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**vanke** 万科  
**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)**

**UPDATE ANNOUNCEMENT IN RELATION TO  
CONSOLIDATION OF COMMERCIAL PROPERTIES  
ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENTS**

Reference is made to the announcement of the Company dated 17 March 2017, in relation to, among others, the proposed formation of the Investment Funds for the consolidation of commercial properties of the Group.

**LIMITED PARTNERSHIP AGREEMENTS**

On 22 May 2017, (i) the Limited Partner I (a wholly-owned subsidiary of CMB), (ii) the Limited Partner II (a wholly-owned subsidiary of the Company) and (iii) the General Partner (a wholly-owned subsidiary of CMB) entered into the Limited Partnership Agreement I and Limited Partnership Agreement II, in relation to, among other things, the formation of the Investment Fund I and Investment Fund II, respectively, for the purpose of carrying out asset and equity investments.

The aggregate amount which the Company proposes to contribute to the Investment Funds through the Limited Partner II is RMB5,031 million.

**IMPLICATIONS UNDER THE LISTING RULES**

As none of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the transactions contemplated under the Limited Partnership Agreements exceeds 5%, the entering into of the Limited Partnership Agreements does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis for the information of the shareholders and potential investors of the Company.

**INTRODUCTION**

Reference is made to the announcement of the Company dated 17 March 2017, in relation to, among others, the proposed formation of the Investment Funds for the consolidation of commercial properties of the Group.

On 22 May 2017, (i) the Limited Partner I (a wholly-owned subsidiary of CMB), (ii) the Limited Partner II (a wholly-owned subsidiary of the Company), and (iii) the General Partner (a wholly-owned subsidiary of CMB) entered into the Limited Partnership Agreement I and Limited Partnership Agreement II, in relation to, among other things, the formation of the Investment Fund I and Investment Fund II for the purpose of carrying out asset and equity investments.

## LIMITED PARTNERSHIP AGREEMENTS

### Date

22 May 2017

### Parties

- (1) the Limited Partner I, as a limited partner;
- (2) the Limited Partner II, as a limited partner; and
- (3) the General Partner, as the general partner.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Limited Partner I, the General Partner and their respective ultimate beneficial owner(s) are Independent Third Parties.

### Information on the Investment Funds

The Investment Fund I and Investment Fund II will be established in the PRC as limited partnerships.

### Capital contribution

#### *Capital contribution to the Investment Fund I*

Pursuant to the Limited Partnership Agreement I, the total capital contribution of the Partners to the Investment Fund I is as follows:

<b>Partners</b>	<b>Capital contribution</b> <i>(RMB million)</i>	<b>Percentage of contribution</b> <i>(%)</i>
Limited Partner I	4,134	60.00
Limited Partner II	2,687.1	39.00
General Partner	68.9	1.00
<b>Total</b>	<b>6,890</b>	<b>100.00</b>

## ***Capital contribution to the Investment Fund II***

Pursuant to the Limited Partnership Agreement II, the total capital contribution of the Partners to the Investment Fund II is as follows:

<b>Partners</b>	<b>Capital contribution (RMB million)</b>	<b>Percentage of contribution (%)</b>
Limited Partner I	3,606	60.00
Limited Partner II	2,343.9	39.00
General Partner	60.1	1.00
<b>Total</b>	<b>6,010</b>	<b>100.00</b>

Each of the Partners shall make its capital contribution in cash in RMB to the Investment Funds upon receiving the payment notices from the General Partner in such amounts and at such times as the General Partner shall deem appropriate as specified in such payment notices.

The amount of the capital contribution to the Investment Funds of each Partner is arrived at after arm's length negotiations between the parties, with reference to, among other things, the capital requirement of the Investment Funds.

The aggregate amount which the Company proposes to contribute to the Investment Funds through the Limited Partner II under the Limited Partnership Agreements is RMB5,031 million, which will be funded by the Company's internal resources.

### **Scope of investment**

The Investment Funds will make investments in properties and equity through equity investment, debt investment and other investments which comply with applicable laws and regulations.

### **Term**

Pursuant to the Limited Partnership Agreements, the term of each of the Investment Fund I and Investment Fund II is 20 years, which can be extended or terminated in advance with consents from both the General Partner and limited partners who jointly hold more than two thirds of the partnership interest.

### **Allocations and distributions**

The Distributable Incomes shall be distributed according to the following orders:

- (1) the Distributable Incomes shall be fully distributed to the Limited Partner I until the cumulative distributions to the Limited Partner I reach its investment return provided by the Limited Partnership Agreements;

- (2) the Distributable Incomes shall be fully distributed to the Limited Partner II until the cumulative distributions to the Limited Partner II reach its investment return provided by the Limited Partnership Agreements; and
- (3) the Distributable Incomes shall be fully distributed to the General Partner until the cumulative distributions to the General Partner reach its investment return provided by the Limited Partnership Agreements.

### **Management of the Investment Funds**

Pursuant to the Limited Partnership Agreements, the General Partner of each of the Investment Funds is responsible for the day-to-day operation and management of such Investment Fund. The General Partner is entitled to an annual management fee equaling 1% of the amount of the paid-in capital of such Investment Fund.

The capital of the Investment Funds can only be utilised for investing in projects approved by the Investment Decision Committees, paying relevant partnership expenses and making distributions to the Partners.

Each of the Investment Decision Committees shall comprise five members, all of which shall be appointed by the General Partner. All the decisions made by each of the Investment Decision Committees shall be approved by no less than three members.

### **REASONS AND BENEFITS OF THE INVESTMENT**

Based on the Group's commercial property development strategy and with the support of external capital contribution, the Investment Funds will be formed to acquire mature commercial property projects held by the Group, as part of the Group's plan of consolidation of commercial properties. The Directors (including the independent non-executive Directors) are of the view that the terms of the Limited Partnership Agreements are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

### **GENERAL**

#### **Information on the Company**

The Company is 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). The Company and its subsidiaries are principally engaged in property development and property services.

#### **Information on the Limited Partner I**

The Limited Partner I is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of CMB, and is principally engaged in investment holding.

## **Information on the Limited Partner II**

The Limited Partner II is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in investment holding.

## **Information on the General Partner**

The General Partner is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of CMB, and is principally engaged in investment holding.

## **Information on CMB**

CMB is a joint stock company established under the laws of the PRC with limited liability and is a leading commercial bank in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 3968) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600036).

## **OTHERS**

Details of other transactions to be contemplated for the consolidation of commercial properties of the Group are still subject to further negotiations.

**The Company wishes to emphasize that the Proposed Transactions are still subject to, among other things, the executions of the Transaction Documents other than the Limited Partnership Agreements. Shareholders and potential investors of the Company should note that the Proposed Transactions may or may not materialise and the final structure and terms of other Transaction Documents, which will be subject to further negotiations between the parties, have yet been finalised. Shareholders and potential investors of the Company shall exercise caution when dealing in the shares of the Company.**

As of the date of this announcement, except the Limited Partnership Agreements, the Group has not entered into any other material Transaction Document. If there are any material developments with respect to the Proposed Transactions, the Company will make relevant disclosures in accordance with the Listings Rules as and when appropriate.

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company
“CMB”	China Merchants Bank Co., Ltd.* (招商銀行股份有限公司), 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: 3968) and the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 600036)

“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)
“Director(s)”	director(s) of the Company
“Distributable Incomes”	the net incomes of the Investment Funds after deduction of taxes and payment to third parties
“General Partner”	China Merchant Bank International Capital Management (Shenzhen) Limited* (招銀國際資本管理(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of CMB
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Investment Decision Committees”	the investment decision committees of the Investment Funds
“Investment Fund I”	a limited partnership to be established in the PRC pursuant to the Limited Partnership Agreement I under the proposed name of CMB Chengzhang No.1 Investment (Shenzhen) Partnership (Limited Partnership)* (招銀成長壹號投資(深圳)合夥企業(有限合夥))
“Investment Fund II”	a limited partnership to be established in the PRC pursuant to the Limited Partnership Agreement II under the proposed name of CMB Chengzhang No.9 Investment (Shenzhen) Partnership (Limited Partnership)* (招銀成長玖號投資(深圳)合夥企業(有限合夥))
“Investment Fund(s)”	the Investment Fund I and/or Investment Fund II
“Limited Partner I”	Hubei Changjiang CMB Industry Fund Management Co., Ltd.* (湖北長江招銀產業基金管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CMB
“Limited Partner II”	Zhuhai Mengxiangjia Trading Co., Ltd.* (珠海夢想家商貿有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Limited Partnership Agreement I”	the limited partnership agreement dated 22 May 2017 entered into by and among the Limited Partner I, the Limited Partner II and the General Partner, in relation to, among other things, the formation of the Investment Fund I
“Limited Partnership Agreement II”	the limited partnership agreement dated 22 May 2017 entered into by and among the Limited Partner I, the Limited Partner II and the General Partner, in relation to, among other things, the formation of the Investment Fund II
“Limited Partnership Agreements”	the Limited Partnership Agreement I and Limited Partnership Agreement II
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partners”	the Limited Partner I, the Limited Partner II and the General Partner
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Transactions”	proposed transaction arrangements in relation to the consolidation of commercial properties of the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Document(s)”	agreements and transaction documents entered and/or to be entered into by the Group under the Proposed Transactions
“%”	per cent

By order of the Board  
**China Vanke Co., Ltd.\***  
(萬科企業股份有限公司)  
**Zhu Xu**  
Company Secretary

Shenzhen, the PRC, 22 May 2017

*As at the date of this announcement, the Board comprises Mr. WANG Shi, Mr. YU Liang and Mr. WANG Wenjin, as executive Directors; Mr. QIAO Shibo, Mr. SUN Jianyi, Mr. WEI Bin and Mr. CHEN Ying as non-executive Directors; and Mr. ZHANG Liping, Mr. HUA Sheng, Ms. LAW Elizabeth and Mr. HAI Wen as independent non-executive Directors.*

\* For identification purpose only