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vanke

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
RECEIPT OF FINANCIAL ASSISTANCE FROM SUBSTANTIAL
SHAREHOLDER AND PROVISION OF ASSET COLLATERAL**

THE LOAN, THE SUPPLEMENTAL LOAN AGREEMENT AND THE ASSET COLLATERAL

On 21 February 2025 (after trading hours), the Company entered into the Loan Agreement with Shenzhen Metro Group, the substantial Shareholder of the Company, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate amount of up to RMB4,200,000,000.

On 21 May 2025 (after trading hours), the Company entered into the Supplemental Loan Agreement with Shenzhen Metro Group to supplement and modify the Loan Agreement, pursuant to which the Company shall provide Asset Collateral to Shenzhen Metro Group at a 70% loan-to-value ratio, i.e., with a value not exceeding RMB6,000,000,000, after obtaining the Independent Shareholders' approval at the General Meeting within two months after entering into the Supplemental Loan Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Metro Group is a substantial Shareholder holding approximately 27.18% of the total issued share capital of the Company, and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge) constitute a connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Asset Collateral, individually or in aggregate with the Previous Loan, exceeds 5%, Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge) constitute a connected transaction of the Company and are subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Supplemental Loan Agreement (including the provision of the Asset collateral in the form of the Share Pledge) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business and whether they are in the interests of the Company and its Shareholders as a whole.

An Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Supplemental Loan Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

AGM

The AGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge).

A circular containing, among other things, (i) details of the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge); (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the AGM is expected to be despatched to the Shareholders on or around 30 May 2025.

THE LOAN AGREEMENT

References are made to (i) the announcement of the Company dated 10 February 2025 in respect of the Previous Loan; and (ii) the overseas regulatory announcement of the Company dated 21 February 2025 in respect of the Loan Agreement.

On 21 February 2025 (after trading hours), the Company entered into the Loan Agreement with Shenzhen Metro Group, the substantial Shareholder of the Company, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate amount of up to RMB4,200,000,000, and the Group shall provide the Credit Guarantee not exceeding RMB4,200,000,000 in favour of Shenzhen Metro Group.

The principal terms of the Loan Agreement are set out below:

Date: 21 February 2025

Parties: (a) the Company (as borrower); and
(b) Shenzhen Metro Group (as lender).

Maximum principal amount: RMB4,200,000,000

Term of the Loan: Three years from the date of first drawdown of the Loan, subject to extension as agreed between the parties in accordance with the Loan Agreement. Any drawdown of the Loan shall not be made later than 14 March 2025.

As of the final permitted drawdown date of the Loan on 14 March 2025, the Company had drawn down the entire Loan amount of RMB4,200,000,000.

Interest rates and payment: Subject to compliance with the applicable laws and regulations, the floating interest rate of the Loan for each drawdown shall be the one-year LPR minus 76 basis points (i.e., LPR-0.76%). As of the final permitted drawdown date of the Loan on 14 March 2025, the applicable interest rate is 2.34%, which will be subject to floating adjustments each quarter throughout the term of the Loan, based on the prevailing one-year LPR minus 0.76% at the respective determination dates. The interest rate is determined on normal commercial terms or better, after arm's length negotiations and with reference to the considerations set out in the paragraphs headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF SUPPLEMENTAL LOAN AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this announcement.

Accrued interest shall be payable on a quarterly basis, which is intended to be funded by the Group's internal resources.

Use of proceeds: The proceeds from the Loan will be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market. For details, please refer to the section headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF SUPPLEMENTAL LOAN AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this announcement.

Repayment:

The repayment schedule of the outstanding principal amount of the Loan is set out below:

Repayment time	Repayment amount
Two business days prior to 21 June 2025	0.5% of the Loan drawn
Two business days prior to 21 December 2025	0.5% of the Loan drawn
Two business days prior to 21 June 2026	0.5% of the Loan drawn
Two business days prior to 21 December 2026	0.5% of the Loan drawn
Two business days prior to 21 June 2027	0.5% of the Loan drawn
Two business days prior to 21 December 2027	0.5% of the Loan drawn
Expiry date (which shall not be later than 14 March 2028 unless otherwise agreed by the parties)	97% of the Loan drawn

Conditions precedent:

Any drawdown of the Loan is conditional upon satisfaction of the following requirements:

- (i) the Company has provided the Credit Guarantee and completed the relevant procedures in accordance with the Loan Agreement and the applicable laws and regulations;
- (ii) there is no breach of the Loan Agreement or other agreements entered into between the Company and Shenzhen Metro Group;
- (iii) the evidence provided by the Company to support the use of proceeds of Loan is consistent with the intended use under the Loan Agreement; and
- (iv) the Company has provided all other information as required by Shenzhen Metro Group.

The aforementioned conditions precedent are not waivable by the parties. As at the date of this announcement, all conditions precedent for the drawdown of the Loan under the Loan Agreement have been satisfied.

Covenants:

The Company shall promptly notify Shenzhen Metro Group upon the occurrence of any of the following circumstances:

- (i) merger, division, capital reduction, equity pledge, major asset and debt transfer, external guarantee, major external investment, substantial increase in debt financing, or other actions being carried out by the Company that may adversely affect the rights and interests of Shenzhen Metro Group;
- (ii) change in the articles of association, business scope, registered capital, or legal representative of the Company;
- (iii) foreclosure, dissolution, liquidation, suspension of business for rectification, revocation of business license, cancellation, or application for (or being applied for) bankruptcy of the Company;
- (iv) the Company being involved in major disputes, litigation, arbitration, or property or collateral being sealed, seized, or supervised by law, or creating new substantial liabilities on the security;
- (v) material breach of other contracts by the Company affecting the Company's repayment ability;
- (vi) shareholders, directors, and current senior management personnel of the Company being suspected of involvement in significant cases or economic disputes;
- (vii) operational difficulties and deterioration in financial conditions; and
- (viii) other significant adverse matters affecting the Company's debt repayment ability.

The Company also covenants the following in favour of Shenzhen Metro Group:

- (i) withdraw and use the Loan in accordance with the terms and purposes stipulated in the Loan Agreement;
- (ii) the Loan withdrawn not be used for shareholders' dividends, bonuses, fines, investments in financial assets, fixed assets, and equity, inflating fiscal revenue, increasing hidden local government debts, or illegally entering into the real estate market or flowing into the securities market, the futures market, or any other areas or purposes prohibited or restricted by relevant national laws, regulations or regulatory requirements in any form;

- (iii) repay the principal, interest, and other payable amounts of the Loan in accordance with the terms of the Loan Agreement;
- (iv) accept and cooperate with Shenzhen Metro Group in inspecting and supervising the use of the Loan including the purpose by ways of account analysis, certificate inspection and on-site investigation, and periodically report the use of the Loan as required by Shenzhen Metro Group, providing financial accounting information and other information reflecting the Company's debt repayment ability (such as the balance sheet and profit or loss statement which, for the avoidance of doubt, are public information disseminated in accordance with applicable laws and regulations, and hence equally accessible to all Shareholders), and actively assist and cooperate with Shenzhen Metro Group in investigating, understanding, and supervising the Company's production, operation and financial conditions;
- (v) timely, comprehensively, and accurately disclose related party relationships and related transactions to Shenzhen Metro Group;
- (vi) timely sign all notices sent by Shenzhen Metro Group, whether by mail or other means;
- (vii) not dispose of own assets in a manner that materially reduces debt repayment ability, and not provide guarantees to third parties that may harm Shenzhen Metro Group's interests;
- (viii) periodically submit complete, true, and accurate reports on external guarantees to Shenzhen Metro Group;
- (ix) ensure the repayment order of the Loan is at least equal to the Company's similar debts to other creditors; and
- (x) strengthen the management of environmental, social, and governance risks, and accept Shenzhen Metro Group's supervision and inspection in this regard.

Representations and warranties:

The Loan Agreement contains the following representations and warranties from the Company to Shenzhen Metro Group, which shall remain valid throughout the term of the Loan Agreement:

- (i) the Company possesses the legal qualifications to act as a borrower and has the capacity and ability to execute and perform the Loan Agreement;

- (ii) at the time the Loan Agreement becomes effective, all necessary authorisations or approvals have been obtained, and the execution and performance of the Loan Agreement do not violate the Company's articles of association or relevant laws and regulations, nor do they contradict with obligations under other contracts of the Company;
- (iii) the Company operates in compliance with the law, maintains good credit standing, and has no malicious defaults on principal or interest owed to Shenzhen Metro Group;
- (iv) the Company has a sound organizational structure and financial management system, and no major violations or disciplinary actions have occurred in the course of its production and operations in the past year;
- (v) all documents and materials provided by the Company to Shenzhen Metro Group are true, accurate, complete, and effective, with no false records, significant omissions, or misleading statements;
- (vi) the accounting reports provided by the Company to Shenzhen Metro Group which, for the avoidance of doubt, are public information disseminated in accordance with applicable laws and regulations, and hence equally accessible to all Shareholders, are prepared in accordance with the PRC accounting standards and accurately, fairly, and completely reflect the Company's operating conditions and liabilities;
- (vii) the Company has not concealed any litigation, arbitration, or claims it is involved in from Shenzhen Metro Group, and there are no ongoing litigation, arbitration, other administrative procedures, or claims that may affect the Company's ability to sign or perform and repay the debts under the Loan Agreement; and
- (viii) the Company has not concealed any matters that have occurred or are occurring that may affect its financial condition and debt repayment ability from Shenzhen Metro Group.

In connection with the Loan Agreement and by entering into the Credit Guarantee, Vanke Investment, Vanke Development and Vanke Apartment agree to provide a joint and several liability guarantee for due performance of all obligations of the Company under the Loan Agreement in favour of Shenzhen Metro Group, for an amount not exceeding RMB4,200,000,000 and a term commencing from its execution date to two years after the Loan's expiry date, which is not later than 14 March 2028 as stipulated in the Loan Agreement.

THE SUPPLEMENTAL LOAN AGREEMENT AND THE ASSET COLLATERAL

On 21 May 2025 (after trading hours), the Company entered into the Supplemental Loan Agreement with Shenzhen Metro Group to supplement and modify the Loan Agreement.

The principal terms of the Supplemental Loan Agreement are set forth below:

Date: 21 May 2025

Parties: (a) the Company (as borrower); and
(b) Shenzhen Metro Group (as lender).

Subject matter and consideration: The Company shall convene General Meeting to consider and approve to provide the Asset Collateral in the form of Share Pledge to serve as security under the Loan Agreement, and after obtaining the Independent Shareholders' approval at the General Meeting within two months after entering into the Supplemental Loan Agreement, the Company shall provide Asset Collateral to Shenzhen Metro Group at a 70% loan-to-value ratio, i.e., with a value not exceeding RMB6,000,000,000.

The parties shall enter into a pledge agreement in respect of the Asset Collateral, and the power of Credit Guarantee shall be automatically terminated when the pledge agreement becomes effective and the relevant pledge registration procedures are completed.

Provision of additional security: The initial security level of the Asset Collateral is determined based on a loan-to-value ratio of 70%, calculated using the following formula:

$$\text{Loan-to-value ratio} = A/B$$

Where:

A = the total sum of principal accrued under the Loan; and

B = the value of the Asset Collateral, which shall not exceed RMB6,000,000,000.

Subsequently, in the event that the ratio of value of pledged shares to balance of Loan is lower than 130% for three consecutive trading days, the Company shall provide additional pledge of same type of stock, other qualified guarantees as agreed by the parties, or repay all or part of the outstanding loan within five (5) business days to address the security shortfall.

Conditions precedent:

The Asset Collateral in the form of Share Pledge is conditional upon the Company having obtained approval of the Asset Collateral from the Independent Shareholders in accordance with the Listing Rules and other applicable laws, within two (2) months after entering into the Supplemental Loan Agreement.

The aforementioned condition precedent is not waivable by the parties. As at the date of this announcement, the condition precedent for providing Asset Collateral in the form of Share Pledge under the Supplemental Loan Agreement has not been fulfilled.

In the event that the General Meeting not convened or the approval of General Meeting cannot be obtained within the abovementioned stipulated period, the Company shall provide other qualified guarantee acceptable to Shenzhen Metro Group within five (5) business days, or Shenzhen Metro Group may opt for immediate repayment of the principal and accrued interests of the Loan by the Company.

Completion:

The parties agreed to complete the pledge agreement signing and the pledge registration procedures in accordance with applicable laws and regulations within five (5) business days of obtaining the approval of General Meeting.

Early release:

If the Company makes an early repayment of the Loan in advance of the repayment schedule, the parties may partially release the Asset Collateral of corresponding value, to ensure that the loan-to-value ratio remains no less than 70%. Shenzhen Metro Group should actively cooperate with the relevant release procedures, if applicable. Where the principal and accrued interest under the Loan are fully repaid, the pledge registration for the Asset Collateral should be terminated and released within five (5) business days from the date of full repayment.

All other terms and conditions of the Loan Agreement, insofar as they are not modified by the Supplemental Loan Agreement, shall remain in full force and effect.

Asset Collateral

Pursuant to the Supplemental Loan Agreement, the Company shall provide Asset Collateral to Shenzhen Metro Group at a 70% loan-to-value ratio, i.e., with a value not exceeding RMB6,000,000,000. The pledged collateral shall be Onewo Shares. The Company (as pledgor) and Shenzhen Metro Group (as pledgee) intend to enter into the Share Pledge, upon obtaining the approval of Independent Shareholders, in favour of Shenzhen Metro Group to secure due performance of the Company's obligations as the Asset Collateral.

The number of Onewo Shares to be pledged shall be determined on the date of entering into the Share Pledge and calculated as follows:

$$\text{Number of Onewo Shares to be pledged} = C/D \text{ (Note 1)}$$

Where:

C = the value of the Asset Collateral, which shall not exceed RMB6,000,000,000.

D = the lower of (i) the closing price of Onewo Shares on the date of the entering into the Share Pledge, and (ii) average market price of Onewo Shares traded on the Hong Kong Stock Exchange over the last 30 trading days prior to the date of the entering into the Share Pledge.

Note:

1. Assuming the lower of (i) the closing price of Onewo Shares on the Hong Kong Stock Exchange as at the date of this announcement, which was HK\$20.95 (or equivalent to RMB19.25 based on the exchange rate published by the People's Bank of China as at the date of this announcement), and (ii) the average market price of Onewo Shares traded on the Hong Kong Stock Exchange over the last 30 trading days prior to the date of this announcement, which was HK\$21.59 (or equivalent to RMB19.85 based on the exchange rate published by the People's Bank of China as at the previous trading day before the date of this announcement), i.e. HK\$20.95 or RMB19.25, was adopted for illustration purposes, and considering the Asset Collateral valued at RMB6,000,000,000, the Company shall pledge 311,676,242 Onewo Shares, which accounts for approximately 26.95% of the total issued share capital of Onewo Inc. (excluding 11,560,200 Onewo Shares held as treasury shares and 3,512,200 Onewo Shares repurchased but not yet cancelled) as at the date of this announcement.

Enforcement of security

The Share Pledge is expected to become immediately enforceable and disposable (in whole or in part) by Shenzhen Metro Group in accordance with applicable laws and regulations if the Company fails to fully and timely fulfil its obligations in respect of the Loan. The enforcement measures available for Shenzhen Metro Group may include: (i) selling the collateral to repay the debt under the Loan; (ii) exercising the collateral right by applying to the court for enforcement, thereby disposing of the collateral by discounting or auctioning it to repay the debt under the Loan; (iii) auctioning the collateral or obtaining proceeds in other forms for priority repayment in accordance with law; (iv) receiving priority repayment from dividends by virtue of the collateral; and/or (v) initiating legal proceedings in the People's Court or taking other necessary measures as prescribed by law.

In the event that Shenzhen Metro Group enforces the Share Pledge, which may result in a partial or complete transfer or disposal of the Onewo Shares pledged under the Previous Loan and/or the Loan, to an extent that Onewo Inc. ceasing to be a subsidiary of the Group, the financial results of Onewo Inc. may no longer be consolidated into the financial statements of the Group. Consequently, the Group's property services business may shrink in scale. However, as Onewo Inc.'s assets and revenue accounted for only approximately 3.0% and 10.6% of the Group's total assets and revenue based on their consolidated financial statements as at 31 December 2024 which were audited, the anticipated impact on the operational and financial aspects of the Company would be considered to be limited in such regard.

In addition, to reduce the enforcement risk as illustrated above, the Company will make every effort to ensure the timely and full repayment of the principal and interests accrued under the Loan through its regular operations or various financing channels. Pursuant to the Loan Agreement, the Company may also apply for an extension of the Loan with Shenzhen Metro Group, subject to the latter's review and approval. Accordingly, the risk associated with the enforcement of the pledged Onewo Shares by Shenzhen Metro Group is considered to be controllable. Based on the above and the considerations set out in the section headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF SUPPLEMENTAL LOAN AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER", the Directors considered that the Asset Collateral in the form of Share Pledge is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The enforcement of the Share Pledge will not be restricted by the Takeovers Code. In the event that the mandatory offer obligation under Rule 26 of the Takeovers Code is triggered by enforcement of the Share Pledge by Shenzhen Metro Group, the parties will comply with the Takeovers Code and its implications upon exercising such enforcement right as and when required.

BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL LOAN AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER

The proceeds from the Loan would be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market. The public bonds issued by the Company which were or will be due for repayment shortly as at the date of entering into the Loan Agreement are set out in the following table:

Name of bonds	Abbreviation of bonds	Maturity date/ redemption date	Outstanding principal and interest (RMB billion)
China Vanke Co., Ltd. medium-term notes in 2022 (second tranche)	22 Vanke MTN002	16 February 2025	3.089
China Vanke Co., Ltd. medium-term notes in 2022 (third tranche)	22 Vanke MTN003	25 February 2025	2.060
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (first tranche) (variety I)	22 Vanke 01	4 March 2025	0.918
China Vanke Co., Ltd. 2020 corporate bonds to professional investors in public (first tranche) (variety II)	20 Vanke 02	16 March 2025 ⁽¹⁾	1.034
China Vanke Co., Ltd. 2020 corporate bonds to professional investors in public (second tranche) (variety II)	20 Vanke 04	19 May 2025 ⁽¹⁾	1.552
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety I)	22 Vanke 03	6 June 2025 ⁽²⁾	0.36
China Vanke Co., Ltd. 2020 corporate bonds to professional investors in public (third tranche) (variety II)	20 Vanke 06	19 June 2025 ⁽¹⁾	1.247

Notes:

1. These bonds carry a redemption option for the Company exercisable at the end of the fifth year.
2. These bonds carry a redemption option for the Company exercisable at the end of the third year.

The Company shall arrange for the utilisation of the Loan to partially settle the principals and interests accrued under aforesaid bonds based on actual funding needs.

Currently, the Company has provided Credit Guarantee for the Loan as a security measure. To ensure that the Loan is adequately secured with asset and reduce its financial risk, Shenzhen Metro Group has entered into the Supplemental Loan Agreement with the Company to replace the Credit Guarantee with the Asset Collateral after the Company obtains the requisite approval from Independent Shareholders for the Supplemental Loan Agreement and the transactions contemplated thereunder, including the provision of Asset Collateral in the form of the Share Pledge.

The Company considered that obtaining the Loan by entering into the Loan Agreement and the Supplemental Loan Agreement would be the most effective way to raise funds for the Group. In addition, the interest rate of the Loan and the initial loan-to-value ratio of the Asset Collateral were determined through amicable negotiations between the parties at a level acceptable and mutually beneficial to both the Company and Shenzhen Metro Group, taking into account the prevailing market rates and standards as detailed below.

The interest rate of LPR minus 0.76% (i.e., 2.34% as at the final permitted drawdown date of the Loan on 14 March 2025) under the Loan Agreement was considered comparable to or better than the prevailing market rates, taking into account: (i) the LPR (i.e., 3.10% as at the final permitted drawdown date of the Loan on 14 March 2025); and (ii) the comprehensive cost of newly acquired domestic financing by the Group in the first half of 2024 at 3.60%, as disclosed in the 2024 interim report of the Company, which is a weighted average cost calculated using the scale of each relevant financing transaction during this period as the weighting factor. It serves as a benchmark for market standard as the vast majority of the Group's newly acquired domestic financing in the first half of 2024 originated from banks, with the financing cost primarily determined based on the LPR at the time of drawdown, plus additional fixed margins that varied among different financing transactions.

The initial loan-to-value ratio of the Asset Collateral at 70% was also considered comparable to or better than the prevailing market standard, which generally ranges from 30% to 60%, determined with reference to the loan-to-value ratio of interest bearing debts incurred by no less than five companies listed on the Hong Kong Stock Exchange that are principally engaged in property development in the PRC and have market capitalization and revenue percentages from property sale and related services comparable to those of the Group, on a non-exhaustive basis, during the financial year ended 31 December 2023.

As such, the interest rate under the Loan Agreement and the loan-to-value ratio of the Asset Collateral, while adhering to market-oriented principles, are at least comparable to, or even more favorable than, the terms and rates obtained from the market. This fully reflects Shenzhen Metro Group's support for the Company. Based on the above, the Directors considered that the interest rate under the Loan Agreement and the loan-to-value ratio of the Asset Collateral are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

1. Information on the Group

The Company 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 property development and property investment in the PRC.

Vanke Investment is a limited liability company incorporated under the laws of the PRC and is a wholly-owned subsidiary of the Company, whose principal businesses are investment management, industrial investment, real estate comprehensive development and operation, and the provision of consultancy services for relevant technologies.

Vanke Development is a limited company established in the PRC and a wholly-owned subsidiary of the Company, whose principal businesses are property development and property investment in the PRC.

Vanke Apartment is a limited company established in the PRC and a wholly-owned subsidiary of the Company, whose principal business is general business services.

2. Information on Shenzhen Metro Group

Shenzhen Metro Group, incorporated on 31 July 1998, is a large-scale state-owned proprietary enterprise under the direct control of the Shenzhen State-owned Assets Supervision and Administration Commission. Shenzhen Metro Group is principally engaged in metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc. Shenzhen Metro Group has undertaken the construction of the “Combination of Three Rails into One” (“三鐵合一”) project, combining national railways, intercity railways and urban rail transit, and the operation of the “four-in-one” (“四位一體”) core value chain consisting of railway construction, railway operation, station-city development and resource management, and is striving to build up an open, innovative and inclusive “Railway+” ecosystem.

3. Information on Onewo Inc.

Onewo Inc., a joint stock company incorporated under the laws of the PRC with limited liability and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange, is a leading omni-space service provider in the PRC, with a well-established business system across community, commercial and urban spaces. It provides space technology services for a diverse array of properties such as residential communities, workspaces and public premises, and a broad customer base covering property owners, corporate and other institutional clients. Onewo Inc.’s group is principally engaged in the provision of property services in China.

As at the date of this announcement, the Group is entitled to control the voting rights of 660,602,000 Onewo Shares, representing approximately 57.12% of the total issued share capital of Onewo Inc. (excluding 11,560,200 Onewo Shares held as treasury shares and 3,512,200 Onewo Shares repurchased but not yet cancelled), and thus the Company is the Controlling Shareholder of Onewo Inc.

The total assets and net asset value of Onewo Inc. as at 31 December 2022, 31 December 2023 and 31 December 2024 were as follows:

Unit: RMB thousand

	As at 31 December 2022 (audited)	As at 31 December 2023 (audited)	As at 31 December 2024 (audited)
Total assets	36,962,985	39,383,117	38,608,225
Net asset value	17,001,504	18,220,241	17,159,751

The net profit (before and after tax) of Onewo Inc. for the three years ended 31 December 2024 were as follows:

Unit: RMB thousand

	For the year ended 31 December 2022 (audited)	For the year ended 31 December 2023 (audited)	For the year ended 31 December 2024 (audited)
Net profit (before tax)	2,020,773	2,657,821	1,696,036
Net profit (after tax)	1,587,252	2,035,829	1,256,028

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Metro Group is a substantial Shareholder holding approximately 27.18% of the total issued share capital of the Company, and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge) constitute a connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Asset Collateral, individually or in aggregate with the Previous Loan, exceeds 5%, Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge) constitute a connected transaction of the Company and are subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The related Directors, namely Mr. XIN Jie, Mr. HUANG Liping and Mr. LEI Jiangsong, have abstained from voting on the Board resolution in respect of this matter. Save for the aforesaid, none of the other Directors has any material interest in this matter, and no Director is required to abstain from voting on this resolution approving the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Supplemental Loan Agreement (including the provision of the Asset collateral in the form of the Share Pledge) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business and whether they are in the interests of the Company and its Shareholders as a whole.

An Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Supplemental Loan Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

AGM

The AGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge).

In accordance with the Listing Rules, any Shareholders who has a material interest in the Supplemental Loan Agreement and the transactions contemplated thereunder shall abstain from voting on the resolutions to approve the Supplemental Loan Agreement and the transactions contemplated thereunder at the AGM. As at the date of this announcement, 3,242,810,791 A Shares were directly held by Shenzhen Metro Group, representing approximately 27.18% of the total issued share capital of the Company. Accordingly, Shenzhen Metro Group will be required to abstain from voting on the relevant resolutions at the AGM.

Save as disclosed above, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the transactions and will be required to abstain from voting on the relevant resolutions to approve the Supplemental Loan Agreement and the transactions contemplated thereunder at the AGM.

A circular containing, among other things, (i) details of the Supplemental Loan Agreement and transactions contemplated thereunder (including the provision of the Asset collateral in the form of the Share Pledge); (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the AGM is expected to be despatched to the Shareholders on or around 30 May 2025.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

“A Share(s)”	domestic ordinary shares of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange (stock code: 000002) and traded in RMB
“A Shareholder(s)”	holder(s) of the A Share(s)
“AGM”	the annual general meeting of 2024 of the Company to be convened in June 2025, the details of which will be further disclosed in the notice convening the AGM, or any adjournment thereof
“Asset Collateral”	the asset collateral agreed to be provided by the Company, with a value not exceeding RMB6,000,000,000, in favor of Shenzhen Metro Group, serving as security under the Supplemental Loan Agreement
“Board”	the board of Directors
“Company”	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 on 30 May 1984, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2202) and the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Credit Guarantee”	the guarantee dated 21 February 2025 executed by Vanke Investment, Vanke Development and Vanke Apartment in favour of Shenzhen Metro Group, guaranteeing the due performance of all obligations of the Company under the Loan Agreement, for an amount not exceeding RMB4,200,000,000
“Director(s)”	the director(s) of the Company
“Executive Director(s)”	the executive director(s) of the Company
“General Meeting”	the general meetings convened by the Company from time to time
“Group”	the Company and its subsidiaries

“H Share(s)”	the overseas listed foreign share(s) of the Company, with nominal value of RMB1.00 each, which are listed on the Stock Exchange (stock code: 2202) and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Share(s)
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Board Committee”	the independent board committee comprising all the Independent Non-executive Directors, namely Mr. Liu Tsz Bun Bennett, Mr. Lim Ming Yan, Dr. Shum Heung Yeung Harry and Mr. Zhang Yichen, established to advise the Independent Shareholders in respect of the Supplemental Loan Agreement and the transactions contemplated thereunder (including the Asset Collateral, which comprises the Share Pledge)
“Independent Financial Adviser”	OCTAL Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to make the relevant recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Loan Agreement and the transactions contemplated thereunder (including the Asset Collateral and the Share Pledge)
“Independent Shareholder(s)”	the Shareholders other than Shenzhen Metro Group and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the aggregate amount of up to RMB4,200,000,000 to be provided by Shenzhen Metro Group to the Company under the Loan Agreement
“Loan Agreement”	the loan agreement dated 21 February 2025 entered into between the Company and Shenzhen Metro Group in respect of the Loan
“LPR”	the loan prime rate as published by the National Interbank Funding Center (authorized by the People’s Bank of China) as at the applicable day prior to the drawdown date of the Loan

“Non-executive Director(s)”	the non-executive director(s) of the Company
“Onewo Inc.”	Onewo Inc. (萬物雲空間科技服務股份有限公司), a limited liability company incorporated in the PRC on 20 February 2001 and converted into a joint stock limited company on 20 March 2018, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2602)
“Onewo Shares”	share(s) in the share capital of Onewo Inc., with a nominal value of RMB1.00 each, comprising its H shares only
“PRC” or “China”	the People’s Republic of China
“Previous Loan”	the loan in the aggregate amount of up to RMB2,800,000,000 provided by Shenzhen Metro Group to the Company pursuant to the loan agreement entered into between the Company and Shenzhen Metro Group dated 10 February 2025
“RMB”	Reminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Share Pledge”	the share pledge to be executed by the Company in favour of Shenzhen Metro Group over certain Onewo Shares to secure the due performance of the Company’s obligations as the Asset Collateral, after obtaining the approval of Independent Shareholders
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Metro Group”	Shenzhen Metro Group Co., Ltd. (深圳市地鐵集團有限公司), a stateowned proprietary enterprise established in the PRC on 31 July 1998, which primarily engages in metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc. and is an existing substantial Shareholder of the Group and a connected person of the Company
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Loan Agreement”	the supplemental loan agreement dated 21 May 2025 entered into between the Company and Shenzhen Metro Group in respect of the Loan, the details of which are set out in this announcement
“Takeovers Code”	the Hong Kong Code on Takeovers and Merger

“Vanke Apartment”	Vanke Apartment Management Co., Ltd.* 萬科公寓管理有限公司, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Vanke Development”	Shenzhen Vanke Development Co., Ltd.* 深圳市萬科發展有限公司, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Vanke Investment”	Shanghai Vanke Investment Co., Ltd.* 上海萬科投資管理有限公司, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

**The Board of Directors
China Vanke Co., Ltd.***

Shenzhen, the PRC, 21 May 2025

As at the date of this announcement, the Board comprises Mr. YU Liang and Ms. WANG Yun as executive Directors; Mr. XIN Jie, Mr. HU Guobin, Mr. HUANG Liping and Mr. LEI Jiangsong as non-executive Directors; and Mr. LIU Tsz Bun Bennett, Mr. LIM Ming Yan, Dr. SHUM Heung Yeung Harry and Mr. ZHANG Yichen as independent non-executive Directors.

* For identification purpose only