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

After negotiation, on 30 July 2025 (after trading hours), the Company entered into the Loan Agreement and the Asset Collateral with Shenzhen Metro Group, the substantial shareholder of the Company, pursuant to which Shenzhen Metro Group agreed to provide a loan to the Company with a total amount not exceeding RMB869 million; at the same time, the Group is required to provide the Asset Collateral with a value of not exceeding RMB1,297.2 million in the form of collateral of certain investment properties and fixed assets wholly-owned by the Group as well as pledge of equity interests in certain unlisted subsidiaries wholly-owned by the Group in favor of Shenzhen Metro Group, serving as security under the Loan Agreement.

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 Transactions contemplated thereunder constitute a connected transaction of the Company. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions exceed 0.1% but are all below 5%, the Transactions are therefore subject to the reporting and announcement requirement but are exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INTRODUCTION

After negotiation, on 30 July 2025 (after trading hours), the Company entered into the Loan Agreement and the Asset Collateral with Shenzhen Metro Group, the substantial Shareholder, pursuant to which Shenzhen Metro Group agreed to provide a loan to the Company with a total amount not exceeding RMB869 million; at the same time, the Group is required to provide the Asset Collateral with a value of not exceeding RMB1,297.2 million in the form of collateral of certain investment properties and fixed assets wholly-owned by the Group as well as pledge of equity interests in certain unlisted subsidiaries wholly-owned by the Group in favor of Shenzhen Metro Group, serving as security under the Loan Agreement.

## THE LOAN AGREEMENT

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

**Date:** 30 July 2025

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

**Maximum principal amount:** RMB869 million

**Term of the Loan:** From the date of entering into of the Loan Agreement to 2 July 2028. It is subject to repayment in advance or extension as agreed between the parties in accordance with the Loan Agreement. Any drawdown of the Loan shall not be made later than 31 August 2025. As of the date of this announcement, the Company has not made any withdrawals.

**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 66 basis points (i.e., LPR-0.66%). As of the date of this announcement, the applicable interest rate is 2.34%; if the People's Bank of China adjusts the loan interest rate and other circumstances, the loan interest rate under the Loan Agreement will be adjusted accordingly, and the lender will notify the borrower in time.

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 THE TRANSACTIONS" of this announcement.

The interest is calculated on a daily basis from the actual drawdown date, and shall be settled on a quarterly basis. When the loan is due, the remaining accrued interest shall be settled together with the principal, 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 the principal and interests accrued under various bonds issued by the Company in the open market, as well as the interests accrued under designated debts as agreed by the lender. 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 THE TRANSACTIONS” of this announcement.

**Repayment:**

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

<b>Repayment time</b>	<b>Repayment amount</b>
Two business days prior to 21 September 2025	0.5% of the Loan drawn
Two business days prior to 21 March 2026	0.5% of the Loan drawn
Two business days prior to 21 September 2026	0.5% of the Loan drawn
Two business days prior to 21 March 2027	0.5% of the Loan drawn
Two business days prior to 21 September 2027	0.5% of the Loan drawn
Two business days prior to 21 March 2028	0.5% of the Loan drawn
Two business days prior to 2 July 2028 (the expiry date of the Loan Agreement shall not be later than 2 July 2028 unless otherwise agreed by the parties)	97% of the Loan drawn

**Conditions precedent:**

Unless Shenzhen Metro Group agrees to provide loans in advance, any drawdown of the Loan is conditional upon satisfaction of the following requirements:

- (i) the Company has provided corresponding guarantees as required by Shenzhen Metro Group and has completed the relevant guarantee procedures;
- (ii) there is no breach of the Loan Agreement or other agreements entered into between the Company and Shenzhen Metro Group;
- (iii) the evidence materials for the use of proceeds of the Loan provided by the Company are consistent with the agreed use under the Loan Agreement; and
- (iv) the Company has provided all other information as required by Shenzhen Metro Group (which, for the avoidance of doubt, is public information disseminated in accordance with applicable laws and regulations, and hence equally accessible to all Shareholders).

As at the date of this announcement, conditions precedent for the drawdown of the Loan under the Loan Agreement have not yet been satisfied.

**Asset Collateral:**

The parties shall accordingly enter into the Asset Collateral according to the Loan Agreement.

During the term of the Loan, if the valuation results of the Relevant Assets by the appraisal agencies appointed by both parties (if engaged) deviate from the asset value (i.e., the carrying amount of the Relevant Assets as at 30 June 2025) agreed upon when the Asset Collateral was entered into, the Company shall negotiate with Shenzhen Metro Group on whether to add other qualified guarantees or to repay part of the Loan in advance. If the valuation results are higher than the asset value agreed upon when the Asset Collateral was entered into, the Company has the right to negotiate with Shenzhen Metro Group to use the excess value to secure other borrowings from Shenzhen Metro Group to the Company. Upon such event(s) being materialised, the Company shall re-comply with the applicable requirements under Chapter 14A of the Listing Rules as and when required.

The Company shall promptly notify Shenzhen Metro Group in case of disputes on ownership of properties, sealing or seizures regarding the Relevant Assets, and separately provide other guarantees approved by the lender.

For details of the Asset Collateral, please refer to the section headed “Asset Collateral” in this announcement.

**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 to dispose of its own assets in a manner that materially reduces debt repayment ability, and not to 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.

**Others:**

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 is qualified to act as principal of the borrower and has the 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 the financial condition and debt repayment ability from Shenzhen Metro Group.

## THE ASSET COLLATERAL

On 30 July 2025 (after trading hours), the Group (as pledgor) and Shenzhen Metro Group (as pledgee) further entered into the Asset Collateral, the Group shall provide the Asset Collateral with a value of not exceeding RMB1,297.2 million to Shenzhen Metro Group at specific loan-to-value ratios. The Relevant Assets shall be investment properties, fixed assets and equity interests in unlisted subsidiaries wholly-owned by the Group. Accordingly, the Group agreed to initially guarantee Shenzhen Metro Group with collateral of certain investment properties and fixed assets wholly-owned by the Group as well as pledge of equity interests in certain unlisted subsidiaries wholly-owned by the Group as the Asset Collateral to secure the Company's repayment obligations under the Loan Agreement.

## DETAILS OF THE RELEVANT ASSETS

### 1. Certain investment properties and fixed assets wholly-owned by the Group

No.	Location	Name of security	Nature of assets/main use	Direct owner	Total area (0'000 sq. m)	Carrying amount (approximate in RMB million)
1	Chengdu	Building ownership and land use rights	Investment properties/ long-term lease apartments	Chengdu Taixin	Gross floor area: 8,617.44 Shared site area: 6,364.77	33
2	Tianjin	Building ownership and land use rights	Investment properties/ long-term lease apartments	Tianjin Boyu Commercial Operation	Gross floor area: 7,066.00 Shared site area: 51,494.8	67
3	Suzhou	Building ownership and land use rights	Investment properties/ long-term lease apartments	Suzhou Yijia Kaiyuan	Gross floor area: 7,427.23 Area of land use rights: 2,142.20	54
4	Shenzhen	Building ownership and land use rights	Fixed assets/office	Shenzhen Vanke Development	Gross floor area: 61,729.14 Area of land use rights: 72,760.15	940
5	Shenzhen	Land use rights	Fixed assets/office	The Company	Site area: 8,208.60	8



The net operating income (before and after tax) <sup>Note 1</sup> for the two years ended 31 December 2024 for the three investment properties are as follows:

	<i>Unit: RMB million</i> (unaudited)		
	<b>Investment properties in Chengdu</b>	<b>Investment properties in Tianjin</b>	<b>Investment properties in Suzhou</b>
<b>Net operating income (before tax)</b>			
For the year ended 31 December 2023	0.65	2.58	4.02
<b>Net operating income (after tax)</b>			
For the year ended 31 December 2023	0.49	2.49	3.69
<b>Net operating income (before tax)</b>			
For the year ended 31 December 2024	1.05	2.52	3.65
<b>Net operating income (after tax)</b>			
For the year ended 31 December 2024	0.79	2.52	3.27

*Note 1:* Net operating income is the rental income, service income, etc. of the operating property, net of all related expenses, such as property management expenses and the additional amount involved in maintaining the operating property suitable for rental purposes.

*Note 2:* Regarding the other two fixed assets in Shenzhen, they are not used for lease and hence no income had been generated for the two years ended 31 December 2024, respectively.

## **2. Equity interests in unlisted subsidiaries wholly-owned by the Group**

- (1) 100% equity interest in Hangzhou Tianma Real Estate. Hangzhou Tianma Real Estate is a limited liability company established in the PRC with a registered capital of RMB 10,101,010. Hangzhou Tianma Real Estate is an indirect wholly-owned subsidiary of the Company, and its direct shareholders are Zhejiang Vanke Nandu Real Estate and Hangzhou Vanke Enterprise (owned as to 99% and 1%, respectively). The carrying amount of 100% equity interest in Hangzhou Tianma Real Estate is RMB88.8 million;
- (2) 100% equity interest in Jiaxing Vanke Real Estate. Jiaxing Vanke Real Estate is a limited liability company established in the PRC with a registered capital of RMB0.1 billion. Jiaxing Vanke Real Estate is an indirect wholly-owned subsidiary of the Company, and its direct shareholder is Zhejiang Vanke Enterprise (owned as to 100%). The carrying amount of 100% equity interest in Jiaxing Vanke Real Estate is RMB106.4 million.

For further details, please refer to the paragraphs headed “Information of the Parties” in this announcement.



The initial security level of the Asset Collateral is determined based on a loan-to-value ratio of 70% of investment properties and fixed assets and 50% of equity interests in unlisted subsidiaries, 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 carrying amount of the Relevant Assets as at 30 June 2025 (i.e., the net amount of the book value of the Relevant Assets after deducting necessary and applicable depreciation, amortization and impairment, etc.).

The Group shall apply to the relevant industry and commerce administration authority for registration of pledge rights within 10 working days from the effective date of the relevant agreements related to pledge of equity interests in unlisted subsidiaries.

The Group shall complete the following security procedures within 10 working days after signing of agreements related to mortgage of investment properties and fixed assets, to ensure that the legal and effective creation of security with Shenzhen Metro Group as the mortgagee on the mortgaged properties: (i) obtaining any other internal and external authorization documents required by government agencies, third parties and the mortgagor for signing and fulfilling of the relevant agreements; (ii) applying to the mortgage registration department for registration formalities of the mortgage right, so that the mortgagee can legally and effectively own the mortgage right in respect of the mortgaged properties as recorded in the relevant property documents and registered in the system of the mortgage registration department; (iii) handling other procedures that may be required by relevant government agencies in accordance with laws and regulations. The mortgage right shall take effect after registration procedures of the mortgage right are completed at the mortgage registration agency. Within 30 working days after signing of the relevant agreements related to the security of investment properties and fixed assets, the Group and Shenzhen Metro Group shall complete the registration of the mortgage right at the mortgage registration agency.

### **Enforcement of security**

The Asset Collateral 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: for investment properties and fixed assets, (i) disposing of the Relevant Assets or any part thereof by sale or auction without the consent of the Group; (ii) directly requesting the people's court to dispose of the Relevant Assets or any part thereof by auction or sale; (iii) agreement with the Group to settle debts at a discount to the Relevant Assets; (iv) leasing the Relevant Assets or any part thereof and collection of payments arising therefrom; (v) reaching a settlement, compromising, mediation, initiating a lawsuit, arbitration or other legal proceedings in respect of any disputes, propositions or claims relating to the Relevant Assets; and/or (vi) exercising any other rights of the Group in respect of the collateral (except those prohibited or restricted by law) for the purpose of the enforcement of the mortgage right; and for equity interests in unlisted subsidiaries, a discounted value of the Relevant Assets or the proceeds from an action or sale of the Relevant Assets will be compensated in priority.

In the event that Shenzhen Metro Group enforces the Asset Collateral, which may result in a partial or complete transfer or disposal of the Relevant Assets pledged under the Loan, to the extent that relevant subsidiaries ceases to be subsidiaries of the Group, together with the relevant properties may no longer be consolidated into the financial statements of the Group. Consequently, the Group's asset size may be reduced. However, the total carrying amount of the relevant investment properties, fixed assets and equity interests in unlisted subsidiaries as at 30 June 2025 only accounted for approximately 0.10% of the total asset value as shown in the Group's unaudited consolidated financial statements as at 31 March 2025, in which case the impact on the operational and financial aspects of the Company is expected to be considered limited.

In addition, in order to minimise the execution risk as described above, the Company will make every effort to ensure that the principal and accrued interest under the Loan will be repaid in full and on time, either through its regular operations or through various sources of financing. Pursuant to the Loan Agreement, the Company may also apply to Shenzhen Metro Group for an extension of the Loan, subject to its review and approval. Accordingly, the risk associated with the enforcement of the Relevant Assets by Shenzhen Metro Group is considered to be manageable. 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 THE TRANSACTIONS", the Directors considered that the provision of the Asset Collateral is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

#### **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 TRANSACTIONS**

The Company considered that obtaining the Loan by entering into the Loan Agreement would be the most effective way to raise funds for the Group. The Company will arrange for the use of the proceeds from the Loan Agreement in accordance with its actual funding requirements which will be used to repay the principal of and accrued interest on the bonds issued by the Company in the open market and the accrued interest on designated debts agreed by the lender.

To ensure sufficient asset collateral for the Loan and thereby mitigate its financial risks, Shenzhen Metro Group requires the Group to provide the Asset Collateral for the Loan. After considering the negotiations between both parties regarding the Loan, and given that the Loan's interest rate and the initial loan-to-value ratio for the Asset Collateral were determined through arm's length negotiations to be mutually acceptable and beneficial for both the Company and Shenzhen Metro Group, taking into account the prevailing market interest rates and standards as detailed below, the Company agreed to further enter into the Asset Collateral with Shenzhen Metro Group simultaneously.

The Loan's interest rate and initial loan-to-value ratio of the Asset Collateral are similar to those of the similar historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group (including but not limited to, the loan agreement and the asset collateral entered into on 10 February 2025, the loan agreements entered into on 21 February 2025, the supplemental loan agreement dated 21 May 2025, as well as the loan agreements and the asset collaterals entered into on 14 May 2025 and 7 July 2025, respectively; for details, please refer to the Company's announcements released on 10 February 2025, 21 May 2025, 14 May 2025, 3 July 2025 and 7 July 2025), and taking into account (i) the interest rate of LPR minus 0.66% (i.e. 2.34% as of the date of this announcement) under the Loan

Agreement, which is lower than LPR; and (ii) the loan-to-value ratio of the investment properties and fixed assets at approximately 70%, which is higher than the prevailing market usual standard of domestic financial institutions that ranges from 30% to 60%; the loan-to-value rate for the equity interests in unlisted subsidiaries is approximately 50%, which is equal to or higher than the prevailing market usual standard of domestic financial institutions ranging from 30% to 50%, the Company considered that the terms of the Transactions, while adhering to market-oriented principles, are more favorable as compared to the market rates. This fully reflects Shenzhen Metro Group's support for the Company.

## **APPROVAL OF THE BOARD**

The twentieth meeting of the twentieth session of the Board approved the entering into of the Loan Agreement and the Asset Collateral on 30 July 2025.

The related Directors, namely Mr. XIN Jie, Mr. HUANG Liping and Mr. LEI Jiansong, 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 such matter, and no Director is required to abstain from voting on such resolution.

Having regard to the foregoing, the Directors believe that the Transactions were determined after arm's length negotiations between the parties, which meet the business and financial needs of the Group and will not adversely affect the financial performance or operating results of the Group. The Directors (including the independent non-executive Directors) are of the view that, while the Transactions are not entered into in the ordinary and usual course of business of the Group, they are on normal commercial terms or better which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Company**

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.

### **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.

## Hangzhou Tianma Real Estate

Hangzhou Tianma Real Estate is a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company. Hangzhou Tianma Real Estate is mainly engaged in real estate development and operation, parking services and industrial investment and other businesses.

The net profit (before and after tax) of Hangzhou Tianma Real Estate for the two years ended 31 December 2024 were as follows:

	<i>Unit: RMB million</i>	
	<b>For the year ended 31 December 2023</b> (unaudited)	<b>For the year ended 31 December 2024</b> (unaudited)
Net profit (before tax)	9.56	4.36
Net profit (after tax)	7.10	3.21

## Jiaxing Vanke Real Estate

Jiaxing Vanke Real Estate is a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company. Jiaxing Vanke Real Estate is mainly engaged in real estate development, property management and housing leasing and other businesses.

The net profit (before and after tax) of Jiaxing Vanke Real Estate for the two years ended 31 December 2024 were as follows:

	<i>Unit: RMB million</i>	
	<b>For the year ended 31 December 2023</b> (audited)	<b>For the year ended 31 December 2024</b> (audited)
Net profit (before tax)	83.51	155.29
Net profit (after tax) <sup>Note 3</sup>	107.07	174.10

*Note 3:* The self-operated business of Jiaxing Vanke Real Estate incurred loss, which can be used to reduce taxable income in future years, thus forming deferred income tax assets that can offset enterprise income tax. The pre-tax profit of this company is derived from the profit distribution income from subsidiaries directly invested by it. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the dividends, bonuses and other equity investment income obtained by resident enterprises from direct investment in other resident enterprises are exempt from the enterprise income tax, the income is therefore exempt from the enterprise income tax. The above impact makes this company's income tax being negative, resulting in a higher net profit after tax than net profit before tax.

## LISTING RULES IMPLICATIONS

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 Transactions constitute a connected transaction of the Company. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions exceed 0.1% but are all below 5%, the Transactions are subject to the reporting and announcement requirement but are exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

“Asset Collateral”	the asset collateral agreed to be provided by the Company, with a value of not exceeding RMB1,297.2 million by collateral of certain investment properties and fixed assets wholly-owned by the Group as well as pledge of equity interests in certain unlisted subsidiaries wholly-owned by the Group as the Relevant Assets in favor of Shenzhen Metro Group, serving as security under the Loan Agreement
“Board”	the board of directors of the Company
“Chengdu Taixin”	Chengdu Taixin Real Estate Development Co., Ltd.* (成都泰新房地產開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Chengdu Taixin is mainly engaged in real estate development and other businesses
“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, the shares of which are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, which include Chengdu Taixin, Hangzhou Vanke Enterprise, Shenzhen Vanke Development, Suzhou Yijia Kaiyuan, Tianjin Boyu Commercial Operation, Zhejiang Vanke Enterprise, Zhejiang Vanke Nandu Real Estate, Hangzhou Tianma Real Estate and Jiaxing Vanke Real Estate as parties to the Transactions
“Hangzhou Tianma Real Estate”	Hangzhou Tianma Real Estate Co., Ltd.* (杭州天馬置業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hangzhou Vanke Enterprise”	Hangzhou Vanke Enterprise Co., Ltd.* (杭州萬科企業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Hangzhou Vanke Enterprise is mainly engaged in real estate development business

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiaxing Vanke Real Estate Development”	Jiaxing Vanke Real Estate Development Co., Ltd.* (嘉興萬科房地產開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Loan”	the loan in the aggregate amount not exceeding RMB869 million to be provided by Shenzhen Metro Group to the Company under the Loan Agreement
“Loan Agreement”	the loan agreement dated 30 July 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
“PRC” or “China”	the People’s Republic of China
“Relevant Assets”	Certain investment properties, fixed assets and equity interests in unlisted subsidiaries wholly-owned by the Company, which are subject to the Asset Collateral as detailed in the paragraphs headed “Details of the Relevant Assets” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“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 state-owned 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
“Shenzhen Vanke Development”	Shenzhen Vanke Development Co., Ltd.* (深圳市萬科發展有限公司), a limited liability company established in the PRC and a direct wholly-owned subsidiary of the Company. Shenzhen Vanke Development is mainly engaged in real estate development and operation and other businesses
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules



“Suzhou Yijia Kaiyuan”	Suzhou Yijia Kaiyuan Hotel Co., Ltd.* (蘇州宜家開元酒店有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Suzhou Yijia Kaiyuan is mainly engaged in accommodation and other businesses
“Tianjin Boyu Commercial Operation”	Tianjin Boyu Jinbin Commercial Operation Management Co., Ltd.* (天津泊寓津濱商業運營管理有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Tianjin Boyu Commercial Operation is mainly engaged in business services and housing leasing operations and other businesses
“Transactions”	the entering into of the Loan Agreement and the Asset Collateral and the transactions contemplated thereunder and in connection therewith
“Zhejiang Vanke Enterprise”	Zhejiang Vanke Enterprise Group Co., Ltd.* (浙江萬科企業集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Zhejiang Vanke Enterprise is mainly engaged in investment management business
“Zhejiang Vanke Nandu Real Estate”	Zhejiang Vanke Nandu Real Estate Co., Ltd.* (浙江萬科南都房地產有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Zhejiang Vanke Nandu Real Estate is mainly engaged in real estate development business
“%”	per cent

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

Shenzhen, the PRC, 30 July 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