

China Merchants Property Development Co., Ltd.

External Guarantee Announcement

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.

The Notice on the 6th Temporary Meeting in 2014 of the 7th Board of Directors of the Company was delivered to all the Directors, Supervisors and senior management via special person delivery and email etc. on June 25, 2014. On June 30, 2014, the Meeting was held on time in the form of communication voting, X Directors shall have attended the Meeting and X Directors actually attended the Meeting. The calling and holding of the Meeting comply with the provisions of the related laws, regulations and Company Statute. The Meeting examined and approved the Proposal on Providing Guarantee For the Trust Loan of Shenzhen China Merchants Construction Co., Ltd. with X concurring votes, X negative vote and X abstention vote. The related conditions are as follows:

I. Overview of the guarantee condition

The wholly owned subsidiary company of the Company Shenzhen China Merchants Construction Co., Ltd. (hereinafter referred to as “China Merchants Construction”) plans to borrow RMB 0.6 billion Yuan from Guangdong Yuecai Trust Co., Ltd. (hereinafter referred to as “Guangdong Yuecai Trust”) due to operation need, and the period of validity is one year. The Company plans to provide joint liability guarantee for the trust loan, the guarantee amount does not exceed RMB 0.6 billion Yuan, and the guarantee term is two years after the day when the implementation period of all the guaranteed liabilities is due from the day when the guarantee contract comes into force.

II Basic condition of the guaranteed party

China Merchants Construction was established on September 27, 2007.

Registered address: 4A Building 3 (office site), Huajian Industrial Building (also called “Nanhai Yiku”), No.6 Xinghua Road, Shekou, Nanshan District, Shenzhen. Legal representative: Wang Xiaobo. Registered capital: RMB 150 million Yuan. The wholly owned subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. holds 100% equity of it. Scope of Business: construction of construction engineering, decoration engineering design and construction (can only operate after getting the qualification certificate of the construction competent department), maintenance of air conditioning engineering (operate with the special equipment repair certificate), sales of building materials, plantation and sales of flowers and nursery stocks (operated by the subsidiary company).

Main financial indexes of China Merchants Construction: Up till December 31, 2013, the total amount of assets is RMB 799.8 million Yuan, the total amount of liabilities is RMB 644.46 million Yuan, and the net assets is RMB 155.34 million Yuan. In 2013, the operating income of the company is RMB 590.83 million Yuan, and the net profit is RMB 4.57 million Yuan. The company did not have the matters of guarantee, mortgage and lawsuit.

III Main content of the guarantee agreement

The Company provides joint liability guarantee for the loan of China Merchants Construction from Guangdong Yuecai Trust, the guarantee amount does not exceed RMB 0.6 billion Yuan, and the guarantee term is two years after the day when the implementation period of all the guaranteed liabilities is due from the day when the guarantee contract comes into force.

IV Opinion of the Board of Directors

China Merchants Construction supplemented the working capital through loan due to operation need, which is good for strengthening capital management and promoting the operation development of the company.

V. Accumulative external guarantee quantity of the Company

Up till the day of this Announcement, the total amount of the external guarantee of the Company and the holding subsidiary companies (not including the

sales mortgage guarantee provided to the clients by the subsidiary companies) is RMB 5,550.27 million Yuan, accounting for 20.76% of the net assets belonging to the shareholders of the parent company after audit of the latest period of the Company. There are no overdue guarantee amount, guarantee amount involving lawsuit and the loss amount that shall be born due to the guarantee losing the lawsuit.

VI. Others

Because the asset-liability ratio of China Merchants Construction up till December 31, 2013 is 80.57%, according to the provisions of the laws and regulations such as the *Notice on Preventing the External Guarantee Behaviors of the Listed Companies* jointly released by China Securities Regulatory Commission and China Banking Regulatory Commission in 2005 and *Stock Listing Rules* of Shenzhen Stock Exchange etc., the Company providing guarantee for China Merchants Construction shall be reported to the Shareholders' Meeting for approval after being examined by the Board of Directors. The holding time of the Shareholders' Meeting will be notified separately.

We hereby publish the announcement.

China Merchants Property Development Co., Ltd.

Board of Directors

July 1, 2014