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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)*

**ISSUE OF HK\$1,650,000,000 2.50%
GUARANTEED NOTES DUE 2019
(TO BE CONSOLIDATED AND TO FORM A SINGLE SERIES
WITH THE HK\$2,000,000,000 2.50%
GUARANTEED NOTES DUE 2019)
UNDER US\$2,000,000,000 MEDIUM TERM
NOTE PROGRAMME**

The Company is pleased to announce that the Issuer has issued the Notes under the Programme. The Notes are to be consolidated and form a single series with the HK\$2,000,000,000 2.50% Guaranteed Notes due 2019.

The Notes were offered to professional investors in Hong Kong and to non-U.S. persons outside the United States in compliance on Regulation S under the Securities Act.

The Notes were issued by the Issuer, guaranteed by the Guarantor and supported by a Keepwell Deed and a Deed of Equity Interest Purchase Undertaking executed by the Company.

None of the Notes were offered to the public in Hong Kong and placed to any connected persons of the Company. An application has been made to The Stock Exchange of Hong Kong Limited for the listing of, and permission to deal in the Notes. Such listing of, and permission to deal in, the Notes is expected to become effective on 3 May 2016.

The proceeds are intended to be used for working capital, investment and other general corporate purposes.

INTRODUCTION

The Company is pleased to announce that the Issuer has issued the Notes under the Programme. The Notes are to be consolidated and form a single series with the HK\$2,000,000,000 2.50% Guaranteed Notes due 2019. ABCI Capital Limited and Agricultural Bank of China Limited Hong Kong Branch were the Dealers in respect of the issue of the Notes.

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, each of the Dealers is an Independent Third Party and is not a connected person of the Company.

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None of the Notes were offered to the public in Hong Kong and placed to any connected person of the Company.

Principal Terms of the Notes

The principal terms of the Notes are as follows:

Issuer	Bestgain Real Estate Lyra Limited, an indirectly wholly-owned subsidiary of the Company
Guarantor	Vanke Real Estate (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company
Aggregate principal amount	HK\$1,650,000,000
Offering price	100% plus 16 days' accrued interest (in respect of the period from (and including) 13 April 2016 to (but excluding) 29 April 2016)
Issue date	29 April 2016
Interest rate	2.50% per annum payable annually in arrears on 13 April of each year
Maturity date	13 April 2019, unless earlier redeemed in accordance with the terms thereof
First interest payment due date	13 April 2017

The Notes were rated “Baa2” by Moody’s, “BBB” by S&P and “BBB+” by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Ranking of the Notes and Guarantee

The Notes shall be the unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Notes set out in the Trust Deed, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

The Notes are unconditionally and irrevocably guaranteed by the Guarantor as to all sums expressed to be payable under the Notes. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Notes set out in the Trust Deed, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

Keepwell Deed

The Notes are supported by the Keepwell Deed executed by the Company, the Issuer, the Guarantor and the Trustee on 16 July 2013. Under the Keepwell Deed, the Company undertakes to the Issuer, the Guarantor and the Trustee that it shall cause:

- (i) each of the Issuer and the Guarantor to have a consolidated net worth of at least U.S.\$1.00 at all times;
- (ii) each of the Issuer and the Guarantor to have sufficient liquidity to ensure timely payment by each of the Issuer and the Guarantor of any amounts payable in respect of the Notes and/or the Guarantee in accordance with the Trust Deed and the terms and conditions of the Notes and otherwise under the Trust Deed and the relevant agency agreement; and
- (iii) the Guarantor to have a total equity of at least RMB2,000,000,000 at all times.

Deed of Equity Interest Purchase Undertaking

The Notes are supported by the Deed of Equity Interest Purchase Undertaking executed by the Company and the Trustee on 16 July 2013.

Under the Deed of Equity Interest Purchase Undertaking, the Company agrees to the Trustee that upon the occurrence of an event of default as defined under the terms and conditions of the Notes set out in the Trust Deed and the receipt of the relevant notice, it shall, subject to obtaining all necessary approvals, consents, licences, orders, permits and any other authorisations from the relevant approval authorities, purchase from any offshore subsidiary of the Guarantor, following each such occurrence (either by itself or through a PRC incorporated subsidiary of the Company) the equity interests in an amount not less than the shortfall amount.

The shortfall amount, for the purpose of the above paragraph, is the aggregate of the following amounts:

- (i) the principal amount of the relevant Notes then outstanding at the date of such notice and any interest accrued but unpaid on the Notes up to but excluding the date of such notice; plus
- (ii) an amount equivalent to the interest payable at the stated rate of interest on the relevant Notes for a six month period; and
- (iii) all costs, fees and expenses and other amounts payable to the Trustee and/or the agents under or in connection with the relevant Notes, the Trust Deed, the relevant agency agreement and/or the Deed of Equity Interest Purchase Undertaking as at the date of such notice plus provisions for fees and expenses which may be incurred after the date of such notice.

PROPOSED USE OF PROCEEDS

The proceeds are intended to be used by the Issuer for working capital, investment and other general corporate purposes.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	萬科企業股份有限公司 (China Vanke Co., Ltd.*)
“connected person”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Dealers”	ABCI Capital Limited and Agricultural Bank of China Limited Hong Kong Branch
“Deed of Equity Interest Purchase Undertaking”	deed of equity interest purchase undertaking entered into by the Company and the Trustee on 16 July 2013
“Director(s)”	the director(s) of the company
“Fitch”	Fitch Ratings Ltd
“Group”	the Company and its subsidiaries and associated companies
“Guarantee”	the guarantee given by the Guarantor with respect to the obligations of the Issuer under the Notes
“Guarantor”	Vanke Real Estate (Hong Kong) Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“ Independent Third Party ”	party independent of the Company, its subsidiaries and their respective connected persons
“ Keepwell Deed ”	keepwell deed executed by the Company, the Issuer, the Guarantor and the Trustee on 16 July 2013
“ Issuer ”	Bestgain Real Estate Lyra Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“ Moody’s ”	Moody’s Investors Service
“ Notes ”	HK\$1,650,000,000 2.50% guaranteed notes due 2019
“ PRC ”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan area
“ Programme ”	the US\$2,000,000,000 medium term note programme established by the Company, the Guarantor and the Issuer on 16 July 2013
“ S&P ”	Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc.
“ Trust Deed ”	trust deed executed by the Company, the Notes Issuer, the Guarantor and the Trustee on 16 July 2013
“ Trustee ”	The Hongkong and Shanghai Banking Corporation Limited
“ U.S. ” or “ United States ”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“ U.S. Securities Act ”	the United States Securities Act of 1933, as amended
“ US\$ ”	United States dollar, the lawful currency of the United States

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

Shenzhen, the PRC, 29 April 2016

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*