

China Merchants Property Development Co., Ltd.

Affiliated Transaction Announcement

The Company and all members of the Board of Directors hereby guarantee that this Announcement is true, correct and complete without any false records, misleading statements or material omissions.

I. Overview of Affiliated Transaction

China Merchants Group Industrial Park (Qingdao) Development Co., Ltd. (the “Qingdao Industrial Park Development Company”), an affiliated company of Ruijia Investment Industrial Co., Ltd., which is a wholly-owned subsidiary of China Merchants Property Development Co., Ltd. (the “Company”), intends to borrow RMB 200 million (the “Loan”) from Shenzhen Branch of Export-Import Bank of China (the “EIBC”) for operation purpose, with a term of 10 years and 2 years of period of grace. The Company plans to offer a joint liability guaranty for the Loan subject to proportion of shareholding with guarantee amount not more than RMB 98 million. The guarantee period shall be two (2) years following the date of the expiration of the debts under the loan contract.

Since Qingdao Industrial Park Development Company is a company under actual control of Shekou Industrial Zone, the controlling shareholder of the Company, this transaction belongs to an affiliated transaction. When the Company provides guarantee for the Loan of Qingdao Industrial Park Development Company, the other shareholder Shekou Industrial Zone also offers guarantee for the Loan based on its percentage of shares in Qingdao Industrial Park Development Company.

On November 14, 2014, the Company convened the 17th Interim Meeting of the 7th Board of Directors 2014 to deliberate the *Proposal on Offering Guarantee for Bank Loans of China Merchants Group Industrial Park (Qingdao) Development Co., Ltd.* 5 affiliated directors were withdrew from voting and the unaffiliated directors have passed the Proposal with 6 approvals, 0 objections and 0 waivers.

This affiliated transaction shall not constitute material asset reorganization as regulated in the *Administrative Measures for the Material Asset Reorganization of Listed Companies*. This guarantee shall be submitted to the 3rd Extraordinary Shareholders Meeting 2014 to be held on December 2, 2014 for deliberation. The

affiliated persons with interests in this affiliated transaction shall be withdrawn from voting.

II. Basic Information of Affiliated Party

Qingdao Industrial Park Development Company was established on November 2, 2012. Registered address: Room 210-C, Entrepreneurship Center, Qingdao National High-Tech Industry Development Zone. Legal representative: Yang Tianping. Registered capital: USD 30 million. Its controlling shareholder Shekou Industrial Zone holds 51% of its shares. The Company indirectly holds 49% shares. Scope of business: comprehensive development and management as well as operation and management of industrial park, property management, industry plan, industrial service and supporting service; self-owned property leasing; management, purchase and sale of property in industrial park on behalf of client; construction engineering; investment and management of innovative industry (non-investment company); hotel and catering industry management; economic information consultancy; convention and exhibition, integrated furnishing and decoration; and leasing of furnitures and electrical appliances. (Subject to license where a license is required).

Main financial index of Qingdao Industrial Park Development Company: as of September 30, 2014, total asset: RMB 186,350,000, total liability: RMB 19,460,000, net asset: RMB 166,890,000; the operating revenue of 2014: RMB 0 and net profit: - 6,150,000. External security: RMB 0. Qingdao Industrial Park Development Company is free and clear of any and all pledges or lawsuits.

III. Basic Conditions of Affiliated Transaction Object

The Company plans to offer a joint liability guaranty for the Loan of Qingdao Industrial Park Development Company subject to proportion of shareholding with guarantee amount not more than RMB 98 million. The guarantee period shall be two (2) years following the date of the expiration of the debts under the loan contract.

IV. Pricing Policy and Basis of Transaction

The two shareholders of Qingdao Industrial Park Development Company provide guarantee for the Loan subject to their own proportions of shareholding in Qingdao Industrial Park Development Company.

V. Main Contents of Transaction Agreement

Qingdao Industrial Park Development Company plans to borrow RMB 200 million from the EIBC with a term of 10 years and 2 years of period of grace. The Company plans to offer a joint liability guaranty for the Loan subject to proportion of shareholding with guarantee amount not more than RMB 98 million. The guarantee period shall be two (2) years following the date of the expiration of the debts under the loan contract.

VI. Transaction Target and Influence on the Company

In the above affiliated transaction, Qingdao Industrial Park Development Company intends to supplement its funds through bank loan for operation purpose, which is good for capital management of Qingdao Industrial Park Development Company and business development of the Company. The Company and the other shareholder provide corresponding guarantees for the Loan subject to proportions of shareholding respectively under same conditions in a fair and equal manner, which has no influence on the Company.

VII. Prior Approval and Independent Opinions of Independent Directors

Independent directors Chai Qiang, Liu Hongyu, Lu Weixiong and Zhang Wei made prior approvals for this affiliated transaction and believed that offering guarantee for Qingdao Industrial Park Development Company is good for capital management of Qingdao Industrial Park Development Company and business development of the Company. The other shareholder, Shekou Industrial Zone also offers guarantee for the Loan based on its percentage of shares in Qingdao Industrial Park Development Company. The guarantee is fair and equal, which will not damage the interests of the Company and shareholders.

VIII. Accumulated External Guarantee Amount of the Company

As of the announcement date, the Company and its subsidiaries have provided a total guarantee amount of RMB 5,005,644,700 (excluding mortgage guarantee for sales provided by the subsidiaries for their clients), accounting for 18.73% of the net assets attributable to parent company shareholders as audited in latest financial period. The Company is free and clear of any and all overdue guarantee amounts, guarantee amounts involved in lawsuits and loss amount due to guarantees' loss of lawsuit.

IX. Miscellaneous

The Company has no other affiliated transactions with Qingdao Industrial Park Development Company from the beginning of the year to the disclosure date.

Best regards

China Merchants Property Development Co., Ltd.

Board of Directors

November 15, 2014