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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)*

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
THREE WAREHOUSE LOGISTIC PARK PROJECTS THROUGH
A PUBLICLY TRADED INFRASTRUCTURE SECURITIES INVESTMENT FUND ON
THE SHENZHEN STOCK EXCHANGE**

The Company is pleased to announce that it intends to commence the application process for the listing of the Infrastructure REIT comprising certain high-standard warehouse logistic parks owned by VX Logistic Properties as the infrastructure assets. CAMC (as the REIT manager) and CITIC (as the ABS manager) have submitted the application materials on the registration and listing of the CAMC-VX Warehousing and Logistic Close-end Infrastructure Securities Investment Fund* (華夏萬緯倉儲物流封閉式基礎設施證券投資基金) to the CSRC and Shenzhen Stock Exchange and received the notice of the acceptance from the CSRC on 1 March 2024.

The Company has submitted the PN15 Application and an application for a waiver from strict compliance with paragraph 3(f) of PN15 in relation to requirement on assured entitlement to the Hong Kong Stock Exchange. The Hong Kong Stock Exchange has granted the relevant waiver and has confirmed that the Company may proceed with the Proposed Spin-off.

The Proposed Spin-off consists of (1) disposal of 100% equity interest of the Project Companies to the Infrastructure REIT, and (2) subscription of the Units of the Infrastructure REIT through VX Logistic Properties or its connected entities upon the Proposed Listing. Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio in respect of the Proposed Spin-off is expected to be less than 5%, the Proposed Spin-off will not be subject to the reporting, announcement or Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further announcements in connection with the Proposed Spin-off will be made by the Company in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate.

Shareholders and potential investors should note that, the listing of the Infrastructure REIT is subject to, among other things, the review and/or approval of the CSRC and the Shenzhen Stock Exchange. Accordingly, shareholders of the Company and potential investors should be aware that there is no assurance that the public offering of the Infrastructure REIT will take place or as to when it may take place. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PROPOSED SPIN-OFF

The Company is pleased to announce that it intends to commence the application process for the listing of the Infrastructure REIT comprising certain high-standard warehouse logistic parks owned by VX Logistic Properties as the infrastructure assets. The REIT manager and the ABS manager have submitted the application materials on the registration and listing of the CAMC-VX Warehousing and Logistic Close-end Infrastructure Securities Investment Fund* (華夏萬緯倉儲物流封閉式基礎設施證券投資基金) to the CSRC and Shenzhen Stock Exchange and received the notice of acceptance from the CSRC on 1 March 2024.

The underlying assets of the Infrastructure REIT consists of three high-standard warehouses and ancillary facilities located in the following locations in the PRC: (1) Huzhou City in Zhejiang province (the “**Huzhou Deqing Logistics Park**”), (2) Shaoxing City in Zhejiang province (the “**Shaoxing Zhuji Logistics Park**”) and (3) Foshan City in Guangdong province (the “**Foshan Nanhai Logistics Park**”) (collectively, the “**Spun-off Assets**”). As at the date of this announcement, the Spun-off Assets are held by the Project Companies which are indirect wholly-owned subsidiaries of VX Logistic Properties. VX Logistic Properties is the logistics and warehousing service and supply chain solutions platform of the Group and is a non-wholly owned subsidiary of the Company owned as to 81.6% by the Company as at the date of this announcement.

In relation to the Proposed Spin-off, CAMC (as the REIT manager) will set up a REIT as a publicly listed infrastructure securities investment fund. Subject to the market conditions, it is expected that the Company will, through VX Logistic Properties or its connected entities, be interested in at least 20.0% of the outstanding Units of the Infrastructure REIT immediately upon the completion of the Proposed Spin-off. Pursuant to the applicable PRC laws and regulations, after the establishment of the Infrastructure REIT, the Infrastructure REIT will use the proceeds to acquire the entire equity interest of the ABS scheme set up by CITIC (as the ABS manager). In turn, the ABS scheme will use the proceeds to acquire the entire equity interests of the Project Companies from the Group. Upon completion of the Proposed Spin-off, the Project Companies will be owned as to 100% by the Infrastructure REIT and will no longer be subsidiaries of the Group and will not be consolidated into the Group’s financial accounts.

The Company has submitted the PN15 Application to the Hong Kong Stock Exchange in relation to the Proposed Spin-off. The Hong Kong Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. The Proposed Spin-off is subject to, among other things, the approval of the CSRC and the Shenzhen Stock Exchange to the Proposed Listing and completion of the offering of the Units. The terms of the offering, including the size and price range of the offering, and the timetable of the Proposed Listing have not yet been determined as at the date of this announcement.

Further announcements in connection with the Proposed Spin-off will be made by the Company in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate.

REASONS AND BENEFITS OF THE PROPOSED SPIN-OFF

The Directors consider the Proposed Spin-off and Proposed Listing will, among other: (i) better reflect the value of the Spun-off Assets; (ii) assist continuous capital-raising for the construction of warehousing and logistic infrastructure of the Company's logistics assets and promote virtuous investment cycles; (iii) allow the Company to maintain an edge in the market from a business competition standpoint; and (iv) allow the Company's high-quality assets to be listed separately in the PRC capital market, which will enhance the market image of the Group as a whole. As such, the Board is of the view that the Proposed Spin-off will bring significant commercial benefits to the Group.

LISTING RULES IMPLICATIONS

The Proposed Spin-off consists of (1) disposal of 100% equity interest of the Project Companies to the Infrastructure REIT, and (2) subscription of the Units of the Infrastructure REIT through VX Logistic Properties or its connected entities upon the Proposed Listing. Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio in respect of the Proposed Spin-off will be less than 5%, the Proposed Spin-off will not be subject to the reporting, announcement or Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(f) OF PN15

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC Legal Adviser of the Proposed Spin-off, according to the relevant laws and regulations of the PRC, units of public funds listed on the Shenzhen Stock Exchange can be traded through securities account or an off-exchange account which can only be opened by (i) PRC citizens; (ii) foreigners with PRC permanent resident status; (iii) general domestic institutional investors; (iv) residents of Hong Kong, Taiwan and Macao working and residing in the PRC; (v) other special institutions such as securities companies, fund management companies and their subsidiaries, insurance companies, trust companies, securities investment funds, social security funds, etc.; (vi) qualified foreign institutional investors approved by CSRC; and (vii) Renminbi qualified foreign institutional investors ((i) to (vii) are collectively referred to as "**Qualified Investors**"). As advised by the PRC Legal Adviser, the Qualified Investors, including the southbound shareholders of the Company (if any), are also subject to legal restrictions in receiving the assured entitlements to the REIT units under the PRC laws and regulations. As such, there are legal impediments to provide the existing Shareholders assured entitlement pursuant to paragraph 3(f) of PN15 in connection with the Proposed Spin-off.

Further, as advised by the PRC Legal Adviser, according to the requirements of relevant laws and regulations such as the Securities Law of the PRC (《中華人民共和國證券法》), infrastructure REITs can only raise funds from investors (including by way of (among others) strategic placement, offline subscription and offering to general public investors etc.) after registration with the relevant securities regulatory and administration authority. The PRC Legal Adviser also advised that: (a) in respect of a strategic placement, although the Guidance provides that professional institutional investors can participate in strategic placement, the proportion for such strategic placement shall be reasonably determined by the manager of the Infrastructure REIT; (b) in respect of an offline subscription, only offline investors who have provided valid quotations at the pricing enquiry stage can participate in such offline subscription, and the requirements in respect of such offline investors, conditions in respect of valid quotations, rules and method of allotment are determined by the manager and the financial adviser of the Infrastructure REIT in accordance with relevant laws and regulations; and (c) in respect of offering to general public investors, according to the relevant regulations of the Shenzhen Stock Exchange, general public investors may subscribe for the units of the Infrastructure REIT through over-the-counter securities operators or through the manager of the Infrastructure REIT. Although the Qualified Investors among the Company's existing Shareholders can participate in the subscription as a general public investor, such existing Shareholders will be treated with equal legal status as other public investors and will not enjoy any priority over other public investors. Therefore, pursuant to the existing PRC laws and regulations, it is impractical to preferentially allocate the units to the existing Shareholders even if they are Qualified Investors.

After due and careful consideration of the Proposed Spin-off and having taken into account the advice from the PRC Legal Adviser on the legal impediments in fulfilling the above-mentioned requirements, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of PN15 in connection with the Proposed Spin-off. Accordingly, the Board has resolved not to provide assured entitlement to the Shareholders under the Proposed Listing due to the legal restrictions set out above, and consider that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and its Shareholders as a whole. The Company has also applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement of Paragraph 3(f) of PN15.

Shareholders and potential investors should note that, the listing of the Infrastructure REIT is subject to, among other things, the review and/or approval of the CSRC and the Shenzhen Stock Exchange. Accordingly, shareholders of the Company and potential investors should be aware that there is no assurance that the public offering of the Infrastructure REIT will take place or as to when it may take place. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“ABS scheme”	an infrastructure asset-backed special purpose scheme managed by the ABS manager to securitize the project
“Board”	the board of Directors of the Company
“CAMC” or “REIT manager”	China Asset Management Co., Ltd* (華夏基金管理有限公司)
“CITIC” or “ABS manager”	CITIC Securities Co., Ltd* (中信証券股份有限公司)
“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)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guidance”	the Guidance on Publicly Raised Infrastructure Securities Investment Fund (Pilot Version)* (《公開募集基礎設施證券投資基金指引(試行)》) promulgated by the CSRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Infrastructure REIT”	the publicly traded infrastructure securities investment fund set up by the REIT manager in accordance with the Guidance
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PN15”	Practice Note 15 to the Listing Rules
“PN15 Application”	the application made by the Company to the Hong Kong Stock Exchange pursuant to PN15 on the Proposed Spin-off

“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“PRC Legal Adviser”	Zhong Lun Law Firm, the PRC legal adviser in the Proposed Spin-off
“Project Companies”	the three companies which currently holds the Spun-off Assets, which are indirect wholly-owned subsidiaries of VX Logistic Properties as at the date of this announcement
“Proposed Listing”	the proposed listing of the Units on the Shenzhen Stock Exchange
“Proposed Spin-off”	the spin-off and separate listing of the Spun-off Assets
“Public Fund”	the public fund within the structure of the Infrastructure REIT
“Reminbi”	Reminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“Units”	the units of the Public Fund
“VX Logistic Properties”	Vanke Logistics Development Co., Ltd.* (萬科物流發展有限公司), a company established in the PRC on 7 December 2017 and a non-wholly owned subsidiary of the Company
“%”	per cent

By Order of the Board
China Vanke Co., Ltd.*
Zhu Xu
Company Secretary

Shenzhen, the PRC, 1 March 2024

As of the date of this announcement, the Board comprises Mr. YU Liang, Mr. ZHU Jiusheng and Ms. WANG Yun as executive directors; Mr. XIN Jie, Mr. HU Guobin, Mr. HUANG Liping and Mr. LEI Jiansong as non-executive Director; 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