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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)

**TERMINATION OF MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN QIANHAI INTERNATIONAL AND
THE ISSUE OF CONSIDERATION SHARES**

References are made to the announcement (the “**Announcement**”) of China Vanke Co., Ltd.* (the “**Company**”) dated 19 June 2016 in relation to, among other things, the acquisition of the entire equity interest in Shenzhen Metro Qianhai International Development Co., Ltd.* (深圳地鐵前海國際發展有限公司) (the “**Acquisition**”) and the issue of the Consideration Shares and the announcements dated 29 September 2016 and 14 November 2016, respectively, in relation to the delay and the further delay in the despatch of the Circular. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company hereby announces that on 16 December 2016, the Company and SZMC entered into a termination agreement regarding the termination of the Acquisition Agreement and the Acquisition contemplated thereunder (the “**Termination Agreement**”). Pursuant to the Termination Agreement, the Acquisition Agreement was terminated with immediate effect.

Reasons for terminating the Acquisition

After the Company’s announcement of the proposed Acquisition, certain major Shareholders of the Company had publicly expressed disagreements on the Acquisition. While maintaining close communications with SZMC, the Company had engaged in several negotiations with such Shareholders on the significance of the Acquisition and proposed amendments to the Acquisition. However, as of the date of this announcement, the relevant parties have yet been able to reach a consensus on the details of the Acquisition.

Pursuant to the Provisions on Issues Concerning Regulating the Material Asset Restructuring of Listed Companies Issued by the China Securities Regulatory Commission (《中國證券監督管理委員會關於規範上市公司重大資產重組若干問題的規定》), should the Board fail to issue notices of the Shareholders' Meetings within six months following the announcement of resolutions of the first Board meeting in relation to the Acquisition, the Company should convene another Board meeting to reconsider matters in relation to the Acquisition, and the Price Determination Date for the Issuance of the Consideration Shares will be the date of the announcement of resolutions of such Board meeting. Judging from the current situation regarding communications with the relevant parties, the Company will not be able to issue notices of the Shareholders' Meetings within six months after the announcement of the resolutions of the first Board meeting in relation to the Acquisition (being the eleventh meeting of the seventeenth session of the Board held on 17 June 2016).

Taking into account the relatively significant price fluctuations in the Company's A Shares since the resumption of trading on 4 July 2016, and the fact that relevant parties have, at the present stage, yet been able to reach a consensus on the amendments to the Acquisition proposal, the Company is of the view that the conditions for pushing forward with the Acquisition have yet been met and there will be tremendous uncertainties in relation to the Acquisition if the Company continues to push forward with the Acquisition. In order to safeguard the interests of the Shareholders and the Company as a whole, after negotiating with SZMC, the Company agreed to terminate the Acquisition and entered into the Termination Agreement with SZMC.

Impacts of terminating the Acquisition on the Company

The Company expects that the termination of the Acquisition will not have any material adverse impacts on its short-term financial position.

The Company continues to firmly hold a positive view on the outlook of the "Railway+Property" model. The Company will continue to develop as an "integrated urban services provider", actively seizing opportunities arising from urban development spearheaded by rail transit, as well as conducting business exploration and strategic planning in areas related to rail transit development. The Company will also continue to maintain communications with various organisations, explore cooperation methods, seek strategic synergy, leverage its comparative advantages and thoroughly practise the "Railway+Property" development model to further enhance its ability to create value for the Shareholders and achieve sustainable development.

Others

As disclosed in the announcement of the Company dated 14 November 2016, the Circular is expected to be despatched to the Shareholders on or before 31 December 2016. Following the termination of the Acquisition, the Circular will no longer be despatched to the Shareholders, and the Shareholders' Meetings to consider and approve the Acquisition Agreement and the transactions contemplated thereunder will not be convened by the Company.

By order of the Board

China Vanke Co., Ltd.*
Zhu Xu
Company Secretary

Shenzhen, the PRC, 18 December 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*