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CHINA VANKE CO., LTD.*

萬科企業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2202)

CONNECTED TRANSACTION RECEIPT OF FINANCIAL ASSISTANCE FROM SUBSTANTIAL SHAREHOLDER AND PROVISION OF ASSET COLLATERAL

On 10 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 RMB2,800,000,000, and the Company shall provide Asset Collateral with a value not exceeding RMB4,000,000,000 in favor of Shenzhen Metro Group, serving as security under the Loan Agreement. On the same day (after trading hours), both parties further entered into the Share Pledge in respect of a total of 211,530,417 Onewo Shares held by the Company, calculated based on the average market price of Onewo Shares over the last 30 trading days to serve as the Asset Collateral.

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 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 exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 10 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 RMB2,800,000,000, and the Company shall provide Asset Collateral not exceeding RMB4,000,000,000 in favor of Shenzhen Metro Group, serving as security under the Loan Agreement. On the same day (after trading hours), both parties further entered into Share Pledge in respect of total of 211,530,417 Onewo Shares held by the Company, calculated based on the average market price of Onewo Shares over the last 30 trading days to serve as the Asset Collateral.

THE LOAN AGREEMENT

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

Date: 10 February 2025

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

Maximum principal amount: RMB2,800,000,000

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.

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%), which is 2.34% as at the date of this announcement.

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.

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 THE TRANSACTIONS" 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	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 relevant security and completed the security registration 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.

Security:

The Company shall provide Asset Collateral to Shenzhen Metro Group at a 70% loan-to-value ratio, i.e., with a value not exceeding RMB4,000,000,000. The pledged collateral shall be stock. The parties shall enter into a pledge agreement in respect of the Share Pledge.

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 security registration for the Asset Collateral should be terminated and released within 5 business days from the date of full repayment.

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

- Covenants:** The Company shall promptly notify Shenzhen Metro Group upon the occurrence of any of the following circumstances, amongst others:
- (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; and
 - (v) material breach of other contracts, encountering operational difficulties or deteriorating financial conditions, or other material adverse events that affect the Company's repayment ability.

Others: The Loan Agreement contains customary representations and warranties from the Company to Shenzhen Metro Group.

THE ASSET COLLATERAL

Pursuant to the 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 RMB4,000,000,000. The pledged collateral shall be stock. On 10 February 2025 (after trading hours), the Company (as pledgor) and Shenzhen Metro Group (as pledgee) further entered into the Share Pledge, pursuant to which the Company agreed to initially pledge 211,530,417 Onewo Shares, accounting for approximately 18.29% 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), in favor of Shenzhen Metro Group to secure the Company's repayment obligations as the Asset Collateral.

The number of 211,530,417 Onewo Shares is calculated based on 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 the entering into Share Pledge, which was agreed at HK\$20.54.

The initial security level of the Asset Collateral is determined based on a loan-to-value ratio of approximately 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 RMB4,000,000,000.

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 qualified security and/or other guarantees and credit enhancement measures as agreed by the parties, or repay all or part of the outstanding loan within five business days to address the security shortfall.

The Company and Shenzhen Metro Group agreed to complete the security registration procedures within ten (10) business days (or otherwise an extended period agreed by Shenzhen Metro Group) in accordance with the Share Pledge and applicable laws and regulations.

Enforcement of security

The Share Pledge shall become immediately enforceable (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 under the Loan Agreement, the enforcement measures include but not limited to the sale of the collateral to repay the debt under the Loan Agreement.

NO IMPLICATIONS UNDER THE TAKEOVERS CODE

There is no restriction on exercising the enforcement right under the Share Pledge in relation to the mandatory offer obligations under Rule 26 of the Takeovers Code. As at the date of this announcement, considering that approximately 18.29% Onowo Shares are pledged, the exercise of such enforcement right (in whole or in part) by Shenzhen Metro Group will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In the event that the mandatory offer obligation is triggered by enforcement of the Share Pledge by Shenzhen Metro Group, the parties will comply with the Takeovers Code and its implications when exercising such enforcement rights as and when required.

BASIS FOR DETERMINING THE INTEREST RATE OF THE LOANS 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.

Taking into account (i) the interest rate of LPR minus 0.76% (2.34% as at the date of the announcement) under the Loan Agreement, which is lower than LPR and the effective interest rates of other existing loan financing arrangement entered into between the Group and financial institutions as disclosed in the 2024 interim report of the Company; and (ii) the initial loan-to-value ratio of the Asset Collateral at approximately 70%, which is higher than the prevailing market standard that ranges from 30% to 60%, 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 thirteenth meeting of the twentieth session of the Board approved the entering into of the Transactions on 10 February 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 this matter, and no Director is required to abstain from voting on this 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.

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 30 June 2024 were as follows:

Unit: RMB thousand

	As at 31 December 2022 (audited)	As at 31 December 2023 (audited)	As at 30 June 2024 (unaudited)
Total assets	36,962,985	39,383,117	38,641,192
Net asset value	17,001,504	18,220,241	18,092,944

The net profit (before and after tax) of Onewo Inc. for the two years ended 31 December 2022 and 31 December 2023 were as follows:

Unit: RMB thousand

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

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 exempted 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 not exceeding RMB4,000,000,000, in favor of Shenzhen Metro Group, serving as security under the Loan Agreement
“Board”	the board of directors of the Company
“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
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Loan”	the loan in the aggregate amount of up to RMB2,800,000,000 to be provided by Shenzhen Metro Group to the Company under the Loan Agreement
“Loan Agreement”	the loan agreement dated 10 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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share Pledge”	the share pledge dated 10 February 2025 executed by the Company in favor of Shenzhen Metro Group over 211,530,417 Onewo Shares to secure the Company’s repayment obligations as the Asset Collateral
“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
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Merger
“Transactions”	the entering into of the Loan Agreement and the Share Pledge and the transactions contemplated thereunder and in connection therewith
“%”	per cent

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

Shenzhen, the PRC, 10 February 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 Jiansong 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