

**China Merchants Property Development Co., Ltd.
Announcement on the Wholly Owned Subsidiary
Companies of the Company Providing Loans for the
Subsidiary 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.

I. Condition of China Merchants Property Development (Shenzhen) Co., Ltd. providing guarantee for the bank loans of Foshan China Merchants Xincheng Hi-Tech Co., Ltd.

(I) Overview of the guarantee condition

The holding subsidiary company of the wholly owned subsidiary company of the Company China Merchants Property Development (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Property Development (Shenzhen)”) Foshan China Merchants Xincheng High-Tech Co., Ltd. (hereinafter referred to as “Foshan China Merchants Xincheng”) needs to borrow RMB 0.2 billion Yuan from China Merchants Bank Co., Ltd. Foshan Lecong Sub-Branch (hereinafter referred to as “China Merchants Bank Foshan Lecong Sub-Branch) due to project development need, and the period of validity of the loan is not more than 2 years. China Merchants Property Development (Shenzhen) provides joint liability guarantee for the loan according to its share holding proportion, and the guarantee amount does not exceed RMB 0.12 billion Yuan.

The Board of Directors of China Merchants Property Development (Shenzhen) examined and approved the related guarantee matter with three affirmative votes, 0 dissenting vote and 0 abstention vote. Whereas the asset-liability ratio of Foshan China Merchants Xincheng exceeds 70%, the capital contributing shareholder China

Merchants Property Development (Shenzhen) examined and approved the above-mentioned guarantee matter (according to the Company Statute of China Merchants Property Development (Shenzhen), the company does not set Shareholders' Meeting, and the capital contributing shareholder is the highest obligee of the company).

(II) Basic condition of the guaranteed party

Foshan China Merchants Xincheng was established on November 28, 2010. Registered address: Shop No.73, No.4 Ji'an Street, Xincheng, Dongping, Lecong Neighborhood Committee, Lecong Town, Shunde District, Foshan. Legal representative: Liu Wei. Registered capital: RMB 10 million Yuan. China Merchants Property (Shenzhen) holds 60% equity of it, and Foshan Xincheng Investment Development Co., Ltd. holds 40% equity of it. Scope of Business: Research on the urban informatization technology, property sales and provision of the related after-sales service, property rental, property management, indoor decoration engineering design and motor vehicle public parking lot service (the above scope of business does not include the items that the laws, administrative regulations and the State Council decide to forbid or the items that shall be licensed). Property development (operate with valid qualification certificate or approval proof).

Main financial indexes of Foshan China Merchants Xincheng: Up till December 31, 2013, the total amount of assets is RMB 320.31 million Yuan, the total amount of liabilities is RMB 310.98 million Yuan, and the net assets is RMB 9.32 million Yuan. In 2013, the company did not have operating income, and the net loss is RMB 620,000 Yuan. The company did not have the matters of guarantee, mortgage and lawsuit.

(III) Main content of the guarantee agreement

China Merchants Property (Shenzhen) provides joint liability guarantee for the loans of Foshan China Merchants Xincheng according to its share holding proportion, the guarantee amount does not exceed RMB 0.12 billion Yuan, and the guarantee term is two years after the due date of each loan under the items of the

Credit Agreement after the day when the letter of indemnity comes into force or the due date of the other financing or the creditor's rights of the accounts receivable transferred by China Merchants Bank Foshan Lecong Sub-Branch or two years or the advance day of each advance.

(IV) Opinion of the Board of Directors of China Merchants Property (Shenzhen)

Foshan China Merchants Xincheng supplemented capital through bank loan due to project development need, which is good for promoting the operation development of the company. Foshan Xincheng Investment Development Co., Ltd. will also provide guarantee for the loan of Foshan China Merchants Xincheng according to its share holding proportion.

II. Condition of China Merchants Property Development (Shenzhen) Co., Ltd. providing guarantee for the loans of China Merchants Property Development (Guangzhou) Co., Ltd.

(I) Overview of the guarantee condition

The subsidiary company of the wholly owned subsidiary company of the Company China Merchants Property Development (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Property Development (Shenzhen)”) Guangzhou Property Development (Guangzhou) Co., Ltd. (hereinafter referred to as “China Merchants Property Development (Guangzhou)”) needs to borrow RMB 0.4 billion Yuan from China Merchants Bank Co., Ltd. Guangzhou Tianhe Sub-Branch due to project development need, and the period of validity of the loan is not more than 3 years. China Merchants Property Development (Shenzhen) provides joint liability guarantee for the loan according to its share holding proportion, and the guarantee amount does not exceed RMB 0.196 billion Yuan.

The Board of Directors of China Merchants Property Development (Shenzhen) examined and approved the related guarantee matter with three affirmative votes, 0 dissenting vote and 0 abstention vote. Whereas the asset-liability ratio of China Merchants Property (Guangzhou) exceeds 70%, the capital contributing shareholder

of the Shareholders' Meeting China Merchants Property Development (Shenzhen) examined and approved the above-mentioned guarantee matter (according to the Company Statute of China Merchants Property Development (Shenzhen), the company does not set Shareholders' Meeting, and the capital contributing shareholder is the highest obligee of the company).

(II) Basic condition of the guaranteed party

China Merchants Property Development (Guangzhou) was established on August 10, 2004. Registered address: Fei'eling, Donghuan Street, Panyu District, Guangzhou. Legal representative: Xian Yaoqiang. Registered capital: RMB 200 million Yuan. China Merchants Property (Shenzhen) holds 49% equity of it, and the holding subsidiary company of the Company China Merchants Property Investment Co., Ltd. holds 51% equity of it. Scope of Business: field rental (not including warehousing), house rental, and self-owned property operation activities.

Main financial indexes of China Merchants Property Development (Guangzhou): Up till December 31, 2013, the total amount of assets is RMB 12,975.52 million Yuan, the total amount of liabilities is RMB 9,664.26 million Yuan, and the net assets is RMB 3,311.26 million Yuan. In 2013, the operating income of the company is RMB 3,708.42 million Yuan, and the net income is RMB 1,144.53 million Yuan. The external guarantee of the company is RMB 1,900 million Yuan, and the company did not have the matters of mortgage and lawsuit.

(III) Main content of the guarantee agreement

China Merchants Property (Shenzhen) provides joint liability guarantee for the loans of China Merchants Property Development (Guangzhou), the guarantee amount does not exceed RMB 0.196 billion Yuan, and the guarantee term is two years after the day when the loan, advance or other liability implementation term is due from the day when the letter of indemnity comes into force.

(IV) Opinion of the Board of Directors of China Merchants Property (Shenzhen)

China Merchants Property Development (Guangzhou) supplemented capital through bank loan due to project development need, which is good for promoting the operation development of the company. China Merchants Property Investment Co., Ltd. will also provide guarantee for the loan of China Merchants Property Development (Guangzhou) according to its share holding proportion.

III. Condition of Shenzhen China Merchants Property Investment Co., Ltd. providing guarantee for the loans of Shenzhen Jinyu Rongtai Investment Development Co., Ltd.

(I) Overview of the guarantee condition

The holding subsidiary company of the wholly owned subsidiary company of the Company Shenzhen China Merchants Property Investment Co., Ltd. (hereinafter referred to as “China Merchants Property Investment”) Shenzhen Jinyu Rongtai Investment Development Co., Ltd. (hereinafter referred to as “Jinyu Rongtai”) needs to borrow RMB 0.5 billion Yuan from Industrial and Commercial Bank of China Limited Shenzhen Shekou Sub-Branch (hereinafter referred to as “Industrial and Commercial Bank”) due to project development need, and the period of validity of the loans is 5 years. China Merchants Property Investment provides joint liability guarantee for the loan according to its share holding proportion, and the guarantee amount does not exceed RMB 0.25 billion Yuan.

The Board of Directors of China Merchants Property Investment examined and approved the related guarantee matter with four affirmative votes, 0 dissenting vote and 0 abstention vote. Whereas the asset-liability ratio of Jinyu Rongtai exceeds 70%, the capital contributing shareholder China Merchants Property Investment examined and approved the above-mentioned guarantee matter (according to the Company Statute of China Merchants Property Investment, the company does not set Shareholders’ Meeting, and the capital contributing shareholder is the highest obligee of the company).

(II) Basic condition of the guaranteed party

Jinyu Rongtai was established on July 9, 2012. Registered address: Unit S, 3rd Floor, New Times Square, No.1 Taizi Road, Shekou, Nanshan District, Shenzhen. Legal representative: Yan Chengda. Registered capital: RMB 30 million Yuan, China Merchants Property Investment holds 50% equity of it, and Shenzhen China Merchants Financing Service Co., Ltd. holds 50% equity of it. Scope of Business: Invest to set up industries (apply separately for the specific projects); engage in property development and operation on the land with use right obtained legally; property brokerage; property management; design and construction of indoor and outdoor decoration engineering.

Main financial indexes of Jinyu Rongtai: Up till December 31, 2013, the total amount of assets is RMB 1,071.01 million Yuan, the total amount of liabilities is RMB 1,064.23 million Yuan, and the net assets is RMB 6.78 million Yuan. In 2013, the company did not have operating income, and the net loss is RMB 2,324 Yuan. The company did not have the matters of guarantee, mortgage and lawsuit.

(III) Main content of the guarantee agreement

China Merchants Property Investment provides joint liability guarantee for the loans of Jinyu Rongtai from Industrial and Commercial Bank of China, the guarantee amount does not exceed RMB 0.25 billion Yuan, and the guarantee term is two years after the day when the loan term under the items of the independent agreement is due.

(IV) Opinion of the Board of Directors of China Merchants Property Investment

Jinyu Rongtai supplemented capital through bank loan due to project development need, which is good for capital management and promoting the operation development of the company. Shenzhen China Merchants Financing Service Co., Ltd. will also provide guarantee for the bank loan of Jinyu Rongtai according to its share holding proportion.

Up till this announcement day, the total amount of external guarantee of the Company (not including the sales mortgage guarantee that the subsidiary companies provide for the clients) is RMB 4,382.27 million Yuan, accounting for 16.40% of the net assets belonging to the shareholders of the parent company after the most recent audit of the Company. There are no overdue guarantee amount, guarantee amount that lawsuit involves and loss amount that shall be born due to losing lawsuit of the guarantee.

We hereby publish the announcement.

China Merchants Property Development Co., Ltd.

Board of Directors

June 25, 2014