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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)

CONNECTED TRANSACTION FORMATION OF JOINT VENTURE

The Company is pleased to announce that on 29 June 2020, the Company and SZMC (an existing substantial Shareholder of the Group) entered into a joint venture memorandum after friendly negotiation to strengthen strategic coordinations, realize mutual benefits, promote sustainable development of both parties and to accelerate the implementation of the “railway+property” model. Pursuant to the joint venture memorandum, the parties agreed to establish joint venture to primarily invest in the major areas and major projects of new infrastructure and rail in Shenzhen and to explore the construction model of TOD large scale projects in the Guangzhou-Hong Kong-Macau Greater Bay Area and other core cities.

FORMATION OF JOINT VENTURE

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As the joint venture is a newly established company, the joint venture has no financial information or historical performance to be disclosed in this announcement.

Pursuant to the joint venture memorandum, the initial shareholding structure of the joint venture and the capital contributions from both parties as shareholders of the joint venture are as follows:

Parties	Capital Contributions (RMB)	Shareholding Percentage
SZMC	500,000,000	50%
The Group	<u>500,000,000</u>	<u>50%</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100%</u></u>

Pursuant to the joint venture memorandum, the parties will jointly establish a joint venture on the same right and equivalent investment basis. The registered capital of the joint venture is initially set at RMB1.0 billion, and the parties will each hold 50% equity interests, respectively. The parties shall make capital contributions in proportion to their respective equity interests in the joint venture as set out above. The above respective capital contributions to the issued capital of joint venture are determined after fair negotiation between the parties with reference to the interests proportion of the parties. The Company's capital contribution in the joint venture will be paid with the internal resources of the Company.

The board of directors of the joint venture will comprise five members, and two directors will be appointed by SZMC, of which one will be recommended to be the chairman; two directors will be appointed by the Company, of which one will be recommended to be the general manager; and one director will be the industry expert jointly recommended by the Company and SZMC. Instead of a board of supervisors, the joint venture will have two supervisors, which are recommended by the Company and SZMC, respectively. The management authorization and decision rules and procedures at different levels of the joint venture will be specified in the articles of association and internal management system of the joint venture established by the Company and SZMC after negotiation.

REASONS OF AND BENEFITS FOR THE FORMATION OF JOINT VENTURE

As stated above, the primary objective of the establishment of the joint venture is to undertake the major areas and major projects of new infrastructure and rail in Shenzhen and to explore the construction model of TOD large scale projects in the Guangzhou-Hong Kong-Macau Greater Bay Area and other core cities. The Formation of Joint Venture between the Company and SZMC is beneficial to the strengthening of strategic coordinations between the parties, making full play of the comprehensive advantages of SZMC in construction and operation of rail transport, development and operation of TOD, etc., and the Group's urban planning and research capabilities, property development experience, professional skills, branding effect and other advantages, which will realize mutual benefits, promote sustainable development of both parties and accelerate the implementation of the "railway+property" model.

The Directors (including independent non-executive Directors) considered that, the terms of the joint venture memorandum and the Formation of Joint Venture are conducted in accordance with normal commercial terms, which is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The independent Directors of the Company have expressed their prior approval opinions on this resolution, and the related Director, namely Mr. Chen Xianjun, have abstained from voting on this resolution. Mr. Lin Maode, also a related Director, didn't attend the Board meeting. Save for the above-mentioned circumstances, none of the Directors has any material interests in the transactions contemplated in the Formation of Joint Venture, and none of the Directors has to abstain from voting on the relevant Board resolutions for the approval on transactions contemplated in the Formation of Joint Venture.

GENERAL INFORMATION

The Group is a joint stock limited company incorporated in the PRC on 30 May 1984, and its H shares are listed on the main board of Hong Kong Stock Exchange and its A shares are listed on the Shenzhen Stock Exchange. The Company is principally engaged in the property development and property investment in the PRC.

SZMC, incorporated in 31 July 1998, is a large-scale state-owned proprietary enterprise under the direct control of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality. Its principal activities include metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc.

LISTING RULES IMPLICATIONS

As of the date of this announcement, SZMC holds 27.91% equity interests in the Company, which is the largest Shareholder of the Company and hence a connected person of the Company. Therefore, the Formation of Joint Venture constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 15 May 2020, Foshan Vanke, a wholly owned subsidiary of the Company, and Shenzhen Metro Property intend to jointly invest in the formation of a project company to carry out development of the land parcels located on the west side of Tai Shan Road, Guicheng Street, Nanhai District, Foshan, Guangdong Province, the PRC (中國廣東省佛山市南海區桂城街道泰山路西側), the east side of Guangzhou-Zhuhai Western Expressway (廣珠西線東側), the south of Guiyang-Guangzhou High-speed Railway (貴廣高鐵以南) and the north side of Huandao South Road (環島南路北側) (the “**Guangdong Project**”), in relation to the Formation of Joint Venture and intention to provide shareholders' contributions, pursuant to which, the total capital intended to be provided by Foshan Vanke and Shenzhen Metro Property in respect of the Guangdong Project will not exceed RMB6

billion. The registered capital of the joint venture of the Guangdong Project is initially set at RMB1.656 billion. Foshan Vanke and Shenzhen Metro Property will make capital contributions of RMB845 million and RMB811 million, respectively. Foshan Vanke and Shenzhen Metro Property intended to provide not exceeding approximately RMB2.215 billion and RMB2.129 billion of shareholders' contributions to the joint venture of the Guangdong Project, respectively.

As the formation of joint venture of the Guangdong Project and the Formation of Joint Venture are of the similar nature, the total capital and shareholder's contributions provided by the Group in respect of the Guangdong Project and the total capital contributions provided by the Group in respect of the Formation of Joint Venture shall be aggregated under Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratios of the total capital and shareholder's contributions in respect of the Guangdong Project and the total capital contributions in respect of the Formation of Joint Venture exceed 0.1% but is less than 5% pursuant to the calculation under 14.07 of the Listing Rules, the Formation of Joint Venture and the formation of joint venture of the Guangdong Project and the shareholders' contributions are subject to the reporting and announcement requirements but exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	China Vanke Co., Ltd.* (萬科企業股份有限公司), a joint stock limited company incorporated in the PRC on 30 May 1984, and the shares of the Company are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formation of Joint Venture”	the proposed formation of joint venture under the joint venture memorandum
“Foshan Vanke”	Foshan City Vanke Property Company Limited (佛山市萬科置業有限公司), a limited company incorporated in the PRC on 9 June 2005, is a wholly-owned subsidiary of the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of shares of the Company
“Shenzhen Metro Property”	Shenzhen Metro Property Group Co., Ltd. (深圳地鐵置業集團有限公司), a limited company incorporated in the PRC on 31 January 2019, is a wholly-owned subsidiary of SZMC, an existing substantial Shareholder of the Group, and a connected person of the Company
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“SZMC”	Shenzhen Metro Group Co., Ltd. (深圳市地鐵集團有限公司), a state-owned proprietary enterprise established in the PRC on 31 July 1998, primarily engages in metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc., is an existing substantial Shareholder of the Group and a connected person of the Company
“%”	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 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 identification purpose only