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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or otherwise transferred** all your shares in **CHINA VANKE CO., LTD.\***, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

#### SUPPLEMENTAL CIRCULAR OF THE ANNUAL GENERAL MEETING

(1) CONTINUING CONNECTED TRANSACTION –  
SUPPLEMENTAL AGREEMENT TO  
2025 LOAN FRAMEWORK AGREEMENT

(2) CONTINUING CONNECTED TRANSACTION –  
2026 LOAN FRAMEWORK AGREEMENT

AND

(3) SUPPLEMENTAL NOTICE OF THE 2025 ANNUAL GENERAL MEETING

Independent Financial Adviser to the  
Independent Board Committee and the Independent Shareholders



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**IMPORTANT NOTICE:** The purpose of this circular is to provide you with information reasonably necessary for the AGM in order to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 37 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 38 to 39 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 40 to 69 of this circular. The Company will convene the AGM at Vanke Center, 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, the PRC from 3:00 p.m. on Friday, 29 May 2026. The supplemental notice of the AGM is set out on pages AGM-1 to AGM-4 of this circular. A revised proxy form for the AGM is enclosed with this circular.

For those who intend to direct a proxy to attend the AGM, please complete the revised proxy form for the AGM and return the same in accordance with the instructions printed thereon. To be valid, for holders of A Shares, the revised proxy form for the AGM, together with the notarised power of attorney or other document of authorisation (if any), must be delivered to the office of the Board at Vanke Building, No. 63 Meilin Road, Futian District, Shenzhen, the PRC not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof; for holders of H Shares, the revised proxy form for the AGM must be delivered to the Company's H Shares Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the revised proxy form for the AGM will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

\* For identification purposes only

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*Note:* If there is any inconsistency between the Chinese and English versions of this circular, the Chinese version shall prevail.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2025 Loan Framework Agreement” or “Original Agreement”	the framework agreement on shareholder loan and asset collateral dated 2 November 2025 entered into between the Company and Shenzhen Metro Group in respect of the loan in the aggregate principal amount of up to RMB22,000,000,000
“2026 Loan Framework Agreement”, “Loan Framework Agreement” or “New Agreement”	the framework agreement on shareholder loan and asset collateral dated 12 May 2026 entered into between the Company and Shenzhen Metro Group in respect of the Loan, with a proposed term of three years from the Effective Date, subject to extension as agreed between the parties
“AGM”	the annual general meeting of the Company to be held on Friday, 29 May 2026 at Vanke Center, 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, the PRC
“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)
“Amended 2025 Loan Framework Agreement”	the 2025 Loan Framework Agreement as amended and supplemented by the Supplemental Agreement
“Annual Cap(s)”	the proposed annual cap(s) pursuant to the 2026 Loan Framework Agreement, as set out in the section headed “Proposed Annual Caps and Basis of Determination” in this circular
“Asset Collateral”	the collateral or pledge of assets to be provided by the Group or a third party designated by the Company in favor of Shenzhen Metro Group, serving as security for the separate loan(s) to be made under (i) the Amended 2025 Loan Framework Agreement; or (ii) the 2026 Loan Framework Agreement (as the case may be)
“Available Period”	has the meaning ascribed thereto under this circular
“Board”	the board of Directors

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## DEFINITIONS

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“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
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Definitive Agreement(s)”	definitive loan agreements, security agreement or security documents (as the case may be) entered into or to be entered into between the Company and Shenzhen Metro Group pursuant to the 2026 Loan Framework Agreement in respect of the Loan and/or the Asset Collateral, which also include the Designated Agreement(s)
“Designated Agreement(s)”	has the meaning ascribed thereto under this circular
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which all the condition precedents under the 2026 Loan Framework Agreement are satisfied
“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
“Guarantee”	a joint and several guarantee to be provided by the Company’s subsidiary or a third party designated by the Company in favour of Shenzhen Metro Group, serving as security for each of the loan(s) under (i) the Amended 2025 Loan Framework Agreement; or (ii) the 2026 Loan Framework Agreement (as the case may be); and the “Guarantor” shall be defined accordingly
“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

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## DEFINITIONS

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“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 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 Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral)
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholder(s)”	the Shareholders other than Shenzhen Metro Group and its associates
“Independent Third Party(ies)”	an individual or a company which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules and is/are third party(ies) independent of the Company and its connected person
“Latest Practicable Date”	12 May 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the aggregate principal amount of up to RMB2,500,000,000 to be provided by Shenzhen Metro Group to the Company, in accordance with and subject to the terms and conditions of the 2026 Loan Framework Agreement

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## DEFINITIONS

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“loan-to-value ratio”	the security level for the collateral or pledge of assets under the relevant Asset Collateral, the calculation formula for which is set out in the “Letter from the Board” section of this circular
“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 business day prior to the relevant drawdown date of the Loan
“Non-executive Director(s)”	the non-executive director(s) of the Company
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, 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)
“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
“Supplemental Agreement to the 2025 Loan Framework Agreement” or “Supplemental Agreement”	the supplemental agreement dated 12 May 2026 entered into between the Company and Shenzhen Metro Group in respect of the 2025 Loan Framework Agreement, the details of which are set out in this circular
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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LETTER FROM THE BOARD

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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)**

***Board of Directors***

*Non-executive Directors*

Mr. HUANG Liping

Mr. HU Guobin

Mr. LEI Jiansong

***Registered office and address of head office***

Vanke Center

No. 33 Huanmei Road

Dameisha, Yantian District

Shenzhen, the PRC

*Executive Director*

Ms. WANG Yun

***Registered office address and***

***correspondence address in Hong Kong***

Room A, 43/F, Bank of China Tower

1 Garden Road

Hong Kong

*Independent non-executive Directors*

Mr. LIU Tsz Bun Bennett

Mr. LIM Ming Yan

Dr. SHUM Heung Yeung Harry

Mr. ZHANG Yichen

14 May 2026

*To the Shareholders*

Dear Sir / Madam,

**(1) CONTINUING CONNECTED TRANSACTION –  
SUPPLEMENTAL AGREEMENT TO  
2025 LOAN FRAMEWORK AGREEMENT**

**(2) CONTINUING CONNECTED TRANSACTION –  
2026 LOAN FRAMEWORK AGREEMENT**

**AND**

**(3) SUPPLEMENTAL NOTICE OF THE 2025 ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with, among other things, (i) further details of the Supplemental Agreement to the 2025 Loan Framework Agreement and the transactions contemplated thereunder; (ii) further details of the 2026 Loan Framework Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement to the 2025

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## LETTER FROM THE BOARD

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Loan Framework Agreement, 2026 Loan Framework Agreement and the transactions contemplated thereunder; (v) the supplemental notice of convening the AGM; and (vi) other information as required under the Listing Rules.

### SUPPLEMENTAL AGREEMENT TO THE 2025 LOAN FRAMEWORK AGREEMENT

References are made to (i) the announcement dated 2 November 2025, the circular dated 4 November 2025 and the voting results announcement dated 20 November 2025 of the Company in relation to the entering into the 2025 Loan Framework Agreement and the transactions contemplated thereunder, which has been approved by the Independent Shareholders; and (ii) the announcement of the Company dated 12 May 2026 in relation to the entering into the Supplemental Agreement to the 2025 Loan Framework Agreement.

The following table sets forth a summary of the key terms of the Original Agreement, the details of which were disclosed in the announcement and circular of the Company dated 2 and 4 November 2025, respectively:

<b>Date:</b>	2 November 2025
<b>Parties:</b>	(a) the Company (as borrower); and  (b) Shenzhen Metro Group (as lender).
<b>Key Provisions:</b>	<p><b>Loan.</b> The maximum loan amount of RMB22,000,000,000 that the Company intends to draw, or has already drawn, during the period from 2025 to the date of the Company's annual general meeting for 2025, which is expected to be held no later than 30 June 2026.</p> <p><b>Term.</b> The term of the 2025 Loan Framework Agreement shall be three years from the effective date of the framework agreement (i.e., 20 November 2025), subject to extension as agreed between the parties.</p> <p><b>Interest.</b> Subject to compliance with applicable laws and regulations, the interest rate of the loan for each drawdown under the 2025 Loan Framework Agreement shall be the higher of: (i) 2.34%; or (ii) prevailing one-year LPR minus 66 basis points (i.e., LPR-0.66%), calculated on an annualized basis using the simple interest method.</p> <p><b>Use of the Loan.</b> The proceeds from the loan made under the 2025 Loan Framework Agreement shall be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market and the designated loan interests accrued as agreed by Shenzhen Metro Group. The Company shall not use the relevant loan for any other purposes without Shenzhen Metro Group's written consent.</p>

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## LETTER FROM THE BOARD

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**Asset Collateral.** The Company shall provide the Asset Collateral in favour of Shenzhen Metro Group, serving as security for the each of loan(s) under the 2025 Loan Framework Agreement. The parties shall separately enter into definitive agreements for the relevant Asset Collateral, which set out provisions including, among other matters, the respective rights and obligations of the parties, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

The Asset Collateral shall include legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests held by the Group in unlisted companies. If the Asset Collateral has defects or is subject to commercial disputes or other rights restrictions, the Company shall use the best endeavours to eliminate such defects, ensure that the relevant assets are eligible for collateral, or remove any impediment to Shenzhen Metro Group's exercise of its security rights, failing which Shenzhen Metro Group reserves the right to require the Company to provide new collateral or to repay part of the loan under the 2025 Loan Framework Agreement in advance within a specified period.

**Security level.** The initial security level of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 70% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be), and 50% to 60% in the case of equity interests held by the Group in unlisted companies. If the value of the Asset Collateral decreases such that the loan-to-value ratio exceeds the above threshold, the Company shall, within the period specified by Shenzhen Metro Group, provide new qualified Asset Collateral or repay part of the relevant loan; the specific arrangements will be set out in the security agreement to be signed by the parties. Also, if the Asset Collateral becomes subject to title dispute, seizure or distraint, the Company shall promptly notify Shenzhen Metro Group and provide other security acceptable to it.

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## LETTER FROM THE BOARD

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**Early release.** If the Company makes an early repayment of the relevant loan under the 2025 Loan Framework Agreement in advance of the repayment schedule, the parties may release the Asset Collateral of corresponding value, to ensure that the applicable loan-to-value ratio remains no less than the specified initial security level stipulated above. Shenzhen Metro Group should actively cooperate with the relevant release procedures (if applicable).

**Enforcement of security.** Each Asset Collateral would become enforceable and disposable (in whole or in part) by Shenzhen Metro Group in accordance with applicable laws and regulations should the Company fail to fully and timely fulfil its repayment obligations in respect of the relevant definitive agreement for the loan under the 2025 Loan Framework Agreement.

**Annual Cap:**

The proposed annual caps in respect of the 2025 Loan Framework Agreement are set out below:

	For the period from the Effective Date to 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027	For the period from 1 January 2028 to the expiration date of the Loan Framework Agreement
Annual Cap for:				
Maximum principal amount	RMB22 billion	RMB22 billion	RMB22 billion	RMB22 billion
Estimated maximum accrued interest	RMB214.29 million	RMB566.28 million	RMB566.28 million	RMB343.82 million

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## LETTER FROM THE BOARD

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On 12 May 2026, the Company entered into the Supplemental Agreement to the 2025 Loan Framework Agreement with Shenzhen Metro Group, the substantial Shareholder of the Company, pursuant to which both parties agreed to introduce additional forms of security for the loans under the Original Agreement and updated the relevant collateral and loan-to-value ratio requirements. The principal terms of the Supplemental Agreement and the key supplementary provisions are set out below:

**Date:** 12 May 2026

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

**Key Supplementary Provisions:** **Asset Collateral**

In addition to the legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests held by the Group in unlisted companies that the Group is permitted under the Original Agreement to provide as the Asset Collateral in favor of Shenzhen Metro Group, the parties further agree to accept the following as the Asset Collateral:

- (1) the legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests in unlisted companies provided and owned by *a third party designated by the Company*; and
- (2) partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations, provided and owned by the Group or *a third party designated by the Company*.

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## LETTER FROM THE BOARD

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Both parties and other relevant parties shall enter into a separate Definitive Agreement for the relevant Asset Collateral, which sets out provisions including, among other matters, the respective rights and obligations of the parties, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

### *Security level*

The initial security level based on the appraised value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 100% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be); and the initial security level based on the appraised value or carrying value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 50% to 100% in the case of equity interests in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations (as the case may be).

If the value of the Asset Collateral decreases such that the loan-to-value ratio exceeds the above threshold, the Company and other relevant parties shall, within the period specified by Shenzhen Metro Group, provide new qualified Asset Collateral or repay part of the loans; the specific arrangements will be set out in the security agreement to be signed by the parties and other relevant parties.

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## LETTER FROM THE BOARD

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### **Guarantee**

Shenzhen Metro Group reserves the right to require the Company to designate its subsidiary or other third party to provide Guarantee for the relevant loan under the Original Agreement, and the Company shall designate such entity approved by Shenzhen Metro Group to provide the Guarantee accordingly. The Guarantor shall be a legal person or unincorporated body that is duly registered, lawfully subsists, and operates normally, and shall possess a certain capacity to repay debts.

With respect to the aforementioned credit enhancement measures, if the Asset Collateral provided by the Group or a third party designated by the Company as security or their ancillary assets are subject to defects, commercial disputes, litigation or other encumbrances, or if the Guarantor is dissolved or in bankruptcy or experiences a deterioration in its financial condition (as specifically defined in the security document), the Group or the third party designated by the Company shall use its best efforts to eliminate the relevant impact to procure that the relevant assets are included within the scope of collateral or to provide a new Guarantee, or to remove any impediment of Shenzhen Metro Group in exercising its security rights, failing which Shenzhen Metro Group reserves right to require the Company to provide new collateral or to repay part of the loans in advance within a specified period.

If the Company fails to fully and timely fulfill its repayment obligations under the relevant individual loan agreements, Shenzhen Metro Group shall, in accordance with the specific terms of the corresponding specific Definitive Agreement and applicable laws and regulations, enforce and dispose of (all or part of) the security or require the Guarantor to assume the corresponding liability.

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## LETTER FROM THE BOARD

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If the Company fails to provide the necessary Asset Collateral or the Guarantee for the loans actually drawn under the Amended 2025 Loan Framework Agreement, Shenzhen Metro Group has the right to demand immediate repayment of the principal and interest of such loans that have not been secured with the Asset Collateral or the Guarantee.

**Conditions Precedent:**

The Supplemental Agreement shall become effective upon fulfilment of the following conditions:

- (1) the seals of both parties having been affixed;  
and
- (2) all necessary authorisations or approval of Supplemental Agreement to the 2025 Loan Framework Agreement (including the Independent Shareholders' approval by the Company at the general meeting) having been obtained in accordance with their articles of association of both parties and the applicable laws, regulations and the listing rules (including the Listing Rules).

The aforementioned conditions precedent are not waivable by the parties. As at the Latest Practicable Date, condition precedent (1) above has been satisfied.

**Other Terms:**

The Supplemental Agreement is supplementary to the Original Agreement and constitutes an integral part thereof, having the same legal effect as the Original Agreement. Except where the terms of the Original Agreement conflict with those of the Supplemental Agreement (in which case the terms of the Supplemental Agreement shall prevail), all other terms and conditions of the Original Agreement remain unchanged and continue to be binding on both parties, who shall continue to perform their obligations under the Original Agreement.

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## LETTER FROM THE BOARD

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Except for the additional forms of security and changes to the loan-to-value ratio set forth in the “Key Supplementary Provisions” above, all other terms of the Original Agreement and its annual caps remain unchanged. For details regarding the other terms of the Amended 2025 Loan Framework Agreement, please refer to the circular of the Company dated 4 November 2025.

As at 31 December 2025 and the Latest Practicable Date, the total amounts utilized under the Original Agreement were RMB21.631 billion and RMB22 billion, respectively, and the interests incurred for the year ended 31 December 2025 and the period from 1 January 2026 to 31 March 2026 were RMB202.75 million and RMB125.90 million, respectively.

### **BASIS FOR DETERMINATION AND REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER**

The initial loan-to-value ratio for the additional Asset Collateral under the Supplemental Agreement is similar to or more favorable than that of previous similar Asset Collateral arrangements between the Company and Shenzhen Metro Group. For further details, please refer to the considerations set forth in the section “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 2026 LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER” below.

The primary reason for the Company entering into the Supplemental Agreement is to provide additional categories of Asset Collateral to the Company for use as a borrower under the 2025 Loan Framework Agreement. Through the Supplemental Agreement, the Company can manage the relevant Asset Collateral more effectively, including arrangements for replacement, renewal and addition, to meet borrowing needs and enhance the flexibility of capital utilization. At the same time, by increasing the maximum acceptable loan-to-value ratio for each category of Asset Collateral, the Company can obtain the same borrowing limit while providing less Asset Collateral for each loan, thereby improving the Group’s asset utilization efficiency and enhancing financial flexibility to further support business development.

The Group may replace or update Asset Collateral as provided, or add new Asset Collateral having regard to, among other things, the latest operation plans of each relevant projects (involving asset disposals and equity exits), changes in asset values following evaluations, and the amount of borrowings without collateral. The procedures for replacement, update and addition of Asset Collateral shall follow the internal control measures governing the selection of appropriate Asset Collateral, including a comprehensive assessment of the operating status of the relevant asset and the Group’s overall planning, approval by the Group’s investment and financing committee, and execution of formal agreements.

Regarding the additional provision of Guarantee under the Supplemental Agreement, the Board has considered that it, together with the Asset Collateral, forms part of the overall credit enhancement measures for the loans under the Amended 2025 Loan Framework

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## LETTER FROM THE BOARD

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Agreement. In particular, (i) taking into account, among other matters, the provision of Guarantee to be designated by the Company under the Supplemental Agreement, Shenzhen Metro Group has agreed to accept a broader range of Asset Collateral and a higher loan-to-value ratio to the Asset Collateral, thereby enhancing the Group's financing flexibility and enables the Group to utilise a wider asset base to secure the loans. Having considered that such loan-to-value ratio is at least comparable to, or more favourable than, prevailing market standards, and that reflects Shenzhen Metro Group's continued support for the Group, the Board is of the view that the overall arrangement is conducive to maintaining a constructive and stable relationship with Shenzhen Metro Group; and (ii) provision of both guarantees and asset collateral to secure loans by the Group is not inconsistent with its established financing practice. As disclosed in the Company's 2025 annual report under the section headed "Significant Events – Major Guarantees", the Group has historically adopted a combination of guarantees and asset collateral to support certain borrowings. Accordingly, the current arrangement does not represent a departure from past practice but rather reflects a continuation of the Group's customary approach to securing financing.

Based on the foregoing and after reviewing the terms of the Supplemental Agreement, the Directors (including the Independent Non-executive Directors, whose views are set out in the Letter from the Independent Board Committee on pages 38 to 39 of this circular) are of the view that, although the Supplemental Agreement and the transactions contemplated thereunder are not entered into in the ordinary and usual course of the Group's business, the terms of the Supplemental Agreement are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the shareholders as a whole.

With respect to the Amended 2025 Loan Framework Agreement, the Company will continue to comply with the internal control measures as set out in the paragraph "INTERNAL CONTROL MEASURES" below.

### THE 2026 LOAN FRAMEWORK AGREEMENT

References are made to the announcement of the Company dated 12 May 2026 in relation to the entering into the 2026 Loan Framework Agreement and the transactions contemplated thereunder, subject to approval by the Independent Shareholders at the AGM.

On 12 May 2026, the Company entered into the 2026 Loan Framework 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 principal amount of up to RMB2.5 billion.

The principal terms of the 2026 Loan Framework Agreement are set out below:

- Date:** 12 May 2026
- Parties:** (a) the Company (as borrower); and  
(b) Shenzhen Metro Group (as lender).

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## LETTER FROM THE BOARD

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**Loan:**

The maximum loan amount of RMB2,500,000,000 that the Company intends to draw, or has already drawn, during the period from 1 January 2026 to 31 December 2026 (the “**Available Period**”). It primarily covers: (i) unsecured (including where no Asset Collateral is provided, or where an Asset Collateral has been provided but is subsequently confirmed to be impossible to implement, in whole or in part) credit loans already provided by Shenzhen Metro Group to the Company pursuant to the Designated Agreement(s) (as defined below) prior to the Effective Date; and (ii) secured loans to be provided by Shenzhen Metro Group to the Company on or after the Effective Date in Definitive Agreements, in accordance with the terms and conditions of the 2026 Loan Framework Agreement. For the avoidance of doubt, such loans do not include those amounts already covered under the Amended 2025 Loan Framework Agreement.

Subject to the terms and conditions of the 2026 Loan Framework Agreement, the Company may draw down the Loan in multiple tranches during the Available Period. The Company and Shenzhen Metro Group shall separately enter into Definitive Agreements for the relevant drawdowns.

Any execution of the Definitive Agreement(s) for the Loan must be completed not later than the expiry of the Available Period, and the aggregate loan amount (including the principal amounts drawn and to be drawn) shall not exceed RMB2,500,000,000 under the Available Period.

**Term:**

The term of the 2026 Loan Framework Agreement shall be three years from the Effective Date, subject to extension as agreed between the parties.

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## LETTER FROM THE BOARD

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Unless otherwise agreed or extended, the term of each Definitive Agreement for the Loan made under the 2026 Loan Framework Agreement shall be no more than three years, as determined between the parties under the Definitive Agreement. The outstanding principal of the Loan, together with accrued interest (if any), shall be repaid in full on or before the date falling three years from the Effective Date, unless all such amounts remain valid pursuant to a renewal or extension of the 2026 Loan Framework Agreement and/or the relevant Definitive Agreement(s) (as the case may be). In the event of such renewal or extension, the Company shall re-comply with the reporting, announcement and/or Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules as and when required.

As agreed between the parties, upon the 2026 Loan Framework Agreement becoming effective, certain loan agreement(s) (the “**Designated Agreement(s)**”) already entered into by the parties from the beginning of 2026, being pure credit loans not secured by any asset collateral, will constitute Definitive Agreements as the Company will enter into security agreement(s) to provide Asset Collateral for such Designated Agreement(s) that bring them within scope of the 2026 Loan Framework Agreement, and accordingly, the principal amount already drawn thereof shall form part of the Loan amount under the 2026 Loan Framework Agreement. Provided that the provisions under the Designated Agreement(s) do not contravene the terms and conditions of the 2026 Loan Framework Agreement, applying the 2026 Loan Framework Agreement to such Designated Agreement(s) serves as a mean to achieve the provision of Asset Collateral under those Designated Agreement(s). Details of the Designated Agreement(s) are set out in the sub-section headed “Designated Agreement(s)” below in this circular.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, (i) the Designated Agreement(s) has/have an aggregated maximum principal amount of approximately RMB2.36 billion, among of which, approximately RMB2.359 billion has been drawn down by the Company; (ii) the undrawn balance under the Designated Agreement(s), amounting to approximately RMB0.001 billion, is no longer available to the Company as the drawdown periods under the respective Designated Agreement(s) has/have expired; and (iii) accordingly, the Company may draw down an additional new loan principal of approximately RMB0.141 billion under the 2026 Loan Framework Agreement.

**Interest of the Loan:**

Subject to compliance with applicable laws and regulations, the interest rate of the Loan for each drawdown shall be the higher of: (i) 2.34%; or (ii) prevailing one-year LPR one business day prior to each loan drawdown date (the first interest rate fixing date) minus 66 basis points (i.e., LPR-0.66%), calculated on an annualized basis using the simple interest method. The interest would accrue on a daily basis from the actual drawdown date and settled mostly on a quarterly basis. When the relevant Loan is due under the Definitive Agreement, the remaining accrued interest shall be settled together with the principal. These interests are intended to be funded by the Group's internal resources. The interest rate and payment terms of each Loan shall be specified in the corresponding Definitive Agreement.

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## LETTER FROM THE BOARD

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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 2026 LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this circular. The Company will ensure that, before entering into Definitive Agreement for the Loan, each interest rate will be fair, reasonable and no less favourable than the normal commercial terms provided by Independent Third Parties.

**Use of the Loan:**

The proceeds from the Loan shall be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market and the designated loan interests accrued as agreed by Shenzhen Metro Group. The Company shall not use the Loan for any other purposes without Shenzhen Metro Group's written consent. 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 2026 LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this circular.

**Conditions Precedent:**

The 2026 Loan Framework Agreement shall become effective upon fulfilment of the following conditions:

- (1) the seals of both parties having been affixed;  
and

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## LETTER FROM THE BOARD

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- (2) all necessary authorisations or approval of the 2026 Loan Framework Agreement and the Annual Cap thereunder (including the Independent Shareholders' approval by the Company at the general meeting) having been obtained in accordance with their articles of association of both parties and the applicable laws, regulations and the listing rules (including the Listing Rules).

The aforementioned conditions precedent are not waivable by the parties. As at the Latest Practicable Date, condition precedent (1) above has been satisfied.

**Credit enhancement measures:**

**Asset Collateral.** The Group or a third party designated by the Company shall provide the Asset Collateral in favour of Shenzhen Metro Group, serving as security for the each of loan(s) (which constitute the Loan) under the 2026 Loan Framework Agreement. The parties and other relevant parties shall separately enter into Definitive Agreements for the relevant Asset Collateral, which set out provisions including, among other matters, the respective rights and obligations, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

The Asset Collateral shall include legal operating properties, fixed assets, inventories, construction in progress, stocks, equity interests owned in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds and/or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations, provided by the Group or a third party designated by the Company.

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## LETTER FROM THE BOARD

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**Security level.** (i) The initial security level based on the appraised value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 100% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be); and (ii) the initial security level based on the appraised value or carrying value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 50% to 100% in the case of equity interests in unlisted companies, partnership interests, notes, certificates of deposit, credits and accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations (as the case may be). The loan-to-value ratio is calculated using the following formula:

$$\text{Loan-to-Value Ratio} = A / B$$

*Where:*

A = the total sum of principal accrued of the Loan under the relevant Definitive Agreement

B = the value of the Asset Collateral under the relevant Definitive Agreement, as determined by the valuation results from the appraisal agencies to be appointed by both parties (except for security measured at carrying value)

The Company will ensure that, before entering into Definitive Agreement for the Asset Collateral, each security level of the Asset Collateral will be fair, reasonable and no less favourable than the normal commercial terms acceptable to Independent Third Parties. The value of the relevant Asset Collateral shall generally be appraised and determined by an independent valuer with the requisite qualifications recognized by both parties. The choice of valuation method shall be determined by the independent valuer based on a comprehensive assessment of the appraisal target, type of value, completeness of available information and prevailing market conditions, with an appropriate methodology adopted after evaluating its applicability.

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## LETTER FROM THE BOARD

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If the value of the Asset Collateral decreases such that the loan-to-value ratio exceeds the above threshold, the Company and other relevant parties shall, within the period specified by Shenzhen Metro Group, provide new qualified Asset Collateral or repay part of the Loan; the specific arrangements will be set out in the security agreement to be signed by the parties and other relevant parties. Also, if the Asset Collateral becomes subject to title dispute, seizure or distraint, the Company shall promptly notify Shenzhen Metro Group and provide other security acceptable to it.

**Early release.** If the Company makes an early repayment of the Loan in advance of the repayment schedule, the parties may release the Asset Collateral of corresponding value, to ensure that the applicable loan-to-value ratio remains no less than the specified initial security level stipulated above. Shenzhen Metro Group should actively cooperate with the relevant release procedures (if applicable).

**Guarantee.** Shenzhen Metro Group reserves the right to require the Company to designate its subsidiary or other third party to provide Guarantee for the relevant Loans under the New Agreement, and the Company shall designate such entity approved by Shenzhen Metro Group to provide the Guarantee accordingly. The Guarantor shall be a legal person or unincorporated body that is duly registered, lawfully subsists, and operates normally, and shall possess a certain capacity to repay debts.

**Enforcement of security.** Each Asset Collateral would become enforceable and disposable (in whole or in part) by Shenzhen Metro Group in accordance with applicable laws and regulations or the Guarantor shall be requested to assume the corresponding liability should the Company fail to fully and timely fulfil its repayment obligations in respect of the relevant Definitive Agreement for the Loan.

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## LETTER FROM THE BOARD

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The enforcement measures available for Shenzhen Metro Group may include, to the extent applicable: (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. The relevant enforcement measures shall be governed by the separate Definitive Agreement for the Asset Collateral.

In the event that Shenzhen Metro Group enforces its security rights under the Definitive Agreements, it may result in a partial or complete transfer or disposal of the Asset Collateral. Consequently, the Group's assets (such as investment properties and inventory) and the associated business operations may shrink in scale. However, as the maximum amount of Asset Collateral is estimated to account for only approximately 0.24% to 0.49% of the Group's total assets based on its audited consolidated financial statements as at 31 December 2025, the anticipated impact on the operational and financial aspects of the Company would be considered to be limited in such regard.

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## LETTER FROM THE BOARD

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In any event, 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, and remain diligent in managing its business operations to provide for operating cashflows and support the timely repayment. In addition, the Company may separately agree with Shenzhen Metro Group in the Definitive Agreements that it may apply for an extension of the relevant separate Loan with Shenzhen Metro Group, subject to the latter's review and approval. In the event of an extension, the Company shall re-comply with the reporting, announcement and/or Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules as and when required. Accordingly, the risk associated with the enforcement of the Asset Collateral 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 THE 2026 LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER", the Directors considered that the Asset Collateral is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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With respect to the aforementioned credit enhancement measures, if the Asset Collateral provided by the Group or a third party designated by the Company as security or their ancillary assets, are subject to defects, commercial disputes, litigation, or other encumbrances, or if the Guarantor is dissolved or in bankruptcy or experiences a deterioration in its financial condition (as specifically defined in the security document), the Group or the third party designated by the Company shall use its best efforts to eliminate the relevant impact to procure that the relevant assets are included within the scope of collateral or to provide a new Guarantee, or to remove any obstacles faced by Shenzhen Metro Group in exercising its security rights, or otherwise, Shenzhen Metro Group shall have the right to require the Company to provide a new security within a specified period or to repay part of the Loan in advance.

If the Company fails to provide the necessary Asset Collateral or the Guarantee for the loans actually drawn under the Loan, Shenzhen Metro Group has the right to demand immediate repayment of the principal and interest of such loans that have not been secured with the Asset Collateral or the Guarantee.

### *Designated Agreement(s)*

The table below sets forth the details of the proposed Designated Agreement(s) as at the Latest Practicable Date:

No.	Transaction date	Maximum borrowing amount (RMB billion)	Drawdown amount (RMB billion)	Term (subject to potential extension)	Borrowing rate	Settlement Term of Interest
1	27 January 2026	2.36	2.359	36 months	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis

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## LETTER FROM THE BOARD

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### PROPOSED ANNUAL CAPS AND BASIS FOR DETERMINATION

The proposed Annual Caps in respect of the Loan Framework Agreement are set out below:

Annual Cap for:	For the period from the Effective Date to 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the period from 1 January 2029 to the expiration date of the Loan Framework Agreement
Maximum principal amount	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion
Estimated maximum accrued interest	RMB0.0577 billion	RMB0.0644 billion	RMB0.0644 billion	RMB0.0077 billion

For clarity, pursuant to the Loan Framework Agreement, the Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant Definitive Agreements shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement. Accordingly, the proposed Annual Caps will not be refreshed to allow for further drawdowns following any repayment of the Loan.

The proposed Annual Caps were determined with reference to: (i) the total principal amount of the Loan available for drawdown under the 2026 Loan Framework Agreement at RMB2,500,000,000; (ii) the estimated maximum interest accrued in aggregate during the term of the 2026 Loan Framework Agreement, which is calculated based on the prevailing one-year LPR minus 66 basis points as at the Latest Practicable Date (i.e., 2.34%), multiplying it by the maximum principal amount and adding a buffer of 10% (interest already accrued not applicable) with reference to the one-year LPR trend in recent years, to contemplate for potential rise of one-year LPR during the term; (iii) the unsecured previous shareholder's loans provided by Shenzhen Metro Group to the Company in 2026 and up to the Latest Practicable Date, with an aggregated principal amount drawn of approximately RMB2.359 billion; and (iv) the potential financial needs of the Group as well as reasons for and benefits of entering into the 2026 Loan Framework Agreement detailed 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 2026 LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER" below.

The Company's risk exposure arising from the financial assistance received from Shenzhen Metro Group that is secured by the Group's assets, as indicated by (i) the maximum possible principal amount of such outstanding loans; and (ii) the aggregated accrued interest for each of the three years ending 31 December 2028, respectively, estimated based on the historical arrangements set out in the section headed "Historical

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## LETTER FROM THE BOARD

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borrowing and collateral arrangements” in this circular, together with the annual caps of the Amended 2025 Loan Framework Agreement and the 2026 Loan Framework Agreement (collectively, the “**Loan Arrangements**”), is set forth in the table below:

*Unit: RMB Billion*

		For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
<b>Estimated maximum principal amount of outstanding loans (peak value) during the year</b>	2025 Loan Framework Agreement	22.000	22.000	22.000
	2026 Loan Framework Agreement	2.500	2.500	2.500
	Other secured loans from Shenzhen Metro Group <sup>Note</sup>	9.024	9.024	9.024
	<b>Total</b>	<b>33.524</b>	<b>33.524</b>	<b>33.524</b>
<b>Estimated aggregated interest accrued during the year</b>	2025 Loan Framework Agreement	0.566	0.566	0.344
	2026 Loan Framework Agreement	0.058	0.064	0.064
	Other secured loans from Shenzhen Metro Group <sup>Note</sup>	0.232	0.232	0.052
	<b>Total</b>	<b>0.856</b>	<b>0.863</b>	<b>0.460</b>

*Note:* These secured loans represent, in aggregate, the historical arrangements set out in the section headed “Historical borrowings and collateral arrangements” in this circular.

The above figures are preliminary estimates only based on the terms of the Loan Arrangements (including the annual caps set therein) and do not represent the Company’s commitment or projection of the actual arrangements, which will depend on the Group’s actual operations and financial conditions during the relevant periods, may be subject to review and audit by the Group’s auditors, and thus may differ from the figures set out above.

### **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 2026 LOAN FRAMEWORK 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 and the designated loan interests accrued as agreed by Shenzhen Metro Group. As of the Latest Practicable Date, the Loan has been or is expected to be used in whole or in part for the principal and/or interest of bonds issued in the public market as listed in the tables below:

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**LETTER FROM THE BOARD**

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*Bonds with principal and/or interest due on or before the Latest Practicable Date*

Name of bonds	Abbreviation of bonds	Date of payment of principal and/or interest	Due dates of outstanding amount of principal and/or interest not yet due as of the Latest Practicable Date	Principal and/or interest repaid as at Latest Practicable Date <i>(RMB billion)</i>	Outstanding amount of principal and/or interest not yet due as of the Latest Practicable Date <i>(RMB billion)</i>
China Vanke Co., Ltd. medium-term notes in 2022 (fourth tranche)	22 Vanke MTN004	2026/1/28	2026/12/15	0.86	1.235
China Vanke Co., Ltd. medium-term notes in 2022 (fifth tranche)	22 Vanke MTN005	2026/1/28	2026/12/28	1.60	2.285
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (first tranche) (variety II)	21 Vanke 02	2026/1/22 2026/1/30	2027/1/22	0.04 0.43	0.624
China Vanke Co., Ltd. medium-term notes in 2023 (first tranche)	23 Vanke MTN001	2026/4/23	2027/4/23	0.86	1.235
<b>Total</b>				<b><u>3.79</u></b>	<b><u>5.379</u></b>

A portion of abovementioned repaid principals and/or interests have been settled by Loan. Specifically, among the RMB3.79 billion repaid, a total of RMB2.359 billion was settled by the Loan, RMB0.369 billion was settled by the loan from 2025 Loan Framework Agreement, and the remaining RMB1.062 billion was settled by self-raised funds of the Company.

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## LETTER FROM THE BOARD

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### *Bonds with principal and/or interest due after the Latest Practicable Date*

Name of bonds	Abbreviation of bonds	Date of payment of principal and/or interest	Principal and/or interest to be repaid (RMB billion)
China Vanke Co., Ltd. medium-term notes in 2023 (second tranche)	23 Vanke MTN002	2026/5/12	2.062
China Vanke Co., Ltd. 2021 corporate bonds specialised in rental housing to qualified investors in public (second tranche) (variety II)	21 Vanke 04	2026/5/20	0.587
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (second tranche) (variety II)	22 Vanke 04	2026/6/6	0.023
China Vanke Co., Ltd. medium-term notes in 2023 (third tranche)	23 Vanke MTN003	2026/6/15	2.061
<b>Total</b>			<b><u>4.733</u></b>

The Company shall arrange for the utilisation of the Loan to partially settle the principals and/or interests accrued under aforesaid bonds to be repaid based on actual funding needs at the time of repayments. Even though the size of the Loan does not cover the entire payables to the aforesaid bonds, the Board is of the view that, in light of Shenzhen Metro Group’s contractual right to seek asset collateral in the existing Definitive Agreements and the potentially higher cost of capital incurred in securing new external financing from banks and/or financial institutions as detailed below, the proposed Loan and the associated Annual Cap is fair and reasonable. Regarding outstanding principals and interests accrued under the aforesaid bonds and the other bonds, the Company intends to settle them with the Group’s operating cashflow and/or other external financing sources.

The Company has considered alternative financing such as financing originated from banks; however, taking into account the comprehensive cost of existing financing of 3.02% of the Group in late 2025 (being the weighted average cost calculated using the balance of each relevant financing in late 2025 as the weighting factor, serving as a benchmark for market standard as the Group’s financing primarily originated from banks (excluding loans from Shenzhen Metro Group), 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 Company considered that obtaining the Loan by entering into the Loan Framework Agreement would be prioritised for being the most effective way to raise funds for the Group. In addition, as disclosed in the section headed “THE 2026 LOAN FRAMEWORK AGREEMENT” above, the Company has been offered unsecured loans by Shenzhen Metro Group under the existing Designated Agreement(s). To ensure that the Loan are adequately secured with asset and reduce its financial risk, Shenzhen Metro Group has requested the provision of Asset Collateral in respect of the Designated Agreement(s) and

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## LETTER FROM THE BOARD

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the Definitive Agreements after the Company obtains the requisite approval from Independent Shareholders for the Loan Framework Agreement and the transactions contemplated thereunder (including the provision of Asset Collateral). Furthermore, 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.

### *Historical borrowing and collateral arrangements*

The table below sets forth the details of the similar historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group:

No.	Transaction date	Maximum borrowing amount (RMB billion)	Term	Borrowing rate	Remark
1	10 February 2025	2.8	3 years from the date of the first drawdown	One-year LPR less 76 basis point	The Group has provided asset collateral by pledging 211,530,417 shares of Onewo Inc. at a value of RMB4 billion, with a loan-to-value ratio of 70%
2	14 May 2025 (loan agreement) 7 July 2025 (asset collateral)	1.552	36 months	LPR less 76 basis points	The Group has provided asset collateral by pledging 116,887,490 shares of Onewo Inc. at a value of RMB2,215,714,286, with a loan-to-value ratio of 70%
3	21 February 2025 (loan agreement) 21 May 2025 (supplemental loan agreement)	4.2	36 months	LPR less 76 basis points	The Group has provided asset collateral by pledging 316,863,015 shares of Onewo Inc. at a value of RMB6 billion, with a loan-to-value ratio of 70%
4	30 July 2025	0.869	No later than 2 July 2028	LPR less 66 basis points	The Group has provided corresponding asset collateral at a total value of RMB1.2972 billion, including investment properties and fixed assets with a loan-to-value ratio of 70%, and equity interests in unlisted subsidiaries with a loan-to-value ratio of 50%

*Note:* For details, please refer to the Company's announcements dated 10 February, 14 May, 21 May, 3 July, 7 July and 30 July 2025.

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## LETTER FROM THE BOARD

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### *Basis of determination*

The Loan's interest rate and initial loan-to-value ratio of the Asset Collateral are similar to or more favorable than those of the similar historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group as detailed in the table above, and taking into account (i) the interest rate of 2.34% or LPR minus 0.66% (i.e., 2.34% as at the Latest Practicable Date) at the time of drawdown (whichever is higher) under the 2026 Loan Framework Agreement, which is lower than LPR (a centrally published market benchmark by the National Interbank Funding Center from time to time, which is widely adopted by PRC commercial banks for pricing corporate loans); and (ii) the loan-to-value ratios of 60% to 100% for operating properties, fixed assets, inventories, construction in progress and stocks, and 50% to 100% for equity interests held by the Group in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations, which are higher than or equal to the prevailing market standards of no less than five licensed banks in the PRC (including major representatives of state-owned commercial banks, joint-stock commercial banks and city commercial banks which, albeit on a non-exhaustive basis, are considered highly representative as they cover the principal types of domestic commercial banks) that generally ranges from 50% to 60% and 50% to 100%, respectively, the Company considered that the terms of the transactions, while adhering to market-oriented principles, are comparable to, or even more favorable as compared to the market rates. This fully reflects Shenzhen Metro Group's support for the Company.

As such, the interest rate under the 2026 Loan Framework 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 2026 Loan Framework 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.

### **INTERNAL CONTROL MEASURES**

In connection with the relevant drawdown of the Loan and in order to ensure the terms of the relevant Definitive Agreements are on normal commercial terms and fair and reasonable to the Company and Shareholders and are no less favourable to the Group than terms offered available to or from independent third parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) with regard to any amount drawdown, the Company expects that the corresponding value of the Asset Collateral shall maintain at level as the unpaid principal amount of the relevant Loan divided by the specified loan-to-value ratio under the Definitive Agreements. The designated responsible personnel of the finance and fund management department of the Company will monitor any repaid Loan principal, the level of loan-and-value ratio and the status and value of each

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## LETTER FROM THE BOARD

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Asset Collateral, in order to apply to or communicate with Shenzhen Metro Group to release or replace (as the case may be) the Asset Collateral thereto on a monthly basis;

- (ii) designated responsible personnel of the finance and fund management department of the Company will closely monitor the outstanding Loan balances and interests to be repaid and report the latest status of the Loan granted to the finance department of the Company on a monthly basis to ensure that the proposed Annual Cap will not be exceeded. In the event the proposed Annual Cap is expected to be exceeded, the responsible staff would escalate the issue to the Board forthwith, and the Company would timely re-comply with the requirements under Chapter 14A of the Listing Rules;
- (iii) designated responsible personnel of the finance and fund management department of the Company will, before the signing of each Definitive Agreement under the Loan Framework Agreement: (a) check the published LPR; and (b) compare the interest rate of the Loan with those published on the official websites or provided in quotations by at least two major commercial banks or financial institutions that are independent, licensed and reputable commercial lenders in the PRC. They serve as a benchmark of prevailing market standards for loans with similar terms, the comparison with which will help determine whether the interest rate charged under each Loan is in line with or better than the market rates and the Definitive Agreements are entered into on normal commercial terms. If the terms obtained through the above methods are more favorable to the Group than those provided in accordance with the Loan Framework Agreement, the finance and fund management department may not proceed with approving the proposed Definitive Agreement to be signed;
- (iv) in selecting the appropriate Asset Collateral for each loan, the Company will designate responsible personnel of the finance and fund management department to determine the Asset Collateral through mutual agreement between the Company and Shenzhen Metro Group. While Shenzhen Metro Group may prioritise qualified assets with higher liquidity and security level as Asset Collateral, the Company shall undergo the below process in selecting such assets for Asset Collateral:
  - (a) the Company will comprehensively consider the current operating status of the relevant assets, their role in the Company's overall planning and annual objectives, the assets' book value, its contribution to the Group's finance and operation, the potential impact on the Group if such assets were enforced by Shenzhen Metro Group, and the pledge/mortgage conditions of such assets. The goal is to select a relatively suitable assets as Asset Collateral while minimizing any impact on the Company's normal operations as well as financing and liabilities status; and

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## LETTER FROM THE BOARD

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- (b) at the group level, a list of proposed assets for Asset Collateral will be generated by the Company. After communication and confirmation with the Group's regional companies or business units, the final proposed Asset Collateral with the assessment based on the above criteria will be passed to the Group's investment and financing committee for approval. Subsequently, a specific Definitive Agreement for the Asset Collateral will be signed with Shenzhen Metro Group and the relevant procedures will be completed.

In addition, to determine the loan-to-value ratio applicable to the relevant Asset Collateral, given that the prevailing industry is still in a period of recovery and adjustment and the subsequent market environment remains uncertain, the Company will take into account factors such as the stability of the subject asset value, liquidity, market trading activity, as well as industry and policy risks at the time of processing and handling the Asset Collateral, and determine based on consultation and negotiations with Shenzhen Metro Group;

- (v) the Company will designate responsible personnel regarding the engagement of the independent valuer and the valuation of the Asset Collateral (as necessary), with the detailed mechanism set out below:
  - (a) evaluation of the valuer will be jointly undertaken by Shenzhen Metro Group and the Group, with personnel from Shenzhen Metro Group's finance, cost, legal and audit departments, as well as that from the Group's finance and fund management department, investment and development centre, and legal department;
  - (b) selection of the valuer will be conducted by an invitation tender process, whereby invitations would be sent to leading institutions based on their industry rankings and the evaluation process will involve merit-based selection, taking into account comprehensively the relevant experience, working team's composition, industry ranking, valuation work plan and fees, as well as quality assurance mechanism;
  - (c) it is expected that no less than three potential valuers will be invited to participate in the tender process;
  - (d) in accordance with the requirements of "Asset Appraisal Law of the People's Republic of China (《中華人民共和國資產評估法》)" and the "Measures for Financial Supervision and Administration of the Asset Appraisal Industry (《資產評估行業財政監督管理辦法》)", the valuer, once selected, shall comply with the "Basic Standards for Asset Appraisal (《資產評估基本準則》)" issued by the Ministry of Finance and a series of asset appraisal standards promulgated by the China Asset Appraisal Association. Based on factors such as the appraisal purpose, appraisal object, value type and data collection, one to two applicable methods are selected from the three standard valuation methods, namely the market approach, income approach and cost approach, as well as their derivative methods; and

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## LETTER FROM THE BOARD

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- (e) the appraisal date will be determined based on the applicable circumstances of the appraisal subject, and will be as close as possible to the date of signing the agreement for the relevant Asset Collateral, so as to accurately reflect their value, which shall not be earlier than one year prior to the date of signing such agreement;
- (vi) after the selection and execution of the Asset Collateral, the Company and Shenzhen Metro Group shall regularly assess the value of the relevant assets, either through internal evaluations based on operational and book value conditions, or by engaging third parties for periodic valuation assessments. If the assets value has declined substantially (e.g., to the extent that the relevant loan-to-value ratio exceeds the initially specified level), the Company may be required to provide additional or replacement assets in accordance with Shenzhen Metro Group's requirements. The process for supplementing or replacing assets is consistent with the internal control procedures for selecting and valuing the Asset Collateral as mentioned in sub-paragraphs (iv) and (v) above.

With respect to enforcement, according to the terms of executed definitive agreements for the relevant Asset Collateral, if the enforcement of the security would result in net proceeds therefrom exceeding the secured obligations under the specific definitive agreement, the surplus shall first be applied to repay other debts or amounts owed by the Company to Shenzhen Metro Group under the relevant Amended 2025 Loan Framework Agreement or the 2026 Loan Framework Agreement (as the case may be). If all debts under such framework agreement have been fully settled, the remaining balance will be returned to the Company. As the loans provided by Shenzhen Metro Group to the Company are determined and provided as an overall arrangement under the relevant framework agreement, the disposal of the corresponding Asset Collateral should likewise be considered on an overall basis, with full regard to the rights of other relevant parties entitled to statutory priority under applicable laws and regulations;

- (vii) the Company's external auditor will conduct an annual review of the transactions entered into under the Loan Framework Agreement to ensure that the transaction amount is within the proposed Annual Cap and the transactions are in accordance with the terms set out in the Loan Framework Agreement; and
- (viii) the Independent Non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Loan Framework Agreement to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules.

In light of the above, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Loan Framework Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole. The Board considers that the internal control procedures adopted in respect of the transactions contemplated under the

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## LETTER FROM THE BOARD

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Loan Framework Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the transactions under the Loan Framework Agreement will be appropriately monitored by the Company.

### **INFORMATION OF THE PARTIES TO THE SUPPLEMENTAL AGREEMENT AND THE NEW AGREEMENT**

#### **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.

#### **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.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Company has strictly complied with the announcement and Independent Shareholders’ approval requirements regarding continuing connected transactions under the 2025 Loan Framework Agreement. As the Supplemental Agreement constitutes a material change to the terms of the Original Agreement, the Company is required to re-comply with the announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the Supplemental Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, 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 2026 Loan Framework Agreement and transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral) constitute a continuing connected transaction of the Company.

As one of the applicable percentage ratios in respect of the 2026 Loan Framework Agreement and transactions contemplated thereunder exceeds 5%, it constitutes a continuing connected transaction of the Company and, together with the proposed Annual Cap, are

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## LETTER FROM THE BOARD

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subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The related Directors, namely 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.

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Supplemental Agreement to the 2025 Loan Framework Agreement and the 2026 Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) 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. The 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 Agreement to the 2025 Loan Framework Agreement and the 2026 Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) 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 held at Vanke Center, 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, the PRC on Friday, 29 May 2026 from 3:00 p.m. for the purpose of considering, and if thought fit, approving the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder. A supplemental notice of the AGM is set out on pages AGM-1 to AGM-4 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i) in case of H Shareholders, to Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (ii) in case of A Shareholders, to the Office of the Board of Directors of the Company at Vanke Building, No. 63 Meilin Road, Futian District, Shenzhen, PRC. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders to be taken at the AGM shall be taken by poll. An announcement of the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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In accordance with the Listing Rules, any Shareholders who has a material interest in the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder shall abstain from voting on the resolutions to approve the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder at the AGM. As at the Latest Practicable Date, 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 Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder at the AGM.

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## LETTER FROM THE BOARD

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### RECORD DATE

The H Shareholders whose names appear in the register of members of the Company on Friday, 22 May 2026 are entitled to attend and vote at the AGM. In order to qualify for the entitlement to attend and vote at the AGM, all transfer documents accompanied by relevant share certificates must be lodged with the H share registrar of the Company at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026.

### RECOMMENDATION

The Directors (including the Independent Board Committee whose view is set out in the letter from the Independent Board Committee on pages 38 to 39 of this circular) consider that the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral) are fair and reasonable, and in the interest of the Company and its Shareholders as a whole, and recommend the Independent Shareholders to approve the relevant resolutions to be proposed at the AGM.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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

\* *For identification purposes only*

**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)**

14 May 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION –  
SUPPLEMENTAL AGREEMENT TO 2025 LOAN FRAMEWORK AGREEMENT  
AND  
(2) CONTINUING CONNECTED TRANSACTION –  
2026 LOAN FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 14 May 2026 in relation to the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral) are entered into on normal commercial terms or better, are fair and reasonable, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the advice of the Independent Financial Adviser, we are of the opinion that despite the entering into the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral) are not in the ordinary and usual course of business of the Group, they are entered into on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM to approve the Supplemental Agreement to the 2025 Loan Framework Agreement, the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral).

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Yours faithfully,

For and on behalf of the Independent Board Committee

<b>Mr. LIU</b>	<b>Mr. LIM</b>	<b>Dr. SHUM</b>	<b>Mr. ZHANG</b>
<b>Tsz Bun Bennett</b>	<b>Ming Yan</b>	<b>Heung Yeung Harry</b>	<b>Yichen</b>
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>Non-executive</i>	<i>Non-executive</i>	<i>Non-executive</i>	<i>Non-executive</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>

\* *For identification purposes only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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801-805, 8/F, Nan Fung Tower,  
88 Connaught Road Central,  
Hong Kong

14 May 2026

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS –  
(1) SUPPLEMENTAL AGREEMENT TO 2025 LOAN FRAMEWORK AGREEMENT  
AND  
(2) 2026 LOAN FRAMEWORK AGREEMENT**

### INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Agreement and the 2026 Loan Framework Agreement (including the proposed Annual Caps and the provision of the Asset Collateral), particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) of the circular to the Shareholders dated 14 May 2026 (the “**Circular**”) and in which this letter is reproduced. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

On 12 May 2026, the Company entered into the Supplemental Agreement with Shenzhen Metro Group, pursuant to which both parties agreed to introduce additional forms of security for the loans under the Original Agreement and specified the relevant collateral and loan-to-value ratio requirements.

On the same date, the Company entered into the 2026 Loan Framework Agreement with Shenzhen Metro Group, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate principal amount of up to RMB2.5 billion.

An Independent Board Committee comprising all of the independent non-executive Directors namely Mr. LIU Tsz Bun Bennett, Mr. LIM Ming Yan, Dr. SHUM Heung Yeung Harry and Mr. ZHANG Yichen has been established to advise the Independent Shareholders in respect of the Supplemental Agreement and the 2026 Loan Framework Agreement (including the proposed Annual Caps and the provision of the Asset Collateral). We, Octal Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we are not connected with the Group or Shenzhen Metro Group or where applicable, any of their respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 13.84 of the Listing Rules. In the two years immediately preceding the date of the Supplemental Agreement and the 2026 Loan Framework Agreement, we were engaged by the Company as an independent financial adviser to the Company in respect of (i) the connected

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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transaction in relation to the receipt of financial assistance from Shenzhen Metro Group and provision of asset collateral (details as contained in the circular of the Company dated 6 June 2025); and (ii) the continuing connected transaction in relation to the Original Agreement (details as contained in the circular of the Company dated 4 November 2025) (the “**Previous Engagements**”).

Under the Previous Engagements, we were required to express our opinion on and give recommendations to the Independent Board Committee and the Independent Shareholders of the Company in respect of the transactions. Apart from normal professional fee payable to us by the Company in connection with this appointment and the Previous Engagements, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company or the Shenzhen Metro Group, or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. We are therefore considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Supplemental Agreement and the 2026 Loan Framework Agreement pursuant to Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the management of the Company regarding the Group, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice, among other things, (i) the Supplemental Agreement and the 2026 Loan Framework Agreement; (ii) the Designated Agreement; (iii) the annual report of the Company for the year ended 31 December 2024 and 2025 (the “**2024 Annual Report**” and the “**2025 Annual Report**”, respectively); and (iv) our review of the relevant public information. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group or Shenzhen Metro Group and their respective controlling shareholder(s) and associates nor have we carried out any independent verification of the information supplied.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion regarding the Supplemental Agreement and the 2026 Loan Framework Agreement, we have considered the following principal factors and reasons:

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 1. Background of the transactions

On 2 November 2025, the Company entered into the Original 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 principal amount of up to RMB22.0 billion. The Original Agreement also stipulated the credit enhancement measures including the provision of asset collateral and the relevant loan-to-value ratio (the “**LTV Ratio**”). To provide flexibility and enhance the effectiveness of the Group’s asset management, on 12 May 2026, the Company entered into the Supplemental Agreement with Shenzhen Metro Group, pursuant to which both parties agreed to introduce additional forms of security for the loans under the Original Agreement and specified the relevant collateral and the relevant LTV Ratio.

In January 2026, Shenzhen Metro Group and the Company entered into a Designated Agreement, pursuant to which Shenzhen Metro Group provided unsecured shareholder’s loans to the Company, with an aggregated principal amount of approximately RMB2.359 billion, for the Company to repay its loans and borrowings. Pursuant to the Designated Agreement, Shenzhen Metro Group has the right to require the Company to provide asset collateral. On 12 May 2026, the Company entered into the 2026 Loan Framework Agreement with Shenzhen Metro Group, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate principal amount of up to RMB2.5 billion (including the loan under the Designated Agreement) which also stipulated the credit enhancement measures including the provision of asset collateral and the relevant LTV Ratio.

As at the Latest Practicable Date, the Company has drawn down approximately RMB2.359 billion under the Designated Agreement which has been fully used to settle the principal and interests accrued under various debts issued by the Company as listed 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 2026 LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER” in the Letter from the Board.

### 2. General 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.

As at the Latest Practicable Date, 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *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.

### *Financial information of the Group*

#### *Review of financial performance of the Group*

The table below sets out the audited financial information of the Group for the year ended 31 December 2023, 2024 and 2025 (“FY2023”, “FY2024” and “FY2025”, respectively) extracted from the 2024 Annual Report and the 2025 Annual Report, respectively.

	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	465,739,077	343,176,441	233,432,769
Gross profit	67,448,208	27,842,348	1,259,127
Gross margin	14.5%	8.1%	0.5%
Selling and administrative expenses	(22,398,842)	(20,478,690)	(16,634,686)
Finance costs	(4,843,698)	(6,656,518)	(7,830,950)
Other income/(expenses), net	<u>4,764,508</u>	<u>(32,165,337)</u>	<u>(43,463,606)</u>
Profit/(loss) before tax	44,970,176	(31,458,197)	(66,670,115)
Income tax expense	<u>(24,514,618)</u>	<u>(17,245,737)</u>	<u>(25,139,976)</u>
Profit/(loss) for the year	<u><u>20,455,558</u></u>	<u><u>(48,703,934)</u></u>	<u><u>(91,810,091)</u></u>

#### FY2024 vs FY2023

The Group’s revenue decreased by approximately 26.3% from approximately RMB465.7 billion for FY2023 to approximately RMB343.2 billion for FY2024. The decrease was due to the significant decrease in the settlement scale of the real estate development business.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's gross profit decreased from approximately RMB67.4 billion for FY2023 to approximately RMB27.8 billion for FY2024. Overall gross profit margin decreased from approximately 14.5% for FY2023 to approximately 8.1% for FY2024. The decrease was mainly due to higher land costs in relation to the revenue from the sales of properties recognised during FY2024.

Selling and administrative expenses of the Group decreased by approximately 8.6% from approximately RMB22.4 billion for FY2023 to approximately RMB20.5 billion for FY2024. The decrease was mainly due to the Group's continued efforts in cost reduction and efficiency enhancement by reducing expenses during FY2024.

Finance costs of the Group increased by approximately 37.4% from approximately RMB4.8 billion for FY2023 to approximately RMB6.7 billion for FY2024. The increase was primarily attributable to the decrease in interest capitalization as a result of the decrease in the property development scale of the Group.

The Group recorded other net expenses of approximately RMB32.2 billion for FY2024, as compared to other net income of approximately RMB4.8 billion for FY2023. The decrease was mainly due to (i) increase in impairment loss on other receivables by approximately RMB25.7 billion; and (ii) the Group recorded net loss on disposal of property, plant and equipment of approximately RMB2.5 billion for FY2024.

As a result of the above, the Group recorded a loss for the year of approximately RMB48.7 billion for FY2024, compared to a profit for the year of approximately RMB20.5 billion for FY2023.

### FY2025 vs FY2024

According to the 2025 Annual Report, the sales of commercial housing continued to decline. According to data from National Bureau of Statistics, the sales area of commercial housing in the PRC for the year 2025 was approximately 881 million square meters, representing a decrease of approximately 8.7% as compared to that for the last year, while the sales amount was approximately RMB8.39 trillion, representing a decrease of 12.6% as compared to that for the last year.

The Group's revenue decreased by approximately 32.0% from approximately RMB343.2 billion for FY2024 to approximately RMB233.4 billion for FY2025. The decrease was due to the significant decrease in the settlement scale of the real estate development business.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's gross profit decreased from approximately RMB27.8 billion for FY2024 to approximately RMB1.3 billion for FY2025. Overall gross profit margin decreased from approximately 8.1% for FY2024 to approximately 0.5% for FY2025. The decrease in gross profit margin was mainly due to higher land costs in relation to the revenue from the sales of properties recognised during FY2025.

Selling and administrative expenses of the Group decreased by approximately 18.8% from approximately RMB20.5 billion for FY2024 to approximately RMB16.6 billion for FY2025. The decrease was mainly due to the Group's continued efforts in cost reduction and efficiency enhancement by reducing expenses during FY2025.

Finance costs of the Group increased by approximately 17.6% from approximately RMB6.7 billion for FY2024 to approximately RMB7.8 billion for FY2025. The increase was primarily attributable to the decrease in interest capitalization as a result of the decrease in the property development scale of the Group.

The Group recorded other net expenses of approximately RMB43.5 billion for FY2025, as compared to that of approximately RMB32.2 billion for FY2024. The increase was mainly due to (i) increase in impairment loss on other receivables by approximately RMB7.9 billion; (ii) the increase in loss sharing from associate and joint venture of approximately RMB2.8 billion and (iii) the increase in late payment fees.

As a result of the above, the Group recorded a loss for the year of approximately RMB91.8 billion for FY2025, representing an increase of approximately 88.5% as compared to FY2024.

### *Review of financial position of the Group*

The audited consolidated financial position of the Group as at 31 December 2024 and 2025 extracted from 2025 Annual Report is summarised in the following table:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	35,805,404	32,067,322
Investment properties	156,183,275	141,518,573
Other non-current assets	176,759,103	149,663,082
<b>Non-current assets</b>	<b>368,747,782</b>	<b>323,248,977</b>
Inventories and other contract costs	523,136,311	376,047,823
Cash and cash equivalents	84,009,392	61,520,758
Other current assets	310,366,375	259,805,274
<b>Current assets</b>	<b>917,512,078</b>	<b>697,373,855</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at 31 December	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings from financial institutions and bonds payables	202,999,341	168,481,159
Loan from Shenzhen Metro Group	–	29,445,437
Other non-current liabilities	<u>25,344,039</u>	<u>21,638,231</u>
<b>Non-current liabilities</b>	<b>228,343,380</b>	<b>219,564,827</b>
Borrowings from financial institutions and bonds payables	160,130,688	161,256,416
Loan from Shenzhen Metro Group	–	1,094,668
Other current liabilities	<u>558,931,129</u>	<u>402,846,863</u>
<b>Current liabilities</b>	<b>719,061,817</b>	<b>565,197,947</b>
Total assets	<b>1,286,259,860</b>	<b>1,020,622,832</b>
Total liabilities	<b>947,405,197</b>	<b>784,762,774</b>
Total equity	<b>338,854,663</b>	<b>235,860,058</b>
Total borrowings from financial institutions and bonds payables	<b>363,130,029</b>	<b>329,737,575</b>
Total loan from Shenzhen Metro Group	<u>–</u>	<u>30,540,105</u>
	<b><u>363,130,029</u></b>	<b><u>360,277,680</u></b>
Gearing ratio <sup>1</sup>	<b>28.2%</b>	<b>35.3%</b>

*1: Gearing ratio represents total bank loans, borrowings from financial institutions and bonds payables and loan from Shenzhen Metro Group divided by total assets.*

The total assets of the Group decreased from approximately RMB1,286.3 billion as at 31 December 2024 to approximately RMB1,020.6 billion as at 31 December 2025. The decrease in total assets of approximately RMB265.6 billion was primarily attributable to reduction in inventories upon settlement of sale of properties sold, the decrease in trade and other receivables and the decrease in cash and cash equivalents.

The total liabilities of the Group decreased from approximately RMB947.4 billion as at 31 December 2024 to approximately RMB784.8 billion as at 31 December 2025. The decrease in total liabilities was mainly attributable to the decrease in contract liabilities as a result of the revenue recognition during FY2025 and the decrease in trade and other payable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's total borrowings from financial institutions and bonds payables amounted to approximately RMB329.7 billion as at 31 December 2025, representing a decrease of approximately RMB33.4 billion as compared to approximately RMB363.1 billion as at 31 December 2024. The Group's current portion of borrowings from financial institutions and bonds payables was approximately RMB161.3 billion as at 31 December 2025. The loan balances from Shenzhen Metro Group was approximately RMB30.5 billion as at 31 December 2025.

The Group's net assets was approximately RMB235.9 billion as at 31 December 2025, representing a decrease of approximately RMB103.0 billion from RMB338.9 billion as at 31 December 2024. The gearing ratio of the Group increased from approximately 28.2% as at 31 December 2024 to approximately 35.3% as at 31 December 2025.

As at 31 March 2026, the Group's (i) total assets was approximately RMB997.4 billion; (ii) total liabilities was approximately RMB769.3 billion, in which an aggregated amount of approximately RMB325.9 billion was attributed by borrowings from financial institutions and bonds payables; and (iii) net assets was approximately RMB228.1 billion.

### **3. Reasons for and benefits of the Supplemental Agreement and the 2026 Loan Framework Agreement and transactions to be contemplated thereunder**

The PRC property developers have been struggling to obtain debt and equity financing for years due to regulatory tightening, liquidity constraints, and weakening market confidence. According to the data from National Bureau of Statistics, the domestic lending by property developers for the year 2025 was approximately RMB1,409.4 billion, representing a decrease of approximately 7.4% as compared to approximately RMB1,521.7 billion for the year 2024. The downward trend serves as a critical indicator of the tightening financial environment currently facing the industry. Driven by heightened risk sensitivity and a cautious outlook on property market stability, the willingness of lenders to extend credit to property developers has declined. The landscape for equity financing remains fraught with difficulty, primarily due to a persistent deficit in investor confidence and ongoing regulatory constraints. A succession of high-profile defaults, complex debt restructurings, and liquidations has intensified risk aversion among both domestic and global investors, significantly dampening the appetite for new share issuances by PRC property developers.

As discussed above, the Group's total borrowings from financial institutions and bonds payables amounted to approximately RMB329.7 billion as at 31 December 2025, with approximately RMB161.3 billion due within one year from 31 December 2025. As at 31 December 2025, the Group has approximately RMB61.5 billion of cash and cash equivalents which is insufficient to repay the short term debts. Similar to its peers, the Group's operation and development continue to encounter challenges and uncertainties, the substantial short term loans and borrowings have intensified pressure on the liquidity of the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shenzhen Metro Group and the Company entered into the Designated Agreement in January 2026 with a maximum principal amount of approximately RMB2.36 billion to facilitate the repayment of principal and interest on the public bonds. As disclosed in the 2025 Annual Report the extension of two medium-term notes, “22 Vanke MTN004” and “22 Vanke MTN005”, and one corporate bond, “H1 Vanke 02” (formerly “**21 Vanke 02**”) has been approved by the respective noteholders and bondholders. As further disclosed in the first quarterly report of the Company for the three months ended 31 March 2026, the extension proposals of a medium-term note, “23 Vanke MTN001” has been approved by the respective bondholders. Upon the extension, the Company repaid part of the principal and interest on these notes and bond by utilising the loan under the Designated Agreement. The Designated Agreement will constitute the Definitive Agreement and the principal amount already drawn thereof shall form part of the Loan amount under the 2026 Loan Framework Agreement. The available funding under the 2026 Loan Framework Agreement after deducting the principal amount already drawn under the Designated Agreement is approximately RMB0.14 billion.

The management of the Company, having considered the recent financial performance and position of the Group and the market sentiment towards listed securities of PRC property developers, believes that equity fund-raising exercises, including placing, subscription of new shares, rights issue, and/or open offer may not be feasible for the Group without offering a substantial discount on the subscription price. Besides, the Company is also required to undergo a relatively lengthy process to prepare, finalize, and issue the necessary compliance and legal documentation, including but not limited to underwriting agreements, announcements, circulars, and prospectuses.

According to the Designated Agreement, Shenzhen Metro Group has the right to require the Company to provide asset collateral. To ensure that the Loan are adequately secured with asset and reduce its financial risk, Shenzhen Metro Group has requested the provision of Asset Collateral pursuant to the Designated Agreement and the 2026 Loan Framework Agreement. According to the 2025 Annual Report, Shenzhen Metro Group has provided cumulative shareholders loans of approximately RMB33.52 billion as at the disclosure date of the 2025 Annual Report. According to the information provided by the management of the Company, approximately half of the loan amounts have been secured, the Group and Shenzhen Metro Group are still in the negotiation in selection of asset pledge for the remaining amount of these loans. The asset already pledged in favour of Shenzhen Metro Group including the equity interest of Onewo Space-tech Services Co., Ltd., and certain properties and equity interest of project companies. As at the Latest Practicable Date, Shenzhen Metro Group has not enforced and disposed of any of the pledged assets of the Group, nor has it demanded immediate repayment of the unsecured principal and interest.

Pursuant to the Original Agreement, the Asset Collateral provided by the Group in favor of Shenzhen Metro Group included legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests held by the Group in unlisted companies (the “**Original Security Categories**”). Following the Original Agreement became effective, the Company and the Shenzhen Metro Group entered several security agreements which the Company has pledged certain properties and equity interest of project companies held by the Group in favor of Shenzhen Metro Group. As advised by the management of the Company, the scope of the Original Security Categories has limited the Group’s operational

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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flexibility in managing its assets. By entering the Supplemental Agreement, Shenzhen Metro Group agreed to accept partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations provided by the Group (the "**Additional Security Categories**"). As disclosed in the 2025 Annual Report, approximately RMB161.9 billion of inventories, investment properties, property, plant and equipment and intangible assets has been pledged to banks which account for approximately 15.9% of the total assets of the Group as at 31 December 2025. The trade and other receivables of the Group being one of the Additional Security Categories was approximately RMB242.1 billion as at 31 December 2025, representing approximately 23.7% of the total assets of the Group.

Besides, Shenzhen Metro Group also accept the Original Security Categories and Additional Security Categories provided by a third party designated by the Company. The management of the Company confirmed that the Company has not yet identified any suitable third party for the provision of Assets Collateral in favor of Shenzhen Metro Group as at the Latest Practicable Date.

These supplementary provisions brings other substantial assets of the Group, such as trade receivables, to the negotiation table with Shenzhen Metro Group and broaden the range of Asset Collateral from tangible assets to intangible assets such as rights to future proceeds. This, in turn, enhances the flexibility of the Group in selection of Asset Collateral.

Furthermore, the LTV Ratio has also been revised in favour to the Group. The original LTV Ratio under the Original Agreement for operating properties, fixed assets, inventories, construction in progress and stocks was 60% to 70% (the "**Original Fixed Assets LTV Ratio**"), and for equity interests held by the Group in unlisted companies was 50% to 60% (the "**Original Unlisted Equity LTV Ratio**"). By entering the Supplemental Agreement, the Original Fixed Assets LTV Ratio has been revised to 60% to 100% (the "**Revised Fixed Assets LTV Ratio**") while the Original Unlisted Equity LTV Ratio is also applied to the Additional Security Categories and the maximum acceptable LTV Ratio increased to 100% (i.e. 50% to 100%) (the "**Revised Other Assets LTV Ratio**"). The increased maximum acceptable LTV Ratio avails the Group with higher leverage, i.e. the same borrowing amount with less Asset Collateral, thereby improving the Group's asset utilisation efficiency and enhancing financial flexibility and more external funding to support the Group's business operation and development.

Beside the public bond and notes discussed above, as disclosed in the Letter from the Board, the principal and/or interest of the medium-term notes and corporate bonds issued by the Company which will be due for payment before end of the first half of 2026 are in the aggregate amount of approximately RMB4.7 billion. The Company intends to settle these debts by utilising the remaining balance of the Loan, the Group's operating cashflow and/or other external financing sources. Thus, we are of the view that the Group has an urgent need for new funding and the Loan provided by Shenzhen Metro Group, being the substantial Shareholder, could demonstrate its continuous support to the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Despite the suboptimal fund raising environment currently facing by the property developers, the management of the Company has considered alternative financing methods available to the Company. For new borrowings from banks or other financial institutions, the management of the Company believes that terms offer by banks and financial institution may less favourable than that offer by Shenzhen Metro Group. With reference to the 2025 Annual Report, the weighted average cost of existing financing of the Group as of 31 December 2025 was 3.02%, exceeding both the one year loan prime rate of the People's Bank of China (i.e. 3.0%) and the effective interest rate under the 2026 Loan Framework Agreement (i.e. 2.34%). The average cost of new financing and refinancing serves as a benchmark for recent interest rates that the Group could secured from banks and other financial institutions. Furthermore, we understand that the loan prime rate published by the People's Bank of China for one year loan and loan for five years or above were 3.0% per annum and 3.5% per annum, respectively, which is also higher than the effective interest rate of 2.34% per annum under the 2026 Loan Framework Agreement.

In view of the above, we concur with the management of the Company that entering into the Supplemental Agreement and the 2026 Loan Framework Agreement is commercially justified.

#### **4. Major terms of the Supplemental Agreement**

The principal terms of the Supplemental Agreement and the supplementary provisions are set out below:

**Date:**

12 May 2026

**Parties:**

- (a) the Company; and
- (b) Shenzhen Metro Group

**Key Supplementary Provisions:**

***Asset Collateral***

In addition to the legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests held by the Group in unlisted companies that the Group is permitted under the Original Agreement to provide as the Asset Collateral in favor of Shenzhen Metro Group, the parties further agree to accept the following as the Asset Collateral:

- (i) the legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests in unlisted companies owned by a third party designated by the Company; and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations, provided by the Group or a third party designated by the Company.

Both parties and other relevant parties shall enter into a separate Definitive Agreement for the relevant Asset Collateral, which sets out provisions including, among other matters, the respective rights and obligations of the parties, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

### *Security level*

The initial security level based on the appraised value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 100% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be); and the initial security level based on the appraised value or carrying value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 50% to 100% in the case of equity interests in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations (as the case may be).

For details of the Original Agreement and the Supplemental Agreement, please refer to the circular of the Company dated 4 November 2025 and the Letter from the Board.

## 5. The annual caps in respect of the Original Agreement

The proposed annual caps in respect of the Original Agreement and the actual amount utilised are set out below:

	For the period from the effective date of the Original Agreement to 31 December 2025	For the year ending 31 December 2026	2027	For the period from 1 January 2028 to the expiration date of the Original Agreement
Annual caps for:				
Maximum principal amount	RMB22 billion	RMB22 billion	RMB22 billion	RMB22 billion
<i>Maximum amount drew down during the year/period</i>	<i>RMB21.631 billion</i>	<i>RMB22 billion<sup>1</sup></i>	<i>N/A</i>	<i>N/A</i>
<i>Utilisation rate</i>	<i>98.3%</i>	<i>100%</i>	<i>N/A</i>	<i>N/A</i>

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	For the period from the effective date of the Original Agreement to 31 December 2025	For the year ending 31 December 2026                      2027		For the period from 1 January 2028 to the expiration date of the Original Agreement
<b>Annual caps for:</b>				
Estimated maximum accrued interest	RMB214.29 million	RMB566.28 million	RMB566.28 million	RMB343.82 million
<i>Actual interest incurred during the year/period</i>	<i>RMB202.75 million</i>	<i>RMB125.90 million<sup>1</sup></i>	<i>N/A</i>	<i>N/A</i>
<i>Utilisation rate</i>	<i>94.6%</i>	<i>90.2%<sup>2</sup></i>	<i>N/A</i>	<i>N/A</i>

*Notes:*

1. *For the three months ended 31 March 2026.*
2. *The utilisation rate is calculated by dividing the annualised amount based on the actual interest incurred for the three months ended 31 March 2026 by the proposed annual cap for the year ending 31 December 2026.*

During FY2025, the Group has drawn down approximately RMB21.631 billion (including the amount drawn under the loan agreements already entered into by the parties from the beginning of 2025, which have subsequently formed part of the loan under the Original Agreement), representing an utilisation rate of approximately 98.3% to the annual cap for the maximum principal amount under the Original Agreement for FY2025. The maximum principal amount available under the Original Agreement has been fully drawn down as at 31 March 2026 and the annual cap of the maximum principal amount under the Original Agreement has been fully utilised since then.

The Group incurred approximately RMB202.75 million and RMB125.90 million of interest expenses in relation to the loan under the Original Agreement during FY2025 and the three months ended 31 March 2026, respectively.

## **6. Major terms of the 2026 Loan Framework Agreement**

The principal terms of the 2026 Loan Framework Agreement are set out below:

***Date:***

12 May 2026

***Parties:***

- (a) the Company (as borrower); and
- (b) Shenzhen Metro Group (as lender)

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### **Loan:**

The maximum loan amount of RMB2,500,000,000 that the Company intends to draw, or has already drawn, during the period from 1 January 2026 to 31 December 2026 (the “**Available Period**”). It primarily covers: (i) unsecured (including where no Asset Collateral is provided, or where an Asset Collateral has been provided but is subsequently confirmed to be impossible to implement, in whole or in part) credit loans already provided by Shenzhen Metro Group to the Company pursuant to the Designated Agreement(s) (as defined below) prior to the Effective Date; and (ii) secured loans to be provided by Shenzhen Metro Group to the Company on or after the Effective Date in Definitive Agreements, in accordance with the terms and conditions of the 2026 Loan Framework Agreement. For the avoidance of doubt, such loans do not include those amounts already covered under the Amended 2025 Loan Framework Agreement.

Any execution of the Definitive Agreement(s) for the Loan must be completed not later than the expiry of the Available Period, and the aggregate loan amount (including the principal amount drawn and to be drawn) shall not exceed RMB2,500,000,000 under the Available Period.

### **Term:**

The term of the 2026 Loan Framework Agreement shall be three years from the Effective Date, subject to extension as agreed between the parties.

Unless otherwise agreed or extended, the term of each Definitive Agreement for the Loan made under the 2026 Loan Framework Agreement shall be no more than three years, as determined between the parties under the Definitive Agreement. The outstanding principal of the Loan, together with accrued interest (if any), shall be repaid in full on or before the date falling three years from the Effective Date, unless all such amounts remain valid pursuant to a renewal or extension of the 2026 Loan Framework Agreement and/or the relevant Definitive Agreement(s) (as the case may be). In the event of such renewal or extension, the Company shall re-comply with the reporting, announcement and/or Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules as and when required.

As agreed between the parties, upon the 2026 Loan Framework Agreement becoming effective, certain loan agreement(s) (the “**Designated Agreement(s)**”) already entered into by the parties from the beginning of 2026, being pure credit loans not secured by any asset collateral, will constitute Definitive Agreements as the Company will enter into security agreement(s) to provide Asset Collateral for such Designated Agreement(s) that bring them within scope of the 2026 Loan Framework Agreement, and accordingly, the principal amount already drawn thereof shall form part of the Loan amount under the 2026 Loan Framework Agreement. Provided that the provisions under the Designated Agreements do not contravene the terms and conditions of the 2026 Loan Framework Agreement, applying the 2026 Loan Framework Agreement to such Designated Agreements serves a mean to achieve the provision of Asset Collateral under those Designated Agreements.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Interest of the Loan:**

Subject to compliance with applicable laws and regulations, the interest rate of the Loan for each drawdown shall be the higher of: (i) 2.34%; or (ii) prevailing one-year LPR one business day prior to each loan drawdown date (the first interest rate fixing date) minus 66 basis points (i.e., LPR-0.66%), calculated on an annualized basis using the simple interest method. The interest would accrue on a daily basis from the actual drawdown date and be settled on a quarterly basis. When the relevant Loan is due under the Definitive Agreement, the remaining accrued interest shall be settled together with the principal. These interests are intended to be funded by the Group's internal resources. The interest rate and payment terms of each Loan shall be specified in the corresponding Definitive Agreement.

### **Credit enhancement measures:**

#### *Asset Collateral*

The Group or a third party designated by the Company shall provide the Asset Collateral in favour of Shenzhen Metro Group, serving as security for the each of loan(s) (which constitute the Loan) under the 2026 Loan Framework Agreement. The parties and other relevant parties shall separately enter into Definitive Agreements for the relevant Asset Collateral, which set out provisions including, among other matters, the respective rights and obligations, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

The Asset Collateral shall include legal operating properties, fixed assets, inventories, construction in progress, stocks, equity interests owned in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds and/or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations, provided by the Group or a third party designated by the Company.

#### *Security level*

- (i) The initial security level based on the appraised value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 100% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be); and
- (ii) the initial security level based on the appraised value or carrying value of provision of the Asset Collateral is determined based on a loan-to-value ratio of 50% to 100% in the case of equity interests in unlisted companies, partnership interests, notes, certificates of deposit, credits and accounts receivable, rights to future project proceeds, or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations (as the case may be).

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If the value of the Asset Collateral decreases such that the loan-to-value ratio exceeds the above threshold, the Company and other relevant parties shall, within the period specified by Shenzhen Metro Group, provide new qualified Asset Collateral or repay part of the Loan; the specific arrangements will be set out in the security agreement to be signed by the parties and other relevant parties. Also, if the Asset Collateral becomes subject to title dispute, seizure or distraint, the Company shall promptly notify Shenzhen Metro Group and provide other security acceptable to it.

For details of the 2026 Loan Framework Agreement, please refer to the Letter from the Board.

### 7. Analysis of major terms of the 2026 Loan Framework Agreement and the Supplemental Agreement

#### *Annual Caps*

The proposed Annual Caps in respect of the 2026 Loan Framework Agreement are set out below:

Annual Caps for:	For the period	For the year ending 31 December		For the period
	from the Effective Date to 31 December 2026	2027	2028	from 1 January 2029 to the expiration date of the 2026 Loan Framework Agreement
Maximum principal amount	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion
Estimated maximum accrued interest	RMB57.7 million	RMB64.4 million	RMB64.4 million	RMB7.7 million

For clarity, pursuant to the 2026 Loan Framework Agreement, the Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant Definitive Agreements shall not refresh the total amount available for drawdown within the term of the 2026 Loan Framework Agreement.

The proposed Annual Caps were determined with reference to, (i) the total principal amount of the Loan available for drawdown under the 2026 Loan Framework Agreement at RMB2,500,000,000; (ii) the estimated maximum interest accrued in aggregate during the term of the 2026 Loan Framework Agreement, which is calculated based on the prevailing one-year LPR minus 66 basis points as at the Latest Practicable Date (i.e., 2.34%), multiplying it by the maximum principal amount and adding a buffer of 10% (interest already accrued not applicable) with reference to the one-year LPR trend in recent years, to contemplate for potential rise of one-year LPR during the term; and (iii) the Designated Agreement with an aggregated principal amount drawn of approximately RMB2.359 billion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As discussed in the section headed “3. Reasons for and benefits of the Supplemental Agreement and the 2026 Loan Framework Agreement and transactions to be contemplated thereunder”, Shenzhen Metro Group and the Company have already entered into the Designated Agreement in January 2026, with an aggregated principal amount drawn of approximately RMB2.359 billion. As the Designated Agreement may constitute Definitive Agreements and the principal amount already drawn thereof shall form part of the Loan amount under the 2026 Loan Framework Agreement, the available funding under the 2026 Loan Framework Agreement after deducting the principal amount drawn under the Designated Agreements will be approximately RMB0.141 billion (the “**Available Loan Amount**”). The principal amount drawn under the Designated Agreement represents approximately 94.4% of the Annual Caps for the maximum principal amount under the 2026 Loan Framework Agreement.

As disclosed in the Letter from the Board, the proceeds from the Loan shall be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market and the designated loan interests accrued as agreed by Shenzhen Metro Group. The principal and/or interest of the public bonds issued by the Company which were or will be due for payment before the end of first half of 2026 are in the aggregate amount of approximately RMB8.5 billion. The maximum aggregate amount of the Loan under the 2026 Loan Framework Agreement represents approximately 29.4% of the principal and/or interest of the public bonds issued by the Company that were or will be due by the end of the first half of 2026. The Company intends to settle the remaining balance of the public bonds with the Available Loan Amount and the Group’s operating cashflow and/or other external financing sources.

For the estimated maximum accrued interest of the Annual Caps, we have obtained a summary of interest accrued and to be accrued during the terms of the 2026 Loan Framework Agreement (the “**Interest Summary**”). We note that the Interest Summary included the interest of the loan under the Designated Agreement as listed in the Letter from the Board and the Available Loan Amount. The estimated interest for the loan under the Designated Agreement is calculated based on the terms of the Designated Agreement, while the estimated interest for the Available Loan Amount is calculated based on the prevailing one-year LPR minus 66 basis points as at the Latest Practicable Date (i.e., 2.34%) starting from the second quarter of 2026. As certain public notes and bonds of the Company will be due in second quarter of 2026, the management of the Company estimated the Available Loan Amount will be drawdown shortly and before the maturity of these bonds and notes. The management of the Company also adopted a 10% buffer to contemplate for potential rise of one-year LPR during the term of the 2026 Loan Framework Agreement. The estimated maximum annual interest accrued is RMB64.4 million, representing an effective interest rate of 2.56%. We have reviewed the historical one-year LPR as published by the National Interbank Funding Center for each month during the period from April 2023 to the Latest Practicable Date (the “**LPR Review Period**”) and noted that the one-year LPR ranged from 3.0% to 3.65%, with an average of approximately 3.25% and a median of approximately 3.10%. We consider that the LPR Review Period, being a three-year period, is reasonable and sufficient to illustrate the fluctuation of the one-year LPR and is aligned with the term of the 2026 Loan Framework Agreement. Assuming the average one-year LPR for the LPR Review Period was adopted, the effective interest

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rate under the 2026 Loan Framework Agreement would be 2.59%, which is higher than the effective interest rate the Company adopted in determining the Annual Caps for the estimated maximum accrued interest (i.e. 2.56%). Hence, the effective interest rate adopted by the Company in determining the Annual Caps for the estimated maximum accrued interest represents a relatively prudent basis for forecasting the future trend of the one-year LPR.

### *Maturity of Loan*

Under the 2026 Loan Framework Agreement, unless otherwise agreed or extended, the term of each Definitive Agreement for the Loan made under the 2026 Loan Framework Agreement shall be no more than three years, as determined between the parties under the Definitive Agreement.

We have obtained and reviewed the Designated Agreement and noted that the Designated Agreement has a term of three years from the first drawdown date with a drawdown period from the date of agreement to 31 January 2026. The first drawdown date of the loan under the Designated Agreement was 27 January 2026, hence the loan under the Designated Agreement will be mature on 26 January 2029.

Furthermore, we have reviewed, on an exhaustive basis, the announcement of the Hong Kong listed companies published during the period from 1 April 2025 to the Latest Practicable Date (the “**Comparable Review Period**”) in relation to the provision of secured loan by connected parties to the listed company and/or its subsidiaries. In view that the Comparable Review Period covers a period of one year prior to the date of the 2026 Loan Framework Agreement which the transaction samples reflecting recent market conditions, we consider that the duration of the Comparable Review Period to be suitable for our analysis. Based on the above, we identified five relevant comparable transactions. We noted that one of the comparable transactions announced by China Overseas Land & Investment Limited (stock code: 688) on the announcement dated 29 April 2026 did not disclose quantifiable terms (i.e. terms, interest rate and collateral ratio), thus, we have excluded this comparable transaction in our analysis. The major terms of the remaining four comparable transactions (the “**Comparable Transactions**”) are summarized in the table below. Shareholders should note that the businesses, operations, prospects and the type and terms of the debt of the Company are not the same as the underlying companies of the Comparable Transactions, the information of the Comparable Transactions demonstrate a general market practice of borrowing by listed issuers.

**Table 1**

	Date of announcement	Company (stock code)	Terms	Interest rate	Collateral	Collateral Ratio <sup>1</sup>
1.	11 April 2025	Red Star Macalline Group Corporation Ltd. (1528)	3 years	One year LPR plus 0.9%, 4.0%	Real estate mortgages, equity pledges, or receivables pledges held by the company	60.0%

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	Date of announcement	Company (stock code)	Terms	Interest rate	Collateral	Collateral Ratio <sup>1</sup>
2.	5 September 2025	Shandong Hi-speed New Energy Group Limited (1250)	4 years	Five years LPR minus 0.4%, 3.1%	Share of the subsidiaries	30.6%
3.	16 December 2025	Yanchang Petroleum International Limited (346)	1 years <sup>2</sup>	Fixed, 4.8%	The debenture with the borrower which secured by the assets of a subsidiary	50%
4.	13 February 2026	Shandong International Trust Co., Ltd (1697)	less than 3 years <sup>3</sup>	Average finance cost of the company plus certain percentage of mark-up, N/A <sup>4</sup>	Listed shares hold by the company	80.0%
		<b>The Loan</b>	3 years	Higher of one year LPR minus 0.66% or 2.34%	Assets Collateral	Revised Fixed Assets LTV Ratio – 60% to 100% Revised Other Assets LTV Ratio – 50% to 100%

*Notes:*

1. *Being the total loan amount divided by the value of the collateral as disclosed in the announcement or circular of the transactions.*
2. *Being renewal of loan*
3. *The agreement was entered on 13 February 2026 with a term from the effective date of the agreement until 31 December 2028.*
4. *There are insufficient information in relation to the interest rate of the transaction or the latest finance cost of the company and therefore excluded in our analysis on the interest rate of the 2026 Loan Framework Agreement.*

Based on Table 1, the terms of the Comparable Transactions were ranged from 1 years to 4 years. The terms under the 2026 Loan Framework Agreement is within the range of the Comparable Transactions.

### ***Interest rates***

Under the 2026 Loan Framework Agreement, the interest rate of the Loan for each drawdown shall be the higher of one-year LPR minus 66 basis points or 2.34%. As at the Latest Practicable Date, the one-year LPR was 3.0% per annum. Hence, the applicable interest rate is 2.34% per annum.

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According to the 2025 Annual Report, the Group's interest-bearing liabilities are summarized as follow:

**Table 2**

	<b>As at 31 December 2025</b> <i>RMB billion</i>
<b>Categorized by terms</b>	
Due within one year	160.56
Due more than one year	197.92
	358.48
<b>Categorized by funding source</b>	
Bank borrowings	257.79
Bonds	29.36
Other borrowings	71.33
	358.48
<b>Categorized by interest rate</b>	
Fixed interest rate	102.90
Floating interest rate	255.58
	358.48
<b>Categorized by pledge</b>	
With asset pledge (including with both assets pledge and share pledge)	150.15
With share pledge	75.29
Without any asset pledge and share pledge	133.04
	358.48
<b>Categorized by currency</b>	
RMB	308.60
Foreign currency	49.88
	358.48

As advised by the management of the Company, the Group's interest-bearing liabilities portfolio consists of over 2,000 borrowings from banks, other financial institutions and companies and bonds. As shown in Table 2, majority of the Group's borrowings are denominated in RMB, carry floating interest rates and with asset pledge and/or share pledge, representing approximately 86.1%, 71.3% and 62.9% of the total

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interest-bearing liabilities, respectively which were similar to the terms under the 2026 Loan Framework Agreement. Furthermore, the Group's borrowings are mainly provided by banks which accounted for approximately 71.9% of the total interest-bearing liabilities. Given that (i) the substantial size and volume of the Group's borrowings with majority of the terms of the borrowings are similar to the terms under the 2026 Loan Framework Agreement; and (ii) the terms of borrowings from banks or other financial institutions is a standardised and reliable basis and it creates a consistent and measurable point of comparison for borrowing rates as well as act as a foundation upon which rates of borrowings are calculated, we consider the current interest-bearing liabilities portfolio of the Group serves as a benchmark for prevailing market loan terms offering to the Group and is also suitable to be one of our assessments of the Loan.

According to the 2025 Annual Report, the Group's bank loan interest rates varied between 2.08% per annum and a floating contracted Singapore Overnight Rate Average ("SORA") rate. The interest rates of the Group's bonds ranged from 3.00% to 3.98% per annum, while the interest rates of other borrowings fell within the range of 2.24% to 4.50% per annum. The said effective interest rate of the Loan (i.e. 2.34%) is comparatively lower than that of Group's bonds and is close to the low end of that of the Group's bank loan and other borrowings. The weighted average cost of existing financing of the Group as of 31 December 2025 of 3.02% which are higher than the interest rate of the Loan.

As shown in Table 2, approximately RMB225.4 billion of the Group's interest-bearing liabilities were secured by asset pledge and/or share pledge in which approximately RMB26.0 billion of the loan were provided by Shenzhen Metro Group. We have further obtained from the management of the Company the interest rate of the secured interest-bearing liabilities. After excluding the loan from Shenzhen Metro Group, the interest rate for secured bank loan ranged from 2.08% to 7.14% per annum and the interest rate for secured other borrowings ranged from 2.34% to 4.50% per annum. The effective interest rate of the Loan (i.e. 2.34%) is at the low end of the secured other borrowings and is close to the low end of that of the secured bank loan.

We noted that the interest rate of shareholder's loans provided by Shenzhen Metro Group under the Designated Agreement was LPR minus 0.66%. We further noted that the interest rate of one-year LPR was 3.0%, representing an effective interest rate of 2.34% when the parties entered into the Designated Agreement. Thus, the interest rate under the 2026 Loan Framework Agreement is same at those Designated Agreements. Furthermore, as shown in Table 2, approximately RMB255.6 billion, representing approximately 71.3% of the Group's interest bearing liabilities as at 31 December 2025, carry floating interest rate, including but not limited to LPR, SORA, the Hong Kong Interbank Offered Rate ("HIBOR") and the Sterling Overnight Index Average ("SONIA").

As shown in Table 1, the interest rates of the Comparable Transactions were determined on various basis, including fixed-rate, LPR and the finance cost of the company. We consider the interest rates of the RMB-denominated Comparable Transactions (i.e. Comparable no. 1, 2 and 4, where Comparable no. 4 is excluded in

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this analysis as there are insufficient information in relation to the interest rate) are applicable for us to analyse on the interest rate of the Loan on the basis that (i) the Loan is denominated in RMB; and (ii) the Loan is based on LPR. We noted that the interest rates of Comparable no. 1 and 2 were one year LPR plus a percentage of 0.9% and five years LPR minus a percentage of 0.4%, respectively. When the interest rate of the Comparable no. 1 and 2 are compared with the effective interest rate of the Loan, being 2.34%, the effective interest rate of the Loan is lower than these Comparable Transactions.

Based on the above, we consider the determination basis of the interest rate of the Loan is in line with those of the RMB-denominated Comparable Transactions and the floating interest rate of the Loan is fair and reasonable and comparable to the market and was determined on normal commercial terms or better, after arm's length negotiations.

### *Asset Collateral*

As the additional form of security and the relevant LTV Ratio as supplemented under the Supplemental Agreement are the same as the 2026 Loan Framework Agreement, the following analysis on the LTV Ratio applied to both Supplemental Agreement and the 2026 Loan Framework Agreement. Under the Supplemental Agreement and the 2026 Loan Framework Agreement, the Company shall provide the Asset Collateral in favour of Shenzhen Metro Group. The Asset Collateral shall include legal operating properties, fixed assets, inventories, construction in progress, stocks, equity interests owned in unlisted companies, partnership interests, notes, certificates of deposit, creditor's rights, accounts receivable, rights to future project proceeds and/or other assets and property rights that may be pledged, mortgaged, or used as security pursuant to laws and administrative regulations. The initial security level of provision of the Asset Collateral is determined based on the Revised Fixed Assets LTV Ratio and the Revised Other Assets LTV Ratio.

According to the Letter from the Board, the Revised Fixed Assets LTV Ratio and the Revised Other Assets LTV Ratio are similar to or more favourable than those of the historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group as listed in the sub-section headed "Historical borrowing and collateral arrangements" in the Letter from the Board. The Revised Fixed Assets LTV Ratio is higher than or equal to the prevailing market standard of domestic financial institutions that ranges from 50% to 60% and the Revised Other Assets LTV Ratio is higher than or equal to the prevailing market standard of domestic financial institutions ranging from 50% to 100%.

We have conducted separate phone interviews with three commercial banks in the PRC on 2 April 2026 and 8 April 2026. These banks are (i) providing loans to the Group; (ii) nationwide sizeable banks with over 500 branches in the PRC; (iii) a listed company with its shares listed on stock exchange of Shanghai and/or Hong Kong; and (iv) a state-owned bank, a joint-stock bank and a city commercial bank. Based on the

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

above, we considered that these banks are representative and suitable to provide a general market reference for our assessment. The table below summarized the major findings in the interview.

**Table 3**

Background	Acceptable asset collateral	LTV Ratio for				
		properties or construction projects	listed equity	unlisted equity	notes or certificates of deposit	other assets
1. A state-owned bank with over 3,200 branches in the PRC and its shares are listed on stock exchange of Shanghai and Hong Kong	Accept properties, construction projects, listed equity, notes or certificates of deposit  Other assets will be considered on a case by case basis  Rarely accept rights to future project proceed  Rarely accept sole unlisted equity, normally be part of the collateral package	Not higher than 70%	Not higher than 60%	Not specified	Bank certificates of deposit, 100%  Bank notes have a higher LTV Ratio than corporate note, in any case not higher than 100%	Not higher than 50%
2. A joint-stock bank with over 23,000 branches in the PRC and its shares are listed on stock exchange of Shanghai and Hong Kong	Accept all range of assets and will be considered on a case by case basis  Not accept sole unlisted equity, will accept and consider as a credit enhancement collateral	50%-70%	Not higher than 60%	Not higher than 50%	Bank notes and bank certificates of deposit, 90%-100%  Corporate note, 70%-80%	20%-70%
3. A city commercial bank with over 600 branches in the PRC and its shares are listed on stock exchange of Shanghai	Accept all range of assets and will be considered on a case by case basis and additional collateral or guarantee may be required	Residential, 70%-85%  Commercial and industrial, 50%-60%	Not higher than 60%	Not higher than 60%	Not specified	Fixed assets, 50%-60%  Other assets, not higher than 50%

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Based on Table 3, we noted that (i) properties or construction projects are typically acceptable as collateral for loans, while other fixed assets are rarely acceptable due to their low liquidity and the difficulty in finding buyers; (ii) the LTV Ratio adopted for properties or construction projects are generally ranged from 50% to 70% (while one bank has a higher LTV Ratio for residential properties); (iii) the LTV Ratio for listed equity will not be higher than 60%; (iv) sole unlisted equity is normally not acceptable as collateral and the LTV Ratio will normally be less than 60%; (v) notes or certificates of deposit have a relatively higher LTV Ratio from 70% to 100%; and (vi) the LTV Ratio for other assets will be less than 70%.

On 24 January 2024, the “Notice on Effective Management of Commercial Property Loans” was published by the General Office of the People’s Bank of China and the General Office of the State Financial Supervision and Administration Bureau (the “**Notice**”). The Notice is designated to establish guidelines for commercial property loans to foster stability in the real estate markets. It mandates that commercial banks must adhere strictly to legal regulations when providing commercial property loans and emphasizing prudent lending practice. Furthermore, it is stated in the Notice that in principle, the commercial property loans shall not exceed the LTV Ratio of 70% of the appraisal value of the underlying property.

Furthermore, with reference to the “Administrative Measures for Share Pledged Loans of Securities Companies” issued by the People’s Bank of China, the China Banking Regulatory Commission and the China Securities Regulatory Commission on 2 November 2004 (the “**Measures**”), which primarily regulates transactions where securities companies pledge shares to commercial banks for loans. The Measures set out that (i) the period of the shares pledged loans should not be more than 6 months and not allow for extensions; (ii) the LTV Ratio should not be over 60%; and (iii) a commercial bank accepting shares for pledging from a listed company should not exceed 10% of the total outstanding shares of that listed company. Although the Company is not a securities company and not governed by the Measures, these provisions can still serve as general considerations for commercial banks regarding shares pledged loans.

Based on Table 1, we noted that Comparable Transaction no. 1 was secured by properties or assets of the companies with the LTV Ratio of 60% and Comparable Transaction no. 4 was secured by the listed shares hold by the company with the LTV Ratio of 80%. The Revised Fixed Assets LTV Ratio is in line with these two Comparable Transactions. We noted that Comparable Transaction no. 2 and 3 was secured by unlisted equity interest held by the companies with LTV Ratio of approximately 30.6% and secured by the debenture with LTV Ratio of 50%. The lower range of the Revised Other Assets LTV Ratio is higher than or same as Comparable Transaction no. 2 and 3.

### *The Guarantee*

Pursuant to the Supplemental Agreement and the 2026 Loan Framework Agreement, one of the credit enhancement measures is the provision of Guarantee in favour of Shenzhen Metro Group. The key terms of the Guarantee are set out below:

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shenzhen Metro Group reserves the right to require the Company to designate its subsidiary or other third party to provide Guarantee for the relevant loans under the Original Agreement or the New Agreement, and the Company shall designate such entity approved by Shenzhen Metro Group to provide the Guarantee accordingly. The Guarantor shall be a legal person or unincorporated body that is duly registered, lawfully subsists, and operating normally, and shall possess a certain capacity to repay debts.

As advised by the management of the Company, the type of credit enhancement measures for borrowing are determined by the lenders on a case by case basis. According to the 2025 Annual Report, the Group has aggregate approved secured loan facilities amount of approximately RMB112.3 billion as at 31 December 2025, in which approximately RMB50.5 billion, representing approximately 45% of the aggregate approved secured loan facilities amount, were secured by both asset collateral (including share pledge) and guarantees. Hence, we concur with Directors that this arrangement is the Group's customary approach to secure the borrowing.

In light of the above, we consider that the terms of the 2026 Loan Framework Agreement (including the Annual Caps) and the Supplemental Agreement are on normal commercial terms and are fair and reasonable.

### **8. Internal Control Measures**

In connection with the relevant drawdown of the Loan and in order to ensure the terms of the relevant Definitive Agreements are on normal commercial terms and fair and reasonable to the Company and Shareholders and are no less favourable to the Group than terms offered available to or from independent third parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) with regard to any amount drawdown, the Company expects that the corresponding value of the Asset Collateral shall maintain at level as the unpaid principal amount of the relevant Loan divided by the specified loan-to-value ratio under the Definitive Agreements. The designated responsible personnel of the finance and fund management department of the Company will monitor any repaid Loan principal, the level of loan-and-value ratio and the status and value of each Asset Collateral, in order to apply to or communicate with Shenzhen Metro Group to release or replace (as the case may be) the Asset Collateral thereto on a monthly basis;
- (ii) designated responsible personnel of the finance and fund management department of the Company will closely monitor the outstanding Loan balances and interests to be repaid and report the latest status of the Loan granted to the finance department of the Company on a monthly basis to ensure that the proposed Annual Caps will not be exceeded. In the event the proposed Annual Caps is expected to be exceeded, the responsible staff would escalate the issue to the Board forthwith, and the Company would timely re-comply with the requirements under Chapter 14A of the Listing Rules;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iii) designated responsible personnel of the finance and fund management department of the Company will, before the signing of each Definitive Agreement under the 2026 Loan Framework Agreement: (a) check the published LPR; and (b) compare the interest rate of the Loan with those published on the official websites or provided in quotations by at least two major commercial banks or financial institutions that are independent, licensed and reputable commercial lenders in the PRC. They serve as a benchmark of prevailing market standards for loans with similar terms, the comparison with which will help determine whether the interest rate charged under each Loan is in line with or better than the market rates and the Definitive Agreements are entered into on normal commercial terms. If the terms obtained through the above methods are more favourable to the Group than those provided in accordance with the 2026 Loan Framework Agreement, the finance and fund management department may not proceed with approving the proposed Definitive Agreement to be signed;
- (iv) in selecting the appropriate Asset Collateral for each loan, the Company will designate responsible personnel of the finance and fund management department to determine the Asset Collateral through mutual agreement between the Company and Shenzhen Metro Group. While Shenzhen Metro Group may prioritise qualified assets with higher liquidity and security level as Asset Collateral, the Company shall undergo the below process in selecting such assets for Asset Collateral:
  - (a) the Company will comprehensively consider the current operating status of the relevant assets, their role in the Company's overall planning and annual objectives, the assets' book value, its contribution to the Group's finance and operation, the potential impact on the Group if such assets were enforced by Shenzhen Metro Group, and the pledge/mortgage conditions of such assets. The goal is to select a relatively suitable assets as Asset Collateral while minimizing any impact on the Company's normal operations as well as financing and liabilities status; and
  - (b) at the group level, a list of proposed assets for Asset Collateral will be generated by the Company. After communication and confirmation with the Group's regional companies or business units, the final proposed Asset Collateral with the assessment based on the above criteria will be passed to the Group's investment and financing committee for approval. Subsequently, a specific Definitive Agreement for the Asset Collateral will be signed with Shenzhen Metro Group and the relevant procedures will be completed;
- (v) the Company will designate responsible personnel regarding the engagement of the independent valuer and the valuation of the Asset Collateral (as necessary), with the detailed mechanism set out below:
  - (a) evaluation of the valuer will be jointly undertaken by Shenzhen Metro Group and the Group, with personnel from Shenzhen Metro Group's finance, cost, legal and audit departments, as well as that from the Group's finance and fund management centre, investment and development centre, and legal department;

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- (b) selection of the valuer will be conducted by an invitation tender process, whereby invitations would be sent to leading institutions based on their industry rankings and the evaluation process will involve merit-based selection, taking into account comprehensively the relevant experience, working team's composition, industry ranking, valuation work plan and fees, as well as quality assurance mechanism;
- (c) it is expected that no less than three potential valuers will be invited to participate in the tender process;
- (d) in accordance with the requirements of "Asset Appraisal Law of the People's Republic of China (《中華人民共和國資產評估法》)" and the "Measures for Financial Supervision and Administration of the Asset Appraisal Industry (《資產評估行業財政監督管理辦法》)", the valuer, once selected, shall comply with the "Basic Standards for Asset Appraisal(《資產評估基本準則》)" issued by the Ministry of Finance and a series of asset appraisal standards promulgated by the China Asset Appraisal Association. Based on factors such as the appraisal purpose, appraisal object, value type and data collection, one to two applicable methods are selected from the three standard valuation methods, namely the market approach, income approach and cost approach, as well as their derivative methods; and
- (e) the appraisal date will be determined based on the applicable circumstances of the appraisal subject, and will be as close as possible to the date of signing the agreement for the relevant Asset Collateral, so as to accurately reflect their value, which shall not be earlier than one year prior to the date of signing the agreement;
- (vi) after the selection and execution of the Asset Collateral, the Company and Shenzhen Metro Group shall regularly assess the value of the relevant assets, either through internal evaluations based on operational and book value conditions, or by engaging third parties for periodic valuation assessments. If the assets value has declined substantially (e.g., to the extent that the relevant loan-to-value ratio exceeds the initially specified level), the Company may be required to provide additional or replacement assets in accordance with Shenzhen Metro Group's requirements. The process for supplementing or replacing assets is consistent with the internal control procedures for selecting and valuing the Asset Collateral as mentioned in sub-paragraphs (iv) and (v) above;
- (vii) the Company's external auditor will conduct an annual review of the transactions entered into under the 2026 Loan Framework Agreement to ensure that the transaction amount is within the proposed Annual Cap and the transactions is in accordance with the terms set out in the 2026 Loan Framework Agreement; and
- (viii) the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the 2026 Loan Framework Agreement to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules.

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Based on the information provided by the Company, the Group and Shenzhen Metro Group have set up a channel to timely share the information in relation to the transaction under the Original Agreement, including the progress of the pledge and the information of each of the loan under the Original Agreement and the asset pledge. As advised by the management of the Company, the designated responsible personnel of the finance and fund management department have been diligently monitoring the information on the sharing channel on a daily basis.

For the selection of the asset collateral under the Original Agreement, based on the information provided by the Company, we noted that a list with the potential asset available to pledge has been circulated and communicated with the regional companies and the final list has been approved in the management meeting of the Group.

In relation to the selection of the independent valuer for the valuation of asset collateral under the Original Agreement, a working group consist of five members has been formed. We have reviewed the tender document for the engagement of independent valuer and noted that (i) two out of five members of the working group are from the Group; and (ii) more than three independent valuers participated in the tender. As advised by the management of the Company, the valuation of the assets pledged to Shenzhen Metro Group under the Original Agreement are currently underway and the working group will continue to monitor the valuation progress.

The Company will also comply with all other relevant requirements under the Listing Rules, including the annual review and/or confirmation by the independent non-executive Directors and auditors of the Company on the actual execution of the 2026 Loan Framework Agreement. We have obtained and reviewed the confirmation from the independent non-executive Directors and auditors of the Company for the year ended 31 December 2025 with no irregularity noted.

Furthermore, the Company will diligently manage its business to support cash flow for repayment. The Company may agree separately with Shenzhen Metro Group in the Definitive Agreements to apply for an extension of the relevant loan, subject to Shenzhen Metro Group's approval, and will comply with all applicable reporting and approval requirements under Chapter 14A of the Listing Rules if an extension is required. Taking into account that (i) the information we have obtained and reviewed as discussed above; (ii) the finance and fund management department will continue to monitor the status of the loan and the assets pledge under the Original Agreement and 2026 Loan Framework Agreement; (iii) any issues identified will be promptly reported to the Board for timely remedial action; (iv) the Company will use its best efforts to ensure timely loan repayment and consider other financing sources if necessary; (v) the Company may agree with Shenzhen Metro Group on loan extensions subject to approval and comply with relevant Listing Rules; (vi) the Company has and will continue to comprehensively assess the selection of assets for Asset Collateral with the approval of the management team; and (vii) in case of the Company needs to supplement or replace the Asset Collateral, same internal control procedure will be adopted, we consider that the Company has taken appropriate measures to govern the Group in carrying out the transaction to be contemplated under the 2026 Loan Framework Agreement, thereby safeguarding the interests of the Shareholders.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered that (i) supplementary provisions have broadened the range of Asset Collateral which enhance the flexibility and effectiveness of the Group's asset management; and (ii) the LTV Ratio has also been revised in favour to the Group, we are of the opinion that the terms of the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, although the transactions contemplated under the Supplemental Agreement are not conducted in the ordinary and usual course of business of the Company.

Having considered that (i) the Loan demonstrates continued firm support of Shenzhen Metro Group to the Company; (ii) the determination basis of the term and floating interest rate of the Loan is in line with the Comparable Transactions; (iii) the Annual Caps have been fairly determined; and (iv) the LTV Ratio of the Asset Collateral are relatively higher when compared to those of the Comparable Transactions, we are of the opinion that the terms of the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Caps and the provision of the Asset Collateral) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole although the transactions contemplated under the 2026 Loan Framework Agreement are not conducted in the ordinary and usual course of business of the Company.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we recommend the Independent Shareholders, to vote in favor of the ordinary resolutions to be proposed at the AGM for approving the Supplemental Agreement and the 2026 Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Caps and the provision of the Asset Collateral).

Yours faithfully,  
For and on behalf of  
**Octal Capital Limited**  
**Wong Wai Leung**      **Celina Yuen**  
*Executive Director*      *Associate Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Note: Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer of Type 9 (asset management) regulated activities. Mr. Wong has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code. Ms. Celina Yuen is a licensed person and a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Yuen has over 12 years of experience in corporate finance industry and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.*

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE**

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors or chief executive of the Company had any interest or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Position held in Shenzhen Metro Group</b>
Mr. HUANG Liping	Deputy secretary of Party Committee, a director and general manager
Mr. LEI Jiansong	Member of Party Committee and vice general manager

**3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY**

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity (types of interest)	Class of Shares	Nature of interest	Number of Shares held as at the Latest Practicable Date	Approximate percentage of total number of the relevant class of Shares	Percentage of total number of issued Shares
Shenzhen Metro Group	Beneficial owner	A Shares	Long position	3,242,810,791	33.35%	27.18%

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company, which were required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

#### 4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in any business, which competes or may compete, either directly or indirectly, with the business of the Group as if each of them were treated as a controlling shareholder of the Company under Rule 8.10 of the Listing Rules.

#### 5. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### 6. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

#### 7. DIRECTORS' INTERESTS IN SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 8. QUALIFICATIONS OF EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular and whose opinion or advice is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Octal Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Octal Capital Limited was not beneficially interested in the share capital of any member of the Group, and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Octal Capital Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, Octal Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 14 May 2026 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and reference to its name and opinion in the form and context in which it appears.

## 9. MATERIAL ADVERSE CHANGE

Save as disclosed above, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to and including the Latest Practicable Date.

## 10. MISCELLANEOUS

This circular is in both English and Chinese. In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

## 11. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.vanke.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the 2025 Loan Framework Agreement and its Supplemental Agreement;

- (b) the 2026 Loan Framework Agreement;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in pages 40 to 69 of this circular; and
- (d) the written consent from the Independent Financial Adviser referred to in the paragraph headed “8. Qualifications of Expert and Consent” in this Appendix I.

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## SUPPLEMENTAL NOTICE OF THE 2025 ANNUAL GENERAL MEETING

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*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.*

# 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)

## SUPPLEMENTAL NOTICE OF THE 2025 ANNUAL GENERAL MEETING

Reference is made to the notice of the 2025 annual general meeting (the “AGM”) of China Vanke Co., Ltd. (the “Company”) dated 8 May 2026 (the “Initial Notice”). According to the Initial Notice, the convening of the AGM will start from 3:00 p.m. on Friday, 29 May 2026 at Vanke Center, No. 33 Huanmei Road, Dameisha, Yantian District, Shenzhen, the PRC.

At the thirty-fourth meeting of the twentieth session of the board of directors of the Company held on 12 May 2026, the Resolution on Entering into the Framework Agreement Regarding Provision of Shareholder Loan Facility of RMB2.5 Billion from Shenzhen Metro Group to the Company and Provision of Guarantee Thereof by the Company and the Resolution on Arrangements for Signing the Supplemental Agreement Regarding Shareholder Loan of RMB22 Billion were considered and approved. The board of directors of the Company (the “Board”), as the convener of the AGM, issued the notice of the AGM on 8 May 2026. Pursuant to Article 58 of the Articles of Association, the convener of a general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the general meeting. The shareholder(s) individually or jointly holding more than 1% of the Company’s shares may submit extra proposed resolutions in writing to the convener of a general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof. On 13 May 2026, the Board, as the convener of the AGM, received a written letter from Shenzhen Metro Group (which held 3,242,810,791 A shares of the Company as of the date of this notice, representing 27.18% of the total issued shares of the Company). The letter stated that Shenzhen Metro Group Co., Ltd., as a shareholder of the Company, submitted an interim proposal to the Board, to propose to the AGM for consideration of the Resolution on Arrangements for Signing the Supplemental Agreement Regarding Shareholder Loan of RMB22 Billion and the Resolution on Entering into the Framework Agreement Regarding Provision of Shareholder Loan Facility of RMB2.5 Billion from Shenzhen Metro Group to the Company and Provision of Guarantee Thereof by the Company (the “Supplemental Resolutions”). Pursuant to Article 57 of the Articles of Association, the proposal submitted by Shenzhen Metro Group shall be within the scope of the duties and responsibilities of the general meeting; meanwhile, pursuant to the resolutions of the

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thirty-fourth meeting of the twentieth session of the Board of the Company, the Board has given its prior consent that, should any eligible shareholder submit such an interim proposal, it shall be submitted to the AGM for consideration.

The contents of other resolutions in the Initial Notice remain unchanged.

Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 8 May 2026.

### **Matters for consideration and approval at the AGM**

The shareholders of the Company shall consider and, if thought fit, approve the following resolutions at the AGM:

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company for the year 2025;
2. To consider and approve the annual report for the year 2025;
3. To consider and approve the profit distribution plan for the year 2025;
4. To consider and approve the resolution in relation to the re-appointment of certified public accountants for the year 2026;

#### **SPECIAL RESOLUTION**

5. To consider and approve the resolution in relation to the general mandate to issue additional H shares;

#### **ORDINARY RESOLUTIONS**

6. To consider and approve the authorisation of the Company and its majority-owned subsidiaries providing financial assistance to third parties;
7. To consider and approve the authorisation of the Company and its majority-owned subsidiaries providing guarantee to third parties;
8. To consider and approve the resolution in relation to the Company's unremedied losses reaching one-third of the total paid-in capital;
9. To consider and approve the resolution in relation to the establishment of the remuneration management system for the Directors and senior management;
10. To consider and approve the resolution in relation to the remuneration proposal for the Directors for the year 2026;

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### SUPPLEMENTAL ORDINARY RESOLUTIONS

11. **“THAT**

- (1) To approve, confirm and ratify the Supplemental Agreement to the 2025 Loan Framework Agreement entered into between the Company and Shenzhen Metro Group and the transactions contemplated thereunder; and
- (2) To authorise the board of the Company, which could sub-delegate to other authorised person(s), to exercise all powers which they consider necessary and do such other acts and things and execute such other documents or agreements which in their opinion may be necessary or desirable to implement the transactions contemplated under the Supplemental Agreement to the 2025 Loan Framework Agreement.”

12. **“THAT**

- (1) To approve, confirm and ratify the 2026 Loan Framework Agreement entered into by the Company and Shenzhen Metro Group and the transactions contemplated thereunder;
- (2) To approve, confirm and ratify the proposed Annual Cap for the transactions contemplated under the 2026 Loan Framework Agreement; and
- (3) To authorise the board of the Company, which could sub-delegate to other authorised person(s), to exercise all powers which they consider necessary and do such other acts and things and execute such other documents or agreements which in their opinion may be necessary or desirable to implement the transactions contemplated under the 2026 Loan Framework Agreement.”

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

Shenzhen, the PRC  
14 May 2026

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*Notes:*

1. For holders of H shares who intend to attend the AGM, the shares and the registration documents must be delivered to Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 22 May 2026. The holders of the H shares whose names appear on the Register of Members on Friday, 22 May 2026 are entitled to attend and vote in respect of the resolutions to be proposed at the AGM.
2. Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her/its behalf at the AGM. A proxy does not need to be a Shareholder.
3. A proxy of a Shareholder who has appointed more than one proxy may only vote on a poll.
4. The proxy form and the instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her/its attorney duly authorised in writing, or if the Shareholder is a legal person, either under seal or under the hand of a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised. To be valid, for holders of A shares, the notarised power of attorney or other document of authorisation and the proxy form must be delivered to the office of the board of directors not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. In order to be valid, for holders of H shares, the above documents must be delivered to Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the AGM or any adjournment thereof.
5. This AGM is expected to last for half a day. Shareholders (in person or by proxy) attending this AGM are responsible for their own transportation and accommodation expenses.
6. The address of the office of the board of directors is as follows:  
  
**CHINA VANKE CO., LTD.**  
Vanke Building, No. 63 Meilin Road, Futian District, Shenzhen, the PRC  
Postal code: 518049  
Contact person: Ms. Li Yuanyuan, Mr. Xu Zhitao  
Tel: 86 (755) 2560 6666  
Fax: 86 (755) 2553 1696
7. Each Shareholder (or his or her or its proxy) shall exercise his or her or its voting rights by way of poll.

*As at the date of this notice, the Board comprises Mr. HUANG Liping, Mr. HU Guobin and Mr. LEI Jiansong as Non-executive Directors; Ms. WANG Yun as an 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 purposes only*