

China Merchants Property Development Co., Ltd. Announcement on the Assets Restructuring Transaction of the Subsidiary Holding Companies

The members of the Board and the Company accept the responsibilities for the truthfulness, accuracy, and completeness of the announcement. There isn't any false record, misleading statement or significant omission carried in this announcement.

Special reminder: This transaction needs the approval of Hong Kong Exchanges and Clearing Limited and the approval of the Shareholders' Meeting of China Merchants Land Co., Ltd.

I. Transaction overview

1. The Wholly-owned subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. (hereinafter referred to as "China Merchants (Shenzhen)" and the wholly owned subsidiary company of the holding subsidiary company of the Company China Merchants Land Co., Ltd. (hereinafter referred to as "China Merchants Land") Huamin Investment Co., Ltd. (hereinafter referred to as "Huamin") signed an agreement on August 3, 2014, and China Merchants (Shenzhen) plans to transfer 49% equity of China Merchants Property (Guangzhou) Co., Ltd. (hereinafter referred to as "China Merchants (Guangzhou)" held by it to Huamin. The transfer price of the above-mentioned equity is RMB 1,212.77 million Yuan.

According to the *Stock Listing Rules* of the main board of Shenzhen Stock Exchange, this transaction does not constitute associated transaction of the Company, and it is not the major assets reorganization prescribed by the *Regulations on Major Assets Reorganization of Listed Companies*.

2. The Notice on the 8th Temporary Meeting in 2014 of the 7th Board of Directors of the Company was delivered to all the Directors, Supervisors and senior management through special-person delivery and email etc. on July 31, 2014. The Meeting was held on August 3, 2014 through communication, 11 Directors shall have attended the meeting, and 11 Directors actually attended the meeting. Calling and holding of the Meeting comply with the provisions of the related laws, regulations and Company Statute. The Meeting examined and approved the above-mentioned *Proposal on the Transaction of China Merchants Land Purchasing 49% Equity of China Merchants (Guangzhou)* with 11 assent votes, 0 negative vote and 0 abstention vote.

II. Basic conditions of the transaction parties

1. Buyer: Huamin, registered in Hong Kong, a wholly owned subsidiary company of the holding subsidiary company of the Company China Merchants Land, main business: investment share holding. The Company holds 74.35% equity share capital of it.

2. Seller: China Merchants (Shenzhen), a domestic wholly owned subsidiary company of the Company, main business: property development and sales. The Company holds 100% equity share capital of it.

III. Basic condition of the transaction target

1. Transaction target company

China Merchants (Guangzhou), main business: property business. The wholly owned subsidiary companies of China Merchants Land Huiju Investment Co., Ltd. and Huamin hold 30% and 21% equity share capital of it respectively, and China Merchants (Shenzhen) holds the remaining 49% equity share capital of it.

2. Subsidiary companies and investment projects controlled by the transaction target

Holding subsidiary companies of the transaction	Project name	Planned purpose	Building area on June 30, 2014 (square meters)	Unsold area on June 30, 2014 (square meters)	Share holding proportion of China Merchants

target					(Guangzhou)
Foshan Zhenyuan	Evian Mansion	Residence, commercial	313,589	306,379	55%
Foshan Xincheng	Evian Shui'an	Residence, commercial	655,716	16,507	50%
Foshan Evian	Evian Tianhui	Residence, commercial	301,818	99,850	50%
Foshan Shangyuan	Evian Yongjingwan	Residence, commercial	233,852	217,786	50%
Foshan Desheng	Park 1872	Residence, commercial	303,132	267,320	100%
Foshan Kaida City	China Merchants Land Center	Commercial	223,556	217,480	51%
Chongqing Evian	Evian Jiangwan	Residence, commercial	532,246	502,198	100%
Guangzhou Evian	Wanbo City Home Ground	Commercial	124,906	112,859	100% (note)
Total			2,688,815	1,740,379	

Note: On the day when this Meeting of the Board of Directors was held, China Merchants (Guangzhou) held 100% equity of Guangzhou Evian. According to the Announcement of China Merchants Land on July 31, 2014, China Merchants (Guangzhou), Shenzhen Lianxin Investment Management Co., Ltd. (hereinafter referred to as “Shenzhen Lianxin”) and Guangzhou Evian entered into a cooperation agreement. After the transaction under the items of the cooperation agreement (China Merchants (Guangzhou) selling 49% equity of Guangzhou Evian to Shenzhen Lianxin) is completed, China Merchants (Guangzhou) and Shenzhen Lianxin will own 51% and 49% equity of Guangzhou Evian. It is expected that the transaction will be completed on or by August 30, 2014.

3. Main financial indexes of the transaction target

Main financial indexes of the target company audited by Deloitte Touche Tohmatsu:

Unit: RMB 10,000 Yuan

	2012	2013
Operating income (RMB 0,000 Yuan)	362,603.6	362,600.1
Net profit belonging to the parent company (RMB 0,000 Yuan)	108,023.4	117,470.9

IV. Main content of the transaction agreement

1. Turnover amount, payment mode

China Merchants (Shenzhen) will transfer the 49% equity of China Merchants (Guangzhou) held by it to Huamin at RMB 1,212.77 million Yuan, and Huamin will pay the above-mentioned consideration in cash.

2. Transaction approval condition

The transaction was approved by the Board of Directors of China Merchants Land and the Board of Directors of the Company, however, it needs to be approved by Hong Kong Exchanges and Clearing Limited and the Shareholders Meeting of China Merchants Land.

3. Transaction price basis

This transaction refers to the financial data audited by Deloitte Touche Tohmatsu and the evaluation value of the projects owned by the target companies by Jones Lang LaSalle Enterprise Evaluation and Consultation Evaluation Co., Ltd., the transaction price of the equity of the above-mentioned target company determined by the transaction parties through negotiation is RMB 1,212.77 million Yuan.

V. Impact on the listed companies by this transaction

Because the buyer and seller of this transaction are the holding subsidiary company and wholly owned subsidiary company of the Company, the implementation of the transaction does not have major impact on the operation achievement of the Company in this year. After the 49% equity of China Merchants (Guangzhou) is injected into China Merchants Land, China Merchants (Guangzhou) will become the wholly owned subsidiary company of China Merchants Land. On the one hand, it will

reduce the related transactions of the Company with China Merchants Land, and enhance the operation management efficiency of the two parties. On the other hand, it will effectively tamp the performance foundation of China Merchants Land, strengthen the overseas platform, expand the financing ability, and promote the more efficient development of the Company.

VI. Document for reference

Equity Transfer Agreement.

We hereby publish the announcement.

China Merchants Property Development Co., Ltd.

Board of Directors

August 4, 2014