise, the following terms and expressions have the following meanings:

“Acquisition”	the acquisition of the entire issued share capital of Enigma Company Limited and the shareholders’ loan as disclosed in the announcement and the circular of the Company dated 22 November 2021 and dated 31 December 2021 respectively
“Affiliate”	in relation to any person, any other person controlling, controlled by or under common control with that person or persons
“Alternative Claim”	any other claim made pursuant to the SPA or in connection with the SPA other than a claim for breach of the warranties and/or any claim under the tax covenant or breach of the tax warranties, all set forth under the SPA and any claim of which would be covered by the W&I Insurance
“Announcement”	the announcement of the Company dated 21 January 2022 in relation to the Disposal
“associates”	has the meaning ascribed thereto under the Listing Rules
“Bank Loan”	all indebtedness owed by the Target Company under the Finance Documents immediately prior to Completion, including any principal, accrued interest, break or termination costs and fees or pre-payment costs and fees and other costs and fees payable by or outstanding from the Target Company
“Board”	the board of Directors
“Business Day(s)”	a day (not being a Saturday or a Sunday) on which banks generally are open in London, United Kingdom, Jersey and the BVI and Hong Kong for the transaction of normal, non automated, banking business
“China Vanke”	China Vanke Co., Ltd.* (萬科企業股份有限公司), a joint stock company established in the PRC with limited liability, the issued H Shares of which are listed on the Stock Exchange (stock code: 2202) and the issued A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002)

DEFINITIONS

“Company”	Vanke Overseas Investment Holding Company Limited (萬科海外投資控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the SPA
“Completion Accounts”	the unaudited balance sheet of the Target Company which sets out, among others, the Completion NAV as at the Completion Date
“Completion Date”	28 January 2022 (or such other date as the parties agree in writing), being the date on which the Completion took place
“Completion NAV”	the unaudited net asset value of the Target Company as at the Completion Date as shown in the Completion Accounts
“Completion Shareholder’s Loan”	the unaudited amount of the loan owing by the Target Company to the Seller’s Group as at the Completion Date as shown in the Completion Accounts
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Disposal which is equal to the Estimated NAV as adjusted by the Net Asset Value Adjustment
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Seller to the Purchaser pursuant to the SPA
“End Date”	has the meaning given to it under the section headed “Letter from the Board — Guarantee by Purchaser Guarantor”
“Estimated Completion Account”	the unaudited balance sheet in an agreed form which sets out, among others, the Estimated NAV
“Estimated NAV”	£38,515,365, being the Seller’s best estimate of the Completion NAV and as set forth in the Estimated Completion Account

DEFINITIONS

“Estimated Shareholder’s Loan”	£19 million, being the Seller’s best estimate of the Completion Shareholder’s Loan
“Facility Agreement”	the facility agreement in the principal amount of £72,785,854.46 between the Target Company (as borrower) and China Construction Bank Corporation London Branch (as lender) dated 22 December 2016 as amended and restated pursuant to the amendment and restatement agreement dated 14 January 2022
“Finance Documents”	the finance documents as set out in the Facility Agreement
“GBP” or “£”	British pound sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries from time to time (excluding the Target Company)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
“Knight Frank”	Knight Frank Petty Limited, a firm of qualified valuer engaged by the Company, and an Independent Third Party
“Latest Practicable Date”	22 February 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Services Framework Agreement”	the management services framework agreement dated 7 September 2020 entered into between the VOI Parties (namely Vanke Overseas Management Holding Company Limited, Vanke Overseas UK Management Limited, Vanke US Management LLC and Vanke Holdings (Hong Kong) Company Limited) and VPHK Parties (namely Vanke Holdings USA LLC, Vanke Property (Hong Kong) Company Limited and Chogori Investment (Hong Kong) Limited) in relation to the provision of management services from the VOI Parties to the VPHK Parties (including other subsidiaries of China Vanke which may become interested in any real estate development and/or investment projects (other than investments in the funds managed by an Independent Third Party and its subsidiaries))

DEFINITIONS

“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“Net Asset Value Adjustment”	the amount (if any) by which the Estimated NAV is greater or less than the Completion NAV (expressed, in either case, as a positive figure)
“NY Property”	the property located at 25 Park Row, New York, the US
“Parties”	the parties to the SPA
“Potential Tenants”	two potential tenants of the Vacant Unit, both of which are Independent Third Parties
“PRC”	The People’s Republic of China and for the purposes of the matters referred to in this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	Ryder Court located at 13-17 Bury Street and 12, 14, 16 Ryder Street, London, SW1Y 6QB, United Kingdom
“Purchaser”	M&G TS Ryder Limited, a company registered in the United Kingdom with limited liability
“Purchaser Guarantor”	M&G TS Europe Pte. Limited, a company incorporated in the Republic of Singapore with limited liability
“Rent Guarantee Monies”	£1,630,466, being the amount deducted from the Consideration and retained by the Purchaser in relation to the letting of the Vacant Unit subject to the terms of the SPA being such sum as agreed between the Parties after arm’s length commercial negotiations and based on common market practice in a sale of commercial property in the United Kingdom, that is equivalent to 24 months of rent (based on such minimum rate as negotiated with the Potential Tenants) and service charges and business rates of the Vacant Unit (that the Seller would have to pay if Completion had not taken place)
“Rent Refund”	has the meaning given to it under the section headed “Letter from the Board — Guarantee by Purchaser Guarantor”

DEFINITIONS

“Sale Shares”	27,420,000 ordinary shares of £1.00 each in the capital of the Target Company, being all the issued shares of the Target Company
“Seller”	Lithium Concept Limited, a company incorporated in the BVI with limited liability and an indirect subsidiary of the Company in which the Company indirectly owns 99.95%
“Seller’s Group”	the Seller and its Affiliates for the time being other than the Target Company
“Seller’s Title Indemnity Policy Contribution”	£13,245.86, being the Seller’s contribution towards the payment of the premium for the title indemnity policy taken out in respect of the Property
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SF Property”	the property located at 657 and 663–667 Mission Street San Francisco, California, the US
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan Adjustment”	the amount (if any) by which the Estimated Shareholder’s Loan is greater or less than the Completion Shareholder’s Loan (expressed, in either case, as a positive figure)
“SPA”	the agreement relating to the Disposal entered into among the Seller, the Purchaser and the Purchaser Guarantor on 21 January 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Lithium Real Estate (Jersey) Limited, a company incorporated in Jersey with limited liability and an indirect subsidiary of the Company
“US”	The United States of America

DEFINITIONS

“Vacant Unit”	the vacant ground floor area of the Property
“Vanke US”	Vanke Holdings USA LLC, a limited liability company incorporated in the State of Delaware, the US, and a wholly-owned subsidiary of China Vanke
“VPHK”	Vanke Property (Hong Kong) Company Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of China Vanke which indirectly holds 75% of the issued share capital of the Company and is a controlling shareholder of the Company
“VPHK Group”	VPHK and its subsidiaries, excluding the Group and the Target Company
“Warranties”	the representations and warranties set out in the SPA
“Wkland Investments”	Wkland Investments Company Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of China Vanke
“W&I Insurance”	the warranty and indemnity insurance policy purchased by, and issued to, both the Seller and the Purchaser by the W&I Insurer
“W&I Insurer”	the insurer agent of the W&I Insurance who is an Independent Third Party
“%”	per cent

* *for identification only*

For the purpose of this circular, unless the context otherwise requires, conversion of GBP/£ to HK\$ is based on the exchange rate of HK\$10.6 to £1. This exchange rate is for illustrative purpose only and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

vanke

萬科海外投資控股有限公司

VANKE OVERSEAS INVESTMENT HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01036)

Executive Directors:

Mr. SUN Jia (Chairman)

Ms. QUE Dongwu (Chief Executive Director)

Mr. LEE Kai-Yan

Ms. ZHOU Yue

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Independent Non-executive Directors:

Mr. CHOI Fan Wai

Ms. LAW Chi Yin, Cynthia

Mr. ZHANG Anzhi

Principal place of business

in Hong Kong:

55/F, Bank of China Tower,

1 Garden Road,

Central, Hong Kong

25 February 2022

To: The Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF LITHIUM REAL ESTATE (JERSEY) LIMITED

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, on 21 January 2022 (after trading hours), the Seller, the Purchaser and the Purchaser Guarantor entered into the SPA, pursuant to which the Seller agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Seller, the Sale Shares at the Consideration subject to the terms of the SPA. The Sale Shares represent the entire issued share capital of the Target Company, which directly holds the Property.

As disclosed in the announcement of the Company dated 28 January 2022, Completion under the SPA took place on 28 January 2022. Upon Completion, the Target Company has ceased to be a subsidiary of the Group and the financial results of the Target Company are no longer consolidated into the financial statements of the Group.

The purpose of this circular is to provide you with (i) further details of the Disposal; and (ii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE SPA

The principal terms of the SPA are summarised below:

- Date** : 21 January 2022
- Parties** : (1) Seller: Lithium Concept Limited, an indirect subsidiary of the Company
- (2) Purchaser: M&G TS Ryder Limited
- (3) Purchaser Guarantor: M&G TS Europe Pte. Ltd.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser, the Purchaser Guarantor and their respective ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the Completion Date, the Purchaser was wholly-owned by the Purchaser Guarantor, which was in turn wholly-owned by Perpetual (Asia) Limited, a licensed trust company registered in Singapore, as trustee for a trust whose ultimate beneficial owner was a public listed company headquartered in the United Kingdom that is a FTSE100 constituent. Based on information disclosed by Perpetual Limited in the public domain, Perpetual (Asia) Limited is a subsidiary of Perpetual Limited, a company listed on the Australian Securities Exchange.

The Purchaser Guarantor shall guarantee to the Seller the performance by the Purchaser of its obligations in connection with the Rent Guarantee Monies under the SPA.

Assets to be acquired

The Sale Shares represent the entire issued share capital of the Target Company. The Target Company directly holds 100% legal and beneficial ownership of the Property.

Consideration

The Consideration payable under the SPA was the Estimated NAV of £38,515,365 as adjusted by the Net Asset Value Adjustment.

Under the SPA, upon Completion, the Purchaser shall procure that the Purchaser's solicitors shall pay the amount equal to the Estimated NAV of £38,515,365 less the Rent Guarantee Monies of £1,630,466 and the Seller's Title Indemnity Policy Contribution in cash by electronic transfer of immediately available funds to the bank account of the Seller's solicitor. On 28 January 2022 (being the Completion Date), the Seller has received from the Seller's solicitor the sum of £36,871,653.14 being the amount equal to the Estimated NAV of £38,515,365 less the Rent Guarantee Monies of £1,630,466 and the Seller's Title Indemnity Policy Contribution of £13,245.86.

The Consideration was arrived at following arm's length negotiations with the Seller. The Consideration was to be determined based on the net asset value of the Target Company as at Completion Date, having regard to (i) the valuation of the Property of approximately £125 million as at 30 November 2021 conducted by an independent property valuer; and (ii) a premium on the Property of approximately £7 million. Assuming that the Estimated NAV is equal to the Completion NAV, the Consideration comprises the consideration for the Sale Shares being approximately £38 million.

LETTER FROM THE BOARD

The Consideration represents net asset book value of the Target Company with the Property value being fixed at £132 million thus reflecting a premium of £7 million, from the Company's perspectives, on the value of the Property as valued by the independent valuer. The Property value of £132 million is based on the assumption that the Property is fully leased. The Target Company's net asset value, which forms the basis of the Consideration, comprises mainly the value of the Property fixed at £132 million minus liabilities including the Bank Loan, the Estimated Shareholder's Loan and deferred tax liabilities of approximately £73 million, £19 million and £2 million respectively. The Company considers that the Target Company is being sold at a premium. Therefore, the Company considers the Consideration fair and reasonable from the Company's perspectives and is in the interest of the Company and its shareholders as a whole.

Upon Completion which took place on 28 January 2022, the Seller has received the amount equal to the Estimated Shareholder's Loan of £19 million as the Purchaser has procured the Target Company to repay all such loan on a dollar-to-dollar basis.

Under the SPA, on a date falling not more than 10 Business Days after the final agreement or determination of the Completion Accounts:

- (1) if the Completion NAV is greater than the Estimated NAV, the Purchaser shall pay to the Seller in cash an amount equal to the Net Asset Value Adjustment; and
- (2) if the Completion NAV is less than the Estimated NAV, the Seller shall pay to the Purchaser in cash an amount equal to the Net Asset Value Adjustment; and
- (3) if the Completion Shareholder's Loan is greater than the Estimated Shareholder's Loan, the Purchaser shall procure that the Target Company shall pay to the Seller the amount equal to the Shareholder's Loan Adjustment; and
- (4) if the Completion Shareholder's Loan is less than the Estimated Shareholder's Loan, the Seller shall pay to the Purchaser (on behalf of the Target Company) an amount equal to the Shareholder's Loan Adjustment.

The Completion NAV will be determined based on the net asset value of the Target Company as at Completion Date, on the basis of the value of the Property being fixed at £132,000,000 as agreed by the parties under the SPA.

As at the Latest Practicable Date, the Completion Accounts is yet to be finalised and accordingly, the Net Asset Value Adjustment and the Shareholder's Loan Adjustment have not been ascertained. According to the SPA, the Seller will have no later than 40 Business Days to deliver to the Purchaser the Completion Accounts and the Purchaser will have 40 Business Days thereafter to confirm whether it agrees with the Completion Accounts. Therefore, it is scheduled that the Completion Accounts will be issued before or around the end of May 2022 in case of no disputes on the Completion Accounts.

The Directors (including the independent non-executive Directors) are of the view that (1) the terms of the Disposal are on normal commercial terms and fair and reasonable; (2) the Disposal is a good exit opportunity; and (3) in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion was not subject to any conditions precedent.

LETTER FROM THE BOARD

Guarantee by Purchaser Guarantor

Pursuant to the SPA, the Purchaser shall endeavour to secure a lease for the Vacant Unit as soon as reasonably practicable following Completion from either of the Potential Tenants. In the event that the Purchaser has successfully rented out the Vacant Unit to either Potential Tenants before the date falling two years after the Completion, a portion of the Rent Guarantee Monies calculated based on the terms of the SPA (the “**Rent Refund**”) will be paid to the Seller.

The Rent Refund was agreed, after arm’s length commercial negotiations between the Parties based on common market practice in a sale of commercial property in the United Kingdom, on the premise that the Seller will be responsible for the rent of the Vacant Unit for (i) each day that it remains vacant and (ii) during any rent-free period that will be offered to the Potential Tenants in accordance with market practice, for up to two years from the Completion Date (the “**End Date**”). The amount of Rent Refund payable to the Seller under the SPA will be a sum calculated based on (i) the rent receivable by the Buyer from date of completion of the lease with either Potential Tenants up to the End Date; (ii) the service charge for building and estate services payable by the relevant Potential Tenants in respect of the Vacant Unit from date of completion of the lease with the Potential Tenants up to the End Date; and (iii) the business rates attributable to the Vacant Units payable by the relevant Potential Tenants from date of completion of the lease with the relevant Potential Tenants up to the End Date. The Rent Refund will be payable by the Purchaser within 10 Business Days of the completion of the lease with the Potential Tenants. As at the date of this circular, the Buyer is still in negotiation with the Potential Tenants and a lease in respect of the Vacant Unit has not been entered into yet.

The Purchaser Guarantor unconditionally and irrevocably guarantees to the Seller, the due and punctual performance and observance by the Purchaser of all of its obligations under or pursuant to the SPA in connection with the Rent Guarantee Monies (the “**Guaranteed Obligations**”). If the Purchaser defaults in the performance of any of the Guaranteed Obligations, the Purchaser Guarantor shall within five Business Days following demand unconditionally perform (or procure performance of) and satisfy (or procure the satisfaction of) the Guaranteed Obligations so that the same benefits shall be conferred on the Seller as it would have received if the Guaranteed Obligations had been duly performed and satisfied by the Purchaser.

If there is any failure by the Purchaser to perform the Guaranteed Obligations, the Purchaser Guarantor shall itself perform them and indemnify the Seller from and against all losses incurred by the Seller arising out of such failure provided that such indemnity shall not exceed the lower of (i) the amount that the Seller would otherwise have been entitled to recover; and (ii) the amount below.

The aggregate amount of the liability of the Purchaser Guarantor under or in connection with the Guaranteed Obligations or the SPA shall not in aggregate exceed an amount equal to the Rent Refund.

Completion

Completion has taken place on 28 January 2022.

Upon Completion, in relation to the Bank Loan in the principal amount of £72,785,854.46, the Purchaser shall procure the repayment by the Target Company of the Bank Loan and the release and/or discharge of certain security documents in relation to the Bank Loan; and the Purchaser shall procure that the Target Company repays the Estimated Shareholder’s Loan.

LETTER FROM THE BOARD

The Bank Loan (comprising the principal amount of £72,785,854.46 and interest and early repayment charges of £632,961.41) has been fully repaid at Completion on 28 January 2022 and all the relating security documents have been released and discharged.

Seller's maximum liability

Under the SPA, the Purchaser agrees that in respect of any and all claims (including tax claims) other than any Alternative Claim, it shall make a claim under the W&I Insurance Policy and that the Seller shall not be liable for any matters for which the Purchaser does not procure any insurance policy.

Pursuant to the SPA, the Seller's maximum liability for all Alternative Claims shall not in aggregate exceed an amount equal to the Consideration.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group completed the acquisition of the Property with the value being fixed at approximately £115 million on 30 June 2019 with a view to investing and expanding its business in the United Kingdom and thus minimising the risk of solely investing in Hong Kong. However, due to the spread of COVID-19 in early 2020, a lot of businesses have seen the benefits of workers working from home and began having permanent work-from-home policies. Demand for offices or commercial buildings, particularly in the United Kingdom where permanent work-from-home policies are prevailing, has dropped.

Therefore, the Company is currently of the view that it is more beneficial to the Company and its Shareholders as a whole to dispose of the Property by way of disposal of the Sale Shares at the Consideration. Taking into consideration of the proceeds from the Disposal, the Board considers that the Disposal provides an optimal opportunity for the Company to realise cash and unlock the value of its investment in the Property at fair market value. In light of the above, the Company considers the Disposal to be a good exit opportunity.

INFORMATION ON THE PURCHASER AND THE PURCHASER GUARANTOR

The principal business activity of the Purchaser is investment holding. The Purchaser is a company incorporated in the United Kingdom with limited liability.

The principal business activity of the Purchaser Guarantor is investment holding. The Purchaser Guarantor is a company incorporated in the Republic of Singapore with limited liability.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company, a company incorporated in Jersey with limited liability, is a direct wholly-owned subsidiary of the Seller. The Target Company is the sole legal and beneficial owner of the Property.

Immediately before the Completion which took place on 28 January 2022, the Target Company was owned as to 99.95% indirectly by the Company and 0.05% by a co-investment arrangement owned by certain employees of China Vanke (including a former employee).

The Property was valued as at 30 November 2021 at £125 million by an independent property valuer. The value of the Property was valued by income approach. The Company indirectly owned approximately 99.95% effective interest in the Property immediately prior to Completion.

LETTER FROM THE BOARD

Information on the Group

The Company and its subsidiaries are principally engaged in asset management, as well as property development and property investment.

Information on the Company and the Seller

The Company and its subsidiaries are principally engaged in asset management, as well as property development and property investment. The Seller is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

Financial information of the Target Company

Set out below is a summary of the audited financial information of the Target Company for the years ended 31 December 2019 and 2020, and unaudited financial information of the Target Company for the six months ended 30 June 2021 (prepared in accordance with the generally accepted accounting principles of the United Kingdom):

	For the financial year ended		For the six months ended
	31 December 2019	31 December 2020	30 June 2021
	£'000	£'000	£'000
Net profit/(loss) before taxation and extraordinary items	(2,536)	(4,855)	4,408
Net profit/(loss) after taxation and extraordinary items	(2,670)	(5,135)	4,251

The unaudited net asset value of the Target Company as at 30 June 2021 was approximately £18.9 million.

FINANCIAL IMPACT ON THE GROUP

Earnings

Assuming that the Estimated NAV of £38,515,365 is equal to Completion NAV, based on the Consideration less the unaudited net asset value of the Target Company as at 30 November 2021, for illustrative purpose, an unaudited gain before taxation of approximately £4 million will be recognised from the Disposal.

The actual gain or loss arising from the Disposal shall be determined based on the net asset value of the Target Company and the amount of the Sale Loan as at the date of Completion, and also the amount of expenses actually incurred incidental to the Disposal.

The above calculation and accounting treatment are subject to review by the auditors of the Group. The actual financial impact to the Group arising from the Disposal to be recorded in the Group's consolidated accounts will be recalculated based on the net asset value of the Target Company as at the date to which Completion Accounts are drawn up.

LETTER FROM THE BOARD

For illustrative purpose to demonstrate the impact of the deconsolidation of the Target Company on profit of the Group, the profit of the Group for the year ended 31 December 2020 would increase by approximately £5 million (equivalent to approximately HK\$54 million) if the Disposal had taken place and had been completed on 1 January 2020.

Assets and liabilities

Upon Completion having taken place on 28 January 2022, (i) the Target Company ceased to be a subsidiary of the Group; (ii) the Company is no longer interested in the Property; and (iii) the financial results of the Target Company is no longer consolidated into the financial statements of the Group.

Given that the completion of the Disposal is expected to record an unaudited gain before taxation of approximately £4 million to the Group, the consolidated net asset value of the Group is expected to increase by approximately £4 million at Completion. On the above basis, the consolidated total assets of the Group is expected to decrease by approximately £132 million and the consolidated total liabilities of the Group is expected to decrease by approximately £75 million at Completion.

USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds from the Disposal (after deducting the expenses directly related to the Disposal) are estimated to be approximately £56 million which comprises the Consideration of £38,515,365 (assuming the Completion NAV will equal the Estimated NAV), the shareholders' loan of approximately £19 million (assuming the Completion Shareholder's Loan will equal the Estimated Shareholder's Loan) less the expenses directly related to the Disposal of approximately £1 million. The Group intends to apply the net proceeds from the Disposal for the following:

- (a) approximately £4.02 million (equivalent to HK\$42.6 million) of the net proceeds will be applied to satisfy part of the consideration for the Acquisition; and
- (b) the remaining net proceeds will be used for general working capital of the Group.

Following the Disposal, the Group will have one remaining investment property which is located in Hong Kong.

The Group will continue to conduct its existing business while it is exploring new investment opportunities with a view to maximising return to its Shareholders. Nevertheless, the Group has no intention to change its principal business of asset management, as well as property development and property investment.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

So far as the Company is aware after making reasonable enquiries, none of the Shareholders has a material interest in, and would be required to abstain from voting on, the resolutions to approve the Disposal and the transactions contemplated thereunder and none of the Shareholders would be required to

LETTER FROM THE BOARD

abstain from voting if the Company were to convene a general meeting to approve the Disposal. Pursuant to Rule 14.44 of the Listing Rules, a written shareholders' approval may be accepted in lieu of holding a general meeting to approve the terms of, and the transactions contemplated under the SPA upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules. The written approval of Wkland Investments Company Limited, holding 292,145,949 Shares in aggregate, representing 75% of the issued share capital of the Company as at the date of the Latest Practice Date, have been obtained in respect of the Disposal. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the board of
**VANKE OVERSEAS INVESTMENT HOLDING
COMPANY LIMITED**
Que Dongwu
*Executive Director and
Chief Executive Officer*

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2018, 2019 and 2020 and financial information of the Group for the six months ended 30 June 2021 are disclosed in the annual reports and interim report of the Company for the financial years ended 31 December 2018, 31 December 2019, 31 December 2020, and six months ended 30 June 2021, respectively, and are incorporated by reference into this circular.

The said annual reports and interim report of the Company are available on the Company's website at www.vankeoverseas.com and website of the Stock Exchange at www.hkexnews.hk through the links below:

For the financial year ended 31 December 2018 (pages 44 to 88)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/ltn201904262487.pdf>

For the financial year ended 31 December 2019 (pages 50 to 102)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0420/2020042000227.pdf>

For the financial year ended 31 December 2020 (pages 45 to 98)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042200027.pdf>

For the six months ended 30 June 2021 (pages 9 to 24)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0921/2021092100009.pdf>

2. INDEBTEDNESS STATEMENT

As at 31 December 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness of approximately HK\$1,266.7 million, consisting of (i) secured bank loans of approximately HK\$1,208.6 million; and (ii) unsecured and unguaranteed lease liabilities of approximately HK\$58.1 million.

The secured bank loans were secured by (i) floating charge over all the assets of the Target Company, a subsidiary which holds the Property; (ii) the entire share capital of Access Rich Limited, Cheer Win Limited, Chericourt Company Limited, WK Parking Limited and WK Property Financial Limited (collectively, the “**Regent Centre Companies**”), all being the subsidiaries of the Company which hold the Regent Centre property of the Group; (iii) the entire share capital of Future Best Developments Limited, the holding company of the Regent Centre Companies; and (iv) floating charge over all the rental related receivables of the Regent Centre Companies. The secured bank loan in relation to Regent Centre of approximately HK\$442.2 million is guaranteed by the Company. The secured bank loan in relation to the Property of approximately HK\$766.4 million is unguaranteed.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have, as at 31 December 2021, any mortgages, charges, debt securities issued and outstanding, and authorised or otherwise created but unissued, outstanding borrowings or indebtedness in the nature of borrowings including term loans, bank overdrafts, liabilities under acceptances, acceptance credits, hire purchase commitments or other similar indebtedness, or any guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group, including the internally generated funds, the existing borrowings, the currently available facilities, and the effects of the Acquisition and the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS

As mentioned in the Company's 2021 interim report, Year 2021 has been and is filled with uncertainties as a result of the outbreak and rapid spread of coronavirus disease 2019 (COVID-19) variants and uncertainties about the effectiveness of vaccines against the variants despite the fact that various vaccines have been approved one after another and such approvals have raised hopes and many countries have eased their lockdown and economic recovery seems to start to pick up pace in 2021. The overall economic activity remains below the pre-pandemic level as the pandemic restrictions such as social distancing and travel restrictions continue to burden certain economic segments.

Furthermore, although the government has imposed various cooling measures on Hong Kong property market to prevent it from overheating, transacted prices remained at the top end of, if not beating, market expectations in recent government land tenders. Together with prevailing low interest rates, the market was optimistic on the Hong Kong property prices and transacted prices for residential properties continued to be high. It is expected that the market sentiment continues to be upbeat due to the decreased housing supply. The Group will continue to seek opportunities in the market for business diversification and expansion.

To operate in such a difficult and uncertain macroeconomic environment, the Group needs to be more devoted, more determined, more vigilant and more robust. Notwithstanding the uncertainties having brought a certain level of impact on the markets which the Group operates in, the Group is currently financially healthy to deal with any economic impact that may arise from the aforesaid uncertainties. Besides, the Group believes uncertainties create opportunities — the Group will continue to look for new investment opportunities, including those in other real estate markets across the world as to diversify its business, which have good development and investment potential with the objective of being open-minded about new opportunities for growth and expansion of the Group's business and value creation for the Shareholders as a whole.

Looking to the future, the Group's investment property in Hong Kong, namely Regent Centre, is expected to maintain the occupancy rates and passing rents. In addition, the Group's investment instruments and asset management business are expected to generate stable revenue and profits. In addition, the Group is still hopeful that together we can weather this storm and overcome the latest challenges brought upon by the pandemic.

Going forward, the Group will closely monitor its business of asset management, property development and property investment, and at the same time continue to seek for other investment opportunities in Hong Kong and the overseas property markets with an aim to adhering to the abovementioned strategy and maximising the returns to the Shareholders.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent valuer, in connection with their valuation as at 30 November 2021 of the Property held by the Target Company.



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6-8 Harbour Road
Wanchai
Hong Kong

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www.knightfrank.com

The Directors
Vanke Overseas Investment Holding Company Limited
55/F, Bank of China Tower
1 Garden Road, Central
Hong Kong

25 February 2022

Dear Sirs

VALUATION OF RYDER COURT, 13-17 BURY STREET AND 12, 14, 16 RYDER STREET, ST JAMES'S, LONDON, SW1, THE UNITED KINGDOM (THE "PROPERTY")

In accordance with the instructions from Vanke Overseas Investment Holding Company Limited (the "**Company**") for us to value the captioned property in the United Kingdom, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 30 November 2021.

BASIS OF VALUATION

Our valuation is our opinion of the market value of the Property, which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market value is understood as the value of an asset or liability estimated without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In preparing our valuation report, we have complied with the requirements contained within relevant provisions of Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, “The HKIS Valuation Standards 2020” issued by the Hong Kong Institute of Surveyors and “The RICS Valuation - Global Standards 2020” issued by the Royal Institution of Chartered Surveyors.

VALUATION METHODOLOGY

As the Property held by the Company is income-producing, we considered the most appropriate methodology to value the Property is by using “Income Approach — term and reversion method” compared with other valuation methodologies. In the course of our valuation, we have valued the Property by taking into account the rental income of the Property derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate. We have also made reference to sales evidence as available in the market.

TITLE DOCUMENTS AND ENCUMBRANCES

We have not caused land search for the Property and have been provided by the Company and its legal adviser with extracts of title documents relating to the Property. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us by the Company. In the course of our valuation, we have relied on the information given by the Company and its legal adviser regarding the title and other legal matters relating to the Property.

No allowance has been made in our report for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company. We have no reason to doubt the truth and the accuracy of the information provided by the Company which is material to the valuation. We have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, completion date of the building, particulars of occupancy and site and floor areas. Dimension, measurements and areas included in the attached valuation report are based on the information provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct. We were also advised by the Company that no material facts have been omitted from the information provided.

INSPECTION AND STRUCTURAL CONDITION

We have inspected the exteriors and, where possible, the interiors of the Property and the inspection was carried out by Jeremy Tham, MSc FRICS on 26 January 2022. However, we have not carried out site investigations to determine the suitability of ground conditions and services, etc. Our valuation is prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects, we are not, however, able to report that the Property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

IDENTITY OF PROPERTY TO BE VALUED

We exercised reasonable care and skill (but will not have an absolute obligation to the Company) to ensure that the Property, identified by the property address in the instructions, is the Property inspected by us and contained within our valuation report.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

COMPLIANCE WITH RELEVANT RULES AND REGULATIONS

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of any rules and regulations, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

REMARKS

In our valuation, Knight Frank has prepared the valuation based on information and data available to us as at the valuation date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the valuation date may affect the value of the Property.

Our valuation is with regard to the valuation works performed by our overseas companies or alliances.

CURRENCY

Unless otherwise stated, all sums stated are in Pound Sterling (£).

Our valuation report is attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Clement W M Leung
MFin MCIREA MHKIS MRICS RPS (GP)
Executive Director
Head of China Valuation and Advisory

Remarks: Clement W M Leung, MFin, MCIREA, MHKIS, MRICS, RPS (GP), is a qualified valuer who has more than 29 years' experience in property valuation and consultancy services in Hong Kong, Macau, the People's Republic of China and the Asia Pacific Region.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2021																								
<p>Ryder Court, 13-17 Bury Street and 12, 14, 16 Ryder Street, St James's, London, SW1, the United Kingdom</p>	<p>The property comprises the whole of Ryder Court which is a 5-storey office building plus a basement level erected upon a slightly sloping site with a site area of approximately 23,088 sq ft. It was developed in the 1980's and has been partially refurbished in 2010 and 2016.</p> <p>The property is located at the junction of Bury Street and Ryder Street. The property is approximately 5 minutes' walking distance away from Green Park underground station.</p> <p>The property has a total floor area of approximately 74,214 sq ft and the area breakdown is listed as below:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: left;">Floor</th> <th style="text-align: right;">Approximate Floor Area (sq ft)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>1/F – 5/F</td> <td style="text-align: right;">56,225</td> </tr> <tr> <td>Office</td> <td>G/F</td> <td style="text-align: right;">6,313</td> </tr> <tr> <td>Office</td> <td>LG/F</td> <td style="text-align: right;">2,314</td> </tr> <tr> <td>Restaurant</td> <td>G/F</td> <td style="text-align: right;">1,048</td> </tr> <tr> <td>Restaurant</td> <td>LG/F</td> <td style="text-align: right;">7,855</td> </tr> <tr> <td>Ancillary space</td> <td></td> <td style="text-align: right;">459</td> </tr> <tr> <td colspan="2">Total:</td> <td style="text-align: right;"><u>74,214</u></td> </tr> </tbody> </table>	Use	Floor	Approximate Floor Area (sq ft)	Office	1/F – 5/F	56,225	Office	G/F	6,313	Office	LG/F	2,314	Restaurant	G/F	1,048	Restaurant	LG/F	7,855	Ancillary space		459	Total:		<u>74,214</u>	<p>Portion of the property with a total floor area of 65,128 sq ft is currently leased to various tenants as office and commercial uses. The total current rental of the property is £5,290,877 per annum, exclusive of VAT and utility expenses, with the last tenancy expiring in May 2035.</p> <p>The remaining portion of the property is currently vacant.</p>	<p>£124,750,000 (ONE HUNDRED TWENTY FOUR MILLION SEVEN HUNDRED AND FIFTY THOUSAND POUNDS)</p>
Use	Floor	Approximate Floor Area (sq ft)																									
Office	1/F – 5/F	56,225																									
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Restaurant	LG/F	7,855																									
Ancillary space		459																									
Total:		<u>74,214</u>																									
	<p>The land use rights of the property have been granted for a term of 125 years from 28 September 2016 at an annual ground rent of 10% of the rents received and subject to a minimum of £250,000 (The ground rent is borne by the owner).</p>																										

Notes:

1. The property is currently owned by Lithium Real Estate (Jersey) Limited.
2. The property is subject to a facility agreement in favour of China Construction Bank Corporation London Branch.
3. In our valuation, we have adopted an average monthly market rental of approximately £6.90 per sq ft and the capitalization rate of the Property is about 4.50%.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DISCLOSURE OF INTERESTS

(a) Interests and/or short positions of the Directors and chief executives

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Interests in an associated corporations

Name of Director	Type of shares	Number of ordinary shares held					Number of underlying shares held under equity derivatives	Total interests	Percentage of issued share capital (Note)
		Interest held as beneficial owner	Interest held by spouse	Interest held by controlled corporations	Other interests				
Sun Jia	China Vanke	A shares	-	5800	-	-	-	5,800 (Note 1)	0.00006%
Que Dongwu	China Vanke	A shares	60,700	-	-	-	-	60,700 (Note 1)	0.00062%
Lee Kai-Yan	Vanke US Management LLC ("Vanke US")	Ordinary	-	-	20%	-	-	20% (Note 2)	20%

Notes:

- The total number of ordinary A shares of China Vanke in issue as at Latest Practicable Date was 9,724,196,533 and the total number of ordinary H shares of China Vanke in issue as at Latest Practicable Date was 1,901,186,842. The percentage of issued share capital shown above is calculated based on the number of issued shares in the relevant class alone, without taking into account the issued share capital of the other classes.
- Mr. Lee Kai-Yan has 49% membership interest in Minerva US LLC, which in turn has 20% membership interest in Vanke US. Accordingly, Minerva US LLC is a controlled corporation of Mr. Lee Kai-Yan and Mr. Lee Kai-Yan is deemed interested in Vanke US.

All the interests in the shares disclosed under this section represent long position in the shares of the Company or its associated corporations. Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register kept by the Company under section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and/or short positions of substantial shareholders

As at the Latest Practicable Date, so far as is known to any of the Directors, the following persons (other than a person who is a Director or chief executive of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or which was recorded in the register required to be kept by the Company (the “Register”) under section 336 of the SFO:

Name of substantial Shareholder	Long position/ short position	Capacity of interest	Total number of shares in which the shareholder is interested	Percentage of shareholding
China Vanke (<i>Note 1</i>)	Long position	Held by controlled corporations	292,145,949	75.0%
CITIC Securities Company Limited (<i>Note 2</i>)	Long position	Held by controlled corporations	30,080,000	7.72%

Notes:

- As recorded in the Register, the 292,145,949 ordinary shares of the Company are held by China Vanke through Wkland Investments Company Limited, which is an indirect wholly-owned subsidiary of China Vanke. Wkland Investments Company Limited is a direct wholly-owned subsidiary of Wkland Limited. Wkland Limited is a direct wholly-owned subsidiary of VPHK. VPHK is a direct wholly-owned subsidiary of Shanghai Vanke Enterprise Company Limited. Shanghai Vanke Enterprise Company Limited is a direct wholly-owned subsidiary of Shanghai Vanke Investment and Management Company Limited. Shanghai Vanke Investment and Management Company Limited is a direct wholly-owned subsidiary of China Vanke.
- As recorded in the Register, the 30,080,000 ordinary shares of the Company are held by CSI Capital Management Limited, which is a direct wholly-owned subsidiary of CITIC Securities International Company Limited, which in turn is a wholly-owned subsidiary of CITIC Securities Company Limited.

As at the Latest Practicable Date, so far as is known to any of the Directors, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the

nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or which was recorded in the Register pursuant to section 336 of the SFO.

III. COMPETING INTEREST

The following Directors are also directors and/or officers of China Vanke and/or its subsidiaries and affiliates as set out in the table below.

Name of Director	Position held in China Vanke and/or its subsidiaries and affiliates
Mr. Sun Jia	The Chief Partner and Chief Executive Officer of Southern Regional Business Group, and Chief Partner of Shenzhen Vanke of China Vanke
Ms. Que Dongwu	A staff representative supervisor of the supervisory committee of China Vanke
Mr. Lee Kai-Yan	Director of subsidiaries of China Vanke

The Company and its subsidiaries are principally engaged in asset management, property development and property investment. As at the Latest Practicable Date, the Group owns property development and property investment projects in Hong Kong and the US. The VPHK Group (excluding the Group) also owns property development and property investment projects in Hong Kong and the US. Depending on circumstances, either the Group or VPHK Group (excluding the Group) participates in acquisitions of land or property development projects in Hong Kong from the Hong Kong Government or entities controlled by the Hong Kong Government through public auction or tender on a sole basis or by way of a joint venture arrangement with independent third parties, or acquire property development and property investment projects in Hong Kong and US on a sole basis or by way of a joint venture arrangement.

VPHK is an indirect wholly-owned subsidiary of China Vanke. Mr. Sun Jia holds managerial positions in certain subsidiaries or business units of China Vanke. Ms. Que Dongwu is a common director of the Company and VPHK. Mr. Lee Kai-Yan is connected to China Vanke by virtue of his current position as a director of certain subsidiaries of China Vanke. Mr. Sun Jia (through his spouse) and Ms. Que Dongwu have beneficial interests in the issued shares of China Vanke.

Ms. Zhou Yue, an executive Director, and Mr. Choi Fan Wai, Ms. Law Chi Yin, Cynthia and Mr. Zhang Anzhi, the independent non-executive Directors, do not participate in the routine business of VPHK. The independent non-executive Directors, with the assistance of the chief financial officer and company secretary of the Company, exercise due care and skills in ensuring that the Group is capable of carrying on its business at arm's length and independently from VPHK.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not (i) aware of any other business of China Vanke which competes or is likely to compete, either directly or indirectly, with the Group's businesses; or (ii) aware that any of them had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

IV. INTERESTS IN CONTRACT OR ARRANGEMENT AND ASSETS

On 1 December 2020, the Group entered into an agreement relating to the sharing of administrative services by the Group with VPHK Group on a cost basis for a period of three years taking retrospective effect and commencing from 1 January 2020, which is terminable by either party on giving no less than one month's notice.

The Company is an indirect 75% owned subsidiary of VPHK, which in turn is an indirect wholly-owned subsidiary of China Vanke. As disclosed above, Mr. Sun Jia is an executive of China Vanke and beneficially interested in the issued shares of China Vanke (through his spouse); Ms. Que Dongwu is a director of VPHK and beneficially interested in the issued shares of China Vanke; and Mr. Lee Kai-Yan commonly serves as director of various subsidiaries of China Vanke.

The followings are the interests of the Directors in certain co-investment arrangement of the Group:

- (a) approximately 0.295% of the effective interest in the SF Property is indirectly owned by certain employees of China Vanke including Mr. Lee Kai-Yan;
- (b) approximately 0.83% of the effective interest in the investment instruments for funding the development of NY Property is indirectly owned by certain employees of China Vanke including Ms. Que Dongwu and Mr. Lee Kai-Yan, respectively; and
- (c) approximately 20% of the effective interest in Vanke US Management LLC, an 80%-owned subsidiary of the Company, is indirectly owned by key members of the Management Team in the US including Mr. Lee Kai-Yan.

Save as disclosed above and except for the Management Services Framework Agreement, none of the Directors was materially interested in any contracts or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

Save as disclosed above and except for the Management Services Framework Agreement, none of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

V. LITIGATION

As at the Latest Practicable Date, no litigation or claim which may be of material importance is known to the Directors to be pending or threatened against any member of the Group.

VI. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

VII. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered, or is proposing to enter, into any service contract with the Group which is not expiring or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

VIII. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be, material:

- (a) Management Services Framework Agreement;
- (b) the sale and purchase agreement dated 22 November 2021 entered into between Oceanic Jade Limited as vendor and Vanke Hong Kong Investment Company (a subsidiary of the Company) as purchaser for pieces or parcels of ground located in Sham Shui Po, Hong Kong.

IX. EXPERT AND CONSENT

The name and qualification of the professional adviser who has been named in this circular or given its opinion or advice which is contained in this circular are set forth below:

Name	Qualification
Knight Frank	Valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinions in the form and context in which it appears.

As at the Latest Practicable Date:

- (a) the expert above did not have any direct or indirect interests in any assets which have been, since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up), acquired, disposed of or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group; and

- (b) the expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

X. GENERAL

- (a) The company secretary of the Company is Ms. Yip Hoi Man, who a member of the Hong Kong Institute of Certified Public Accounts and is currently the chief financial officer of the Company.
- (b) The registered office of the Company is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (c) The principal place of business of the Company is situated at 55th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (e) The English texts of this circular shall prevail over the Chinese texts in case of inconsistency.

XI. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://vankeoverseas.com>) for a period of 14 days from the date of this circular:

- (a) the SPA;
- (b) the valuation report from Knight Frank on the Property, the text of which is set out on Appendix II to this circular; and
- (c) the written consent of the expert referred to in the paragraph headed “Expert and Consent” in this Appendix.