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**vanke** 万科  
萬科置業(海外)有限公司  
**Vanke Property (Overseas) Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01036)**

**MAJOR TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE TO  
THE JOINT VENTURE COMPANY**

The Board announced that, on 11 August 2016, the Company as a guarantor entered into the Facility Letters which were granted in favor of the Joint Venture Company for the purpose of issuing Finance Undertakings to support the pre-sale application of the TW6 Project.

The Joint Venture Company is owned as to 20% by Wkdeveloper, an indirect wholly-owned subsidiary of the Company and 80% by the JV Partner Subsidiary, an indirect wholly-owned subsidiary of the JV Partner. In relation to the Facility Letters, the Company and the JV Partner are required to provide corporate guarantees, on a several basis and in proportion to their respective shareholding interests in the Joint Venture Company, in respect of the Joint Venture Company's obligations thereunder.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the provision of the Corporate Guarantees is greater than 25% but less than 100%, the provision of the Corporate Guarantees constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under the Listing Rules. The provision of the Corporate Guarantees also constitutes financial assistance for the benefit of an affiliated company of the Company for the purpose of Rule 13.16 of the Listing Rules.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interests in the provision of the Corporate Guarantees. As such, no Shareholders would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the provision of the Corporate Guarantees.

As at the date of this announcement, Wkland Investments, the controlling Shareholder which holds 292,145,949 Shares, representing 75% of the issued share capital of the Company, has given a written certificate to the Company to approve the provision of the Corporate Guarantees. Therefore, the Company proposes, under Rule 14.44 of the Listing Rules, to make use of a written Shareholder's approval in lieu of holding a general meeting. A circular containing further details of the provision of the Corporate Guarantees will be despatched to the Shareholders for their information on or before 1 September 2016.

## INTRODUCTION

Reference is made to (i) the announcements of the Company dated 16 May 2013 and 22 April 2014 and the circulars of the Company dated 4 June 2013 and 15 May 2014, under which the Company disclosed that it acquired 20% effective interest in the development of the TW6 Project and that the Company, Wkdeveloper, VPHK, the JV Partner, the JV Partner Subsidiary and the Joint Venture Company entered into the TW6 Shareholders' Agreement to regulate the relationship of the shareholders of the Joint Venture Company inter se and the management of the affairs of the Joint Venture Company; (ii) the announcement of the Company dated 30 June 2014 and the circular of the Company dated 22 July 2014, under which the Company and the JV Partner provided corporate guarantees on a several basis and in proportion to their respective shareholding interests in the Joint Venture Company in respect of the Loan Facilities.

The Board announced that, on 11 August 2016, the Company as a guarantor entered into the Facility Letters which were granted in favor of the Joint Venture Company for the purpose of issuing Finance Undertakings to support the pre-sale application of the TW6 Project.

## SUMMARY OF THE PRINCIPAL TERMS OF THE FACILITY LETTERS

	<b>Facility Letter I</b>	<b>Facility Letter II</b>
Finance party	The Hongkong and Shanghai Banking Corporation Limited	Hang Seng Bank Limited
Facility amount	Up to HK\$2,400 million	Up to HK\$440 million
Applicant	The Joint Venture Company	
Guarantors	The Company and the JV Partner	
Purpose	To issue Finance Undertakings in favor of The Government of Hong Kong and The Director of Lands to support the pre-sale application of the TW6 Project	

Maturity	The liability of the finance parties under the Finance Undertakings shall cease and determine on whichever is the earlier of the following:
	(a) 30 June 2020; or
	(b) upon (i) the issue by The Director of Lands of the consent to assign in relation to the TW6 Project, or (ii) if no consent to assign has been issued, the issue by The Director of Lands of a certificate of compliance in respect of the TW6 Project and the issue of a certificate by an authorized person to The Director of Lands confirming that the fittings and finishes of those units in the TW6 Project which have been sold under the consent will be incorporated in accordance with the terms and conditions of the Agreements for Sale and Purchase; or
	(c) when the total amount of pre-sale deposits of the TW6 Project in the stakeholders' account(s) maintained by the Joint Venture Company's solicitors under the terms of the Agreements for Sale and Purchase is sufficient to meet the outstanding development costs required to complete the TW6 Project; or
	(d) when the outstanding development costs for completion of the TW6 Project has been reduced to zero.

In relation to the Facility Letters, the Company and the JV Partner are required to provide corporate guarantees, on a several basis and in proportion to their respective shareholding interests in the Joint Venture Company, in respect of the Joint Venture Company's obligations thereunder. The Company will accordingly be guaranteeing an aggregate principal amount of HK\$568 million pursuant to the Corporate Guarantees given under the Facility Letters.

### **INFORMATION OF THE GROUP, THE JOINT VENTURE COMPANY, THE JV PARTNER GROUP AND THE TW6 PROJECT**

The principal activities of the Group are property investment and management and property development. As at the date hereof, the principal assets of the Group are various units and car parking spaces in Regent Centre, Kwai Chung, New Territories, Hong Kong which are investment properties for generating rental income and 20% effective interest in the Joint Venture Company, which is an associated company engaged in the development of the TW6 Project.

As at the date of this announcement, the Joint Venture Company is owned as to 20% by Wkdeveloper, an indirect wholly-owned subsidiary of the Company, and 80% by the JV Partner Subsidiary, a direct wholly-owned subsidiary of the JV Partner.

The JV Partner Group is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, services and technology businesses.

The TW6 Project involves the non-industrial development of a land lot (known as Tsuen Wan Town Lot No. 402) located near the West Rail Tsuen Wan West Station, Tsuen Wan, New Territories, Hong Kong. Upon completion of such development, residential building(s) with a total gross floor area of no less than 37,627 square meters and no more than 62,711 square meters will have been constructed. Subject to the aforesaid, the total number of residential units available shall not be less than 894, of which not less than 520 residential units shall each be in the size of not exceeding 50 square meters in saleable area.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its Affiliates, the finance parties in the Facility Letters and their respective ultimate beneficial owners are Independent Third Parties.

Set out below is the financial information of the Joint Venture Company based on its audited financial statements for the two financial years immediately preceding the transaction.

	<b>Year ended 30 June 2015 HK\$</b>	<b>Year ended 30 June 2014 HK\$</b>
Loss before taxation	47,595	41,555
Loss after taxation	47,595	41,555

#### **REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE GIVEN UNDER THE FACILITY LETTERS**

The Company providing the Corporate Guarantees is a condition precedent to the Joint Venture Company's ability to obtain banking facilities for the issue of Finance Undertakings. Without the Finance Undertakings, The Director of Lands will not grant the approval for pre-sale of the TW6 Project.

The Directors consider the entering into of the provision of the Corporate Guarantees has been determined after arm's length negotiations between the parties, and are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **FINANCIAL EFFECTS OF PROVISION OF THE CORPORATE GUARANTEES**

The Directors consider that the provision of Corporate Guarantees will not have any material financial impact on the earnings, assets and liabilities of the Group except that the amount of the Corporate Guarantees will be a contingent liability for the Group.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the provision of the Corporate Guarantees is greater than 25% but less than 100%, the provision of the Corporate Guarantees constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under the Listing Rules.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interests in the provision of the Corporate Guarantees. As such, no Shareholders would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the provision of the Corporate Guarantees.

As at the date of this announcement, Wkland Investments, the controlling Shareholder which holds 292,145,949 Shares, representing 75% of the issued share capital of the Company, has given a written certificate to the Company to approve the provision of the Corporate Guarantees. Therefore, the Company proposes, under Rule 14.44 of the Listing Rules, to make use of a written Shareholder's approval in lieu of holding a general meeting. A circular containing further details of the provision of the Corporate Guarantees will be despatched to the Shareholders for their information on or before 1 September 2016.

Reference is made to the annual report of the Company for the year ended 31 December 2015. In addition to the existing financial assistance provided by the Company to its affiliated companies, the aggregate principal amount covered by all the financial assistance provided by the Company to, and guarantees given by the Company for banking facilities granted to, the affiliated companies of the Company (including the Corporate Guarantees) remain exceed 8% of the assets ratio under Rule 14.07(1) of the Listing Rules. Accordingly, this announcement is also made pursuant to Rule 13.16 of the Listing Rules. Details of these as at the date of this announcement are as follows:

	<i>HK\$ million</i>
Amounts due from the Joint Venture Company ( <i>Note</i> )	465
Guarantee for Loan Facilities	960
Guarantees for Facility Letters	<u>568</u>
	<u><u>1,993</u></u>

*Note: The balance is unsecured, interest-bearing at Hong Kong Interbank Offer Rate plus 2.2% per annum, has no fixed terms of repayment, and is expected to be repaid after one year.*

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Affiliates” in relation to any person (other than an individual), any company or other business entity (i) that is controlled by such person, (ii) that controls such person or (iii) is under common control with such person. For the purpose of this announcement, “control” means direct or indirect ownership of more than fifty per cent. (50%) of the voting securities or interests in another person, or the ability to direct the management or policies of such person, whether by contract or otherwise;

“Agreements for Sale and Purchase”	sale and purchase agreements for the residential units and car parking spaces in the TW6 Project;
“Board”	board of Directors;
“China Vanke”	China Vanke Co., Ltd., a joint stock company incorporated in the PRC and the H shares and A shares of which are listed on the main board of the Stock Exchange (stock code: 02202) and the Shenzhen Stock Exchange (stock code: 000002). China Vanke is the ultimate holding company of the Company;
“Company”	Vanke Property (Overseas) Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 01036);
“Corporate Guarantees”	the unconditional and irrevocable several guarantees provided by the Company in favour of The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited in respect of the Joint Venture Company’s obligations under the Facility Letters;
“Director(s)”	director(s) of the Company;
“Facility Letters”	banking facility letters in relation to the granting of the facilities of Finance Undertakings of up to a total of HK\$2,840 million;
“Finance Undertakings”	letter of undertakings issued by the finance parties in the Facility Letters in favor of The Government of Hong Kong and The Director of Lands confirming that the finance parties would pay up to HK\$2,840 million or such reduced amount as set out in the finance undertakings to TW6 Limited or to any other person or persons as the Director of Lands shall direct to ensure completion of the development of the TW6 Project;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	a third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);

“JV Partner”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 00017);
“JV Partner Group”	the JV Partner and its subsidiaries from time to time;
“JV Partner Subsidiary”	Ultimate Sail Limited, which is a company wholly-owned by the JV Partner and legally holding 80% equity interest in the Joint Venture Company;
“Joint Venture Company”	Ultimate Vantage Limited, whose issued share capital is legally and beneficially owned as to 20% by Wkdeveloper and 80% by the JV Partner Subsidiary, which has been granted the rights to develop the TW6 Project by TW6 Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Facilities”	the committed term loan facilities dated 30 June 2014 granted by a syndicate of financial institutions, including The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited, to the Joint Venture Company of up to HK\$4,800 million for the purpose of financing in part the land premium, the construction costs relating to the residential portion of the TW6 Project and the construction costs relating to the government accommodation portion of the TW6 Project;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	holders of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TW6 Limited”	Tsuen Wan West TW6 Property Development Limited, which is assigned with the exclusive right and privilege to hold and to develop the land lot known as Tsuen Wan Town Lot No. 402;
“TW6 Project”	the West Rail Tsuen Wan West Station TW6 Property Development of a land lot known as Tsuen Wan Town Lot No. 402, and the business and operations in connection with such project;

“TW6 Shareholders’ Agreement”	the shareholders’ agreement in relation to the Joint Venture Company dated 22 April 2014 and entered into among the Company, Wkdeveloper, VPHK, the JV Partner, the JV Partner Subsidiary and the Joint Venture Company;
“VPHK”	Vanke Property (Hong Kong) Company Limited, which is legally holding 100% equity interest in Wkland Limited which in turn is holding 100% equity interest in Wkland Investments. VPHK is indirectly wholly-owned by China Vanke;
“Wkdeveloper”	Wkdeveloper Limited, which is indirectly wholly-owned by the Company and legally holding 20% equity interest in the Joint Venture Company;
“Wkland Investments”	Wkland Investments Company Limited, which is legally holding 292,145,949 Shares, representing 75% of the issued share capital of the Company; and
“%”	per cent.

By order of the Board  
**VANKE PROPERTY (OVERSEAS) LIMITED**  
**Que Dong Wu**  
*Executive Director*

11 August 2016, Hong Kong

*As at the date of this announcement, the directors of the Company are:*

*Executive Directors:*

*Mr. Zhang Xu, Ms. Que Dong Wu*

*Non-Executive Director:*

*Mr. Chan Chi Yu*

*Independent Non-Executive Directors (in alphabetical order):*

*Mr. Chan Wai Hei, William, Ms. Law Chi Yin, Cynthia, Mr. Shium Soon Kong*